



SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

**For the Audit and Corporate Governance
Committee meeting on 13 December 2018**

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1 INTRODUCTION

The Internal Audit Plan for 2018/19 was approved by the Audit and Corporate Governance Committee on 8th March 2018. This report provides a summary update on progress against that plan as at the 3rd December 2018. All 2017/18 audits have now been finalised.

2018/19 Internal Audit Plan

We have finalised ten 2018/19 reports since the previous Audit and Corporate Governance Committee meeting held in September 2018.

- Baylis Court Nursery School (**Reasonable Assurance**)
- Claycots School (**Partial Assurance**)
- Parish Council Governance (**Advisory**)
- St Bernard's Catholic Grammar School (**Reasonable Assurance**)
- HR Policies and Procedures (**Reasonable Assurance**)
- Treasury Management (**Reasonable Assurance**)
- Slough Urban Renewal (**Reasonable Assurance**)
- Follow Up Q1 (**Little progress**)
- Follow Up Q2 (**Little progress**)
- Follow Up Q3 (**Little progress**)

All three Follow Up audits undertaken this year have resulted in 'little progress' being made in relation to the implementation of actions. In addition, the Claycots School audit resulted in a partial assurance opinion which requires prompt action to be taken by the School. A summary including medium and high priority management actions agreed from finalised 2018/19 reports, which resulted in a negative opinion (partial assurance and little progress follow ups), along with implementation dates and owners has been included within Appendix A below.

In addition, we have issued the following reports in draft as part of the Internal Audit Plan for 2018/19:

- Adult Social Care – Management of Income (issued 8th November 2018)
- Health and Safety – (issued 8th November 2018) – response received from council
- Conflicts of Interest – (issued 28th September)
- Property Services / Neighbourhood Services Building Maintenance – (issued 3 December 2018)



2 SUMMARY OF PROGRESS TO DATE 2018/19

Reports shown in bold have been finalised.

Executive summaries and action plans from any negative assurance reports finalised since the previous meeting are appended to the bottom of this progress report.

2018/19 Internal Audit Plan

Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
Contract Procedure Rules	Q1	Final Report	18th June 2018	25th June 2018		0	5	3
Temporary Accommodation Strategy	Q1	Final Report	23rd July 2018	9th August 2018		4	3	1
School Reviews - Claycots	Q1	Final Report	8th June 2018	6th November 2018		2	4	1
Follow Up Q1	Q1	Final Report	21st June 2018	12th October 2018	Little Progress			
Follow Up Q2	Q2	Final Report	31st August 2018	24th September 2018	Little Progress			
Follow Up Q3	Q3	Final Report	12th November 2018	21st November 2018	Little Progress			
Schools Financial Value Standard	Q1	Final Report	14th June 2018	26th June 2018		1	3	0
Governance – Overview and Scrutiny Committee	Q1	Final Report	15th June 2018	23rd August 2018		0	3	0
Children's Centres	Q1	Final Report	2nd August 2018	23rd August 2018		5	2	0

School Reviews - Baylis Court Nursery	Q1	Final Report	7 th June 2018	24 th September 2018		11	0	0
Policies and Procedures	Q2	Final Report	27 th September 2018	12 th November 2018		5	4	0
School Reviews - St Bernard's	Q1	Final Report	10 th July 2018	12 th November 2018		4	2	0
Treasury Management	Q2	Final Report	4 th October 2018	14 th November 2018		5	3	0
Slough Urban Renewal	Q1	Final Report	8 th November 2018	15 th November 2018		5	2	0
Parish Council Governance	Q1	Final Report	3 rd August 2018	7 th November 2018	Advisory	13 actions raised		
Conflicts of Interest	Q2	Draft Report	27 th September 2018					
Health & Safety	Q2	Draft Report	8 th November 2018					
Adult Social Care - Management of Income	Q2	Draft Report	8 th November 2018					
Property Services / Neighbourhood Services Building Maintenance	Q2	Draft Report	3 rd December 2018					
Whistleblowing	Q2	In QA						
Council Tax	Q3	In QA						
Financial Planning and Budgetary Control	Q3	In QA						
Housing Benefit	Q3	In QA						

Contracts Management - Buoygues	Q2	In progress
General Ledger	Q3	In Progress
Capital	Q3	In Progress
Cash Collection and Management	Q3	In Progress
Debtors Management	Q3	In Progress
Risk Management	Q3	In Progress
Business Rates	Q3	In Progress
Payroll	Q3	Commencing 10 th December 2018
Buildings Compliance Management	Q4	To be undertaken by Consulting Team
Workforce Planning	Q4	To be undertaken by Consulting Team
Business Continuity and Disaster Recovery	Q4	Dates Agreed
Housing Revenue Account	Q4	Dates Agreed
Direct Services Organisation	Q4	Dates Agreed
Governance - James Elliman Homes	Q4	Dates Agreed
OFSTED Preparedness	Q4	Dates Agreed
Assets	Q4	Dates Agreed

Rent Accounts	Q4	Dates Agreed
Creditors	Q4	Dates Agreed
Contract Management - Osbornes	Q4	Dates Agreed
Fire Safety	Q4	Dates Agreed
Governance	Q4	Dates Agreed
Follow Up Q4	Q4	Dates Agreed
Agresso Self Service	Q4	Dates Agreed
Licensing	Q4	Dates Agreed

* Please note change from agreed plan, see details below.

3 OTHER MATTERS

3.1 Changes to the 2018/19 audit plan

Auditable area	Reason for change
	No current changes to agreed plan

3.2 Impact of our work to date on year end opinion

The assurances given in our audit assignments are included within our Annual Assurance Report. In particular, the Committee should note that any negative assurance opinions ('No Assurance' or 'Partial Assurance' opinions, or poor or little progress on follow ups) will need to be noted in the annual report and may result in a qualified or negative annual opinion.

Where we have issued any negative opinions, ie 'no assurance' (red), 'partial assurance' (amber / red) or 'little or poor' progress follow up reports, these opinions may impact our 2018/19 Head of Internal Audit Opinion for the Council. To date we have issued 3 'Partial' assurance audits, and 3 'Little Progress' Follow Up reports, all of which will impact on the Head of Internal Audit Opinion but will not lead to a qualification at this stage.

3.3 Added value specialist support

Area of work	How this has added value
Business Continuity	We were requested by the Director of Finance and Resources to undertake support work to assist the council with the implementation and roll out of business continuity arrangements across the Council. As such we have delayed our assurance review until Quarter 4 to allow time for the work to be undertaken.
Whistleblowing	Due to the nature of the review and the skills within the firm, we have involved our Fraud Risk Services team to undertake this review and the report is currently being quality assured before being issued in draft form to the Council.
Health and Safety Compliance Support	<p>We had been requested by the Council to review health and safety compliance in the built environment across the Council's portfolio of directly managed assets. The review was limited to cover gas, electric, asbestos, fire, water management, lifts and CDM. In addition, the review covered CDM related to Highways activities.</p> <p>The review has been issued in draft to the Council and identified the controls that are in place and any gaps in the Council's current health and safety management systems, processes and procedures. This included internal controls for monitoring the performance of partners, and where gaps were identified, recommendations were made and included within an action plan in the report.</p>

3.4 Information and briefings

The following items were highlighted as part of our information briefings since the last Audit and Corporate Governance Committee in September 2018:

[£2m for councils to crackdown on rogue landlords](#)

Heather Wheeler, Housing Minister, has announced that councils will receive a share of a £2m fund designed to help local authorities step up enforcement action against rogue landlords. While many landlords deliver 'decent homes' to their tenants, there are still landlords who offer housing that is inadequate or unsafe. Heather Wheeler states, 'this funding will help further strengthen councils' powers to tackle rogue landlords and ensure that poor-quality homes in their area are improved, making the housing market fairer for everyone.' The new funding will be used to support a range of projects that councils have said will help them to ramp up action against criminal landlords, for example, to build relationships with external organisations such as the emergency services, legal services and local housing advocates.

[Budget 2018](#)

The Local Government Association (LGA) [budget submission](#) highlighted the severe funding pressures facing councils in 2019/20. The Chancellor, Philip Hammond has acted to help tackle some of this immediate funding crisis with £650m for social care which provides a financial boost for some of our local public services. The Chancellor also announced an extra £700m for councils, for care for the elderly and those with disabilities.

[Funding released to make social sector homes safe](#)

The Ministry of Housing, Communities and Local Government (MHCLG) has announced that 12 councils and 31 housing associations will receive £248m of the estimated £400m funding for the removal and replacement of unsafe cladding on 135 social sector high rise homes.

[£20m fund to help homeless into private rented homes](#)

Councils are set to receive a £20m fund to help people facing homelessness secure a home in the private rented sector. The Private Rented Sector Access Fund aims to help up to 9,000 people who are, or are at risk of becoming, homeless to secure their own home. The fund will be given to councils and used to either help set up locally-led schemes or expand those currently in use. These schemes will be tailored to match the needs of each local area's residents and landlords.

[£1.4m funding for local council projects](#)

NHS Digital has awarded 18 local authorities a share of £1.4m to support data sharing and machine learning projects that improve the quality of adult social care. Using Skype to share information when discharging patients from hospitals into care, and predictive analytics to identify people who are at an early stage of high-risk care admission, are among the council-led projects chosen to benefit from the funding. The funding is aimed at supporting collaboration between local government, charities, health providers and academics. 18 successful bidders will receive between £25,000 and £179,000 to work on their projects.


Local services face further £1.3bn government funding cut in 2019/20

168 councils will no longer receive any Revenue Support Grant funding next year. Councils have gone to great lengths to ensure the savings they have been forced to make have as little impact as possible on the quality of services provided to their residents. Funding pressures and rising demand for services, such as adult and children's social care and homelessness support, will leave local services in England facing a £3.9bn funding gap next year. The Local Government Association (LGA) is calling on the Chancellor to use the Autumn Budget to tackle the immediate funding crisis for local government in 2019/20, as well as setting the scene for the forthcoming Spending Review to deliver a sustainable funding settlement for local government.

£7.5 million fund for councils' digital innovation opens

Local government Minister, Rishi Sunak has announced that councils seeking to transform their public services through digital innovation can apply to a new £7.5m fund. Grants of up to £100,000 will be available for projects which demonstrate they benefit local public services and have the potential to be rolled out more widely across the country. The fund will also be used to provide digital skills training for at least 1,000 staff working on digital solutions at councils.

APPENDIX A: KEY FINDINGS FROM FINALISED 2017/18 AND 2018/19 INTERNAL AUDIT WORK (HIGH AND MEDIUM PRIORITY MANAGEMENT ACTIONS ONLY WHERE PARTIAL OR NO ASSURANCE REPORTS HAVE BEEN ISSUED)

<p>Fixed Penalty Enforcement (28.17/18) – PARTIAL ASSURANCE</p>		<p>4 - Low 6 - Medium 0 - High</p>
<p>We have identified a number of weaknesses which have resulted in six ‘medium’ priority and four ‘low’ priority management actions being agreed:</p> <p>Enforcement Policies</p> <p>We confirmed that the Council has an Enforcement Policy in place which can be accessed through the Council’s website. We were advised at the time of our review that the policy was being updated. We also noted that the Council had a Fixed Penalty Notice (FPN) Policy, dated September 2008 and an FPN Appeal Procedure which was not dated. Through review of the draft Enforcement Policy, draft FPN Policy and FPN Appeal Procedure, we found that the content of the policies did not reflect current legislation and important details had been omitted such as the details of early payment discounts, and timeframes for reminder letters. As such, the policies are not legislatively compliant, and without a clearly defined process covering all areas of FPN management, this can lead to an inconsistent approach to the dealing of FPNs. This led to a medium priority management action being agreed.</p> <p>FPN Templates</p> <p>We confirmed that only four FPN’s had been issued this year and reviewed the notices compared to the templates provided. We noted several inconsistencies regarding early payment discounts and payment methods. In one case, we noted that the Repairing Vehicles on Road FPN requires a completed payment slip, but the notice sent out in April 2017 did not include or refer to this slip. Inconsistent use of templates for FPNs can lead to key details not being captured by the Council, leading to a lack of audit trail should a query or dispute arise. This could also result in legislation not being complied with by Council which could affect future legal action. This led to a medium priority management action being agreed.</p> <p>We also reviewed the Fixed Penalty Enforcement templates against the DEFRA guidance and identified that several areas were not referenced in the templates, including:</p> <ul style="list-style-type: none"> • Repairing Vehicles on Road and Unauthorised Disposal of Waste templates did not detail date or time of offence; • The Community Protection Notice template did not detail date, time, or location of offence; • All templates did not reference how the notice was issued (in person, by post etc.) <p>This may lead to a lack of audit trail should a query arise or the FPN be disputed, potentially affecting court proceedings where the Council decide to pursue a legal route (i.e. the FPN may be rejected, leaving the Council unable to recover due income). On this basis, a medium priority management action was agreed.</p>		

Payment Reminder Letters

We reviewed all four FPNs issued since April 2017 and noted that there was no evidence of reminder letters having been sent in all cases (court proceedings had commenced for non-payment of two FPN's, and the Council were unaware as to whether remaining FPNs had been paid at the time of the audit). If reminder letters are not sent in a timely manner, this increases the likelihood of non-payment of FPNs and a loss of potential income for the Council.

A management action was agreed in our 2016/17 Fixed Penalty Enforcement Audit with respect to updated reminder templates to reference the review process should they have a complaint with regards to the issuing of the FPN. We have restated this **medium** priority management action.

Tracking of Income

Through discussion with the Enforcement Team Leader, we were advised that there was no formal process to systematically track income due through to collection, receipting and banking. It was stated that this was partly due to the small number of FPNs issued, which are informally monitored for collection.

A lack of a formal payment monitoring process, increases the risk of income received being incorrectly coded to the respective neighbourhood budget and recorded against the respective notice in a timely manner. On this basis, a **medium** priority management action was agreed.

Reinvestment of Income

DEFRA, the Government body, responsible for 'sustaining the natural environment' issued guidance based on a number of pieces of legislation in relation to how Councils should issue Fixed Penalty Notices. The guidance states that income received from FPNs has to be reinvested in this service area, however we could not clearly identify how the income received from this function has been spent, risking reputational damage for the Council as a result of not complying with national guidance. This has resulted in a **medium** priority management action being agreed.

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>The Enforcement Policy and FPN Policy will be revised to ensure they include all areas outlined within DEFRA guidance on Fixed Penalty Notices.</p> <p>Following this, FPN related policies and procedures will be circulated and made readily available to all staff in an appropriate location.</p> <p>The FPN Policy and FPN Appeal Procedure will be and revised to detail a next review date and version control history, including:</p> <ul style="list-style-type: none">• Details of the changes/review;• Details of who carried out the changes/review; and• Date of update.	Medium	October 2018	<p>Ginny de Haan, Service Lead, Regulatory Services and</p> <p>John Griffiths, Service Lead, Neighbourhood Services</p>

2	The Council will circulate the latest Fixed Penalty Notice (FPN) templates to relevant staff for use and ensure that dated versions are removed.	Medium	November 2018	Ginny de Haan, Service Lead, Regulatory Services and John Griffiths, Service Lead, Neighbourhood Services
3	Fixed Penalty Notice (FPN) templates will be updated to ensure they all reference the following information: – Time and date of offense; – Location of offense; and – How the FPN was issued (in person, via post etc.).	Medium	November 2018	Ginny de Haan, Service Lead, Regulatory Services and John Griffiths, Service Lead, Neighbourhood Services
4	The FPN payment reminder templates will be amended to inform alleged offenders of the review process available should they have complaint with regards to an issued FPN. Following this, the Council will ensure that reminder letters are sent to alleged offenders in a timely manner.	Medium	November 2018	Ginny de Haan, Service Lead, Regulatory Services and John Griffiths, Service Lead, Neighbourhood Services
5	The Council will develop a formal process to systematically track income due through to collection, receipting and banking. This will include guidance for undertaking regular, formal reconciliations between income received and records maintained.	Medium	November 2018	Ginny de Haan, Service Lead, Regulatory Services and John Griffiths, Service Lead, Neighbourhood Services
6	A clear control framework will be put in place to ensure that in line with guidance, income received from the serving of fixed penalty notices is spent on related functions.	Medium	November 2018	Ginny de Haan, Service Lead, Regulatory Services and John Griffiths, Service Lead, Neighbourhood Services

Claycots School – Partial Assurance (2.18/19)



2 - Low
4 - Medium
1 - High

The key findings from this review are as follows:

Compliance with Finance Policies

We reviewed the Finance Policy and Procedure for the School and confirmed that it included detail on key processes as well as authorisation limits and responsibility of key personnel and forums. In addition, we also reviewed the School's Whistleblowing Policy and confirmed it detailed the process for raising issues and who these can be raised with. We reviewed both policies in conjunction with the Council's Constitution and confirmed that they were aligned. We confirmed both policies were in date and were available to staff on the shared drive.

We identified that the central management team are based at the Wokingham Office. We were advised the reasoning behind this move was due to work being carried out at the school campuses. A business case for the relocation was presented at the Resources Committee in May 2017. The meeting minutes evidenced that a variety of locations were reviewed including Slough, with risks/implications and costs being discussed resulting from the relocation. In addition, staff were consulted on the move to ensure it would not be detrimental.

Wokingham was selected and approved by the Governing Body, dependent on approval from the Council. However, it was not clear whether a formal tender exercise had been undertaken as the value of the lease was over £100,000 based on occupying the location for three years, or whether the council had been approached with a view to finding other more cost-efficient solutions within Slough. Where expenditure is incurred above the thresholds set out within the Finance policy and procedures, or inconsistent figures are reported to committees, and there is no evidence of a tender being conducted, the school are at risk of non-compliance with policies and procedures, leading to ineffective controls to manage expenditure, potentially resulting in procurement which does not represent value for money. **(High)**.

Pay Variations

From a report of pay variations since April 2017, we selected a sample of 10 in order to test the process followed. We confirmed that a variation form had been completed. We also confirmed that this data is then presented to the Pay Review Committee for scrutiny in order to make recommendations to the Governing Body. We reviewed the September 2017 meeting minutes for the Pay Review Committee and confirmed that pay variations were scrutinised in line with the School's policy and with government guidelines for all members of staff.

We further identified that a separate meeting was held in order to review pay variations for the Executive Headmaster to ensure independence. We confirmed that a letter is sent to the Executive Headmaster to confirm their pay variation due to Governors being satisfied with their performance. However, no meeting minutes are taken from this meeting and therefore we cannot assess the level of scrutiny. Therefore, there is a risk that adequate scrutiny has not been conducted for the Executive Headmasters salary and a risk of non-compliance with DfE guidance if the school cannot demonstrate decisions made and the reasoning behind these. **(Medium)**

Recruitment

We were informed by the Executive headmaster that due to pressures of recruiting teachers from the UK, two overseas recruitment exercises have so far been undertaken – in Canada and Australia. We confirmed that these exercises and arranged with a specialist recruitment agency which reimburse costs such as flights

and accommodation. Both trips cost under £8,000. We found within the Finance Procedure that the Executive Headmaster has an approval limit up to £20,000. Therefore, these exercises would not need to be approved by the Governing Body.

While we found the procedures to be complied with, there was a lack of scrutiny from Governors, particularly around the costs and benefits realised of recruitment trips abroad, and the minutes of the Resources Committee did not show effective challenge of these trips to assure themselves of the merits. Without effective scrutiny, there is a risk of value for money not being achieved if the school does not recruit sufficient staff. **(Medium)**

Starters

From a report of starters since April 2017, we selected a sample of 10 and confirmed that all 10 posts had been advertised, DBS and right to work in the UK had been confirmed, appropriately authorised on the starter form and had signed contracts which were accurate when compared to the details on the finance system.

We found that although all 10 starters had interviewing notes with details provided on their answers, there were three instances where the scoring of candidates was not recorded. Therefore, we could not confirm whether the most suitable candidate was selected. **(Medium)**

Leavers

From a report of leavers since April 2017, we selected a sample of 10. From our sample, we confirmed that a leaver form had been completed with leavers being processed on the finance system prior to their termination date.

We were informed by the Director of Finance that exit talks are informally carried out between the employee and their line manager; however, this is not formally recorded. There is a risk that without capturing and analysing reasons for staff leaving the school, staff turnover may get worse or any themes for improvements or different ways of working may not be identified and addressed. **(Medium)**

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	Advice should be sought from the Council, including Finance and the Children, Learning and Skills Directorate about options regarding the utilisation of space for admin staff within the borough and the need to comply with tendering requirements set out within both the school's and council's Financial policies and procedures	Medium	January 2019	Exec Head & Director of Finance
2	Interviewing managers will be informed of the importance of recording their scores for candidates within the interview.	Medium	March 2019	Exec Head and Director of Finance
3	Adequate scrutiny and review by Governors should be demonstrated within the Resources Committee minutes of all recruitment trips abroad, including the results of the March 2018 trip to demonstrate that Value for Money was achieved.	Medium	March 2019	Chair of Governors

4	Fields will be amended in the spreadsheet used by the school to RAG rate teachers at risk of leaving in order to capture the reason for departure and any issues/areas for improvement highlighted by the leaver. Any themes identified will be escalated to an appropriate forum in order for any themes of issues to be discussed and addressed.	Medium	March 2019	Exec Head & Director of Finance
5	Meeting minutes will be recorded for the review of the Executive Headmasters pay review in order to evidence adequate scrutiny and formal approval.	Medium	March 2019	Chair of Governors

Follow Up Q1 (6.18/19)		Little Progress	0 - Low 6 - Medium 0 - High
<p>Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Slough Borough Council has demonstrated little progress in implementing agreed management actions.</p> <p>We found that four actions had been fully implemented but all of the remaining six actions had only been partially implemented and still require further work. We have made new management actions where appropriate; these are detailed in section 2 of this report.</p> <p>Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management.</p> <p>Action tracking is undertaken by Slough Borough Council's management on a regular basis, with an update provided to the Audit and Corporate Governance Committee at each meeting. As part of our Follow Up review, we compared our findings with those recorded on the Trusts action tracker. We identified that six actions which we deemed to be partially implemented have been recorded as fully complete on the action tracker. We therefore found that actions were being closed off prior to the action being fully implemented.</p> <p>We have verified that the status of implementation of management actions, as reported to the audit committee via the internal action tracking process was accurate for the New Facilities Contract and Payroll audits only.</p>			
Ref	Findings Summary Management Action	Priority	Implementation Date Manager Responsible

1	<p>Debtors Management</p> <p>The Council will ensure that all staff using Agresso to raise invoices will be appropriately trained and records will be maintained to demonstrate this and should consider restricting access where training has not been undertaken.</p>	Medium	31 st December 2018	Barry Stratfull – Service Lead, Finance
2	<p>Five Year Plan – Performance Reporting</p> <p>SBC will ensure that all targets within the Balanced Scorecard are specific and measurable to aid in tracking and reporting on progress. For example, instead of a target of ‘increasing’, a milestone such as a target percentage achieved at a certain date should be set which actual progress can then be measured against.</p>	Medium	31 st December 2018	Russell Bourner
3	<p>Five Year Plan Outcomes</p> <p>The Outcome Groups will ensure 2017-2021 detailed action plans will be agreed and signed off by the Five-Year Plan Board.</p>	Medium	31 st December 2018	Russell Bourner
4	<p>Five Year Plan Outcomes</p> <p>The Five-Year Plan information reporting in the performance reports will be updated to ensure all indicators are SMART and measurable.</p>	Medium	31 st December 2018	Russell Bourner
5	<p>Business Continuity</p> <p>The Council will ensure that the Business Continuity Management Policy is approved by CMT.</p>	Medium	31 st December 2018	Joe Carter – Director of Regeneration
6	<p>Information Governance</p> <p>The outcome of the mapping exercise and the risks identified will be reviewed by the IT and Information Governance Board, prior to subsequently being reported to CMT.</p>	Medium	31 st December 2018	Simon Pallett – Service Lead, IT & Digital

Follow Up Q2 (11.18/19)		Little Progress	0 - Low 9 - Medium 0 - High	
<p>Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Slough Borough Council has demonstrated little progress in implementing agreed management actions.</p> <p>Actions predominantly not implemented mainly related to Information Governance and Procurement. Management should note that Procurement actions in relation to the update of the Contract Procedure Rules and Procurement Strategy have been outstanding for a significant period of time, and actions in relation to Information Governance have been in the process of implementation since the initial audit, originally undertaken in 2016/17, and subsequently reviewed in 2017/18.</p> <p>For all of the actions covered, confirmation was provided to management, via the role of the Risk and Insurance Officer that action has been taken to address weaknesses, however we are still not always being provided with the evidence to support this.</p> <p>We have made new management actions where appropriate; these are detailed in section 2 of this report.</p> <p>Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management.</p> <p>Action tracking is undertaken by Slough Borough Council's management. We have identified 9 instances where the implementation status of action reported by management to the audit committee differs from our own findings.</p> <p>In light of these findings, our opinion is that the audit and governance committee cannot place reliance on the action tracking reports provided by management. We have discussed number of further actions to be undertaken by management to address the issues found.</p>				
Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	Business Continuity and IT Disaster Recovery The Council Business Continuity / IT Disaster Recovery plan will be linked to the arvato Business Continuity / IT Disaster Recovery plan as soon as possible	Medium	31 st December 2018	Simon Pallett – Service Lead, IT & Digital
2	Information Governance The Council will ensure that the role of the Caldicott Guardian is communicated on the Council website.	Medium	30 th November 2018	Simon Pallett – Service Lead, IT & Digital

3	<p>Information Governance</p> <p>We will ensure that the Annual Work Programme (SBC I Improvement Plan Jan 2018) goes to the IG board monthly and to the CMT at least annually.</p>	Medium	30 th November 2018	Simon Pallett – Service Lead, IT & Digital
4	<p>Information Governance</p> <p>We will ensure that the data quality policy references are updated to reflect the latest version of the Data Protection Act.</p> <p>Once complete, this should be approved by the IG Board, updated on the Intranet and communicated to all staff.</p>	Medium	31 st August 2018	Simon Pallett – Service Lead, IT & Digital
5	<p>Information Governance</p> <p>The Information Security Awareness course will be reviewed and updated to ensure they include reference to the Caldicott Principles.</p>	Medium	30 th November 2018	Alex Cowen - IT & Business Relationship Manager
6	<p>Adult Safeguarding</p> <p>We will maintain a record for all DSM's currently employed by the council including records of training received.</p>	Medium	30 th November 2018	Simon Broad - Head of Safeguarding and Learning Disabilities
7	<p>Procurement</p> <p>The Procurement Strategy will be updated to ensure it is aligned to the strategic priorities set out within the Five-Year Plan.</p> <p>The strategy will then be issued to CMT and Cabinet for approval, published on both the Council website and intranet and be reviewed annually thereafter.</p>	Medium	30 th November 2018	Frederick Narmh - Head of Procurement
8	<p>Procurement</p> <p>As part of the review and update of the Procurement Strategy, a set of KPIs will be developed and agreed to monitor procurement activity and progress against the strategy, and quarterly reporting to the PRB, CMT and Cabinet will be put in place.</p>	Medium	30 th November 2018	Frederick Narmh - Head of Procurement

9	<p>Procurement</p> <p>The CPR will be reviewed and updated to ensure it is reflective of current legislation and thresholds.</p> <p>The amendments will then be either approved by Council as part of the 2017 annual review of the Constitution or presented to the Constitution Panel for approval.</p>	Medium	30 th November 2018	Frederick Narmh - Head of Procurement
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Follow Up Q3 (18.18/19)	Little Progress	6 - Low 5 - Medium 0 - High
<p>Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Slough Borough Council has demonstrated little progress in implementing agreed management actions.</p> <p>We identified through our fieldwork that from the 16 medium and high priority management actions sampled, 5 of these (31%), had been fully implemented. However, we noted that of the remaining 11 (69%) actions, for 7 of these, the implementation of the actions was ongoing whilst 4 had not been implemented.</p> <p>Actions predominantly not implemented mainly related to Housing Regulation and Neighbourhood Anti-Social Behaviour (ASB) Enforcement. Management should note that the Housing Regulation actions have been ongoing or outstanding since the beginning of the financial year and the actions relating to Neighbourhood ASB Enforcement have been outstanding for almost 12 months. We have made new management actions where appropriate; these are detailed in section 2 of this report.</p> <p>Action tracking is undertaken by Slough Borough Council's management. We have identified 11 instances from the following audits where the implementation status of action reported by management to the audit and governance committee differs from our own findings:</p> <ul style="list-style-type: none"> • Gas Servicing (17/18); • Voids (17/18); • Management of Housing Stock (17/18); • Housing Regulation (17/18); • Chalvey Early Years Centre (17/18) and; • Neighbourhood Anti-Social Behaviour (ASB) Enforcement (17/18). <p>In light of these findings, our opinion is that the audit and governance committee cannot place reliance on the status reported in the action tracking reports provided by management. We have discussed number of further actions to be undertaken by management to address the issues found.</p>		

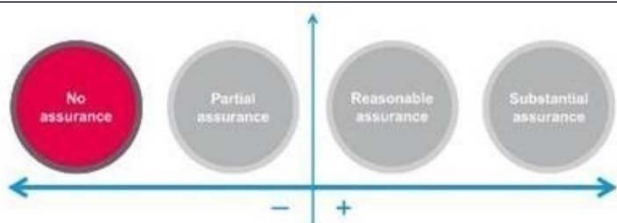
Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>Gas Servicing</p> <p>Osborne will complete the reconciliation of all inspection dates by the year's end in line with the marking of 12 months of their contract's commencement and the annual inspection requirement.</p>	Low	31 st December 2018	Alan Cope
2	<p>Voids</p> <p>The void reports will be completed and continuously maintained in order to provide users with an accurate representation of the status of void the properties.</p>	Medium	31 st December 2018	Alan Cope
3	<p>Voids</p> <p>Ensure that an updated and approved version of the Neighbourhood Service Void Property Management Policy expands upon the following:</p> <ul style="list-style-type: none"> • The reporting structure for monitoring voids and; • The KPIs which are reported on 	Low	31 st March 2019	Alan Cope
4	<p>Management of Housing Stock</p> <p>A document will be produced by the logistics team which outlines the end to end filing process by including the following:</p> <ul style="list-style-type: none"> • The scanning and sending of documents; • The confirmation of sending documents; • Making notes/ actions on the DIP system and; • The process for file retention/ destruction. 	Low	31 st March 2019	Sahera Tariq
5	<p>Housing Regulation</p> <p>The procedure will be updated to include the process for reporting and monitoring performance.</p>	Low	31 st March 2019	Amir Salarkia

6	<p>Housing Regulation</p> <p>The target timelines for the current process (eight-week target) and the future process (online applications) will be documented in order to provide clearly defined timescales for staff to adhere to and follow</p>	Low	31 st December 2018	Amir Salarkia
7	<p>Housing Regulation</p> <p>A continuous record of the monitoring of targets against indicators will be kept in order to provide detail on current performance, as well as progression of performance as per the targets.</p>	Medium	31 st December 2018	Amir Salarkia
8	<p>Schools Audit – Chalvey Early Years Centre</p> <p>A review of all assets will be completed to ensure that all assets that are physically present onsite with a value in excess of £200 are recorded on the FMS SIMS asset register.</p>	Low	31 st December 2018	Diane Lister - Headteacher
9	<p>Neighbourhood Anti-Social Behaviour (ASB) Enforcement</p> <p>Team Leaders will ensure that ASB cases are reviewed monthly.</p> <p>The ASB policy will be reviewed and approved by the relevant authority, with a date for future review set and adhered to ensure the policy is up-to-date.</p> <p>Access to the policy will be granted to all staff by uploading it to the shared drive.</p>	Medium	31 st December 2018	Ian Blake
10	<p>Neighbourhood Anti-Social Behaviour (ASB) Enforcement</p> <p>As part of the process of assigning ASB cases, the Resilience and Enforcement Team will review the accurate recording of notifications and details on the Flare system.</p>	Medium	31 st December 2018	Ian Blake
11	<p>Neighbourhood Anti-Social Behaviour (ASB) Enforcement</p> <p>All relevant members of staff will be asked to confirm the following:</p> <ul style="list-style-type: none"> • That they have received/ can access the ASB Policy and Fact Sheets; • That they have read these documents and; • That they will comply with the details and guidelines within these documents. 	Medium	31 st December 2018	Ian Blake

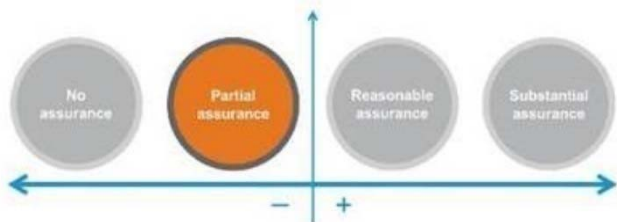
APPENDIX B: 2018/19 ASSURANCE OPINIONS

We are constantly developing and evolving the methods used to provide assurance to our clients. As part of this, we have refreshed our opinion levels in line with the graphics below.

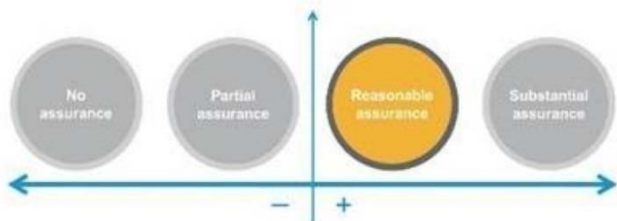
We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



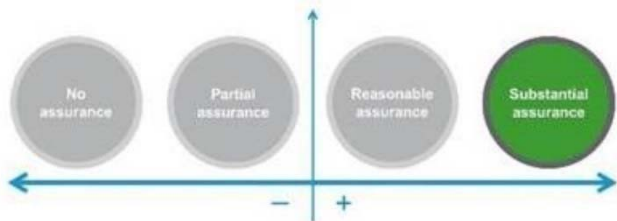
Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council can take **reasonable assurance** that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the Council can take **substantial assurance** that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

FOR FURTHER INFORMATION CONTACT

Dan Harris, Head of Internal Audit

Daniel.Harris@rsmuk.com

07792 948767

Chris Rising, Senior Manager

Chris.Rising@rsmuk.com

07768 952380

Amir Kapasi, Assistant Manager

Amir.Kapasi@rsmuk.com

07528 970094