RSM Tenon

SLOUGH BOROUGH COUNCIL

Strategy for Internal Audit
2012/13 – 2014/15

For presentation at the Audit Committee meeting of 27th March 2012

Approved by Daniel Harris as Head of Internal Audit

CONTENTS

RSM Tenon

1   INTRODUCTION

1.1   Overall Approach

This strategy sets out the approach we have taken to develop your internal audit plan for 2012 / 2015. It provides the Audit Committee and Cabinet with a three year strategy and a more detailed plan for 2012/13.

1.2   The Purpose and Function of Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

(Chartered Institute of Internal Auditors)

Our professional responsibilities as internal auditors are set out in the International Standards for the Professional Practice of Internal Auditing, published by the Chartered Institute of Internal Auditors (CIIA) in the UK and Ireland.

As such, our approach to internal audit also meets the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

In line with these requirements, we perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help Slough Borough Council achieve its objectives.

Internal Audit is a key part of the assurance cycle for Slough Borough District Council and, if used appropriately, can assist in informing and updating the risk profile of the organisation. Internal Audit provides management with assurance on whether the

organisation's risk management, control and governance processes are adequate and operating effectively.

Internal Audit can also provide key support to the Audit Committee by providing members with timely assurance regarding the effectiveness of internal controls in place to manage the Council's key risks.

1.3   THE ROLE OF THE AUDIT COMMITTEE

The audit committee has a key role in ensuring that:

-    the focus of Internal Audit work is structured and focussed around providing assurance to the Council on the key areas of risk and that effective internal controls are in place to manage these key risks;
-    the audit plan is being delivered in accordance with the agreed time-scales set within the plan, and that assurances over the effectiveness of controls in place to manage risks are provided on a timely basis;
-    sufficient Internal Audit work is undertaken to enable the production and sign-off of the Annual Governance Statement;
-    There is an effective working relationship in place between Internal and External Audit, with External Audit being able to rely upon the work undertaken by Internal Audit to assist them in their annual accounts work.

2   DEVELOPING YOUR INTERNAL AUDIT STRATEGY

2.1   Developing the Strategy and the Detailed Plan for 2012/2013

Slough Borough Council's objectives and risk profile are the starting point in the development of the strategy for internal audit for the organisation, which is set out at Appendix A to this document.

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy includes:

RSM Tenon

▪ a contingency allocation, which will only be utilised should the need arise, for example, for unplanned and ad-hoc work and will be subject to prior approval by the Audit Committee;

▪ a follow-up allocation, which will be utilised to assess the degree of implementation achieved in relation to recommendations agreed by management during the prior and current financial year and will serve to inform the adequacy of the organisation's own recommendation tracking process; and

▪ an audit management allocation, used at Director, Associate Director and Senior Manager level for quality control, client and External Audit liaison and for preparation for and attendance at Audit Committee.

The strategy will be revisited each year to confirm current priorities for internal audit coverage and to develop a detailed internal audit plan for the forthcoming year.

The detailed plan for 2012/2013 is set out at Appendix B.

In preparing your strategy we have met with the following individuals to gain an understanding of the key risks which may impact on the achievement of the Council's objectives:

- Ruth Bagley – Chief Executive

- Julie Evans – Strategic Director of Resources and Regeneration

- Claire Pyper – Strategic Director of Education and Children's Services

- Jane Wood – Director of Community and Wellbeing

- Roger Parkin – Director of Improvement and Development

- Mike Bibby – Assistant Director, Personalisation, Commissioning and Partnership

- Andrew Stevens – Assistant Director, Learning and Cultural Development

- Simon Pallet – Head of IT

- Jo Anderson – AD Commissioning, Procurement and Shared Services

- Patrick Kelleher – Assistant Director, Public Protection.

The Plan has also been considered by the Council Management Team.

Key Areas discussed with Management	
1	The establishment of the **Transactional Services HUB** from the 2nd April 2012. A large number of the Council's services are transferring to this hub, such as financial systems, council tax and housing benefit. Therefore, a significant proportion of our audit plan has been dedicated to providing assurance over both the transfer process and the effective operation of these systems going forward.
2.	The Council has made significant changes to its Divisional structure, moving from four to three Directorates. Within our plan we have included audits on **Performance Management and Reporting** to ensure that the change in structure has not impacted on the delivery of the Council's objectives.
3.	Council services are increasingly being provided under a **commissioning** model, with delivery of the service out-sourced to one or more providers. We have therefore included a number of audits within our plan to provide assurance over the management of these services. Examples of audits in this area include; **leisure services contract and block nursing and supporting people.**

4.	From a review of previous Internal Audit plans it was noted that there has been a significant reduction in the number of schools subject to audit each year. To address this, we are proposing to significantly increase the volume of **schools audits** undertaken in the 1st two years of our strategy, to help ensure that effective systems of financial management and governance are in operation within all of the schools. In addition, we are also proposing to undertake an audit of the **Schools Development Budget and the FIMSIS / FSVS** returns.
5.	The Council has set itself a challenging £25million **Cost Improvement Programme** to be delivered over the next three years. To assist the organisation in providing assurance over the effectiveness of systems in place to ensure delivery of this plan we are proposing to audit the processes in place for the setting and delivery of this plan to ensure that planned savings are based upon realistic assumptions and that delivery of these is monitored effectively. This audit will be supported by further audits of the Council's budget setting and control systems.
6.	A new Procurement Strategy is being introduced by the Council from April 2012. We are therefore proposing to undertake a number of **procurement audits** throughout the year to provide assurance that this strategy is being delivered, and is resulting in improved procurement practice throughout the organisation. Our audit of procurement undertaken in 2011/12 also identified weaknesses in how procurement processes are undertaken and recorded, therefore we will also ensure that recommendations made as part of this audit have been fully implemented.

7.	The need to ensure that all significant issues raised within the **Annual Governance Statement** are addressed. We have therefore included audits within our 2012/13 plan on; **procurement, risk management, business continuity and safeguarding**, and will ensure that any future issues raised in the statement are addressed going forward.

2.2 Impact of the Government's Spending Review and Other Austerity Measures.

Your internal audit plan for 2012/13 is designed to reflect the considerable impact of the Government's comprehensive spending review and other austerity measures on Slough Borough Council. In particular Slough Borough Council:

- has set its budget for 2012/13 at £100.4million

- has planned to achieve savings of £25 million over 4 years

These changes will all impact on the organisation's risk management, control and governance arrangements and, if poorly implemented, these areas could be weakened. At the same time Slough Borough Council's risks are likely to increase as:

- the scale of change reduces the time that senior management can devote to day to day management oversight

- public organisations establish new models of working, in which to date they have had limited experience

- contractors / suppliers face their own financial pressure, which could lead to corners being cut in service delivery

- fraud risks increase as disaffected staff will have more opportunity and incentive to perpetrate fraud and contractors could take advantage of weakened controls systems

We have therefore reviewed the resources necessary to discharge our responsibilities as the organisation's internal auditors and this plan:

- provides for additional senior input by the client manager and Head of Internal Audit to help ensure that emerging risks are identified and considered for example before contractual commitments are made or new systems are developed;

- includes more provision for compliance testing key controls to provide assurance that these controls are continuing to operate (extending the work we undertake as part of the managed audit in liaison with the external auditors).

2.3 Your Internal Audit Team

Your Engagement Director is Mark Jones

Your internal audit team is led by Daniel Harris, Head of Internal Audit.

Your Senior Manager is Chris Rising

Your Assistant Manager is Andrew Patterson.

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under auditing standards.

3 CONSIDERATIONS FOR THE AUDIT COMMITTEE

To assist the Audit Committee with their consideration of the Internal Audit Plan, we have set out below a number of questions the Audit Committee should consider:

- Does the Strategy for Internal Audit (as set out at Appendix A) cover the organisation's key risks as they are recognised by the Audit Committee?

- Does the audit strategy include all those areas that the Audit Committee would expect to be subject to internal audit coverage, both in terms of our professional responsibilities as well as covering areas of concern flagged by management?

- Is the level of audit resource accepted by the Committee and agreed as appropriate, given the level of assurance required?

- Does the detailed internal audit plan for the coming financial year (see Appendix B) reflect the areas that the Audit Committee believes should be covered as priority?

- Is the Audit Committee satisfied that sufficient assurances are being received by the organisation to effectively monitor the organisation's risk profile, including any emerging issues?

RSM Tenon

APPENDIX A: STRATEGY FOR INTERNAL AUDIT 2012/13 – 2014/15

Risk Based Coverage

Risks	Auditable Areas	Source	2012/13	2013/14	2014/15
Strategic Risk Issues					
The recent Ofsted report has judged the safeguarding services and safeguarding outcomes for children and young people as requiring some areas of improvement.	Safeguarding	Corporate Risk Register Risk 1	✔	✔	✔
Economic Instability and Turbulence at a national level, Comprehensive Spending Review, Reduction in Income of £25m to the Council over the next 4 years. Risk is that we do not have sufficient funding to provide services.	Budget Setting Budgetary Control & Financial Reporting CIP Delivery Service Planning	Corporate Risk Register Risk 2	✔	✔	✔
Project to outsource transactional functions of the council to a transactional hub provided by a third party contractor with the aim of attracting other transactional operations to join "The Hub".	Transactional Services Hub Financial Systems: Housing Benefit Council Tax Business Rates Payroll Creditors Debtors Cash and Treasury Management General Ledger E-HR Recruitment Data Image Management	Corporate Risk Register Risk 3	✔	✔	✔

RSM Tenon

	Rent Accounts Transactional Services HUB - Transfer of Balances Transactional Service HUB - Contract / Performance Management Transactional Service HUB – Systems Review				
There are no Business Continuity plans in place for the My Council IT systems The IT Department lacks some necessary skills and the necessary capacity to deliver the IT programme that needs to be delivered. It is not clear whether the systems employed at Landmark Place represent Value for Money	IT Strategy Disaster Recovery Data Protection Act Freedom of Information IT Application Reviews Networks and Communication	Corporate Risk Register Risk 4	✔ ✔ ✔	✔ ✔	✔
An increase in the population puts pressure on the vast majority of the services offered by the Council. Services may not be able to cope with increased demand.	Demand Management Note: in 2012/13 this will focus on the management of school places	Corporate Risk Register Risk 6	✔	✔	
Governance arrangements for partnerships are not currently of a satisfactory standard.	Partnership Arrangements	Corporate Risk Register Risk 7	✔	✔	✔
Failure to meet planned expectations with regard to attracting investment or completion of the project by required deadlines	Gold Projects Management	Corporate Risk Register Risk 8	✔	✔	
Managing a mixed economy workforce, utilising a suite of contractual relationships internal, external temporary and permanent.	Workforce Planning and Management (including succession planning) Use of Agency Staff Flexible Workforce Management	Corporate Risk Register Risk 10	✔ ✔		 ✔

	Absence Management			✔	
	Training and Development			✔	
	Appraisals				✔
Failure to manage risks in accordance with the BSI Standard for Risk management or to follow leading practice in place at other local authorities.	Risk Management	Corporate Risk Register Risk 11	✔	✔	✔
Customer and Community Services Directorate					
Inability to deliver innovation in the provision of leisure services Issues around both library and leisure contracts.	Leisure Centre Management Library services Management. This area is being considered for audit during 2013/14.	Learning and Cultural Engagement Risk Register	✔	✔	
Ineffective management of community centres	Management of Community Centres	Management Concern	✔		✔
The Council is taking on the management of Adult Learning Services for Windsor and Maidenhead. Risk that ineffective systems are in place to ensure the effective management of service.	Adult Learning Services	Management Concern		✔	
Resources, Housing and Regeneration Directorate					
Housing Management system. – A Problematic installation that has lead to the system not being used to its full capacity. CMT are aware of this issue. There is a maintenance agreement with Capita. This system also assists in the management of Council Tax and Housing Benefit as well as Housing Management issues. The system can also perform a weekly uplift into rent accounts. Issue of not knowing where income is credited to rather than not collecting income. Skilled knowledgeable staff required to user test	Housing Management System Housing Allocations. Note: this audit is proposed to be undertaken from 2013/14 onwards.	Housing Risk Register	✔	✔	✔

RSM Tenon

the system to identify issues. Phase 1 now fully implemented, phase 2 and 3 now underway with no significant risks now remaining or expected						
GBE0004 - Mananging Increased Demand Houses of Multiple Occupation Issue of fire etc in HMO that Housing do not know about. Can only inspect 50 out of over 2000 properties, important to prioritise so as not to over stretch the service Previous issues of other agencies placing unsuitable clients in HMO's Progress being maintained and staff resources protected throughout budget reductions and restructuring. All properties risk rated and prioritise to address 'worst first'	Multiple Occupation Houses Management of Housing Stock	Housing Risk Register	✔		✔	
GBE0007 - Managing Increased Demand Once the housing market picks-up it will be worth while for building societies and banks to reprocess an increasing number of properties, if this happens then the number of homeless in Slough may increase very quickly Temporary Accommodation budget has reduced over the years to £50,000. Homelessness and repossessions increasing as expected but demands still being managed within the service without additional budget pressures	Housing Demand Management Homelessness Note: as the housing market is currently weak these audits may be more prudent for inclusion within the 2013/14 audit plan	Housing Risk Register			✔	✔
GBE0008 - Failure of key supplier Contract with Interserve Performance is relatively patchy. 4 years left on contract Interserve paid a guaranteed sum each year Issues with crass service delivery Reputational risk Improved performance recorded over last 6 months which has been maintained. Risk of catastrophic contract failure lessened	Interserve Contract Management	Housing Risk Register	✔			✔

GBE0009 - Failure of internal controls Fraud and Corruption Risk of officers granting themselves flats/houses/garages. Illegal sub-letting Mobile technology yet to be implemented but departmental restructures have delivered separation of functions with additional fraud detection initiatives implemented. All new tenants photographed upon sign up and each provided with an identity card. Verification checks of existing tenants underway	Lettings and Voids – proposed to be undertaken during 2013/14 Tenancy Fraud	Housing Risk Register	✔	✔	✔
H&S is in a shared service agreement whereby H&S services are provided to Windsor and Maidenhead and Reading by the same H&S Manager. There is an issue around schools not buying into the Council H&S Services and this could possibly result in a £30-£30k reduction in income. This may result in the resilience of the Councils own H&S being reduced and increasing our own H&S risk.	Health and Safety Note: As part of our audits of schools in 2012/13 we will include aspects of health and safety with a full audit of the Council arrangements undertaken in 2013/14	Professional Services Risk Register		✔	
Current software does not perform in an efficient manner. Specialist skills are required within the Performance Unit Reduced overall resources cannot do certain things Directors need to prioritise requirements	Performance Management Data Quality Note: both of these audits are scheduled for review on an annual basis	Professional Services Risk Register	✔	✔	✔
Ineffective management of emergency planning services.	Emergency Planning Note: In 2012/13 the focus of the plan will be on the Council's Business Continuity arrangements, rather than emergency planning.	Transport and Planning Risk register		✔	✔

Wellbeing Directorate					
The fees increase project fails to ensure an appropriate agreement of fees for nursing care provision.	Fee increases Project Personalisation Project	Management Concern	✔		✔
Ineffective contract monitoring arrangements leads to non-delivery of services to the required standard.	Contract Monitoring – Management of Block Nursing Contract Monitoring - Supporting People	Management Concern	✔	✔	
Significant pressure on school places Schools fail to provide acceptable quality of education for children and young people in Slough Children and young people do not receive high quality education, affecting their current and future achievements six schools in Ofsted categories may result in government intervention additional schools are put into categories by Ofsted	Services to Schools Integrated Youth Support Services Children's Centres Note: Through discussions with the Director it was identified that these areas may be more prudent for audit in 2013/14 & 14/15.	Education and Children's Services Risk Register		✔	✔ ✔
Provider Services are not effectively managed leading to poor service provision.	Registered Bed Based Services (Respond and Lavender Court)	Management Concern	✔	✔	
Children's and Families Assessment teams are not operating effectively, resulting in safeguarding referrals not being made or managed in a timely manner.	Children and Families Assessment Teams	Management Concern	✔		✔
There is a risk that without proper inspection regimes and record keeping of those regimes that the number of Highways Slip, Trip Fall claims cannot be defended. Reports following a claim need to be collated within the time scales specified in the Civil Procedure Regulations and demonstrate a Section 58 defence under the Highways Act.	Claims Management Note: as this has been assessed as low risk this has not been considered for audit until 2014/15.	Transport and Planning Risk register			✔

RSM Tenon

Coverage for External Audit Reliance or to meet Regulatory Requirements

Systems	Source of Requirement	2012/13	2013/14	2014/15
Annual Governance Statement	To assist the Council in the production of the Annual Governance Statement.	✔	✔	✔
Procurement Cards	To provide assurance over the effective management of procurement cards held by the Council. **Note**: audit undertaken in 2011/12		✔	
Procurement	To provide assurance over the effectiveness of systems in place for procurement throughout the Council, including implementation of the new Procurement Strategy.	✔	✔	✔
Capital Expenditure	To provide assurance that capital expenditure is effectively managed and in accordance with the Council's agreed capital programme.	✔	✔	✔
Asset Register	To provide assurance over the management of the Council's capital asset register	✔	✔	✔
Risk Management	Our audit of risk management will focus on the key risk areas identified within the risk section of the plan above.	✔	✔	✔
Governance	We will undertake a yearly review of Governance, the exact scope of these audits will be agreed with management and may include reviewing progress made to address any weaknesses identified in the AGS.	✔	✔	✔

OTHER INTERNAL AUDIT COVERAGE

Internal Audit Coverage	Source / Rationale	2012/13	2013/14	2014/15
Schools Audits	To provide assurance that robust systems of financial management and governance are in place within Schools and that these are operating effectively. Please refer to appendix C for a schedule of the schools to be audited.	✔	✔	✔
Schools Development Budget	To provide assurance that effective processes are in place for the allocation of funds from the schools development budget, and to ensure that monitoring mechanisms are sufficiently robust to ensure	✔	✔	

Internal Audit Coverage	Source / Rationale	2012/13	2013/14	2014/15
	that these funds are utilised for their designated process only.			
FIMSIS / FSVS	To provide assurance that robust processes are in place to ensure that schools have completed the SFVS statements by the required time-line, and that completion of these is effectively monitored by the Council.	✔	✔	✔
Cash Handling and Management	A number of discrepancies have been identified in the handling of cash and community centres and other cash handling facilities. Our audit will provide assurance over the robustness of cash handling processes in these localities.	✔	✔	✔
Contract Management	To provide assurance that, for a sample of key contracts, that effective contract management processes are in place.	✔	✔	✔
Declarations of Interest	To provide assurance that robust processes are in place to ensure that declarations of interest are obtained for all Councillors, Members and senior members of staff within the Council	✔		✔
Fraud and Investigations Service	To provide assurance that robust systems in place to ensure that an effective fraud and investigations service is provided to the Council.	✔		✔
Carbon Reduction Commitment	To provide assurance that the Council continues to have in place effective processes for carbon management and reduction. The scope of our future work programme will be dependent on the results of our 2011/12 audit	✔	✔	✔
Estates and Facilities Management	To provide assurance over the effective management of the Council's estate and facilities.	✔		✔
Highways Management	To provide assurance that the Council has in place effective controls to ensure the management of highways. This could a review of one or more of the following areas: - Highways Maintenance and Development - Street Works - Asset Management - Drainage - Street Lighting		✔	

RSM Tenon

Internal Audit Coverage	Source / Rationale	2012/13	2013/14	2014/15
VAT	To provide assurance that the Council has effective arrangements in place for the accounting and management of VAT		✔	✔
Pensions	To provide assurance that the Council has effective arrangements in place for the accounting and management of pensions		✔	✔
Management of External Grants and Funding	To provide assurance that the Council has effective arrangements in place for the management of External Grants and Funding		✔	✔
Insurance	To provide assurance that effective insurance arrangements have been established within the Council.		✔	
Members Expenses and Allowances	To provide assurance that effective systems are in place for the review of Members Expenses and Allowances.

Note: some assurance will be provided over the robustness of expense claims as part of our payroll audit. A full audit of the Members Expenses and Allowances system is therefore proposed for 2013/14. | | ✔ | |
| Freedom of Information Act Compliance | To provide assurance that the Council is complying with the key requirements of the Freedom of Information Act.

Note: the focus of our plan in 2012/13 will be on ensuring Data Protection Act compliance, with Freedom of Information considered the following year. | | ✔ | |
Risk Management Working Group Attendance	To attend the Risk Management Working Group on a quarterly basis to provide advice and support to this group as required.	✔	✔	✔
SMT attendance	To provide regular attendance and input at the three Senior Management Teams throughout the year.	✔	✔	✔
Follow Up	To meet internal auditing standards and to provide management with ongoing assurance regarding implementation of recommendations.	✔	✔	✔
Audit Management	This will include: ▪ Annual planning ▪ Preparation for, and attendance at, Audit Committee meetings ▪ Regular liaison and progress updates ▪ Attendance at regional Audit Groups	✔	✔	✔

RSM Tenon

Internal Audit Coverage	Source / Rationale	2012/13	2013/14	2014/15
	▪ Liaison with external audit ▪ Preparation of the annual internal audit opinion			

APPENDIX B: DETAILED INTERNAL AUDIT PLAN 2012/13

Audit	Overview of Internal Audit Coverage	Internal Audit Approach	Proposed Timing	Fee	Target Audit Committee
Strategic Risk Issues					
Safeguarding	**Risk** The recent Ofsted report has judged the safeguarding services and safeguarding outcomes for children and young people as requiring some areas of improvement. **Proposed Audit Approach** The scope of the audit will be determined following a review of progress against the Improvement Plan by the Council.	Systematic Risk Based	Q2	10	September 2012
Budget Setting (including development of Cost Improvement Plans)	**Risk** Economic Instability and Turbulence at a national level, Comprehensive Spending Review, Reduction in Income of £25m to the Council over the next 4 years. Risk is that we do not have sufficient funding to provide services. **Proposed Audit Approach** The audit will consider the following: - The robustness of the budget setting process including the development of CIPs; - The involvement of budget holders in the development of budgets; - The budget sign off approval process.	Systematic Risk Based	Q1	20	July 2012
Budgetary Control and Financial Reporting	**Risk** Economic Instability and Turbulence at a national level, Comprehensive Spending Review, Reduction in Income of £25m to the Council over the next 4 years.	Systematic Risk Based	Q3	10	November 2012

	Risk is that we do not have sufficient funding to provide services. **Proposed Audit Approach** The audit will consider the following: - The robustness of the month end processes and budget report production; - The involvement of budget holders in management of individual budgets; - The timeliness and accuracy of financial reporting information				
Thames Valley Transactional Hub – Transfer of Balances	**Risk** Project to outsource transactional functions of the council to a transactional hub provided by a third party contractor with the aim of attracting other transactional operations to join "The Hub". **Proposed Audit Approach** The audit will review the process for the transfer of balances as at the end of March 2012 from the Council to the HUB to ensure that the correct opening balances are recorded on the HUBs systems. Our audit will include a substantive review of balances transferred to ensure that these have been transferred correctly.	Systematic Risk Based	Q1	15	July 2012
Thames Valley Transactional Hub – Contractual Performance Management	**Risk** Project to outsource transactional functions of the council to a transactional hub provided by a third party contractor with the aim of attracting other transactional operations to join "The Hub". **Proposed Audit Approach** The audit will consider the following: - The robustness of performance monitoring arrangements which have been established between the Council and the HUB to ensure	Systematic Risk Based	Q3	10	November 2012

	that contractual performance can be effectively monitored; - The effectiveness of the operational of these arrangements in practice; - The quality and timeliness of data provided to support the meeting of performance targets.				
Thames Valley Transactional Hub - system reviews	**Risk** Project to outsource transactional functions of the council to a transactional hub provided by a third party contractor with the aim of attracting other transactional operations to join "The Hub". **Proposed Audit Approach** As the individual systems within the Hub are predominantly areas which we would seek to provide assurance over for external audit purposes, these have been individually listed within the 'Coverage for External Audit Reliance' section below.	**Please refer to the Coverage for External Audit Reliance section below**			
IT Strategy	**Risk** There are no Business Continuity plans in place for the My Council IT systems The IT Department lacks some necessary skills and the necessary capacity to deliver the IT programme that needs to be delivered. It is not clear whether the systems employed at Landmark Place represent Value for Money **Proposed Audit Approach** The audit will consider the following: - The process for the development of the IT Strategy - The content and fitness for purpose of the Strategy; - The systems for the communication of the strategy throughout the Council	Systematic Risk Based	Q1	10	July 2012

Data Protection Act	**Risk** There are no IT Disaster Plans in place for the My Council IT systems The IT Department lacks some necessary skills and the necessary capacity to deliver the IT programme that needs to be delivered. It is not clear whether the systems employed at Landmark Place represent Value for Money **Proposed Audit Approach** The audit will consider the following: - The systems in place for ensuring the Council is Data Protection Act Compliance; - Monitoring of compliance with the Act - Processes in place for addressing any Data Protection Act breaches.	Systematic Risk Based	Q3	10	February 2013
Business Continuity arrangements	**Risk** There is no Business Continuity Management within the Council **Proposed Audit Approach** The audit will consider the following: - The robustness of business continuity arrangements; - The communication of plans throughout the Council; - The periodic testing of plans to ensure that they are fit for purpose.	Systematic Risk Based	Q2	15	November 212
Demand Management	**Risk** An increase in the population puts pressure on the vast majority of the services offered by the Council. Services may not be able to cope with increased demand. **Proposed Audit Coverage**	Systematic Risk Based	Q1	15	September 2012

	The audit will consider the following: - The systems in place for the identification of the levels of demand for Council Services; - The processes in place for reviewing levels of demand against resource levels within the Council; - The systems in place for the management of demand as far as possible.				
Partnership Arrangements	**Risk** Governance arrangements for partnerships are not currently of a satisfactory standard. **Proposed Audit Coverage** The audit will consider the following: - Follow up of recommendations made as part of the 2010/11 Partnership and Governance Audit; - Review of the use of the new Partnership Toolkit; - Effectiveness of processes for ensuring all key partnership arrangements are identified; - Whether a periodic assessment is undertaken regarding the effectiveness of individual partnership arrangements.	Systematic Risk Based	Q2	15	November 2012
Governance	**Risk** Reputational damage to Council if processes are not fair and transparent **Proposed Audit Coverage** The audit will consider the following: To provide assurance that key Corporate Governance process are in place within the Council and that these are operating effectively to enable the Board to be provided with sufficient information to enable them to discharge their responsibilities.	Systematic Risk Based	Q4	15	May 2013

Gold Project – Project Management Arrangements	**Risk** Failure to meet planned expectations with regard to attracting investment or completion of the project by required deadlines **Proposed Audit Coverage** The audit will consider the following: - The robustness of the project management arrangements - The extent to which the project managements are being complied with in practice.	Systematic Risk Based	Q1	15	September 2012
Workforce Planning	**Risk** Managing a mixed economy workforce, utilising a suite of contractual relationships internal, external temporary and permanent. **Proposed Audit Coverage** The audit will consider the following: - The robustness of the Council's workforce plan; - The communication of the plan throughout the Council; - The monitoring of the implementation of the plan to ensure that staffing numbers and usage are in accordance with the agreed plan.	Systematic Risk Based	Q3	10	February 2013
Use of Agency	**Risk** Managing a mixed economy workforce, utilising a suite of contractual relationships internal, external temporary and permanent. **Proposed Audit Coverage** The audit will consider the following: - The framework in place for the approval and	Systematic Risk Based	Q1	10	September 2012

	- use of agency staff; - Monitoring of the use of agency staff within the Council; - Systems in place for ensuring that future use of agency staff is kept to a minimum as far as possible.				
Risk Management	**Risk** Failure to manage risks in accordance with the BSI Standard for Risk management or to follow leading practice in place at other local authorities. **Proposed Audit Coverage** The audit will consider the following: To provide assurance over the effectiveness of risk management arrangements within the Council, including; - Overall governance framework for risk management including the training of staff - Risk identification - Risk assessment - Risk mitigation and assurance - Monitoring and Reporting - Relationship between the corporate and departmental risk registers.	Systematic Risk Based	Q3	10	February 2013
Customer and Community Services Directorate					
Leisure Services	**Risk** Inability to deliver innovation in the provision of leisure services **Proposed Audit Coverage** The audit will consider the following: - To review the effectiveness of the current processes for ensuring delivery of leisure services - To consider the quality of contract monitoring	Systematic Risk Based	Q2	10	November 2012

RSM Tenon

	arrangements in place - To review the extent to which the current arrangements enable innovation is service delivery to be considered.				
Community Centres	**Risk** Ineffective management of community centres **Proposed Audit Coverage** The audit will consider the following: - The processes for the management of community centres to ensure that they are self-financing. - The systems in place for ensuring that the Council are gaining value for money from their community centres.	Systematic Risk Based	Q4	10	May 2013
Resources, Housing and Regeneration Directorate					
Housing Management System	**Risk** Housing Management system. – A Problematic installation that has lead to the system not being used to its full capacity. CMT are aware of this issue. There is a maintenance agreement with Capita. This system also assists in the management of Council Tax and Housing Benefit as well as Housing Management issues. The system can also perform a weekly uplift into rent accounts. Issue of not knowing where income is credited to rather than not collecting income. Skilled knowledgeable staff required to user test the system to identify issues. Phase 1 now fully implemented, phase 2 and 3 now underway with no significant risks now remaining or expected. **Proposed Audit Coverage** The audit will consider the following: - The implementation of the Housing	Systematic Risk Based	Q1	8	September 2012

	Management system; - The accuracy of information recorded on the system; - The robustness of processes in place for addressing issues with the system.				
Multiple Housing Occupation	**Risk** Houses of Multiple Occupation Issue of fire etc in HMO that Housing do not know about. Can only inspect 50 out of over 2000 properties, important to prioritise so as not to over stretch the service Previous issues of other agencies placing unsuitable clients in HMO's Progress being maintained and staff resources protected throughout budget reductions and restructuring. All properties risk rated and prioritise to address 'worst first' **Proposed Audit Coverage** The audit will consider the following: - The processes in place for the identification of houses that have multiple occupation; - The robustness of the inspection programme, including the prioritisation of locations to be visited; - The systems in place for addressing houses of multiple occupation when these are identified.	Systematic Risk Based	Q1	8	September 2012
Tenancy Fraud	**Risk** Fraud and Corruption Risk of officers granting themselves flats/houses/garages. Illegal sub-letting Mobile technology yet to be implemented but departmental restructures have delivered separation of functions with additional fraud detection initiatives implemented. All new tenants photographed upon sign up and each provided with an identity card. Verification	Systematic Risk Based	Q2	10	November 2012

	checks of existing tenants underway **Proposed Audit Coverage** The audit will consider the following: - The processes in place for ensuring all tenants are identified and that appropriate checks have been undertaken on them; - The robustness of record keeping and maintenance of up to date records on tenant details; - The effectiveness of systems in place for ensuring that cases of suspected fraud are followed up as a matter of priority.				
Interserve contract Management	**Risk** Contract with Interserve Performance is relatively patchy. 4 years left on contract Interserve paid a guaranteed sum each year Issues with crass service delivery Reputational risk Improved performance recorded over last 6 months which has been maintained. Risk of catastrophic contract failure lessened. **Proposed Audit Coverage** The audit will consider the following: - The processes in place for the management of the Interserve Contract - Monitoring of performance against the contract - Effectiveness of contract management arrangements.	Systematic Risk Based	Q4	7	May 2013
Performance Management	**Risk** Current software does not perform in an efficient manner. **Proposed Audit Coverage** The audit will consider the following: - The robustness of the current performance	Systematic Risk Based	Q1	15	September 2012

	management framework; - The accuracy of performance management data.				
Data Quality	**Risk** Current software does not perform in an efficient manner. **Proposed Audit Coverage** The audit will consider the following: - Have robust processes for data quality been established throughout the Council; - Accuracy of a sample of data, through selection of data at source and ensuring that this accurately that which is being reported through performance reports; - Effectiveness of data validation routines.	Systematic Risk Based	Q4	15	May 2013
Wellbeing Directorate					
Fees Increase Project – Project Management Arrangements	**Risk** The fees increase project fails to ensure an appropriate agreement of fees for nursing care provision. **Proposed Audit Coverage** The audit will consider the following: - to review the robustness of the project management and risk management arrangements for the fees increase project to ensure that, as far as possible that the project will deliver against its state aims and objectives.	Systematic Risk Based	Q2	10	November 2012
Contract Management – Voluntary Sector Contracts (Supporting People)	**Risk** Ineffective contract monitoring arrangements leads to non delivery of services to the required standard.	Systematic Risk Based	Q4	10	May 2013

	Proposed Audit Coverage The audit will consider the following: - the robustness of the contractual monitoring framework in place; - the effectiveness of contract monitoring processes, including regular monitoring meetings with the service provider.				
Contract Management – Block Nursing Contracts.	**Risk** Ineffective contract monitoring arrangements leads to non delivery of services to the required standard. **Proposed Audit Coverage** The audit will consider the following: - the robustness of the contractual monitoring framework in place; - the effectiveness of contract monitoring processes, including regular monitoring meetings with the service provider.	Systematic Risk Based	Q3	10	February 2012
Registered Bed Based Services (Respond and Lavender Court)	**Risk** Provider Services are not effectively managed leading to poor service provision. **Proposed Audit Coverage** The audit will consider the following: - the processes in place for the management of bed based services; - the effectiveness of systems in place to manage services.	Systematic Risk Based	Q1	10	July 2012
Children's and Families Assessment Teams	**Risk** Children's and Families Assessment teams are not operating effectively, resulting in safeguarding referrals not being made or managed in a timely manner.	Systematic Risk Based	Q1	10	September 2012

	Proposed Audit Coverage
	To review the effectiveness of the children's and families assessment teams, including;
	   - Monitoring and management of referrals;
	   - Services to children recorded on the Child Protection Register;
	   - Services to children including those with disabilities.				

Coverage for External Audit Reliance or to meet Regulatory Requirements					
Housing Benefit	• Procedures & training; • Processing of applications; • Checking of applications; • Reporting.	Systems based audit	Q2	10	September 2012
Council Tax	• Procedures & training; • Review of charges; • Processing of discounts / exemptions; • Processing bills; • Debt recovery; • Reconciliations.	Systems based audit	Q2	10	September 2012
Business Rates	• Procedures and training • Business rates calculations • Processing • Reconcilations	Systems based audit	Q2	10	November 2012
Payroll	• Starters; • Leavers; • Changes to contract details; • Payment authorisation & run; • Authorisation of expenses claims. • Reporting.	Systems based audit	Q3	10	November 2012

Debtors	• Raising and authorisation of invoices; • Chasing of outstanding debts; • Debt write off.	Systems based audit	Q3	10	February 2013
Creditors	• Placing of orders; • Confirmation of goods being received; • Authorisation of Invoices; • Processing of credit notes; • Preparation and authorisation of payment runs.	Systems based audit	Q3	10	February 2013
Treasury Management and Cashies	• Receipt of cash; • Processing of cash payments; • Bank mandate; • Bank reconciliation; • Control over loans and investments where appropriate;	Systems based audit	Q3	15	February 2013
General Ledger	• Access Controls; • Journals; • Month end closedown and reconciliation process;	Systems based audit	Q3	10	February 2013
Asset Register	• Maintenance of the asset register; • Internal verification of assets; • Disposals of assets.	Systems based audit	Q3	7	February 2013
Recruitment	• Notification and management of vacancies • Effectiveness of recruitment processes, including the time taken and effectiveness of each stage of the recruitment process.	Systems based audit	Q2	10	September 2012
E-HR	• Implementation of the E-HR process; • Compliance with procedures • Accuracy and timeliness of reporting	Systems based audit	Q4	10	May 2013
Data Image Management	• Processes for document scanning	Systems based	Q2	10	November

	• Document submission and indexing • Data Protection Compliance	audit			2012
Rent Accounts	• Setting of Housing Rents; • Rent increases; • Collection of rents; • Rent arrears monitoring and chasing; • Rent arrears reporting.	Systems based audit	Q2	10	September 2012
Procurement – Procurement Strategy Implementation	The Council is launching a new Procurement Strategy from April 2012. To provide assurance that the strategy is being implemented effectively we are proposing to undertake a number of procurement reviews during the year. This will focus on a sample of procurement exercises each time and provide assurance that each stage of the procurement process has been complied with.	Systematic Risk Based	Q2,3 and 4	35	September, November 2012 and February 2013
Capital Expenditure	• Development and approval of the Capital Programme for the year; • Capital project approval • Monitoring of the delivery of the capital programme.	Systematic Risk Based	Q3	15	February 2013
Annual Governance Statement	To assist the Council in the production of the Annual Governance Statement for 2012/13.	Advisory	Q4	10	May 2013
Other Internal Audit Input					
Declaration of Interests	To provide assurance that robust processes are in place to ensure that declarations of interest are obtained for all Councillors, Members and senior members of staff within the Council. This will include ensuring that: - Adequate records are maintained of all staff needing to complete a declaration of interest - Completed returns are received from all relevant individuals;	Systems Based Audit	Q1	8	July 2012

	- Regular monitoring is undertaken.				
Contract Management	To provide assurance that, for a sample of key contracts, that effective contract management processes are in place. This will include: - Whether contracts are being let on a timely basis - Compliance with CSO / FR and OJEU requirements. - As part of the audit we will seek to select a sample of contracts for review and test to ensure that contractual and legal requirements have been complied with.	Systems Based Audit	Ongoing	30	Ongoing
Schools Audits	To provide assurance over the effectiveness of governance and financial management arrangements within schools. A schedule of the proposed schools for audit during 2012/13 is detailed in appendix D below. It is proposed that our audits will cover the following areas: • Follow up of any previous recommendations made; • Leadership and governance • Financial planning and budget monitoring • Cash management • Security of assets including maintenance • Payroll • Purchasing • School meals income	Systems Based Audit	Ongoing	78	Ongoing
Schools Development Budget	To provide assurance that effective processes are in place for the allocation of funds from the schools development budget, and to ensure that monitoring mechanisms are sufficiently robust to ensure that these funds are utilised for their designated process only. This audit will also review the management of contracted services from schools	Systems Based Audit	Q1	10	September 2012
FIMSIS / SFVS	To provide assurance that robust processes are in place to ensure that schools have completed the SFVS statements by the required time-line, and that	Systems Based Audit	Q2	10	November 2012

RSM Tenon

	completion of these is effectively monitored by the Council.				
Cash Handling and Management	To provide assurance over the effectiveness of cash handling arrangement in Community Centres and other localities which hold cash. The audit will consider: - Physical security of cash and cheques held - Cash handling processes - Reconciliation of cash floats - Availability of audit trails and supporting documentation.	Systems Based Audit	Q1	10	July 2012
Carbon Reduction Commitment	To provide assurance that the Council continues to have in place effective processes for carbon management and reduction. The scope of our future work programme will be dependent on the results of our 2011/12 audit	Advisory	Q4	10	May 2013
Estates and Facilities Management	To provide assurance that there are effective systems in place to ensure that safe management of the Council's estate. This will include: - Adequacy of the estates strategy; - Delivery of the strategy and estates maintenance programme	Systems Based Audit	Q4	10	May 2013
Fraud and Investigations Service	To provide assurance that robust systems in place to ensure that an effective fraud and investigations service is provided to the Council.	System Based	Q4	10	May 2013
Partnership Working – Anti-Social Behaviour	To review the effectiveness of partnership arrangements between community safety and housing with regards to anti social behaviour.	Systems Based Audit	Q1	8	July 2013
Risk Management Working Group attendance	To attend the Risk Management Working Group on a quarterly basis to provide advice and support to this group as required.	Advisory	Ongoing	5	Ongoing
SMT attendance	To provide regular attendance and input at the three Senior Management Groups throughout the year. This	Advisory	Ongoing	12	Ongoing

	will include: - Discussion of progress against the audit plan and communication of key findings from the audit process; - Advice and support on the management of key projects and risk issues facing the Directorate; - Review of the progress being made regarding the implementation of previous Internal Audit recommendations				
Follow Up	To meet internal auditing standards and to provide management with ongoing assurance regarding implementation of recommendations.	Follow up review	Ongoing	34	Report to each Audit Committee
Management	This will include: ▪ Annual planning ▪ Preparation for, and attendance at, Audit Committee meetings ▪ Regular liaison and progress updates ▪ Liaison with external audit ▪ Preparation of the annual internal audit opinion	n/a	Ongoing	70	Ongoing

APPENDIX C: PROPOSED SCHOOLS AUDIT SCHEDULE

A schedule of the proposed audit of schools is detailed below. This has been developed based upon consideration of when each school was last subject to audit, the results of the previous audit and input from management regarding any schools they had particular concerns over.

SCHOOL NAME	SCHOOL TYPE	2012/13	2013/14	2014/15
NURSERY SCHOOLS				
Baylis Court Nursery School (DFE: 1021)	Community	4		
Chalvey Early Years Centre (DFE: 1025)	Community	4		
Cippenham Nursery School (DFE: 1022)	Community		4	
Lea Nursery School (DFE: 1023)	Community		4	
Slough Centre Nursery (DFE: 1020)	Community		4	
PRIMARY SCHOOLS (INC. INFANT & JUNIOR)				
Castleview School (DFE: 5204)	Foundation			5
Claycots School (DFE: 2256)	Community	5		
Colnbrook CE Primary School (DFE: 3077)	Voluntary			
Foxborough Primary School (DFE: 2216)	Community		5	
Godolphin Infant School (DFE: 2196)	Community		5	
Godolphin Junior School (DFE: 2221)	Community		5	
Holy Family Catholic Primary School (DFE: 5202)	Voluntary Aided	5		
Iqra Islamic Primary School (DFE: 3367)	Voluntary Aided	5		5
James Elliman Primary School (DFE: 2815)	Community	5		
Khalsa Primary School (DFE: 3366)	Voluntary Aided		5	
Montem Primary School (DFE: 2257)	Community	5		
Our Lady of Peace Catholic Infant & Nursery School (DFE: 3353)	Voluntary Aided			5
Our Lady of Peace Catholic Junior School (DFE: 3357)	Voluntary Aided		5	
Parlaunt Park Primary School (DFE: 2244)	Community	5		
Penn Wood Primary and Nursery School (DFE: 2255)	Community			5
Pippins School (DFE: 5207)	Foundation		5	
Priory School (DFE: 5201)	Foundation	5		
St Anthony's Catholic Primary School (DFE: 3364)	Voluntary Aided			5
St Ethelbert's Catholic Primary School (DFE:	Voluntary Aided	5		

RSM Tenon

3363)				
St Mary's CE Primary School Slough (DFE: 3070)	Voluntary Controlled			5
Western House School (DFE: 2012)	Community	5		
Wexham Court Primary School (DFE: 2252)	Community			5
Willow Primary School (DFE: 2195)	Community		5	
SECONDARY SCHOOLS				
Beechwood School (DFE: 4085)	Community			6
St Bernard's Catholic Grammar School (DFE: 4700)	Voluntary Aided	6		
St Joseph's Catholic High School (DFE: 4800)	Voluntary Aided	6		6
Wexham School (DFE: 4089)	Community		6	
SPECIAL SCHOOLS & PUPIL REFERRAL UNITS				
Arbour Vale School (DFE: 7035)	Community	6		
Haybrook College & PRU (DFE: 7036 / 1108)	Community	6		
Littledown School (DFE: 7030)	Community		6	
TO BE DETERMINED				12
TOTAL		**78**	**64**	**64**