



SLOUGH BOROUGH COUNCIL

DRAFT Internal Audit Plan 2023 - 2024 (and Internal Audit DRAFT Strategy 2023/24 – 2025/26)

Presented at the Audit and Corporate Governance Committee meeting of: 14 March 2023

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

EXECUTIVE SUMMARY

Our Internal Audit Plan for 2023/24 is presented for consideration by the Audit and Corporate Governance Committee (ACGC). In preparing the Internal Audit Plan for 2023/24 we have worked with Officers to produce an audit programme which remains mindful of the Council's financial position, significant financial and operational challenges, the Council's improvement and recovery plan position and prior year weaknesses. Early in 2023/24, we will be conducting a formal handover with the new Head of Internal Audit and the new in-house team that is being recruited. The new Internal Audit Team should continue to work with management and hold regular meetings to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs.

The key points to note from this plan are:



2023/24 Internal Audit priorities: We were requested to produce an Internal audit plan for 2023/24. We have done this by considering a range of factors (for example; review of the Corporate Risk Register, the Directorate risk registers made available, our knowledge of issues in the wider sector, meetings with Executive Directors, Assistant Directors, RSMs in house sector and technical guidance). It is not clear how complete the Directorate risk registers in place are at the time of drafting the plan as a number of these only contained three risks per Directorate. We have therefore used these and also supplemented the Corporate risk register with discussions with a range of stakeholders. The details of the process followed for 2023/24 is included at Section 1.

We shared all of the areas of priority that were identified from our discussions etc with the Director of Finance and the Interim Financial Advisor. A number of amendments to these areas were made by management. The table at Section 2 below therefore shows each of the reviews that management have suggested are undertaken as part of the internal audit plan for 2023/24 (a number of which were suggested following our discussions and some of which have been deferred to future years). The table details the corporate risks linked to these areas which may warrant internal audit coverage.

This plan is an indication of the areas of coverage, with the final audit types and budgets to be agreed during detailed planning (e.g. whether coverage will be full audits or follow ups for example). Please note that this plan (and the wider strategy) will be reviewed and updated by the incoming in-house Head of Internal Audit in Q1 of 2023/24, and it is likely that a revised plan for 2023/24 will be presented to the July 2023 Audit and Governance Committee.



Level of Resource: We will continue to utilise our core internal audit team to deliver four or five audits (to be agreed) in quarter one of 2023/24. Our core team will continue to be supported by the use of specialists where appropriate (for example Data Analytics, Cyber Security and wider Technology reviews etc). It should be noted that although RSM has produced this Plan, we are contracted to perform and have no responsibility to perform any of the audit work beyond the agreed audits in quarter one. It is expected that the remainder of the audit plan (or subsequently revised plans) will be delivered by the in-house internal audit team.

In delivering your internal audit services in quarter one we will continue to embrace technology when undertaking operational audits. Through tools such as 4questionnaires, MS Teams meetings, secure web portals for audit data sharing (Huddle) and data analytics, our approach consists of a combination of both on-site client presence and remote auditing. RSM UK has in place policies designed to protect both its staff and clients; which is supported through our flexible working approach. This will strengthen our sampling and focus our audit testing. Refer to Appendix A.



Core Assurance: The core assurance reviews for the 2023/24 audit plan includes reviews of: Risk Management, the Key Financial Systems (such as Accounts Payable / Accounts Receivable / Payroll / Rent Accounts / Treasury Management / General Ledger) and Key Revenues and Benefits systems (Council Tax, Business Rates and Housing Benefits). A number of these reviews will be follow up reviews given the indicative budgets allocated.

A number of these reviews received a negative assurance opinion in 2022/23 (and prior years) and the best way to approach these reviews needs to be agreed with the new In-House Head of Internal Audit with the Director of Finance (for example, some will include data analytics, some may require a follow up and others will be subject to a full re-audit). The approach to the individual reviews will largely depend on the progress made by management to implement previous management actions. We are happy to assist and provide our professional view in these conversations. We will not however be responsible for delivering an Annual Opinion in 2023/24.



'Agile' approach: Our approach to working with you has always been one where we will respond to your changing assurance needs. By employing 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to Audit and Corporate Governance Committee during the year.



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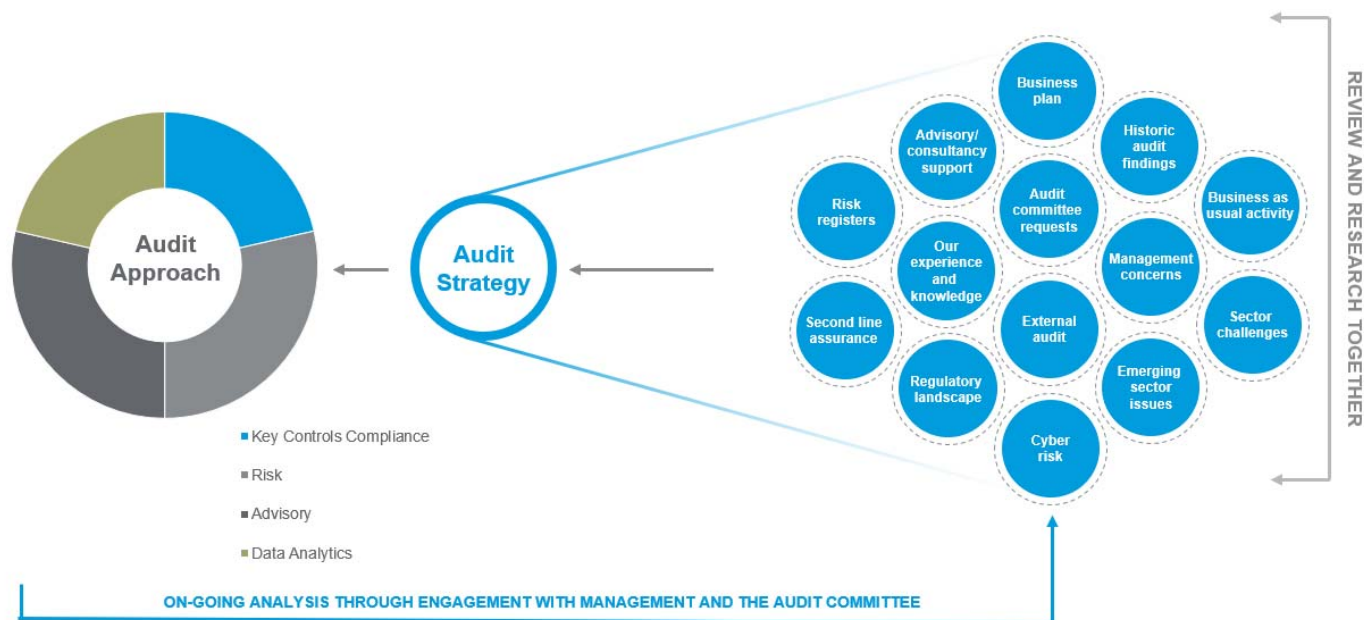
1. YOUR INTERNAL AUDIT PLAN 2023/24

We were requested to produce an Internal audit plan for 2023/24. We have done this by considering a range of factors noted below..

Risk management processes

We have evaluated your risk management processes (2021/22 partial assurance and little progress opinion 2022/23) in 2022/23 and concluded 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, so we cannot place full reliance on your risk registers to inform the internal audit strategy. We have however reviewed the Corporate Risk Register and used this in discussions with management. We have also considered the key risk themes from the Directorate risk registers provided to us and we have used various sources of information (see Figure A below). Furthermore, we have requested input for internal audit coverage with all of the CLT, Assistant Directors, the Interim Financial Advisor, other key officers (e.g. monitoring Officer) and the plan is being presented to the ACGC. The Commissioners will also receive a copy of the draft plan and will provide feedback as appropriate. It should be noted that we did not get responses from all individuals we agreed we would contact as part of the internal audit planning process.

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



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

2. INTERNAL AUDIT PLAN 2023/24

The table below shows each of the reviews that management have suggested are undertaken as part of the internal audit plan for 2023/24 (we initially provided a list of audits that we believed should be included in 2023/24, as per the methodology mentioned above, and these have been reviewed and amended by management). The table details the strategic risks linked to these areas which management believe may warrant internal audit coverage.

This plan is an indication of the areas of coverage, with the final audit types and budgets to be agreed during detailed planning (e.g. whether coverage will be full audits or follow ups for example). Please note that this plan (and the wider strategy) will be reviewed and updated by the incoming in-house Head of Internal Audit in Q1 of 2023/24, and it is likely that a slightly revised plan for 2023/24 will be presented to the July 2023 Audit and Governance Committee.

We appreciate that the Council is still developing its risk management framework, does not currently use sources of assurance to inform strategic risks and controls, does not currently use Directorate risk registers and still has a significant number of actions and recommendations to address from various reports (CIPFA, DLUHC, External Consultants etc). We have some assignments designed to provide assurance or advisory input around specific risks, the strategy also includes time for tracking the implementation of agreed management actions and an audit management allocation.

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
Risk Based Assurance – Split by current directorates			
People (Children)			
Children Missing Education (CME) – Follow Up	<p>As part of the 2022/23 Internal Audit Plan, a ‘partial’ assurance opinion had been provided in relation to the Attendance Service for CME. Issues were identified with regards to adhering to the (new) CME process checklist, as well as the frequency and formality of meetings / reviews, and responsibilities around red EHE cases.</p> <p>The purpose of this review will be to identify what changes have been made within the Attendance Service following our previous review and allow the Council to take assurance over the area.</p> <p>Risk 1: Safety of Children and Young People</p> <p>Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection</p>	<p>Linked to strategic risk</p> <p>22/23 negative opinion</p>	Q1
Schools	<p>To provide assurance over the effectiveness of governance and financial management arrangements within schools.</p> <p>Risk 1: Safety of Children and Young People</p> <p>Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection</p>	<p>Linked to strategic risk</p>	Q4
Slough Children First	<p>The scope of this review will be determined following the outcome of the current review of SCF with this utilised to support the findings.</p>	<p>Linked to strategic risk</p>	Q3

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
<p>Risk 1: Safety of Children and Young People Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection</p>			
Safeguarding	<p>To ensure that all Officers and volunteers in a regulated role are subject to the necessary checks and references prior to working with children and vulnerable adults. We will also review the level of training and awareness across the Council.</p> <p>Risk 1: Safety of Children and Young People</p>	Linked to strategic risk	Q4
People (Adults)			
CQC Regulatory Inspection	<p>At the request of the Executive Director - People (Adults), we will undertake a review focusing on the upcoming CQC adult care inspection framework. The specific focus will be agreed closer to the time but this could include:</p> <ul style="list-style-type: none"> • readiness for compliance ahead of inspection – could take the form of deep dive reviews; • assessment of the process in place and whether this is appropriate and robust (e.g. the policy, procedure); and/or • improvement plan and whether this is fit for purpose and being adhered to with appropriate governance. 	Requested by Director New regulatory requirements	Q2
Place and Community			
Planning - Local Plan	<p>The Council's new Local Plan will set out how to guide development in Slough through to 2036. The plan will contain policies to guide business and residential development to meet the needs of Slough's expanding population. This review will assess the programme in place for development of the Local Plan ensuring there is a clear action plan with target dates and an appropriate governance process in place to ensure appropriate approvals are sought and oversight is held. We will also assess the process to be followed ensuring key stakeholders are engaged and consulted.</p> <p>Place and Community risk register Risk 5: Local Plan – Failure to deliver the local plan by December 2023</p>	Linked to directorate risk Requested by Director	Q2
Contract Management – Waste Disposal / DSO	<p>In December 2017 the Council procured a new waste disposal contract with Grundons. The contract has a 10-year term and ends in 2027. This piece of work will review the effectiveness of the arrangements in place within SBC for the management of the contract. This will include a review of whether agreed services are being delivered together with the processes in place for monitoring the performance of the contractor.</p>	Linked to directorate risk Requested by Director	Q2

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
Place and Community risk register Risk 6: DSO Risk - Ability to delivery waste collection services due to staffing shortages, including the national shortage of LGV/HGV drivers and staff turnover due to uncertainty			
Housing and Property			
Temporary Accommodation	<p>Following a 'minimal' assurance opinion provided in 2021/22, negative opinions provided in this area since 2018/19, and the expectation of a negative opinion in 2022/23 following planning discussions with the Interim Director of Housing, we will undertake a full review of the area to provide assurance that actions have been implemented to improve the robustness of the control framework in place including the monitoring of Health and Safety requirements over B&B accommodation, undertaking periodic visits to TA properties, issuing of notices to quit and procedures for breaches of licenses to allow the council to take assurance that they are not in breach of statutory responsibilities.</p> <p>This review will be undertaken in quarter 4 when it is expected changes implemented by the new Interim Director of Housing, including the team structure / staffing, will have had an effect with improvements evidenced.</p> <p>Risk 5: Risk of the failure of statutory duty for provision of temporary accommodation</p>	<p>Linked to strategic risk</p> <p>Requested by Director</p> <p>Previous negative opinions</p>	Q4
Finance and Resources			
Budget Setting and Budgetary Control – Follow up	<p>Following a negative opinion in 22/23 risks in relation to changes in personnel and the approach to budget setting and management remain with a significant number of vacancies and interim staff means the Council should seek assurance that the correct controls are now in place.</p> <p>This will be a follow up review to determine if the risks identified in 22/23 have been addressed.</p> <p>Risk 10: Financial sustainability</p>	<p>Linked to strategic risk</p> <p>Previous negative opinion</p>	Q1
Medium Term Financial Strategy – Follow Up	<p>This will be a follow up review to determine if the risks identified in 22/23 have been addressed.</p>	<p>Linked to strategic risk</p>	Q2
Corporate Health and Safety – Follow Up	<p>Following 'partial' (negative) assurance opinions in 2019/20 to 2022/23 and being a key risk on the Council's Corporate Risk Register, we will undertake a follow up review to provide assurance that actions have been implemented to improve the robustness of the control framework in place. These include the monitoring of Health and Safety Training, regular</p>	<p>Linked to strategic risk</p>	Q3

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
	<p>meetings of Directorate Consultative Forums, appropriate oversight from the Health and Safety Board and conducting of directorate self-audits.</p> <p>Risk 7: The Council does not take adequate mitigations to reduce the risk of injury or death from incidents within the Council</p>	Previous negative opinion	
Cyber Essentials	<p>Following on from the advisory reviews completed in 2020/21, 2021/22 and 2022/23 where some significant issues have been identified.</p> <p>Our audit would allow the Council to understand whether a robust control framework in relation to cyber security has been put in place.</p> <p>We would utilise our Technology Risk Assurance team and the exact scope will be agreed with the Director of Finance and IT officers within the Council.</p> <p>Risk 9: Cyber Security</p>	<p>Linked to strategic risk</p> <p>Previous negative opinion</p>	Q3
IT Business Continuity	<p>As part of the advisory 2021/22 review around IT Business Continuity, significant issues / gaps were identified within the existing control framework, resulting in one 'high and six 'medium' priority actions being agreed. Most notably, issues were identified around the content of both the IT Disaster Recovery and Business Continuity Plans. The audit will seek to identify actions to taken to address these issues in a follow up capacity. This also received a little progress opinion in 2022/23.</p> <p>Risk 8: Business Continuity and Emergency Planning</p> <p>Risk 9: Cyber Security</p>	<p>Linked to strategic risk</p> <p>Previous negative opinion</p>	Q4
Remote and Hybrid Working	<p>As a result of the Covid-19 crisis the Council ways of working have changed and many staff now work remotely either part of the time or full time. We will critically assess the capacity of the IT infrastructure and remote network to verify that adequate capacity is available at all times to meet the agreed needs of the business, and secure configuration is in place for remote access.</p> <p>This review will also include a review focusing on remote and hybrid working from an effectiveness perspective considering the HR policy framework in place and procedures and requirements that are to be followed.</p> <p>Risk 9: Cyber Security</p> <p>Risk 14: Failure to explore opportunities for more efficient operating models</p>	<p>Linked to strategic risk</p> <p>Requested by Director</p>	Q1
Approach for Cloud Migration	<p>This review will be a lessons learnt piece of work assessing migration to the Cloud to date identifying any weaknesses / issues in the process to ensure future migration exercises avoid</p>	Linked to strategic risk	Q3

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
	<p>the initial mistakes. This will include determining if there was clear goal, security strategy and an assessment of data quality.</p> <p>Risk 9: Cyber Security</p> <p>Risk 14: Failure to explore opportunities for more efficient operating models</p>	Requested by Director	
Effective Use of IT Tools / Digital Technology	<p>This review will consider user competence and proficiency in respect of key digitalised systems to ensure the organisation is achieving the value and benefits of those systems. This will include the use of a questionnaire as well as one to one interviews to gauge staff awareness and competence in using those systems. We will also consider the use of the IT tools Slough already have and managing these including the effectiveness and security.</p> <p>Risk 9: Cyber Security</p> <p>Risk 14: Failure to explore opportunities for more efficient operating models</p>	Linked to strategic risk Requested by Director	Q4
Workforce Development Strategy	<p>This review will focus on the Workforce Development Strategy assessing how it links to the Council's overall strategy and objectives, whether it is complete and comprehensive, as well as an assessment on delivery and implementation of the strategy.</p> <p>Risk 6: Service delivery risk due to workforce recruitment and retention issues</p>	Linked to strategic risk Requested by Director	Q2
Scheme of Delegation	<p>This relevance of this review is increased due to the large number of new Executive Directors that have come into post at the Council and the subsequent revisions made to the Council's scheme of Delegation (SoD).</p> <p>We will review selected aspects of the document to consider compliance at the Council level. In addition, we will consider staff understanding of the SoD. The sample of delegated responsibilities will be tailored to the agreed allocation for this audit.</p>	Requested by Director	Q2
In-house Counter Fraud Team	Following the CIPFA review this audit will assess the processes and procedures in place for the Fraud Department within the Council and assess how fraud is identified, investigated and reported.	Requested by Director	Q3
Matrix	<p>We are proposing to undertake a review of the arrangements for using matrix and compliance with policies and procedures including review of actions undertaken as part of the previous review.</p> <p>Risk 10: Financial sustainability</p>	Linked to strategic risk Requested by Director	Q1

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
		Previous negative opinion	
Core Assurance (split by current directorates)			
Place and Community			
Rent Accounts Recovery	As part of this audit, we will review the controls in place to ensure rent arrears are effectively recovered, minimising the risk to the Council of not achieving their rent collection targets. This review will also assess the progress in addressing actions from the 2022/23 audit, where a negative assurance opinion was provided. Risk 10: Financial sustainability	Previous negative opinion	Q4po
Assets	This review was postponed from 2022/23 to allow further progress to be undertaken. We will assess the accuracy and recording of asset acquisitions and disposals as well as the management over the Council's Asset Register and other asset records. This review will also assess the progress in addressing actions from the 2021/22 audit, where a 'partial' assurance opinion was provided. We will also seek to understand what if any coverage is required in relation to the Councils asset disposal programme. Risk 11: Pace and evaluation of the disposal of assets	Previous negative opinion	Q2
Housing and Property			
Leasehold Service Charges	To ensure Council owned properties are appropriately controlled and managed and that correct service recharges are being applied and billed to leaseholders.	Previous negative opinion	Q3
Property Services / SHM	For a sample of key areas of health & safety compliance to be agreed at the time of the audit, the audit will ensure that those properties identified as requiring a health & safety compliance check have been appropriately identified and included within the service schedule. For any remedial actions that have been identified as part of the service we will ensure that those actions have been followed up, recorded against the initial job code and completed. This review was delayed from 2022/23 with a tenant health and safety review undertaken in its place. With changes to the structure of the Housing service, the Council may need to obtain assurance that its housing stock is being managed appropriately. As a result, we will undertake	Requested by Director	Q3

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
	a review of the function to establish how the housing stock (c6000 properties) and the wider service is being managed. The exact nature of the scope will be agreed with the Executive Director for Place and Communities.		
Allocations	The review will be undertaken to provide assurance that the Council has effective systems in place to ensure the management of Voids and Allocations.	Requested by Director	Q4
Finance and Resources			
General Ledger	Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns. Areas of focus and how detailed the coverage will be agreed closer to the time dependent on risks and progress made. Risk 11: Pace and evaluation of the disposal of assets Risk 10: Financial Sustainability Risk 13: Recovery and renewal plan	Linked to strategic risk Previous negative opinions	Q3
Creditors – Follow Up			Q3
Payroll – Follow Up			Q3
Council Tax			Q4
Treasury Management			Q4
Debtors			Q4
Capital Expenditure			Q4
Rent Accounts			Q4
Business Rates			Q4
Housing Benefits			Q3
Risk management – Follow Up	This review will follow up the work undertaken in 2021/22 and 2021/22. The purpose is to allow the Council to take assurance over the effectiveness of risk management arrangements within the Council. This will include the use and management of both the Corporate and Directorate-level risk registers, ensuring that the key risks previously identified relating to the lack of current Directorate risk registers and assurances have been addressed.	Previous negative opinion	Q3
	All risks		
Data Quality and Performance Management	The specific area of focus will be determined nearer the time, but the audit will focus on how performance data is collated, reviewed and reported. This will include review of the Data Quality Policy assessing whether it is fit for purpose and understood, whether governance of data	Linked to strategic risk	Q2

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
	<p>quality is clear and adhered to, and whether it is followed within the Directorates. For a specific sample of data we will substantiate the data back to source.</p> <p>All risks</p>		
Procurement	<p>Internal audit has not undertaken a review on Procurement in recent years due to a conflict of interest. This will be a full review of the procurement service reviewing how procurement occurs in the organisation to ensure suitable value for money can be achieved. This will include ensuring that suitable value is sought through competition, quotations and tenders as appropriate, that authorisation is applied appropriately and that suitable contracts are put in place to hold suppliers to account.</p> <p>Risk 10: Financial sustainability</p>	Requested by Director	Q3
Evidence Based Decision Making / Data Quality	<p>The sample areas for focus will be determined when the audit is scoped, but this review will focus on decision making within the Council and whether these can be supported by appropriate documentation and evidence. Where appropriate we will ensure decisions and business cases agree back to source documentation.</p>	Linked to strategic risk Requested by Director	Q1
Grants	<p>This audit will cover the control framework established for the management of grant applications received and payments awarded to ensure that such payments are in place with the applications as well as the requirements of the grant scheme.</p> <p>This will also cover contractual arrangements to ensure that value for money is being obtained where funds are awarded.</p> <p>Risk 10: Financial sustainability</p>	Core assurance	Q2
Governance	<p>To provide assurance over the effectiveness of governance arrangements within the Council. The focus will be on the Governance Group and IRB assessing ensuring governance arrangements are effective and reflect best practice. We will also assist the Council in the Production of the Annual Governance Statement.</p> <p>All risks</p>	Linked to strategic risk Requested by Director	Q1
Other Internal Audit Activity			
Follow up	<p>To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management. Please note in 2023/24 this will form a number of follow ups of audits that have received negative opinions in previous years.</p>	To meet internal auditing standards	Ongoing
Management Meeting Attendance	<p>This will include attendance at all meetings (Directorate / Department meetings, CLT, Risk and Audit Board, Governance meetings, ad-hoc meetings)</p>	n/a	Ongoing

Audit Title (Directorate)	Audit approach	Rationale for coverage	Est Timing & ACGC
Management	This will include: <ul style="list-style-type: none"> • Annual Planning meetings for 2023/24 plan and draft 2023/24 – 2025/26 IA strategy • Preparation for, and attendance at, ACGC in July 2023 • Regular liaison and progress updates • Meetings with Chief Executive, S151 Officer, Monitoring Officer, Chair of Audit and Corporate Governance • Liaison with external audit and other assurance providers • Preparation of position statement for incoming in-house Head of Internal Audit • Full handover to new in-house team and Head of Internal Audit 	n/a	ongoing

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

2.1 Working with other assurance providers

The ACGC is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

APPENDIX A: YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM UK Risk Assurance Services LLP. The team will be led by Daniel Harris as your Head of Internal Audit, supported by Mark Jones (National Head of Internal Audit, 2nd Partner review of all outputs) and Fiona Ho as your Manager.

Core team

It has been indicated that we may be required to deliver four or five reviews in Quarter one from the 2023/24 audit plan to support the in-house team. This will be based around a core team that have worked with you previously. However, we will complement the team with additional specialist skills where required.

Conformance with internal auditing standards

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

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

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.

Conflicts of interest

We have previously delivered operational support to the Council in relation to the Procurement Function and also previously supplied some software solutions to help the Council manage their policy management and risk capture. These services are no longer provided, but we have mentioned these again for transparency purposes. We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

APPENDIX B: INTERNAL AUDIT STRATEGY 2023/24 – 2025/26

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above and the Executive summary above.

Assurance Provided:		Internal Audit coverage - Third Line of Assurance								
		current (22/23) Corporate Risk Register Ref:	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Red - Minimal Assurance / Poor Progress									
	Amber/red - Partial Assurance / Little Progress									
	Amber/green - Reasonable Assurance / Reasonable Progress									
	Green - Substantial Assurance / Good Progress									
	Advisory / AUP									
Audit Area (split by current directorates)										
People (Adults)										
Adult Social Care - Management of Income / Financial Assessments and Charging										
Adult Social Care - Transformation Programme						✓				
Adult Education Service (OFSTED Inspection)										
CQC Regulatory inspection							✓			
Deputyship and Appointeeship								✓	✓	
People (Childrens)										
Children Missing Education	1, 3							✓	✓	
Schools	1, 3	✓	✓	✓	✓			✓	✓	✓
Children's Centres										
SC First	1, 3				✓			✓	✓	✓
Safeguarding	1							✓		✓
Place and Community										
Strategic Housing Management						✓		✓	✓	
HRA									✓	✓

Housing Benefits			Yellow	Yellow	Yellow	Yellow	Orange	✓	✓	✓
Regulatory Services (Cash Handling Arrangements)				Orange						
Council Buy Backs				Red		Yellow				
Social Lettings Team					Yellow					
Temporary Accommodation Strategy	5		Orange	Orange	Orange	Red	✓	✓		✓
Slough Urban Renewal (SUR)			Yellow		Grey					
DSO (refuse and recycling, fleet etc) (*Note, this was being covered by RSM Specialists in 2020/21 but work stopped at Council request)								✓	✓	✓
Matrix	10					Red		✓		✓
Leasehold Service Charges					Orange	Orange		✓		✓
Contract Management – Osbornes (Repairs, Maintenance, Investment Housing Contract, including statutory safety checks, ie lifts, legionella etc)			Yellow			Orange				
Contract Management – Everyone Active (Leisure Contract)*					Orange					
Contract Management – Bouygues (Facilities Mgmt)			Yellow							
Contract Management – Waste Disposal								✓		
Fire Safety				Yellow						
Planning Performance Agreements (PPAs)					Yellow					
Planning Applications Response Times					Yellow					
Rent Accounts			Yellow	Yellow	Yellow	Orange	✓	✓	✓	✓
Rent Arrears Recovery	10			Orange	Orange	Orange	✓	✓	✓	
Assets	11		Yellow	Orange	Orange	Orange		✓		✓
Section 106					Orange					
Allotment Charges				Yellow						
Major Infrastructure Projects (LEP)				Green						
Planning including Local Plan								✓	✓	✓
Allocations								✓	✓	
Licensing									✓	✓

Cultural Change Programme								✓	✓
Contract Management								✓	✓
Finance and Resources									
Capital Projects – Britwell GP Hub									
Corporate Health and Safety	7					✓	✓		✓
Conflicts of Interest									
Safety Advisory Group (SAG)									
Supplier Duplicate Payments	10							✓	✓
Business Continuity and Emergency Planning									✓
Whistleblowing						✓			
Contract Procedure Rules									
Budget Setting and Budgetary Control	10, 11, 13					✓	✓	✓	
Medium Term Financial Strategy (MTFS)						✓		✓	✓
Workforce Recruitment and Retention	6					✓		✓	
Appraisals and Performance Management	6							✓	
Cyber Security and Cyber Risk	9					✓	✓	✓	✓
GDPR									
IT Business Continuity	8, 9						✓	✓	
Data Security and Protection Toolkit (previously Information Governance)									
Procurement **	10		**	**	**	**	✓	✓	✓
Subsidiary Companies Governance	10, 12					✓		✓	
Transformation Plan				✓					
Business Rates						✓	✓	✓	✓
Council Tax	10, 11, 13						✓		✓
Treasury Management	10, 11, 13					✓	✓		✓

General Ledger	10, 11, 13						✓	✓	
Debtors						✓	✓	✓	✓
Payroll	10, 11, 13					✓	✓		✓
Capital Expenditure						✓	✓	✓	✓
Creditors	10, 11, 13					✓	✓		✓
Assurance Map									
Risk Management	All						✓		
Governance	All						✓	✓	✓
Governance - Overview and Scrutiny									
Governance - James Elliman Homes									
Governance – Sub Committee Effectiveness									
Member Development								✓	
Agresso HR - Self-Service									
Freedom of Information									
Cash Collection & Management									
Payroll and HR Interface									
Leavers processes									
Grant audits	10	✓	✓	✓	***	***	✓	✓	✓
Remote and Hybrid Working	9, 14						✓	✓	
Approach for Cloud Migration	9, 14						✓	✓	
Effective Use of IT Tools / Digital Technology	9, 14						✓	✓	
Workforce Development Strategy	6						✓	✓	
Scheme of Delegation							✓	✓	
In-house Counter Fraud Team							✓		
Data Quality	All						✓	✓	

Evidence Based Decision Making							✓	✓	
Recovery and Renewal Plan								✓	
Democratic Services								✓	✓
ESG									✓
Grants							✓	✓	✓
Insurance								✓	✓
Follow Up	All	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

Please note, there are a number of areas where IA coverage was original identified, which has been replaced with higher priority areas of coverage following discussions with management. This related to both 2023/24 and previous financial years.

** As reported each year since 2019/20, RSM Internal Audit cannot review this area as RSM Consultants were assisting the Council in the Operational delivery of Procurement activity until September 2022. As has been reported to the AC and S151 Officers for the previous 4 years, an independent internal audit review of Procurement services could be commissioned separately of RSM.

*** Please note that we may not have been asked to review all relevant grant claims that SBC may have been in receipt of for a number of financial years. Some of these grants require Head of Internal Audit review and sign-off and we have not been commissioned to undertake review of all relevant grants. We have provided a list to management of grants that we are aware that Slough may have been in receipt of that may require review by internal audit.

Please note – Follow Up coverage has been requested to be removed by management and is being replaced in 2023/24 with targeted follow ups of previous qualified opinions. The approach to follow up in 2024/25 and beyond will therefore need further consideration.

We have only included assurance opinions for the reviews in 2022/23 in the above table where the report has been finalised @ 23 February 2023.

APPENDIX C: INTERNAL AUDIT CHARTER

Need for the charter

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

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

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

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

Mission of internal audit

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

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

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the Director of Finance. The head of internal audit has unrestricted access to the chair of audit and corporate governance committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

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

Responsibilities

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

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

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

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

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

Client care standards

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

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Huddle.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

Authority

The internal audit team is authorised to:

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

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

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

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

Reporting

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

The internal audit service will issue progress reports to the audit and corporate governance committee and management summarising outcomes of audit activities, including follow up reviews. As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

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

Data protection

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

Quality Assurance and Improvement

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

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

Fraud

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

Approval of the internal audit charter

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

FOR FURTHER INFORMATION CONTACT

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

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

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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