

Date of issue: Tuesday, 10 January 2023

MEETING:	EXTRAORDINARY AUDIT AND CORPORATE GOVERNANCE COMMITTEE (Councillors Kelly (Chair), Brooker (Vice Chair), Ali, Carter, J. Davis, Grewal and Gill)
	CO-OPTED INDEPENDENT MEMBERS: Naira Bukhari and Stefana Moldovan
DATE AND TIME:	WEDNESDAY, 18TH JANUARY, 2023 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.



STEPHEN BROWN
Chief Executive

AGENDA

PART I

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.		
1.	Declarations of Interest	-	-

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.

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
2.	Internal Audit Action Tracking Report Quarter 3 2022/23	1 - 18	All
3.	Internal Audit Quarterly Progress Report	19 - 60	All
4.	Internal Audit Annual Report 2021/22	61 - 88	All
5.	Date of Next Meeting - 14th March 2023	-	-

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.

Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	18 th January 2023
Subject:	Internal Audit Action Tracking Report Quarter 3 - 2022/23
Chief Officer:	Steven Mair – Director of Finance and Commercial (S151)
Contact Officer:	Mike Thomas Interim Financial Adviser
Ward(s):	All
Exempt:	No
Appendices:	Appendix 'A' – Outstanding High Priority Recommendations

1. Summary and Recommendations

1.1 This report sets out progress on:

- recruitment to a new in-house Internal Audit Team and arrangements for 2023/24.
- completion of Internal Audit actions for years prior to 2021/22
- responses to outstanding IA reports for 2021/22
- progress on the implementation of internal audit actions for 2021/22, and 2022/23, and
- actions needed by Corporate Leadership Team and Department Leadership Teams to respond to IA reports and outstanding actions.

Recommendations:

1.2 The Audit and Corporate Governance Committee is recommended to:

- (a) Note the progress on recruiting to an in-house team in line with the recommendations made by CIPFA and in the Jim Taylor report
- (b) Note the reduction in outstanding actions pre 2021/22 from 41 to 8
- (c) Note the completion of all outstanding reports for 2021/22 thus facilitating the issuing of the Annual Head of Internal Audit Opinion for 2021/22
- (d) Note the progress and ongoing improvements to the completion of outstanding actions and detailed responses to high rated actions in Appendix A.
- (e) Note the work on-going to finalise all 9 outstanding 2022/23 internal audit reports and the work planned for the remainder of 2022/23 audit plan
- (f) Note that a detailed review of all outstanding recommendations is being undertaken to further cleanse the data, the output from which has been shared with Departmental Leadership teams for actioning overdue and other outstanding actions during December and January.

Reason:

- 1.3 The recruitment of an in-house internal audit team was one of the recommendations of the reports by CIPFA and Jim Taylor in 2021.
- 1.4 The Council's response to agreed internal audit actions should lead to the strengthening of internal controls and the control environment.

Commissioner Review

- 1.5 An effective internal audit function is essential for the authority – it provides a barometer of the internal control environment within which services are provided, and can provide an early warning system for the authority to potential issues. But for this to be effective, it is essential that the authority notes the information provided by internal audit and takes action. Looking at audits that have been completed over the last 4 years, it is clear that the internal control system was poor and has remained that way for some time (reference March 2022 report to Audit and Corporate Governance Committee). Not only were controls weak, but the culture in the organisation has meant that insufficient attention was given to the implementation of the recommendations.

It is therefore pleasing to see the progress with establishing the new in-house function and the implementation of the outstanding recommendations relating to the pre 2021 reports. However, it is disappointing to note the slowness of the implementation of the 2021/22 recommendations with 117 overdue still not implemented and also delays to completion of 2022/23 reports. This points to a continuation of a culture that does not recognise the importance of this work and takes accountability for improving the control environment. Looking forward, it is essential that this is changed.

2. Report

2.1 Internal Audit Team Developments

- 2.1.1 One of the recommendations of the CIPFA and DLUHC reports was to undertake an option appraisal of the Internal Audit function with a view to bringing it back in-house. The function has been outsourced to RSM since 2016. The option appraisal recommended that the service should be brought back in house as part of a broader team covering financial governance, counter fraud, risk and insurance.
- 2.1.2 The options appraisal was completed and agreed by Cabinet and the Audit and Corporate Governance Committee in March 2022. The recruitment of a new team has been part of the wider Finance and Commercial Services restructure. Recruitment is currently underway with a number of applications received for all posts. Two candidates were interviewed on 14 December for the Head of Financial Governance, Internal Audit, Counter Fraud and Risk and Insurance post and an offer has been made. Interviews for the Audit Manager and Senior Auditor posts took place on the 15 and 21 December 2022 and offers have been made for both posts. Subject to notice periods this should allow new senior internal audit staff to work alongside RSM in the development of the 2023/24 audit plan. Further

recruitment is required to the internal auditor posts and further advertising and option appraisal will take place early in January 2023.

- 2.1.3 It should be noted that despite the outcome of the options appraisal an extension to the current supplier, RSM's contract was approved in March 2022 for them to continue up until the end of 2023/24. RSM will be involved in agreeing the IA plan for 2023/24 and are to engage with Department Leadership Teams in the near future to enable a plan to be taken to the March 2023 Audit and Corporate Governance Committee meeting.

3.1 Response to Internal Audit Recommendations

- 3.1.1 Good progress continues to be made with regard to completion of internal recommendations. There have been a number of changes since the last report to Finance Board:

- **Pre 2021/22 audit actions** – 8 actions from a total of 257 remain to be completed, 4 of these are medium rated and 4 are low rated. This has reduced from the 41 outstanding actions previously reported.
- The 4 internal **audit reports outstanding from 2021/22** have now been finalised allowing completion of the Head of Internal Audit Annual Opinion for 2021/22. This is expected to be reported to the January Audit and Corporate Governance Committee meeting.
- **2021/22 actions** – are currently being updated ahead of the Audit and Corporate Governance Cttee meeting in January – the actions completed as at end of December number 128 or 52 per cent of the total due with a further 66 or 21 per cent not yet due. A concerted effort is needed by CLT to close the remaining 117 actions that are overdue. An analysis by Department and by priority has been shared with DLT's for actioning.
- The number of outstanding **2022/23 actions** has not changed as no further reports have been finalised this month. There are however 9 reports in draft which need an urgent response and are being responded to urgently.

- 3.1.2 The Council's response to agreed internal audit actions should contribute to the achievement of the organisation's objectives and assist the Council in managing its risks. Officers have strengthened the arrangements for monitoring and verifying completion of audit actions. The current position is as follows:

3.2 Pre: 2021/22 Internal Audit Recommendations

- 3.2.1 Prior to May 2021 the internal audit recommendations were very poorly addressed. The status of audit recommendations for the years prior to 2021/22 is now as follows:

Totals	Total	High	Medium	Low
Not Due	0	0	0	0
Overdue	8	0	4	4
Complete*	249	28	108	113
Total	257	28	112	117

*includes actions that are no longer relevant or closed as duplicates

- Progress has been made in closing down management actions from previous financial years, 249 actions or 97 per cent are completed.
- No high rated actions are outstanding.
- The four medium actions that remain open relate to the reporting of Conflicts of Interest; the drafting of a Scheme of Delegation for James Elliman Homes; password functionality in Agresso and the planning consultation methodology. The first action will be completed shortly as a revised policy and procedure is being agreed during December 2022. The second action will be picked up early in 2023 as part of a review of the Service level Agreement with JEH. The third action will be resolved when a new host platform for Agresso is sourced early in 2023 and the final recommendation is still subject to review.
- Four low rated actions remain outstanding one relating to planning matters; one to temporary accommodation, one on creditors and one relating to the migration of the Agresso system to a new host platform.

3.3 2021/22 Outstanding Internal Audit Reports and Actions

3.3.1 A total of 37 Internal audit reports were issued in 2021/22 (29 assurance and 8 advisory). All internal audit reports have now been finalised (including follow up audits). It is expected that the Head of Internal Audit opinion for 2021/22 will be presented to the Extraordinary Audit and Corporate Governance Committee meeting in January 2023.

3.3.2 **The status of audits actions for the financial year 2021/22 is as follows:**

Totals	Total	High	Medium	Low
Not Due	66	6	40	20
Overdue	117	16	68	33
Complete	128*	31	50	47*
Total	311	53	158	100

*includes actions that are no longer relevant or closed as duplicates which reduced the total by 2 from last month.

- 311 new recommendations were made in 2021/22 reports, 53 are High, 158 are medium and 100 are low rated.
- 128 actions or 52 per cent of actions due are complete with a further 66 or 21 per cent of actions not yet due for completion.
- However, 117 actions are now overdue the agreed date of implementation. 16 of these are rated high and are shown in Appendix A, 68 are medium and 33 low rated.

- The overdue actions have been shared with each department so Department Leadership Teams can consider the current position and respond. Work will continue with DLT's to reduce these numbers by the financial year end.

3.4 2022/23 Outstanding Audit Actions and Reports

3.4.1 The internal audit plan 22/23 was presented to the July Audit and Corporate Governance committee. It is agile to reflect changes in circumstances, including plans develop an in-house internal audit function. There are three audits currently underway (creditors, treasury management and IT business continuity).

3.4.2 Nine reports have been issued in draft and are awaiting response:

- Subsidiary Companies - response being drafted
- Medium Term Financial Planning - meeting with IA booked for 11 January
- Budget Setting and Control - meeting with IA booked for 11 January
- Workforce Planning - response being drafted
- Follow Up Part 1 - response being drafted
- General Ledger - response being drafted
- Council Tax - response being drafted
- Adult Social Care Transformation - response being drafted by Department
- Housing Benefits - response being drafted
- Payroll (incl associated financial controls) - response being drafted

3.4.3 Three reports have been finalised:

- Children Missing Education
- Leavers Processes
- Risk Management Advisory

There are 13 further planned internal audit reviews scheduled to be started before 31 March 2023. In addition, one further internal audit review has been requested by the Commissioners – this relates to Delegated Authorities. The schedule is shown below:

Review	Start Date
Payroll Review	1 March 2023* Scope TBC
Whistleblowing	5 December 2022
Rent Arrears Recovery	12 December 2022
Corporate Health and Safety	4 January 2023
Business Rates	16 January 2023
Rent Accounts	16 January 2022
Temporary Accommodation Strategy	16 January 2022
Debtors Management	20 January 2023

Capital	30 January 2023
Assets	3 February 2023
Cyber Essentials	13 March 2023
Follow Up Q4	22 March 2023
Strategic Housing Management	27 March 2023
Delegated Authorities Review requested by Commissioners	January 2023

3.4.4 The status of audit recommendations for the financial year 2022/23 is as follows:

Totals	Total	High	Medium	Low
Not Due	19	4	9	6
Overdue	3	1	2	0
Complete	0	0	0	0
Total	22	5	11	6

- 22 new recommendations have been made in 2022/23 reports, 5 are High, 11 are Medium, 6 are low rated.

3.4.5 The overall position across all years as at the 23rd December 2022 is as follows:

Totals	Total	High	Medium	Low
Not Due	85	10	49	26
Overdue	128	17	74	37
Complete*	377	59	158	160
Total	590	86	281	223

*includes actions that are no longer relevant or closed as duplicates

- There are now 377 actions or 75 per cent (including actions deemed to be no longer relevant or duplicated) completed from a total of 505 recommendations due for completion.
- 78 per cent of high-risk actions due have been completed and 68 per cent of medium risk actions due have been completed. In addition, 81 per cent of low-risk actions due have also been completed.

3.5 Completion of Internal Audit Actions

3.5.1 All internal audit actions have been allocated to and reviewed by actions owners and executive directors, including actions that are deemed not relevant due to changes in circumstances. Actions from previous year's audits are also reviewed to ensure they are relevant to the service area to which they have been assigned.

3.5.2 The action tracker has been reviewed and updated to reflect the senior management restructure and the change in directorates.

3.5.3 Progress is being made on closing actions on the tracker. Evidence of actions completed is obtained and quality assured by the Head of Commercial and the Interim Financial Adviser, and, retained for use in follow up audits.

3.5.4 High rated actions are being given priority and are reviewed monthly by the council's finance board, CLT and Risk and Audit Board.

3.6 Governance and monitoring of management actions

3.6.1 Outstanding internal audit actions are being actively monitored on a regular basis including reporting into Corporate Leadership Team, Finance Board and the Audit and Corporate Governance committee.

4 Implications of the Recommendation

4.1.1 Financial Implications

4.1.2 There are no direct financial implications relating to the updates to the internal audit recommendations but completion of the actions will improve the council's processes including those that underpin sound financial management, governance, risk management and internal control.

4.2.1 Legal Implications

4.2.2 Failure to address those risks associated with the Directions from the Department for Levelling Up, Housing and Communities will impact the ability to secure the Authority's compliance with the requirements of Part I of Local Government Act 1999. The Council has specific legal duties in relation to certain areas, such as managing health and safety risks and civil contingency. Effective internal audit is a key part of providing assurance on the adequacy of governance, risk management and internal control.

4.3 Risk Management Implications

4.3.1 Having in place an adequate internal audit function is a statutory responsibility of the s151 officer. Failure to operate an adequate internal audit function heightens the risk of poor governance, internal control and risk management.

4.4 Environmental Implications

4.4.1 There are no direct environmental implications in this report

4.5 Equality Implications

4.5.1 Section 149 of the Equality Act 2010 requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and

- foster good relations between people who share a protected character.

5. Background Papers

None

High Rated Internal Audit Actions
Finance and Commercial (items in red denote change from last meeting)

APPENDIX A

Report	Way Forward	Rating	Who	When	Status	Latest Status update
13.21/22 Council Tax	The Council will restrict the ability of staff to place markers on accounts. This may include limiting such action only to relevant managers or requiring all markers to be approved by a relevant manager before being placed. As part of this, guidance and instructions will be prepared and shared with all staff with access to place markers on council tax accounts. This may form part of an existing or new procedure note and will include why, how and when markers should be used.	High	Andy Jeffs	21/12/2021 Revised target date: 31st March 2023	Overdue	<p>Actions have been undertaken to review and address the volume of status codes being placed on accounts and to remove those that are not required to allow collection of outstanding debts.</p> <ol style="list-style-type: none"> 1. Identify all codes and review cases – 48 Stop recovery codes applied to 2,462 cases. 2. Identify codes than can be closed or amalgamated to meet current working practices 3. Issue guidelines for the use and review. <p>Given the significant volume of both codes and cases this is a significantly larger task than first identified and progress has been slower than originally forecast. At the same time the service has had to reallocate resource that might have been used to address these codes to the management and delivery of the energy rebates.</p> <p>The assessment of use will form the basis for new procedures to be drafted on the correct use of circumstance codes and management to be issued with review timetable for codes kept in use.</p> <p>The remaining 2082 markers on closed accounts affecting recovery of outstanding amounts are being worked through and completed by 31.03.2023.</p>
13.21/22 Council Tax	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off.	High	Andy Jeffs	31/03/2022 Revised target date: 30th June 2023	Overdue	<p>The service has undertaken work to identify debts totalling £2,211,744.28 from 1997 to 2007 where the account is closed, there has been no transactions including payments in the last 180 days and the case is not with a third-party collector or on an arrangement. The propensity for payment on these cases is low due to the age of the debt and the fact that these are closed accounts.</p>

Report	Way Forward	Rating	Who	When	Status	Latest Status update
						<p>We will be seeking approval for bulk write off of these debts from 1997 to 2004 totalling £943,135.85. We are expecting to obtain approval and write these cases off by 31.12.2022.</p> <p>For the following 3 years 2005 to 2007 debts totalling £1,268,608.43 we would complete an exercise to trace. Those we are unable to trace will be written off and the remaining cases out to enforcement agents for collection after further attempts to make contact. We expect to complete this by June 2023.</p>
17.21/22 Rent Accounts	The Council will assign responsibility within Finance for uploading the rental, council tax, business rates and benefits postings to Agresso. This will then be uploaded to the reconciliations documents on a daily basis for June to September 2021 and then each month thereafter, allowing the reconciliations to be completed.	High	Ade Adewumi	31/03/2022 Revised target date: 31st December 2022	Complete	This has been closed as all postings are up to date & monthly reconciliations are in place.
18.21/22 Debtors Management	An appropriate member of the Finance Team will be assigned to complete monthly accounts receivable reconciliations, as well as a second staff member to check and sign these off. The preparation of the accounts receivable reconciliations will resume, including retrospectively completing all for 2021/22.	High	Ade Adewumi	31/03/2022 Revised target date: 31st March 2023	Complete	The Monthly AP & AR Control Accounts are being prepared by the Principal Systems Office and signed off by a Finance Technical Adviser. Closed off
16.21/22 General Ledger	The Finance Team will assign an appropriate individual to complete the monthly reconciliations of control accounts, as well as a second individual to check these. The preparation of the reconciliations will resume, including retrospectively completing all for 2021/22.	High	Ade Adewumi	30/04/2022 Revised target date: 31st March 2023	Complete	The Monthly AP & AR Control Accounts are being prepared by the Principal Systems Office and signed off by a Finance Technical Adviser.
16.21/22 General Ledger	The Finance Team will assign an appropriate individual to review and manage all suspense accounts, including	High	Ade Adewumi	30/04/2022	Overdue	There are 3 Suspense Accounts that require the intervention of a Civica Specialist to provide a link between the debits and credits that are all processed via

Report	Way Forward	Rating	Who	When	Status	Latest Status update
	identifying those entries that can be cleared and action this. The clearing of suspense accounts will resume.			Revised target date: 31st January 2023		the IKON platform. Suspense Accounts will be transferred to Service Accountants & the process will be complete by December 2022. All other suspense accounts will be cleared in closing the 22/23 accounts, fully reconciled by 31st August 2023
16.21/22 General Ledger	An exercise will be completed to identify all tasks to be completed as part of the month end process. A full month end timetable will be prepared and tasks will be assigned to appropriate staff members. The completion of tasks will be confirmed each month to a relevant manager responsible for overseeing the closedown process.	High	Ade Adewumi	30/04/2022 Revised target date: 31st March 2023	Overdue	This will be reviewed as part of the revision of the Finance Function which is planned to commence in June 2022 to be completed by the end of the financial year - 31st March 2023.
16.21/22 General Ledger 18/03/23	The Council will complete an exercise to identify those roles/positions requiring access to Agresso finance functions and the access/functions required. Based on this the Council will implement a training programme covering finance functions on Agresso. Training will be a requirement before system access is granted and will focus on the processes required as part of job roles.	High	Ade Adewumi	30/04/2022 Revised target date: 31st March 2023	Overdue	This process is underway and the current ERP Support consultants are building a training plan in conjunction with HR based on all relevant functions which will be followed by a rollout plan which will be incorporated in the agresso finance review which will be completed by the end of the financial year 31st March 2023. The new hosting vendor is in place and a review of setting up users and changes in access management, role management and Single Sign on will be addressed in January 2023 with a view to rolling out robust systems administration protocols by March 2023. The administration protocols will form the basis for updating & implementing relevant training for each user roles
18.21/22 Debtors Management	The ability to park invoices will be restricted to the AR Team and the Finance Manager. Following this new control, the Finance Manager will review parked invoices on a quarterly basis and report	High	Ade Adewumi	30/04/2022 Revised target date: 31st	Overdue	This has been discussed and will be implemented as part of the overall review of the Finance Module of Agresso that will now start in June 2022 which will be incorporated in the Agresso finance review which will be completed by the end of the financial year 31st March 2023

Report	Way Forward	Rating	Who	When	Status	Latest Status update
	outcomes to an appropriate finance manager.			March 2023		
18.21/22 Debtors Management	The Council will implement a training programme covering accounts receivable functions on Agresso. Training will be a requirement before system access is granted.	High	Ade Adewumi	30/06/2022 Revised target date: 31st March 2023	Overdue	This has been discussed and will be implemented as part of the overall review of the Finance Module of Agresso in January 2023 with a view to finalisation by the end of the financial year 31st March 2023
23.21/22 Capital Expenditure	The Council will agree the arrangements for approving business cases and adding projects to the capital programme. This will include defined approval thresholds (based on project cost), escalation procedures (to ensure oversight of approvals/additions) and clarity regarding the evidence to be provided before projects are formally added onto the programme.	High	Ade Solanke	30/09/2022 Revised target date: 31st January 2023	Overdue	Reconciliations are being completed monthly and the process is being documented.
23.21/22 Capital Expenditure	Monitoring and reporting arrangements for all capital projects included on the capital programme will be agreed and adhered to. These arrangements will cover 'on' and 'off portfolio' projects and will include ensuring progress updates are received.	High	Ade Solanke	30/09/2022 Revised target date: 31st January 2022	Overdue	A draft capital programme process has been prepared and submitted to Steve Muldoon for approval. Once approved, it will be shared with stakeholders. This should be completed by 31st January 2023 .

Chief Operating Officer

Year	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
21/22	24.21/22 GDPR Governance	The Data Flow Capture Spreadsheet will be updated to include the following areas: • name and contact details of joint controller (if applicable); • categories of individuals; • names of third countries or international organisations that personal data are transferred to (if applicable); • safeguards for exceptional transfers of personal data to third countries or international organisations (if applicable); • Data Protection Act 2018 Schedule 1 Condition for processing; • GDPR Article 6 lawful basis for processing; • link to retention and erasure policy document; and • whether personal data retained and erased in accordance with the retention policy document - reasons for not adhering to retention policy document (if applicable).	High	Alex Cowen	ICT and Digital	30/09/2022 Revised target date 31st March 2023	Overdue	<p>This is still progressing and being updated through engagement with the wider organisation, there are still some areas that have not engaged and these will be escalated to SLT in the next couple of weeks.</p> <p>We are continuing to progress with the data flow activity and have identified that this aligns with the councils Storage Area Network replacement programme. Following the recent departure of the Information Governance project officer role, we are in progress of replacing this resource to keep this on track.</p>
21/22	29.21/22 Cyber Essentials	The Council will ensure that its IT estate is brought up to date in terms of patching as soon as possible	High	Alex Cowen / Steven Wall	ICT and Digital	31/10/2022 Revised Review Date: 31 March 2023	Overdue	<p>This is a rolling programme of updates as patches are issued on a regular basis. Patching is continuing to be updated, latest patches are currently underway although there is a resource requirement to complete following a vacancy (this role is currently out for advert). There will be a residual risk relating to historical IT infrastructure which will be managed as this is discontinued in the coming years.</p> <p>A new infrastructure resource has since been onboarded and we are continuing with the</p>

Year	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
								patching. Risk is continuing to reduce with the modernisation programme moving core infrastructure / systems to hosted models. We have recently completed the Agresso move to QTC (Quick Think Cloud) and the Capita Revs & Bens system is scheduled to transfer the first week of January.

Housing and Property

Year	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
21/22	21.21/22 Temporary Accommodation	In line with current plans, the Council will ensure that an up-to date Housing Strategy and Homelessness Strategy is created. Additionally, progress against the action plan will be periodically monitored by an appropriate forum.	High	Trevor Costello	Housing	30/09/2022 Revised Target Date: 31 December 2022	Overdue	Required as part of the Local Plan. Currently being drafted. Key reference point for the authority. New Housing Act being developed which will make Private Rented Properties licensable. The strategy will be written by the end of December, with the assistance of Campbell Tickell who were appointed in October 2022 following a best value procurement process.
21/22	21.21/22 Temporary Accommodation	The Annual Compliance Statement issued to Private Providers will be reviewed to assess whether the terms and conditions satisfies the Council's legislative duties as a housing provider. Following this, the Council will introduce a monitoring mechanism to ensure: • Providers are only engaged with should they have a signed Compliance Statement in place;	High	Ian Blake	Housing	30/09/2022 Revised Target Date: 31st December 2022	Overdue	TA Compliance Assurance of private suppliers proforma has been designed and is ready for issue - capacity within the team needs to increase for this exercise to be carried out - Targeting 31st December 2022

Year	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
		<ul style="list-style-type: none"> • These Compliance Statements are reviewed and signed annually. 						
21/22	21.21/22 Temporary Accommodation	The Council will develop a strategy to identify households which are no longer owed a duty to be accommodated under the Housing Act 1996.	High	Ian Blake	Housing	31 March 2023	Not due	TA team being rebuilt with new processes being designed. Experienced staff to be recruited.
21/22	9.21/22 Follow Up of Previous Management Actions - Quarter 2	The ASB Enforcement & Transition Lead will produce monthly reports to monitor the timeliness of responses to cases on the Flare system, with the required response time noted depending on case categorisation. Any noncompliance with the required timeframes will be investigated and reasons documented.	High	Michelle Isabelle	Housing	30/09/2021 Revised target date 31st March 2023	Overdue	<p>Our version of Flare Software is very out of date and requires manual intervention / spreadsheet work in order to produce reports. This is cumbersome and hard to sustain given the small size of the team and conflicting demands.</p> <p>New versions of Flare provide integrated report writing and we are working with IT to produce a business case to move this forward. We are working to 31 March 2023 as a target date but there is a strong dependency on IT capacity.</p>
21/22	9.21/22 Follow Up of Previous Management Actions - Quarter 2	A clear control framework will be put in place to ensure that, in line with government guidance, income received from the	High	Linda Corcoran	Housing	30/09/2021 Revised Target Date: 31 March 2023	Overdue	<p>The Directorate management team are working with Finance colleagues to ensure that all income and expenditure is correctly coded, including all FPN income, both in the future and retrospectively.</p> <p>We anticipate having a much more accurate picture in P9 reporting for both the new Place & Communities</p>

Year	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
		serving of fixed penalty notices is spent on related functions.						directorate (of which ASB is part) and the Housing & Property directorate
21/22	9.21/22 Follow Up of Previous Management Actions - Quarter 2	The council will develop a formal process to systematically track income due through to collection, receipting and banking. This will include guidance for undertaking regular, formal reconciliations between income received and records maintained.	High	Linda Corcoran	Housing	30/09/2021 Revised Target Date: 31 March 2023	Overdue	This links to and is in part dependent upon the two actions above and is scheduled to be completed by 31st March 2023.

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SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

For the Audit and Corporate Governance
Committee meeting on 18 January 2023

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

1 KEY MESSAGES

This section provides an update on the key messages relating to the progress of the 2021/22 and internal audit 2022/23 plans, which were both approved by the Audit and Corporate Governance Committee (ACGC).

2021/22 Internal Audit Plan

We have issued a further **five final reports** since the September 2022 Audit and Corporate Governance Committee meeting. The ACGC has already been sighted on the opinions from these reviews in our annual report. Of these five:



- one has resulted in a 'Minimal' (negative) assurance opinion,
- three have resulted in a 'Partial' (negative) assurance opinion, and
- one was a follow up resulting in a 'Little' (negative) assurance opinion.

A number of these final reports have impacted and contributed to our negative 2021/22 year end opinion that was presented at the July meeting. Further details on these reports are documented below at Appendix A. [\[To note\]](#)

One report from 2021/22 remains in draft and we are waiting for further management responses before this is finalised.

2022/23 Internal Audit Plan

We have issued **four final reports** since the September 2022 Audit and Corporate Governance Committee meeting. Of these:



- one has resulted in a 'Minimal' (negative) assurance opinion,
- two have resulted in a 'Partial' (negative) assurance opinion,
- and one was an 'Advisory' review.

There are currently a further **11 reviews issued in draft** (a number of which are negative opinions at a draft stage). We are waiting for management responses to these before they can be finalised and presented to the Committee. Four further reviews are currently in progress. [\[To note\]](#)

2021/22 Head of Internal Audit Opinion



We advised the Committee at the March 2022 meeting that we would be issuing a negative Head of Internal Audit opinion for 2021/22, and the Internal Audit Annual Report including the Head of Internal Audit Opinion was presented to the July 2022 meeting in draft. A final version is included for completeness at the January 2023 meeting. [\[To note\]](#)



2022/23 Head of Internal Audit Opinion

We have issued four final reports to date in 2022/23, all of which will impact our year end opinion. We have also issued a number of additional reports in draft with negative opinions where we have found weaknesses to still be present and these will also impact our 2022/23 opinion. We have provided further updates to the S151 Officer and the lead Finance Commissioner at a recent meeting and advised that at this stage we anticipate issuing another qualified (negative) head of internal audit year end opinion for 2022/23. We will continue to provide further updates to the S151 Officer at our monthly meetings. [\[To note\]](#)

The Committee will need to continue carefully monitor the progress made by Officers to implement the management actions agreed from all previous and current years Internal Audit reviews. [\[To note\]](#)



2 INTRODUCTION

This report provides a summary update on progress against the progress against the 2021/22 and 2022/23 plans. The report is based on the position as at the 14th December 2022.

2021/22 Internal Audit Plan

The Internal Audit Plan for 2021/22 was approved by the Audit and Corporate Governance Committee on 29th July 2021. Since the last update provided in September 2022, the following five reports have been finalised:

- Assets – Partial Assurance
- Follow Up of Previous Management Actions Quarter 3 – Little Progress
- Health and Safety – Partial Assurance
- Matrix – Management of Agency Staff – Minimal Assurance
- Capital Projects – Britwell Expansion – Partial Assurance

Page 22

In addition, we have issued the following report in draft (and a further revised draft) from the Internal Audit Plan for 2021/22. It should be noted that this review is still in draft and is with management for comment:

- Schools Audit – Priory School – Issued 24 March 2022 (revised draft 25 July 2022)

2022/23 Internal Audit Plan

The Internal Audit Plan for 2022/23 was presented to the Audit and Corporate Governance Committee initially on the 1st March 2022, and a revised plan was subsequently approved on the 28th July 2022. Since the last update provided in September 2022, the following four reports have been finalised:

- Children Missing Education - Partial
- Risk Management – Follow Up – Advisory
- Leavers Processes – Minimal
- Council Tax - Partial

A number of reports have now been outstanding for a number of months and we are awaiting responses from Officers (the majority of which have resulted in negative opinions, at the draft report stage). The following 11 reports are with management for comment:

- Governance – Council Subsidiary Companies – Issued 20 July 2022
- Medium Term Financial Strategy – Issued 23 August 2022
- Budget Setting and Budgetary Control – Issued 26 August 2022
- Workforce Recruitment and Retention – Issued 1 September 2022
- Follow Up – Part 1 – Issued 21 October 2022
- General Ledger – Issued 24 October 2022
- Adult Social Care Transformation – Issued 18 November 2022
- Housing Benefits – Issued 28 November 2022

- 
- Payroll (including associated Financial Controls) – Issued 30 November 2022
 - Follow Up – IT Business Continuity and Disaster Recovery – Issued 7 December 2022
 - Treasury Management – Issued 16 December 2022

A further four reviews have fieldwork in progress.

3 OTHER MATTERS

3.1 Changes to the plan

The following changes were agreed since the last meeting:

Note	Auditable area	Reason for change
1	Delegated Authorities	Extra piece of work requested by the commissioners in November 2022. Work commenced December 2022 and is ongoing.
2	Payroll and HR Interface	We have been advised that the Payroll and HR Interface audit is no longer a priority. We have agreed with the Director of Finance to replace this audit with a review of Payments to Temporary and Agency Staff given some of the issues identified with both the Matrix audit (minimal assurance) and Payroll (partial assurance) opinions.

Page 24

3.2 Impact of findings to date on the 2022/23-year end opinion

The Committee should note that the assurances given in our audit assignments are included within our Annual Assurance Report. In particular, the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion (this includes follow up reviews, assurance opinions and advisory reviews with any significant weaknesses).

To date we have issued a total of four final reports, three with negative opinions and a further follow up review of risk management where two high priority actions were re-iterated from our 21/22 partial assurance review. All four reviews will therefore impact our opinion. We have also issued a number of negative opinions in the draft reports issued year to date that have not yet been finalised. We will provide further updates to the S151 officer at our monthly meetings and provide a further update to the Committee in March 2023 as more reports are issued and finalised.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit 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 being used to inform the training needs of our audit teams. The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.



External reviews of quality

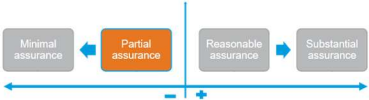

One of the key measures of quality is an independent third-party assessment and, as a firm we are required to conform to the requirements of the International Professional Practices Framework (IPPF) published by the Global IIA. Under the Standards, internal audit services are required to have an external quality assessment (EQA) every five years. The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements.

The external review concluded that RSM 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

APPENDIX A - KEY FINDINGS FROM FINALISED 2021/22 AND 2022/23 INTERNAL AUDIT REPORTS

Detailed below are the High and Medium Priority Management Actions from negative opinion reports i.e. **Partial or Minimal 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>Asset Register (22.21/22)</p>		<p>1 High 5 Medium 3 Low</p>
<p>Conclusion</p> <p>Our audit found some key controls were in place within the Asset Management and Finance Teams to contribute towards the accurate recording of asset acquisitions and disposals on the Council's key Asset Management systems. We also confirmed the Council's Housing Stock and Investment Properties had been subject to a revaluation exercise in April 2021 in preparation for the development of the 2020/21 register.</p> <p>We did, however, identify several control gaps which has impacted the maintenance of the Asset Management records. Most significantly, we found that the valuation methodology noted within the asset register system was not consistently accurate, and valuation methods utilised which are not in line with the CIPFA Code of Practice. We also identified that the Council has not completed the reconciliation exercise to ensure that the asset register is consistent with the legal, asset management and housing databases. Although we identified the exercise was ongoing, the completion of this exercise is essential to ensure the accuracy of the Council's asset register. We also noted issues in relation to the presence of procedural guidance which governs how the asset register and asset management systems are maintained, including the steps to be taken as part of the annual valuation and inspection exercises.</p> <p>Our review identified a lack of progress made in relation to previously agreed management actions, with none out of the four agreed in 2020/21 implemented.</p>		
<p>Financial Procedure Rules</p> <p> We obtained the latest version of the Council's Constitution from the Council's website and identified that roles reflective of the Council's previous organisation structure (such as the Service Lead – Regeneration) was noted to be responsible for maintaining an up-to-date asset register.</p> <p>If the FPRs do not reflect the Council's organisational structure, there is a risk that there is a lack of clarity with regards to who has ultimate ownership and accountability over the maintenance of the Council's asset register. (Medium)</p>		

Reconciliation between Finance, Asset Management and Legal Records



We were advised that by the Financial Management Advisor that the Finance Team is currently in the process of completing a reconciliation to ensure the asset register is consistent with asset management and legal records. We identified that the Finance Team are taking a systematic approach to reconcile the data on a year-by-year (2018/19, 2019/20, 2020/21, 2021/22) basis to ensure that each system has complete and accurate data. The Financial Management Advisor informed us that the reconciliation exercises are a 'work in progress', with the aim to complete these by the end of the 2021/22 financial year.

However, until reconciliations between asset data and systems are fully undertaken (and carried out on a regular basis) to ensure data accuracy, there is an increased risk that errors in data quality will not be identified, leading to inaccuracies in financial reporting. Issues in relation to the non-completion of reconciliations between Finance, Housing and Asset Management Systems had been identified as part of the 2019/20 and 2020/21 Asset Register Internal Audit reviews, with a 'high' priority action agreed. Due to the reconciliations completed as at the date of our review, we have reduced the priority of the action to a 'medium' but we recognise amendments still need to be made to the Asset Register. **(Medium)**

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, 2019/20 and 2020/21 audits of the Asset Register for the inclusion of other teams' responsibilities, such as Finance and Legal remained incomplete.

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.

The need for a comprehensive procedural document is further exacerbated where there have been significant staffing changes (particularly within the Finance Team). **(Medium)**

Valuations and Inspections



Following analysis of the valuation methodology used across each of the Council's asset classes, we identified a series of cases where the incorrect methodology had been utilised (as per the CIPFA Code of Practice on Local Authority). For example, £675k (6.5 per cent in terms of 2021 carried forward value relative to the whole asset class) of 'Community Assets' were valued at fair value, whereas the Code of Practice suggests that the Depreciated Historical Cost method should be used. We also found instances where the date of last valuation had been updated to reflect the valuation exercise performed for the 2020/21-year end. Where assets are valued using the incorrect valuation method, there is a risk of financial misstatement. **(High)**

As per the CIPFA Code of Practice, assets which require a valuation are to be inspected at intervals of no more than five years as outlined within section '4.1.2 Accounting requirements' of the CIPFA code. In light of this, we queried with the Finance Team how they are assured that all assets which require a valuation are subject to inspection every five years and found that the date of last inspection is not captured by any Council database. It was however noted that this information could be extracted through review of previous valuation reports.

Failure to comprehensively document inspection dates means that the Finance Team cannot be assured that inspections are being carried out in accordance with the CIPFA Code of Practice. **(Medium)**

In addition to the points raised above, we noted that the Council has not documented the processes to be adopted concerning the asset verification/valuation process. This was an issue which was agreed as part of the 2020/21 audit, with no progress identified as part of this review. Absence of a clearly documented and robust process for conducting asset verification and asset valuation increases the risk that such verification exercises are not consistently carried out.

Furthermore, as part of our 2019/20 and 2020/21 Asset Register reviews, we identified a number of assets on the asset register with a £nil balance. An action had been agreed in the previous audits for asset balances with a £nil value to be removed from the register. We reviewed an output of the 2020/21 Asset Register (as at 31 March 2021) and identified a total of 432 assets (of which 84 were investment properties, with the remaining being PPEs) with a £nil value.

If the asset register is not reviewed to identify and remove assets with a £nil value, redundant information will be stored in the register and this may result in inefficiencies in the maintenance of the asset register. **(Medium)**

1	<p>The Council will complete a review of their Financial Procedure Rules to ensure these include job titles that are reflective of the current corporate structure.</p> <p>Management update November 2022:</p> <p>This has now been completed with a revised set of Financial Procedure Rules to be approved by Council on 22 November 2022. The rules are more principles based and have removed the need for specific job titles to be named as this would mean the FPR's would need reviewing and amending every time a restructure took place.</p>	Medium	Complete as at 22 November 2022	Interim Financial Adviser
2	<p>The Council will complete a review of available guidance and from this produce a Comprehensive Procedure Document which documents the processes to be adopted in relation to maintaining the asset register and relevant asset management systems/records as well as guidance around capital expenditure and receipts.</p> <p>The document will be subject to review from relevant teams, will be formally approved and will be made available to members of the Asset Management, Finance and Legal Teams.</p>	Medium	31 December 2022	Principal Asset Manager
3	<p>Following completion of the ongoing reconciliation between Asset Management, Finance and Legal Records, the Council will introduce a periodic reconciliation process to account for in-year transactions.</p> <p>Management Update November 2022:</p>	Medium	31 July 2023	SFM Capital/ Financial Reporting Manager

	This will initially require a review of the valuations of all assets and the depreciation charges which is a significant task. This is subject to the recruitment of additional resource to undertake the reconciliation exercise as described in MA4.			
4	<p>The Finance Team will update the asset register to accurately document the date of last valuation. Where the incorrect valuation methodology (as per the CIPFA Code of Practice) is identified, appropriate action will be taken.</p> <p>Management Update November 2022:</p> <p>The Asset Management Team are currently procuring Valuation services and a programme of work will be agreed with Finance regarding the timing and the methodology to be used for all assets classes as per the CIPFA guidance.</p>	High	30 June 2023	SFM Capital / Financial Reporting Manager
5	<p>The Finance Team will develop a means of recording the date of last inspection for each asset. This will be used to ensure that all assets are subject to due inspection.</p> <p>This will be included in the revised guidance noted at MA2 and migration to using the CIPFA system as the key source of asset records.</p>	Medium	30 April 2023	SFM Capital / Financial Reporting Manager
6	The Asset Management Team will fully document the verification / valuation process performed on Council assets. 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. As per MA2.	Medium	30 April 2023	Principal Asset Manager



Follow Up of Previous Management Actions Quarter 3 (26.21/22)	Little Progress	<p>2 High</p> <p>3 Medium</p> <p>2 Low</p>		
<p>Conclusion</p> <p>Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Slough Borough Council has demonstrated little progress in implementing the agreed management actions.</p> <p>All of our sampled actions were recorded as ‘implemented’ within the above mentioned Action Tracking Spreadsheet, although our review has found only three actions have been fully implemented. We found that at the time of our review 8 actions had not been fully implemented (four not implemented and four still in the process of being implemented).</p> <p>These findings reflect issues around actions being closed prematurely without evidence being provided and independent confirmation that the action has been addressed, and the risk has been fully addressed.</p> <p>Please note that we have agreed to reduce the priority of three of the four medium priority actions that were in progress. We have therefore agreed five medium and three low priority actions as a result of this review.</p>				
1	<p>The Enforcement Policy and FPN Procedure will be revised to ensure they include all areas outlined within DEFRA guidance on Fixed Penalty Notices such as:</p> <ul style="list-style-type: none"> • Details of early payment discounts and options, how FPN’s are issued, FPN records to be kept, and how FPN income is to be spent in line with guidance, had not been detailed; • Timeframes for reminder letters had not been stated for dealing with non-payment of FPNs; and • Guidance for when not to issue a fixed penalty notice in lieu of prosecution was not included. <p>Following this, the updated FPN related policies and procedures will be circulated and made readily available to all staff in an appropriate location.</p> <p>The Enforcement Policy, FPN Policy and FPN Appeal Procedure will be revised to detail a next review date and version control history, including:</p> <ul style="list-style-type: none"> • Details of the changes/review; • Details of who carried out the changes/review; and • Date of update. <p>Moreover, a segregation of duty will be maintained between the staff updating and subsequently approving the policies and procedures, with this clearly being noted on the documents.</p>	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead



2	A clear control framework will be put in place to ensure that in line with guidance, income received from the serving of fixed penalty notices is spent on related functions.	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead
3	The Council will develop a formal process to systematically track income due through to collection, receipting and banking. This will include guidance for undertaking regular, formal reconciliations between income received and records maintained	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead
4	The Council will introduce a system to ensure that Officers are prompted when to send reminder letters to alleged offenders. There will also be a monitoring process to ensure that Officers are issuing reminder letters in a timely manner.	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead
5	Team Leaders will ensure that ASB cases are reviewed monthly, and following review and approval, the review process will be formally documented on Flare.	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead

Page 31

<p>Matrix – Management of Agency Staff (31.21/22)</p>	<p>The diagram shows a horizontal scale with four boxes: Minimal assurance (red), Partial assurance (grey), Reasonable assurance (grey), and Substantial assurance (grey). A vertical line is positioned between Partial and Reasonable assurance. A blue double-headed arrow spans the width of the boxes, with a '-' sign on the left and a '+' sign on the right.</p>	<p>2 High 4 Medium 2 Low</p>
<p>Conclusion</p> <p>Overall, our audit has identified several weaknesses in the Council’s processes for requesting, approving and managing agency bookings, resulting in the agreement of two high and four medium priority management actions. At the time of the review, the Council had 254 active placements of agency staff through Matrix, with a total spend of £16,8m, and an average length of placement of 54 weeks, noting that our review identified agency staff that had been with the Council for over eight years. A number of appointments through Matrix were made as part of the restructure and subsequent changes in staff within the Council, and we acknowledge that due to the current level of vacancies, this may have had an impact on the number of staff placed through the Matrix contract, with the Council spending approximately (January 2022 data) £1.2m per month on agency staff. We also identified that the Council had not yet completed a cost benchmarking exercise for its contract with Matrix, to ensure that Matrix were providing workers at rates in line with the market, and we noted that the Council did not have a defined strategy in place to attempt to move agency workers to permanent contracts where this would provide better value for money.</p>		

Evidence was not provided during the audit to demonstrate that agency bookings and extensions were being consistently requested and approved in a timely manner via business cases submitted to the ECP, whilst we noted that the current business case process did not evidence consideration of the expected value for money which agency bookings and extensions would provide. Furthermore, we noted that agency bookings were not being periodically reviewed by Directorates and HR Business partners to identify those which could be replaced by permanent hires and those which required extensions. We also noted that the Council did not have procedural guidance in place on how to request agency bookings through the current ECP process.

In addition, through sample testing of 10 agency bookings commencing since August 2021 we identified three instances where pre-employment checks were completed after the worker's start date including one instance where checks were completed over a month after the booking had commenced.

Further issues were identified resulting in the agreement of two low priority actions. We did, however, confirm for our sample of 10 agency bookings that IR35 status checks had been completed where required, and we noted that the Employment Appeals Committee (EAC) were monitoring agency spend and the performance of Matrix against contractual KPI's on a quarterly basis.



Agency Bookings and Extensions

We selected samples of 10 current agency bookings commencing since August 2021 and 10 agency bookings extended since August 2021, from a report of all active agency bookings within the Council on 10 February 2022. Our testing identified the following exceptions regarding the approval of these bookings via the ECP process:

- In seven cases, comprising of one initial booking and six extensions, no evidence was provided during the audit to confirm that a business case had been developed and approved in a timely manner by the ECP, or to demonstrate the appropriate consideration of the need for and cost of these bookings and extensions.
- In two of the 13 cases where a business case was provided, the business case for the booking had not been signed off by a Director from the relevant Directorate, although it had received subsequent approval from the ECP.
- For six of the 13 bookings/extensions where a business case was received, we noted that the business case was approved by the ECP after the booking had commenced or the extension had been granted. We also identified a further extension where the business case was approved prior to the expiry date of the initial booking, but not sufficiently in advance of this to enable consideration of alternative solutions.

If detailed business cases are not developed and appropriately approved in a timely manner for all agency bookings and extensions, there is a risk that agency bookings and extensions may be used where there is not sufficient justification, resulting in value for money not being demonstrated. The Council may also not have the opportunity to consider alternative solutions which could be used rather than agency staff.

In addition, we were advised by the Employee Relations & Policy Manager that the business cases for agency bookings do not include a comparison of the value for money from using agency staff compared to a permanent hire, whilst business cases for extensions do not include an explicit comparison of the rate the worker is being paid compared to the market rate. As such, there is a risk that agency bookings and/or extensions may be used in instances where they provide significantly worse value for money. **(High)**



Pre-employment Checks

For our previous sample of 10 agency bookings, we confirmed via screenshots from the Matrix-CR portal that in each case, Matrix had completed appropriate pre-employment checks, including obtaining references and reviewing right to work, with supporting documentation uploaded into Matrix.

However, we noted based on completion dates provided by Matrix that these checks were completed after the worker's start date in three cases. If pre-employment checks are not completed prior to a workers start date, there is a risk that the Council may engage workers who are not eligible to work or are unsuitable as they do not meet the Council's requirements with regards to their skills and experience, qualifications, or criminal record.

In two of these three cases, we noted that this risk was partially mitigated as there was only a short period of time between the worker's start date and pre-employment checks being completed, with checks completed six and seven working days after their start date. As such, we noted that the Council was able to identify issues with regards to the worker's eligibility or suitability shortly after their start date. However, in the final case we noted that pre-employment checks had not been completed until approximately one month after the booking had commenced.

We were advised by the Matrix Senior Payroll Coordinator that this delay was because Matrix were asked to set the worker up on the Matrix portal retrospectively on 18 October 2021, despite the worker starting their assignment at the Council on 1 October, and as such that Matrix were only able to commence pre-employment checks after the worker's start date. The Associate Director for HR and Customer Services advised us that this was because the specific worker was directly identified and engaged when establishing a new Finance Team, based on a prior working relationship, before the booking was sent to Matrix to set up and complete pre-employment checks. We noted that this is not the standard route for engaging agency workers, where roles are approved and listed on Matrix, with a suitable worker then identified and pre-employment checks completed. We noted that an exercise was not completed for this booking to assess the potential risks associated with performing pre-employment checks retrospectively against the need for the worker to start prior to checks being completed, to justify this decision. Without this, there is a risk that pre-employment checks may be completed retrospectively where this is not justified or where the associated risks are too high. **(High)**

Procedural Guidance



Whilst we confirmed that guidance is available to staff on the intranet detailing the general process for requesting and approving expenditure above £500 through the submission of miniature business cases to the ECP, we noted that the Council had not updated its procedure around the engagement of agency workers to reflect this process, with this instead detailing the process prior to the Section 114 Notice being issued. As such, we noted the Council did not have guidance in place detailing the factors to consider when developing the business case for an agency worker, or the key information to include within the business case.

Without up-to-date guidance on the agency booking process, there is a risk of inconsistencies in this process, for example in the factors considered when developing a business case, which could ultimately lead to agency bookings being used where this is not appropriate, potentially impacting value for money. **(Medium)**

Review of Expiring Bookings



Whilst we confirmed that HR Business Partners had been liaising with Directorates on an ad hoc basis during 2021/22 to review agency bookings and ascertain why they were needed, whether work was being done to move the booking to a permanent hire and whether extensions were required, we noted that this review process had not been occurring on a regular basis each month.

The Employee Relations & Policy Manager advised us that this was due to a reduction in the size of the HR Business Partner Team and staff being on long term sick leave. However, if this review process is not performed on a consistent basis each month, there is a risk that Directorates may not be reviewing their agency bookings in a timely manner ahead of expiry, to identify whether the position is still required, and if so whether this can be filled

via a permanent hire rather than a contract extension. This could result in the Council being forced to extend agency bookings where positions are deemed critical, as there will be insufficient time to explore alternative approaches which could provide better value for money. **(Medium)**



Cost Benchmarking

We were advised by the Employee Relations & Policy Manager that the Council has not yet completed a benchmarking exercise to identify whether the agency booking rates being obtained through Matrix are in line with market rates, or whether the contract as a whole is delivering value for money. As such, there is a risk that the contract with Matrix may not be delivering value for money or agency bookings at the market rate, with the Council unable to identify this in order to implement actions to achieve appropriate value. **(Medium)**

Processes to Make Agency Worker Permanent



Whilst we noted that the Council had previously undertaken exercises to move agency workers onto permanent contracts for hard to recruit positions, such as social workers, we noted that the Council currently did not have a documented strategy in place, detailing a clear approach through which Directorates should attempt this, including how to identify suitable workers, the incentives which can be offered and approval requirements. Without this, there is a risk that an inconsistent or ineffective approach may be taken when attempting to move agency workers to permanent contracts, or that staff may be unaware that they should be attempting to do so. This could result in the Council continuing to engage workers through agency contracts where better value could be obtained from moving them to permanent contracts. **(Medium)**

1	<p>The Council will introduce a procedure document detailing the process by which agency bookings and booking extensions are to be requested and approved, reflecting the current process under the Section 114 Notice. This will cover key information including:</p> <ul style="list-style-type: none"> the factors to be considered during the development of a business case and the information to be included within this. the need to demonstrate that an agency booking provides value for money compared to a permanent hire, where an agency booking is not to manage recruitment issue or cover a position whilst a permanent hire is being made. the required timeframe for reviewing expiring bookings and submitting a business case for extensions. how bookings will be managed where they cannot be filled with an appropriate candidate by Matrix, such as increasing the proposed rate or adjusting the required skills mix, including any required approvals. <p>This procedure will be approved and made available to all staff via the intranet.</p>	Medium	31 December 2022	Dipak Mistry
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2	<p>We will ensure that for all agency bookings and extensions, a business case is developed, detailing the need for the worker, the implication of the worker not being engaged, the expected cost and the budget implications of the booking. Business cases will be developed in a timely manner prior to the commencement of the booking or extension, in line with the new agency booking policy referred to in action one, to enable the Council to consider and implement alternative solutions. These business cases will then be appropriately approved through the Expenditure Control Panel process, with the business case and evidence of approval centrally retained for all bookings and extensions. In addition, the Council will ensure that as part of the business case for all agency bookings, consideration will be given to the value for money achieved from an agency booking compared to a permanent hire, with this documented within the business case. Where permanent recruitment is not viable, the reasoning for this will be clearly identified within the business case.</p> <p>Similarly, for agency contract extensions, the business case will include explicit consideration of whether the current rate which the worker is engaged at provides value compared to the market rate, based on the worker's performance level and organisational knowledge. The need to consider these factors will be communicated to relevant managers and Finance Business Partners.</p>	High	31 January 2023	Dipak Mistry
3	<p>The Council will liaise with Matrix to ensure that pre-employment checks are being completed in a timely manner for all bookings. Consideration will be given to whether further assurance can be obtained from Matrix in this regard, such as periodic reporting on the number of bookings where pre-employment checks were completed retrospectively.</p> <p>In rare instances where the Council requires agency workers to start their assignments prior to pre-employment checks being completed, the Council will ensure that the risks associated with this and any mitigating factors are assessed, and compared against the level of need, to justify that these checks should be completed retrospectively. This will be clearly documented, and the final decision will be formally approved by an appropriate individual/forum as determined by the Council.</p>	High	31 December 2022	Dipak Mistry
4	<p>On a monthly basis, HR business partners will liaise with their assigned Directorates to review the Directorate's agency bookings and obtain updates on these bookings including details of why they are needed, the actions being taken to replace the booking with a permanent hire or move the worker to a permanent contract, and whether an extension is being sought for expiring bookings. These updates will be clearly documented via agency headcount reports or other appropriate means.</p> <p>This review process will be monitored by the Employee Relations & Policy Manager as part of team meeting with the HR business partners, to ensure that it is occurring each month.</p>	Medium	31 December 2022	Dipak Mistry / HRBP
5	<p>The Council will ensure that periodic benchmarking exercises are completed to assess whether Matrix are providing bookings in line with the market rate and whether the overall contract is delivering value</p>	Medium	31 January 2023	Dipak Mistry



	<p>for money. The responsibility for completing this exercise and the exact methodology will be discussed and agreed with Matrix.</p> <p>Where issues are identified from these exercises, appropriate remedial actions will be taken in collaboration with Matrix.</p>			
6	<p>The Council will develop a strategy outlining its approach to converting workers from agency contracts to permanent employment contracts, which will cover key details including how these workers are to be identified, how offers are to be made, the approval required for such offers and how the Council will incentivise this in order to reduce its agency spend.</p> <p>This strategy and approach will be included in the procedure document detailed in finding one, which will be approved and made available to all staff via the intranet.</p> <p>In addition, please refer to management action four above.</p>	Medium	28 February 2023	Dipak Mistry



Capital Projects – Britwell Expansion (34.21/22)		1 High 6 Medium 3 Low
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Conclusion

As part of this review, we confirmed that there was a contract in place with the works contractor and that there was evidence of engagement with project partners via 'Pre-Start' meetings. We also noted that a business case had been prepared and approved, and that progress meetings were used to report upon completions, delays and slippages. Sample testing of milestone changes and early warning notices found these were being suitably discussed, considered and approved (where relevant).

However, we have identified a number of issues in relation to the governance arrangements in place to deliver the Britwell Expansion project. We found that there was no clarity with regards to how budgets were set/approved and that there was limited monitoring of expenditure against budget. The main funding agreement with the CCG was not provided (and the agreement with the GP was not fully signed). The Council also does not have an agreed approach for undertaking post implementation reviews and we found risk-related information was just being rolled over in reports.

In addition, we noted minor weaknesses relating to engagement with non-partner stakeholders, timeliness of risk management meetings and mitigating actions for identified risks.

Due to the current movement within and structure of the Council we have tailored management actions 2, 3, 5, 8 and 10 below to focus on the Britwell Expansion project. We want to note that this does not remove the overarching risks to the Council with regards to a lack of a standard approach to these areas, and that they will need to be revisited once a PMO function is put in place to ensure consistent practices.

Page 37



Budget Setting and Monitoring

The final financial business case (January 2021) stated £3.2m as the capital build costs for the Britwell Expansion project. We also found that there was limited evidence of ongoing project expenditure monitoring against the budget, with Cabinet reporting referring to the overarching 'Hub Developments' rather than explicitly to the Britwell Expansion. Without a robust process for setting and reporting upon capital project budgets, there is a risk that inappropriate expenditure /overspends are not suitably identified and addressed. **(High)**

Our review of the business cases (presented to Cabinet in September 2020 and January 2021) identified that the total project cost was stated as £2.7m (September) and £3.2m (January), with no explanation offered as to why the costs had increased. The Delivery Agreement in place with Kier further noted the contract sum as £3.02m. Without consistency for project costs (or documented and presented explanations for variances), there is a risk that decisions are taken without full knowledge of the impact of changes. **(Medium)**

Project Contracts – CCG and GP



The Britwell Expansion project involves Frimley CCG (funder) and Farnham Road Practice (GP), and as such there are agreements in place between these parties and the Council. Although requested, the funding agreement in place with the CCG was not provided to us during our review.

Through review of the agreement in place with the GP (Agreement for Payment relating to the minor operations room), we identified that this had not been signed by a representative of the Council. Without ensuring contracts can be accessed and have been fully signed, there is a risk that agreement terms can be disputed. **(Medium)**

Post Implementation Review and Lessons Learnt



Although project benefits and outcomes were identified when preparing the business case, the Council has no defined methodology or schedule for completing a benefits realisation plan and/or post implementation review. Without this, there is a risk that the Council cannot assess completed projects and identify whether benefits have been realised, outcomes have been achieved and lessons can be shared and addressed in future projects. **(Medium)**

We identified that there were a number of benefits and outcomes that could be used to assess the Britwell Expansion and identify lessons learnt, including project deliverables (Council access point) financial assumptions (rent receivable) and health care improvements. Without completing a post implementation review for this project, there is a risk that the Council is unable to determine whether expected results have been achieved and will not benefit from incorporating lessons learnt into future projects. **(Medium)**

Risk Management



There is a project risk register which is discussed during risk management meetings attended by project partners. Although risk management meetings are not formally minuted, updates are provided within the progress reports prepared by Kier. Through review of the progress reports covering July 2021 to February 2022, we identified that the same iteration of the risk register had been rolled over in reports, with no updates following risk management meetings. In addition, the same narratives had been included within the reports and progress meeting minutes also appeared to have been rolled over month-on-month. Where risk-related information is rolled over, there is no evidence of project risk management and so the Council cannot be assured project risks are being suitably monitored. **(Medium)**

It was also unclear how (or whether) project level risk management fed into the Council's own risk management process. Without the escalation of significant project risks, there is a risk that these are not suitably raised, discussed, monitored, prioritised and managed within the Council. **(Medium)**

1	Signed copies of all project agreements and contracts will be shared with relevant staff to ensure terms can be enforced in a timely manner.	Medium	Complete	Karen King - Senior Lawyer & Team Leader
2	When preparing revised business cases for the Britwell Expansion project, changes to project costs will be highlighted and explained to allow for scrutiny / challenge.	Medium	Complete (no further business cases)	Fin Garvey – Group Manager – Delivery

			to be developed)	
3	Budget setting, monitoring and reporting arrangements for individual capital projects will be agreed and adhered to.	High	31 December 2022	Ade Solanke
4	The Council will devise an approach for undertaking a post implementation review exercise for the Britwell Expansion project. This will include: <ul style="list-style-type: none"> How to determine whether intended project benefits have been realised (and how this is measured); How responsibilities for undertaking exercises are assigned; and How exercises are used to identify and then report upon lesson learnt. 	Medium	31 December 2022	Associate Director - Property
5	Following the finalisation of the Britwell Expansion Project, a post implementation review exercise will be completed to determine whether intended project benefits have been realised and identify any lessons learnt.	Medium	31 March 2023	Associate Director - Property
6	The Council will consider how best to facilitate the escalation of the project level risk management for the Britwell Expansion Project into the wider Council process. This may be based on risk scores (as per risk registers) or risk concerns (as identified during project risk management meetings).	Medium	31 March 2023	Director of Housing and Property
7	Reports received from contractors and minutes related to contractor meetings will be reviewed by Project Managers to ensure information is not being repeated month-on-month. Any issues will be highlighted at subsequent meetings with the contractor.	Medium	31 March 2023	Director of Housing and Property



<p>Health and Safety (30.21/22)</p>		<p>1 High 6 Medium 5 Low</p>
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Conclusion

As part of this review, we have identified a number of issues and weaknesses relating to the management of health and safety at the Council. We found that risk assessments were not being reviewed annually as expected and that health and safety ‘self-audits had not taken place. We further noted that service area representatives repeatedly did not consistently attend Building Compliance Group meetings and failed to complete compliance returns. We identified that three of the directorate health and safety committees were not meeting on a bi-monthly basis and that directorates were not submitting action returns. We also found that mandatory training completion rates remained low (20–51 per cent).

It should be noted that many of the above weaknesses stem from cultural, directorate or individual issues, not functions of the H&S team. These include failing to attend meetings (BCG), failing to submit returns (compliance and actions) or failing to host meetings (DHSCs). Our review also found that the Council had a Health and Safety Strategy in place and had well-designed processes for recording and reporting accident/incidents, as well as noting that the H&S Board, WSG and Corporate Consultative Forum (CCF) governance forums were operating in line with their stated terms of reference.

Page 40



Training

There are two mandatory health and safety modules for all staff, and a further two mandatory training modules for managers. We confirmed through review of DHSC and H&S Board reports and minutes that training completion was raised repeatedly, with evidence of reminders also being issued by managers. Despite noting that there had been an increase in completion rates (both compared to the 2020/21 review and across September 2021–March 2022), we found that completion rates remained low, ranging from 20 per cent to 51 per cent at March 2022. Without ensuring mandatory training is completed, there is a risk that staff are unsure of acceptable and appropriate health and safety processes. **(High)**

Risk Assessments



Operating services are expected to complete risk assessments and review these on an annual basis. Content was initially reviewed by the H&S team before being approved by the Workplace Safety Group and Silver Command Group, however this is no longer required as a result of a change in internal processes. We obtained the risk assessments for a sample of five services, noting that four of these were out of date (based on the annual review requirement). We identified that although managers are expected to complete annual reviews, there is currently no monitoring or oversight to ensure this is done. Where risk assessments are not reviewed, there is a risk that contents become outdated, impacting the safety of working arrangements. **(Medium)**

Self-Audits



Service managers are expected to complete health and safety ‘self-audits’ on an annual basis, however our review in 2020/21 identified that these had not taken place owing to the COVID-19 outbreak and other workload pressures. We obtained evidence to confirm that the proposal to recommence self-audits had been approved by the CCF in March 2022, however at the time of our review this had not been communicated to all relevant staff and

so self-audits had not been completed. Without self-audits, services cannot be assured that they are achieving health and safety standards and may not identify actions to be implemented to improve working arrangements. **(Medium)**

Building Compliance Group Representatives



Service area representatives attend the monthly BCG meetings to provide an update on health and safety compliance and agree actions to address any areas of non-compliance. In January and February 2022, we identified that six service areas (from a total of nine) did not send representatives to either of the meetings and as such updates could not be provided to the group. Without service area representation, the Council cannot be assured that suitable action is being taken to address non-compliance. **(Medium)**

Compliance Returns



Monthly compliance returns are issued to service area representatives to complete and return to the H&S Professional, who use these to determine the Council-wide compliance rates input into the health and safety report. We found that four service areas had not submitted returns in either January or February 2022. Without all returns, there is a risk that the Council-wide compliance rates reported to the H&S Board are incorrect (rates are based on received returns). Furthermore, the Council cannot be assured of building compliance for areas that have not completed returns and the actions cannot be agreed where relevant at BCG meetings. **(Medium)**

Directorate Health and Safety Committee (DHSC) Meetings



Directorates meet every two months to discuss health and safety matters, either as part of wider directorate committee meetings or as separate DHSC meetings. With the exception of the Place and Community, we identified that the remaining three directorates were not meeting in line with the expected frequency, notably the People (Children) Directorate had not met since November 2021. Without ensuring DHSC meetings occur as expected, there is a risk that directorate level health and safety matters are not discussed. This may impact the ability of the directorates to identify health and safety issues and agree actions to resolve these. **(Medium)**

Directorate Health and Safety Action Returns



Each of the directorates has a Health and Safety Action Plan, which they are expected to review and update during DHSC meetings. In addition to this (and owing to the infrequency of meetings), the H&S team issued action returns to directorates to outline progress with action plans. During the most recent H&S Board meeting in March 2022, we found that only the Corporate Operations directorate submitted its return. Without these returns (combined with the infrequency of DHSC meetings) the Council cannot be assured that directorates are completing health and safety actions in line with agreed timeframes. **(Medium)**

1	The Council will assign responsibility for the monitoring of risk assessments and their review. Those responsible will be required to log risk assessment review dates and ensure reviews occur in line with the annual requirement, along with bringing out of date risk assessments up to date	Medium	31 March 2023	H&S Committees for each Directorate
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2	<p>Once the email is sent to all ADs and GMs, the H&S team will monitor the completion of self-audits, with periodic reminders to be sent out over the coming months.</p> <p>From August 2022, the team will directly follow up with service areas that have not completed self-audits, to determine whether assistance can be provided and ensure the September 2022 deadline is achieved.</p> <p>Management update September 2022</p> <p><i>Update 06/09/2022: Reminder email sent to AD's on 15/08/2022 and 31/08/2022 from SN.</i></p>	Medium	31 December 2022	H&S Manager
3	<p>The Chair of the BCG will issue a reminder to all service areas expected to attend meetings, advising them of the requirement to send a representative. In lieu of this, service areas will submit an update on compliance issues and actions that can be shared at the group in the absence of a representative.</p> <p>Management update September 2022</p> <p><i>Update 06/09/2022: This has already been actioned, the Chair has highlighted this in recent monthly meetings, this is included in the minutes which are shared to all the required attendees.</i></p> <p><i>Updates are requested from anyone who is not in attendance of the meeting, this is normally via email and then followed through in the following meeting.</i></p> <p><i>Updates are also received via the monthly reporting template; contributors are normally very good at providing information on any gaps, this is then shared with the group at the monthly meetings where any further updates are also discussed.</i></p>	Medium	31 August 2022	Chair for Building Compliance Group
4	<p>Unreturned monthly compliance returns will be highlighted within reports provided to the H&S Board and BCG.</p> <p>Actions will be agreed by attendees to follow up/chase relevant staff to ensure these are returned as expected.</p> <p>Management update September 2022</p> <p><i>Update 06/09/2022: This has already been actioned and the chair and H&S rep have highlighted in recent meetings. Staff have been chased to ensure responses are received to ensure we have accurate records.</i></p> <p><i>There are discussions also taking place with group managers who have lack of resources within their areas to try and identify ways forward.</i></p>	Medium	31 August 2022	Chair for Building Compliance Group
5	<p>Directorates will be instructed to schedule all DHSC meetings for the year (six meetings). Meeting schedules will be forwarded to the H&S team to allow for directorate health and safety reports to be prepared.</p>	Medium	31 August 2022	H&S Leads for each Directorate



6	<p>During DHSC meetings, directorates will review and update action plans. Once updated, monthly action returns will be completed and sent to the H&S team..</p> <p>This may be based on risk scores (as per risk registers) or risk concerns (as identified during project risk management meetings).</p>	Medium	31 August 2022	H&S Leads for each Directorate
7	<p>The Workforce Development Manager will liaise with CLT to determine further steps that can be taken to address training non-completion.</p> <p>This may include directly contacting individual staff members or targeting directorates once breakdowns can be prepared.</p>	High	31 March 2023	Workforce Development Manager



<p>Children Missing Education (5.22/23)</p>		<p>0 High 5 Medium 5 Low</p>
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Conclusion

This review has found that there has been improvement in the controls and processes in place at the Council in relation to CME, including EHE and permanently excluded children, since our last audit in June 2021. We noted that policy and procedure documents were updated, arrangements for joint working, information sharing and network contacts were clear, alternative education was found for a sample of permanently excluded children and regular reporting was occurring.

Given the issues identified as part of the CME 2021/22 review, a number of improvements and revisions to processes were only recently implemented or were in progress at the time of this review. As such, we have still identified weaknesses in adhering to the (new) CME process checklist (namely completion and timeliness of case upload, officer allocation, database checks and contacting parents), as well as the frequency and formality of both casework supervision meetings and case dip reviews. We have also found that there should be clarity over responsibilities, the process for all types of red EHE cases needs to be confirmed and that there was no systematic process in place for raising of orders / prosecution and associated monitoring. These issues have resulted in an overall partial assurance opinion.

Page 44



CME Referrals and Open Cases

CME referrals are uploaded onto Capita, with action taken in line with the referral checklists. For a sample of ten CME referrals since January 2022 (five open and five closed), we identified a number of delays in the process (based against expected timeframes) such as in uploading cases, completing checks, allocating to officers and contacting parents. Where there are delays, there is a knock-on effect on subsequent actions which cause further delays and may result in children missing education for extended periods. **(Medium)**

Two of the five cases remained open at the time of our testing, awaiting responses from the Admissions service and with chasing evidenced by the Attendance / CME Officer. It was highlighted that it was unclear who was responsible for ensuring a child is admitted once a school offer is accepted, partly as such children are not considered CME. Where responsibilities are unclear, there is a risk that cases are either closed down or kept open when it is inappropriate to do so. **(Medium)**

Casework & Management Supervision Meetings and DIP Review Testing



As a result of the limited oversight by management of casework, the Attendance & CME Lead introduced casework and management supervision meetings with officers, as well as dip review testing (reviewing a sample of cases against expectations). Whilst we obtained evidence of casework and management supervision meetings occurring up until December 2021, these had not formally taken place since, whilst dip reviews were not evidenced. Without supervision meetings and dip reviews, there is a risk of reduced management oversight, limiting the intended impact of ensuring cases are handled in an appropriate manner. **(Medium)**



Elective Home Education (EHE)

The Council maintains a record of children being schooled at home by their parents and arranges for regular visits to assess the quality of education being provided. RAG ratings are used when assessing the quality of education. For a sample of five EHE cases, we identified that two of these had been rated as red after the most recent visits, however limited further action had been taken. Without an agreed approach taken across all parts of the community, there is a risk that EHE cases are not suitably or are inconsistently managed. **(Medium)**



Orders and Prosecutions

The Council has duties and powers to support the management of CME and EHE cases, including serving notices, issuing school attendance orders (SAOs) and further means of prosecution. Although we confirmed that there was guidance in place relating to orders and prosecutions, and that there was evidence of some orders / notices being issued during our sample testing, we were advised by the Attendance & CME Lead that there was no systematic process in place for raising and monitoring these. Without this process, there is a risk that the Council is not availing of all its powers and is not fully exercising its duties when handing CME and EHE cases. **(Medium)**

1	The Council will review the arrangements for uploading referrals and allocating officers on Capita in order to increase efficiency. This may include providing additional resources to Business Support and allocating officers and / or having referrals be submitted via an online form (that automatically uploads onto Capita and alerts allocating officers).	Medium	31 January 2023	Sabi Hothi
2	The responsibilities of the CME & Attendance Team and Admissions Team will be agreed, clarified and shared with team members. Notably, the responsibility for ensuring children attend schooling after CME and having accepted an offer will be made clear.	Medium	31 January 2023	Sabi Hothi
3	Following the resumption of formal Casework and Management Supervision meetings and managers sample (dip) testing, discussion / review points, outcomes and actions will be recorded. Actions will then be followed up during subsequent meetings / tests.	Medium	31 January 2023	Anjli Sidhu
4	The process for managing all types of red rated Elective Home Education cases will be agreed and implemented.	Medium	31 December 2022	Anjli Sidhu
5	The process for issuing orders and notices will be implemented from September 2022 onwards.	Medium	31 January 2023	Anjli Sidhu



Risk Management – Follow Up (6.22/23)	Advisory – positive progress but fundamental elements missing	2 High 1 Medium 1 Low		
<p>Conclusion</p> <p>The Council has made positive progress with regards to their risk management framework, however we identified that there are still fundamental elements missing that we would expect to see, particularly with regards to embedding risk management practices.</p> <p>We identified through our review that in relation to the two high priority management actions, action is still required to fully implement the management actions. Actions are also ongoing for two of the six medium priority management actions. In total, we are satisfied that six management actions, comprising four medium and two low priority actions have been fully implemented. One low priority management action relating to the Annual Governance Statement and Accounts is not yet due.</p> <p>Our review has concluded that the direction of travel and framework for risk management is positive, although gaps exist in the framework, in part influenced by the restructure. Progress has been demonstrated by a revised Risk Management Strategy being approved within the governance structure and the roll out of training to staff on risk management, as well as risk workshops held with the Corporate Leadership Team and a regular update and review of the Council's Corporate Risk Register. However, there is a need for an additional campaign to increase completion of training, and we note that the Council does not have up to date operational risk registers in place for all its new departments. We noted progress was made against this action under the previous restructure, however regular review ceased, and updates were not made as the new restructure got underway. It is anticipated this will be completed once vacant Assistant Director positions are recruited to. In addition, we found that the structure of the risk register does not include a section on assurances (over controls). As a result, management have not yet fully implemented two high priority management actions, meaning that there remains a risk that the Council does not have an effective approach to risk management, and that the framework is not yet fully embedded.</p> <p>Some good practice was identified in that the Risk and Audit Board is meeting regularly and considering information on internal audit management actions (which in turn if implemented will help manage some identified risks), deep dives for a selection of risks, and updates in respect of business continuity risks.</p>				
1	<p>We will develop a training matrix to identify and prioritise those staff with risk management responsibilities.</p> <p>We will complete an additional communications campaign to encourage greater completion of the risk management training and monitor completion.</p>	Medium	30 June 2022	Risk and Insurance Manager



2	<p>Risk Owners, as part of the review of the Corporate Risk Register, will review assurances against the controls in place, scrutinising the source and strength of that assurance.</p> <p>Where the assurances either indicate issues, or where there are a lack of assurances against controls, action will be taken to address these, and the residual risk scores for risks will be updated accordingly.</p>	High	31 March 2023	Risk and Insurance Manager
3	<p>We will ensure that each department in the new organisational structure has an up-to-date risk register in place that follows a standard format and is subject to regular review and scrutiny by the Risk and Audit Board.</p>	High	31 March 2023	Risk and Insurance Manager



Leavers Processes (7.22/23)		3 High 5 Medium 0 Low
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Conclusion

Our review confirmed that controls were not well designed or complied with in relation to leavers processes, such as defining IT specific and Council/SCF wide guidance, the return of equipment from leavers, the termination of leaver access from Council and SCF IT systems, the provision of reporting to weekly meetings between the Council and SCF, and the implementation of the leavers related action agreed as part of previous internal audit assignment (General Ledger access).

More specifically, we found that:

- the Starters/Leavers Process document for IT did not define all arrangements regarding the processing of leavers;
- there was no Council/SCF wide guidance on leavers responsibilities and processes;
- the Council's SLA with SCF specified performance metrics, however, these were not being monitored or reported on; and
- an action agreed with the 2021/22 General ledger audit to monitor IT users and access levels (including adding starters, removing leavers and periodically checking access rights / levels were appropriate) had not been implemented.

We also found through sample testing that of 40 leavers since January 2022 (20 Council and 20 SCF leavers), 27 were recorded as still being in possession of equipment, four user accounts remained active at the time of the audit, and 20 had not been deleted; the latter 20 had been suspended despite having passed the point where the accounts should be deleted (three months since the user left).

The findings in this review result in potential financial loss and potential breach of confidential and personal data (including non-compliance with GDPR legislation) and urgent action is required to strengthen the control framework in relation to the leavers process



Leavers Process Guidance

The Council's IT Team has a Starter/Leaver Process document that was produced by the IT Service Manager. During review we found that it did not include a process for the permanent deletion of user accounts once leavers have left the Council or SCF, or an approval process to extend the period before permanent deletion.. As part of our sample testing of 40 leavers, 25 had left more than three months ago and 24 of these had not been permanently deleted (despite being advised by the IT Service Manager that user accounts are deleted after three months). There is a risk that user accounts for leavers will not be permanently deleted where this process has not been defined and communicated to the IT Team. **(Medium)**

The IT Service Manager advised us that there was no guidance available to all staff of the Council and SCF outlining processes, roles and responsibilities relating to leavers. In addition to the findings above relating to user accounts not deleted for staff who had left more than three months prior, we found that of the 40 leavers, 27 still had equipment assigned to them, suggesting that staff are unaware of their responsibilities and the processes to follow in relation to leavers. There is a risk IT system access is not removed for staff who have left the Council's and SCF's employment which could lead to GDPR and information security risks. There is also a risk that equipment (e.g. laptops and mobile phones) is not returned to the Council or SCF leading to financial loss to the Council and further additional spending on replacement equipment. **(High)**

Return of Equipment

We were advised by the Group Manager – IT that line managers should obtain equipment from their staff on their last day and return this to the IT department. The Council's IT Team hold a record of IT equipment issued to Council and SCF staff in a spreadsheet. We found for a sample of 40 leavers (20 from the Council and 20 from SCF) since January 2022 that 13 leavers did not appear on the log, suggesting their equipment had been returned, however this could not be confirmed conclusively, and 27 appeared on the log with at least one device (including laptops and mobile phones) issued to them still recorded as in their possession. The IT Service Manager advised us that the spreadsheet of equipment is not checked when a member of staff leaves the Council and that SCF is responsible for managing their own equipment. SCF's IT single point of contact (SPoC) advised us that SCF had no complete log of IT equipment and who it had been issued to.

During testing of our sample of 40 leavers we noted that those recorded as still having equipment were split between the Council and SCF. There is a risk that Council and SCF equipment is still in the possession of former employees which could lead to data breaches, financial loss and an unnecessary use of resources on replacement equipment. **(High)**

Termination of Leavers

The IT Team receive a monthly report of leavers and suspend the related user accounts on Active Directory, preventing access to the Council's systems. Once suspended, the user account is permanently deleted after three months of the staff member leaving. Through review of a sample of 40 leavers (20 from the Council and 20 from SCF) since January 2022 we found 15 had left less than three months ago and their access to IT systems had been suspended. In the remaining 25 cases, who had left more than three months ago, one had been deleted and the remaining 24 had not, with the current status as follows:

- In four cases the account remained active, and the users had left between March and April 2022;
- In 11 cases the accounts had been suspended but had not been marked for deletion and the users had left between January and May 2022; and
- In nine cases the account had not been deleted despite having been marked for deletion and the users had left between January and May 2022.

Active Accounts

For the four user accounts that remained active, we noted that three left in April 2022 and one on 31 March 2022. The IT Service Manager advised us that no report of leavers was provided in April 2022 to the IT Team. The Employee Relations and Policy Manager advised us that they were unaware of why a report had not been provided but it was likely to be a technical error as the report is automatically generated. There is a risk that user accounts will not be removed where IT are not provided with leavers details in a timely manner which could lead to non-compliance with GDPR where staff have continued access to confidential Council information as well as risks in terms of access to amend data. **(High)**

Accounts Not Deleted

For the 11 user accounts where the employee had left more than three months ago but the account had not been marked for deletion, the Desktop Support Engineer advised us that Office 365 licences remained active which suggests that the line manager required continued access to the user account to retrieve data. For the nine accounts that had not been deleted but were marked for deletion, we found during review of the Starters/Leavers Process document that there was no process defined for when user accounts should be deleted. We also found that there was no process for the approval of extensions to user accounts defined either. There is a risk that user accounts that remain active after an employee has left and could be used inappropriately (and potentially without trace). **(Medium)**

Processing Leaver Tickets/Forms

As part of our testing of a sample of 40 leavers since January 2022, we were unable to link our leavers back to their leaver form as once they are processed there is no link created between the form and the account. As such, we tested a random sample of 20 leaver forms since January 2022 and found that in 18 cases the forms had been processed and yet two accounts remained active. The Desktop Service Engineer advised us that for one the line manager likely required continued access to the employee's user account.

We noted for the other that the form did not include a leaving date and that the Starters/Leavers Process document did not include guidance on what to do. There is a risk that leavers will not be removed in a timely manner which could mean that user accounts are used to inappropriately access the Council's IT systems. **(Medium)**

Council and SCF Relationship – Weekly Meetings



Weekly meetings are held between the Council's IT Team and SCF's SPoC. We found through review of the Council's SLA with SCF that it specified performance metrics to be reported, but these did not link directly to leavers. We were provided with an action log for the weekly meetings. We were advised by the Group Manager – IT that no reports are presented at the meetings in relation to the performance metrics in the SLA. There is a risk that performance related issues are not identified and cannot be tracked through to remedy. **(Medium)**



General Ledger (16.21.22) Follow Up

An action in relation to the regular review of active user accounts was agreed as part of the General Ledger 2021/22 audit to ensure starters are set up correctly and with the right access levels, leavers are removed promptly, and current staff have access appropriate with their role. As part of this audit, we requested evidence that the action had been implemented, however this was not provided. There is a risk that without such reviews, users may have inappropriate access to the Council's IT systems. This could mean that unauthorised activities occur. **(Medium)**

1	We will define the process for the permanent deletion of leaver user accounts and how this can be extended including who must authorise this, as well as what action to take when leaver notifications are missing information, such as the user's leaving date. We will also complete the date of next review placeholder on the Starter/Leaver Process document and make the new version available to staff.	Medium	31 October 2022	Rifhat Ahmed, IT Service Manager
2	The Council and Slough Children First will develop procedural documents to detail processes, timeframes and responsibilities for the removal of system access of leavers and the return of IT equipment.	High	31 January 2023	Alexander Cowen, Group Manager – IT Kate McCorrison, Head of HR and OD
3	We will ascertain why a leavers report was not provided to IT for April 2022 and take any action to ensure reports are provided consistently. Where reports are not received in the first week of the month, the IT Team will confirm with HR whether there any leavers.	High	30 September 2022	Rifhat Ahmed, IT Service Manager
4	We will establish an approval process where user accounts need to remain active for longer than three months. This will require approval of the Group Manager – IT and relevant Associate Director of the department the employee relates. We will also follow up on user accounts that have been approved to be extended to ensure they are permanently deleted after the extension period.	Medium	30 November 2022	Alexander Cowen, Group Manager – IT
5	We will add a required field for leaver forms to be uploaded to Agresso when submitting a leaver ticket.	Medium	30 April 2023	Alexander Cowen, Group Manager – IT
6	We will establish a system of identifying and assigning all IT equipment within Agresso to employees of the Council and Slough Children First. When equipment is returned, this will be marked as such on Agresso by line managers. IT will monitor leavers against Agresso to ensure equipment is returned and reallocated.	High	31 December 2022	Alexander Cowen, Group Manager – IT Dipak Mistry, Employee Relations & Policy Manager
7	We will undertake a review of the SLA with SCF to ensure that performance metrics within it are reflective of the needs of the Council and SCF as well as the inclusion of responsibilities for both parties relating to the leavers process. Following this, we will present reports to the monthly SLA review meeting in line with the metrics and reporting frequencies agreed as part of the SLA review.	Medium	31 March 2023	Alexander Cowen, Group Manager – IT



8	We will establish a six-monthly dip sample of starters, leavers and current user access over the period to ensure starters and leavers have been processed and current user access is consistent with the role of the related employees.	Medium	31 December 2022	Rifhat Ahmed, IT Service Manager
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Council Tax (10.22/23)		<p style="text-align: center;"> 2 High 5 Medium 3 Low </p>
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Page 52

Conclusion

Whilst the Council has made some progress in implementing management actions from the 2021/22 review of Council Tax, we have reiterated management actions or agreed revised management actions in this year's audit, due to insufficient progress overall. Management have not yet fully implemented and reported closure of the management actions from the previous audit, and we note these are overdue for implementation (as of September 2022).

The level of aged debt remains significant increasing the risk of a loss of income for the Council. In addition, monthly reconciliations of Academy (Council Tax system) to Agresso (financial system) had not been completed for the period July to September 2022 and those completed prior in April to June 2022 had not been subject to independent review. We also found that markers can still be placed on accounts that can prevent debt recovery action, and that guidance covering this process has not been introduced, despite some progress being made by the Council Tax team in reviewing circumstance codes. Total Council Tax arrears for the period 1997/98 through to 2021/22 amounts to £18.1m. Without completing the outstanding reviews there is a risk that inappropriate markers are not identified and removed. Arrears may then not be subject to suitable recovery action, increasing the likelihood of financial loss.

Our testing additionally identified two staff with inappropriate access to Academy (that were removed during the audit), a backlog of inspections developing without a clear schedule for completion, and exemptions that were inappropriately classified on Academy.

Our sample testing confirmed effective processes were in place with regards to billing, discounts, refunds, and valuation updates.



Markers on accounts – reiterated management actions from 2021/22

Markers can be placed on accounts to prevent debt chasing and recovery action. Whilst the Council has commenced a process of reviewing circumstance codes and markers on accounts as agreed via management actions from our previous internal audits, we found that adequate progress against these management actions had not been made.

We found that restrictions can still be placed on accounts and that procedural guidance covering this process has not been introduced. This could mean that some accounts are not subject to debt recovery action. Without restricting the ability to place markers and providing guidance to those who can, there is a risk that these markers are placed inappropriately. As such amounts owed to the Council may not be chased, decreasing the likelihood of recovery. **(1 x High and 1 x Medium)**

Historic Arrears – reiterated management action from 2021/22

Total Council Tax arrears for the period 1997/98 to 2021/22 amounted to £18.1m at the time of audit. The Council has written off circa £258k since April 2022. Management have recently reported that whilst some action has been taken, including reconciling all cases with Enforcement Agents, identifying cases for write off, and reviewing high value debts, the process followed has identified much wider issues and challenges that will need to be addressed, and this has identified much wider issues with the quality of the data available. The Council has struggled with obtaining sufficient resources to progress this work in line with agreed deadlines and historic issues with the quality of the data has meant that recovery has been particularly challenging. Management also advised that the implementation date for the previous high priority management action will need to be extended until at least June 2023. **(High)**



Reconciliations

The Council Tax reconciliations for April, May and June 2022 had been completed at the time of audit (October 2022), although they had not been evidenced as individually reviewed/approved. The reconciliations for July to September 2022 had not been completed at the time of audit. Whilst we found an improved approach from 2021/22, completing reconciliations remains an area of risk that requires adequate focus.

If reconciliations are not prepared and variances investigated in a timely manner, there is a risk that inaccuracies in Agresso or Academy will not be identified. Errors may not be addressed, and incorrect financial information may be reported to management/members. **(Medium)**



Exemptions

We selected a sample of 10 exemptions from 2022/23 from a report from Academy and checked whether the exemption was appropriately processed. We found in two cases that properties had been inaccurately classified as 'Empty Class A' when in fact they should have been classified as 'Class B' as they were second homes. We confirmed this had been rectified during the audit. In these individual instances there was no implication for income, as per current legislation. However, where properties are incorrectly classified, exemptions may not be accurate which could lead to a loss of income for the Council. **(Medium)**



Inspections backlog

We obtained a report from the Academy system that detailed the outstanding property inspections up to the end of September 2022 and found this identified a total backlog of 70 long term empty Class C inspections, 69 long term empty premium inspections, and a further 164 special request inspections that were due. This provided a total of 303 inspections that were required to be completed. Inspections were paused whilst the Energy Rebate was implemented. As the property inspections have just recently been recommenced, there is a need to schedule the remaining inspections in a timely manner. Without a clear scheduled of planned dates, there is a risk that a further backlog could develop. **(Medium)**





Academy access





From a sample of 20 individuals taken from a report setting out the access rights for all users in Academy we identified that there were two users that did not require Academy access. There is a risk that staff could obtain inappropriate access to the Academy system. **(Medium)**

1	We will ensure all exemptions are appropriately processed and classified in line with the exemptions procedural guidance.	Medium	31 January 2023	Kiran Vasita
2	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off.	High	30 September 2023	Laverne Belle
3	The Council will ensure the monthly Council Tax reconciliation between Agresso and Academy is independently prepared and reviewed in a timely manner each month.	Medium	31 March 2023	Ade Adewumi - Finance Technical Advisor
4	We will develop a schedule of property inspections to plan completion of inspections by the end of the financial year to ensure a greater backlog does not develop.	Medium	30 April 2023	Laverne Belle
5	The Council will restrict the ability of staff to place markers on accounts. This may include limiting such action only to relevant managers or requiring all markers to be approved by a relevant manager before being placed. As part of this, guidance and instructions will be prepared and shared with all staff with access to place markers on council tax accounts. This may form part of an existing or new procedure note and will include why, how, and when markers should be used.	High	31 March 2023	Laverne Belle
6	The Council Tax team will complete a review of all accounts with circumstance codes (markers) on a quarterly basis, which will be checked for accuracy by a relevant manager. This will include confirming markers are appropriate (and providing the reasons why) and rectifying those that are not appropriate (and commencing recovery action where required).	Medium	31 March 2023	Laverne Belle
7	We will remove the access to Academy for the users not accessing the system and not requiring access as part of their role. In addition, we will investigate the reasons why staff having not accessed the Academy system had not been included in the monthly reports.	Medium	31 January 2023	Laverne Belle

APPENDIX B - SUMMARY OF PROGRESS TO DATE

The table below provides a status update on the summary of progress with the remaining 2021/22 internal audit plan. Those five reports finalised since the last meeting are shown in bold below, and one report remains in draft.

2021/22 Internal Audit Plan

Assignment area	Fieldwork date / status	Draft report	Final report	Opinion	Actions		
					L	M	H
Assets	Final Report	31 January 2022	30 November 2022		3	5	1
Follow Up Q3	Final Report	7 March 2022	28 November 2022	Little Progress	2	3	2
Schools Audit – Priory	Draft Report	24 March 2022 (revised draft 25 July)					
Matrix	Final Report	28 April 2022	15 November 2022		2	4	2
Corporate Health and Safety	Final Report	28 April 2022	20 September 2022		5	6	1
Capital Projects – Britwell GP Hub	Final Report	13 May 2022	1 November 2022		3	6	1

The table below provides a status update on the summary of progress with the 2022/23 internal audit plan to date.

2022/23 Internal Audit Plan

Assignment area	Fieldwork date / current status	Draft report	Final report	Opinion	Actions		
					L	M	H
Leavers Processes (additional review)	Final Report	6 October 2022	19 October 2022		0	5	3
Children Missing Education	Final Report	22 September 2022	20 October 2022		5	5	0
Risk Management – Follow Up	Final Report	22 September 2022	7 November 2022	Advisory	1	1	2
Council Tax	Final Report	1 November 2022	3 January 2023		3	5	2
Subsidiary Company Governance	Draft Report	20 July 2022					
Medium Term Financial Strategy	Draft Report	23 August 2022					
Budget Setting and Control	Draft Report	26 August 2022					
Workforce - Recruitment and Retention	Draft Report	1 September 2022					
Follow up Q2	Draft Report	21 October 2022					



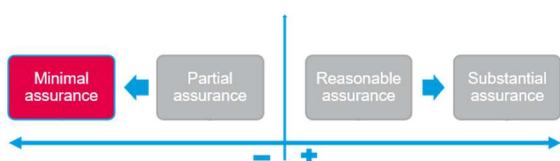
General Ledger	Draft Report	24 October 2022
Adult Social Care Transformation	Draft Report	18 November 2022
Housing Benefits	Draft Report	28 November 2022
Payroll (inc Data Analytics)	Draft Report	30 November 2022
IT Business Continuity	Draft Report	7 December 2022
Treasury Management	Draft Report	16 December 2022
Creditors	In progress	
Delegated Authorities (additional review)	In progress	
Whistleblowing	In progress	
Rent Accounts Recovery	In progress	
Corporate Health and Safety	3 January 2023	
Business Rates	16 January 2023	
Temporary Accommodation	16 January 2023	
Rent Accounts	16 January 2023	
Debtors	19 January 2023	



Capital Expenditure	30 January 2023
Cyber Essentials	1 February 2023
Assets	2 February 2023
Treasury Management	27 February 2023
Follow up Q4	13 March 2023
Strategic Housing Management	16 March 2023
Payroll and HR Interface cancelled and replaced with a review of Payments to Temporary and Agency Staff	Postponed to Q4

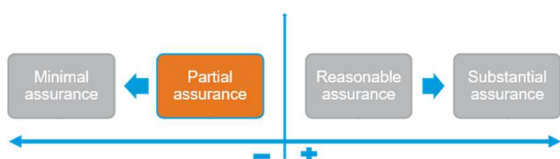
APPENDIX C: ASSURANCE OPINIONS

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:



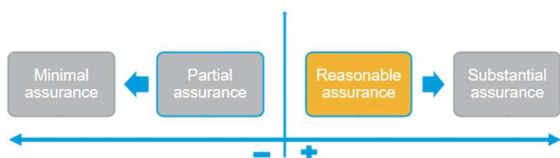
Taking account of the issues identified, the Council can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



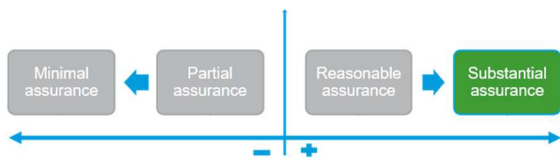
Taking account of the issues identified, the Council can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



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

FOR FURTHER INFORMATION CONTACT

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SLOUGH BOROUGH COUNCIL

Annual internal audit report for the year ending 31 March 2022

For presentation at the Audit and Governance Committee on 18 January 2023

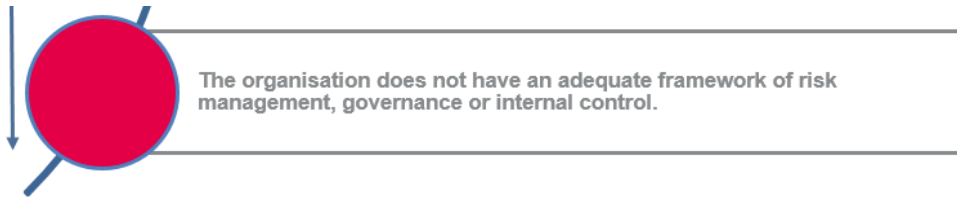
This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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 31st March 2022, the head of internal audit opinion for Slough Borough Council is as follows:



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 and organisation-led assurance framework (Corporate Risk Register). 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 have not undertaken any work in relation to Budget Setting and Control and the Council's Medium Term Financial Strategy as part of the 2021/22 plan. While coverage was included as part of the Annual Plan for 2021/22, at the request of the Director of Finance (Section 151), this coverage was deferred to 2022/23 due to the many competing demands on the finance team at the year end;
- The Internal Audit Plan for 2021/22 did not include specific audits on each of the Council's Subsidiary Companies, however we did include some coverage to follow up on a sample of the actions agreed as part of the 2020/21 subsidiary review. We have also not undertaken a review of the Procurement service due to the ongoing operational support provided by RSM to assist the Council during 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 2021/22 has continued to be undertaken through the operational disruptions caused by the Covid-19 pandemic as well as the significant financial position that the Council finds itself in following the s114 report and the Government Directions that have put the Council under the control of Commissioners. In undertaking our audit work, we recognise that there has been 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 2021/22 has been subject to some delays / postponements / cancellations. 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 2021/22 included in this report.

We would also note the reports published in October 2021 by CIPFA and DLUHC also provide further relevant context, as well as the recently completed Recovery and Improvement plan that explain further some of the significant challenges that the Council is facing. All of these documents provide further useful context, that we have not repeated in detail in this annual report, but these issues have impacted on the competing demands facing the Council and the workforce and we believe the outcomes of some of our reviews.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Governance

Our Governance opinion has been informed by a number of different factors. Our internal audit reviews of Cyber Security (advisory but significant issues identified – four high and 15 medium priority actions agreed) GDPR Governance (advisory but significant issues identified – 12 high and 3 medium priority actions agreed) and Whistleblowing (partial assurance – negative opinion). We are advised by Officers that the plans to recruit the resources required to address the weaknesses in the Cyber Security review are now being implemented but will take up to 6-9 months to put in place, and interim resource is being put in place to manage the risk in the interim.

In addition, our Follow Up reviews, conducted on a quarterly basis, highlighted issues with the implementation of agreed management actions within the Council to ensure that governance control processes had been improved. This has been an ongoing issue identified and reported in previous financial years and action is still required to ensure a robust governance process is in place to improve the control framework, via the implementation and monitoring of agreed management actions, where both recent and historic issues and weaknesses have been identified. It is also important to ensure that actions have been embedded.

Background context - We note that the issues around recruitment and retention have impacted a number of our opinions and the Council's ability to implement previously agreed actions across the Council departments. The Council are actively working to rectify this position with the deployment of additional resource and an ongoing restructure, both within the Finance department and across other departments. The Council's previous Chief Executive was dismissed in 2021/22 for Gross Misconduct and three Commissioners have been appointed at the Council to oversee and report on the Council's recovery.

The restructure/reorganisation led to the departure of a significant number of senior finance and other professional staff, and we are advised that the resultant lack of capacity and the continuing high level of turnover, has and will continue to be a key governance weakness across not just finance but all service areas until sufficient capacity and capability is recruited.

Our opinion is also further informed by the Governance Review undertaken by Jim Taylor (*for the Secretary of State*) in 2021/22, whereby it was determined that the Council has been failing its Best Value duty under the Local Government Act, with the weaknesses a result of inadequate corporate governance and actions taken. A number of failures were noted including a failure to complete financial accounts and working papers to the required standards, annual governance statements and a poorly conceived and implemented restructure of the whole Council. We have also reviewed and taken into account the findings from the Local Government Finance Review undertaken by CIPFA for the Department for Levelling Up, Housing & Communities (DLUHC). An extract of the Executive summary from that report is shown below for context and provides an indication of the extent of the task required to get the risk, governance and control environments back to an acceptable place:

Executive Summary:

“Slough Borough Council requested Exceptional Financial Support from the DLUHC in respect of the financial year 2021-22 to help it balance its budget by raising capital borrowing to support some of its revenue expenditure. Accordingly, DLUHC agreed in-principle to provide support and commissioned CIPFA to undertake an independent and detailed financial assurance review of Slough Borough Council (the Council).

Since the original capitalisation request for 2021-22, the Council has identified further substantial liabilities for previous years, which the Council is unable to meet from its reserves. These past liabilities also impact substantially on the financial position for the Council in the current financial year and beyond.

Drawing on our experience of over 200 financial management reviews and our policy work setting financial standards for local government, the current financial challenge facing the Council is acute. The S151 officer issued a statutory S114 notice in July of this year, which set out total potential liabilities across the Council....”.

“The Council’s record in delivering substantial savings is a mixed one and many of the savings identified in the last two years’ budgets have proved to be unrealistic. The Council has also not made some of the tough financial decisions that other Councils have taken to balance their budget. This means that there is considerable uncertainty around the Council’s ability to deliver the savings it needs to deliver both in the short term and the medium term.

At this stage, we cannot provide assurance that the Council will be able to balance its budget in the medium to long term. This does not reflect any lack of commitment from the Council but instead the size and scale of the financial challenge relative to the Council budget.

We were impressed by the considerable amount of work that has been carried out to date by the recently appointed S151 Officer and his team to identify the scale of the financial challenge and the measured approach that is being taken to assess what needs to be done to both restore sound financial management and potentially to balance the Council budget over the period of the Medium-Term Financial Strategy up to 2024-25. Despite being interims, their continued engagement over the next two years is crucial if the Council is to make progress in stabilising its financial position and building resilience.

Our conclusion is that the Council will require immediate Government support in the form of a capitalisation direction.....In view of the scale of the capitalisation direction required and the fragility of the Council’s finances, we consider that there is a need for ongoing oversight of financial plans to ensure that the Council is making the progress that it needs to make in starting to rebalance its budget.”

A report from the Director of Finance (s151 Officer) to the Cabinet in March 2022 also provides some important context and highlights the scale of the challenges facing the Council which also need to be considered when writing this annual report and year end opinion:

“Prior to 2020/21, the Council as with other local authorities operated in a challenging environment where funding from Government had reduced year on year and demands for services was increasing. The Covid-19 pandemic compounded these issues and also resulted in unprecedented changes across the whole of the public sector as a means to manage the pandemic.

Since the approval of the 2021/22 capital and revenue budgets, there have been exceptional financial developments which have been extensively reported to Council. These developments, namely the S114 notice and subsequent emerging issues and others that will undoubtedly continue to be identified, will have lasting implications for 2022/23 and beyond and which will have consequences for all aspects of the Council including its finances, planning and future delivery of services.

The Council sought a capitalisation direction in February 2022 of £307.1m up to 31/3/23, although it is possible this figure will change as work continues to identify all the issues. Further capitalisation directions will be needed beyond this period. Other challenges to resolve the situation include:

- making asset sales in the region of £600m
- delivering annual additional recurrent revenue savings/income of circa £20m per annum
- carrying borrowing that has risen from £170m in 2016/17 to £760m in 2021/22
- dealing with an extensive range of further adverse financial management issues
- a large number of statutory and other audit recommendations to address
- responding to a series of recommendations from the Governance and CIPFA reviews
- responding to a large number of statutory directions from the Secretary of State which may increase over time

The cumulative impact of the above proportionately exceeds the scale of issues faced by any other Council by a considerable margin. In 2022/23 alone, the extent of the capitalisation direction means that without it, the authority would overspend by 78%. All of these issues have to be successfully dealt with, will radically change the focus, service delivery and size of the Council's services going forward and will significantly impact on residents and staffing within the Council. Good progress is being made in many areas but there remains a great deal to be done which will take some considerable time to conclude. Page 26

The scale and severity of the challenge now facing the Council cannot therefore be understated.”

Risk Management

Our risk management opinion has been arrived at by auditing the processes in place to manage risk within the Council and through our attendance at the Risk and Audit Board in 2021/22. We have identified a number of weaknesses in the risk management process and issued a Partial Assurance (Negative) opinion.

Our audit was undertaken during quarter three of 2021/22 and found that since the restructure, while the Corporate Risk Register had been redrafted and it was clear that a large amount of work has gone into this and the re-forming of the Risk and Audit Board, the management of risk within the Council had been impacted by changes in structure and post holders. In addition, the simplified format of the Corporate Risk Register meant that some key elements were missing, and that it was not in line with best practice or with risk registers of organisations of a similar nature and size. Some other key issues include:

- The Risk Management Strategy was in need of review having not been reviewed by the Audit and Corporate Governance Committee since 2018;
- Risk management training was still not provided to staff or members;
- The Council was not using assurances received to inform the risk management process or documenting these within the Corporate Risk Register;
- Directorates did not have fully functioning risks registers in place; and
- There was no link between the Corporate Risk Register and the outcomes highlighted within the Council's Five Year Plan (While the Plan may be revised to reflect the current recovery and renewal arrangements, this is currently the overarching plan in place for the Council).

In addition, we identified some of the management actions agreed as part of previous reviews had been closed as 'implemented', such as the documenting of assurances against the risks in the Corporate Risk Register, however our review identified that there was not sufficient evidence to demonstrate that the actions had been completed, indicating a need for the Council to consider those actions closed under the previous management action tracking process to be assured that sufficient evidence exists to confirm their implementation.

Our risk management opinion has also been informed by a number of the risk-driven reviews (e.g. Business Continuity and Disaster Recovery, Temporary Accommodation, Corporate Health and Safety, IT Business Continuity, GDPR, RMI Contract and Cyber) a number of which concluded with negative assurance opinions.

Internal Control

We have undertaken a total of 37 reviews (including the risk management audit and governance coverage documented above), of which eight were undertaken on an advisory basis, four were undertaken on a follow up basis (one positive, three negative opinions in relation to progress made) and a further 25 were assurance reviews. It should be noted that significant weaknesses were identified in five of the advisory reviews, namely Cyber Security, IT Business Continuity, Supplier Duplicate Payments – both reviews and GDPR. The significant issues within these reviews have also impacted our opinion, along with the negative assurance reports listed below. Of the 25 assurance reviews:

- 7 concluded that 'minimal' assurance (negative opinion) could be taken;
- 15 concluded with 'partial' (negative opinion) assurance could be taken; and
- 3 concluded with 'reasonable' (positive) assurance could be taken.

Note - Advisory reviews are generally undertaken where there is significant change occurring in a system / process or where management identified a weakness, and directed internal audit coverage, with the goal of identifying the current risks and assisting in agreeing mitigations. Advisory reviews do not include an opinion but do include a conclusion on the findings, highlighting if the issues are significant and management actions.

The key findings from the negative opinions and the five advisory reviews with significant issues are shown below:

General Ledger (Minimal Assurance)

Our audit identified a number of significant issues and weaknesses relating to the processes and controls in place for the management of the Council's general ledger. Following the restructure and departure of key operational staff, we found that control account reconciliations were not being undertaken, suspense accounts were not being managed and month end tasks had not been assigned. There was limited guidance available to staff with regards to general ledger processes and finance training was not a requirement for new users when obtaining access to the Agresso system. In addition, there were no checking mechanisms to identify whether erroneous journals have been corrected, there was no review of general ledger access and the general ledger balance had not been rolled over since the beginning of 2019/20.

A few areas of appropriate practice were identified with regards to the samples tested. We found that journal approvals were appropriate, there was no posting to unrecognised accounts due to system controls in place, there were regular backups of Agresso, and code amendments were processed correctly with required approvals and appropriate segregation of duties.

Business Continuity (BC) and Disaster Recovery (DR) (Minimal Assurance)

We identified that whilst emergency planning and business continuity arrangements were in place, neither the Major Incident Plan, the Business Continuity Plan nor the IT Disaster Recovery Plan had been finalised at the time of our review. Whilst 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 assignment of responsibilities, the provision of training and the testing of procedures. We also noted weaknesses with regards to the integration of Slough Children's First into business plans, the amendment of Business Impact Assessments to reflect the revised Corporate Structure and the level of challenge and oversight given to BC and DR matters.

Since this review (undertaken in October 2021) we are advised the Emergency Planning Manager resigned (November 2021), and an Interim has taken on the role with a focus on implementing the agreed actions. These actions have not yet been reviewed by Internal Audit.

Children Missing Education (Minimal Assurance)

We identified a series of control deficiencies and areas of non-compliance with the established controls in place. Most notably we identified a lack of management oversight of 'open' Children Missing Education (CME) / Elective Home Education (EHE) cases as well as absence of controls over case closure, resulting in a number of sampled cases not evidencing compliance with the Council's statutory duties such as ensuring that 'there are effective tracking and enquiry systems in place'. This was further underlined by a lack of comprehensive policy/procedural guidance to support the processes in place and effectively communicate with Officers their responsibilities in relation to upholding the Council's legislative duties. In addition to this, we identified issues with the quality of information available to key stakeholders via the Council's website in relation to CME and EHE referrals as well as an absence of

comprehensive performance reporting for the Service and improving the reporting capabilities of the Capita system to aide management oversight over caseloads.

We did however note some positive areas in our sample testing including appropriate Referral Guidance being issued to schools, partnership agreements in place with regards to shared responsibility between agencies and organisations to safeguard and promote the welfare of all children in a local area, mandatory training on Safeguarding Children and Adults completed by all members of the CME Team, completion of Multi-Agency Referral Forms which were appropriately stored and escalated.

Debtors Management (Minimal Assurance)

We identified several significant weaknesses with regards to the processes and controls in place for the management of the Council's accounts receivable (AR) function. It should be noted that the AR Team had limited input or involvement in many of the issues identified, rather these relate to the self-service finance functions on Agresso (accessible by all staff) and new processes to be agreed by Finance following the restructure. We identified issues with the raising of credit notes (including the approval and attaching supporting evidence) as well as an inconsistent debt recovery process in the absence of a recovery policy. Regular reviews of parked invoices and AR reconciliations were also not being completed, and there was no control in place to review invoices prior to issue to customers. Limited guidance was available relating to AR processes and there was a lack of AR Agresso finance training for staff. While the level of parked debt has reduced from £5.06m in our 2020/21 review to £2.7m at the time of audit, this still represents a high level of debt not actively being chased by the Council. Similar issues were identified in both 2020/21 and 2019/20.

A limited number of positives were identified in that there was up to date guidance available for the AR team, refunds tested were subject to segregation of duties and paid in a timely manner, and access to AR Agresso was appropriate to members of staff and their roles.

Creditors (Minimal Assurance)

Our audit identified a number of weaknesses with regards to the processes and controls in place for the management of the Council's accounts payable (AP) function. Sample testing identified issues with the raising of requisitions and receipting of goods, both of which impact the timely payment of invoices, as well as the checking process when setting up new supplier accounts and logging of supplier amendments. AR reconciliations were not being completed, former staff members remained assigned as expenditure approvers and we were unable to test whether access to AR functions on Agresso was restricted (evidence was not provided over the course of our review). We also identified that there was a lack of adequate AP Agresso finance training for staff and limited guidance was available relating to AP processes, which may have contributed to the issues identified in this audit and those in the Supplier Duplicates advisory work.

We also identified there was up to date guidance available for the AP team, and our sample of BACs payments were accurately prepared, approved, and paid.

Temporary Accommodation (Minimal Assurance)

Our audit has again (similar concerns raised in 2020/21 and 2019/20) identified significant issues within the temporary accommodation (TA) function, a number of which had not been addressed from previous years' audits. The issues identified were underpinned by resource challenges within both the TA and Housing Demand Teams, which has reduced following the restructure, in spite of increasing demand with respect to the number of homelessness applications made. In particular, we noted that the Council was lacking in strategic guidance with respect to an outdated Housing Strategy (2016-21) as well

how the TA team ensure there was an effective pathway to move households out of TA and diversify their portfolio of housing providers. We also identified weakness in relation to strategic monitoring and reporting, meaning an absence of clear and timely remedial action to address issues. Furthermore, our review identified significant performance issues with respect to the number of households within TA (which at the time of audit included 96 applicants that had remained in TA for between 3-9 years), including rent arrears levels and the timeliness with which homelessness decisions are made, contributing to the Council's non-compliance with responsibilities outlined within the Housing Act 1996. We also observed issues around how the TA Team receive assurance concerning the safety of private sector accommodation and monitor compliance of Council owned stock which was being used for TA. These assurances relate to confirmation of compliance with the minimum safety requirements, including gas, electric and fire safety.

We note that this area has been escalated to the corporate risk register (Risk 3), and were advised the service is being reviewed by DLUHC in the summer to assess what can be done to resolve the challenges being faced.

Matrix (Minimal Assurance)

Overall, our audit identified several weaknesses in the Council's processes for requesting, approving and managing agency bookings. At the time of the review, the Council had 254 active placements of agency staff through Matrix, with a total spend of £16.8m, and an average length of placement of 54 weeks, noting that our review identified agency staff that had been with the Council for over 8 years. A number of appointments through Matrix were made as part of the restructure and subsequent changes in staff within the Council, with the Council spending approximately (January 2022 data) £1.2m per month on agency staff. The Council had not yet completed a cost benchmarking exercise for its contract with Matrix, to ensure that Matrix were providing workers at rates in line with the market, and we noted that the Council did not have a defined strategy in place to attempt to move agency workers to permanent contracts.

Evidence was not provided during the audit to demonstrate that agency bookings and extensions were being consistently requested and approved in a timely manner via business cases, and the current business case process did not evidence consideration of the expected value for money which agency bookings and extensions would provide. Furthermore, agency bookings were not being periodically reviewed by Directorates and HR Business partners to identify those which could be replaced by permanent hires and those which required extensions. The Council did not have procedural guidance in place on how to request agency bookings. In addition, through sample testing of 10 agency bookings commencing since August 2021 we identified three instances where pre-employment checks were completed after the worker's start date.

For context we were informed after the review that there are a number of restructures in the pipeline which have at their core the need to switch from agency to permanent staffing, and these are scheduled to complete during 2022/23 and early 2023/24. The Council has also introduced an Expenditure Control Panel which we were advised does consider the major agency staff budgets.

Council Tax (Partial Assurance)

Our sample testing identified a number of significant issues with the controls relating to arrears recovery, arrears review and reconciliations. With regards to arrears recovery, we identified that markers could be placed on accounts to prevent recovery action, with limited guidance and no access restrictions to do so. Although raised as part of the 2019/20 and 2020/21 audits, a review of council tax arrears had not occurred, with total debt amounting to £18.5m and 99 arrears balances exceeding £10,000. Both issues impact the chasing and likelihood of debt recovery. An issue with reconciliations was also raised as part of the 2019/20 and 2020/21 audits, however these had not been completed for either 2020/21 or 2021/22. Further areas for improvement identified by this audit include ensuring write offs are processed in a timely manner, undertaking inspections of empty/unfurnished properties and the implementation of the revised approach to single person discount canvassing.

As at August 2021, the Council had a collection rate of 45.5 per cent of the expected in-year total, collecting £35.1m (of a total expected net collectable figure of £77.1m). This was a 0.12 per cent decrease compared to the same period last year, however it represented a monetary increase of £2.5m, owing to increased charges for 2021/22, which in part will be due to a number of positives identified during testing including comprehensive council tax procedural documentation being in place, timely review and approval of the annual council tax rates, for our sample of residents qualifying for exemptions of discounts we noted these were accurately billed with evidence to support the claims retained, accurate and timely refunds were issued with appropriate backing and approval for our sample, Academy records (system used to manage council tax) were being updated appropriately per the weekly Valuation Office lists, access to the Academy system was appropriately restricted, and there was regular appropriate reporting on council tax to the Director of Finance and Cabinet.

Rent Arrears Recovery (Partial Assurance)

We identified a number of weaknesses and areas requiring improvement, with many of these caused by the knock-on effects of the Council's management restructure. We noted that policy and procedure documents required updating to reflect the revised team structures, as well as key process changes (including writing off rent arrears). The reporting and governance arrangements at team, service and scrutiny level had not been confirmed at the time of our review, and as a result KPI reports were not being subject to scrutiny and review and current year targets were not being reported against.

In addition, of the six management actions agreed as part of the Rent Arrears Recovery 2020/21 review, two actions were ongoing/partially implemented (low) at the time of the review and two had not yet been implemented (medium). These have been restated/revised as part of this review.

We did note some positives through this review including current Financial Procedure Rules with high level information on rent arrears, a sample of current rent arrears had the proper recovery procedure followed with a record and evidence maintained in the Capita system, user access to the Rent Module in Capita was appropriate and restricted, one to one meetings were being regularly held by the Housing Recovery Lead with the Senior Escalated Rent Recovery Officers to discuss targets and actions to ensure progress and weekly and monthly rent performance reports were being prepared by the Principal Performance & Quality Officer and shared with relevant managers/teams. We also found a Customer and Community Scrutiny Panel was in place responsible for scrutinising information relating to Revs/Bens and Communities and Housing.

Rent Accounts (Partial Assurance)

Our review confirmed that the control framework for rent accounts was not consistently complied with in key areas, namely the Capita and Agresso rental income reconciliations which were not reconciled between June and September 2021 due to the lack of postings in Agresso. We were informed that this was in part due to the restructure and the resultant removal of the cashier's function which previously posted income received to the finance system. The rental income posted to Capita for this period was £8.5m. The housing stock reconciliation between Capita and the asset register had not been completed for 2019/20 and 2020/21. Discrepancies between the Capita system and the asset register had been highlighted in previous audits. Our review noted that it was possible that discrepancies still existed and as a result of not undertaking a stock reconciliation, the Council may have not been charging rent for all Council properties (for example where new properties have been built or brought back into Council Housing stock) or may have been charging for properties where no liability was present (for example where properties have been sold under the right to buy scheme). We were also unable to obtain evidence to show that refunds applied to rent accounts were suitably approved by Finance.

We have also agreed a number of management actions to improve efficiency and quality in relation to approval of key documentation such as tenancy agreements and the timely cessation of rent charges.

Some positive findings were identified in practice including TRAN level access on Capita system being secure and appropriate, the timely dissemination of a weekly lettings report to the Rent Accounts Team and actioning where required, weekly rent charges were agreed by Cabinet and accurately applied to all 5936 properties, new tenancies processed and set up on Capita with minor immaterial non compliance with targets, and quarterly rent statements were issued in line with the tenancy start dates.

Whistleblowing (Partial Assurance)

Our audit found weaknesses around the culture of whistleblowing at the Council. Despite our review seeing that some improvements had been made, including the implementation of two low, one medium and one high priority management actions from our 2020/21 audit we still identified a number of weaknesses relating to mandatory training compliance, awareness of the code and staff attitudes and concerns to whistleblowing. All of these are important areas that needed to be embedded to provide confidence that whistleblowing arrangements are communicated, understood and are robust. It should be noted we were unable to review the Whistleblowing function's record keeping and investigation processes in light of no records of cases being raised by staff since July 2019.

Capital Expenditure (Partial Assurance)

Overall, our audit found several weaknesses with regards to the controls in place relating to the approval and ongoing monitoring of capital project spend, with the only regular scrutiny and challenge being present at the Cabinet and full Council. We noted that the information relating to capital expenditure included within the Financial Procedure Rules was out of date, with limited other guidance available to staff. The processes for carrying forward capital balances and approving in-year changes to the capital programme were under review, having been inconsistently applied in previous years. We also noted issues with business cases (both the template used and the approval of these) and the controls for capitalising expenditure. In addition, project progress monitoring or internal capital reporting was not consistently occurring at the time of our review. We have agreed two high and seven medium priority management actions to address these issues. Our findings demonstrated that a number of key controls and processes were no longer in place.

We were after the audit that Contract procedure rules were introduced in November 2021 and management believe these should have improved the position identified during testing (however, we have not tested to confirm this).

Payroll (Partial Assurance)

Overall, our audit identified a number of weaknesses with the controls linked to payroll functions. It should be noted that a number of the processes used by the Payroll team were found to be well designed and operating effectively, however, we found that issues with regards to raising invoices by line managers for payroll overpayments and supporting evidence had not been consistently submitted on Agresso with expense claims. Whilst the overpayments and unsupported expenses were low in financial value, they represent gaps in the control framework, and the potential risk of larger financial errors. Furthermore, reconciliations were not being reviewed by a member of the finance team and regular meetings were not always occurring with budget holders to review, amongst other areas, payroll information in relation to staff in post and associated costs. This was evidenced by a recent overpayment (£6k), where a line manager did not recognise a staff member was being fully paid when on maternity leave. Other issues were also noted relating to the content of the Financial Procedure Rules and the timeliness of notifying the Payroll team of new starters.

Asset Register (Partial Assurance)

We identified several control gaps which impacted the maintenance of the Asset Management records. Most significantly, we found that the valuation methodology noted within the asset register system was not consistently accurate, and the valuation methods utilised were not in line with the CIPFA Code of Practice. The Council had not completed the reconciliation exercise to ensure that the asset register was consistent with the legal, asset management and housing databases. Although we identified the exercise was ongoing, the completion of this exercise was essential to ensure the accuracy of the Council's asset register. We noted issues in relation to the presence of procedural guidance which governs how the asset register and asset management systems are maintained, including the steps to be taken as part of the annual valuation and inspection exercises. Our review identified a lack of progress made in relation to previously agreed management actions, with none out of the four agreed previously being implemented.

We did also find that access to the CIPFA asset register is limited to authorised employees and that this had been updated annually with our sampled acquisitions and disposals correctly included.

Business Rates (Partial Assurance)

We identified several weaknesses in business rates processes. Whilst we noted that the Council had retrospectively posted its business rates income in the year to date, we identified discrepancies between income posted to Agresso, Academy, and the Council's cash management system. In addition, whilst we noted that business rates reconciliations were being completed, we noted that work was still ongoing to identify reconciling items due to the previous backlog of unposted business rates income, whilst these were also not subject to independent review and approval. Further issues were identified including vacant properties not being inspected at appropriate frequencies, staff having inappropriate and unrequired levels of access to Academy and the outcomes of the annual review of eligibility for mandatory and discretionary relief not being recorded for all properties. We noted that some of the reasons which may have affected the operation of controls in this area included changes in Council staff as a result of the restructure, particularly in the Finance and Revenues and Benefits departments.

RMI Contract Management – Osbornes (Partial Assurance)

We identified a number of weaknesses and improvements required with regards to the arrangements in place to manage the Repairs Maintenance and Investment (RMI) contract and the performance of Osborne. Specifically, we found that target dates for routine repairs were not being set in line with the expected 20 working day timeframe, whilst also noting that routine repairs were not being completed in a timely manner (based on both the set and expected target dates). Complaints were not being managed in an effective manner, with resolutions often not issued within ten working days as per the contract requirement. The Senior Management Board was not meeting quarterly as expected with no meetings since February 2021, and internal reporting requirements had not been agreed.

We did find that the Contract in place was complete and current with a recent revision in October 2021, payment applications from Osborne had been reviewed and payment certificated were issued appropriate, and monthly building compliance returns had been prepared since October 2021 and were used to prepare the overarching Health and Safety Compliance reports presented to the CLT, H&S Board and Building Compliance Group.

Corporate Health and Safety (Partial Assurance)

We identified a number of issues and weaknesses relating to the management of health and safety at the Council. Risk assessments were not being reviewed annually as expected and that health and safety 'self-audits had not taken place. Service area representatives repeatedly did not consistently attend Building Compliance Group meetings and failed to complete compliance returns. Three of the directorate health and safety committees were not meeting on a bi-monthly basis and Directorates were not submitting action returns. Mandatory training completion rates remained low (20–51 per cent). It should be noted

that many of the above weaknesses stem from cultural, directorate or individual issues, not functions of the H&S team. These include failing to attend meetings (BCG), failing to submit returns (compliance and actions) or failing to host meetings such as Directorate Health and Safety Committees.

We did note there was an approved Health and Safety Policy in place, appropriate completion of the Accident and Near Miss Report forms for reported incidents, building compliance was being reported to the H&S Board and they were discharging their responsibilities appropriately, as were the Workplace Safety Group and Corporate Consultative Forum.

Capital Projects (Britwell GP Hub) (Partial Assurance)

We identified a number of issues in relation to the governance arrangements in place to deliver the Britwell Expansion project. We found that there was no clarity with regards to how budgets were set/approved and that there was limited monitoring of expenditure against budget. The main funding agreement with the CCG was not provided (and the agreement with the GP was not fully signed). The Council also does not have an agreed approach for undertaking post implementation reviews and we found risk-related information was just being rolled over in reports.

We did identify some positive findings, for example there was a signed project contract in place with Kier Construction which contained expected responsibilities, there was stakeholder engagement in the process, the business case was complete covering expected areas and was appropriately approved by the Cabinet, there is a clear work programme in place with milestones, monthly meetings have been held with representatives of the Council, contractor, CCG and GP to discuss progress, and Early warning notices were being issued by the contractor to the Council where there are potential impacts to project delivery.

Leasehold Service Charges (Partial Assurance)

Our review identified that the Council had controls in place in relation to the calculation of estimated and actual costs, with information on service charges made available to leaseholders through the Council's website. Our review also identified accurate input of information between various sets of working papers in the development of the master spreadsheets for the 2020/21 actual service charge costs and 2022/23 estimates. However, we identified a number of issues resulting in the agreement of five 'medium' priority management actions. These include the update and development of relevant procedural documentation in light of significant changes around the delivery of the function, costs relating to grounds maintenance and management fees not being supported by verifiable data, the absence of mechanisms to ensure all costs incurred are charged as appropriate, potential losses through the lack of section 20 notices (s20 is a notice to tell a resident that the Council intend to carry our work or provide a service that leaseholders will have to pay towards) being issued to leaseholders and the absence of specific reporting around the recovery of service charges. The Council are also subject to continuity associated risks where the function is administered by a single individual (Project Manager) whilst there is an absence of comprehensive procedural guidance.

IT Business Continuity (Advisory – significant weaknesses)

During our review we confirmed that progress was being made by the Council to review Business Impact Analysis documents completed by departments in order to inform the IT business continuity and disaster recovery processes. However, issues were identified in relation to the absence of an IT Disaster Recovery Plan and the lack of an IT Business Continuity Plan leading to a lack of clarity over the roles and responsibilities, no testing of the plan, no lessons learnt process following an incident and controls over application management in a recovery scenario. We agreed one high and six medium priority actions. Further areas for improvement were noted with respect to IT BC and DR governance and ownership of plans.

GDPR Governance (Advisory – significant weaknesses)

We agreed three high and 12 medium priority management actions in relation to the following areas where significant improvements were required:

- GDPR Action Plan
- Data Flow Mapping
- Password Management
- Records Management
- Management Awareness
- Data Protection Policy
- Privacy Notices
- Personal Data Requests
- Lawful Bases
- Consent
- Data Breaches
- Third Parties

Supplier Duplicate Payments – two phased Advisory reviews (significant issues identified in both reviews)

Through the use of data analytics (Alteryx software), we analysed an invoice paid transaction report covering the period February 2016 (Agresso inception date) to July 2021.

Phase 1

A total of 7,501 potential duplicate payments (9,978 transactions) were identified, valued at £13.2m. We selected judgemental samples and investigated these to ascertain whether there was a 'strong likelihood' these were genuine duplicate payments. Investigations included reviewing monetary and supplier transactions on the Agresso system in order to determine whether there was evidence of corrections (credit notes, reversals or refunded amounts).

Based on our investigations and sample testing, we have identified a total of 33 payments (based on 66 individual transactions), valued at £194,467 where there is a strong likelihood duplicate payments had been made.

Phase 2

The objective of this review was to increase the level of sample testing (of potential duplicates) in Phase 1 to determine if there were any more potential (or strong likelihood) instances of duplicate payments where suppliers could be contacted to recoup money potentially owed to the Council. Investigations included reviewing monetary and supplier transactions on the Agresso system in collaboration with the P2P Team to determine whether there was evidence of corrections (credit notes, reversals or refunded amounts).

Based on our investigations in this part 2 review, we identified a further 77 payments (based on 152 individual transactions), valued at £194,024 where there is a 'strong likelihood' duplicate payments have been made by the Council.

As such, there is a total value of £388,491 identified across both reviews (Phase 1 and 2) where there is a strong likelihood of duplicate payments.

We understand that due to the significant changes in the finance staff and the impending finance restructure that Officers have not made progress in addressing these issues, but we were advised (July 22) Officers are in the process of contacting suppliers to obtain refunds in appropriate circumstances.

Cyber Security (Significant weaknesses)

We have agreed four 'High' and 15 'Medium' priority management actions with regards to the cyber essentials control framework. The 'High' and 'Medium' actions related to the following areas:

- Office Firewalls and Internet Gateways
- Security Update Management

- User Accounts and Administrative Accounts
- Office Firewalls and Internet Gateways
- Secure Configuration

- Security Update Management
- User Accounts and Administrative Accounts

Schools Audits

In addition to the above, we have also issued two Partial Assurance reports reviews at Pippins School and Priory School and summaries of the reports have been provided to the Audit and Corporate Governance Committee as part of the regular reporting of progress against the 21/22 plan and in full to Officers (noting Priory School remains in draft).

It should be noted that the summaries provided above have been reported pre-dominantly on an exception basis, but we have added in some of the well-designed controls, which had also been complied with.

Key Statistics

An analysis of our internal audit findings across all reports which have been conducted (including the one remaining draft report) for 2021/22 shows that a total of 337 actions (70 High, 152 Medium and 115 Low) were agreed, split between controls not designed adequately and controls not being complied with. The largest number of actions were in the Creditors, Temporary Accommodation, GDPR and Cyber Essentials reviews. We note that a number of issues raised within the individual reports which have contributed to the overall opinion covered as part of the 2021/22 Internal Audit plan were as a result of the restructure and significant staff turnover linked to the Council issue of a S114 notice in July 2021.

Over the previous three financial years (2018/19 – 2020/21) a total of 46 reports over this three year period concluded with either negative assurance opinions or significant weaknesses (advisory reviews). In 2021/22 alone, a total of 27 reports (22 Assurance reports and 5 Advisory reviews) concluded with either negative assurance opinions or significant weaknesses. A key theme identified again in 2021/22 is actions being restated as the initial action had not been implemented, therefore demonstrating a lack of progress being made to fully implement high and medium priority actions agreed, over a number of financial years in some areas, with a worsening trend in areas which have been affected by high staff turnover as a result of the restructure and S114 notice.

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 2021/22, as detailed in Appendix B below where minimal assurance could be taken for 7 reviews and only partial (negative opinions) assurance could be taken by the Council for a further 15 reviews over the effectiveness of the controls in place. We also undertook five advisory reviews in relation to Cyber Security, IT Business Continuity, GDPR and Supplier Duplicate Payments (two phased reviews) which identified significant weaknesses that required urgent attention. Finally, three follow up reviews to review the progress made to implement previously agreed management actions identified that 'little' and 'poor' progress (all negative opinions) had been made to implement these actions.

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 minimal assurance or partial assurance has been provided, the four advisory reviews and the three 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:

- IT Business Continuity
- GDPR
- Supplier Duplicate Payments
- Cyber Security
- General Ledger
- Business Continuity and Disaster Recovery
- Children Missing Education (CME)
- Debtors Management
- Temporary Accommodation Strategy
- Creditors
- Matrix
- Council Tax
- Rent Arrears Recovery
- Rent Accounts
- Whistleblowing
- Capital Expenditure
- Payroll
- Risk Management
- Asset Register
- Business Rates
- RMI Contract Management
- Corporate Health and Safety
- Follow Ups Q1, Q2 and Q3

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 the findings reported by the internal audit service during 2021/22. One report is still in draft.

Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through their internal action tracking process in place, managed by the Group Manager - Commercial. During the year progress has been reported to the Audit & Corporate Governance Committee (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, one review (Q4) concluded that **reasonable (positive) progress** had been made, whilst the Follow ups for Q3 and Q1 provided a **little (negative) progress** opinion and the Q2 Follow up provided a **poor (negative) progress opinion**.

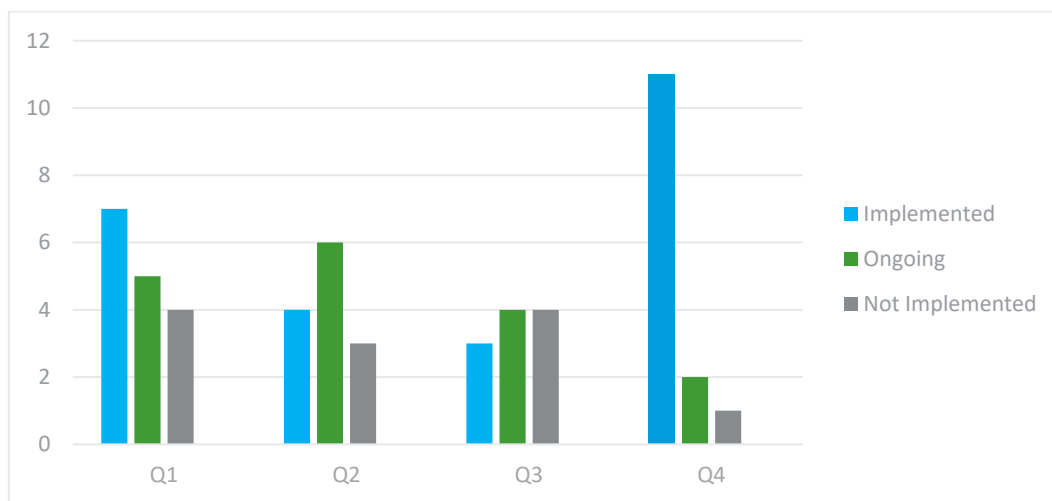
A summary of the implementation rate of the actions implemented can be found below.

The Council has previously received a number of qualified opinions in relation to the follow up reports undertaken on a quarterly basis, indicating issues with how the Council ensure that sufficient evidence is in place to be assured that control weaknesses have been addressed and actions fully implemented and embedded.

Without robust processes in place to verify and confirm that all actions have been implemented, there is a risk of inaccurate reporting to stakeholders such as the Audit and Corporate Governance Committee and control weaknesses not being addressed which could result in further weaknesses / deficiencies in controls being created.

The action tracking process was revised in year by officers following concerns raised that sufficient evidence was not being obtained to confirm that the actions agreed had been implemented, with a focus on those High and Medium priority actions from prior years which had not been closed.

However, we understand there were a number of actions closed under the previous management action tracking process that were not checked by officers to confirm that sufficient evidence was in place to confirm actions had been implemented, and we have found through our reviews conducted within 2021/22 that a number of actions have been restated as these had not been implemented.



Of the 54 actions reviewed across Quarters 1, 2, 3 and 4, we found that whilst 25 (46%) had been implemented, 17 actions (31%) were in progress and 12 actions (22%) had not been implemented

Working with other assurance providers

In forming our opinion, we have reviewed the reports produced by CIPFA (for DHULC) and the Governance review for the Secretary of State, undertaken by Jim Taylor and made reference to these in this report. We are also aware that there have been a number of other independent reviews commissioned and undertaken which the Council should take into consideration when drafting the Annual Governance Statement, but have not been referred to in this annual report, some examples include:

- Ofsted
- Special Education Needs
- Ongoing review of Slough Children's First

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.
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 the Risk and Audit Board meetings, to provide a critical friend perspective on Risk Management information presented and as part of this meeting we review actions taken by the Council to address risks identified within Internal Audits and provide updates at each meeting on the progress of the IA plan and any significant findings and opinions issued. 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 2021/22.

Conflicts of interest

We have undertaken additional work in the 2021/22 financial year covering the following areas;

- Procurement: We have supported the Council with the provision of its procurement service
- Insight software – the provision of risk software

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 2021/2022 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 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Quality assurance and continual improvement

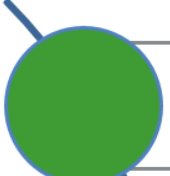
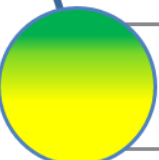

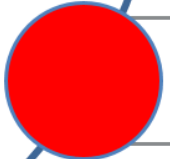
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any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

Resulting from the programme in 2021/22, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

APPENDIX A: ANNUAL OPINIONS

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

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> • inherent risk in the area being audited; • limitations in the individual audit assignments; • the adequacy and effectiveness of the risk management and / or governance control framework; • the impact of weakness identified; • the level of risk exposure; and • the response to management actions raised and timeliness of actions taken.
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p>	
 <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p>	
 <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 21/22

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. Final reports are denoted in **bold**.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
IT Business Continuity	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	2	6	1
GDPR	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	1	3	12
Supplier Duplicate Payments - (Part 1)	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	0	0	2
Supplier Duplicate Payments - (Part 2)	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	0	0	0
Cyber Essentials	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	1	15	4
General Ledger	Steven Mair – Director of Finance	Minimal Assurance [●]	1	4	6
Business Continuity and Disaster Recovery	Steven Mair – Director of Finance	Minimal Assurance [●]	3	7	1

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Children Missing Education (CME)	Eleni Ioannides – Interim Director of People (Children)	Minimal Assurance [●]	3	5	3
Debtors Management	Steven Mair – Director of Finance	Minimal Assurance [●]	3	5	4
Temporary Accommodation Strategy	Richard West – Director of Place and Community	Minimal Assurance [●]	3	7	7
Creditors	Steven Mair – Director of Finance	Minimal Assurance [●]	3	9	3
Matrix	Steven Mair – Director of Finance	Minimal Assurance [●]	2	4	2
Follow Up Q2	Steven Mair – Director of Finance	Poor Progress [●]	0	3	5
Follow Up Q1	Steven Mair – Director of Finance	Little Progress [●]	7	2	0
Follow Up Q3	Steven Mair – Director of Finance	Little Progress [●]	2	3	2
Council Tax	Steven Mair – Director of Finance	Partial Assurance [●]	4	1	3
Rent Arrears Recovery	Steven Mair – Director of Finance	Partial Assurance [●]	5	3	0
School Reviews - Pippins	Eleni Ioannides – Interim Director of People (Children)	Partial Assurance [●]	8	6	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Rent Accounts	Steven Mair – Director of Finance	Partial Assurance [●]	6	2	2
Whistleblowing	Angela Wakefield – Monitoring Officer	Partial Assurance [●]	2	3	1
Capital Expenditure	Steven Mair – Director of Finance	Partial Assurance [●]	2	7	3
Payroll	Steven Mair – Director of Finance	Partial Assurance [●]	3	3	1
Risk Management	Steven Mair – Director of Finance	Partial Assurance [●]	3	6	2
Assets	Steven Mair – Director of Finance	Partial Assurance [●]	3	5	1
Business Rates	Steven Mair – Director of Finance	Partial Assurance [●]	2	3	2
Schools Audit – Priory (DRAFT)	Eleni Ioannides – Interim Director of People (Children)	Partial Assurance [●]	11	3	1
RMI Contract Management	Richard West – Director of Place and Community	Partial Assurance [●]	7	5	0
Corporate Health and Safety	Richard West – Director of Place and Community	Partial Assurance [●]	5	6	1
Leasehold Service Charges	Richard West – Director of Place and Community	Partial Assurance [●]	2	5	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Capital Projects – Britwell GP Hub	Steven Mair – Director of Finance	Partial Assurance [●]	3	6	1
School Reviews – Cippenham	Eleni Ioannides – Interim Director of People (Children)	Reasonable Assurance [●]	3	1	0
Schools Review – Claycots School	Eleni Ioannides – Interim Director of People (Children)	Reasonable Assurance [●]	3	3	0
Housing Benefit	Steven Mair – Director of Finance	Reasonable Assurance [●]	3	2	0
Follow Up Q4	Steven Mair – Director of Finance	Reasonable Progress [●]	2	1	0
Slough Children First – Governance	Matt Marsden – Director of Finance and Resources (SCF)	No opinion - Advisory [●]	6	3	0
Slough Children First – VFM	Matt Marsden – Director of Finance and Resources (SCF)	No opinion - Advisory [●]	1	5	0
Travel Demand Management Grant	Steven Mair – Director of Finance	No opinion - Advisory [●]	0	0	0
Treasury Management	Steven Mair – Director of Finance	Deferred to 22/23			
Medium Term Financial Planning	Steven Mair – Director of Finance	Deferred to 22/23			
Budget Setting and Control	Steven Mair – Director of Finance	Deferred to 22/23			
Our Futures	Steven Mair – Director of Finance	Replaced with additional Supplier Duplicates testing			

APPENDIX C: OPINION CLASSIFICATION

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

Page 86

	<p>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.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the Council can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the Council 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).</p>
	<p>Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>



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 UK 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 UK 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.

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