



SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

For the Audit and Corporate Governance
Committee meeting on 18 January 2023

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1 KEY MESSAGES

This section provides an update on the key messages relating to the progress of the 2021/22 and internal audit 2022/23 plans, which were both approved by the Audit and Corporate Governance Committee (ACGC).

2021/22 Internal Audit Plan

We have issued a further **five final reports** since the September 2022 Audit and Corporate Governance Committee meeting. The ACGC has already been sighted on the opinions from these reviews in our annual report. Of these five:



- one has resulted in a 'Minimal' (negative) assurance opinion,
- three have resulted in a 'Partial' (negative) assurance opinion, and
- one was a follow up resulting in a 'Little' (negative) assurance opinion.

A number of these final reports have impacted and contributed to our negative 2021/22 year end opinion that was presented at the July meeting. Further details on these reports are documented below at Appendix A. [\[To note\]](#)

One report from 2021/22 remains in draft and we are waiting for further management responses before this is finalised.

2022/23 Internal Audit Plan

We have issued **four final reports** since the September 2022 Audit and Corporate Governance Committee meeting. Of these:



- one has resulted in a 'Minimal' (negative) assurance opinion,
- two have resulted in a 'Partial' (negative) assurance opinion,
- and one was an 'Advisory' review.

There are currently a further **11 reviews issued in draft** (a number of which are negative opinions at a draft stage). We are waiting for management responses to these before they can be finalised and presented to the Committee. Four further reviews are currently in progress. [\[To note\]](#)

2021/22 Head of Internal Audit Opinion



We advised the Committee at the March 2022 meeting that we would be issuing a negative Head of Internal Audit opinion for 2021/22, and the Internal Audit Annual Report including the Head of Internal Audit Opinion was presented to the July 2022 meeting in draft. A final version is included for completeness at the January 2023 meeting. [\[To note\]](#)



2022/23 Head of Internal Audit Opinion

We have issued four final reports to date in 2022/23, all of which will impact our year end opinion. We have also issued a number of additional reports in draft with negative opinions where we have found weaknesses to still be present and these will also impact our 2022/23 opinion. We have provided further updates to the S151 Officer and the lead Finance Commissioner at a recent meeting and advised that at this stage we anticipate issuing another qualified (negative) head of internal audit year end opinion for 2022/23. We will continue to provide further updates to the S151 Officer at our monthly meetings. [\[To note\]](#)

The Committee will need to continue carefully monitor the progress made by Officers to implement the management actions agreed from all previous and current years Internal Audit reviews. [\[To note\]](#)



2 INTRODUCTION

This report provides a summary update on progress against the progress against the 2021/22 and 2022/23 plans. The report is based on the position as at the 14th December 2022.

2021/22 Internal Audit Plan

The Internal Audit Plan for 2021/22 was approved by the Audit and Corporate Governance Committee on 29th July 2021. Since the last update provided in September 2022, the following five reports have been finalised:

- Assets – Partial Assurance
- Follow Up of Previous Management Actions Quarter 3 – Little Progress
- Health and Safety – Partial Assurance
- Matrix – Management of Agency Staff – Minimal Assurance
- Capital Projects – Britwell Expansion – Partial Assurance

In addition, we have issued the following report in draft (and a further revised draft) from the Internal Audit Plan for 2021/22. It should be noted that this review is still in draft and is with management for comment:

- Schools Audit – Priory School – Issued 24 March 2022 (revised draft 25 July 2022)

2022/23 Internal Audit Plan

The Internal Audit Plan for 2022/23 was presented to the Audit and Corporate Governance Committee initially on the 1st March 2022, and a revised plan was subsequently approved on the 28th July 2022. Since the last update provided in September 2022, the following four reports have been finalised:

- Children Missing Education - Partial
- Risk Management – Follow Up – Advisory
- Leavers Processes – Minimal
- Council Tax - Partial

A number of reports have now been outstanding for a number of months and we are awaiting responses from Officers (the majority of which have resulted in negative opinions, at the draft report stage). The following 11 reports are with management for comment:

- Governance – Council Subsidiary Companies – Issued 20 July 2022
- Medium Term Financial Strategy – Issued 23 August 2022
- Budget Setting and Budgetary Control – Issued 26 August 2022
- Workforce Recruitment and Retention – Issued 1 September 2022
- Follow Up – Part 1 – Issued 21 October 2022
- General Ledger – Issued 24 October 2022
- Adult Social Care Transformation – Issued 18 November 2022
- Housing Benefits – Issued 28 November 2022

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- Payroll (including associated Financial Controls) – Issued 30 November 2022
 - Follow Up – IT Business Continuity and Disaster Recovery – Issued 7 December 2022
 - Treasury Management – Issued 16 December 2022

A further four reviews have fieldwork in progress.

3 OTHER MATTERS

3.1 Changes to the plan

The following changes were agreed since the last meeting:

Note	Auditable area	Reason for change
1	Delegated Authorities	Extra piece of work requested by the commissioners in November 2022. Work commenced December 2022 and is ongoing.
2	Payroll and HR Interface	We have been advised that the Payroll and HR Interface audit is no longer a priority. We have agreed with the Director of Finance to replace this audit with a review of Payments to Temporary and Agency Staff given some of the issues identified with both the Matrix audit (minimal assurance) and Payroll (partial assurance) opinions.

3.2 Impact of findings to date on the 2022/23-year end opinion

The Committee should note that the assurances given in our audit assignments are included within our Annual Assurance Report. In particular, the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion (this includes follow up reviews, assurance opinions and advisory reviews with any significant weaknesses).

To date we have issued a total of four final reports, three with negative opinions and a further follow up review of risk management where two high priority actions were re-iterated from our 21/22 partial assurance review. All four reviews will therefore impact our opinion. We have also issued a number of negative opinions in the draft reports issued year to date that have not yet been finalised. We will provide further updates to the S151 officer at our monthly meetings and provide a further update to the Committee in March 2023 as more reports are issued and finalised.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams. The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.



External reviews of quality

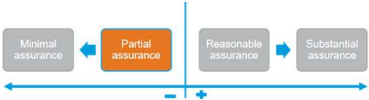

One of the key measures of quality is an independent third-party assessment and, as a firm we are required to conform to the requirements of the International Professional Practices Framework (IPPF) published by the Global IIA. Under the Standards, internal audit services are required to have an external quality assessment (EQA) every five years. The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements.

The external review concluded that RSM 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

APPENDIX A - KEY FINDINGS FROM FINALISED 2021/22 AND 2022/23 INTERNAL AUDIT REPORTS

Detailed below are the High and Medium Priority Management Actions from negative opinion reports i.e. **Partial or Minimal Assurance reports** (or **Poor or Little progress** for follow up reports) and any **advisory reviews where significant issues were identified** (in the exception format previously agreed by the Committee):

<p>Asset Register (22.21/22)</p>		<p>1 High 5 Medium 3 Low</p>
<p>Conclusion</p> <p>Our audit found some key controls were in place within the Asset Management and Finance Teams to contribute towards the accurate recording of asset acquisitions and disposals on the Council's key Asset Management systems. We also confirmed the Council's Housing Stock and Investment Properties had been subject to a revaluation exercise in April 2021 in preparation for the development of the 2020/21 register.</p> <p>We did, however, identify several control gaps which has impacted the maintenance of the Asset Management records. Most significantly, we found that the valuation methodology noted within the asset register system was not consistently accurate, and valuation methods utilised which are not in line with the CIPFA Code of Practice. We also identified that the Council has not completed the reconciliation exercise to ensure that the asset register is consistent with the legal, asset management and housing databases. Although we identified the exercise was ongoing, the completion of this exercise is essential to ensure the accuracy of the Council's asset register. We also noted issues in relation to the presence of procedural guidance which governs how the asset register and asset management systems are maintained, including the steps to be taken as part of the annual valuation and inspection exercises.</p> <p>Our review identified a lack of progress made in relation to previously agreed management actions, with none out of the four agreed in 2020/21 implemented.</p>		
<p>Financial Procedure Rules</p> <p> We obtained the latest version of the Council's Constitution from the Council's website and identified that roles reflective of the Council's previous organisation structure (such as the Service Lead – Regeneration) was noted to be responsible for maintaining an up-to-date asset register.</p> <p>If the FPRs do not reflect the Council's organisational structure, there is a risk that there is a lack of clarity with regards to who has ultimate ownership and accountability over the maintenance of the Council's asset register. (Medium)</p>		

Reconciliation between Finance, Asset Management and Legal Records



We were advised that by the Financial Management Advisor that the Finance Team is currently in the process of completing a reconciliation to ensure the asset register is consistent with asset management and legal records. We identified that the Finance Team are taking a systematic approach to reconcile the data on a year-by-year (2018/19, 2019/20, 2020/21, 2021/22) basis to ensure that each system has complete and accurate data. The Financial Management Advisor informed us that the reconciliation exercises are a 'work in progress', with the aim to complete these by the end of the 2021/22 financial year.

However, until reconciliations between asset data and systems are fully undertaken (and carried out on a regular basis) to ensure data accuracy, there is an increased risk that errors in data quality will not be identified, leading to inaccuracies in financial reporting. Issues in relation to the non-completion of reconciliations between Finance, Housing and Asset Management Systems had been identified as part of the 2019/20 and 2020/21 Asset Register Internal Audit reviews, with a 'high' priority action agreed. Due to the reconciliations completed as at the date of our review, we have reduced the priority of the action to a 'medium' but we recognise amendments still need to be made to the Asset Register. **(Medium)**

Asset Management Property Records Procedure



Our review of the Asset Management Property Records Procedure found the processes for managing the Council's property records had been documented. However, we found the management action agreed as part of the 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 audits of the Asset Register for the inclusion of other teams' responsibilities, such as Finance and Legal remained incomplete.

Failing to update and review procedural documents increases the risk that contents are not reflective of current practice and that outdated information is made available to staff. This may lead to inconsistent practices being adopted by staff.

The need for a comprehensive procedural document is further exacerbated where there have been significant staffing changes (particularly within the Finance Team). **(Medium)**

Valuations and Inspections



Following analysis of the valuation methodology used across each of the Council's asset classes, we identified a series of cases where the incorrect methodology had been utilised (as per the CIPFA Code of Practice on Local Authority). For example, £675k (6.5 per cent in terms of 2021 carried forward value relative to the whole asset class) of 'Community Assets' were valued at fair value, whereas the Code of Practice suggests that the Depreciated Historical Cost method should be used. We also found instances where the date of last valuation had been updated to reflect the valuation exercise performed for the 2020/21-year end. Where assets are valued using the incorrect valuation method, there is a risk of financial misstatement. **(High)**

As per the CIPFA Code of Practice, assets which require a valuation are to be inspected at intervals of no more than five years as outlined within section '4.1.2 Accounting requirements' of the CIPFA code. In light of this, we queried with the Finance Team how they are assured that all assets which require a valuation are subject to inspection every five years and found that the date of last inspection is not captured by any Council database. It was however noted that this information could be extracted through review of previous valuation reports.

Failure to comprehensively document inspection dates means that the Finance Team cannot be assured that inspections are being carried out in accordance with the CIPFA Code of Practice. **(Medium)**

In addition to the points raised above, we noted that the Council has not documented the processes to be adopted concerning the asset verification/ valuation process. This was an issue which was agreed as part of the 2020/21 audit, with no progress identified as part of this review. Absence of a clearly documented and robust process for conducting asset verification and asset valuation increases the risk that such verification exercises are not consistently carried out.

Furthermore, as part of our 2019/20 and 2020/21 Asset Register reviews, we identified a number of assets on the asset register with a £nil balance. An action had been agreed in the previous audits for asset balances with a £nil value to be removed from the register. We reviewed an output of the 2020/21 Asset Register (as at 31 March 2021) and identified a total of 432 assets (of which 84 were investment properties, with the remaining being PPEs) with a £nil value.

If the asset register is not reviewed to identify and remove assets with a £nil value, redundant information will be stored in the register and this may result in inefficiencies in the maintenance of the asset register. **(Medium)**

1	<p>The Council will complete a review of their Financial Procedure Rules to ensure these include job titles that are reflective of the current corporate structure.</p> <p>Management update November 2022:</p> <p>This has now been completed with a revised set of Financial Procedure Rules to be approved by Council on 22 November 2022. The rules are more principles based and have removed the need for specific job titles to be named as this would mean the FPR's would need reviewing and amending every time a restructure took place.</p>	Medium	Complete as at 22 November 2022	Interim Financial Adviser
2	<p>The Council will complete a review of available guidance and from this produce a Comprehensive Procedure Document which documents the processes to be adopted in relation to maintaining the asset register and relevant asset management systems/records as well as guidance around capital expenditure and receipts.</p> <p>The document will be subject to review from relevant teams, will be formally approved and will be made available to members of the Asset Management, Finance and Legal Teams.</p>	Medium	31 December 2022	Principal Asset Manager
3	<p>Following completion of the ongoing reconciliation between Asset Management, Finance and Legal Records, the Council will introduce a periodic reconciliation process to account for in-year transactions.</p> <p>Management Update November 2022:</p>	Medium	31 July 2023	SFM Capital/ Financial Reporting Manager

	This will initially require a review of the valuations of all assets and the depreciation charges which is a significant task. This is subject to the recruitment of additional resource to undertake the reconciliation exercise as described in MA4.			
4	<p>The Finance Team will update the asset register to accurately document the date of last valuation. Where the incorrect valuation methodology (as per the CIPFA Code of Practice) is identified, appropriate action will be taken.</p> <p>Management Update November 2022:</p> <p>The Asset Management Team are currently procuring Valuation services and a programme of work will be agreed with Finance regarding the timing and the methodology to be used for all assets classes as per the CIPFA guidance.</p>	High	30 June 2023	SFM Capital / Financial Reporting Manager
5	<p>The Finance Team will develop a means of recording the date of last inspection for each asset. This will be used to ensure that all assets are subject to due inspection.</p> <p>This will be included in the revised guidance noted at MA2 and migration to using the CIPFA system as the key source of asset records.</p>	Medium	30 April 2023	SFM Capital / Financial Reporting Manager
6	The Asset Management Team will fully document the verification / valuation process performed on Council assets. This will include documentation around the frequency with which various asset classes are verified / revalued, roles and responsibilities of key individuals as well as any other asset verification processes. As per MA2.	Medium	30 April 2023	Principal Asset Manager



Follow Up of Previous Management Actions Quarter 3 (26.21/22)	Little Progress	<p>2 High</p> <p>3 Medium</p> <p>2 Low</p>
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Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Slough Borough Council has demonstrated **little progress** in implementing the agreed management actions.


All of our sampled actions were recorded as ‘implemented’ within the above mentioned Action Tracking Spreadsheet, although our review has found only three actions have been fully implemented. We found that at the time of our review 8 actions had not been fully implemented (four not implemented and four still in the process of being implemented).

These findings reflect issues around actions being closed prematurely without evidence being provided and independent confirmation that the action has been addressed, and the risk has been fully addressed.

Please note that we have agreed to reduce the priority of three of the four medium priority actions that were in progress. We have therefore agreed five medium and three low priority actions as a result of this review.

1	<p>The Enforcement Policy and FPN Procedure will be revised to ensure they include all areas outlined within DEFRA guidance on Fixed Penalty Notices such as:</p> <ul style="list-style-type: none"> • Details of early payment discounts and options, how FPN’s are issued, FPN records to be kept, and how FPN income is to be spent in line with guidance, had not been detailed; • Timeframes for reminder letters had not been stated for dealing with non-payment of FPNs; and • Guidance for when not to issue a fixed penalty notice in lieu of prosecution was not included. <p>Following this, the updated FPN related policies and procedures will be circulated and made readily available to all staff in an appropriate location.</p> <p>The Enforcement Policy, FPN Policy and FPN Appeal Procedure will be revised to detail a next review date and version control history, including:</p> <ul style="list-style-type: none"> • Details of the changes/review; • Details of who carried out the changes/review; and • Date of update. <p>Moreover, a segregation of duty will be maintained between the staff updating and subsequently approving the policies and procedures, with this clearly being noted on the documents.</p>	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead
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2	A clear control framework will be put in place to ensure that in line with guidance, income received from the serving of fixed penalty notices is spent on related functions.	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead
3	The Council will develop a formal process to systematically track income due through to collection, receipting and banking. This will include guidance for undertaking regular, formal reconciliations between income received and records maintained	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead
4	The Council will introduce a system to ensure that Officers are prompted when to send reminder letters to alleged offenders. There will also be a monitoring process to ensure that Officers are issuing reminder letters in a timely manner.	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead
5	Team Leaders will ensure that ASB cases are reviewed monthly, and following review and approval, the review process will be formally documented on Flare.	Medium	30 June 2023	Linda Corcoran – Resilience Enforcement Lead

<p>Matrix – Management of Agency Staff (31.21/22)</p>	 <p>The diagram shows a horizontal scale with four boxes: Minimal assurance (red), Partial assurance (grey), Reasonable assurance (grey), and Substantial assurance (grey). A vertical line is positioned between Partial and Reasonable assurance. A blue double-headed arrow spans the width of the boxes, with a '-' sign below the left half and a '+' sign below the right half.</p>	<p>2 High 4 Medium 2 Low</p>
<p>Conclusion</p> <p>Overall, our audit has identified several weaknesses in the Council’s processes for requesting, approving and managing agency bookings, resulting in the agreement of two high and four medium priority management actions. At the time of the review, the Council had 254 active placements of agency staff through Matrix, with a total spend of £16,8m, and an average length of placement of 54 weeks, noting that our review identified agency staff that had been with the Council for over eight years. A number of appointments through Matrix were made as part of the restructure and subsequent changes in staff within the Council, and we acknowledge that due to the current level of vacancies, this may have had an impact on the number of staff placed through the Matrix contract, with the Council spending approximately (January 2022 data) £1.2m per month on agency staff. We also identified that the Council had not yet completed a cost benchmarking exercise for its contract with Matrix, to ensure that Matrix were providing workers at rates in line with the market, and we noted that the Council did not have a defined strategy in place to attempt to move agency workers to permanent contracts where this would provide better value for money.</p>		

Evidence was not provided during the audit to demonstrate that agency bookings and extensions were being consistently requested and approved in a timely manner via business cases submitted to the ECP, whilst we noted that the current business case process did not evidence consideration of the expected value for money which agency bookings and extensions would provide. Furthermore, we noted that agency bookings were not being periodically reviewed by Directorates and HR Business partners to identify those which could be replaced by permanent hires and those which required extensions. We also noted that the Council did not have procedural guidance in place on how to request agency bookings through the current ECP process.

In addition, through sample testing of 10 agency bookings commencing since August 2021 we identified three instances where pre-employment checks were completed after the worker's start date including one instance where checks were completed over a month after the booking had commenced.

Further issues were identified resulting in the agreement of two low priority actions. We did, however, confirm for our sample of 10 agency bookings that IR35 status checks had been completed where required, and we noted that the Employment Appeals Committee (EAC) were monitoring agency spend and the performance of Matrix against contractual KPI's on a quarterly basis.



Agency Bookings and Extensions

We selected samples of 10 current agency bookings commencing since August 2021 and 10 agency bookings extended since August 2021, from a report of all active agency bookings within the Council on 10 February 2022. Our testing identified the following exceptions regarding the approval of these bookings via the ECP process:

- In seven cases, comprising of one initial booking and six extensions, no evidence was provided during the audit to confirm that a business case had been developed and approved in a timely manner by the ECP, or to demonstrate the appropriate consideration of the need for and cost of these bookings and extensions.
- In two of the 13 cases where a business case was provided, the business case for the booking had not been signed off by a Director from the relevant Directorate, although it had received subsequent approval from the ECP.
- For six of the 13 bookings/extensions where a business case was received, we noted that the business case was approved by the ECP after the booking had commenced or the extension had been granted. We also identified a further extension where the business case was approved prior to the expiry date of the initial booking, but not sufficiently in advance of this to enable consideration of alternative solutions.

If detailed business cases are not developed and appropriately approved in a timely manner for all agency bookings and extensions, there is a risk that agency bookings and extensions may be used where there is not sufficient justification, resulting in value for money not being demonstrated. The Council may also not have the opportunity to consider alternative solutions which could be used rather than agency staff.

In addition, we were advised by the Employee Relations & Policy Manager that the business cases for agency bookings do not include a comparison of the value for money from using agency staff compared to a permanent hire, whilst business cases for extensions do not include an explicit comparison of the rate the worker is being paid compared to the market rate. As such, there is a risk that agency bookings and/or extensions may be used in instances where they provide significantly worse value for money. **(High)**



Pre-employment Checks

For our previous sample of 10 agency bookings, we confirmed via screenshots from the Matrix-CR portal that in each case, Matrix had completed appropriate pre-employment checks, including obtaining references and reviewing right to work, with supporting documentation uploaded into Matrix.

However, we noted based on completion dates provided by Matrix that these checks were completed after the worker's start date in three cases. If pre-employment checks are not completed prior to a workers start date, there is a risk that the Council may engage workers who are not eligible to work or are unsuitable as they do not meet the Council's requirements with regards to their skills and experience, qualifications, or criminal record.

In two of these three cases, we noted that this risk was partially mitigated as there was only a short period of time between the worker's start date and pre-employment checks being completed, with checks completed six and seven working days after their start date. As such, we noted that the Council was able to identify issues with regards to the worker's eligibility or suitability shortly after their start date. However, in the final case we noted that pre-employment checks had not been completed until approximately one month after the booking had commenced.

We were advised by the Matrix Senior Payroll Coordinator that this delay was because Matrix were asked to set the worker up on the Matrix portal retrospectively on 18 October 2021, despite the worker starting their assignment at the Council on 1 October, and as such that Matrix were only able to commence pre-employment checks after the worker's start date. The Associate Director for HR and Customer Services advised us that this was because the specific worker was directly identified and engaged when establishing a new Finance Team, based on a prior working relationship, before the booking was sent to Matrix to set up and complete pre-employment checks. We noted that this is not the standard route for engaging agency workers, where roles are approved and listed on Matrix, with a suitable worker then identified and pre-employment checks completed. We noted that an exercise was not completed for this booking to assess the potential risks associated with performing pre-employment checks retrospectively against the need for the worker to start prior to checks being completed, to justify this decision. Without this, there is a risk that pre-employment checks may be completed retrospectively where this is not justified or where the associated risks are too high. **(High)**

Procedural Guidance



Whilst we confirmed that guidance is available to staff on the intranet detailing the general process for requesting and approving expenditure above £500 through the submission of miniature business cases to the ECP, we noted that the Council had not updated its procedure around the engagement of agency workers to reflect this process, with this instead detailing the process prior to the Section 114 Notice being issued. As such, we noted the Council did not have guidance in place detailing the factors to consider when developing the business case for an agency worker, or the key information to include within the business case.

Without up-to-date guidance on the agency booking process, there is a risk of inconsistencies in this process, for example in the factors considered when developing a business case, which could ultimately lead to agency bookings being used where this is not appropriate, potentially impacting value for money. **(Medium)**

Review of Expiring Bookings



Whilst we confirmed that HR Business Partners had been liaising with Directorates on an ad hoc basis during 2021/22 to review agency bookings and ascertain why they were needed, whether work was being done to move the booking to a permanent hire and whether extensions were required, we noted that this review process had not been occurring on a regular basis each month.

The Employee Relations & Policy Manager advised us that this was due to a reduction in the size of the HR Business Partner Team and staff being on long term sick leave. However, if this review process is not performed on a consistent basis each month, there is a risk that Directorates may not be reviewing their agency bookings in a timely manner ahead of expiry, to identify whether the position is still required, and if so whether this can be filled

via a permanent hire rather than a contract extension. This could result in the Council being forced to extend agency bookings where positions are deemed critical, as there will be insufficient time to explore alternative approaches which could provide better value for money. **(Medium)**



Cost Benchmarking

We were advised by the Employee Relations & Policy Manager that the Council has not yet completed a benchmarking exercise to identify whether the agency booking rates being obtained through Matrix are in line with market rates, or whether the contract as a whole is delivering value for money. As such, there is a risk that the contract with Matrix may not be delivering value for money or agency bookings at the market rate, with the Council unable to identify this in order to implement actions to achieve appropriate value. **(Medium)**

Processes to Make Agency Worker Permanent



Whilst we noted that the Council had previously undertaken exercises to move agency workers onto permanent contracts for hard to recruit positions, such as social workers, we noted that the Council currently did not have a documented strategy in place, detailing a clear approach through which Directorates should attempt this, including how to identify suitable workers, the incentives which can be offered and approval requirements. Without this, there is a risk that an inconsistent or ineffective approach may be taken when attempting to move agency workers to permanent contracts, or that staff may be unaware that they should be attempting to do so. This could result in the Council continuing to engage workers through agency contracts where better value could be obtained from moving them to permanent contracts. **(Medium)**

1	<p>The Council will introduce a procedure document detailing the process by which agency bookings and booking extensions are to be requested and approved, reflecting the current process under the Section 114 Notice. This will cover key information including:</p> <ul style="list-style-type: none"> the factors to be considered during the development of a business case and the information to be included within this. the need to demonstrate that an agency booking provides value for money compared to a permanent hire, where an agency booking is not to manage recruitment issue or cover a position whilst a permanent hire is being made. the required timeframe for reviewing expiring bookings and submitting a business case for extensions. how bookings will be managed where they cannot be filled with an appropriate candidate by Matrix, such as increasing the proposed rate or adjusting the required skills mix, including any required approvals. <p>This procedure will be approved and made available to all staff via the intranet.</p>	Medium	31 December 2022	Dipak Mistry
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2	<p>We will ensure that for all agency bookings and extensions, a business case is developed, detailing the need for the worker, the implication of the worker not being engaged, the expected cost and the budget implications of the booking. Business cases will be developed in a timely manner prior to the commencement of the booking or extension, in line with the new agency booking policy referred to in action one, to enable the Council to consider and implement alternative solutions. These business cases will then be appropriately approved through the Expenditure Control Panel process, with the business case and evidence of approval centrally retained for all bookings and extensions. In addition, the Council will ensure that as part of the business case for all agency bookings, consideration will be given to the value for money achieved from an agency booking compared to a permanent hire, with this documented within the business case. Where permanent recruitment is not viable, the reasoning for this will be clearly identified within the business case.</p> <p>Similarly, for agency contract extensions, the business case will include explicit consideration of whether the current rate which the worker is engaged at provides value compared to the market rate, based on the worker's performance level and organisational knowledge. The need to consider these factors will be communicated to relevant managers and Finance Business Partners.</p>	High	31 January 2023	Dipak Mistry
3	<p>The Council will liaise with Matrix to ensure that pre-employment checks are being completed in a timely manner for all bookings. Consideration will be given to whether further assurance can be obtained from Matrix in this regard, such as periodic reporting on the number of bookings where pre-employment checks were completed retrospectively.</p> <p>In rare instances where the Council requires agency workers to start their assignments prior to pre-employment checks being completed, the Council will ensure that the risks associated with this and any mitigating factors are assessed, and compared against the level of need, to justify that these checks should be completed retrospectively. This will be clearly documented, and the final decision will be formally approved by an appropriate individual/forum as determined by the Council.</p>	High	31 December 2022	Dipak Mistry
4	<p>On a monthly basis, HR business partners will liaise with their assigned Directorates to review the Directorate's agency bookings and obtain updates on these bookings including details of why they are needed, the actions being taken to replace the booking with a permanent hire or move the worker to a permanent contract, and whether an extension is being sought for expiring bookings. These updates will be clearly documented via agency headcount reports or other appropriate means.</p> <p>This review process will be monitored by the Employee Relations & Policy Manager as part of team meeting with the HR business partners, to ensure that it is occurring each month.</p>	Medium	31 December 2022	Dipak Mistry / HRBP
5	<p>The Council will ensure that periodic benchmarking exercises are completed to assess whether Matrix are providing bookings in line with the market rate and whether the overall contract is delivering value</p>	Medium	31 January 2023	Dipak Mistry

	<p>for money. The responsibility for completing this exercise and the exact methodology will be discussed and agreed with Matrix.</p> <p>Where issues are identified from these exercises, appropriate remedial actions will be taken in collaboration with Matrix.</p>			
6	<p>The Council will develop a strategy outlining its approach to converting workers from agency contracts to permanent employment contracts, which will cover key details including how these workers are to be identified, how offers are to be made, the approval required for such offers and how the Council will incentivise this in order to reduce its agency spend.</p> <p>This strategy and approach will be included in the procedure document detailed in finding one, which will be approved and made available to all staff via the intranet.</p> <p>In addition, please refer to management action four above.</p>	Medium	28 February 2023	Dipak Mistry



Capital Projects – Britwell Expansion (34.21/22)		1 High 6 Medium 3 Low
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Conclusion

As part of this review, we confirmed that there was a contract in place with the works contractor and that there was evidence of engagement with project partners via 'Pre-Start' meetings. We also noted that a business case had been prepared and approved, and that progress meetings were used to report upon completions, delays and slippages. Sample testing of milestone changes and early warning notices found these were being suitably discussed, considered and approved (where relevant).

However, we have identified a number of issues in relation to the governance arrangements in place to deliver the Britwell Expansion project. We found that there was no clarity with regards to how budgets were set/approved and that there was limited monitoring of expenditure against budget. The main funding agreement with the CCG was not provided (and the agreement with the GP was not fully signed). The Council also does not have an agreed approach for undertaking post implementation reviews and we found risk-related information was just being rolled over in reports.

In addition, we noted minor weaknesses relating to engagement with non-partner stakeholders, timeliness of risk management meetings and mitigating actions for identified risks.

Due to the current movement within and structure of the Council we have tailored management actions 2, 3, 5, 8 and 10 below to focus on the Britwell Expansion project. We want to note that this does not remove the overarching risks to the Council with regards to a lack of a standard approach to these areas, and that they will need to be revisited once a PMO function is put in place to ensure consistent practices.



Budget Setting and Monitoring

The final financial business case (January 2021) stated £3.2m as the capital build costs for the Britwell Expansion project. We also found that there was limited evidence of ongoing project expenditure monitoring against the budget, with Cabinet reporting referring to the overarching 'Hub Developments' rather than explicitly to the Britwell Expansion. Without a robust process for setting and reporting upon capital project budgets, there is a risk that inappropriate expenditure /overspends are not suitably identified and addressed. **(High)**

Our review of the business cases (presented to Cabinet in September 2020 and January 2021) identified that the total project cost was stated as £2.7m (September) and £3.2m (January), with no explanation offered as to why the costs had increased. The Delivery Agreement in place with Kier further noted the contract sum as £3.02m. Without consistency for project costs (or documented and presented explanations for variances), there is a risk that decisions are taken without full knowledge of the impact of changes. **(Medium)**

Project Contracts – CCG and GP



The Britwell Expansion project involves Frimley CCG (funder) and Farnham Road Practice (GP), and as such there are agreements in place between these parties and the Council. Although requested, the funding agreement in place with the CCG was not provided to us during our review.

Through review of the agreement in place with the GP (Agreement for Payment relating to the minor operations room), we identified that this had not been signed by a representative of the Council. Without ensuring contracts can be accessed and have been fully signed, there is a risk that agreement terms can be disputed. **(Medium)**

Post Implementation Review and Lessons Learnt



Although project benefits and outcomes were identified when preparing the business case, the Council has no defined methodology or schedule for completing a benefits realisation plan and/or post implementation review. Without this, there is a risk that the Council cannot assess completed projects and identify whether benefits have been realised, outcomes have been achieved and lessons can be shared and addressed in future projects. **(Medium)**

We identified that there were a number of benefits and outcomes that could be used to assess the Britwell Expansion and identify lessons learnt, including project deliverables (Council access point) financial assumptions (rent receivable) and health care improvements. Without completing a post implementation review for this project, there is a risk that the Council is unable to determine whether expected results have been achieved and will not benefit from incorporating lessons learnt into future projects. **(Medium)**

Risk Management



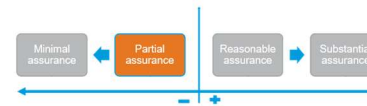
There is a project risk register which is discussed during risk management meetings attended by project partners. Although risk management meetings are not formally minuted, updates are provided within the progress reports prepared by Kier. Through review of the progress reports covering July 2021 to February 2022, we identified that the same iteration of the risk register had been rolled over in reports, with no updates following risk management meetings. In addition, the same narratives had been included within the reports and progress meeting minutes also appeared to have been rolled over month-on-month. Where risk-related information is rolled over, there is no evidence of project risk management and so the Council cannot be assured project risks are being suitably monitored. **(Medium)**

It was also unclear how (or whether) project level risk management fed into the Council's own risk management process. Without the escalation of significant project risks, there is a risk that these are not suitably raised, discussed, monitored, prioritised and managed within the Council. **(Medium)**

1	Signed copies of all project agreements and contracts will be shared with relevant staff to ensure terms can be enforced in a timely manner.	Medium	Complete	Karen King - Senior Lawyer & Team Leader
2	When preparing revised business cases for the Britwell Expansion project, changes to project costs will be highlighted and explained to allow for scrutiny / challenge.	Medium	Complete (no further business cases)	Fin Garvey – Group Manager – Delivery

			to be developed)	
3	Budget setting, monitoring and reporting arrangements for individual capital projects will be agreed and adhered to.	High	31 December 2022	Ade Solanke
4	The Council will devise an approach for undertaking a post implementation review exercise for the Britwell Expansion project. This will include: <ul style="list-style-type: none"> How to determine whether intended project benefits have been realised (and how this is measured); How responsibilities for undertaking exercises are assigned; and How exercises are used to identify and then report upon lesson learnt. 	Medium	31 December 2022	Associate Director - Property
5	Following the finalisation of the Britwell Expansion Project, a post implementation review exercise will be completed to determine whether intended project benefits have been realised and identify any lessons learnt.	Medium	31 March 2023	Associate Director - Property
6	The Council will consider how best to facilitate the escalation of the project level risk management for the Britwell Expansion Project into the wider Council process. This may be based on risk scores (as per risk registers) or risk concerns (as identified during project risk management meetings).	Medium	31 March 2023	Director of Housing and Property
7	Reports received from contractors and minutes related to contractor meetings will be reviewed by Project Managers to ensure information is not being repeated month-on-month. Any issues will be highlighted at subsequent meetings with the contractor.	Medium	31 March 2023	Director of Housing and Property

Health and Safety (30.21/22)



1 High
6 Medium
5 Low

Conclusion

As part of this review, we have identified a number of issues and weaknesses relating to the management of health and safety at the Council. We found that risk assessments were not being reviewed annually as expected and that health and safety 'self-audits' had not taken place. We further noted that service area representatives repeatedly did not consistently attend Building Compliance Group meetings and failed to complete compliance returns. We identified that three of the directorate health and safety committees were not meeting on a bi-monthly basis and that directorates were not submitting action returns. We also found that mandatory training completion rates remained low (20–51 per cent).

It should be noted that many of the above weaknesses stem from cultural, directorate or individual issues, not functions of the H&S team. These include failing to attend meetings (BCG), failing to submit returns (compliance and actions) or failing to host meetings (DHSCs). Our review also found that the Council had a Health and Safety Strategy in place and had well-designed processes for recording and reporting accident/incidents, as well as noting that the H&S Board, WSG and Corporate Consultative Forum (CCF) governance forums were operating in line with their stated terms of reference.



Training

There are two mandatory health and safety modules for all staff, and a further two mandatory training modules for managers. We confirmed through review of DHSC and H&S Board reports and minutes that training completion was raised repeatedly, with evidence of reminders also being issued by managers. Despite noting that there had been an increase in completion rates (both compared to the 2020/21 review and across September 2021–March 2022), we found that completion rates remained low, ranging from 20 per cent to 51 per cent at March 2022. Without ensuring mandatory training is completed, there is a risk that staff are unsure of acceptable and appropriate health and safety processes. **(High)**

Risk Assessments



Operating services are expected to complete risk assessments and review these on an annual basis. Content was initially reviewed by the H&S team before being approved by the Workplace Safety Group and Silver Command Group, however this is no longer required as a result of a change in internal processes. We obtained the risk assessments for a sample of five services, noting that four of these were out of date (based on the annual review requirement). We identified that although managers are expected to complete annual reviews, there is currently no monitoring or oversight to ensure this is done. Where risk assessments are not reviewed, there is a risk that contents become outdated, impacting the safety of working arrangements. **(Medium)**



Self-Audits

Service managers are expected to complete health and safety 'self-audits' on an annual basis, however our review in 2020/21 identified that these had not taken place owing to the COVID-19 outbreak and other workload pressures. We obtained evidence to confirm that the proposal to recommence self-audits had been approved by the CCF in March 2022, however at the time of our review this had not been communicated to all relevant staff and

so self-audits had not been completed. Without self-audits, services cannot be assured that they are achieving health and safety standards and may not identify actions to be implemented to improve working arrangements. **(Medium)**

Building Compliance Group Representatives



Service area representatives attend the monthly BCG meetings to provide an update on health and safety compliance and agree actions to address any areas of non-compliance. In January and February 2022, we identified that six service areas (from a total of nine) did not send representatives to either of the meetings and as such updates could not be provided to the group. Without service area representation, the Council cannot be assured that suitable action is being taken to address non-compliance. **(Medium)**

Compliance Returns



Monthly compliance returns are issued to service area representatives to complete and return to the H&S Professional, who use these to determine the Council-wide compliance rates input into the health and safety report. We found that four service areas had not submitted returns in either January or February 2022. Without all returns, there is a risk that the Council-wide compliance rates reported to the H&S Board are incorrect (rates are based on received returns). Furthermore, the Council cannot be assured of building compliance for areas that have not completed returns and the actions cannot be agreed where relevant at BCG meetings. **(Medium)**

Directorate Health and Safety Committee (DHSC) Meetings



Directorates meet every two months to discuss health and safety matters, either as part of wider directorate committee meetings or as separate DHSC meetings. With the exception of the Place and Community, we identified that the remaining three directorates were not meeting in line with the expected frequency, notably the People (Children) Directorate had not met since November 2021. Without ensuring DHSC meetings occur as expected, there is a risk that directorate level health and safety matters are not discussed. This may impact the ability of the directorates to identify health and safety issues and agree actions to resolve these. **(Medium)**

Directorate Health and Safety Action Returns



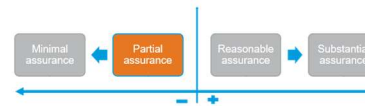
Each of the directorates has a Health and Safety Action Plan, which they are expected to review and update during DHSC meetings. In addition to this (and owing to the infrequency of meetings), the H&S team issued action returns to directorates to outline progress with action plans. During the most recent H&S Board meeting in March 2022, we found that only the Corporate Operations directorate submitted its return. Without these returns (combined with the infrequency of DHSC meetings) the Council cannot be assured that directorates are completing health and safety actions in line with agreed timeframes. **(Medium)**

1	The Council will assign responsibility for the monitoring of risk assessments and their review. Those responsible will be required to log risk assessment review dates and ensure reviews occur in line with the annual requirement, along with bringing out of date risk assessments up to date	Medium	31 March 2023	H&S Committees for each Directorate
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2	<p>Once the email is sent to all ADs and GMs, the H&S team will monitor the completion of self-audits, with periodic reminders to be sent out over the coming months.</p> <p>From August 2022, the team will directly follow up with service areas that have not completed self-audits, to determine whether assistance can be provided and ensure the September 2022 deadline is achieved.</p> <p>Management update September 2022</p> <p><i>Update 06/09/2022: Reminder email sent to AD's on 15/08/2022 and 31/08/2022 from SN.</i></p>	Medium	31 December 2022	H&S Manager
3	<p>The Chair of the BCG will issue a reminder to all service areas expected to attend meetings, advising them of the requirement to send a representative. In lieu of this, service areas will submit an update on compliance issues and actions that can be shared at the group in the absence of a representative.</p> <p>Management update September 2022</p> <p><i>Update 06/09/2022: This has already been actioned, the Chair has highlighted this in recent monthly meetings, this is included in the minutes which are shared to all the required attendees.</i></p> <p><i>Updates are requested from anyone who is not in attendance of the meeting, this is normally via email and then followed through in the following meeting.</i></p> <p><i>Updates are also received via the monthly reporting template; contributors are normally very good at providing information on any gaps, this is then shared with the group at the monthly meetings where any further updates are also discussed.</i></p>	Medium	31 August 2022	Chair for Building Compliance Group
4	<p>Unreturned monthly compliance returns will be highlighted within reports provided to the H&S Board and BCG.</p> <p>Actions will be agreed by attendees to follow up/chase relevant staff to ensure these are returned as expected.</p> <p>Management update September 2022</p> <p><i>Update 06/09/2022: This has already been actioned and the chair and H&S rep have highlighted in recent meetings. Staff have been chased to ensure responses are received to ensure we have accurate records.</i></p> <p><i>There are discussions also taking place with group managers who have lack of resources within their areas to try and identify ways forward.</i></p>	Medium	31 August 2022	Chair for Building Compliance Group
5	<p>Directorates will be instructed to schedule all DHSC meetings for the year (six meetings). Meeting schedules will be forwarded to the H&S team to allow for directorate health and safety reports to be prepared.</p>	Medium	31 August 2022	H&S Leads for each Directorate

6	<p>During DHSC meetings, directorates will review and update action plans. Once updated, monthly action returns will be completed and sent to the H&S team..</p> <p>This may be based on risk scores (as per risk registers) or risk concerns (as identified during project risk management meetings).</p>	Medium	31 August 2022	H&S Leads for each Directorate
7	<p>The Workforce Development Manager will liaise with CLT to determine further steps that can be taken to address training non-completion.</p> <p>This may include directly contacting individual staff members or targeting directorates once breakdowns can be prepared.</p>	High	31 March 2023	Workforce Development Manager

Children Missing Education (5.22/23)



0 High
5 Medium
5 Low

Conclusion

This review has found that there has been improvement in the controls and processes in place at the Council in relation to CME, including EHE and permanently excluded children, since our last audit in June 2021. We noted that policy and procedure documents were updated, arrangements for joint working, information sharing and network contacts were clear, alternative education was found for a sample of permanently excluded children and regular reporting was occurring.

Given the issues identified as part of the CME 2021/22 review, a number of improvements and revisions to processes were only recently implemented or were in progress at the time of this review. As such, we have still identified weaknesses in adhering to the (new) CME process checklist (namely completion and timeliness of case upload, officer allocation, database checks and contacting parents), as well as the frequency and formality of both casework supervision meetings and case dip reviews. We have also found that there should be clarity over responsibilities, the process for all types of red EHE cases needs to be confirmed and that there was no systematic process in place for raising of orders / prosecution and associated monitoring. These issues have resulted in an overall partial assurance opinion.



CME Referrals and Open Cases

CME referrals are uploaded onto Capita, with action taken in line with the referral checklists. For a sample of ten CME referrals since January 2022 (five open and five closed), we identified a number of delays in the process (based against expected timeframes) such as in uploading cases, completing checks, allocating to officers and contacting parents. Where there are delays, there is a knock-on effect on subsequent actions which cause further delays and may result in children missing education for extended periods. **(Medium)**

Two of the five cases remained open at the time of our testing, awaiting responses from the Admissions service and with chasing evidenced by the Attendance / CME Officer. It was highlighted that it was unclear who was responsible for ensuring a child is admitted once a school offer is accepted, partly as such children are not considered CME. Where responsibilities are unclear, there is a risk that cases are either closed down or kept open when it is inappropriate to do so. **(Medium)**

Casework & Management Supervision Meetings and DIP Review Testing



As a result of the limited oversight by management of casework, the Attendance & CME Lead introduced casework and management supervision meetings with officers, as well as dip review testing (reviewing a sample of cases against expectations). Whilst we obtained evidence of casework and management supervision meetings occurring up until December 2021, these had not formally taken place since, whilst dip reviews were not evidenced. Without supervision meetings and dip reviews, there is a risk of reduced management oversight, limiting the intended impact of ensuring cases are handled in an appropriate manner. **(Medium)**



Elective Home Education (EHE)

The Council maintains a record of children being schooled at home by their parents and arranges for regular visits to assess the quality of education being provided. RAG ratings are used when assessing the quality of education. For a sample of five EHE cases, we identified that two of these had been rated as red after the most recent visits, however limited further action had been taken. Without an agreed approach taken across all parts of the community, there is a risk that EHE cases are not suitably or are inconsistently managed. **(Medium)**



Orders and Prosecutions

The Council has duties and powers to support the management of CME and EHE cases, including serving notices, issuing school attendance orders (SAOs) and further means of prosecution. Although we confirmed that there was guidance in place relating to orders and prosecutions, and that there was evidence of some orders / notices being issued during our sample testing, we were advised by the Attendance & CME Lead that there was no systematic process in place for raising and monitoring these. Without this process, there is a risk that the Council is not availing of all its powers and is not fully exercising its duties when handing CME and EHE cases. **(Medium)**

1	The Council will review the arrangements for uploading referrals and allocating officers on Capita in order to increase efficiency. This may include providing additional resources to Business Support and allocating officers and / or having referrals be submitted via an online form (that automatically uploads onto Capita and alerts allocating officers).	Medium	31 January 2023	Sabi Hothi
2	The responsibilities of the CME & Attendance Team and Admissions Team will be agreed, clarified and shared with team members. Notably, the responsibility for ensuring children attend schooling after CME and having accepted an offer will be made clear.	Medium	31 January 2023	Sabi Hothi
3	Following the resumption of formal Casework and Management Supervision meetings and managers sample (dip) testing, discussion / review points, outcomes and actions will be recorded. Actions will then be followed up during subsequent meetings / tests.	Medium	31 January 2023	Anjli Sidhu
4	The process for managing all types of red rated Elective Home Education cases will be agreed and implemented.	Medium	31 December 2022	Anjli Sidhu
5	The process for issuing orders and notices will be implemented from September 2022 onwards.	Medium	31 January 2023	Anjli Sidhu



Risk Management – Follow Up (6.22/23)	Advisory – positive progress but fundamental elements missing	2 High 1 Medium 1 Low
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Conclusion

The Council has made positive progress with regards to their risk management framework, however we identified that there are still fundamental elements missing that we would expect to see, particularly with regards to embedding risk management practices.

We identified through our review that in relation to the two high priority management actions, action is still required to fully implement the management actions. Actions are also ongoing for two of the six medium priority management actions. In total, we are satisfied that six management actions, comprising four medium and two low priority actions have been fully implemented. One low priority management action relating to the Annual Governance Statement and Accounts is not yet due.

Our review has concluded that the direction of travel and framework for risk management is positive, although gaps exist in the framework, in part influenced by the restructure. Progress has been demonstrated by a revised Risk Management Strategy being approved within the governance structure and the roll out of training to staff on risk management, as well as risk workshops held with the Corporate Leadership Team and a regular update and review of the Council's Corporate Risk Register. However, there is a need for an additional campaign to increase completion of training, and we note that the Council does not have up to date operational risk registers in place for all its new departments. We noted progress was made against this action under the previous restructure, however regular review ceased, and updates were not made as the new restructure got underway. It is anticipated this will be completed once vacant Assistant Director positions are recruited to. In addition, we found that the structure of the risk register does not include a section on assurances (over controls). As a result, management have not yet fully implemented two high priority management actions, meaning that there remains a risk that the Council does not have an effective approach to risk management, and that the framework is not yet fully embedded.

Some good practice was identified in that the Risk and Audit Board is meeting regularly and considering information on internal audit management actions (which in turn if implemented will help manage some identified risks), deep dives for a selection of risks, and updates in respect of business continuity risks.

1	We will develop a training matrix to identify and prioritise those staff with risk management responsibilities. We will complete an additional communications campaign to encourage greater completion of the risk management training and monitor completion.	Medium	30 June 2022	Risk and Insurance Manager
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2	<p>Risk Owners, as part of the review of the Corporate Risk Register, will review assurances against the controls in place, scrutinising the source and strength of that assurance.</p> <p>Where the assurances either indicate issues, or where there are a lack of assurances against controls, action will be taken to address these, and the residual risk scores for risks will be updated accordingly.</p>	High	31 March 2023	Risk and Insurance Manager
3	<p>We will ensure that each department in the new organisational structure has an up-to-date risk register in place that follows a standard format and is subject to regular review and scrutiny by the Risk and Audit Board.</p>	High	31 March 2023	Risk and Insurance Manager



Leavers Processes (7.22/23)		3 High 5 Medium 0 Low
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Conclusion

Our review confirmed that controls were not well designed or complied with in relation to leavers processes, such as defining IT specific and Council/SCF wide guidance, the return of equipment from leavers, the termination of leaver access from Council and SCF IT systems, the provision of reporting to weekly meetings between the Council and SCF, and the implementation of the leavers related action agreed as part of previous internal audit assignment (General Ledger access).

More specifically, we found that:

- the Starters/Leavers Process document for IT did not define all arrangements regarding the processing of leavers;
- there was no Council/SCF wide guidance on leavers responsibilities and processes;
- the Council’s SLA with SCF specified performance metrics, however, these were not being monitored or reported on; and
- an action agreed with the 2021/22 General ledger audit to monitor IT users and access levels (including adding starters, removing leavers and periodically checking access rights / levels were appropriate) had not been implemented.

We also found through sample testing that of 40 leavers since January 2022 (20 Council and 20 SCF leavers), 27 were recorded as still being in possession of equipment, four user accounts remained active at the time of the audit, and 20 had not been deleted; the latter 20 had been suspended despite having passed the point where the accounts should be deleted (three months since the user left).

The findings in this review result in potential financial loss and potential breach of confidential and personal data (including non-compliance with GDPR legislation) and urgent action is required to strengthen the control framework in relation to the leavers process



Leavers Process Guidance

The Council's IT Team has a Starter/Leaver Process document that was produced by the IT Service Manager. During review we found that it did not include a process for the permanent deletion of user accounts once leavers have left the Council or SCF, or an approval process to extend the period before permanent deletion.. As part of our sample testing of 40 leavers, 25 had left more than three months ago and 24 of these had not been permanently deleted (despite being advised by the IT Service Manager that user accounts are deleted after three months). There is a risk that user accounts for leavers will not be permanently deleted where this process has not been defined and communicated to the IT Team. **(Medium)**

The IT Service Manager advised us that there was no guidance available to all staff of the Council and SCF outlining processes, roles and responsibilities relating to leavers. In addition to the findings above relating to user accounts not deleted for staff who had left more than three months prior, we found that of the 40 leavers, 27 still had equipment assigned to them, suggesting that staff are unaware of their responsibilities and the processes to follow in relation to leavers. There is a risk IT system access is not removed for staff who have left the Council's and SCF's employment which could lead to GDPR and information security risks. There is also a risk that equipment (e.g. laptops and mobile phones) is not returned to the Council or SCF leading to financial loss to the Council and further additional spending on replacement equipment. **(High)**

Return of Equipment

We were advised by the Group Manager – IT that line managers should obtain equipment from their staff on their last day and return this to the IT department. The Council's IT Team hold a record of IT equipment issued to Council and SCF staff in a spreadsheet. We found for a sample of 40 leavers (20 from the Council and 20 from SCF) since January 2022 that 13 leavers did not appear on the log, suggesting their equipment had been returned, however this could not be confirmed conclusively, and 27 appeared on the log with at least one device (including laptops and mobile phones) issued to them still recorded as in their possession. The IT Service Manager advised us that the spreadsheet of equipment is not checked when a member of staff leaves the Council and that SCF is responsible for managing their own equipment. SCF's IT single point of contact (SPoC) advised us that SCF had no complete log of IT equipment and who it had been issued to.

During testing of our sample of 40 leavers we noted that those recorded as still having equipment were split between the Council and SCF. There is a risk that Council and SCF equipment is still in the possession of former employees which could lead to data breaches, financial loss and an unnecessary use of resources on replacement equipment. **(High)**

Termination of Leavers

The IT Team receive a monthly report of leavers and suspend the related user accounts on Active Directory, preventing access to the Council's systems. Once suspended, the user account is permanently deleted after three months of the staff member leaving. Through review of a sample of 40 leavers (20 from the Council and 20 from SCF) since January 2022 we found 15 had left less than three months ago and their access to IT systems had been suspended. In the remaining 25 cases, who had left more than three months ago, one had been deleted and the remaining 24 had not, with the current status as follows:

- In four cases the account remained active, and the users had left between March and April 2022;
- In 11 cases the accounts had been suspended but had not been marked for deletion and the users had left between January and May 2022; and
- In nine cases the account had not been deleted despite having been marked for deletion and the users had left between January and May 2022.



Active Accounts

For the four user accounts that remained active, we noted that three left in April 2022 and one on 31 March 2022. The IT Service Manager advised us that no report of leavers was provided in April 2022 to the IT Team. The Employee Relations and Policy Manager advised us that they were unaware of why a report had not been provided but it was likely to be a technical error as the report is automatically generated. There is a risk that user accounts will not be removed where IT are not provided with leavers details in a timely manner which could lead to non-compliance with GDPR where staff have continued access to confidential Council information as well as risks in terms of access to amend data. **(High)**

Accounts Not Deleted


For the 11 user accounts where the employee had left more than three months ago but the account had not been marked for deletion, the Desktop Support Engineer advised us that Office 365 licences remained active which suggests that the line manager required continued access to the user account to retrieve data. For the nine accounts that had not been deleted but were marked for deletion, we found during review of the Starters/Leavers Process document that there was no process defined for when user accounts should be deleted. We also found that there was no process for the approval of extensions to user accounts defined either. There is a risk that user accounts that remain active after an employee has left and could be used inappropriately (and potentially without trace). **(Medium)**

Processing Leaver Tickets/Forms


As part of our testing of a sample of 40 leavers since January 2022, we were unable to link our leavers back to their leaver form as once they are processed there is no link created between the form and the account. As such, we tested a random sample of 20 leaver forms since January 2022 and found that in 18 cases the forms had been processed and yet two accounts remained active. The Desktop Service Engineer advised us that for one the line manager likely required continued access to the employee's user account.

We noted for the other that the form did not include a leaving date and that the Starters/Leavers Process document did not include guidance on what to do. There is a risk that leavers will not be removed in a timely manner which could mean that user accounts are used to inappropriately access the Council's IT systems. **(Medium)**

Council and SCF Relationship – Weekly Meetings

 Weekly meetings are held between the Council's IT Team and SCF's SPoC. We found through review of the Council's SLA with SCF that it specified performance metrics to be reported, but these did not link directly to leavers. We were provided with an action log for the weekly meetings. We were advised by the Group Manager – IT that no reports are presented at the meetings in relation to the performance metrics in the SLA. There is a risk that performance related issues are not identified and cannot be tracked through to remedy. **(Medium)**

General Ledger (16.21.22) Follow Up

 An action in relation to the regular review of active user accounts was agreed as part of the General Ledger 2021/22 audit to ensure starters are set up correctly and with the right access levels, leavers are removed promptly, and current staff have access appropriate with their role. As part of this audit, we requested evidence that the action had been implemented, however this was not provided. There is a risk that without such reviews, users may have inappropriate access to the Council's IT systems. This could mean that unauthorised activities occur. **(Medium)**

1	We will define the process for the permanent deletion of leaver user accounts and how this can be extended including who must authorise this, as well as what action to take when leaver notifications are missing information, such as the user's leaving date. We will also complete the date of next review placeholder on the Starter/Leaver Process document and make the new version available to staff.	Medium	31 October 2022	Rifhat Ahmed, IT Service Manager
2	The Council and Slough Children First will develop procedural documents to detail processes, timeframes and responsibilities for the removal of system access of leavers and the return of IT equipment.	High	31 January 2023	Alexander Cowen, Group Manager – IT Kate McCorrison, Head of HR and OD
3	We will ascertain why a leavers report was not provided to IT for April 2022 and take any action to ensure reports are provided consistently. Where reports are not received in the first week of the month, the IT Team will confirm with HR whether there any leavers.	High	30 September 2022	Rifhat Ahmed, IT Service Manager
4	We will establish an approval process where user accounts need to remain active for longer than three months. This will require approval of the Group Manager – IT and relevant Associate Director of the department the employee relates. We will also follow up on user accounts that have been approved to be extended to ensure they are permanently deleted after the extension period.	Medium	30 November 2022	Alexander Cowen, Group Manager – IT
5	We will add a required field for leaver forms to be uploaded to Agresso when submitting a leaver ticket.	Medium	30 April 2023	Alexander Cowen, Group Manager – IT
6	We will establish a system of identifying and assigning all IT equipment within Agresso to employees of the Council and Slough Children First. When equipment is returned, this will be marked as such on Agresso by line managers. IT will monitor leavers against Agresso to ensure equipment is returned and reallocated.	High	31 December 2022	Alexander Cowen, Group Manager – IT Dipak Mistry, Employee Relations & Policy Manager
7	We will undertake a review of the SLA with SCF to ensure that performance metrics within it are reflective of the needs of the Council and SCF as well as the inclusion of responsibilities for both parties relating to the leavers process. Following this, we will present reports to the monthly SLA review meeting in line with the metrics and reporting frequencies agreed as part of the SLA review.	Medium	31 March 2023	Alexander Cowen, Group Manager – IT



8	We will establish a six-monthly dip sample of starters, leavers and current user access over the period to ensure starters and leavers have been processed and current user access is consistent with the role of the related employees.	Medium	31 December 2022	Rifhat Ahmed, IT Service Manager
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Council Tax (10.22/23)		<p style="text-align: center;">2 High 5 Medium 3 Low</p>
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Conclusion

Whilst the Council has made some progress in implementing management actions from the 2021/22 review of Council Tax, we have reiterated management actions or agreed revised management actions in this year’s audit, due to insufficient progress overall. Management have not yet fully implemented and reported closure of the management actions from the previous audit, and we note these are overdue for implementation (as of September 2022).

The level of aged debt remains significant increasing the risk of a loss of income for the Council. In addition, monthly reconciliations of Academy (Council Tax system) to Agresso (financial system) had not been completed for the period July to September 2022 and those completed prior in April to June 2022 had not been subject to independent review. We also found that markers can still be placed on accounts that can prevent debt recovery action, and that guidance covering this process has not been introduced, despite some progress being made by the Council Tax team in reviewing circumstance codes. Total Council Tax arrears for the period 1997/98 through to 2021/22 amounts to £18.1m. Without completing the outstanding reviews there is a risk that inappropriate markers are not identified and removed. Arrears may then not be subject to suitable recovery action, increasing the likelihood of financial loss.

Our testing additionally identified two staff with inappropriate access to Academy (that were removed during the audit), a backlog of inspections developing without a clear schedule for completion, and exemptions that were inappropriately classified on Academy.

Our sample testing confirmed effective processes were in place with regards to billing, discounts, refunds, and valuation updates.



Markers on accounts – reiterated management actions from 2021/22

Markers can be placed on accounts to prevent debt chasing and recovery action. Whilst the Council has commenced a process of reviewing circumstance codes and markers on accounts as agreed via management actions from our previous internal audits, we found that adequate progress against these management actions had not been made.

We found that restrictions can still be placed on accounts and that procedural guidance covering this process has not been introduced. This could mean that some accounts are not subject to debt recovery action. Without restricting the ability to place markers and providing guidance to those who can, there is a risk that these markers are placed inappropriately. As such amounts owed to the Council may not be chased, decreasing the likelihood of recovery. **(1 x High and 1 x Medium)**

Historic Arrears – reiterated management action from 2021/22



Total Council Tax arrears for the period 1997/98 to 2021/22 amounted to £18.1m at the time of audit. The Council has written off circa £258k since April 2022. Management have recently reported that whilst some action has been taken, including reconciling all cases with Enforcement Agents, identifying cases for write off, and reviewing high value debts, the process followed has identified much wider issues and challenges that will need to be addressed, and this has identified much wider issues with the quality of the data available. The Council has struggled with obtaining sufficient resources to progress this work in line with agreed deadlines and historic issues with the quality of the data has meant that recovery has been particularly challenging. Management also advised that the implementation date for the previous high priority management action will need to be extended until at least June 2023. **(High)**

Reconciliations



The Council Tax reconciliations for April, May and June 2022 had been completed at the time of audit (October 2022), although they had not been evidenced as individually reviewed/approved. The reconciliations for July to September 2022 had not been completed at the time of audit. Whilst we found an improved approach from 2021/22, completing reconciliations remains an area of risk that requires adequate focus.

If reconciliations are not prepared and variances investigated in a timely manner, there is a risk that inaccuracies in Agresso or Academy will not be identified. Errors may not be addressed, and incorrect financial information may be reported to management/members. **(Medium)**

Exemptions



We selected a sample of 10 exemptions from 2022/23 from a report from Academy and checked whether the exemption was appropriately processed. We found in two cases that properties had been inaccurately classified as 'Empty Class A' when in fact they should have been classified as 'Class B' as they were second homes. We confirmed this had been rectified during the audit. In these individual instances there was no implication for income, as per current legislation. However, where properties are incorrectly classified, exemptions may not be accurate which could lead to a loss of income for the Council. **(Medium)**

Inspections backlog



We obtained a report from the Academy system that detailed the outstanding property inspections up to the end of September 2022 and found this identified a total backlog of 70 long term empty Class C inspections, 69 long term empty premium inspections, and a further 164 special request inspections that were due. This provided a total of 303 inspections that were required to be completed. Inspections were paused whilst the Energy Rebate was implemented. As the property inspections have just recently been recommenced, there is a need to schedule the remaining inspections in a timely manner. Without a clear scheduled of planned dates, there is a risk that a further backlog could develop. **(Medium)**



Academy access

From a sample of 20 individuals taken from a report setting out the access rights for all users in Academy we identified that there were two users that did not require Academy access. There is a risk that staff could obtain inappropriate access to the Academy system. **(Medium)**

1	We will ensure all exemptions are appropriately processed and classified in line with the exemptions procedural guidance.	Medium	31 January 2023	Kiran Vasita
2	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off.	High	30 September 2023	Laverne Belle
3	The Council will ensure the monthly Council Tax reconciliation between Agresso and Academy is independently prepared and reviewed in a timely manner each month.	Medium	31 March 2023	Ade Adewumi - Finance Technical Advisor
4	We will develop a schedule of property inspections to plan completion of inspections by the end of the financial year to ensure a greater backlog does not develop.	Medium	30 April 2023	Laverne Belle
5	The Council will restrict the ability of staff to place markers on accounts. This may include limiting such action only to relevant managers or requiring all markers to be approved by a relevant manager before being placed. As part of this, guidance and instructions will be prepared and shared with all staff with access to place markers on council tax accounts. This may form part of an existing or new procedure note and will include why, how, and when markers should be used.	High	31 March 2023	Laverne Belle
6	The Council Tax team will complete a review of all accounts with circumstance codes (markers) on a quarterly basis, which will be checked for accuracy by a relevant manager. This will include confirming markers are appropriate (and providing the reasons why) and rectifying those that are not appropriate (and commencing recovery action where required).	Medium	31 March 2023	Laverne Belle
7	We will remove the access to Academy for the users not accessing the system and not requiring access as part of their role. In addition, we will investigate the reasons why staff having not accessed the Academy system had not been included in the monthly reports.	Medium	31 January 2023	Laverne Belle

APPENDIX B - SUMMARY OF PROGRESS TO DATE

The table below provides a status update on the summary of progress with the remaining 2021/22 internal audit plan. Those five reports finalised since the last meeting are shown in bold below, and one report remains in draft.

2021/22 Internal Audit Plan

Assignment area	Fieldwork date / status	Draft report	Final report	Opinion	Actions		
					L	M	H
Assets	Final Report	31 January 2022	30 November 2022		3	5	1
Follow Up Q3	Final Report	7 March 2022	28 November 2022	Little Progress	2	3	2
Schools Audit – Priory	Draft Report	24 March 2022 (revised draft 25 July)					
Matrix	Final Report	28 April 2022	15 November 2022		2	4	2
Corporate Health and Safety	Final Report	28 April 2022	20 September 2022		5	6	1
Capital Projects – Britwell GP Hub	Final Report	13 May 2022	1 November 2022		3	6	1

The table below provides a status update on the summary of progress with the 2022/23 internal audit plan to date.

2022/23 Internal Audit Plan

Assignment area	Fieldwork date / current status	Draft report	Final report	Opinion	Actions		
					L	M	H
Leavers Processes (additional review)	Final Report	6 October 2022	19 October 2022		0	5	3
Children Missing Education	Final Report	22 September 2022	20 October 2022		5	5	0
Risk Management – Follow Up	Final Report	22 September 2022	7 November 2022	Advisory	1	1	2
Council Tax	Final Report	1 November 2022	3 January 2023		3	5	2
Subsidiary Company Governance	Draft Report	20 July 2022					
Medium Term Financial Strategy	Draft Report	23 August 2022					
Budget Setting and Control	Draft Report	26 August 2022					
Workforce - Recruitment and Retention	Draft Report	1 September 2022					
Follow up Q2	Draft Report	21 October 2022					

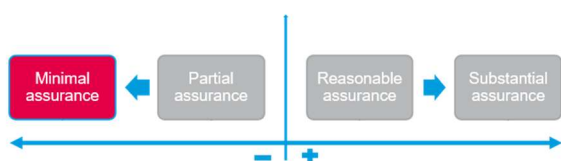
General Ledger	Draft Report	24 October 2022
Adult Social Care Transformation	Draft Report	18 November 2022
Housing Benefits	Draft Report	28 November 2022
Payroll (inc Data Analytics)	Draft Report	30 November 2022
IT Business Continuity	Draft Report	7 December 2022
Treasury Management	Draft Report	16 December 2022
Creditors	In progress	
Delegated Authorities (additional review)	In progress	
Whistleblowing	In progress	
Rent Accounts Recovery	In progress	
Corporate Health and Safety	3 January 2023	
Business Rates	16 January 2023	
Temporary Accommodation	16 January 2023	
Rent Accounts	16 January 2023	
Debtors	19 January 2023	



Capital Expenditure	30 January 2023
Cyber Essentials	1 February 2023
Assets	2 February 2023
Treasury Management	27 February 2023
Follow up Q4	13 March 2023
Strategic Housing Management	16 March 2023
Payroll and HR Interface cancelled and replaced with a review of Payments to Temporary and Agency Staff	Postponed to Q4

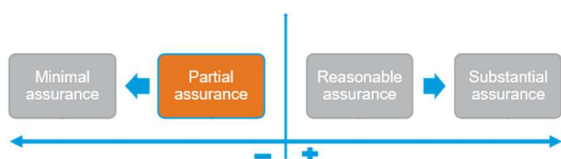
APPENDIX C: ASSURANCE OPINIONS

We are constantly developing and evolving the methods used to provide assurance to our clients. As part of this, we have refreshed our opinion levels in line with the graphics below. We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



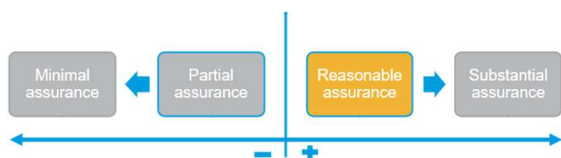
Taking account of the issues identified, the Council can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

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