



SLOUGH BOROUGH COUNCIL

Internal Audit Strategy 2021/2022 - REVISED

Presented at the Executive Board in July 2021 and Audit and Corporate Governance Committee meeting of: 29th July 2021

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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.

EXECUTIVE SUMMARY

In preparing our revised Internal Audit Plan for 2021/22 we have worked closely with the new Section 151 Officer to revise the plan presented and approved at the March 2021 Audit and Corporate Governance Committee (ACGC). This plan is mindful of the continuing developments and challenges around Covid-19, the recent S114 Notice and specifically focusses on re-auditing a number of the qualified internal audit reviews undertaken in 2020/21. Whilst this plan is presented for consideration by the ACGC, we will continue to hold regular meetings with management, during the year, to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in these ever changing circumstances and as the conclusions and any actions of the MHCLG governance and financial reviews become clear.

The key points to note from our revised plan are:



2021/22 Internal Audit priorities: Internal audit activity for 2021/22 is based on analysing your corporate objectives, risk profile and Corporate Risk Register as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2021/22 is included at Section 1. Please note that we identified some weaknesses in the risk management framework in 2020/21 which means that **we cannot place full reliance on your risk management framework and the associated risk registers**. Furthermore, given the significant financial challenges facing the Council, we have agreed to target three reviews specifically around ensuring robust controls are in place surrounding significant areas of expenditure, including Creditors, Matrix and Capital Project expenditure.

Risk based reviews, designed to provide assurance over risks which are linked to your Corporate Risk Register and department risks include: **Capital Projects** – reviewing key projects - Tower and Ashbourne, **Contract Management** of the **Osborne Contract**, **Business Continuity**, **Health and Safety**, the refreshed **Medium Term Financial Strategy**, the revised **Budget Setting and Control framework** and **Temporary Accommodation** arrangements. Please note, we will ensure that coverage in these areas are carefully scoped to ensure that we are targeting the coverage in the right areas to provide assurance and/or advice on the arrangements in place to manage the risks.

We issued a total of 12 negative assurance opinions in 2020/21 comprising of **one 'No Assurance'** and **11 'partial assurance' opinions**. An audit of all of these areas will be undertaken in 2021/22 to provide assurance that the actions agreed have been implemented.

We will also be re-auditing the **Cyber Essentials** framework and the **Council Subsidiary Governance** audits, both undertaken in an advisory capacity in 2020/21, but both reviews identifying significant weaknesses in the control frameworks, resulting in the agreement of **12 high, 47 medium** and 10 low priority **management actions**.

We also concluded that an ineffective framework was in place to provide complete and reliable information to the Executive Team and ACGC on the progress made to implement previously agreed management actions. We have therefore included a provision within the internal audit plan to review this framework via our follow up coverage and assist management in putting a more robust and comprehensive control framework in place.



Level of Resource: We will continue to utilise our core internal audit team to deliver our plan of work and they will continue to be supported by the use of specialists where appropriate, for example Contract Management, Cyber Security and wider Technology Risk reviews, Risk Management specialists etc.

We will continue using technology when undertaking operational audits in 2021/22. This will strengthen our sampling, increasing the level of assurance provided. Please refer to Appendix A.



Assurance: The core assurance reviews for the 2021/22 audit plan includes reviews of: the Risk Management and Subsidiary Governance frameworks, the Key Financial Systems (such as Accounts Payable / Accounts Receivable / Payroll / Rent Accounts / Treasury Management / General Ledger), Key Revenues and Benefits systems (Council Tax, Business Rates and Housing Benefits) and the programme of Schools reviews.



'Agile' approach: Our approach to working with you has always been one where we will respond to your changing assurance needs. By employing 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to the ACGC during the year. This is particularly important during 2021/22 given the work of the MHCLG, tighter expenditure controls following the S114 notice and we will be holding monthly meetings with the Section 151 Officer to agree:

- any potential changes to the 2021/22 internal audit coverage (which will be reported to the ACGC)
- provide regular status updates on the programme of work, including any significant issues that may impact the year end opinion



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1. YOUR INTERNAL AUDIT PLAN 2021/22

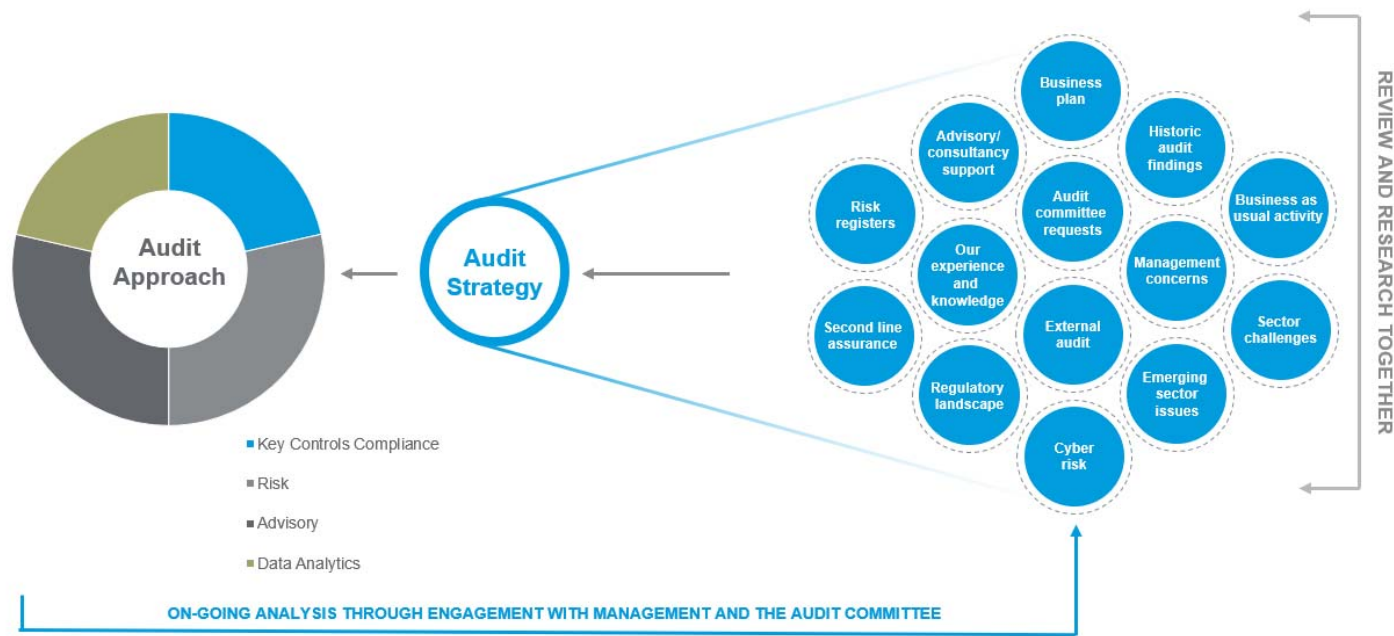
Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Slough Borough Council in the year ahead, including changes within the sector.

Risk management processes

We have evaluated your risk management processes and consider that we cannot place full 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 CMT and wider leadership team, including all Directors and the Chief Executive
- Audit and Corporate Governance Committee
- The Section 151 officer
- Senior Leadership Team
- External Audit

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 2021/22

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2021/22. The table has been updated following the March 2021 ACGC and details the strategic and departmental risks (either by risk title or risk consequence depending on clarity of these) 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 (noting the comments above regarding the risk management framework). 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.

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
Risk Based Coverage			
IT Business Continuity	<p>Risk Consequence - There is an inherent risk of security breach and data loss. This could lead to ICO fines for GDPR breach and reputational damage (CRR 240)</p> <p>At the request of the Council's IT Business Development Manager we are proposing to undertake a review of the Council's Business Continuity Arrangements from an IT perspective.</p> <p>Prior to their exit in November 2019, arvato were responsible for the Council's IT provision however now this service has been brought back in house and in light of recent IT incidents within the Council we will review the plans in place and whether the effectiveness and robustness has been tested. (Advisory)</p>	Q1	September 2021
Corporate Health and Safety	<p>Risk – Health and Safety of Staff (A & C 7)</p> <p>Following a 'partial' assurance opinion in 2019/20 and 2020/21, 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>	Q3	December 2021
GDPR Post Implementation	<p>Risk Consequence - If there is not an adequate response to GDPR there is a chance that there may fines, criticism from the information Commissioner, damage to reputation or civil claims for damages (CRR 38)</p> <p>With the introduction of the General Data Protection Regulations in May 2018 and GDPR being a long-standing risk on the Council's Corporate Risk Register the review will consider the extent to which the Council is complying with the GDPR requirements. The scope of the review will be confirmed closer to the time. (Advisory)</p>	Q2	September 2021
Slough Children First (SC First)	<p>Various risks including Risk Consequence - Poor outcomes for vulnerable children include risks to safeguarding. Reputational damage to the council. (CR33)</p>	TBC	TBC

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	<p>Following SC First becoming a wholly owned subsidiary of the Council, we have included a provision within the plan to allow the Council to take assurance over the arrangements within the SC First. The exact nature of any work will be scoped and agreed with the Interim Director of People (Children). (Assurance)</p>		
Our Futures	<p>Risk: Savings target of £5.2m is not realised within the timescales and impacts the ability for the council to meet its MTFS. The delay to the consultation and response increased the lead in time for recruitment for the new structure and will increase the short term reliance on agency spend. (Our Futures Risk Register)</p> <p>Exact scope of the review to be agreed – potential coverage could include a benefits realisation review of the Council’s Transformation Plan, coverage of the Governance and Risk Management arrangements in place, change control arrangements in place and the lessons learnt process.</p>	Q3	Dec 21 / March 22
Capital Projects – Tower and Ashbourne	<p>Risk: Failure to ensure financial sustainability. (F&A27)</p> <p>Tower and Ashbourne House is located within the centre of Slough and the Council have awarded a contract for the redevelopment of the building, to be undertaken by HTA Design LLP. At the request of the Director of Corporate Resources, we will review the following significant projects within the Council’s portfolio with a particular focus on:</p> <ul style="list-style-type: none"> • The delegation of powers between SBC and partners • The timeliness of the process • Whether the projects have a sufficient level of governance in place, particularly in relation to the approval process • The process for the development and approval of business cases, including the funding / capital budgets • Benefits Realisation / monitoring of performance; • Risk Management arrangements; • The reporting of progress, including both financial and non-financial information. <p>(Assurance)</p>	Q3	Dec 21 / March 22
RMI Contract Management - Osbornes	<p>Risk Consequence: If the RMI contract is not managed appropriately, there is a risk to the Council’s reputation (PP82)</p> <p>At the request of the Director of Place and also the Neighbourhood and Community Services Scrutiny panel, we will undertake a review of the contract management arrangements with</p>	Q2	December 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	Osborne to evaluate how the objectives and performance measures were being met and reported. Councillors and residents will be engaged in the review. (Assurance)		
Temporary Accommodation	<p>Risk: 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>Following a 'partial' assurance opinions in 2018/2019, 2019/20 and 2020/21 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. (Assurance)</p>	Q3	December 2021
Cyber Essentials	<p>Risk Consequence - There is an inherent risk of security breach and data loss. This could lead to ICO fines for GDPR breach and reputational damage (CRR 240)</p> <p>Following an advisory review in 2020/21 and a number of significant actions (3 high, 10 medium and 4 low actions in total) being raised, we propose to undertake a further review of this area to confirm that actions have been addressed. Our audit would allow the Council to take assurance that good practice in cyber security is being implemented. We would utilise our Technology Risk Assurance team to undertake this review, and the exact nature of the scope will be agreed with the Director of Finance and Resources. (Advisory)</p>	Q3	March 2022
Business Continuity	<p>Risk Consequence - Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause disruption. (CR8)</p> <p>Having been a constant risk on the Council's Risk Register over the previous four years, three negative opinions (Partial Assurance in 2020/21) on the controls in place to manage this area we will undertake a review to allow the Council to take assurance that effective arrangements have been implemented. (Assurance)</p>	Q2	Sept 2021
Budget Setting and Budgetary Control	<p>Risk: Failure to ensure financial sustainability (F&A27)</p> <p>Continued reduction to the Council's budget and the COVID-19 pandemic, leading to increased levels of service reductions and organisational wide transformation. The requirement for balanced corporate strategy that seeks to address the needs of vulnerable individuals whilst ensuring appropriate levels of service provision for the universal services.</p> <p>The audit will review the effectiveness of arrangements in place for financial planning and budgetary control to ensure that a realistic budget is set and that performance against this is rigorously monitored. (Assurance)</p>	TBC	TBC

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
Medium Term Financial Strategy	<p>Risk: Failure to ensure financial sustainability (F&A27)</p> <p>The Council must:</p> <ul style="list-style-type: none"> • Set a balanced budget each year; • Ensure it is financially sustainable in the medium term; and • Maintain adequate reserves. <p>The MTFS brings together all known factors affecting the Council's financial position and its financial sustainability into one process. We will undertake a review of the Council's MTFS to understand whether the underlying assumptions are based on robust plans. (Assurance)</p>	TBC	TBC
Core Assurance			
Business Rates		Q3	December 2021
Council Tax		Q3	December 2021
Housing Benefits		Q3	December 2021
Treasury Management		Q3	December 2021
General Ledger		Q3	December 2021
Debtors	Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns.	Q3	December 2021
Payroll		Q4	March 2022
Capital Expenditure		Q4	March 2022
Rent Accounts		Q4	March 2022
Asset Register		Q4	March 2022
Creditors		Q4	March 2022
Rent Arrears Recovery	Following a 'partial' assurance opinion provided as part of both the 2019/20 and 2020/21 plans, we propose to undertake a further review to identify whether improvements identified have been undertaken to strengthen the control framework. (Assurance)	Q1	June 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
Grants	Following the completion of a number of grant returns in 2020/21 (including for example, the Bus Service Operators Grant) which require the sign of both the Chief Executive and the Head of Internal Audit we have included a provision to undertake reviews in our capacity of the Council's Chief Internal Auditor on the use of grant funding received, which will include review of evidence to substantiate claims. (Advisory)	Throughout the year	Not applicable – report to management
Risk Management	To allow the Council to take 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.	Q2	September 2021
Governance - Council Subsidiary Companies	To allow the Council to take assurance that key governance processes are in place and operating effectively within the Council over a range of the Council Subsidiary Companies. The specific area for coverage will be agreed through discussion with Council Senior management, given that this may be an area reviewed by MHCLG. We could also include a review (of a sample) of the 52 management actions agreed in the 2020/21 audit of this area.	Q3	March 2022
Other Internal Audit Activity / IT Coverage			
Leaseholder Service Charges	Following a 'partial assurance' opinion provided during 2020/21, we are proposing to undertake a re-audit of this area to allow the Council to take assurance that improvements have been made to the control framework. Coverage will include review of policies and procedures, the basis for apportioning service charges, the billing process, recording of leaseholders, recharge process for capital improvements and governance arrangements.	Q2	December 2021
Supplier Duplicate Payments - IDEA Testing	As part of our work for 21/22 we are proposing to utilise our IDEA software to identify potential duplicate payments made by the Council, and we will follow up on a sample of potential duplicates to review the invoices and audit trail within Agresso and will report back to the S151 Officer.	Q2	September 2021
Matrix	Following a previous review where significant weaknesses for the approval, booking of, management and monitoring of temporary staff which have been obtained through the Matrix contract were identified, we are proposing to undertake a review of the arrangements for using matrix and compliance with policies and procedures including review of actions undertaken as part of the previous review.	Q3	December 2021
Whistleblowing	Following an advisory review in 2018/19, a 'partial assurance' opinion in 2020/21 and a need to ensure that the whistleblowing processes in place are working, we propose to review the effectiveness of processes for the management of whistleblowing and grievances raised within	Q2	September 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	and to the Council, with a view to enabling the Council to take assurance over the processes in place. We will also cover the actions raised as part of the previous review. (Assurance)		
Attendance Service – Children Missing Education (CME)	At the request of the Associate Director, Children and Families, we will review the effectiveness of the Attendance Service for CME. Slough Borough Council have a legal duty to identify children who are missing education (CME), taking action where necessary and ensuring children are receiving suitable education. This duty applies to all maintained schools, academies, free schools and independent schools. (Assurance)	Q1	June 2021
School Audits (maintained schools)	To allow the Council to take assurance over the effectiveness of governance and financial management arrangements within schools. As with previous years we will visit a sample of schools, based on outcomes from prior reviews, to review the effectiveness of governance and financial management arrangements on site. The reviews this year will include a follow up of Claycots and Cippenham schools where ‘partial’ assurance opinions were issued previously, other schools reviews will be agreed with the Council. (Assurance)	Q1 + Q2	Each Audit Committee
Follow Up	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.	Throughout the Year	Each Audit Committee
Management Meeting Attendance	This will include attendance at all meetings (Department meetings, CMT, Risk Board, Governance meetings, ad-hoc meetings)	Ongoing	Ongoing
Management	This will include: <ul style="list-style-type: none"> • Annual Planning meetings and draft strategy • Preparation for, and attendance at, Audit and Corporate Governance Committee • Attending LG Chief Auditors Network • Administration of action tracking database (4action) used by the Council to track actions • Regular liaison and progress updates • Meetings with Chief Executive, S151 Officer, Monitoring Officer, Chair of Audit and Corporate Governance • Liaison with external audit and other assurance providers • Preparation of the annual Head of Internal Audit opinion and IA Charter 	Ongoing	Ongoing

Audits requested by Officers for coverage but deferred to future years due to other priorities:

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Continuing Health Care Commissioning and Procurement	At the request of the Director of People (Adults), we will look to review the processes for Continuing Healthcare within the Council to allow the Council to take assurance over the processes in place since SBC took over the responsibilities of CHC commissioning and procurement on behalf of East Berks CCG in 2019/20. (Assurance)
Grip and Governance	At the request of the Chief Executive, we will review the robustness of plans to obtain a grip over the governance within the Council, which will include reviewing the mechanisms of how assurance is provided to CMT in relation to key functions within the Council. (Assurance)
ASC - Care Practice and Quality Assurance	At the request of the Director of People (Adults), we will undertake an advisory review to review whether all practitioners within Adult Social Care are following practice laid out in the Council's policies and procedures and whether there are robust quality assurance processes provide sufficient information. (Advisory)
ASC - Practice and CMHT	At the request of the Director of People (Adults), we propose to undertake a review to give a view on whether social care staff working in CMHT are appropriately discharging their care act responsibilities. (Advisory)
Adult Social Care (ASC) - Financial Assessments and Charging	At the request of the Director of People (Adults), we propose to undertake a review to allow the Council to take assurance over the processes in place for conducting financial assessments and whether these are done in a timely manner and in line with policies and procedures, and as part of this, we will also review the charging process in Adult Social Care and how this is monitored and managed to ensure income is collected to contribute towards the Adult Social Care Income Targets (Assurance)
IT Education and Awareness	At the request of the Council's IT Business Development Manager we are proposing to undertake a review in to cover the following: Users have a critical role to play in their organisation's security and so it's important that security rules and the technology provided enable users to do their job as well as help keep the organisation secure. This can be supported by a systematic delivery of awareness programs and training that deliver security expertise as well helping to establish a security-conscious culture.
Local Plan	The Council's new Local Plan will set out how to guide development in Slough through to 2036. The plan will contain policies to guide business and residential development to meet the needs of Slough's expanding population. The new Local Plan will update the existing Core Strategy, Site Allocations, and Local Plan Saved Policies. The emerging Local Plan aims to address some of the key challenges facing Slough and the plan could be escalated to a Gold Project. At the request of the Associate Director - Place Strategy and Infrastructure will undertake a review of the development of the Local Plan, including the governance around approvals and the implementation process including the consultation process. (Assurance)

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Local Government Transparency Code	<p>The Ministry for Housing, Communities and Local Government (MHCLG) published a revised Local Government Transparency Code on 27 February 2015 which includes new requirements to publish social housing assets. The revised Code came into effect on 1 April 2015. The LGA has produced a set of revised practical guidance documents to support local authorities in understanding and implementing the Transparency Code 2015 and to help them publish the data in a meaningful and consistent way. This area has not been covered by Internal Audit since 2017/18 where we issued a 'partial' assurance opinion and at the request of Strategic Programme Management Office (PMO) Manager as part of the Council's Grip and Governance Project, we are proposing to review compliance with the code. (Assurance)</p>
Planned and Responsive Maintenance	<p>Risk Consequence: If the RMI contract is not managed appropriately, there is a risk to the Council's reputation (PP82)</p> <p>The repairs and maintenance of the Council's housing stock is currently outsourced to Osbornes and at the request of the Director of Place and following a number of complaints to the Council regarding the performance of Osbornes, we will undertake a review to allow the Council to take assurance over the processes for maintaining the Councils Housing Stock and meeting the needs of its residents. (Assurance)</p>
Governance of the Housing Delivery Action Plan	<p>The Housing Delivery Test (HDT) measures net additional dwellings provided in a local authority area against the homes required. The methodology for calculating the Housing Delivery Test measurement is set out in the Housing Delivery Test Measurement Rule Book, and the Ministry of Housing, Communities and Local Government (MHCLG) will publish the HDT result for each local planning authority in England annually in November.</p> <p>Where delivery is below 95% of the Local Planning Authorities requirement it has to prepare an Action Plan in line with national guidance. At the request of the Associate Director - Place Strategy and Infrastructure we will look the governance around the delivery of actions to address shortfalls in housing need in Slough. (Assurance)</p>
Capital Projects – Stoke Wharf	<p>Risk: Failure to ensure financial sustainability. (F&A27)</p> <p>Stoke Wharf is a joint venture between SBC and Morgan Sindall, with Lovells as the developers. At the request of the Director of Corporate Resources, we will review the following significant projects within the Council's portfolio with a particular focus on:</p> <ul style="list-style-type: none"> • The delegation of powers between SBC and partners • The timeliness of the process • Whether the projects have a sufficient level of governance in place, particularly in relation to the approval process • The process for the development and approval of business cases, including the funding / capital budgets • Benefits Realisation / monitoring of performance; • Risk Management arrangements; • The reporting of progress, including both financial and non-financial information. <p>(Assurance)</p>

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Housing White Paper	As part of the Government's plans to ensure that residents in social housing are safe, are listened to, live in good quality homes, and have access to redress when things go wrong, a Social Housing Charter is being introduced, and at the request of the Director of Customer and Community, we propose to undertake a review to assess how the Council has implemented the requirements of the white paper. (Assurance)
HR – Appraisals	At the request of the Deputy S151 officer we propose to undertake a review to enable the Council to take assurance around the processes in place to ensure appraisals are being carried out on a consistent basis. As part of the audit, we will review whether appropriate guidance around the appraisal process is in place, whether Line Managers are sufficiently trained to conduct appraisals, whether appraisals are completed in a consistent manner and whether sufficient controls are in place to identify members of staff who have not had their appraisals completed. (Assurance)
Agresso Utilisation	At the request of the Director of Corporate Resources, we propose to undertake a review around how staff are utilising Agresso. The review will consider whether staff are both aware and fully utilising the reporting functionality available within the ERP platform. The scope of the review will focus on systems-based functionality available with respect to financial information (for example, budget reporting) as well as HR related information. (Assurance)
Contract Management - Everyone Active	<p>Risk: Failure of the Leisure Strategy to have an impact on the health of the local community (C&L5)</p> <p>Following the appointment of new contractors to manage the Council's Leisure Services, and a 'partial assurance' opinion in 2019/20, we will review the management of the contract with a view to providing assurance of the contract management arrangements in place and whether the actions raised as part of the previous review has been implemented. This work would be led by our contract management specialists. (Assurance)</p>
ASC - Data and performance information	At the request of the Director of People (Adults), we propose to undertake a review of the information generated from the Adult Social Care system following concerns raised over the timeliness and accuracy of management data reports and performance information data (Advisory)
Data Security and Protection Toolkit (DSPT)	<p>At the request of the Council's IT Business Development Manager we will undertake a review to assess the Council's compliance with the DSPT.</p> <p>The Council has access to a secure N3 connection which is being transitioned to The Health and Social Care Network (HSCN), which is a new data network for health and care organisations. It provides the underlying network arrangements to help integrate and transform health and social care services by enabling them to access and share information more reliably, flexibly and efficiently while benefitting from improved network and bandwidth capacity, financial savings and easier and smoother access to clinical systems.</p> <p>Currently to maintain access to this connection, the Council has to submit an annual self-assessment demonstrating how it complies with the requirements of the toolkit. Our review will confirm that sufficient evidence exists to demonstrate that processes are in place to comply with the minimum requirements of the toolkit (Advisory)</p>

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 Amir Kapasi as your Manager.

Core team

The delivery of the 2021/22 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, Risk Management specialists, Programme and Project 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.

Our next external review will be conducted during 2021 and we will inform the Audit and Corporate Governance Committee of its findings.

Conflicts of interest

We continue to deliver support to the Council in relation to the Procurement Function, which has run into 2021/22. We also supply a range of software solutions to help the Council manage their action tracking, policy management and risk capture. All of this work was undertaken via separate engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met. We continue to keep the Section 151 Officer sighted and informed throughout the year of potential conflicts and how these have been considered and managed.

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	2021/22
	Red - Minimal Assurance / Poor Progress						
	Amber/red - Partial Assurance / Little Progress						
	Amber/green - Reasonable Assurance / Reasonable Progress						
	Green - Substantial Assurance / Good Progress						
	Advisory / AUP						
Audit Area							
Risk based assurance							
Capital Projects – Tower and Ashbourne	F&A27						✓
Slough Children's Services Trust	CR33						✓
Planned and Responsive Maintenance	PP82						
Contract Management - Osbornes	PP82						
Capital Projects – Stoke Wharf	F&A27						
Contract Management – Everyone Active (Leisure Contract)	C&L5						
Continuing Healthcare	ACPH 3						

Governance - James Elliman Homes	RD 11					
Direct Services Organisation* (was being covered by RSM Specialists in 2020/21 but work paused at Council request)	CR6				✓	
Contract Management – Osborne	CR15					✓
Business Continuity and Emergency Planning	CR8					✓
Contract Management – Buoygues	CR15					
Slough Urban Renewal	CR4					
Adult Social Care - Management of Income / Financial Assessments and Charging	F&A 27					
Corporate Health and Safety	78				✓	
Temporary Accommodation Strategy	78				✓	✓
Budget Setting and Budgetary Control (including forecasting)	F&A 27					✓
Medium Term Financial Strategy (MTFS)	F&A 27					✓
Governance - Overview and Scrutiny - Committee Effectiveness	Gov 2					
Conflicts of Interest	F&A 27					
Safety Advisory Group (SAG)	C&C 9					
GDPR (previously Information Governance)	D&S IT 1					✓
Cyber Security and Cyber Risk	D&S IT 2					✓
Planning Performance Agreements (PPAs)	NWQ 1				✓	
Planning Applications Response Times	P&T 7				✓	
Accounts Preparation Process	F&A 1					
Savings Plan	F&A 27					

Special Educational Needs Funding	SD 2					
Major Infrastructure Projects (Local Enterprise Partnership)	RD11					
Fire Safety	78					
Gas Servicing	78					
4Policies	Gov 2					
Policies and Procedures	Gov 2					
Procurement	CR9					
Transformation Plan					✓	
Core Assurance						
Business Rates	CR2				✓	✓
Council Tax	CR2					✓
Housing Benefits	CR2					✓
Treasury Management	CR2				✓	✓
General Ledger	CR2				✓	✓
Debtors	CR2				✓	✓
Payroll	CR2				✓	✓
Capital Expenditure	CR2				✓	✓
Rent Accounts	CR2				✓	✓
Assets	CR2				✓	✓
Creditors	CR2				✓	✓
Rent Arrears Recovery	CR2					✓

Risk Management	Gov 2					✓
Governance – Sub Committee Effectiveness	Gov 2					
Cash Collection + Management	CR2					
Data Security and Protection Toolkit						
IT Education and Awareness						
Whistleblowing						✓

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 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 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 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 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 six weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 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 / Huddle.
- 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.



We continue to closely monitor and implement official guidelines from the Government and health organisations in respect of Covid-19. All our staff must adhere to the relevant RSM Policies, including limiting time on site and completing the relevant approvals prior to any site visit.

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 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 committee.

Fraud

The audit committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit 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 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.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.