

Slough Borough Council

Head of Audit Opinion

2009/2010

June 2010

Report by: Interim Head of Audit and Risk Management

Contact: Elizabeth Harrison- Interim Head of Audit & Risk Management

Tel: 01753 875374

E-Mail: liz.harrison@slough.gov.uk

Summary

The purpose of this report is to meet the Head of Internal Audit annual reporting requirements set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom, 2006.

This report has been prepared for the Members of the Audit Committee at Slough Borough Council and I would like to draw your attention to the following areas:

- [Section 1:](#) Executive Summary
- [Section 2:](#) Head of Audit and Risk Management Opinion on the Effectiveness of Internal Control- 2009/10
- [Section 3:](#) Head of Internal Audit Annual Opinion Statement
- [Section 4:](#) Significant Control Weaknesses
- [Section 5:](#) Audit Plan 2009/10
- [Section 6:](#) Compliance with the CIPFA Code of Internal Audit Practice & Quality Assurance
- [Appendix 1:](#) Internal Audit Coverage 2009/10
- [Appendix 2:](#) Detailed Recommendations- Limited & No Assurance Reports

Section One- Executive Summary

Introduction

The purpose of this report is to meet the Head of Internal Audit annual reporting requirements as set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006.

The Code advises at paragraph 10.4.2 that the report should:

- a Include an opinion on the overall adequacy and effectiveness of the organisation's internal control environment;
- b Disclose any qualifications to that opinion, together with the reasons for the qualification;
- c Present a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies;
- d Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the statement on internal control;
- e Compare the work actually undertaken with the work that was planned and summarise the performance of the Internal Audit function against its performance measures and criteria; and
- f Comment on compliance with these standards and communicate the results of the Internal Audit quality assurance programme.

The Code of Practice also states at Paragraph 10.4.1 that:

"The Head of Internal Audit should provide a written report to those charged with governance timed to support the Statement on Internal Control."

Therefore, in setting out how it meets the reporting requirements, this report also outlines how the Internal Audit function has supported Slough Borough Council in meeting the requirements of Regulation 4 of the Accounts and Audit Regulations 2003. These state that:

"The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk."

"The relevant body shall conduct a review at least once a year of the effectiveness of its system of internal control and shall include a statement on internal control, prepared in accordance with proper practices with:

- a) any statement of accounts it is obliged to publish in accordance with regulation 11, or*
- b) any income and expenditure account, statement of balances or record of receipts and payments it is obliged to publish in accordance with regulation 12."*

Section Two- Head of Audit and Risk Management Opinion on the Effectiveness of Internal Control- 2009/10

This opinion statement is provided for the use of Slough Borough Council in support of its Statement on Internal Control (required under Regulation 4(2) of the Accounts and Audit Regulations 2003) that is included in the statement of accounts for the year ended 31st March 2010.

Scope of Responsibility

Slough Borough Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Slough Borough Council also has a duty under the Local Government Act, 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Slough Borough Council is also responsible for ensuring that there is a sound system of internal control, which facilitates the effective exercise of its functions, and this includes arrangements for the management of risk.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Internal Control Environment

The Internal Audit Code of Practice states that the internal control environment comprises three key areas:

- Internal control;
- Governance; and
- Risk management processes.

Our opinion on the effectiveness of the internal control environment is based on an assessment of each of these key areas.

Review of Effectiveness

Slough Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the Executive Managers within the organisation who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the External Auditors, other review Agencies and Inspectorates in the annual audit letter, and other reports.

Section Three- Head of Internal Audit Annual Opinion Statement

My opinion is derived from the work delivered by Internal Audit during the year, as part of the agreed Internal Audit plan for 2009/10, including our assessment of the corporate governance arrangements in place within Slough Borough Council. This opinion has been informed by the previous Head of Audit & Risk Management and is reliant on the records produced during the year.

The Strategic Internal Audit Plan 2008- 2011 was developed primarily to provide management with independent assurance on the adequacy and effectiveness of the internal control environment.

Basis of Assurance

The Head of Audit & Risk Management has conducted the audits both in accordance with the mandatory standards and good practice contained within the CIPFA Code of Practice for Internal Audit in Local Government in the UK, 2006 and additionally from the internal quality assurance systems in place at Slough Borough Council.

Section Five and Appendix One outlines the summary of Internal Audits conducted within 2009/10; together with the assurance level provided. In forming this opinion, details of any significant control weaknesses have been highlighted within Section Four. In order to place reliance on this opinion, Section Six outlines the Quality Assurance mechanisms in place over the Internal Audit work conducted and how the CIPFA Code of Practice is complied with.

Corporate Governance

In my opinion, the corporate governance framework in Slough Borough Council complies with the relevant standards on Corporate Governance. This opinion is based on:

- Internal Audit work during 2009/10, resulting in Satisfactory Assurance;
- Inspections by the Audit Commission and other external bodies; and
- the Risk Management Framework adopted by Slough Borough Council.

2009/10 Opinion

From the Internal Audit work undertaken in 2009/10, it is the opinion of the Head of Audit & Risk Management that we can provide **reasonable assurance** that the system of internal control that has been in place at Slough Borough Council for the year ended 31st March 2010 accords with proper practice. The section below identifies a number of areas where improvements can be made.

Section 4- Significant Control Weaknesses

Detailed below are the areas where it is considered that significant control weaknesses exist; these should be taken into account when considering the overall Head of Audit Opinion.

Partnerships

The Council continues to work in partnership with other public sector agencies, and the voluntary and community sectors. The Local Government White Paper, '*Strong and Prosperous Communities*', placed real emphasis on the role of Local Authorities as community leaders with the requirement to work in partnership across sectors. Slough Borough Council recognises that improvements are required in respect of partnerships and partnership governance. An Internal Audit of Partnership Working was conducted in 2009/10; during this Audit, recommendations for improvement were raised and endorsed by Management in relation to the maintenance of the Partnerships Register and ensuring accountability and clear ownership in the set up of Partnerships.

Further reviews of our strategic partnerships are planned over the next financial year.

Business Continuity

Internal reviews have highlighted the requirement for Slough Borough Council to further develop the framework for ensuring robust business continuity planning. An Internal Audit conducted in 2009/10 highlighted the awareness that business continuity plans in place do not currently provide a clear and consistent framework across the Council to enable an effective response in the event of a disaster. Through the Corporate Management Team, accountability for developing and maintaining plans has been discussed enabling a clear commitment to developing the arrangements for business continuity planning over the forthcoming year.

Business Continuity will be subject to further Internal Audit review within 2010/11.

Transfer of People First

Within this opinion statement, it is important to highlight relevant future developments that may have an impact on the overall control environment. The transfer of People First to Slough Borough Council from 1st July 2010 may affect this environment.

The Council are managing the transition through the following actions:

- Production of a detailed Project Plan;
- Development and maintenance of Project Transfer risk registers;
- Maintenance of an Issues Log;
- Commissioning of Due Diligence work/ legal advice;
- Establishing a Housing Project Board with key representatives from each service area.
- Identifying responsible Officers for Finance/ Legal and HR Issues; and
- Internal Audit involvement in key risk areas; including follow up of the Limited Assurance reports issued in 2009/10.

The transfer and subsequent arrangements will be subject to ongoing Internal Audit input and review, with relevant actions being reported to the Council's Audit Committee in due course.

Section Five- Audit Plan 2009/10

At the start of 2009/10, the Internal Audit Plan was developed utilising a risk based methodology. Throughout the year, and in conjunction with the relevant Directors, the plan has been subject to continual reassessment. Where possible, amendments to the plan are minimised but amendments are inevitable, and necessary, to reflect emerging in-year priorities, projects and current issues.

The key points for 2009/10 to note are as follows:

- The approved 2009/10 Internal Audit plan contained 1,209 auditable days across the organisation;
- Throughout 2009/10, a total of 148 days have been added to the plan and a total of 182 days have been deleted from the plan, resulting in a revised total of 1,175 auditable days; and
- All amendments have been notified to the Council's Audit Committee.

The final status of the 2009/10 audit plan, along with the associated assurance opinions used in forming this opinion, has been provided at Appendix One.

The following table outlines the overall status of assurance opinions issued in 2009/10; where reports have been issued with Limited/ No Assurance, the details of control weaknesses identified have been included at Appendix Two.

	Total 2009/10
Full Assurance	0
Satisfactory Assurance	61
Limited Assurance	35
No Assurance	1
Assurance Opinion Not Applicable	4

Schools Audits

The assurance opinions issued in respect of Schools have been included within the summary table above. However, it is necessary to highlight the work completed in respect of Financial Management Standard in Schools (FMSiS) within the year. As at 31st May 2010, of the 46 Schools assessed to date for meeting the standard, 36 Schools have achieved accreditation. The following Schools are still required to meet the standard (NB: Details of recommendations raised to achieve the standard are included in Appendix Two):

- Our Lady Peace RC Aided Infant School;
- Godolphin Infant School;
- Foxborough Primary School;
- Parluant Park Primary School;
- Montem Primary;
- Khalsa Primary;
- IQRA School (NB: this School has not been subject to formal assessment as significant issues were highlighted prior to assessment; as such, Internal Audit support work has been provided and the School is due to be re-visited early 2010/11);
- Wexham School;
- Slough & Eton School; and
- St. Joseph's RC High School.

Internal Audit Progress & Performance

The following table details the Internal Audit Service performance for 2009/10 measured against the key internal performance indicators. Progress continues to be positive with all key performance indicators achieving, or exceeding, the original target set.

Key Performance Indicator	Target	2009/10 Performance
The overall percentage of recommendations agreed	100%	100%
Percentage of agreed recommendations outstanding*	N/A	56% (63/112)
Proportion of planned audit work completed.	90%	96% <i>(NB: All Audit Reports have been issued for 2009/10 to at least draft stage).</i>
Average customer satisfaction score (measured by survey) (4=Good, 3=Satisfactory, 2=Poor, 1=Unsatisfactory)	3.0	4.0

* NB: statistics of recommendations implemented are based on a six month follow up review after the issue of a final report. Also, please note that some recommendations may not have been due for implementation within six months of the issue of the final report.

Section 6- Compliance with the CIPFA Code of Internal Audit Practice & Quality Assurance

A Code of Practice for Internal Audit in Local Government was approved by CIPFA in 2006. The Internal Audit functions in all Principal Local Authorities must comply with this code.

The key areas of this code, and evidence of Slough Borough Council's compliance are outlined below:

<p>Standard One</p> <p>The Scope of Internal Audit</p>	<p>As stated in the Financial Procedure Rules, the Terms of Reference for Internal Audit emphasise the review of the control environment; the application of risk management responsibilities and clarification of management responsibilities for Fraud and Corruption. The Standard also emphasises that the Terms of Reference for Internal Audit should be regularly reviewed by the organisation.</p>
<p>Standard Two</p> <p>Independence</p>	<p>It is a requirement that “the position of the Head of Internal Audit in the management structure should reflect the influence he or she has on the control environment and he or she should not report or be managed at a lower organisational level than the corporate management team”.</p> <p>The Head of Audit reports to the Strategic Director of Resources and also has a direct route to the Chief Executive and Audit Committee. The Standard emphasises that the support of the organisation is essential and recognition of the independence of Internal Audit is fundamental to its effectiveness. It clearly states that Internal Audit should not have any operational responsibilities.</p>
<p>Standard Three</p> <p>Ethics</p>	<p>This standard outlines the principles that must be observed by all Internal Auditors in carrying out their tasks; integrity, objectivity, competence, and confidentiality. Each Auditor is required to act in an ethical manner and all Auditors are required to sign a register of interests.</p>
<p>Standard Four</p> <p>Audit Committees</p>	<p>The Audit Committee, established in June 2008, comprises both Council Members and independent Members who bring a wide range of commercial and governance experience, knowledge and challenge to the Council.</p> <p>The purpose of this Committee, as governed by the Terms of Reference, is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority framework and non-financial performance, to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process. The Committee meet four or more times per year and report annually to the Council.</p>
<p>Standard Five</p> <p>Key Relationships</p>	<p>This standard relates to relationships with management, members, other auditors and review bodies. This is in accordance with our existing methodology. The HoIARM maintains and builds relationships with various parties relevant to Slough BC and Internal Audit.</p>
<p>Standard Six</p> <p>Staffing, Training and Continuing Professional Development</p>	<p>This standard emphasises the appropriate staffing of Internal Audit by numbers and competence, and responsibility to undertake CPD. This is currently being developed further by the HoIARM and a partnership arrangement is in place to ensure adequate IT audit skills are available.</p>
<p>Standard Seven</p> <p>Audit Strategy & Planning</p>	<p>This is a high level statement of how the Internal Audit service will be delivered and developed. — e.g. a mix of in-house and external staff, and the risk based development of audit plans, and how it links to the organisational</p>

	objectives and priorities.
Standard Eight Management of Audit Assignments	All audit work is risk based, subject to a thorough review process and utilises standard documentation. Time retention periods for different types of audit documents have been discussed and an archive policy is in place.
Standard Nine Due Professional Care	The HoIARM ensures that all Internal Audit staff regularly complete a declaration of interest and conflict of interest statement. Continuing professional development is also undertaken through formal courses or on the job training.
Standard Ten Reporting	This standard prescribes principles to be observed in effective report writing, procedures for reporting and follow-ups; it also states the requirement for the HoIARM to provide the annual report on the control environment. Our current practices meet this standard, including the highlighting of residual risks where recommendations are not agreed. There is also a requirement for the HoIARM to make arrangements for interim reporting to the organisation during the course of the year to address any emerging issues in respect of areas to be covered in the annual report. This is covered as part of the quarterly reporting process to the Audit Committee and also during regular one to one meetings with the Strategic Director of Resources.
Standard Eleven Performance, Quality & Effectiveness	This standard emphasises the importance of maintaining an Audit Manual and reviewing the work of staff. There is also a requirement for the Head of Internal Audit to have a performance management and quality assessment framework in place to demonstrate the effectiveness of Internal Audit. The recent review of Internal Audit by the Audit Commission, in March 2010, noted that there had been significant improvement since the initial report in 2007; with all key recommendations implemented. Four further recommendations were raised by the Audit Commission in March 2010; all of which have been implemented or are underway. The Audit Commission concluded that they can continue to rely on the work of Internal Audit and that the Council's Internal Audit function is operating effectively. The Audit Manual is regularly reviewed by the HoIARM to reflect any changes in working practices. These changes are designed to focus audit resources on high risk areas and enable Auditors to carry out efficient and relevant audit testing.
Other Assurance Mechanisms	The Internal Audit section is reviewed annually by our external auditors, as detailed under standard eleven, and also the CPA review. Our internal quality review process ensures that: <ul style="list-style-type: none"> • Reports to the client are clear, easy to follow and focus on the areas for improvement. • The audit focuses on the risks to the clients system objectives; • All weaknesses/findings are evidenced and appropriate recommendations are made to overcome them; • Working papers are of a good standard and are logical to follow; and • The right auditor is allocated the appropriate assignment.

Internal Audit Coverage 2009/10

	Days Planned	Actual	Assurance	Status
Core Systems				
Financial Planning	15	15	Satisfactory	Draft
Budgetary Control	15	15	Satisfactory	Draft
General Ledger	15	15	Satisfactory	Draft
Capital Finance	10	10	Satisfactory	Draft
Creditors	15	15	Satisfactory	Final
Cashiers	10	10	Satisfactory	Final
Treasury	15	15	Satisfactory	Final
NNDR	12	12	Satisfactory	Draft
Council Tax Billing & Collection	15	15	Satisfactory	Draft
Pensions	10	10	Satisfactory	Final
Payroll	15	15	Limited	Final
Debtors	15	10	Limited	Draft
Council Tax & Housing Benefits	18	16	Limited	Draft
VAT	10	10	Limited	Final
IT Audit				
Anti-virus & Spyware	8	8	Satisfactory	Draft
IT Procurement / Acquisition	7	7	Satisfactory	Draft
IT Support Contracts	8	8	Limited	Draft
IT Data Backup	7	7	Limited	Draft
Data Centre	7	7	Limited	Final
Software Licensing	8	8	Limited	Draft
IT Business Continuity & Disaster Recovery	9	9	Limited	Draft
IT Inventory - asset tagging	10	8	Limited	Final
Non- Core Audits				
Langley Library	6	6	Satisfactory	Final
Youth Service	10	10	Satisfactory	Final
Supporting People Grant Certification	10	9	Satisfactory	Final
Libraries IT	5	3	Satisfactory	Final
Members Allowances	7	6	Satisfactory	Final
Local Land Charges	10	9	Satisfactory	Final
Domiciliary Care In House	15	10	Satisfactory	Final
Respond	5	4	Satisfactory	Final
Lavender Court	5	4	Satisfactory	Final
Careline	10	8	Satisfactory	Final
Planning Policy & Projects	7	12	Satisfactory	Final
Public Transport (Contracts & Concessions)	15	15	Satisfactory	Final
Disabled Facilities Grant	10	9	Satisfactory	Final
Building Control	12	11	Satisfactory	Final
Education Welfare	10	9	Satisfactory	Final
Contact Point	20	20	Satisfactory	Final
Single Status Harmonisation & Job Evaluation	10	9	Satisfactory	Final
Stroke Care Grant	10	6	Satisfactory	Final
Petty Cash & Imprest Systems	10	12	Satisfactory	Final
Grant Reviews	15	15	Satisfactory	Final
Investigations Unit	10	5	Satisfactory	Final
other Project Work	20	20	Satisfactory	Final
Service Planning	15	15	Satisfactory	Draft

Pro-active anti-fraud	12	3	Satisfactory	Final
Community Services Facilities Property Management	10	13	Satisfactory	Draft
Accord Partnership Agreement	18	15	Satisfactory	Final
SEEDA Grant	10	7	Satisfactory	Final
Registrars	10	13	Satisfactory	Final
Procurement	10	10	Satisfactory	Final
Project Management Methodology	15	12	Satisfactory	Draft
LAA	50	15	Satisfactory	Final
Performance Management	15	15	Satisfactory	Draft
Corporate Governance	15	15	Satisfactory	Draft
Risk Management	15	15	Satisfactory	Draft
Early Years Childcare Grant	10	14	Satisfactory	Draft
Leisure Management	15	15	Satisfactory	Final
Occupational Health	7	6	Limited	Final
Social Care Debt Management	15	21	Limited	Draft
Direct Payments	10	10	Limited	Final
DPA & FOI	15	3	Limited	Final
Overtime Payments	10	9	Limited	Final
Partnership Working	10	13	Limited	Final
Car Parks Monitoring & Control	15	15	Limited	Final
Improvement grants	7	18	Limited	Final
Housing Advice & Homelessness (including Temporary Accommodation)	8	8	Limited	Draft
Data Quality (IT & General)	10	10	Limited	Draft
Pertemps	10	5	Limited	Draft
Placement Budgets	15	15	Limited	Final
Fostering	10	10	Limited	Draft
Nursing Homes Placement & Residential	10	10	Limited	Final
Business Continuity	9	9	Limited	Final
Interserve Corporate	10	10	Limited	Draft
Schools Audits/ FMSiS				
Cippenham Junior School	6	6	Satisfactory	Final
St Bernards Catholic Grammar School	10	9	Satisfactory	Final
Haybrook College	6	7	Satisfactory	Final
Cippenham Nursery School	5	7	Satisfactory	Final
Lea Nursery School	5	8	Satisfactory	Final
Pippins School	10	6	Satisfactory	Final
SSCO Wexham School	7	7	Satisfactory	Final
Slough Grammar School	10	5	Satisfactory	Final
FMSiS Management	10	10	Satisfactory	Final
St Josephs Catholic High School	10	11	Limited	Final
Khalsa primary	10	10	Limited	Final
Montem Primary	6	7	Limited	Final
Foxborough School	5	7	Limited	Final
Wexham School	10	6	Limited	Final
Parlaunt Park Primary School	10	7	Limited	Final
Slough & Eton School	10	13	No Assurance	Final
People First				
Partnership Interserve	12	23	Satisfactory	Draft
PFS Housing Management	10	10	Satisfactory	Draft
PFS Creditors	10	10	Satisfactory	Final
PFS VAT	7	7	Satisfactory	Final
Leaseholder Charges	10	10	Limited	Draft

PFS Corporate Governance & Risk Management	10	10	Limited	Final
PFS Rents	15	15	Limited	Draft
Audits Completed where an Assurance Opinion Not Applicable				
IQRA Slough Islamic School	10	11	N/A	N/A
Proactive Anti-Fraud Work	12	12	N/A	N/A
Homecare Operating System	3	3	N/A	N/A
National Fraud Initiative	20	11	N/A	N/A

Detailed Recommendations- Limited & No Assurance Reports

Limited/ No assurance opinions have been issued in the following areas in 2009/10:

Audit	Report Status	Total Number of Recommendations	Areas of Significant Control Weakness	Other Comments
Core Financial Systems Audits				
Payroll	Final	10	<ul style="list-style-type: none"> • Implementing a procedure for the completion of pre-employment checks for staff within Schools (Asylum & Immigration Act, 1996); • Six medium recommendations; and • Three Low recommendations. 	The realignment of support services will further improve the control environment
Debtors	Draft	5	<ul style="list-style-type: none"> • Developing procedures for the collection of aged debts; • The timely chasing of debts; • Reconciliation of payments received against the system; • Completion of write-offs within CWB; and • One Medium recommendation. 	The realignment of support services will further improve the control environment
Council Tax & Housing Benefits	Draft	4	<ul style="list-style-type: none"> • Secondary review of the year-end reconciliation between the Housing Benefits system to the General Ledger; • Full completion of reconciliation between Academy and Oracle year-end reconciliation and the investigation of any discrepancies; and • One Medium recommendation. 	This area is being followed up within the current Internal Audit work being undertaken for People First prior to transfer.
VAT	Final	5	<ul style="list-style-type: none"> • Failure to check purchase invoices against the Accounts Payable System; • Two Medium recommendations; and • Two Low recommendations. 	N/A

IT Audits				
IT Support Contracts	Draft	2	<ul style="list-style-type: none"> • Inclusion of performance targets within support contracts; and • Monitoring adherence to SLA's- in particular continuous improvement. 	The realignment of support services will further improve the control environment
IT Data Backup	Draft	5	<ul style="list-style-type: none"> • Interim arrangements for the backup of the new SAN 2; and • Four Medium recommendations. 	The realignment of support services will further improve the control environment
Data Centre	Draft	11	<ul style="list-style-type: none"> • Resolving the capacity issues with the UPS and generator- and undertaking a controlled test; • Ten Medium recommendations. 	The realignment of support services will further improve the control environment
Software Licensing	Draft	7	<ul style="list-style-type: none"> • Omissions from the software inventory; and • Six Medium recommendations. 	The realignment of support services will further improve the control environment
IT Business Continuity & Disaster Recovery	Draft	7	<ul style="list-style-type: none"> • Review of current DR strategy; and • Four Medium recommendations. 	The realignment of support services will further improve the control environment
IT Inventory- Asset Tagging	Final	3	<ul style="list-style-type: none"> • No finalised IT asset tagging policy in place; • Failure to maintain the IT asset database to reflect disposals; and • No periodic check between the asset database and the physical assets is completed. 	The realignment of support services will further improve the control environment
Non-Core Audits				

Occupational Health	Final	6	<ul style="list-style-type: none"> • Agreement of a formal contract for provision of the Occupational Health service; • Confirmation of charge rates; and • Four Medium recommendations. 	N/A
Social Care Debt Management	Draft	5	<ul style="list-style-type: none"> • Regular review of the CWB debt recovery policy for social care debts; • Adherence to standard debt recovery procedures with CWB, GBE and ECS; • Completion of income reconciliations; • Regular completion of write-offs within CWB; and • One Low recommendation. 	The realignment of support services will further improve the control environment
Direct Payments	Final	10	<ul style="list-style-type: none"> • Production and availability of a Direct Payments policy; • Monitoring of direct payments offered; • Seven Medium recommendations; and • One Low recommendation. 	The realignment of support services will further improve the control environment
Data Protection & Freedom of Information	Final	15	<ul style="list-style-type: none"> • Development of clear procedures for DPA; • Development of Fol request handling procedures; • Appointment of Directorate representatives for Fol & DPA; • Awareness of DPA & Fol procedures and representatives; • Updating the DPA/ Fol contacts list; • Identification and escalation of failure to respond to Fol & DPA requests in line with statutory deadlines (three recommendations); • Minimising failure to meet required response timescales and the handling of complaints; • Controlling issue of information- central point of contact/ review; • Prompt escalation of Fol requests to relevant representatives; • Maintenance of records to demonstrate compliance with Fol requests; • Maintenance of supporting documentation demonstrating responses to requests; • Reporting of summary responses/ performance in responding to CMT quarterly. 	N/A

			<ul style="list-style-type: none"> Two Medium recommendations. 	
Overtime Payments	Final	6	<ul style="list-style-type: none"> Development and approval of an Overtime Policy; Development of procedures for processing overtime claims; Three Medium recommendations; and One Low recommendation. 	This has been addressed as part of the Job Evaluation/Harmonisation process. The realignment of support services will further improve the control environment.
Partnership Working	Final	10	<ul style="list-style-type: none"> Maintenance of a Partnerships Register and identification of a responsible Officer; Defining the purpose and expectations of partnership arrangements; Maintenance of partnership risk registers (E-Government); Maintenance of exit strategies within partnerships (E-Government); Maintenance of action plans to monitor goals and targets within Partnerships; Approval of the establishment of partnership arrangements (Car Parking); Monitoring of governance arrangements within partnerships; Three Medium recommendations; and Two Low recommendations. 	Control weaknesses identified within this area have been highlighted in both the 2008/09 and 2009/10 Annual Governance Statement.
Car Parks Monitoring & Control	Final	2	<ul style="list-style-type: none"> Authorisation and maintaining evidence of contract amendments; and Completion of reconciliations. 	N/A
Improvement Grants	Final	7	<ul style="list-style-type: none"> Monitoring budget under spends in grant usage; Four medium recommendations; and 	N/A

			<ul style="list-style-type: none"> Two Low recommendations. 	
Housing Advice & Homelessness (including Temporary Accommodation)	Draft	5	<ul style="list-style-type: none"> Purchasing in line with Council Financial Procedure Rules; Three Medium recommendations; and One Low recommendation. 	N/A
Data Quality (IT & Non-IT)	Draft	5	<ul style="list-style-type: none"> Development of a corporate policy/ strategy on Data Quality; and Four Medium recommendations. 	N/A
Pertemps	Draft	5	<ul style="list-style-type: none"> Timely distribution of monthly invoice details; Approval of invoices; Authorised invoice amendments; Maintenance and recording of invoice details; and Identification of a Lead Officer for the monitoring of the contract. 	The realignment of support services will further improve the control environment
Placement Budgets (Nursing Homes Placement & Residential)	Final	7	<ul style="list-style-type: none"> Completion of the six weekly review; Approval of Care Plans; and Five Medium recommendations. 	N/A
Fostering	Draft	9	<ul style="list-style-type: none"> Maintenance of standard file documentation- e.g. home visits/ induction/ annual review; Full completion of placement forms; Completion of annual review and unannounced visits; and Six Medium recommendations. 	N/A
Business Continuity	Final	12	<ul style="list-style-type: none"> 12 Medium recommendations, including: <ul style="list-style-type: none"> Establishing a BCP Working Group; Consistency of BCP's Council-wide; Completion of a Corporate BCP; Compiling a master list of key contacts; Availability of BCP's on the intranet; 	This report has been discussed and agreed at CMT level; additional funding has been allocated to this area to commission an external review

			<ul style="list-style-type: none"> • Provision of BCP training; • Testing of BCP's; and • Liaison with key partners and suppliers. 	and implement a standard framework Council-wide.
Interserve Corporate	Draft	13	<ul style="list-style-type: none"> • Monitoring the use/ assurance over sub-contractor work; • Maintenance of an up to date schedule of rates; • Nine Medium recommendations; and • Two Low recommendations. 	N/A
Schools Audits				
St Joseph's Catholic Primary School	Final	19	<ul style="list-style-type: none"> • Failure to review Governing Body roles and responsibilities since 2006/07; • Level of delegated authority to the Headteacher is set higher than required; • No assessment undertaken by the GB to support the SIC; • Requirement to declare conflicts of interest is not a standing agenda item; • No whistle blowing policy in place; • Failure to complete a financial competencies self-assessment by Governors; • Failure to complete a financial competencies self-assessment by staff; • Staff with financial management responsibilities have not completed a declaration of interests form; • Failure to complete a School Development Plan for 2009/10; • Lack of management trail for one cheque payment made; • Seven Medium recommendations; and • Two Low recommendations. 	NB: The School was assessed for accreditation and issued with a Pass in 2006/07 and reassessed in 2009/10, resulting in a Fail.

Khalsa Primary School	Final	17	<ul style="list-style-type: none"> • The School is not registered under the Data Protection Act; • Conflict of Interests and Adherence to tendering procedures- Governor business; • No completed Controls self-assessment in the last twelve months; • Failure to complete the Governors checklist prior to signing the SIC; • FMSiS assessment document not signed by the Chair of Governors; • Failure to complete a declaration of interests form; • Nine Medium recommendations; and • Two Low recommendations. 	This was the first review under the FMSiS assessment process- the standard for accreditation was not achieved. This School will be subject to follow up in 2010/11 and reassessment in 2012/13.
Montem Primary School	Final	8	<ul style="list-style-type: none"> • Reviewing the appropriateness of limits of delegated authority- significantly higher than best practice; • Six Medium recommendations; and • One Low recommendation. 	N/A
Foxborough School	Final	8	<ul style="list-style-type: none"> • A financial update report to the Governors following the last audit • Use of petty cash for staff expenses reimbursement • The Statement of Internal Control (SIC) and the Governing Body Controls self-assessment to support the SIC • The Bank Reconciliation process • Use and recording of manual cheques • The purchase order process • Invoice payments • Use of petty cash for staff expense reimbursements 	NB: F.S was assessed for accreditation under FMSiS in 2008/09- an opinion of No Assurance was issued. Significant progress has been made but further work is required before accreditation can be provided.
Wexham School	Final	24	<ul style="list-style-type: none"> • Governing Body involvement in the financial management of the School- approval of the budget/ review of budget reports; • Updating the bank mandate- one signatory; • 90% of purchases were made without a purchase order; • No Governing Body assessment of the internal control environment for the SIC; 	This School will be reassessed in 2012/13.

			<ul style="list-style-type: none"> • Seventeen Medium recommendations; and • Three Low recommendations. 	
Parlaunt Primary School	Final	25	<ul style="list-style-type: none"> • Defining Governing Body roles and responsibilities; • Discussion and agreement of the Statement of Internal Control by the Governing Body; • Annual completion of Governor declarations of interests; • Declarations of interests to be added as a standing agenda item; • Failure to complete financial competency self-assessments; • Incorporation of budgetary requirements/ resource implications into the School Development Plan; • Update and review of School Financial Regulations; • Regular completion and review of bank reconciliations by the Headteacher; • 31% of invoices with no purchase order raised as required; • No annual control self-assessment undertaken by the Governing Body annually; • Twelve Medium recommendations; and • Three Low recommendations. 	This was the first review under the FMSiS assessment process- the standard for accreditation was not achieved. This School will be subject to follow up in 2010/11 and reassessment in 2012/13.
Slough & Eton School	Final	33	<ul style="list-style-type: none"> • Completion of self-evaluation of financial management competencies; • Introduction of a formal scheme of delegation; • Approval of Committee Terms of Reference; • Adoption of a set of Financial Procedural rules; • Adoption and adherence to a Procurement Policy; • Maintenance of bank accounts- one account only; • Separation of petty cash from income- maintaining records; • Removal of the School credit card; • Maintenance of an up to date bank mandate; • Maintain control over controlled stationery- no pre-signed cheques; • Maintenance of direct debit details; • Review of outstanding invoices for payment; • Prompt payment of invoices; • Ensuring all staff payments are made via Payroll; 	Slough & Eton School will be subject to a detailed follow up Audit in Quarter Two of 2010/11- further details will be reported to the Audit Committee.

			<ul style="list-style-type: none"> • Reconciliation of the approved budget to actual records; • Completion of payroll reconciliations; • Maintenance of pension details/ records; • Completion of a regular cash flow analysis; • Prompt payment of monies collected on behalf of charities; • Approval/ Secondary review of the bank reconciliation; • Completion of an annual audit of the private fund; • Requiring secondary authorisation of payments/ segregation of duties; • Cease loan arrangements; • Review of the reason/ purpose for the Governor's Fund; • Nine Medium recommendations. 	
People First				
Leaseholder Charges	Draft	3	<ul style="list-style-type: none"> • Compliance with statutory consultation periods on major works; and • Two Medium recommendations. 	Recommendations are currently being followed up during the 2010/11 Due Diligence work in respect of People First.
Corporate Governance & Risk Management	Final	11	<ul style="list-style-type: none"> • Completion of Service Level risk registers; • Eight Medium recommendations; and • Two Low recommendations. 	Action taken against implementation of the recommendations is currently being followed up as part of the 2010/11 Due Diligence work.
Rents	Draft	8	<ul style="list-style-type: none"> • Authorisation of write-offs in line with the approved Scheme of Delegation; • Six Medium recommendations (three of which concern 	Action taken against implementation of

			reconciliations of the rents system; and <ul style="list-style-type: none"> • One Low recommendation. 	the recommendations is currently being followed up as part of the 2010/11 Due Diligence work.
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