

Slough Borough Council

Internal Audit Progress Report  
Audit and Risk Committee Meeting: 25 March 2013

## Introduction

The internal audit plan for 2012/13 was approved by the Audit and Risk Committee on the 27<sup>th</sup> March 2012. This report provides an update on progress against that plan and summarises the results of our work to date.

Since the last Audit and Risk Committee held in November 2012 the following 19 audit reports, relating to the 2012/13 plans have been finalised:

- Additional Devolved Budgets to Schools (3.12/13)
- Baylis Court Nursery School (11.12/13);
- Budget Setting Process (13.12/13);
- Council Tax (18.12/13)
- Gold Projects – Project Management Arrangements (19.12/13);
- Housing Management System (23.12/13)
- Procurement (24.12/13);
- Children's and Families Assessment Teams (26.12/13)
- James Elliman Primary School (27.12/13)
- Recruitment (28.12/13);
- Data Protection Act (29.12/13);
- IQRA Islamic School (30.12/13);
- Arbour Vale (31.12/13);
- Contract Management – Block Nursing Contracts (32.12/13);
- St Ethelberts School (34.12/13);
- Tenancy Fraud (35.12/13);
- Safeguarding – Risk Assessment Process (38.12/13);
- Payroll (40.12/13);
- Estates and Facilities Management (43.12/13).

A summary of the key issues contained within these report and the high priority recommendations are detailed in the report below from page 4.

## KEY ISSUES

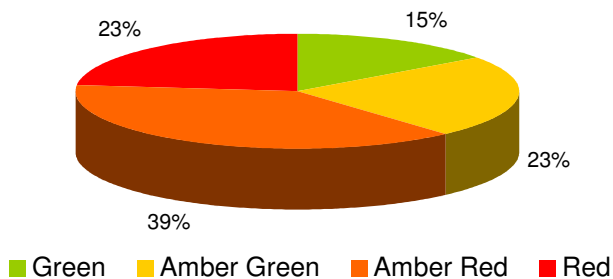
Two RSM Tenon audit reports in respect of the 2011/12 Internal Audit plan remain in draft. (Note – RSM Tenon provided the IA service for Quarter 4 of 2011/12 only).

Of the 48 reports which have been issued to management in respect of the 2012/13 Internal Audit plan, 16 of these still remain as draft reports. Of these 16, 11 of these have been outstanding for more than 30 working days (average time 11 draft reports outstanding is 88 working days). Whilst management assurance has been provided in the audit debrief meetings that the weaknesses identified as part of these audits will be addressed, in the absence of a completed action plan, we cannot provide assurance that these weaknesses are being addressed in a timely manner. It is therefore possible that these weaknesses and risks are not being effectively managed.

The Audit and Risk Committee should be reminded that management have directed some of the Internal Audit plan of work at areas of concern or where weaknesses were known. This should be considered when reviewing the level of assurance opinions provided below and the proportion of red opinions.

Of the 48 reports (including the 16 that remain in draft) issued to the Council to date for the current financial year, the breakdown of the levels of assurance provided is as follows:

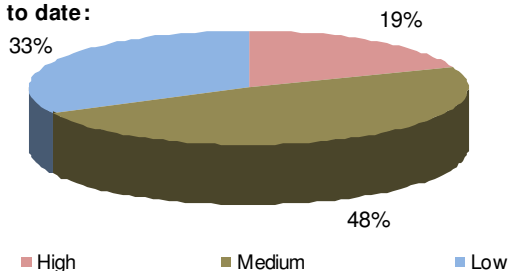
### Assurance Levels 2012/13 to date



	Green	Amber Green	Amber Red	Red	Advisory	Total
Assurance opinions 2012/13	7	11	18	11	1	48

The breakdown in the type of recommendations for the year to date is highlighted below:

### Recommendation categorisations in 2012/13 reports to date:



	High	Medium	Low	Total
Recommendations raised 2012/13	55	142	95	292

Of the 48 reports issued for the current year to date where a formal opinion has been provided, 11 of these have resulted in a red opinion (please note five of the 11 remain in draft at this stage). Five of the red opinions relate to audits of schools. We have also issued six red opinions relating to the Councils control framework:

- Declaration of Interests (Final)
- Business Rates (Final)
- Contract Management (Draft)
- Contract Management – Block Nursing Contracts (Final)
- Safeguarding – Risk Assessment Process (Final)
- Procurement – Quarter Four Review (Draft)

It is therefore imperative that actions to address the weaknesses identified within these reports are undertaken on a timely basis to ensure that these systems can operate effectively in the future. Failure to do so may impact on our ability to provide an unqualified Head of Internal Audit Opinion for the year, which may also have implications for the Annual Governance Statement.

As part of our audit follow up process in 2013/14 we will undertake a detailed follow up review in respect of all of these audits to provide assurance regarding the extent to which previous recommendations have been implemented.

### Other Matters

#### Planning and Liaison:

Monthly meetings have continued with the Interim Assistant Director, Finance. We have also attended the most recent meeting of the Risk Management Group and provided guidance on the proposed content of the Risk Management Policy. We have also attended the most recent meeting of the Wellbeing SMT and met with key Officers to produce a draft 2013/14 detailed plan.

We have also met with the new Assistant Director Finance and Audit and the Chair of the Audit and Risk Committee since the last meeting.

As our audits of Schools have identified a number of significant issues which have resulted in red assurance opinions, we have agreed with the Assistant Director of Education and Children's Services to attend both the School's Forum and Bursar's Forum on a regular basis to provide an input regarding the findings of our reviews. We have also been invited to attend a number of governor meetings at individual schools to provide advice regarding the key financial controls which we would expect to see in place.

**Internal Audit Plan 2012/13 - Change Control:**

No proposed changes have been made to the Internal Audit plan since those which were highlighted to the previous Audit Committee.

**Information and Briefings:**

We have issued the following updates electronically since the last Audit and Risk Committee:

LGE eUpdate    LG eUpdate January 2013

GEN 04/14    Real Time Information

This update highlights the increased need for vigilance and strong controls in respect of the management of changes to supplier details, as this has become a particular target for fraudsters over the last 18 months.

We have also provided a good practice guidance document to assist the Council in implementing a risk-based approach to budget monitoring.

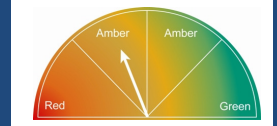
## Key Findings from Internal Audit

### 2012/13 Internal Audit Plan

Since the last Audit and Risk Committee, we have finalised 14 audit reports, of which five were Amber-red and two were Red. We have included an extract from the **amber-red** and **red reports** finalised since the last progress report to the Audit & Risk Committee below. We have also included the action plan for all of the High category recommendations within these reports:

Assignment: Council Tax (18.12/13)  
Final report issued 19/11/12

Opinion: Amber /  
Red



#### Design of control framework

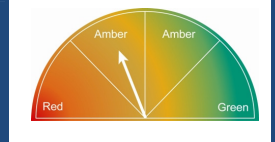
We found the following weaknesses in relation to the design of the controls:

- Procedures relating to Council Tax processes had not been subject to a regular review and therefore could be obsolete and not be consistent with National legislation.
- No annual review was conducted for customers claiming discounts for disabilities. Some disabilities might potentially be temporary and therefore without a regular check the Council could be failing to receive the correct level of income.
- Checks that are completed on the accuracy of bills produced are not recorded and retained and therefore we were unable to verify that this task is regularly performed. If checks are not completed, inaccurate bills could be submitted to the community which could result in the Council's reputation being affected through inaccurate bills or a loss of potential income if incorrect charges below the correct value has been charged.
- Council Tax bank accounts for payments made by Bank Transfer as well as Bank Giro and related suspense account are reconciled on a daily and annual basis. However, the reconciliations are not subject to a peer review to demonstrate segregation of duty or accurateness of the reconciliation. Items may not be removed from the suspense account if this is not subject to a separate review on a month basis.

#### Application of and compliance with control framework

We found that a number of controls were not adequately complied with. We identified the following weakness which resulted in one medium recommendation:

- A member of staff was not currently in post to ensure new or amended properties are updated on the system to ensure the Council receive the full Council Tax entitlement. At the time of our review no information on these properties were being updated. Given that a member of staff had been recruited to undertake this at the time of our review we have downgraded the risk categorisation of this area from a high to a medium-rated recommendation.
- Procedures relating to Council tax processes had not been subject to a regular review and therefore there is an increased risk that the processes followed could potentially fail to adhere to legislation or not be utilising resources in the most effective manner.
- During sample testing we identified two instances (from 20 sampled) where suitable documentation had not been retained to demonstrate the eligibility of a discount applied to an individual's Council Tax.



### Design of control framework

We identified the following weaknesses in relation to the design of the controls:

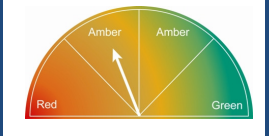
- The Council did not possess an overarching register/list of all Gold Projects that was accessible to employees or the public through a dedicated project management section on the website or intranet, which included key details on each project (although a list of Gold Projects was available on the Councils website within the Cabinet papers). The only form of list that existed was an out of date list of project names dated 2010 and the Highlight Reports which are only presented to CMT.
- The Council did not hold a supporting documentation to guide employees on the completion of their Project Management documentation.
- The PID did not request the specific date of the CMT meeting to be captured in the approval section. Failing to request this could potentially result in projects being approved solely by a member of CMT rather than the entire forum considering the project. If CMT as a collective are not approving Gold Projects, inappropriate resources could be utilised in projects that are not assisting the organisation achieve their strategic objectives.
- The PID also did not include details of the Project Managers relevant project qualifications/experience to be recorded. Gold Projects could commence without the appropriate expertise if the Council is not ensuring their qualifications and experience of the Project Team is not being appropriately considered.
- Highlight Reports to CMT did not include a field for the PID stated completion date to be recorded, nor did guidance exist to explain how to classify a project as red, amber or green.

### Application of and compliance with control framework

We found that a number of controls were not adequately complied with. We identified the following weakness which resulted in one medium recommendation:

- Sample testing identified that PIDs were being approved by a member of CMT, rather than the group as a collective. Inappropriate resources could be incurred if Gold Projects commence that are not appropriately approved.
- Project Board meetings did not follow the Project Board Agenda template and sampled meetings identified that meetings were occurring which discussed the progress of the project. However, they did not all consider the original objectives to ensure that the Gold Project was still on the correct path, nor did they all consider the risks, budget or timeline of the project to ensure it will be delivered on time.
- Change Request Forms were not being utilised by Project teams to document changes to a project and to obtain CMT approval for the change. Subsequently Gold Projects could change their scope without CMT being fully aware and change in a manner which would not be endorsed by CMT.

High Risk Recommendation(s):	Management Response	Date	Responsible Officer
REC 2B: In the absence of resources for a dedicated PMO quality assurance individual, the Council would benefit from having a dedicated drive where project management documentation is retained and available for a governance review by CMT and the Policy Team. The Policy Team should be appropriately trained to be able to provide suitable assistance on projects.	Agreed.	December 2012	Kevin Gordon, Assistant Director Professional Services



**Design of control framework**

We identified the following weakness in relation to the design of the controls:

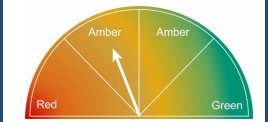
- The Council had not agreed any performance outcomes with Capita that are regularly reported against. This could result in aspects of the service not being adequately provided by Capita and the Council failing to address this at the earliest opportunity. We have made a high-rated recommendation that addresses this matter amongst other concerns.

**Application of and compliance with control framework**

We found that a number of controls were not adequately complied with. We identified the following weaknesses:

- During the implementation phase minutes were not taken in meetings held between users or with Capita. This could potentially result in actions to deliver issues raised in meeting not being appropriately tracked to ensure the concerns are resolved in a timely manner.
- The contracts in place had not been signed and held on file for all members of the IT Department. The provider could potentially fail to deliver the required service if the Council does not hold a signed agreement of the contract.

High Risk Recommendation(s):	Management Response	Date	Responsible Officer
<p>REC 3: The Council should agree with Capita:</p> <ul style="list-style-type: none"> <li>▪ Performance indicators and a requirement for Capita to report against agreed performance outcomes regularly; and</li> <li>▪ A revised contract which should include specification of each addendum. Until this is in place signed copies of each of the Original Agreement and the Addendums should be held on file and made assessable to relevant employees.</li> </ul>	<p>The Council will draft potential performance indicators.</p> <p>This will be raised with Capita in the next contract meeting.</p>	<p>End of December 2012</p>	<p>Neil Aves,          Assistant Director Housing Services</p>



**Design of control framework**

- We did not identify any significant weaknesses in the design of the Procurement control framework.

**Application of and compliance with control framework**

We found that a number of controls were not adequately complied with. We identified the following weaknesses:

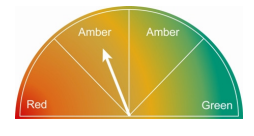
- The current activity spreadsheet utilised to record existing tendering activity by Corporate Procurement was only maintained to record whether the reference and name of existing tender activity. No update was recorded to enable monitoring of each stage reached of the tender process. The Corporate Procurement Team could fail to identify delays in the process if this tool is not appropriately utilised. Subsequently the Council could be failing to obtain value for money if a contract is not in place in a timely manner.
- Sampled procurement activities had not been completed in a timely manner, as per their timescales recorded in their respective business cases. If tendering activity is not completed efficiently, the Council could be failing to deliver potential savings.
- At the time of our review Corporate Procurement had not completed their review of expenditure in 2011/12. The Council could potentially be missing out on efficiencies and savings through the procurement of a contract on any areas of expenditure not included within a contract or included within a number of separate contracts.

High Risk Recommendation(s):	Management Response	Date	Responsible Officer
<p>REC 1: The draft Procurement Operating Procedures should be revised to ensure that they denote the responsibilities of the following at the Business Case approval stage:</p> <ul style="list-style-type: none"> <li>▪ The Assistant Director-Commissioning, Procurement &amp; Shared Services to determine the level of involvement required from Corporate Procurement in the tender exercise. For instance, whether they are required to lead the tendering exercise, support the exercise or whether no-involvement is required; and</li> <li>▪ The Assistant Director of finance to nominate a Finance Representative for all tendering activity.</li> </ul> <p>The procedures should be made available to employees following its approval.</p>	<p>The responsibilities will be included in the POPs.</p> <p>The PoP is currently being reviewed by L&amp;D employee regarding usability.</p>	<p>End of March 2013</p>	<p>Joanna Anderson, Assistant Director of Procurement and Commissioning</p>



Assignment: Children's & Families Assessment Teams (26.12/13)  
 (Management request for coverage)  
 Final report issued 26/2/13

Opinion: Amber / Red



**Design of control framework**

We identified the following weakness in relation to the design of the controls:

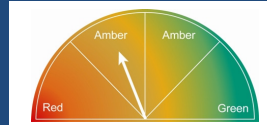
- The Council had not introduced a formal process whereby the feedback loop for audits classified as inadequate are closed. The individual social worker did not currently have to provide confirmation that the necessary actions had been taken. Subsequently if actions are not taken, a child's welfare could potentially be jeopardised.

**Application of and compliance with control framework**

We found that a number of controls were not adequately complied with. We identified the following weaknesses:

- From sample testing of ten audit cases completed by the Council (External Independent Audit and Child Protection & Independent Reviewing Service) we identified one instance where a number of questions in two different sections remained outstanding. If an audit is not fully completed and there are areas of concern in these sections the relevant employee may fail to address the concern and improve performance on future cases. Subsequently the management of a child's welfare could be jeopardised.
- We noted that attendance at Steady State meetings sampled was below 60%. If meetings are not attended by management corrective actions on specific cases may not be identified by the relevant managers and raised with their employees. Subsequently these issues could fail to improve and the same incidents could continue to occur in the future.

High Risk Recommendation(s):	Management Response	Date	Responsible Officer
REC 2: The Council should formalise a process whereby the feedback loop is closed for inadequate audits through confirmation that management have witnessed sufficient improvements and/or performing follow up audits.	This is currently being considered.	End December 2012	Kitty Ferris, Assistant Director, Children's Services



### Design of control framework

We identified the following weaknesses in relation to the design of the control framework which resulted in one high rated recommendation.

- The Council had established a Recruitment and Selection Policy and Procedure, however, the documentation was in draft format and had not been approved or distributed to employees. The draft version failed to explain the requirement to gain authorisation for recruitment and did not reference the forms to be utilised in the recruitment process and the need to justify and retain evidence on decisions made. Without guidance to employees on the recruitment process, the Council could potentially:
  - Fail to employ competent individuals;
  - Not have the budget available to recruit; or
  - Be seen to discriminate against individuals where sufficient justification is not retained to support decisions.

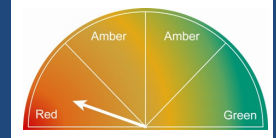
### Application of and compliance with control framework

We found that a number of controls were not adequately complied with. We identified the following weaknesses which resulted in one high and three medium category recommendations:

- From a sample of 15 Recruitment Checklists, we found instances where either the Finance Manager or a HR Business Partner had not approved the checklist. Also, we found instances where the Checklists did not elaborate on what testing was required. There is a risk that sufficient budget may not be available to advertise a position or candidates may not be sufficiently tested, which could result in inappropriate individuals being recruited if this checklist is not appropriately completed and authorised (two recommendations have been made on this area).
- Evidence had not been retained to justify why in one instance the highest scoring candidate was not offered the position at the Council. The Council could be seen to be discriminating if evidence on this matter is not retained. There was also a further instance where an applicant was offered a job where they only scored 27% of the total marks available during the interview process. The Council may fail to recruit staff of a suitable calibre to enable organisational objectives to be achieved if candidates are recruited who do not possess sufficient competencies. A high category recommendation has been made with regards to this matter.

High Risk Recommendation(s):	Management Response	Date	Responsible Officer
<p>REC 1: The Council should review the existing draft version of the Recruitment and Selection Policy and Procedure and ensure it sufficiently explains:</p> <ul style="list-style-type: none"> <li>▪ The authorisation process to recruit;</li> <li>▪ The services provided by Arvato Public Services Limited.</li> <li>▪ Requirements on utilising the pro-forma and retaining suitable documentation that justifies why a highest scoring candidate may not have been offered the job or where a low scoring candidate is offered the role.</li> </ul>	<p>Policy &amp; Procedure will be discussed at the next Senior Management Team meeting with the aim for it to be finalised in the next six months.</p>	<p>End of March 2013</p>	<p>Kevin Gordon, Assistant Director Professional Services</p>

<ul style="list-style-type: none"> <li>▪ The importance of retaining sufficient documentation, for instance, evidence of testing completed at the interview stage.</li> </ul> <p>Following its review this document should be formally approved and made accessible to relevant employees.</p>			
<p>REC 3: On receipt of completed job files Arvato should ensure that the job post file includes:</p> <ul style="list-style-type: none"> <li>▪ Evidence of testing conducted at the interview stage.</li> <li>▪ Justification for decisions made (in the form of the pro-forma) or where the highest scoring candidate has not been offered the post that further documentation justifying this decision is retained.</li> <li>▪ Completed references for the successful candidate are retained. Suitable chasing is conducted for references not provided and returned references should be reviewed to ensure they include suitable information and where key details (i.e. attendance history) are missing that the referees are requested to re-submit this data.</li> </ul> <p>Where this information is not held Arvato should ensure an audit trail is retained to demonstrate that this information has been requested from the Recruiting Officer/HR Business Partner.</p>	<p>This recommendation will need to be communicated to Arvato to implement.</p> <p>Arvato can have a check list and can tick off that the following is in the file</p> <ul style="list-style-type: none"> <li>▪ Evidence of testing conducted at the interview stage.</li> <li>▪ Justification for decisions made</li> <li>▪ References are provided</li> </ul> <p>It is our opinion that Arvato cannot put this information into the file and can only return the file to the recruiting officer or HR Business Partners if the information is not in the file</p> <p>After discussion with Arvato who would be happy to complete a checklist but Assistant Director Professional Services should ensure that SBC staff are aware of the policy and are complying with it</p> <p>With regard to references again this is a retained function to review and accept the references, Arvato carry out the transactional function of requesting and receiving a reference it cannot be for them but the appointing manager to agree that the reference is of standard.</p> <p>It must be noted that many employees do not provide this level of details on references now many especially private companies only state that the person was employed and the dates.</p>	<p>End of October 2013</p>	<p>Kevin Gordon, Assistant Director Professional Services</p>



### Design of control framework

We identified the following weaknesses in relation to the design of the control framework which resulted in one high and one medium rated recommendation:

- The contracts had expired for four out of five contracts for the care home providers. There were reasons for the non-existence of valid contracts for four care homes managed under previous block contracts, which have been elaborated upon in the findings section of this report. Agreements had been drafted for three of these care homes for the remainder of the 12/13 financial year. However, at the time of this review these had not been approved by the providers and no evidence was available to demonstrate that the procurement exercise had commenced to commission these services from 2013/14.

There is a risk that the Council may fail to obtain value for money as the appropriate mix of care beds may not be allocated correctly to demand. In addition the Council may not have valid contracts in place to ensure delivery meets the required standard in any interim period.

- The Council had established a Quality, Outcomes and Contract Monitoring Framework. However, the documentation was in draft format and had not been approved and distributed to employees. Without an agreed procedure there is a risk that ineffective contract monitoring arrangements may be adopted which could result in the Council failing to identify and address the non-delivery of services to the required standard.
- No performance reports were received from the care home providers and there is a risk therefore the Council may not be fully aware of matters of poor performance or issues relating to delivery standards not being met.

Furthermore, it is unclear how the council will ensure that the terms and conditions of the contracts are being achieved with no performance reports being submitted.

- The weekly Block Occupancy Status Reports did not include any comparison data to enable users of the report to verify whether usage had been fully maximised with information on those individuals being placed outside of care homes covered by block contracts, nor was such information reported to management forums to allow usage to be discussed collectively by management. Subsequently, the Council may not be aware of instances where more work could be undertaken to ensure block contracts are maximised and the Council's resources are fully utilised

### Application of and compliance with control framework

We found that a number of controls were not adequately complied with. We identified the following weaknesses which resulted in one medium category recommendation:

- Announced and unannounced visits to service providers were not undertaken to the required frequency or where visits may have occurred, evidence of the visit was not appropriately retained. If visits are not undertaken there is a risk the Council is unable to monitor whether the service provided is of an appropriate standard and subsequently poor standards may fail to be addressed in a timely manner.

Minutes for any contract review meetings held for Oxford House, Burnham House and Windmill Care Centre were not made available at the time of this review. If contract monitoring meetings do not occur there is a risk that the Council is limiting its ability to discuss with providers issues that are arising at care homes and ensure that standards are improved.

High Risk Recommendation(s):	Management Response	Date	Responsible Officer
<p>REC 1: The Council need to monitor the return of the agreements for the three block contracted care homes (Oxford House, Windmill Care Centre and Burnham House) to ensure that all individual placements are appropriately included within an approved agreement by both parties until the end of the financial year.</p> <p>At Gurney House, the Council need to</p>	<p>At the time of the review, new updated contracts had been drafted and sent to providers (Windmill Care Centre, Oxford House and Burnham House) for signature and return. One signed copy has been returned (Oxford House), others are being pursued. In addition, and to</p>	<p>End of March 2013</p>	<p>Mike Bibby - Assistant Director Personalisation, Commissioning and Partnership</p>

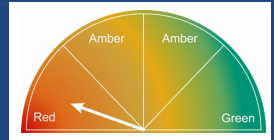
<p>accept the risk that no formal agreement will be in place to ensure that the existing supplier continues to provide an appropriate service to the 13 placed individuals that are in their care - that is until alternative care home facilities are arranged (in the event that no interest is derived from the current expression of interest exercise).</p>	<p>ensure appropriate contractual arrangements prior to return of the signed contracts, individual placement agreements have been completed for all people in these homes (new and existing residents). These are monitored through the contracts team.</p> <p>Re Gurney House, consultation on future service options has now concluded and been approved by Cabinet. On-going work with the provider underpinned by legal agreement following the Cabinet decision will ensure continuity of the service prior to its closure in early 2013.</p> <p>Tendering for new commissioning arrangements commenced in December 2012 and will be completed by the end of March 2013.</p>		
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Assignment: Safeguarding – Risk Assessment Process (38.12/13)

(Management request for coverage)

Final Report issued 20/12/12

Opinion:



**Design of control framework**

We identified the following weaknesses in relation to the design of the control framework which resulted in two high-rated recommendations:

- The social care procedures do not explicitly state that practitioners are required to complete the Risk Assessment Matrix Form nor did they explain the requirement for management to review the form and that this should be conducted with segregation of duty and in a timely manner. Subsequently if this is not conducted, risks may not be appropriately assessed and this could result in a failure to undertake the necessary actions to reduce the risk of harm.
- The ICS enabled completed Risk Assessment Matrix Forms to be uploaded on to the system when complete or when updates had been recorded on the form. However, the form was not integrated into ICS and did not enable managers to be assigned and electronically sign off risk assessments. Subsequently managers may not be made aware of those risk assessments requiring review and the current process does not restrict a practitioner from erroneously entering a manager’s name to claim a risk assessment has been reviewed.
- The Council does not currently provide any regular reporting to senior management on the completion of the risk assessment matrix on children’s cases and therefore management have minimal assurance that this process is being adequately conducted. Therefore incidents could occur which management may have been able to avoid if they were appropriately informed of the success of risk assessments.

**Application of and compliance with control framework**

We found that a number of controls were not adequately complied with. We identified the following weaknesses which resulted in one consolidated high-rated recommendation and one medium-rated recommendation:

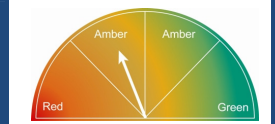
- On review of the extracted data from ICS between April and September 2012 we noted that 559 cases had a completed the initial assessment stage in this sampled period. For this sample we found that 164 cases had a completed risk assessment form on ICS, this equated to only 29% compliance. If cases are not appropriately risk assessed children may not have the appropriate and timely intervention from the Council and subsequently children in need could be at risk, unsafe and not feel safe as a result of poor social care practice (recommendation consolidated with issue raised in the design of the control framework).
- Sample testing of 30 uploaded risk assessments on ICS identified weakness in the completion of the form. Notably, in one instance the primary risk had not been concluded upon by the assessor, however, the manager had highlighted this risk within their peer review. In the remaining eight instances the risk assessment was more of a detailed description of what had occurred to date, which in most instances covered the entire family rather than what the potential risks to the individual child may have been. If risks are not clearly defined the required plan to address those that require safeguarding may not be recognised. This could potentially result in future harm to individuals in the community.
- Sample testing of the 30 uploaded risk assessments identified weaknesses in the management review of the form. This included the lack of management sign off, segregation of duty in the management review and timeliness of the review. If an independent management review is not undertaken in a timely manner of the risks assessed at the initial assessment stage the Council may not identify instances where risks have not been correctly evaluated and may fail to implement corrective actions to ensure children in the community are appropriately safeguarded.

High Risk Recommendation(s):	Management Response	Date	Responsible Officer
<p>REC 1: The Council needs to ensure that employees are explicitly informed of the requirement:</p> <ul style="list-style-type: none"> <li>▪ For Practitioners to complete the Risk Assessment Matrix Form;</li> <li>▪ For a separate manager to review and sign off the risk assessment in a timely manner.</li> </ul>	<p>This recommendation is accepted and will be actioned.</p> <p>Assistant Director (Kitty Ferris) to issue instruction to staff and managers by 30<sup>th</sup></p>	<p>End of November 2012</p>	<p>Kitty Ferris, Assistant Director, Children’s Services</p> <p>Geoff Gurney, Head of</p>

<p>These requirements could be added to the Risk Management Strategy. The Council will need to ensure that these requirements are communicated to employees once updated and that any revised process for assessing risks is adequately and clearly explained to practitioners and managers within the social care procedures.</p>	<p>November.</p> <p>Head of Safeguarding and Quality (Geoff Gurney) to ensure TriX are notified of need to include this is electronic procedures at next upgrade by 30<sup>th</sup> November and take into account in the revision of risk management procedures.</p>		<p>Safeguarding and Quality</p>
<p>REC 2A: The Council should explore a new approach to assessing risk and whether management can record within ICS that risks have been assessed sufficiently on each case to enable a performance indicator to be derived.</p> <p>If possible this should be included as a performance indicator and where not possible more focus should be made within the independent audits completed to verify to senior management that risks have been appropriately assessed.</p>	<p>Work is currently being undertaken by the new (interim) Head of Safeguarding and Quality – both to revise and strengthen the approach to risk assessment and management and to review our case audit programme. This recommendation will inform this work. The work will be completed by 7<sup>th</sup> January 2013.</p>	<p>7<sup>th</sup> January 2013</p>	<p>Geoff Gurney, Head of Safeguarding and Quality</p>
<p>REC 2B: Risk Assessment Matrix Forms should be appropriately completed and reviewed for all initial assessments.</p>	<p>Staff to be informed.</p>	<p>End of November 2012</p>	<p>Kitty Ferris, Assistant Director, Children's Services</p>

Assignment: Estates & Facilities Management  
(43.12/13)  
Final Report issued 11/2/13

Opinion: Amber /  
Red



### Design of control framework

The following weaknesses were identified which resulted in three medium categorised recommendations:

- The Council does have an approved strategy in place for Corporate Property Maintenance. The Council could potentially be failing to manage their properties in the most appropriate manner in the absence of a strategy to measure activity and progress against this. However, it was noted that a strategy is currently being drafted.
- The Council does not have a Planned Preventative Maintenance schedule in place for corporate property. Without this tool in place the Council could potentially be incurring excessive costs in repair work. However, a Gap Analysis is being conducted by the organisation to identify the extent of work required in order to establish a maintenance programme in the future and we noted that scoping and preparatory work had been undertaken in relation to some major properties including the Montem Leisure Centre and Ice Rink
- The Council does not have a management forum at which the Housing Management team performance scorecard can be discussed between members of Senior Management from Estates and Facilities. Without such a forum, poor performance may not be adequately challenged and rectified and there is also no audit trail to demonstrate that this occurs outside of any management forum and the Council may heavily rely upon the Divisional Management Team and for the any performance issues to be escalated to the Directorate Management Team or if essential the Corporate Management Team.

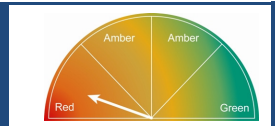
### Application of and compliance with control framework

We found that three controls were not adequately complied with. These weaknesses resulted in one medium categorised recommendation within this report:

- There is no robust physical verification process by the Council for works completed by the service provider. We were informed that inspection work is undertaken by the Council, however, no audit trail was retained to demonstrate this. There was also no defined approach in the form of a procedure on how physical inspections would be conducted. The Council could be incurring costs for work not completed if work completed by the service provider and cannot currently demonstrate that this process is in place.
- The copy of the contract held by those charged with managing the service provided by Interserve Limited was not a signed version. If the individuals assigned with managing the contract do not have the final signed version the Council cannot be assured that they are ensuring that all agreed requirements of the contract are being fulfilled by the service provider (recommendation raised within the Contract Management 2013/14 review).

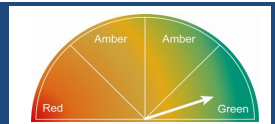
Assignment: Baylis Court Nursery School (11.12/13)  
(Management request for coverage)  
Final report issued 25/2/13

Opinion: Red



Assignment: Additional Devolved Budgets to Schools  
(3.12/13)  
Final report issued 11/3/13

Opinion: Green





## APPENDIX A - Summary of Progress against the Internal Audit Plan

### 2011/12 Audit Plan

Assignment <i>Reports considered today are shown in italics</i>	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Purchase Cards (4.11/12)	Draft Report Issued 23 March 2012 – awaiting management comments				
St Anthony's Primary School (7.11/12)	Draft Report Issued 5 April 2012  Revised Drat issued 28/2/13 – awaiting management comments				

### 2012/13 Plan

Assignment <i>Reports considered today are shown in italics</i>	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
<b>Customer &amp; Community Services:</b>					
Thames Valley – Governance Arrangements (12.12/13)	FINAL	GREEN	0	1	2
Hire of Council Buildings (16.12/13)	FINAL	AMBER RED	0	4	4
Leisure Services (17.12/13)	FINAL	AMBER GREEN	0	2	1
<b>Council Tax (18.12/13)</b>	<b>FINAL</b>	<b>AMBER RED</b>	<b>0</b>	<b>2</b>	<b>4</b>
Housing Benefits (20.12/13)	FINAL	GREEN	0	0	3
Rent Accounts (21.12/13)	FINAL	AMBER RED	1	2	2
Data Image Management (22.12/13)	FINAL	GREEN	0	1	1
Business Rates (25.12/13)	FINAL	RED	4	4	2
<b>Payroll (40.12/13)</b>	<b>FINAL</b>	<b>GREEN</b>	<b>0</b>	<b>0</b>	<b>2</b>
Anti-Social Behaviour (37.12/13)	Draft Report 7/12/12	AMBER RED	1	3	2
Business Continuity Arrangements (41.12/13)	Draft Report 21/12/12	AMBER RED	1	6	2
Thames Valley Transitional Hub – Contractual Performance Management (44.12/13)	Draft Report 28/1/13 Revised draft 25/2/13	AMBER GREEN	0	3	2
<b>Wellbeing:</b>					
Registered Bed Based Services (5.12/13)	FINAL	AMBER RED	1	0	6
Care Home Fee Increase Project – Project Management Arrangements (15.12/13)	FINAL	GREEN	0	0	2
<b>Procurement (24.12/13)</b>	<b>FINAL</b>	<b>AMBER RED</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Children's and Families Assessment Teams (26.12/13)</b>	<b>FINAL</b>	<b>AMBER RED</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Contract Management – Block Nursing Contracts (32.12/13)</b>	<b>FINAL</b>	<b>RED</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Safeguarding – Risk Assessment Process</b>	<b>FINAL</b>	<b>RED</b>	<b>3</b>	<b>1</b>	<b>0</b>

(38.12/13)					
Contract Management (33.12/13)	Draft Report 19/10/12	RED	3	5	0
Supported People Contract Management (45.12/13)	Draft Report 25/02/13	AMBER GREEN	1	0	1
Procurement – Quarter Four Review (12/13)	Draft Report 04/03/13	RED	2	3	0
<b>Resources, Housing &amp; Regeneration:</b>					
Multiple housing occupation (7.12/13)	FINAL	AMBER GREEN	0	3	1
<b>Budget Setting Process (13.12/13)</b>	<b>FINAL</b>	<b>ADVISORY</b>	<b>0</b>	<b>6</b>	<b>1</b>
<b>Housing Management System (23.12/13)</b>	<b>FINAL</b>	<b>AMBER RED</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Tenancy Fraud (35.12/13)</b>	<b>FINAL</b>	<b>AMBER GREEN</b>	<b>0</b>	<b>1</b>	<b>4</b>
<b>Estates and Facilities Management (43.12/13)</b>	<b>FINAL</b>	<b>AMBER RED</b>	<b>0</b>	<b>4</b>	<b>1</b>
<b>Additional Devolved Budgets to Schools (3.12/13)</b>	<b>FINAL</b>	<b>GREEN</b>	<b>0</b>	<b>0</b>	<b>4</b>
Cash Handling and Management (6.12/13)	Draft Report 28/6/12	AMBER RED	1	3	0
Schools Financial Value Standard (36.12/13)	Draft Report 28/11/12	AMBER RED	1	3	1
Debt and Cash Management (42.12/13)	Draft Report 7/1/13	AMBER RED	1	4	1
Creditors (46.12/13)	Draft Report 27/2/13	AMBER GREEN	0	1	2
General Ledger	Review Stage				
Cash and Treasury Management	Review Stage				
Budgetary Control & Financial Reporting	Review Stage				
Asset Register	Review Stage				
Capital	Fieldwork stage				
Risk Management	Fieldwork start 08/03/13				
Top-Up testing across Finance Systems	Fieldwork start 16/04/13				
<b>Chief Executive:</b>					
Performance Management (1.12/13)	FINAL	AMBER GREEN	0	3	1
Employee Declaration of Interests (2.12/13)	FINAL	RED	2	4	0
<b>Gold Projects – Project Management Arrangements (19.12/13)</b>	<b>FINAL</b>	<b>AMBER RED</b>	<b>1</b>	<b>4</b>	<b>1</b>
<b>Recruitment (28.12/13)</b>	<b>FINAL</b>	<b>AMBER RED</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>Data Protection Act (29.12/13)</b>	<b>FINAL</b>	<b>AMBER GREEN</b>	<b>0</b>	<b>2</b>	<b>0</b>
Partnership Arrangements	Review Stage				
Governance	Fieldwork start 18/02/13				
Data Quality – Establishment Controls	Fieldwork start 25/02/13				
Sickness Management	Fieldwork start 19/03/13				
Use of Agency / Workforce Management	Fieldwork start 15/04/13				
<b>Schools:</b>					

Penn Wood School (14.12/13)	FINAL	AMBER RED	1	2	4
James Elliman Primary School (27.12/13)	FINAL	AMBER GREEN	0	1	5
IQRA Islamic School (30.12/13)	FINAL	GREEN	0	0	2
St Ethelberts School (34.12/13)	FINAL	RED	5	7	3
Bailys Court Nursery School (11.12/13)	FINAL	RED	4	5	3
Arbour Vale School (31.12/13)	FINAL	AMBER GREEN	0	2	1
Willow School (4.12/13)	Draft Report 6/6/12	RED	2	8	4
Western House School (8.12/13)	Draft Report 2/7/12	AMBER RED	3	3	4
Haybrook School (9.12/13)	Draft Report 5/7/12 Revised Draft 31/7/12	AMBER RED	1	6	2
Parlaunt School (10.12/13)	Draft Report 5/7/12	RED	3	11	3
Claycots Primary School (39.12/13)	Draft Report 17/12/12	RED	7	11	4
St Joseph's School	Fieldwork start 18 April 2013				

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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