Cash Collection and Management

Minimal	Opinion: Minimal Assurance
	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Key findings

The control framework for cash collection and management for the libraries had not been applied for an extended period. Allocation of library income in the accounting system had not taken place since 2020. We were advised this was due to the loss of finance resource and changes to processes following the response to the COVID-19 pandemic. At the time of this audit (June 2023), the Council were in the process of agreeing a contract with G4S for banking services for the library, as cash received had not been banked for over a year. It is estimated that there is around £2k in cash in each safe at the Curve, Cippenham and Langley libraries.

For January to March 2023, we were able to agree the cash counts from parking machines to reconciliations against the income reports from the parking machines and deposit slips. However, we were unable to accurately match parking income, including cash income (£14k - £16k per month) to the bank statements and subsequent journals on Agresso. We did note that an average £192k per month had been deposited into the Council's bank account between January and March 2023, from Saba, RingGo and IPS Machines but were unable to verfiy the accuracy of the recording of these deposits in the accounting system.

This was with management to investigate further at the time of our review as we could not undertake any further testing to verify the position without further information being provided (which was requested multiple times during and following the audit and at the debrief meeting). Therefore, we were unable to verify, and the Council is unable to take assurance that cash income across the libraries and car parks had been properly safeguarded and accounted for.

We also found that there were potentially four users with cash receipting functions on Civica ICON and the ability to allocate income on Agresso, which required further investigation (to ensure that access rights were appropriate and/or may require access levels to be amended or removed to provide an appropriate segregation of duties).

We noted through sample testing that bank reconciliations were being completed but were not signed by a reviewer evidencing a segregation of duties. We also could not confirm that income was being accurately deposited due to being unable to match the deposited amounts to the bank statements and noted that at the time of the audit, income was not being regularly journaled with the income for March 2023 being the most recent month where income was journaled (3 months overdue).

	High	Medium	Low
Recommendation(s)	2	4	1

Travel and Expenses Audit

Minimal	**Opinion: Minimal Assurance** There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Key findings

Expenses for those working with public money has become a high-profile area in recent years. Management needs to take a view as to whether Slough Borough Council (SBC) is exposed to the risks of reputational damage, compliance, and value for money. Between June 2022 and June 2023, £108k of expenses were claimed by SBC staff and contractors.

SBC have guidance in place for Travel and Expenses (T&E), and this is readily available to all employees and contractors on the SBC InSite intranet.

The audit identified issues with T&E claims process as follows:

- Policies and procedures for travel and expense, purchasing cards and pool cars were last updated in April 2020, November 2018, and April 2018 respectively. Assigned policy owners are no longer employed by SBC. In addition, some Level 1- 3 budget holders are still listed as authorisers but have subsequently left SBC.
- Some T&E claims had been paid outside the 90-day window therefore do not follow current procedures.
- There are no managerial hierarchy limits in place. This means an employee can make a claim above the £500 threshold and have it approved. There has been evidence of claims of up to £1,400 which breaches Section 114's £500 purchase limit.
- There is no clarity around mileage claims with regards to VAT. Expenses against the mileage claims do not require corresponding evidence such as VAT receipts. SBC has missed out on a potential input VAT reclaim from HMRC of £13K in a one-year period.
- There are inconsistencies around what may or may not be claimed, and managers are approving non-allowable expenses, such as parking charges. Furthermore, there is evidence of duplicate claims having been made and paid.

	High	Medium	Low
Recommendation(s)	3	2	1

Schools Audit – St. Bernards

Reasonable	Opinion: Reasonable Assurance
	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Key findings

The purpose of the audit was to ensure that effective controls are in place for the Governance, Financial Management and Safeguarding arrangements within the school. This was tested by reviewing the high level, key controls in place to manage these areas. We identified the following controls that were designed adequately and complied within practice.

- Scheme of Delegation - we confirmed that the Scheme of Delegation has been included within the Financial Regulations.
- Financial Planning - the budget information that was prepared in January 2022 for the financial year 2022/23 that budgetary considerations had been taken into account.
- Budget Monitoring - adequate information for the budgets is included within the budget reports that are presented to the Finance Committee.
- Whistleblowing Policy - was last updated in March 2022 and the next review date is set for September 2024.
- Assets Register - the asset register is maintained by the School. The goods purchased and contained on the large value invoices were found to be present on the asset register.
- Child Protection and Safeguarding Policy - we confirmed through our review of the dates on the Safeguarding and Child Protection Policy that it is reviewed each year.

The audit has highlighted the following areas of concern:

- Finance Committee Terms of Reference (ToR) and meetings - the ToR for the Finance Committee and confirmed this did not clearly identify the quorum and membership, meeting frequency, or the reporting lines for the Committee.
- Purchasing - a sample of three higher value invoices for review and checked whether three written quotations were obtained for each purchase. We found that no written quotes were obtained for a purchase of mobile phones from Amazon for £1,530.34 and just one written quote was obtained for the purchase of LED monitors for £8,889.30.
- Purchasing - we sample tested whether delivery notes were held for a sample of payments and found that for two payments, the School could not evidence that the delivery notes were kept. A sample of 10 payments made during the financial year and checked whether purchase orders were raised to support the payments. We identified that for two of the invoices, purchase orders were required, but not raised.
- A review of a list of invoices provided by the School revealed that the School Business Manager meets some urgent purchasing needs through personal bank accounts and is then reimbursed. This for 2022-23 had totalled approximately £17,000.

	High	Medium	Low
Recommendation(s)	0	6	3

Matrix - Management of Agency Staff

Minimal	**Opinion: Minimal Assurance** There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Key findings

Matrix SCM automates the end-to-end process of procuring temporary staffing services from order creation through to supplier payment, with bookings requested by the Council through the Matrix-CR.net web-based application, and workers sourced from Matrix's network of employment agencies. The contract with Matrix includes KPIs against which their performance is measured, with performance information reported to the Employment Appeals Committee (EAC).

As part of measures to reduce costs, the Council is working to reduce its expenditure on agency staff where this can be achieved without compromising the delivery of the Council's statutory duties. However, the Council's total agency spend in 2022/23 was approximately £21m, compared to £15m in the prior year. This has been driven by various factors, including a high number of permanent employees leaving the Council and recruitment difficulties.

The audit has highlighted the following areas of concern:

- Evidence was not provided during the audit to demonstrate that agency bookings and extensions were being consistently requested and approved via business cases submitted to the ECP. Business cases did not consistently outline the steps taken to fill vacancies via permanent hires prior to requesting agency bookings or include consideration of the expected value for money which agency bookings would provide compared to a permanent hire.

- Testing of 20 agency bookings and extensions also identified three instances where pre-employment checks were completed retrospectively after the engagement had commenced, without a risk assessment being completed.

- There were two instances where bookings had been deemed outside of IR35 legislation for tax purposes, but evidence was not retained to demonstrate that the workers tax status had been checked and confirmed.

- 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.

- The Council also did not have procedural guidance in place on how to request agency bookings through the current ECP process, whilst a strategy to move agency workers onto permanent contracts had not been documented and agreed.

	High	Medium	Low
Recommendation(s)	2	5	1

Council Tax Audit

Reasonable	Opinion: Reasonable Assurance
	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Key findings

At Slough Borough Council (SBC), Council Tax is administered by the Council Tax Team, who are responsible for the identification, collection and accounting of Council Tax through the Academy system.

The audit has highlighted the following areas of concern:

- Governance and control processes are in place to ensure accurate and timely invoicing of Council Tax. However, there are areas of weakness with undocumented roles and responsibilities (R&R) and defined segregation of duties.

- Policies and procedures are in place but do not holistically cover all processes appropriately such as procedures to ensure monthly reconciliations by the Finance team in Agresso agree to Academy records.

- The draft Council Tax rate preparation process is not robust. Little documentation is maintained, especially as to how rate preparation analysis meets regulatory requirements.

- Documentation and records supporting Council Tax administration are poorly maintained with a reliance on Academy system's output. While correctly set up, only basic controls are in place and additional checks and controls should be employed to further evidence additional work undertaken to monitor and control deliverables, especially where work is undertaken by other teams.

- Internal processes could be enhanced further to efficiently deliver high quality outputs and reports. Check point reports and review of other teams as far as Council Tax work is concerned should be undertaken to maintain ownership.

	High	Medium	Low
Recommendation(s)	0	7	1

Adults Safeguarding

Partial	**Opinion: Partial Assurance** There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

Key findings

The purpose of the review was to allow management to take assurance over the Council's ability to ensure that all Officers and volunteers in a regulated role are subject to the necessary checks and references prior to working with vulnerable adults. The Council does not have a separate adult safeguarding team, as adult safeguarding functions are contained within the respective locality teams. The Council has adopted the shared Pan-Berkshire safeguarding policies. These are published on the official Pan-Berkshire safeguarding websites.

Our review did identify controls that were operating effectively in relation to the partnership and the effective governance framework and oversight of the safeguarding agenda both on a Multi-Agency level where the Council provides the lead role for safeguarding, and internally, including the production of an annual report and regular reporting.

We found the following areas of weakness, where controls require strengthening:

- The Recruitment & Selection Policy and Procedure was available on the Council's external website but found that the Policy was out of date having been due for review in December 2021.
- The Council does not have a separate adult safeguarding team, as adult safeguarding functions are contained within the respective locality teams. However, without clear job descriptions, there is a risk that team members may not clearly understand their specific roles, duties, and expectations within the adult safeguarding function.
- The Interim Head of Adult Safeguarding that training for Council members was conducted via an outsourced training provider, Edge Training. There was no specific training calendar in place or mechanism to identify any training needs and the next training planned. We were unable to evidence whether or not there was a follow up process in place for individuals who had not completed the training.
- The Council uses LSA (Liquidlogic Slough Adults) system as the incident reporting and management system for safeguarding referrals. We obtained the Safeguarding Detail report for FY 2022/23, which provides a list of safeguarding referrals open during the financial year and noted 65 safeguarding records open, dating back to 2015 and 2016. We also noted that the average time to close an incident was 7.17 months, with a maximum of 52 months (over 4-years).

	High	Medium	Low
Recommendation(s)	2	3	1

Review of Admissions, School Places and Attendance

Reasonable

Opinion: Reasonable Assurance

Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Key findings

Slough Borough Council (SBC) co-ordinates admission arrangements for all schools in the borough including independent schools. The Council is the admissions authority for Community and Voluntary Controlled (VC) schools. Our overall opinion (Reasonable Assurance) reflects elements of adequate risk management and internal controls, but also areas of weakness that require management attention.

We identified the following areas of strength:

- SBC policies and procedures are in place and being implemented to ensure that all statutory requirements are met.
- A school places strategy (published in May 2023) covering the period 2023 to 2027 has been approved by Cabinet.
- Waiting Lists are held in Capita ONE Education and we confirmed that pupils were automatically added to the waiting lists of the schools which were a higher preference than the school they were allocated.
- Appeals are handled in accordance with the Appeals Procedure and there have not been any appeals raised as a result of admissions processing errors.
- Studybugs has recently been rolled out to all schools in Slough and will enable SBC to meet new government guidance on school attendance which came into effect in September 2022.

We found the following areas of weakness, where controls require strengthening:

- The Directorate risk register is not up-to-date or aligned to His Majesty's Treasury (Orange Book) guidelines.
- There are no defining KPIs as a means of measuring and monitoring the performance.
- Terms of Reference for the new Governance structure is not in place.
- Checks to ensure compliance to current GDPR legislation have not been undertaken.

	High	Medium	Low
Recommendation(s)	2	4	2

Schools Audit – Wexham

Reasonable	Opinion: Reasonable Assurance
	Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Key findings

The purpose of the audit was to ensure that effective arrangements are in place for the Governance, Financial Management, Payments, Assets and Safeguarding arrangements within the School.

We identified the following controls that were designed adequately and complied within practice.

- Roles and responsibilities - we confirmed through testing of the Financial Regulations that the roles and responsibilities of the Governing Body, the Finance, Premises (H&S), Personnel Committee, and the Headteacher were approved by the Governing Body in February 2023.
- Scheme of Delegation - we confirmed that the Scheme of Delegation has been included within the Financial Regulations.
- Declarations of Interest was signed by staff as well as the Governors. The Governors had all filled out the form in September 2022 and the senior staff on 5 and 6 June 2023.
- Whistleblowing Policy was last updated in September 2021 and the next review date is September 2024. The author of the policy is the Headteacher, and the policy was published on the school's intranet.
- Financial Planning - we confirmed through review of the Governing Body meeting minutes and the budget report provided that various factors are taken into account when calculating and agreeing the budgets, including the pupil numbers. The budget for 2022-23 was approved by the Governing Body on 30 June 2022 and a paper for the 2023-24 budget was taken and considered in May 2023.
- Budget Monitoring - we confirmed through review of three months Finance, Premises (H&S), Personnel Committee meeting minutes that budgetary information is provided to the committee, including the variance between the original and the actual spend.
- Purchasing and Payment - we selected a sample of three additional high value payments for the purchase of assets. We confirmed that the school had obtained three quotes for those invoices and the best value quote had been approved.
- Assets Register - we confirmed through review that the assets register had last been updated in May 2023, demonstrating that the asset register is regularly updated, which is usually when new assets are purchased or disposed of.
- Child Protection and Safeguarding Policy - we confirmed through our review of the Child Protection and Safeguarding Policy that it is reviewed each year.

We identified one weakness that has led to one medium priority management action being agreed:

- Authorised Signatories - our sample testing of 12 invoices approved for payment identified three instances totalling c£8.9k where the invoices were signed by members of staff not on the authorised signatory register.

	High	Medium	Low
Recommendation(s)	0	1	2

Our classification systems

Substantial Assurance

Substantial

The framework of governance, risk management and control is adequate and effective.

Reasonable Assurance

Reasonable

Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Partial Assurance

Partial

There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

Minimal Assurance

Minimal

There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

Recommendation

Priority	Definition	Action required
High	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
Medium	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Low	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.