



SLOUGH BOROUGH COUNCIL

Internal Audit Strategy 2019 - 2020

Presented at the Audit and Corporate Governance Committee meeting of: 7th March 2019

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EXECUTIVE SUMMARY

Our Internal Audit Plan for 2019/20 is presented for consideration by the Audit and Corporate Governance Committee.

The key points to note from our plan are:

2019/20 Internal Audit priorities: Internal audit activity for 2019/20 is based on analysing your corporate objectives, risk profile and assurance framework as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2019/20 is included at Section 1.

Risk based reviews, designed to provide assurance over risks which are linked to your Corporate Risk Register include: Temporary Accommodation, Corporate Health and Safety, Budget Setting and Control and Contract Management (Everyone Active Leisure Contract).



We are also proposing to undertake a review of **Corporate Health and Safety**, following a 'partial' opinion issued in 2018/19. Health and Safety is a key area of risk and is recorded within the Corporate Risk Register. The review will aim to provide assurance that issues identified within the last review, such as the monitoring of training compliance, ensuring regular meetings are being held of the Directorate Consultative Forums, conducting of directorate self-audits and ensuring effective oversight from the Health and Safety Board.

Transformation Agenda – The Council, together with partners across Berkshire has an ambitious transformation programme in place which aims to support the delivery of health and social care across the county. This programme forms a key part of the Council's Five-Year Plan and therefore it is important that assurance and advisory input is provided over the planning and delivery of this programme. We are therefore proposing to undertake a review on the **Delivery of the Transformation Programme** which will not only consider the governance arrangements in place for the Transformation Board and development of the plan itself, but also how the Council and its partners are monitoring how the benefits realised through the programme are being identified and reviewed.

Within 2019/20, the **Continuing Healthcare** function within Berkshire will be moved from the NHS (via CCGs) to Local Government, with Slough being responsible for commissioning placements for residents that meet the appropriate eligibility criteria. As part of this process, we are proposing to undertake an audit in Quarter 4 to provide assurance to the Audit and Corporate Governance Committee and CMT that robust procedures and processes have been implemented to manage the commissioning of placements, and we have significant experience within the NHS and this area to be able to add value to the work of the Council.

As part of the 19/20 plan, we are proposing to undertake a review of the **'Everyone Active' leisure contract**. Following the end of the relationship with Slough Community Leisure in 2017, the Council signed a 10-year deal with Everyone Active to take over the running of its public facilities. This includes management of Montem Leisure Centre, the Ice Arena, Salt Hill Family Activity Centre (formerly Absolutely Ten Pin) and Langley Leisure Centre when the projects have been completed. We are proposing to undertake a review of the contract management arrangements in place to provide assurance that the contract is being monitored appropriately to prevent a reoccurrence of previous failures in managing contractors, and to ensure that value for money is being achieved.

We have included a review in relation to **Budget Setting and Budgetary Control** as this has been highlighted as a key risk on the corporate risk register in relation to achieving financial stability. 2019/20 is set to be another difficult year financially for the Council, with a continued reduction in Government's Revenue Support Grant funding, as well as an increased demand for Council services. The Medium-Term Financial Strategy shows a balanced budget for the next three years and we propose to provide assurance over the effectiveness and the adequacy of controls in place to ensure that the Council achieves its targets.

We are undertaking a review of **Temporary Accommodation** following a **'partial'** opinion provided in 2018/19, to provide assurance to CMT and the Audit and Corporate Governance Committee that improvements have been made to the control framework. While the Council is currently in a similar position to other local authorities within the sector, with demand outstripping supply, we identified issues within the Council's control which need to be rectified, such as the undertaking of periodic visits to TA properties and monitoring of Health and Safety Requirements within Bed and Breakfast accommodation where Slough residents are placed.

In June 2016, we undertook a review of **Matrix – Management of Agency Staff** – and provided a **'no assurance'** opinion. Since the review the council have undergone a number of changes in structure, and with increasing pressures on the budget, there is a need to ensure that agency staff that are employed through the Matrix contract are appropriately monitored and that the system is used and managed to ensure that the use of agency is minimised. As a result, we are proposing to undertake a further review of this area to provide assurances that weaknesses identified as part of the previous review have been rectified and controls strengthened. In addition, the implications of IR35 heighten the need to employ permanent staff where possible and manage the use of agency for hard to fill posts such as Social Workers within Adult Social Care.

Arvato – Given that the Council has recently given arvato notice on the existing contract and that these services are coming back in-house, no specific contract management review is required. We will however be undertaking the core assurance reviews on the key back office systems and processes and providing assurance that these are still operating effectively.

IT audit coverage including Digitalisation audit – This was discussed with the Director of Finance and Resources and we have agreed to delay this review until early 2020/21, when the IT service will be back in house and a suitable range of IT focussed audits will be agreed.

General Data Protection Regulations (Data Protection Act 2018) – Although we have not included an audit on this area within the 2019/20 plan at this stage, this is considered to represent an important area for the Council to receive assurance over, and it is therefore proposed that should any area be removed from the plan during the year that this is replaced by an audit of GDPR. It will in any event be reviewed in early 2020/21.



Level of Resource: We will continue to utilise our core internal audit to deliver the contract and this will be supported by the use of specialists where appropriate, for example Health and Safety, BCP, contract management and our work on the Council's transformation agenda. We will continue using technology when undertaking operational audits in 2019/20. This will strengthen our sampling, increasing the level of assurance provided. Please refer to Appendix A.

Core Assurance: The core assurance reviews for the 19/20 audit plan, includes the review of the Risk Management and Governance frameworks, the Key Financial Systems (such as Accounts Payable / Accounts Receivable / Payroll / Council Tax / Housing Benefits / Rent Accounts / Treasury Management / Cash Collection and Management / General Ledger), and Schools reviews.



All of these reviews are required to support the Head of Internal Audit Opinion and help to inform the External Auditors risk profiling, whilst providing assurance across the range of full financial controls in operation at the Council. It should also be noted that a number of financial systems, e.g. debtors received no or partial assurance opinions in 2018/19 and therefore continued focus on these areas is important.

CONTENTS

1. YOUR INTERNAL AUDIT PLAN 2019/20	6
2. INTERNAL AUDIT PLAN 2019/20	7
APPENDIX A: YOUR INTERNAL AUDIT SERVICE.....	13
APPENDIX B: INTERNAL AUDIT STRATEGY 2019-2022.....	14
APPENDIX C: INTERNAL AUDIT CHARTER	18
FOR FURTHER INFORMATION CONTACT.....	23

1. YOUR INTERNAL AUDIT PLAN 2019/20

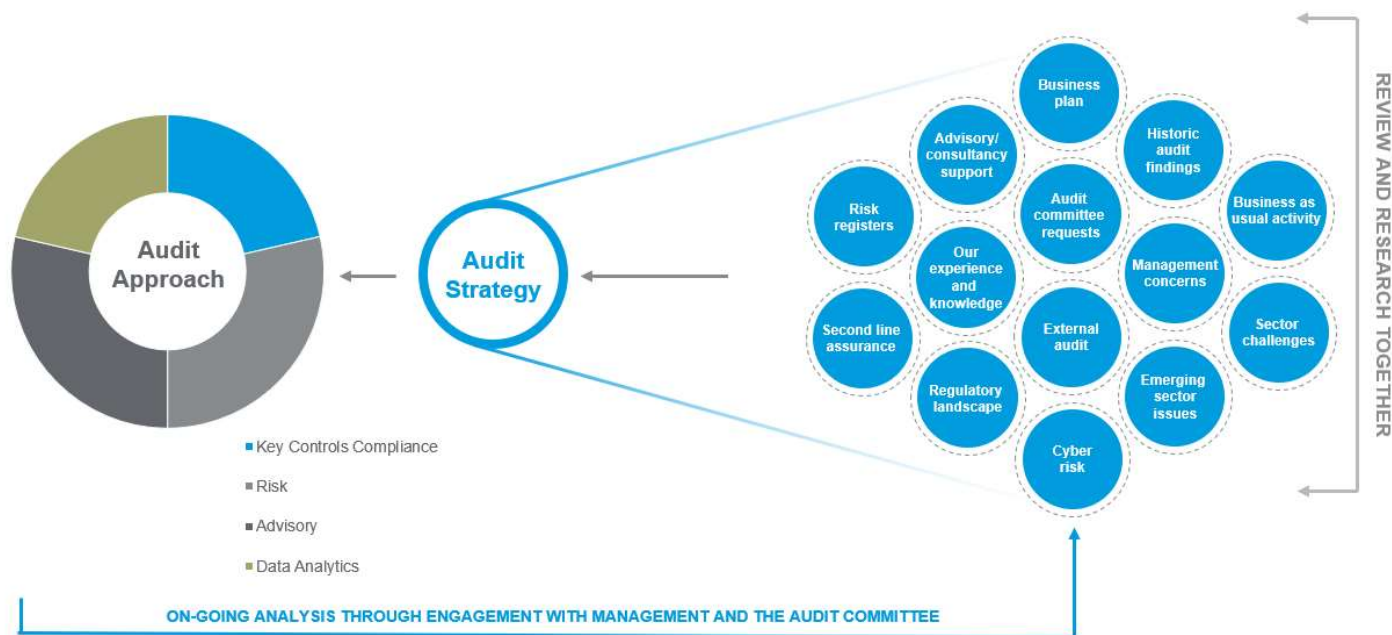
Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Slough Borough Council in the year ahead, including changes within the sector.

Risk management processes

We have evaluated your risk management processes and consider that we can place reliance on your corporate risk register to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the following stakeholders:

- The Senior Management Team, including all Directors and the Chief Executive
- Audit and Corporate Governance Committee
- Director of Finance and Resources (S151 officer)
- Corporate Management Team (CMT)

Figure A: Audit considerations – sources considered when developing the Internal Audit Strategy.



Based on our understanding of the organisation, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high-level strategic plan (see Section 2 and Appendix B for full details).

2. INTERNAL AUDIT PLAN 2019/20

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2019/20. The table details the strategic risks which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: time for tracking the implementation of actions and an audit management allocation.

Objective of the review (Strategic risk)	Audit approach	Proposed timing	Proposed Audit Committee
Risk Based Coverage			
Major Infrastructure Projects	<p>Risk:</p> <p>Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget.</p> <p>Proposed Coverage</p> <p>The Berkshire Strategic Transport Forum (BSTF) brings together the LEP, the six local transport authorities, DfT, Network Rail, Highways England, Heathrow Airport Limited, and various train and bus operating companies to discuss and consult on matters of mutual interest relating to strategic transport issues in Thames Valley Berkshire. As a member of the BSTF, the Council is involved in a number of major infrastructure projects including the implementation of a Mass Rapid Transport (MRT) system across Berkshire.</p> <p>The audit will review the controls around the management of major infrastructure projects within the borough, and the controls in place to manage the implementation of major infrastructure projects.</p>	Quarter 1	September 2019
Temporary Accommodation	<p>Risk:</p> <p>Failure to ensure that the council meets its statutory service requirements in homelessness, re-housing and emergency housing as well as compliance with health and safety regulations (CR3)</p> <p>Proposed Coverage</p> <p>Following a 'partial' assurance opinion in 2018/2019, we will undertake a full review of the area to provide assurance that actions have been implemented to improve the robustness of the control framework in place including the monitoring of Health and Safety requirements over B&B accommodation, undertaking periodic visits to TA properties, issuing of notices to quit and procedures for breaches of licenses.</p>	Quarter 2	December 2019

Corporate Health and Safety	<p>Risk:</p> <p>Failure to ensure that the council meets its statutory service requirements in homelessness, re-housing and emergency housing as well as compliance with health and safety regulations (CR3)</p> <p>Proposed Coverage</p> <p>Following a 'partial' assurance opinion in 2018/2019, we will undertake a review to provide assurance that actions have been implemented to improve the robustness of the control framework in place. These include the monitoring of Health and Safety Training, regular meetings of Directorate Consultative Forums, appropriate oversight from the Health and Safety Board and conducting of directorate self-audits.</p>	Quarter 2 December 2019
Continuing Healthcare	<p>Risk:</p> <p>Increased costs as a result of poor decision making and a failure to commission placements in a timely manner.</p> <p>Proposed Coverage</p> <p>The Council is taking responsibility for the commissioning element of the Continuing Healthcare process currently undertaken by the NHS. As part of the review we will look to establish that robust controls in relation to the commissioning process have been established and are being adhered to.</p>	Quarter 4 June 2020
Contract Management - Everyone Active Leisure Contract	<p>Risk:</p> <p>Failure of the Leisure Strategy to have an impact on the health of the local community (C&L5)</p> <p>Proposed Coverage</p> <p>Following the appointment of new contractors to manage the Council's Leisure Services, we will review the management of the contract with a view to providing assurance of the contract management arrangements in place. This work would be led by our contract management specialists.</p>	Quarter 3 March 2020
Transition process from Children's Services to Adult Social Care	<p>Risk:</p> <p>Poor outcomes for children as they move into Adult Services.</p> <p>Proposed Coverage:</p> <p>With Children's Services being provided through Slough Children's Services Trust, there is a process of handover to the Council once a resident reaches 18.</p>	Quarter 3 March 2020

	The review will give assurance over the robustness of processes to manage the transition between the services.		
Budget Setting and Budgetary Control (including forecasting)	<p>Risk: Failure to ensure financial stability (CR2)</p> <p>Proposed coverage To ensure that the Council achieves its budget, robust controls need to be in place to effectively manage budgets, including the accuracy of forecasting. The council have had a continued reduction to the Council's budget leading to increased levels of service reductions and organisational wide transformation. As such the review will look to provide assurance that the budget is based on robust plans including whether robust assumptions are in place for income generating activities.</p>	Quarter 3	March 2020
Matrix – Use of Agency Staff (Advisory)	<p>Risk: Failure to ensure that the Council has adequate permanent staff with the skills required to meet their corporate objectives.</p> <p>Proposed coverage: Following a 'no assurance review in 2015/16, the aim of the review is to provide assurance that sufficiently robust arrangements are in place to manage use of agency staff. We propose to undertake the review with the support of our specialist HR Consulting Team.</p>	Quarter 1	September 2019
Core Assurance			
Business Rates	Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with.	Quarter 3	March 2020
Council Tax		Quarter 3	March 2020
Housing Benefits	Coverage will also meet External Audit / Regulatory requirements and any management concerns.	Quarter 3	March 2020
Treasury Management		Quarter 3	March 2020
General Ledger		Quarter 3	March 2020
Cash Collection and Management		Quarter 3	March 2020
Debtors		Quarter 3	March 2020

Payroll		Quarter 3	March 2020
Capital Expenditure		Quarter 3	March 2020
Rent Accounts		Quarter 3	March 2020
Assets		Quarter 3	March 2020
Creditors		Quarter 3	March 2020
Risk Management	To provide assurance over the effectiveness of risk management arrangements within the Council. This will include the use and management of both the Corporate and Service-level risk registers.	Quarter 3	March 2020
Governance	To provide assurance that key governance processes are operating effectively within the Council. Following feedback from the LGA Peer Review in February 2018, it was identified that further work was required to strengthen the council's arrangements within this area. The specific area for coverage will be agreed through discussion with Council Senior management.	Quarter 4	March 2020
Schools	To provide assurance over the effectiveness of governance and financial management arrangements within schools. As with previous years we will visit a sample of schools to review the effectiveness of governance and financial management arrangements on site.	Through the year	Each Audit Committee
Other Internal Audit Activity			
Emergency Planning / BCP	Proposed Coverage We will continue to support the Council in the development and implementation of its Business Continuity and Emergency Planning arrangements. This will be undertaken by our Business Continuity and Governance specialists.	Quarter 3	March 2020
Delivery of the Transformation Programme Board	Proposed Coverage At the request of the Chief Executive, we will review the governance and project management arrangements to support the delivery of the transformation programme. Our work will include the following; <ul style="list-style-type: none"> The effectiveness of the governance arrangements in place for the Transformation Board including how the Council are working with key external partners to support the delivery of the programme; Review of the Programme Blueprint and supporting implementation plans. This will consider the extent to which the overall strategy is supported by 	Quarter 2	December 2019

clear and measurable plans for which the delivery of project milestones can be monitored;

- Benefits Realisation. The audit will consider arrangements in place for the setting and monitoring of the delivery of benefits delivered through the programme, focussing on a sample of key benefits that were identified and how the delivery or otherwise of these has been assessed through the transformation programme.

The review will be undertaken by our specialist consultants.

Safety Advisory Group	Proposed Coverage At the request of the Director of Finance and Resources, we will undertake a review to review the effectiveness of the group, including reporting and decision making	Quarter 1	September 2019
Assurance Mapping	Proposed Coverage We will assist the Council in the development of an assurance map which will identify, for each of the key areas of the business, how and when the Council are receiving first, second and third lines of assurance that the controls in place are operating effectively.	Quarter 3	December 2019
Rent Arrears Recovery	Proposed Coverage As part of this review, we will look to establish that robust controls and procedures are being employed by the Council and arvato to ensure that where rent arrears exist, that they are effectively recovered. Where possible, we will look to make use of IDEA to provide the council with statistical analysis on the arrears collection process.	Quarter 2	December 2019
Heathrow Strategic Planning Group (HSPG)	Proposed Coverage The HSPG represents the local authorities and other public organisations responsible for the land use planning, transport, environment, economic development and sustainable development in the wider area surrounding Heathrow Airport. Slough Borough Council is the accountable body for HSPG and acts as host for the small Core Team of technical and administrative staff who service the Group, and we will review the arrangements in place for governing the arrangement. This	Quarter 2	December 2019

	work would be led by our Governance Consulting Team. This has never previously received any Internal Audit scrutiny / coverage.		
Regulatory Services – Cash Handling Arrangements	Proposed Coverage As part of this audit requested by the Director of Adults and Communities, we will review the arrangements for the handling of cash within the Council for services such as Trading Standards. Any additional areas will be confirmed with the appropriate Director and Service Lead at the time of audit.	Quarter 2	December 2019
Follow Up	Proposed Coverage We will conduct Follow Up audits on a quarterly basis to provide assurance that agreed actions have been implemented and that there is sufficient evidence to demonstrate their implementation.	On a quarterly basis	Each Audit committee
Management Meeting Attendance	This will include attendance at all meetings including Risk Board where attendance is requested.	N/A	N/A
Management	This will include: <ul style="list-style-type: none"> • Annual Planning • Preparation for, and attendance at, Audit and Corporate Governance Committee • Administration of our actions tracking database which is used by the Council to track actions – 4action • Regular liaison and progress updates • Liaison with external audit and other assurance providers • Preparation of the annual Head of Internal Audit opinion, IA Charter, Assurance Map 	N/A	N/A

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

2.1 Working with other assurance providers

The Audit and Corporate Governance Committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

APPENDIX A: YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Daniel Harris as your Head of Internal Audit, supported by Chris Rising as your Senior Manager and Amir Kapasi as your Assistant Manager.

Core team

The delivery of the 2019/20 audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required. This will include the use of our IT Specialists within the Technology Risk Assurance (TRA) team, Contract Management Specialists and wider consulting specialists.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that “there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.” RSM was found to have an excellent level of conformance with the IIA’s professional standards.







The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

Conflicts of interest

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

APPENDIX B: INTERNAL AUDIT STRATEGY 2019-2022

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided		Internal Audit - Third Line of Assurance				
		Risk Register Ref	2017/18	2018/19	2019/20	2020/21
	Red - Minimal Assurance / Poor Progress					
	Amber/red - Partial Assurance / Little Progress					
	Amber/green - Reasonable Assurance / Reasonable Progress					
	Green - Substantial Assurance / Good Progress					
	Advisory / AUP					
	IDEA					
Audit Area						
Risk based assurance						
Transition from Children's Services to Adult Social Care		CR19			✓	
Delivery of the Gold Projects		CR2			✓	
Heathrow Strategic Planning Group		CR15			✓	
Matrix – Use of Agency Staff					✓	
Contract Management – Everyone Active (Leisure Contract)		C&L5			✓	
Major Infrastructure Projects (Local Enterprise Partnership)					✓	
Continuing Healthcare					✓	
Section 106 Arrangements						✓

Regulatory Services - Cash Handling Arrangements				✓		
Governance - James Elliman Homes			✓			
Direct Services Organisation	CR6		✓		✓	
Agresso Self Service			✓			
Fire Safety			✓		✓	
Contract Management - Osborne	CR15		✓			
Procurement	CR9				✓	✓
Business Continuity and Emergency Planning	CR8		✓	✓	✓	
Contract Management – Buoygues	CR15				✓	
Slough Urban Renewal	CR4					✓
Adult Social Care - Management of Income						✓
Corporate Health and Safety	CR3			✓		✓
Contracts Procedure Rules Review					✓	
Temporary Accommodation Strategy	CR3			✓		
Whistleblowing Arrangements					✓	
Policies and Procedures						✓
Budget Setting and Budgetary Control (including forecasting)	CR2			✓	✓	✓
Gas Servicing					✓	
Special Educational Needs Funding						✓
Delayed Transfers of Care (DToC)					✓	
Governance - Overview and Scrutiny - Committee Effectiveness				✓		
Core Assurance						

Business Rates	CR2			✓	✓	✓
Council Tax	CR2			✓	✓	✓
Housing Benefits	CR2			✓	✓	✓
Treasury Management	CR2			✓	✓	✓
General Ledger	CR2			✓	✓	✓
Cash Collection + Management	CR2			✓	✓	✓
Debtors	CR2		✓	✓	✓	✓
Payroll	CR2		✓	✓	✓	✓
Capital Expenditure	CR2			✓	✓	✓
Rent Accounts	CR2		✓	✓	✓	✓
Assets	CR2		✓	✓	✓	✓
Creditors	CR2		✓	✓	✓	✓
Risk Management	CR2			✓	✓	✓
Governance	CR2		✓	✓	✓	✓
Schools	CR2			✓	✓	✓
Other Internal Audit Activity						
Delivery of Gold Projects					✓	
Transformation Programme				✓		
Safety Advisory Group (SAG)				✓		
Rent Arrears Recovery				✓		
Children's Centres						✓
Effectiveness of Partnership Arrangements (including STP)						✓
Primary Authority Partnerships					✓	

Section 11 audits						✓	✓
Sickness Absence and Reporting						✓	
Appraisals						✓	
GDPR (previously Information Governance)			Orange	Grey		✓	
Cyber Security and Cyber Risk			Grey			✓	
Conflicts of Interest				Orange			✓
Neighbourhood Enforcement			Red	Orange			
Parish Council Governance				Grey			✓
Parking						✓	
Housing Revenue Account				✓		✓	
OFSTED preparedness				✓			
Buildings Compliance Management				✓			✓
Buildings Asset Management				✓			
Training and Development (including appraisals)						✓	
Sickness and Absence Management							✓
Human Resources - working from home						✓	
Digitalisation						✓	
Assurance Mapping					✓		
Continuous Assurance						✓	✓
Follow up			Grey	Orange	Orange		

APPENDIX C: INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Slough Borough Council. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the audit and corporate governance committee.

The internal audit service is provided by RSM Risk Assurance Services LLP (“RSM”).

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;
- Definition of internal auditing;
- Code of ethics; and
- The Standards.

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner Daniel Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the Chief Executive, with further reporting lines to the Director of Finance and Resources.

The head of internal audit has unrestricted access to the chair of audit and corporate governance committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Slough Borough Council. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the audit and corporate governance committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit and corporate governance committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit and corporate governance committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the audit and corporate governance committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

- Council senior management who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- Executive (Cabinet) - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "board" may refer to a committee or another body to which the governing body has delegated certain functions (eg an audit and corporate governance committee).

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope four weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee four weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 10 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Sharefile.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit and corporate governance committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.

- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the audit and corporate governance committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the audit and corporate governance committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Cabinet to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the audit and corporate governance committee.

Fraud

The audit and corporate governance committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit and corporate governance committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the audit and corporate governance committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Slough Borough Council and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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