

# Slough Borough Council

Internal Audit Progress Report

Corporate Management Team Meeting: 11 June 2014

Audit & Risk Committee Meeting: 10 July 2014

## Introduction

The internal audit plan for 2014/15 was approved by the Audit and Risk Committee on the 13<sup>th</sup> March 2014. This report provides an update on progress against that plans and summarises the results of our work to date.

Since the last Audit and Risk Committee held in March 2013 the following 19 audit reports, relating to the 2013/14 plan have been finalised:

- Data Quality – Corporate Balanced Scorecard (19.13/14)
- Contract Management and Third Party Procurement – Atkins Limited (22.13/14)
- Use of Agency and Workforce Planning (24.13/14)
- Business Rates (26.13/14)
- Debtors and Cash Management (30.13/14)
- Project / Programme Management of Slough Gold Projects (31.13/14)
- General ledger (35.13/14)
- Treasury Management (37.13/14)
- Creditors (38.13/14)
- Governance – Training for Members (39.13/14)
- Slough Centre Nursery (41.13/14)
- arvato – Contract Performance Management (43.13/14)
- Capital Expenditure (46.13/14)
- Data Analytics Report: Accounts Payable (47.13/14)
- Declaration of Interests (49.13/14)
- Procurement (50.13/14)
- Follow Up (51.13/14)
- Annual Governance Statement (53.13/14)
- Risk Management (52.13/14)

A summary of the key issues contained within these reports and the high priority recommendations are detailed in the annual report which is a separate agenda item at the Audit and Risk Committee meeting of the 10<sup>th</sup> July 2014.

## Key Issues

### Outstanding audit report from 2012/13:

The Carbon Reduction Commitment Programme audit report remains outstanding. An Internal Audit is to be conducted in quarter one of 2013/14 for Carbon Reduction and during this review Internal Audit will be assisting the Council in ensuring this outstanding report is finalised.

### Outstanding audit reports from 2013/14:

As at the 28<sup>th</sup> May 2014, one audit (Safeguarding Operating Model for Adult Services) had been deferred until 2014/15, for the remaining 52 audits within the 2013/14 audit plan all reports had been issued to management. The table below shows how many have been finalised and those that remain in draft:

Directorate	Audits	Final	Draft
Customer & Community Services	15	13	2
Chief Executive	5	5	0
Wellbeing	2	2	0
Resources, Housing & Regeneration	13	9	4
Schools	16	12	4
Cross Directorate Review	1	1	0
<b>TOTAL</b>	<b>52</b>	<b>42</b>	<b>10</b>

The above table highlights that 19% of the audit plan remains in draft.

Of the 19 final reports issued since the date of the last Audit and Risk Committee, two 'Red' reports have been issued and four 'Amber Red' reports have been issued in final. Within these 19 reports, 10 high priority recommendations were raised. Further details on these specific matters are highlighted within the annual report which is a separate agenda item.

### Key Findings from 13/14 Internal Audit work

Of the 52 reports issued for the current year to date where a formal opinion has been provided, nine of these have resulted in a red opinion. It should be noted that four of these remain in draft and we are in discussions with management regarding the findings and recommendations. Further details on these reports are included within the annual report.

It is 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.

The results of the red opinion reviews to date will impact, but not qualify, our Head of Internal Audit Opinion for the year, and some of these issues will need to be considered in the preparation of the Annual Governance Statement.

As at 26<sup>th</sup> June 2014, no key issues have been identified as part of the 14/15 audits undertaken.

### Other Matters

#### Planning and Liaison:

All audit fieldwork had been completed for 2013/14 and meetings have been undertaken with management to progress draft reports to ensure they finalised.

Meetings have been held with management to ensure scopes have been agreed for all 2014/15 audits that are due to be undertaken in quarter one of 2014/15.

Monthly meetings continue to be held with the Assistant Director, Finance and Audit, where progress against the plans, responses to draft reports and upcoming audits being discussed.

**Internal Audit Plan 2013/14 and 2014/15 - Change Control:**

One additional proposed changes that have been made to the Internal Audit plan since those which were highlighted to the previous Audit & Risk Committee are:

Action	Date	Agreed By
The <b>Safeguarding Adult Social Operating Model Review</b> has been postponed until 2014/15 due to the Council having delayed the implementation of the new model. The scope of the review is determine progress made following its introduction and therefore this has been postponed until Q3 of 2014/15 to allow sufficient data to be available to enable a comparison.	February 2014	Assistant Director, Adult Social Care

**Information and Briefings:**

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

- Changing Supplier Bank Account Details – April 2014

## Appendix A – Summary Of Progress Against The Internal Audit Plans

### 2012/13 Plan (Drafts outstanding since the Audit & Risk Committee Meeting as at 13 March 2014)

Assignment Reports finalised since the last meeting are shown in bold	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
<b>Customer &amp; Community Services:</b>					
Carbon Reduction Commitment Programme	Draft Report 7/5/13	ADVISORY	-		

### 2013/14 Annual Plan (as at 26<sup>th</sup> June 2014)

Assignment Reports finalised since the last RMG meeting are shown in bold	Status	Opinion	Actions Agreed (by priority)		
			High	Med	Low
<b>Customer &amp; Community Services:</b>					
Implementation of New Council Tax Support Rules (11.13/14)	FINAL ISSUED 31/7/13	GREEN	0	0	0
Blue Disabled Parking Badges (9.13/14)	FINAL ISSUED 19/8/13	GREEN	0	0	3
Trading Standards (15.13/14)	FINAL ISSUED 22/11/13	AMBER GREEN	0	2	0
Freedom of Information Act (31.13/14)	FINAL ISSUED 12/2/14	GREEN	0	0	2
Council Tax (27.13/14)	FINAL ISSUED 4/2/14	AMBER GREEN	0	2	2
Housing Benefits (28.13/14)	FINAL ISSUED 4/2/14	AMBER GREEN	0	2	2
Youth Service (29.13/14)	FINAL ISSUED 24/1/14	AMBER GREEN	0	4	2
Contract Management – Revised Action Plan (25.13/14)	FINAL ISSUED 13/2/14	POOR PROGRESS	4	4	0
Atkins Limited – Contract Management & Third Party Procurement (22.13/14)	FINAL ISSUED 3/4/14	RED	2	6	0
Use of Agency / Workforce Planning (24.13/14)	FINAL ISSUED 28/3/14	AMBER RED	2	1	3
Business Rates (26.13/14)	FINAL ISSUED 31/3/14	AMBER GREEN	0	2	1
arvato Contract Performance Management (43.13/14)	FINAL ISSUED 21/5/14	AMBER GREEN	1	2	1
Procurement (50.13/14)	FINAL ISSUED 21/5/14	AMBER GREEN	0	3	1
Rent Accounts	Draft Issued 5/3/14	RED	2	2	4
Payroll	Draft Issued 24/2/14	AMBER GREEN	0	4	2
<b>Wellbeing:</b>					
Children's Service Procurement (4.13/14)	FINAL ISSUED 9/12/13	AMBER RED	2	2	1
Qualitative Monitoring & Block Nursing Contracts (32.13/14)	FINAL ISSUED 18/2/14	AMBER GREEN	1	2	2
Safeguarding Adult Social Operating Model Review	Audit Postponed until 2014/15				
<b>Chief Executive:</b>					
Health and Safety (1.13/14)	FINAL ISSUED 2/9/13	AMBER GREEN	0	3	3

Assignment Reports finalised since the last RMG meeting are shown in bold	Status	Opinion	Actions Agreed (by priority)		
			High	Med	Low
Training and Development e-Learning (13.13/14)	FINAL ISSUED 27/11/13	RED	2	2	2
Project / Programme Management of Slough Gold Projects (31.13/14)	FINAL ISSUED 22/5/14	ADVISORY	-		
Declaration of Interests (49.13/14)	FINAL ISSUED 22/5/14	AMBER RED	2	1	2
Governance – Training for Members (39.13/14)	FINAL ISSUED 2/6/14	AMBER GREEN	0	3	4
<b>Resources, Housing &amp; Regeneration:</b>					
School's Financial Value Standard (SFVS) (8.13/14)	FINAL ISSUED 19/8/13	ADVISORY	-		
Budget Setting including Cost Savings (18.13/14)	FINAL ISSUED 3/2/14	AMBER RED	2	2	3
Debtors & Cash Management (30.13/14)	FINAL ISSUED 4/3/14	AMBER GREEN	0	4	1
Treasury Management (37.13/14)	FINAL ISSUED 13/3/14	AMBER GREEN	0	3	0
Data Analytics: Accounts Payable System	FINAL ISSUED 20/5/14	ADVISORY	-		
Data Quality: Corporate Balanced Scorecard	FINAL ISSUED 5/6/14	AMBER GREEN	0	2	3
Creditors	FINAL ISSUED 5/6/14	AMBER RED	1	3	2
General Ledger	FINAL ISSUED 5/6/14	AMBER GREEN	1	1	2
Capital Expenditure	FINAL ISSUED 5/6/14	AMBER RED	0	3	2
Contract Management Arrangements – Amey Plc	Revised Draft Issued 4/4/14	RED	3	4	2
Budgetary Control & Financial Reporting	Draft issued 15/4/14 Responses received	AMBER RED	1	1	3
Asset Register	Draft issued 22/4/14	AMBER RED	1	3	0
Risk Management	FINAL ISSUED 17/6/14	ADVISORY	-		
<b>Schools:</b>					
Cippenham Nursery School (2.13/14)	FINAL ISSUED 11/7/13	AMBER RED	0	5	3
Priory School (3.13/14)	FINAL ISSUED 5/11/13	AMBER GREEN	0	2	1
Lea Nursery School (6.13/14)	FINAL ISSUED 17/12/13	AMBER GREEN	0	2	4
Littledown School (7.13/14)	FINAL ISSUED 7/2/14	AMBER GREEN	0	2	1
Beechwood School (10.13/14)	FINAL ISSUED 1/8/13	GREEN	0	1	3
St Bernard's Catholic Grammar School (12.13/14)	FINAL ISSUED 29/1/14	AMBER GREEN	1	0	3
Montem Primary School (14.13/14)	FINAL ISSUED 17/10/13	RED	2	5	3
Baylis Court Nursery (16.13/14)	FINAL ISSUED 17/12/13	AMBER GREEN	0	3	4
Parlaunt Park Primary School (17.13/14)	FINAL ISSUED 25/10/13	RED	2	5	2
Wexham School (20.13/14)	FINAL ISSUED 29/11/13	AMBER GREEN	1	1	2

Assignment Reports finalised since the last RMG meeting are shown in bold	Status	Opinion	Actions Agreed (by priority)		
			High	Med	Low
Foxborough School	Converted to an Academy	AMBER RED	0	5	4
<b>Slough Centre Nursery (41.13/14)</b>	<b>FINAL ISSUED 9/5/14</b>	<b>RED</b>	<b>2</b>	<b>4</b>	<b>3</b>
Our Lady of Peace Catholic Junior School	Draft issued 22/11/13	AMBER RED	1	6	2
St Ethelberts Catholic Primary School	Draft issued 1/4/14	RED	2	4	3
Claycots School	Draft issued 4/4/14	RED	2	5	5
Pippins School	Draft issued 11/4/14	AMBER RED	2	2	2
<b>Cross Directorate Review:</b>					
<b>Follow Up Review (51.13/14)</b>	<b>FINAL ISSUED 27/5/14</b>	<b>ADVISORY</b>	-		

### 2014/15 Annual Plan – Quarter One only (as at 26<sup>th</sup> June 2014)

Assignment Reports finalised since the last RMG meeting are shown in bold	Status	Opinion	Actions Agreed (by priority)		
			High	Med	Low
<b>Customer &amp; Community Services:</b>					
Data Security	Awaiting confirmation of start date				
Contract Management	Start date: 7/7/14				
Carbon Reduction Programme	Start date: 26/6/14				
<b>Wellbeing:</b>					
Troubled Families Programme – May Submission	Review Stage				
<b>Chief Executive:</b>					
Lone Working Procedures	Review Stage				
<b>Resources, Housing &amp; Regeneration:</b>					
Data Quality	Audit in Progress				
Schools Financial Value Standard (SFVS)	Review Stage				
Budget Setting including Savings Plan	Audit in Progress				
<b>Schools:</b>					
Chalvey Early Years Centre	Draft issued 23/5/14	RED	3	3	5
Holy Family Catholic Primary School	Draft issued 27/5/14	RED	2	5	2
Khalsa Primary School	Audit in Progress				
<b>Cross Directorate Review:</b>					
<b>No audits planned for quarter one.</b>					

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