

Date of issue: Wednesday, 28 February 2018

MEETING:	AUDIT AND CORPORATE GOVERNANCE COMMITTEE (Councillors Chohan (Vice Chair), Brooker, Coad, Amarpreet Dhaliwal, Arvind Dhaliwal, Nazir and Usmani) CO-OPTED INDEPENDENT MEMBERS: Ronald Roberts, Alan Sunderland and Iqbal Zafar PARISH COUNCIL MEMBERS: Parish Councillor Raymond Jackson (Colnbrook with Poyle) Parish Councillor Harjinder Gahir (Wexham Court) Vacancy (Britwell) INDEPENDENT PERSON Dr Louis Lee (Observer)
DATE AND TIME:	THURSDAY, 8TH MARCH, 2018 AT 6.30 PM
VENUE:	VENUS SUITE 2, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 01753 787503

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



NIGEL PALLACE
Interim Chief Executive

AGENDA

PART I



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	Apologies for absence.		
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	<i>All Members who believe they have a Disclosable Pecuniary or other Pecuniary or non pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 4 paragraph 4.6 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i>		
	<i>The Chair will ask Members to confirm that they do not have a declarable interest.</i>		
	<i>All Members making a declaration will be required to complete a Declaration of Interests at Meetings form detailing the nature of their interest.</i>		
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Press and Public

You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before the Committee considers any items in the Part II agenda. Please contact the Democratic Services Officer shown above for further details.

The Council allows the filming, recording and photographing at its meetings that are open to the public. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings. Anyone proposing to film, record or take photographs of a meeting is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

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Audit and Corporate Governance Committee – Meeting held on Thursday, 14th December, 2017.

Present:- Councillors Chaudhry (Chair), Chohan (Vice-Chair), Brooker and Nazir

Co-Opted Independent Members: Mr Roberts, Mr Sunderland and Mr Zafar

Parish Council Representative: Parish Councillor Gahir (Wexham Court)

Independent Person: Dr Lee (Observer)

Also present under Rule 30:- Councillors Swindlehurst

Apologies for Absence:- Councillors Amarpreet Dhaliwal, Usmani and Parish Councillor Jackson

PART 1

25. Declarations of Interest

No interests were declared.

26. Minutes of the Last Meeting held on 11th October 2017

Resolved – That the minutes of the meeting held on 11th October 2017 be approved as a correct record.

A Co-Opted Member requested clarification regarding Minute 15 - Schedule of Activity Code of Conduct where it was stated *“The Monitoring Officer made the initial decision on whether an informal or formal investigation was required, consulting the Independent Person where appropriate”* as his understanding was that the Independent Person had not been consulted on any matters that had recently been referred for investigation. The Monitoring Officer, Linda Walker, stated that the Code of Conduct allowed for a degree of flexibility and whilst consultation was not an absolute must on each occasion, the Monitoring Officer had consulted the Independent Person when deemed appropriate. The Independent Person, Dr Louis Lee stated that rather than being consulted, he had only been informed of the complaints referred by the Monitoring Officer for investigation after the decisions made been made. A Member highlighted concern that this appeared to be a change from the process previously adopted and the importance of the role of the Independent Person was underlined.

27. Financial Statements 2016/17

The Service Lead Finance introduced a report requesting approval of the Council’s Financial Statements for 2016/17. The Council had submitted a

signed version of the draft statements to the external auditor by 30th June 2017 in accordance with statutory requirements. It had taken some time to complete the external audit and the deadline for approval of September 2017 had not been met.

The External Auditor, BDO, represented by Janine Combrinck, summarised their audit conclusions as set out in the Audit Findings Report. It was anticipated that an unqualified opinion would be issued on the financial statements for the year ended 31 March 2017, subject to the successful resolution of outstanding matters. A qualified opinion on the use of resources was anticipated due to combination of weaknesses in the Council's system of internal control and governance arrangements and continuing weaknesses in Children's social care services. The Committee was informed of and noted the material misstatements, unadjusted audit differences and the deficiencies identified in the control environment. An action plan to address these weaknesses had been agreed with management.

Members of the Committee expressed concerns about the delay in readying the statements for approval and the limited time available to consider the lengthy documents. It was responded that the statements were broadly unchanged from the draft version circulated to Members in July 2017 and the reasons for the delays in completing the external audit process were explained. These included the treatment of group accounts with Slough Urban Renewal and the time taken by BDO to provide their audit conclusions. Members were assured that papers had been circulated to them as soon as they had become available. The Council would appear on a published list of authorities that had not had their accounts signed off by the end of September and would be exposed to some reputational damage as a result, however, there were no direct impacts of failing to meet this deadline. Assurance was provided that plans were already in place to improve the working processes for next years accounts. The Committee noted that if the external auditor was not satisfied about the progress made on implementing the plans than a statutory notice could be submitted to full Council. It was agreed that a tracker document outlining a timetable of actions (including monitoring progress) to ensure the financial statements 2017-18 were completed by the statutory deadlines would be circulated to the Committee.

Members discussed the qualified opinion in relation to the use of resources, and Ms Combrinck highlighted the key issues identified on informed decision making and partnership working with Slough Children's Services Trust. BDO was satisfied that action was being taken make progress on the weaknesses but the opinion was based on activity during 2016-17 and assurance could not be provided until the matters were reviewed again as part of the 2017-18 audit.

At the conclusion of the discussion, the Committee approved the Council's financial statements for the year ended 2016-17, subject to any minor final adjustments.

Resolved – That the Council's financial statements for the 2016-17 financial year be approved.

28. External Auditors Annual Audit Report

The Committee received and noted the External Auditors Audit Findings Report for the year ended 31st March 2017. The key findings of the report had been summarised, considered and noted alongside the previous item on the Financial Statements 2016-17 (Minute 27 refers).

In relation to the identified weaknesses on information governance, which had contributed to the qualified use of resources opinion, it was noted that the relevant officers would be invited to the next meeting of the Committee to discuss the position in further detail. Members asked about the lessons that had been learned about some of the issues identified and the Director of Finance & Resources explained the actions taken including the review of contract management and engagement of RSM to provide further support and advice in a number of areas.

Resolved – That the External Auditors' Audit Findings Report for the year ended 31 March 2017 be noted.

29. Audit and Risk Management Update - Quarter 3 2017/18

The Director of Finance & Resources introduced a report that updated Members on the progress of finalising draft Internal Audit reports, the implementation of Internal Audit recommendations and the draft Risk Register.

The timeliness for finalising internal audit reports continued to significantly improve from previous levels and the number of implemented recommendations had increased to 67%, up on the 61% report at the previous meeting of the committee. The number of Management Actions where "No Action" had been taken had reduced from 25% to 13% since the last report. The Head of Internal Audit commented that the stated figure of 67% of management actions that had been completed was part of the Council's tracking process, not verified by internal audit, but that RSM conducted quarterly reviews and follow up audits.

A Member expressed concern about the outstanding actions relating to Business Continuity and IT Disaster Recovery. It was recognised that the long term sickness absence of the key member of staff responsible for implementing the actions arising from the audit was the reason for the lack of progress, however, it was queried why a back up plan or system was not put in place to mitigate the known risks. The Director responded that Arvato had now put back up servers in place and the Committee agreed that the Service Lead for Digital and Strategic IT, Simon Pallet, and the Business Continuity Manager, Dean Trussler, be invited to the next meeting, to provide an update on outstanding audit actions relating to both Business Continuity and Information Governance.

At the conclusion of the discussion, the report was noted.

Resolved – That the Audit & Risk Management Update for the 3rd Quarter of 2017/18 be noted.

30. Corporate Fraud Update Quarter 3 2017/18

The Committee received an update report on the counter fraud activity of the Council in the 3rd Quarter of 2017/18. The Corporate Fraud Team had dealt with 207 enquiries of various types of fraud during the period. This was an increase on the previous levels due to the increased responsiveness since the appointment of an Intelligence Officer.

Members were informed that these enquiries were leading to a number of investigations, prosecutions and other penalties as the Council sought to tackle fraud. The Committee welcomed the proactive approach that was being taken and the report was noted.

Resolved – That the activity and outcomes of the Corporate Fraud Team as detailed in the report be noted.

31. Internal Audit Progress Report

The Head of Internal Audit introduced the Internal Audit Progress Report summarising the position against the Internal Audit Plan for the period up to 24th November 2017. In relation to the 2016/17 Plan, two reports remained in draft and were in the process of being finalised. Ten reports from the 2017/18 Plan had been finalised since the last meeting, 9 of which had received positive opinions with 1 partial assurance opinion (Neighbourhood Anti-Social Behaviour Enforcement).

Members asked a number of questions about the finding of the advisory review of AMEY contract management that there had been a discrepancy in the indexing of the contract which resulted in a potential overcharge to the Council of £2m. The matter was with the Council's legal team and the options for recovering any overpayment were being explored. Members expressed concern about how the issue had occurred and what steps had been taken to address the issue and learn the lessons. The Director of Finance & Resources stated that he had requested the review upon starting with the Council. The issue occurred in 2010 and it may not now be possible to recover any claim. However, as it had been identified before the end of the contract the Council had withheld some monies and were negotiating with AMEY as part of the exit of the contract. In light of the discrepancy, and the overpayment as part of the libraries contract, the Council had reviewed its contract management procedures and the internal auditors, RSM, and the legal department were advising on any further measures that could be taken to improve the processes in the future.

At the conclusion of the discussion, the report was noted.

Resolved – That the Internal Audit Progress Report be noted.

32. Settlement Agreements

The Interim Monitoring Officer introduced a report that provided the further information requested by the Committee at its previous meeting on the number of settlement agreements that were not the result of compulsory redundancies.

The figures provided included the number of compulsory redundancies and other agreed exit packages by pay band and the total cost for each of the past four financial years. It was noted that the vast majority of exit packages had been statutory payments with only 5 out of 102 above the statutory level in the years between 2013/14 to 2016/17. The Committee noted the report.

Resolved – That the report be noted.

33. Members Attendance Record 2017/18

Resolved - That the Members' Attendance Record be noted.

34. Date of Next Meeting - 8th March 2018

It was noted that the next scheduled meeting would be held on 8th March 2018.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 7.44 pm)

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SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 8 March 2018

CONTACT OFFICER: Sushil Thobhani, Service Lead (Governance) & Deputy Monitoring Officer

(For all enquiries) (01753) 875036

WARD(S): All

PART I
FOR INFORMATION AND ACTION

GOVERNANCE REVIEW

1 **Purpose of Report**

The purpose of this report is to:

- Inform the Committee of the resolution passed by the Council at their Extraordinary General Meeting on 19 December 2017 to commission the Committee to undertake a full review of the Council's governance arrangements; and
- To seek the Committee's agreement to the suggested approach to the review requested by the Council set out in this report

2 **Recommendation(s)/Proposed Action**

The Committee is requested to note this report and to agree the approach to the governance review requested by the Council as set out in this report.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The delivery of all these strategic priorities is dependent on the highest possible standards of openness, honesty and accountability. This is underpinned by good governance arrangements being in place.

4 **Other Implications**

(a) **Financial**

There are no financial implications arising from this report.

(b) **Human Rights Act and Other Legal Implications**

(c) **Equalities Impact Assessment**

There is no identified need for an EIA arising from this Report.

5 **Supporting Information**

- 5.1 On 19 December 2017 the Council agreed a motion relating to governance which, inter alia, resolved to commission the Committee to undertake a full review of the Council's governance arrangements. The full printed minutes of the Council's resolution are appended to this report as Appendix A.
- 5.2 The Council's motion expresses the sentiments and aspirations motivating their desire for the review of their governance arrangements and the outcomes they desire to promote from such a review.
- 5.3 The background to the Council's motion was the need in the preceding months to make a permanent appointment to the position of the Council's Chief Executive and Head of Paid Service and the strong partisanship and actions generated on both sides by the process to that end.
- 5.4 That process and those actions inflicted a strong test on the Council's governance arrangements which lead to the desire for their review.
- 5.5 This report would suggest that the following areas of the Council's governance arrangements were revealed as appropriate for review by this test or are otherwise appropriate for review and that the Committee so agree:
- the Council's Constitution generally
 - the process for the appointment of Head of Paid Service
 - the process for Members' access to information and to Council documents
 - the use by Members and Officers or former officers of the rights to request information under the Freedom of Information Act 2000 or the Data Protection Act 1998
 - The culture of behaviours by members and officers and how to promote desired behaviours and to imbed them
- 5.6 At its Extraordinary General Meeting on 19 December 2017 the Council resolved that the Chartered Institute of Personnel and Development (CIPD) carry out an independent review of the 2017 Chief Executive appointment process and that its report inform the permanent recruitment to the Chief Executive post. The CIPD carried out its review and their report was presented to the Council at its meeting on 30 January 2018 and it is appended to this Report as Appendix B. That report concluded that the process adopted was a standard process for this level of appointment. This report would suggest, therefore, that no change to this process is required.
- 5.7 There have been recent revisions to parts of the Constitution, as the Committee will be aware, for example to the Confidential Whistleblowing Code and to the Councillors' Code of Conduct. It is also generally acknowledged that the Constitution needs substantial revision to reflect the Council's new Senior Management Structure. The Member Panel on the Constitution has agreed to a comprehensive report to be presented at their next meeting on 10 April dealing with all revisions which have been identified as being necessary to the Constitution. This report would suggest that the work carried out in relation to that exercise feed into the Committee's review of the Council's governance arrangements.

- 5.8 The Council have recently experienced a significant increase in requests being submitted to the Council by members, officers and former officers under the Freedom of Information Act 2000 and the Data Protection Act 1998 which is placing a considerable administrative strain upon the Council. It is the view of senior managers that this practice is adopted as an illegitimate and distractive tactical ploy in connection with perceived grievances with the Council or individual officers and is designed to try and cause undue embarrassment and to side step the requirements relating to members' right to information and documents in the Local Code Governing Relations between Members and Council Employees. This is a matter forming part of the culture of behaviours referred to above and this report would suggest that this is an appropriate matter for review by the Committee as part of its review.
- 5.9 It is considered that the adoption of the approach proposed in this report will address the sentiments and aspirations expressed by the Council and will contribute to the achievement of the outcomes desired by them and expressed in their motion.

6 **Conclusion**

In conclusion the Committee is asked to note the Council's motion and resolution for the Committee to undertake a full review of the Council's governance arrangements and to agree to the approach suggested in this report so that a more granular report may be brought back to the Committee upon the matters contained in this report.

7 **Background Papers**

None

Appendices

Appendix A – Printed Minutes of the Council's Resolution

Appendix B – CIPD Report

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MINUTES OF COUNCIL PROCEEDINGS

At an Extraordinary Meeting of the Council for the Borough of Slough held at the Meeting Room 1, Chalvey Community Centre, The Green, Chalvey, Slough, SL1 2SP on Tuesday, 19th December, 2017 at 7.50 pm

Present:- The Worshipful the Mayor (Councillor Shah), in the chair; Councillors Ajaib, Anderson, Bains, Bal, Brooker, Carter, Cheema, Chohan, Coad, Dar, Davis, Amarpreet Dhaliwal, Arvind Dhaliwal, M Holledge, N Holledge, Hussain, Matloob, Nazir, Pantelic, Parmar, Plenty, Rana, Sadiq, A Sandhu, R Sandhu, Sarfraz, Sharif, Smith, Sohal, Strutton, Swindlehurst, Usmani and Wright.

Apologies for Absence:- Councillors Bedi, Chahal, Chaudhry, Kelly, Mann, Qaseem and Rasib.

49. Declarations of Interest

Councillor Bal declared that his daughter worked for Slough Borough Council.

50. To Consider Motions Submitted regarding Governance and Postal Votes.

Governance Motion

It was moved Councillor Swindlehurst,
Seconded by Councillor Strutton

“This Council recognises that:

- Good governance ensures we are doing the right things, in the right way, for the right people in pursuing our vision for Slough.
- Good governance leads to good management, high standards of performance, efficient stewardship of public money and ultimately the right outcomes for our residents and service users
- Good governance must include all members of the council- majority and opposition groups -and be embedded in the core operating functions of the Council and applied with the necessary transparency.

Therefore this Council resolves to:

- Tackle the significant governance issue facing the authority.
- To ensure its governance arrangements are resilient, open, honest, inclusive and accountable.
- Commission the Audit and Corporate Governance Committee to undertake a full review of the Council's governance arrangements.”

The motion was put the vote and carried unanimously.

Resolved –

This Council recognises that:

- Good governance ensures we are doing the right things, in the right way, for the right people in pursuing our vision for Slough.
- Good governance leads to good management, high standards of performance, efficient stewardship of public money and ultimately the right outcomes for our residents and service users
- Good governance must include all members of the council- majority and opposition groups -and be embedded in the core operating functions of the Council and applied with the necessary transparency.

Therefore this Council resolves to:

- Tackle the significant governance issue facing the authority.
- To ensure its governance arrangements are resilient, open, honest, inclusive and accountable.
- Commission the Audit and Corporate Governance Committee to undertake a full review of the Council's governance arrangements.

Postal Votes Motion

It was moved by Councillor Swindlehurst,
Seconded by Councillor Bains,

“This Council requests that the Returning Officer liaise with the Cabinet Office to design a brief for a pilot scheme to be trialled at the 2018 in local elections in Slough- with the pilot containing measures to strengthen the integrity of the postal vote system, help tackle fraud, and improve voter confidence.”

The motion was put the vote and carried unanimously.

Resolved – This Council requests that the Returning Officer liaise with the Cabinet Office to design a brief for a pilot scheme to be trialled at the 2018 in local elections in Slough- with the pilot containing measures to strengthen the integrity of the postal vote system, help tackle fraud, and improve voter confidence.

Chair

(Note: The Meeting opened at 7.50 pm and closed at 8.14 pm)



**Review of the CEO
recruitment process**

**For the attention of Slough Borough Council
18th January 2018**

Prepared by Jackie Alexander LL.B, Chartered FCIPD

Review of the CEO recruitment process for Slough Borough Council

Introduction

This report has been commissioned by Surjit Nagra on behalf of Slough Borough Council. CIPD were asked to review the most recent recruitment process for the CEO. We have provided an overview of the key principles underpinning standard CEO recruitment and reviewed the process recommended by Penna.

Important to note: As a professional institute, while we can help with advice and training on HR practices, we do not comment on how these are specifically carried out nor on the quality of decision making that arises from these processes – in this case, the hiring of your CEO.

Standard practice for senior level recruitment

It is standard practice for senior level recruitment to use a third party consultancy. This is a combined activity between the consultancy and the employer - with the consultancy recommending process and the employer choosing which elements to change to suit their internal culture.

The process begins once a consultancy has been chosen, some organisations will do this by competitive tender, others by going directly to a consultancy that they have used before. Key to this is the consultancy's knowledge of the specific market and awareness of current trends.

It is the employer who usually produces the job pack to go to candidates and identifies core competencies but the method of candidate attraction will be jointly decided with advice from the consultancy based on market research. Often an employer will require a microsite to be developed and in this case the consultancy will do the work.

It is standard for a consultancy to handle all enquiries from prospective candidates and take in and acknowledge applications. The consultancy will have agreed timescales and the screening criteria/competencies with the employer. After the closing date they will evaluate applications against these criteria and produce the long-list of candidates to be considered. They will also have agreed the rating terminology for candidates on this list and throughout the process.

In setting up the process there are a considerable range of activities that can be used to evaluate candidates and these can include personality and psychometric testing. There are a large number of test providers and ultimately it is the consultancy that advises, and the employer who chooses, which to use and at what stage in the process.

Similarly interview structure and the number of interviews will depend upon the employer culture. There can be screening interviews carried out by the consultancy in person or by phone, a varying number of employer interviews either one to one or by panels and assessment days managed by the consultancy. The consultancy will provide advice on this and, once the employer decides how they want to proceed, will manage the process, providing written guidance.

Standard practice is for the consultancy to provide full written reports on who to take forward at each stage of the process - both comparative and on individual candidates. These will be discussed with the employer. The reports will contain recommendations and it is the employer who decides whether to accept them or not.

Any interview panels should receive training either from the consultancy or internally. Often the consultancy will provide questions for the panels. At interview the employer can ask the consultancy to take notes or provide an internal resource to do so.

At all stages the consultancy will manage the candidates, either rejecting them or taking them through to the next stage and ultimately to referencing and negotiating the offer.

Review of the selection process for Slough Borough Council's CEO

***Please note:** In the first discussion with Slough Borough Council about this work, I was made aware that Penna advised on the recruitment process. I declared that I had worked with Penna in the past, in previous roles. As I had never worked with the Penna Consultant Julie Towers who advised the Council, it was confirmed by Belinda Colins that there was no conflict of interest.*

In conducting this review, I have spoken to Belinda Collins for an initial briefing and Surjit Nagra, both employees of Slough Borough Council. With the Council's permission, I have received relevant documentation and spoken to Julie Towers from Penna, the consultant responsible for the recruitment exercise. All discussions have been over the phone.

I have also reviewed a number of documents pertaining to the recruitment process (as referenced below).

I comment as follows:

1. The invitation to quote from Slough Borough Council and the tender response from Penna. I cannot comment on this part of the exercise, as I am not a procurement specialist.
2. Papers written by Surjit Nagra to the Council dated:
 - a. 31st January 2017 asking for approval of the job description and advertisement
 - b. 31st January 2017 outlining the process to be followed
 - c. 20th and 26th June 2017 relating to the appointment of the various committees that were involved in the process.These papers follow a standard Council format and the content is clear.
3. The Council Recruitment and Selection Policy: this is a clear document
4. The Penna documentation:
 - a. The Job Pack provided by the Council: Julie Towers told me that Penna managed the development of the micro site which was used to attract candidates and also candidate enquiries.
 - b. The longlist pack dated 31st August 2017 and meeting details.
 - c. Watson Glaser Critical Thinking test results. Watson Glaser is a well-known test supplier.
5. Technical interview reports by Penna

- a. Penna briefing papers for panels. Panel training was carried out internally by the Council and has not been reviewed.
- b. Initial interview questions for panels and notes taken at the interviews
- c. Interview and assessment reports on individual candidates
- d. Shortlist reports
- e. Final interview timetable

Conclusion

My conclusion is that the Penna process is a standard process for this level of recruitment and all reports are written in a clear fashion.

About Jackie Alexander

Jackie Alexander is a Chartered Fellow of the CIPD and a solicitor. She is an HR consultant, coach and trainer. Jackie has held a number of senior HR positions, namely Managing Director Resources LCH. Clearnet, a leading Clearing House; Recruitment Partner PricewaterhouseCoopers, HR Director BBC Worldwide, interim HR Director at the Royal Automobile Club. She started her career at British Airways and then worked in local authority and the NHS. Jackie is a Chair on Nursing and Midwifery Council fitness to practice hearings; chairs CIPD investigations and until December 2014 was a member of the General Dental Council Appointments Committee.

Training, education and qualifications

LL.B Southampton University

Solicitor

Chartered Fellow, Institute of Personnel and Development

British Psychological Society, Certificate of Competence in Occupational Testing

Accredited AOEC coach

SLOUGH BOROUGH COUNCIL**REPORT TO:** Audit & Corporate Governance Committee**DATE:** 8 March 2018**CONTACT OFFICER:** Sushil Thobhani, Service Lead (Governance) & Deputy Monitoring Officer**(For all enquiries)** (01753) 875036**WARD(S):** All**PART 1**
FOR INFORMATION**SCHEDULE OF ACTIVITY – COUNCILLORS’ CODE OF CONDUCT****1 Purpose of Report**

The purpose of this report is to update members of the Committee on the activity undertaken by the Council’s Monitoring Officer in relation to the Councillors’ Code of Conduct.

2 Recommendation(s)/Proposed Action

The Committee is requested to note details of the report.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The delivery of all these strategic priorities is dependent on the highest possible standards of openness, honesty and accountability. This is underpinned by The Confidential Whistleblowing Code, the Councillors’ Code of Conduct and good governance arrangements being in place.

4 Other Implications**(a) Financial**

There are no financial implications arising from this report save as may be identified below.

(b) Human Rights Act and Other Legal Implications

The law relating to Councillors’ conduct is contained in the Local Government Act 2000.

(c) Equalities Impact Assessment

There is no identified need for an EIA arising from this Report.

5 Supporting Information

- 5.1 Since the last report to the Committee upon this subject on 11 October 2017 the revised Councillors' Code of Conduct, which was considered by the Committee on that date, has been approved by the Council at their meeting on 19 December 2017. The revised Code as approved by the Council is appended to this Report
- 5.2 At their meeting on 19 December 2017 the Council designated Mr. Hugh Peart to be the Council's Interim Monitoring Officer with effect from 1 January 2018 and Linda Walker the previous Interim Monitoring Officer has now left the Council.
- 5.3 The new Monitoring Officer and Deputy Monitoring Officer have now reviewed the complaints records and have met with Dr Lee, the Independent Person, to appraise him of the outstanding complaints and of actions taken in respect of them to date and of the intended actions for their resolution.
- 5.4 The following table contains a summary of these outstanding complaints and of the actions / intended actions for their resolution where an outcome is still pending.

Ref	Subject Member – Borough/Parish	Complainant	Code Provision	Action taken/intended action	Outcome
1.	Borough Councillor	Parish Councillor	2.1 – Treating others with respect	Informal Resolution. Monitoring Officer to write to parties informing them of duties of mutual respect under the code and to close matter thereafter.	Matter to be closed.
2	Borough Councillor	Borough Councillor	4.1 - Predetermination and bias Breach of Nolan Principles - Principles 2 -5 2.2 – Bullying and harassment 2.9 – disclosure of confidential information	Formal Investigation already commenced. Final Report awaited. Monitoring Officer to review matters following final report.	To be determined
3	Borough Councillor	Borough Councillor	4.1 Predetermination and Bias Breach of Nolan	Formal Investigation already commenced.	To be determined.

			Principles – Principles 1-3 & 5-6	Final Report awaited. Monitoring Officer to review matters following final report.	
4	Borough Councillor	Councillor Officer	2.1- Breach of duty to treat others, including Council Officers with respect.	Monitoring Officer to seek to resolve complaint informally.	To be determined
5	Borough Councillors	Borough Councillor	2.9 – Disclosure of Confidential Information	Formal Investigation already commenced. Monitoring Officer to review matters following receipt of report of investigation.	To be determined
6	Borough Councillor	Borough Councillor	2.4 – Breach of duty not to bring the Council or Office as a Member into disrepute.	Formal investigation already commenced. Provisional findings made. Following discussions with Monitoring Officer Complainant wishes to withdraw complaint.	Complaint to be withdrawn.
7	Borough Councillors	Council Officer	2.9 - disclosure of confidential information	Formal Investigation already commenced. Provisional findings made. Monitoring Officer to review matters following receipt of final	To be determined

				report	
8	Parish Councillor	Former Parish Councillor	2.4 – Breach of duty not to bring Council into disrepute. 2.6 – breach of duty to uphold the law including the general law against discrimination.	Monitoring Officer to conduct initial enquiries to consider whether formal enquiry is merited.	To be determined.
9	Parish Councillor	Parish Councillor	2.2 – breach of duty against bullying and harassment	Initial enquiry. Formal Complaint form not returned despite long lapse of time.	Matter Closed
10	Borough Councillor	Former Council Officer	2.1 – breach of duty to treat others, including Council officers with respect. 2.6 – breach of duty to uphold the law	Monitoring Officer to consider prospects for Informal resolution.	To be determined.
11	Borough Councillor	Resident of the Borough	2.1 – breach of duty to treat others with respect. 2.3 – breach of duty not to compromise impartiality of Council Officer 2.5 – breach of duty improperly secure advantage for another person.	Monitoring Officer to consider matters to determine whether formal investigation is merited.	To be determined.
12	Borough Councillor	Borough Councillor	2.1 breach of duty to treat other members respect.	Monitoring Officer to seek to resolve complaint informally	To be resolved informally.
13.	Borough Councillor	Council Officer	2.1 - Breach of duty to treat others with respect.	Monitoring Officer to consider matters to determine	To be determined

			<p>2.4 - Breach of duty not to bring Council into disrepute.</p> <p>2.5 – Breach of duty to uphold law including general law against discrimination,</p>	<p>whether formal investigation is merited.</p>	
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6 **Conclusions**

The Committee is requested to note this report which seeks to summarise the present position with outstanding complaints under the Councillors' Code of Conduct and actions proposed for their resolution.

7 **Background Papers**

None

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SLOUGH BOROUGH COUNCIL**REPORT TO:** Audit & Corporate Governance Committee**DATE:** 8 March 2018**CONTACT OFFICER:** Sushil Thobhani, Service Lead (Governance) & Deputy Monitoring Officer**(For all enquiries)** (01753) 875036**WARD(S):** All**PART 1**
FOR INFORMATION**LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN – COMPLAINTS, FINDINGS AND RECCOMENDATIONS****1 Purpose of Report**

The purpose of this report is to update members of the Committee on complaints to the Local Authority and Social Care Ombudsman and his findings and recommendations since the last report to the Committee on this subject on 16 March 2017.

2 Recommendation(s)/Proposed Action

The Committee is requested to note the contents of this report and the Council's actions consequent upon the Ombudsman's findings and recommendations.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The delivery of all these strategic priorities is dependent on the highest possible standards of openness, honesty and accountability. The Council's learning and actions in response to these findings and recommendations will serve to enhance the delivery of these priorities.

4 Other Implications**(a) Financial**

There are no direct financial implications arising from this report save as appear below in paragraph 5.4.

(b) Human Rights Act and Other Legal Implications

The law relating to the Local Government and Social Care Ombudsman is contained in the Local Government Act 1974 as amended.

(c) Equalities Impact Assessment

There is no identified need for an EIA arising from the subject matter of this Report.

5 Supporting Information

5.1 Under the Local Government Act 1974 the Local Government and Social Care Ombudsman can investigate any alleged or apparent:

- maladministration in connection with the Council's administrative functions
- failure in a service which it was the Council's function to provide
- failure to provide a service which it was the Council's function to provide
- failure in a service provided by the Council under its public health functions; or
- Failure to provide a service under the Council's public health functions.

5.2 The Ombudsman can prepare a report following his or her investigation which may include recommendations of actions for the Council to take to remedy the maladministration including a recommendation to pay monetary compensation to the complainant. The Ombudsman does not have formal legal powers to enforce compliance by the Council with his recommendations. Failure by the Council to comply with the recommendations could, however, result in the issue by the Ombudsman of a formal public interest report about the complaint, naming the Council. This report must be made available to the public and advertised in the local press covering the Council's area. If the Council do not agree to carry out the recommendations in the report the Ombudsman will issue a further report. After this, if the Council still do not take satisfactory action they must publish a statement in a local newspaper explaining why they have refused to follow the Ombudsman's recommendations.

5.3 Under the Monitoring Officer Protocol in Part 5.6 of the Council's constitution Directors must consult the Monitoring Officer prior to making any compensation payments for alleged maladministration found against the Council and Directors and Members must report any breach of statutory duty or material breach of Council policy/procedures and other vices or constitutional concerns to the Monitoring Officer as soon as reasonably practicable.

5.4 The following table summarises the complaints, findings, recommendations and outcomes in relation to complaints made to him concerning the Council since the last report to the Committee on this subject on 16 March 2017.

No.	Nature of complaint	Council Function Involved	Findings, recommendations and outcome
1	Dissatisfaction with the Council's decision in relation to allocation of housing under Part 6 of the Housing Act 1996	Housing	Decision by the Ombudsman that the complaint did not merit investigation
2	Dissatisfaction with the Council's decision in relation to allocation of housing under Part 6 of the Housing Act 1996	Housing	Decision by the Ombudsman that the complaint did not merit investigation
3	Dissatisfaction with the Council's decision in relation to the Council's duties to homeless	Housing	Decision by the Ombudsman that the complaint did not merit

	person or persons threatened with homelessness under Part 7 of the Housing Act 1996		investigation
4	Council delayed by seven months giving the Complainant access to her goods which the Council had put into storage under their duty to protect the loss of a homeless person's goods under Section 211 of the Housing Act, once she had found permanent housing and to collect a dining table to place into storage and caused damage to some shelves whilst in storage causing her hardship.	Housing	Findings by the Ombudsman that the delay in getting access was not the Council's fault but the failure to collect the dining table to place in to storage and the damage to the shelves whilst in storage was the Council's fault. The Ombudsman recommended that the Council do within six weeks of the decision (14.02.18) apologise to the complainant and pay her a contribution of £200 towards replacing the dining table and shelves. The Council will comply with these recommendations.
5	Complaint related to moving houses The Complainant complained that the time allowed by the Council for her to move into her new property (4 weeks) was too short, the payment received for moving was inadequate and that the property allocated required substantial decorative improvements.	Housing	The Ombudsman found maladministration on the grounds that the Council let the property without ensuring that it met its policies. He made recommendations for an apology by the Council, payment of £150 compensation, a refund of two weeks' rent and further staff training to ensure familiarity with policies. The Council complied

			with the recommendations.
6	Complaint related to a child with Special Education Needs. The complaint was that a care package was removed without notice and not restored for two years, that transport provision was lost, that a social worker was not appointed, that an EHC Plan (Education, Health & Social Care Plan) was initially not issued and then a poor EHC Plan was issued.	Education	Findings by the Ombudsman that he would not investigate the complaint relating to the poor EHC Plan and the loss of transport for reasons given. Findings by him that the other matters of complaint were the Council's fault and caused injustice to the complainant. Recommendations made that the Council apologise and pay to the complainant within one month of the decision (18.01.18) £1,350 for loss of contact and socialisation and should the Council fail to restore speech therapy sessions from mid January then £100.00 per month would be payable until the sessions are restored. The Council have complied with these recommendations.
7	Complaint relates to the period 2009 to 2016, following the Complainant's escape from a long period of childhood domestic slavery where the Ombudsman exercised his discretion to investigate a complaint outside the normal 12 month period for making	Children's Services	The Ombudsman found that the Council had already apologised and that although the Council did not originate the original distress it had compounded it by it not assisting the Complainant to trace her mother

	<p>complaints. The Council had already investigated the complaint and accepted it had failed in a number of ways and had apologised to the complainant and offered the complainant £500. The Council had accepted that what went wrong related to failure to deal adequately with the Complainant's housing situation, failure to advise her adequately about the extent of her care leaver's grant and failure to tell her about what happened to the person who enslaved her or to help her trace her mother.</p>		<p>between 2009 and 2013 and causing avoidable uncertainty about her housing situation. He closed the case on the basis of agreed action whereby the Council would pay the Complainant £1000 for the injustice found. The Council have carried out the agreed action.</p>
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6 **Conclusion**

The Committee is requested to note that decisions relating to allocation of housing and discharge of its duties to homeless applicants now appear to be being made on a sounder basis leading to the Ombudsman deciding not to investigate complaints but that learning from the investigations in the areas of the protection of the goods of homeless persons, the compliance of properties with policies and the other function areas identified was required.

7 **Background Papers**

The Local Government and Social Care Ombudsman's decision notices.

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SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 8 March 2018

CONTACT OFFICER: Sushil Thobhani, Service Lead (Governance) & Deputy Monitoring Officer

(For all enquiries) (01753) 875036

WARD(S): All

PART 1
FOR INFORMATION

SCHEDULE OF ACTIVITY – REGISTRATION OF MEMBERS WITH THE INFORMATION COMMISSIONER’S OFFICE AND INSPECTION AND REPORT BY THE INVESTIGATORY POWERS COMMISSIONER’S OFFICE

1 Purpose of Report

The purpose of this report is to update members of the Committee on the activity undertaken by the Council’s Monitoring Officer in relation to:

- registration of Members with the Information Commissioner’s Office (ICO); and
- an inspection and report by the Investigatory Powers Commissioner’s Office (IPCO)

2 Recommendation(s)/Proposed Action

The Committee is requested to note details of the report.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The delivery of all these strategic priorities is dependent on the highest possible standards of openness, honesty and accountability. This is underpinned by good governance arrangements being in place.

4 Other Implications

(a) Financial

There are no financial implications arising from this report save as identified below in paragraphs 5.1.3 to 5.1.5.

(b) Human Rights Act and Other Legal Implications

The law relating to registration of Data Controllers with the ICO is contained in the Data Protection Act 1998, that relating to investigatory powers and the oversight of their use is contained in the Regulation of Investigatory Powers Act 2000 (“RIPA”) and the Investigatory Powers Act 2016.

(c) Equalities Impact Assessment

There is no identified need for an EIA arising from this Report.

5 Supporting Information

5.1 Registration of Members with the Information Commissioner's Office (ICO)

5.1.1 The ICO consider that all elected Members are required to be individually registered with the ICO as Data Controllers under the Data Protection Act 1998.

5.1.2 The ICO guidance to elected and prospective councillors is that when councillors sit on a Council committee (for instance to decide whether a taxi licence should be renewed or a council tenant should be evicted) then the data is processed as part of the Council's statutory function and will be covered by the Council's data protection registration. In the discharge of their duties to constituents, however, Councillors determine how they deal with constituents' complaints and respond to issues raised by constituents. It is individual Councillors who diarise surgery appointments, correspond as they see fit on behalf of their constituents and determine how and why that data is to be processed. The Council do not tell them how they should deal with the issues raised. There is a clear distinction between the councillor when he or she is a data controller in his/her own right when he or she is dealing with constituency casework (as he or she decides how personal data are handled) when he or she is carrying out duties as a representative of the Council rather than as a representative of his or her constituent.

5.1.3 It is the ICO's opinion, therefore, that elected councillors who process personal data electronically for the purpose of constituency casework are required to have their own registration under the terms of the Data Protection Act 1998.

5.1.4 Registration for individual councillors is annual and the current annual registration fee is £35.00.

5.1.5 In the circumstances, following consultation with the Monitoring Officer and Group Leaders, all current Members have been registered individually with the ICO in respect of their constituency work to ensure compliance by them with the Data Protection Act 1998 and all Members have been notified accordingly. It has been agreed that following the elections in May all new Members will be requested to authorise that the registration fee be deducted from their member allowance and that, on renewal, all existing members will be asked to do likewise.

5.2 Inspection and Report by the Investigatory Powers Commissioner's Office (IPCO)

5.2.1 The IPCO has regulatory duties to oversee the use of investigative powers by local authorities in the carrying out of their functions, and especially over the use of powers of obtaining evidence covertly.

5.2.2 The Council are subject to requirements to submit periodic returns to the IPCO about their use of such powers and to periodic inspections carried out by the IPCO. The last routine inspection was carried out by the IPCO on 4 April 2017.

5.2.3 The Council have a policy and procedural guidance for covert surveillance, which was updated on 24 March 2017, and minor amendments were made following the

IPCO inspection report received in May 2017 . The policy is published on the Council's intranet. Under this policy the Monitoring Officer is the Senior Responsible Officer (SRO) and the Council's Service Lead for Regulatory Services is the RIPA Co-ordinator.

- 5.2.4 Towards the end of 2017 the IPCO carried out a special inspection of the Council because of reports and judicial observations, in a safeguarding case concerning vulnerable persons involving the Council, that the Council may inadvertently have engaged in unauthorised covert surveillance in relation to that matter and also because of general concern at the IPCO in the previous two years that local authorities may be undertaking unauthorised covert surveillance in this area. The IPCO issued their report following this special inspection on 21 December 2017. Although the parties in this report are anonymised the identities of the vulnerable persons involved could be discovered and the IPCO asked that the Report remain confidential. It is not proposed, therefore, to exhibit that Report or to provide extensive details of that report herein.
- 5.2.5 The evidence obtained by the Council covertly in the case referred to above was admitted in evidence and as a consequence the safeguarding outcome desired by the Council in seeking to protect the vulnerable persons concerned was achieved, albeit that the judicial observations referred to above were made in that case.
- 5.2.6 The Report of the IPCO concluded that the procedures adopted in the case fell substantially short of that required of public authorities who engage in covert surveillance principally because insufficient consideration was given to the availability of RIPA authorisation for directed surveillance. Specifically, there was failure to seek advice from the Council's RIPA Officers, there was failure to access the Council's RIPA Covert Surveillance Policy and Procedural Guidance or to consider the Home Office RIPA forms, there was failure to ensure that the authoriser was a Council authorising officer who would have been fully trained, there was a failure to adequately articulate within the application prime the considerations required of such applications and a failure to identify the officer making the decision and a failure by the "authoriser" to articulate within the authorisation the essential elements of any authorisation including failing to state the issues considered in determining necessity, proportionality, collateral intrusion and what had been authorised and when, where and how the surveillance was to be undertaken.
- 5.2.7 The IPCO made recommendations for awareness to be raised within the Council and allied bodies of the requirement that RIPA authorisation should always be considered whenever surveillance is contemplated, to contact the RIPA officers for advice and to publicise their names and contact details, that officers are made aware that whenever authorisation for surveillance is considered the procedures outlined in the Council's RIPA Covert Surveillance Policy and Procedural Guidance are followed in conjunction with the Home Office forms (or a model based on those forms) the Codes of Practice and IPCO Procedures and Guidance, that all newly appointed officers who may have involvement in any form of investigation and irrespective of seniority are made aware of these recommendations as part of their induction, that officers authorising covert surveillance fully articulate in a written authorisation each relevant consideration they have made in reaching their decision, that (if available to the Council) any application to undertake covert surveillance should be made under the provisions of RIPA and that the Council ensure that all officers who may engage in the use of covert surveillance either as investigators, applicants or authorising officers are fully and regularly RIPA trained.

- 5.2.7 The procedures adopted in the case referred to above were used by officers who are not part of the Council's regulatory enforcement teams who are specifically used to engaging in carrying out investigations and gathering evidence and trained in RIPA requirements and procedures. Those officers were acting in novel and unfamiliar circumstances for the whilst they were seeking to discharge the Council's safeguarding duties and this inexperience and lack of training is recognised in the IPCO Report
- 5.2.7 The IPCO report also recognises that the Council's Service Lead for Regulatory Services was quickly astute to what had transpired and notes that actions have been taken by her to produce a flowchart which includes the procedure to be followed to initiate a non RIPA application/authorisation in such circumstances and has commenced the process to draft procedures to effect such actions. She has also prepared a briefing note for key managers to cascade down information to staff to alert them to the requirements of authorisation whenever covert surveillance is contemplated. She has also arranged training, which has already been undertaken, by authorising officers, investigating officers and by the officer who acted as the authoriser in the case referred to above. In addition, she has discussed with the IPCO Inspector other means of raising awareness throughout the Council and these have been proposed and accepted as being use of the Council intranet to regularly publish the basic requirement that RIPA authorisation should be fully considered whenever any form of surveillance is contemplated, regular widespread management cascading of RIPA information to staff and the use of RIPA learning modules.
- 5.2.8 The Council's Interim Chief Executive has also now written to the IPCO to thank them for their extremely thorough report and to confirm that actions have already been taken by the Council, that an improvement plan has been drawn up based upon the Report's recommendations which will ensure that awareness is maintained throughout the Council's teams of how similar situations should be dealt with in the future and where RIPA may apply, and that this matter would be reported to this Committee.

6 **Conclusions**

The Committee is requested to note this Report, the actions taken since the receipt of the IPCO Report and the actions proposed to be taken to ensure awareness of RIPA requirements across the Council and compliance with its requirements.

7 **Background Papers**

- A. Information Commissioner Office's Advice for Elected and Prospective Councillors The Data Protection Act (Version 3.0).
- B. IPCO Inspection Report dated 21 December 2017.

SLOUGH BOROUGH COUNCIL**REPORT TO:** Audit & Corporate Governance Committee**DATE:** 8 March 2018**CONTACT OFFICER:** Sushil Thobhani, Service Lead (Governance) & Deputy Monitoring Officer**(For all enquiries)** (01753) 875036**WARD(S):** All**PART I**
FOR INFORMATION**SCHEDULE OF ACTIVITY – WHISTLEBLOWING COMPLAINTS****1 Purpose of Report**

The purpose of this report is to update members of the Committee on the activity undertaken by the Council's Monitoring Officer in relation to Complaints received under the Confidential Whistleblowing Code.

2 Recommendation(s)/Proposed Action

The Committee is requested to note details of the report.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The delivery of all these strategic priorities is dependent on the highest possible standards of openness, honesty and accountability. This is underpinned by The Confidential Whistleblowing Code and good governance arrangements being in place.

4 Other Implications**(a) Financial**

There are no financial implications arising from this report.

(b) Human Rights Act and Other Legal Implications

The law relating to Whistleblowing is contained in the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998).

(c) Equalities Impact Assessment

There is no identified need for an EIA arising from the subject matter of this Report.

5 Supporting Information

- 5.1. The Committee at its meeting on 11 October 2017 received a report on the number and status of recent and current whistleblowing complaints and investigations. An update is provided at paragraph 5.1.4 below.
- 5.2 The Confidential Whistleblowing Blowing Code was reviewed and a revised code was incorporated into the Constitution in May 2017. “Whistleblowing” is the tem used when an employee passes on information concerning wrongdoing. The Council’s Whistleblowing Code also applies to members of the public.
- 5.3 The Code aims to encourage people to use the process with confidence so that legitimate concerns can be raised and addressed by the Authority so that standards can be improved within the organisation.
- 5.4 The following table sets out summary details of whistleblowing complaints since the last report to the Committee on this matter on 11 October 2017, their subject matter, actions taken and the outcome.

Ref	Complainant	Subject Matter	Action	Outcome
2017/E	Anonymous health worker employed by the Council’s incumbent contractor raised a whistleblowing complaint concerning the Council’s intention to award the contract, upon its expiry, to a new provider instead of to the incumbent provider following a tender process. The complainant questioned the competency of the proposed new contractor and stated the proposed award of the contract would endanger life.	Procurement of a new Public Health contract	The incumbent contractor itself raised the same concerns as their anonymous employee and issued proceedings in the High under the Public Contracts Regulations in order to obtain an automatic stay of the award of the contract by doing so. Eventually, through negotiations with the incumbent Contractor’s Solicitors those proceeding were withdrawn and the incumbent contractor paid the Council’s	No action was taken upon the Complaint because as part of dealing with the court proceedings it was possible to consider there merits of the complaint and to be satisfied that there was no cause for concern. The contract was awarded to the new contractor as part of the procurement process.

			costs. As part of the settlement the incumbent contractor was given the opportunity to meet with the Council's Head of Service to satisfy itself as to its concerns.	
2017/F	Anonymous complaint	Complaint alleges financial irregularities at a maintained school.	Investigations in to the complaint are being conducted at present.	Pending

6. **Conclusion**

Two Whistleblowing complaints have been received since the last report to the Committee. One raises no concerns meriting further investigation and the second is pending investigation.

7. **Background Papers**

None.

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SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 8th March 2018

CONTACT OFFICER: Neil Wilcox; Director, Finance & Resources (Section 151 Officer)

(For all Enquiries) (01753) 875368

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

AUDIT & RISK MANAGEMENT UPDATE – QUARTER 4 2017-20181. **Purpose of Report**

The purpose of this report is to:

- Report to members on the progress of finalising draft Internal Audit reports
- Report to members on the progress of the implementation of Internal Audit recommendations
- Note and comment upon the Corporate Risk Register

2. **Recommendation(s)/Proposed Action**

That details of the Internal Audit Reports and implementation of recommendations and the Corporate Risk Register be noted.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The [Slough Joint Wellbeing Strategy](#) (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

3a. **Slough Joint Wellbeing Strategy Priorities –**

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the emerging Community Strategy Priorities

Priorities:

- *Economy and Skills*
- *Health and Wellbeing*
- *Regeneration and Environment*
- *Housing*
- *Safer Communities*

3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

4. **Other Implications**

(a) Financial

There are no financial implications of proposed action

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit & Risk Committee is requested to comment on and note the attached reports</i>	<i>This report concerns risk management across the Council</i>	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

(d) Equalities Impact Assessment

There is no identified need for an EIA

5. **Supporting Information**

5.1 **Finalising Internal Audit Reports**

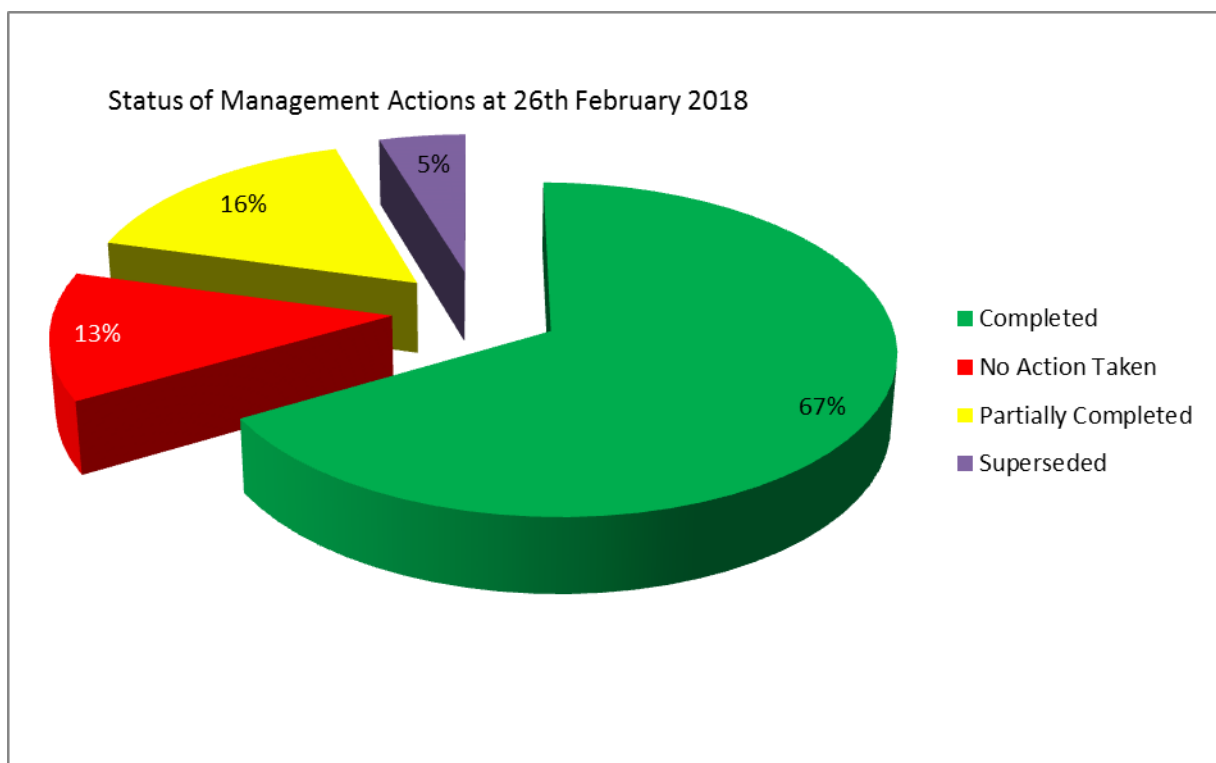
5.1.1 The table below shows those Internal Audits that remain in draft and are yet to be finalised as at 6th February 2018

Audit	Audit Plan Year	Audit Sponsor	Assurance Level	Date to be Finalised by	Comments
Chalvey Early Years	16/17	Cate Duffy	Reasonable Assurance		No response from Nursery
Budgetary Control	17/18	Neil Wilcox	Partial Assurance	4 th Jan 2018	On going discussion between RSM and Neil Wilcox
Council Tax	17/18	Neil Wilcox	Reasonable Assurance	20 th December 2017	Awaiting submission of amended draft
Debtors	17/18	Neil Wilcox	Partial assurance	6 th February 2018	SBC unable to agree the draft report as it stands
Rent Accounts	17/18	Neil Wilcox	Reasonable Assurance	3 rd January 2018	With Neighbourhood

Audit	Audit Plan Year	Audit Sponsor	Assurance Level	Date to be Finalised by	Comments
					Services to be finalised
Purchasing Cards	17/18	Neil Wilcox	Reasonable Assurance	23 rd February 2018	With RSM To be agreed
Fixed Penalty Enforcement	17/18	Mike England	Partial assurance	5 th February 2018	With Neighbourhood Services to be finalised

5.2 Monitoring Management Actions

5.2.1 The Risk and Insurance Officer regularly monitors the progress of the implementation of made following Internal Audit reports. Below is a graph that shows the percentage of recommendations that have either been implemented, are in progress, no action has been taken, or the recommendation has been superseded.



5.2.2 Attached at Appendix 1 is a list of outstanding High and Medium actions that are outstanding

5.2.3 The number of implemented recommendations remains at the same level of 67% as reported to the previous Audit and Corporate Governance committee.

The number of Management Actions where “No Action” also remains the same at 13%

It needs to be noted that the results of the last few Follow Up audits have not been encouraging. There are several incidence where and actions have been

reported as complete but the Follow Up audit can find nothing to evidence that fact.

- 5.2.4 Attached at Appendix 2 is a list of the “High” Recommendation Actions that remain Outstanding past the target date. Currently there are 4 High Actions that are partially complete and 6 where No Action has been taken

At the last Committee it was reported that there was 9 “High Risk” recommendations incomplete.

- 5.2.5 At Appendix 3 there is a graph that shows the status of Internal Audit management actions by risk rank.

5.3 Corporate Risk Register

- 5.3.1 A copy of the Corporate Risk Register is attached at Appendix 4.

6. Comments of Other Committees

There are no comments from other Committees

7. Conclusion

Member are requested to comment on the note the reports.

8. Appendices Attached

Appendix 1 – Status of Internal Audit Management Actions

Appendix 2 – Details of High Rated Recommendations

Appendix 3 – Graph of status of Internal Audit Actions

Appendix 4 – Corporate Risk Register

9. Background Papers

None

List of Outstanding audit actions
New Chart

APPENDIX 1

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Person Responsible	Completion Notes
Title: Schools Financial Value Standard								
	Finance and Resources	We identified instances where the SFVS return had been submitted without an appropriate signature from the Chair of the Governing body.	Each of the schools identified as not submitting a signed SFVS return (Chalvey Early Years Centre; Lea Nursery; Slough Centre Nursery; St Anthony's Catholic Primary School; St Joseph's Catholic High School; and St Mary's CE Primary School) will be contacted and requested to re-submit their return, duly signed by the Chair of the Governing Body / Management Committee of the school.	Medium	No Action Taken	31/12/16		Follow up audit finding that this action was not complete
	Finance and Resources	5 We noted not all schools produced action plans to address areas of non-compliance. Where action plans were produced, we identified these either did not cover all areas of non-compliance or actions were not time-bound and/or assigned	Refer to management action regarding the review of SFVS returns by the Council's Schools Finance team.	Medium	Partially Completed	31/12/16	George Grant	Neil advised that he would raise this with George Grant and Coral Miller in February 2017 Advised by George Grant 17th Aug 2017
	Finance and Resources	A reminder will be issued to the Chair of the Governing Body of Khalsa Primary School highlighting the importance of ensuring SFVS responses accurately reflect the arrangements within the school. The Council will also ensure that any other schools found to have a lack of accuracy with their SFVSs will be sent a reminder as actioned in the point above.	A reminder will be issued to the Head Teachers of the schools identified with exceptions regarding the narrative provided within their SFVS returns (Arbour Vale School; Chalvey Early Years Centre; Lea Nursery; Slough Centre Nursery; St Anthony's Catholic Primary School; St Ethelbert's Catholic Primary School) of the need to provide sufficient narrative to evidence the basis for their responses to each standard.	Medium	No Action Taken	28/02/17	George Grant	Completed as per George Grant 17/08 Amended as per q2 follow up
	Finance and Resources	We noted that the main reason for the above actions not being completed properly was because no action plan template had been used. Where Cippenham Nursery had used an action template, we confirmed all actions were appropriately SMART (Specific, Measurable, Attainable, Realistic and Time-bound).	The Council will create a tailored best practice guide that will be provided to all the maintained schools annually. This will include: <ul style="list-style-type: none"> • The minimum amount of narrative expected to satisfy each of the 25 standards • A breakdown of key SFVS criteria expected of the school • A link to the detailed SFVS 'Support Notes' and 'Additional Resources' guidance provided by the Education Funding Agency. 	Medium	Partially Completed	30/09/17	Nic Barani	There are plans in progress and will be completed shortly
Title: Contract Management Change								
	Finance and Resources	To ensure contracts are managed in a consistent and robust manner, a Council wide contract management framework should be applied to manage contracts across the Council.	This recommendation will be addressed as part of the contract management guidance which is currently being developed.	Medium		31/12/17	Neil Wilcox	

	Finance and Resources	The Council should establish a Corporate Contract Management function regardless of the decision around the contract management model i.e. centralised, de-centralised and hybrid; and A Head of Contracts post should be created to implement and manage the CCM.	This will be taken forward as part of the overall Council restructure. The Head of Contract Management will report to the Service Lead Governance.	Medium		31/12/17	Neil Wilcox	
	Finance and Resources	All Council contracts should be categorised as High, Medium or Low based on a comprehensive criterion. The process of categorising contracts should start during the commissioning stage and the final decision should be ratified by the Commissioning, Procurement and Contract Management (CPC) board.	This recommendation will be addressed as part of Contract Management Guidance which is currently being developed. The recommendation around ratification of contract categorisation will need to be considered as part of the new governance team.	Medium		31/12/17	Neil Wilcox	
Title: Business Continuity & IT Disaster Recovery								
	Finance and Resources	Whilst data backup and replication services have been designed to provide a secure copy of data, no servers are provided as part of the data copy provision for recovery.	Management will ensure that arvato provide recovery time profiles for key systems as soon as the DR infrastructure has been implemented, which will include the provision of recovery servers.	Medium	No Action Taken	31/03/17	Simon Pallett	No Action
	Finance and Resources	The Council does not have a documented BCP policy that sets the framework for the Business Continuity Management (BCM) Programme.	The Council will ensure that a BCP policy is provided.	Medium	Partially Completed	31/03/17	Joe Carter	Follow up audit
	Finance and Resources	No IT DR testing strategy has been designed and no testing of DR arrangements has been undertaken for a number of years. In addition, no process is in place regarding the assessment of BCP performance and no related	The Council will ensure that a test strategy is formulated and a test plan put in place and ensure that it is tested regularly	Medium	No Action Taken	31/03/17	Simon Pallett	No action yet
	Finance and Resources	Recovery time objectives for SBC systems and data have not been formally agreed increasing the risk that in the event of an incident incorrect recovery decisions could be made impacting operational capability.	Management will ensure that arvato provide recovery time profiles for key systems as soon as the DR infrastructure has been implemented, which will include the provision of recovery servers.	High	No Action Taken	31/03/17	Simon Pallett	Follow audit amended findings
	Finance and Resources	arvato have documented a Business Continuity plan but it has not been linked to the SBC corporate Business Continuity plan increasing the risk that Arvato could operate different recovery practices that SBC may not be aware of.	The Council Business Continuity / IT Disaster Recovery plan will be linked to the arvato Business Continuity / IT Disaster Recovery plan as soon as possible	Medium	No Action Taken	31/03/17	Simon Pallett	No action
Title: Procurement								
	Finance and Resources	We were informed by the Procurement and Contracts Analyst that the contract management functionality within Intend was no longer utilised and that the contracts data on the system had not been updated in the last two years.	The Council will undertake an exercise to populate the contracts register with complete and accurate details for all contracts. Once complete, the register will be maintained and kept up to date at all times.	Medium	No Action Taken	31/12/17	Frederick Narmh	No Action Taken

Finance and Resources	Through review of the Council's website and intranet, we noted the Procurement Strategy published was last reviewed in March 2012. A management action was agreed as part of our 2014/15 Procurement audit regarding the need to update the Strategy to ensure it is reflective of and aligned to the Council's Five Year Plan.	The Procurement Strategy will be updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, published on both the Council website and intranet and then reviewed annually thereafter.	Medium	Partially Completed	31/08/17	Frederick Narmh	As Per F N - First draft by the end of September Then needs to go through a consultation process Est Implementation mid Oct 2017
Finance and Resources	We were informed by the Head of Procurement that there is no reporting on procurement activity to senior management or Members. We noted the now out-of-date Procurement Strategy included a set of KPIs for monitoring progress against achieving the objectives within the strategy.	As part of the review and update of the Procurement Strategy, a set of KPIs will be developed and agreed to monitor procurement activity and progress against the strategy, and quarterly reporting to the PRB, CMT and Cabinet will be put in place.	Medium	Partially Completed	31/08/17	Frederick Narmh	As Per F N - First draft by the end of September Then needs to go through a consultation process Est Implementation mid Oct 2017
Finance and Resources	Through review of the CPR, we noted it made numerous references to the POP being the operational guidance document for procurement, and directs staff to this for process guidance. However, the POP was last updated in November 2014 and there were, therefore, a number of elements that did not reflect current legislation and were not aligned to the CPR.	Aligned to the review of the CPR, the POP will also be reviewed and updated, and maintained thereafter to ensure it is consistent with the CPR and reflective of current legislation and thresholds, and provides sufficient guidance to staff on procurement procedures. The updates will incorporate use of the current Intend system or any subsequent system implemented in relation to procurement and clearly set out the roles and responsibilities of the Procurement team and wider Council staff, including the Legal team, in procurement. The updated POP will then be made accessible to staff on the intranet, together with relevant forms/templates.	Medium	Partially Completed	31/08/17	Frederick Narmh	As Per F N - First draft by the end of September Then needs to go through a consultation process Est Implementation mid Oct 2017
Finance and Resources	We reviewed the current version of the CPR, which was last reviewed as part of the review of the Constitution on 17 May 2016 and accessible on the Council's website. We noted the CPR still referenced the PCR 2006 despite this being replaced by the PCR 2015 in February 2015.	The CPR will be reviewed and updated to ensure it is reflective of current legislation and thresholds. The amendments will then be either approved by Council as part of the 2017 annual review of the Constitution or presented to the Constitution Panel for approval.	Medium	Partially Completed	31/08/17	Frederick Narmh	As Per F N - First draft by the end of September Then needs to go through a consultation process Est Implementation mid Oct 2017
Finance and Resources	We were informed by the Head of Procurement that there was currently no monitoring and analysis undertaken of procurement expenditure.	The Procurement team will undertake monthly monitoring and analysis of expenditure by supplier and by type of expenditure to monitor compliance with the Council and EU procurement thresholds requiring formal contracts to be awarded and to identify any potential efficiencies and savings that could be delivered through consolidation of contracts.	Medium	Partially Completed	30/06/17	Frederick Narmh	As per FN - This will be undertaken by Fixed Term contract post

Title: Capital Expenditure

	Finance and Resources	<p>If the Terms of Reference are not subject to an annual review, there is a risk that the document may not be up to date which could prevent the CSB to function effectively</p> <p>We noted that the ToR makes reference to the Housing and Environment Assistant Director as a core member, however the role has not been in place for over 12 months. Through further inspection of the June, July and September 2017 CSB minutes, we noted that key members outlined within the Terms of Reference were not present and had not sent replacements as required.</p> <p>There is a risk that the CSB is not representatively fulfilling their functions as not all departments across the council are being represented. This could result in inappropriate decision making.</p>	<p>The Terms of Reference for the Capital Strategy Board will be reviewed on an annual basis by the Board to ensure it is kept up to date.</p> <p>Additionally, the membership will be updated to reflect the current structure and latest Financial Procedure Rules, including those members required for decision making and those in attendance, and the reporting arrangements.</p>	Medium	Partially Completed	31/12/17	Andrew Pate	There are ToR's but Treasury Management group future is not certain
Title: Adult Safeguarding								
	Adults & Communities	The Council will ensure that all triages for referrals received are undertaken by a DSM.	The Council will ensure that all triages for referrals received are undertaken by a DSM.	Medium	Partially Completed	30/04/17	Simon Broad	ASC SMT advised hat this is complete
	Adults & Communities	No multi agency audits have taken place during the year and from the meeting minutes of the SAB Performance Sub Group; it is not clear whether any lessons from the previous year's audit have been addressed. Further, meeting minutes of the SAB Performance Sub Group indicated that the group had not been attended in full consistently.	The Council will agree the work plan, terms of reference and membership of the SAB Performance Sub Group.	Medium	Partially Completed	30/06/17	Simon Broad	SMT 26th July advised will be completed in Nov 2017 This date has now pushed back to Jan 2018
	Adults & Communities	In relation to action reference 1.4 from our previous year's report, we confirmed that the Quality Management Framework and Terms of Reference for the Care Governance Board will be revised once the Adult Social Care reorganisation is complete in April 2017. The revision will reflect the new structure and connection with the new East Berkshire Care Home Quality Group. The sign off process will be to Care Governance Board and then to Adult Social Care DMT, which is a new management body created following the restructuring of the top tier within the Council. The new Framework will be subject to regular review. Due to the above, we have reiterated our action from last year's report.	The Council will ensure that the Quality Management Framework is updated to ensure that it is reflective of the governance and reporting structures within Adult Social Care, including frequency of reporting. In addition, the Terms of Reference for the Care Governance Board will be updated to correctly reflect the remit of Board and its responsibility to the Slough Safeguarding Adults Partnership Board and the Adult Social Care DMT. The Framework will be subject to approval by the Adult Social Care DMT, detail a next review date and be subject to regular review thereafter. Once approved, the Framework will be circulated to all relevant staff and made accessible via the intranet.	Medium	Partially Completed	30/09/17	Craig Brewin	As per follow up
Title: Delayed Transfers of Care								

	Adults & Communities	Through discussion and review with the Adult Social Care Programme Manager, we confirmed that a review of the (Recovery, Rehabilitation and Reablement (RRR) pathway had been recently undertaken by the Interim Business Analyst, covering an 'as is' analysis, weaknesses and their root causes, and areas for improvement. We were informed by the Adult Social Care Programme Manager that the review also involved interviews with key stakeholders within the process and the output of the review had been presented to these stakeholders, including managers and senior practitioners, by the Interim Business Analyst.	The output from the review of the RRR service will be formalised into an action plan with owners and due dates assigned against actions, and implementation of actions monitored as part of the Adult Social Care (ASC) Departmental Management Team (DMT) meetings.	Medium	No Action Taken	31/12/17	Simon Broad	The action has not been implemented as per RSM Follow up Jan 2018
Title: Allocations								
	Place & Development	Through discussion with the Lettings and Voids Manager we confirmed that the implementation of this process has stalled due to ongoing IT issues. It was originally intended to begin in January 2015 however to date renewal requests have still not been sent out.	The IT issues regarding sending out renewal letters will be addressed to ensure these are being sent out on an annual basis.	Medium	Partially Completed	30/09/17	Colin Moone	9/11/2017 - P&D SMT - This is an IT issue IT have told us that the Renewal Letters part of the system will be available in January 2018.
	Place & Development	Through review of the Housing Strategy 2016 - 2021 that was presented to the Cabinet in April 2017 for approval we confirmed that there are plans in place under Theme 4; Homelessness and Housing Need to review the Allocation Scheme to ensure it is appropriate and up to date adequately covering their duties.	The Housing Allocation Scheme will be reviewed and updated with consideration of amendment to the: · Five year residency requirement; · Lack of home ownership requirement; and · The working household's additional preference criteria.	Medium	Partially Completed	30/09/17	Colin Moone	The new scheme will be going live at the beginning of April 2018.
Title: General Ledger								
	Finance and Resources	We were informed that although Agresso has the functionality to implement a requirement for the changing of passwords on a regular basis, this was not currently being utilised by the Council.	The Council will implement a password policy and activate password control within Agresso, requiring passwords to be changed on a quarterly basis.	Medium	Partially Completed	31/08/17	Kim Bryant	Implementation date change Advised that this was easily done i
	Finance and Resources	We were unable to obtain the Council's contract with Trustmarque and therefore were unable to establish the agreement in place for the back-up of the General Ledger and any disaster recovery procedures and test whether these occur. In addition, further review with key staff within the organisation identified that no assurance is currently received from Trustmarque that backups are undertaken or tested.	The Council will ensure that the frequency of backups is stated within the contract with Trustmarque and that assurance is received that backups are conducted regularly and disaster recovery arrangements are tested for the ledger.	High	No Action Taken	30/06/17	Vijay McGuire	cannot complete it without Finance involvement and we have asked for copies of the contract with Trustmarque which are not yet been made available. I have asked again and copied you into the request This issue is now between Barry and Simon Barry Stratfull will talk to Trustmarque to see who our contract is with and take matters further
Title: Information Governance								

	Finance and Resources	<p>The Information Governance Policy was last reviewed and updated in 2012; however the arrangements and processes documented within it had not been fully established.</p> <p>The policy was therefore not fully reflective of the current IG environment within the Council.</p>	<p>The Information Governance Policy will be reviewed and updated to ensure it reflects the arrangements and processes within the Council, in line with the HSCIC guidance, including;</p> <ul style="list-style-type: none"> •Roles and responsibilities, covering senior IG roles (Caldicott Guardian, SIRO and IG Lead), other key staff roles in relation to IG as well the responsibilities of the wider workforce; •The specific resources within the Council to fulfil these roles. •The key policies underpinning the overarching Information Governance Policy; •Governance arrangements for overseeing the IG agenda within the Council; •Processes for delivering training and awareness programmes to staff; and •Arrangements for reporting, escalating and monitoring IG incidents and breaches. <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	High	Partially Completed	31/03/17	Simon Pallett	In progress
	Finance and Resources	An annual dataprotection work programme had not been documented nor established.	<p>An annual data protection work programme will be developed to identify the work necessary to ensure the Council meets its data protection and confidentiality obligations. Clearly defined timescales and responsible owners will be assigned for all actions identified.</p> <p>The work programme will be reviewed and set on an annual basis and will be subject to approval by CMT. Progress will be monitored at each meeting of the IT and IG Board, with progress updates reported to CMT periodically.</p>	Medium	Partially Completed	31/03/17	Simon Pallett	In progress

	Finance and Resources	The Data Protection and Privacy Policy was last reviewed and updated in 2012, however did not include any details regarding a Caldicott function within the Council.	The Data Protection and Privacy Policy will be reviewed and updated to ensure it details; <ul style="list-style-type: none"> •The requirement for the Council to have in place a Caldicott function; •The specific resources within the Council to fulfil the roles within the function, including the Caldicott Guardian, Data Protection Officer as well as those staff at directorate level with responsibility for supporting the Caldicott Guardian; •The additional training requirements for staff within the function; •The mechanisms for ensuring the effectiveness of the function, including the development and monitoring of an annual data protection work programme which identifies the work necessary to ensure the Council meets its data protection and confidentiality obligations; and •The governance arrangements for monitoring the effectiveness of the function. <p>Once updated, the policy will be presented to CMT for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The roles will be formally assigned to the relevant staff and details published via the staff intranet. The role of Caldicott Guardian will also be communicated on the Council website.</p>	Medium	No Action Taken	31/03/17	Simon Pallett	No Action
	Finance and Resources	A formalised process for managing information security incidents was not in place. The Information Security Incident Reporting Policy was last reviewed and updated in 2012; however the processes documented within it had not been established.	A formalised process will be implemented for reporting, recording, investigating and managing information security incidents, which will be reflected within the Information Security Incident Reporting Policy. Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff, made accessible via the intranet and communicated to third party providers and partner organisations. The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.	Medium	Partially Completed	31/03/17	Simon Pallett	Partially complete

	Finance and Resources	The Data Protection and Privacy Policy was last reviewed and updated in 2012, however did not include any details regarding a Caldicott function within the Council.	The Data Protection and Privacy Policy will be reviewed and updated to ensure it details; <ul style="list-style-type: none"> •The requirement for the Council to have in place a Caldicott function; •The specific resources within the Council to fulfil the roles within the function, including the Caldicott Guardian, Data Protection Officer as well as those staff at directorate level with responsibility for supporting the Caldicott Guardian; •The additional training requirements for staff within the function; •The mechanisms for ensuring the effectiveness of the function, including the development and monitoring of an annual data protection work programme which identifies the work necessary to ensure the Council meets its data protection and confidentiality obligations; and •The governance arrangements for monitoring the effectiveness of the function. <p>Once updated, the policy will be presented to CMT for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The roles will be formally assigned to the relevant staff and details published via the staff intranet. The role of Caldicott Guardian will also be communicated on the Council website.</p>	Medium	Partially Completed	31/03/17	Simon Pallett	In progress
	Finance and Resources	Initial work had taken place to develop an Information Governance Improvement Plan in 2012; however this had not been finalised and established.	The Council will develop and finalise the IG Improvement Plan to identify the actions necessary to embed robust IG arrangements and ensure compliance with the HSCIC IG toolkit requirements. Each action will be assigned a responsible owner and completion deadline. <p>The plan will be reviewed and revised on an annual basis and will be subject to approval by the IT and Information Governance Board. It will drive the IG agenda within the Council and progress against the plan will be monitored at each meeting of the IT and Information Governance Board, with progress updates reported to CMT periodically</p>	Medium	No Action Taken	31/01/17	Simon Pallett	No Action Taken
	Finance and Resources	The contracts database did not include fields for evidencing the review of contracts for appropriate IG clauses.	The Council will ensure that, as part of the review and re-scoping of the contracts database, fields are included for evidencing the review of contracts for appropriate clauses relating to; <ul style="list-style-type: none"> •Data protection; and •Requirements for reporting information governance incidents. 	Medium	No Action Taken	31/03/17	Simon Pallett	No Action Taken

	Finance and Resources	The Council has not undertaken a data flow mapping exercise and there was also no documented plan to undertake such an exercise.	The Council will undertake a data flow mapping exercise to ensure all flows, both inbound and outbound, of person identifiable and sensitive information in all service areas have been identified mapped and recorded. The information flows will be risk assessed, with necessary actions identified to address risks highlighted. The outcome of the mapping exercise and the risks identified will be reviewed by the IT and Information Governance Board, prior to subsequently being reported to CMT.	High	No Action Taken	30/09/17	Simon Pallett	No action taken
Title: Asset Management								
	Regeneration	The Council does not have in place an Asset Management Procedure which details the roles, responsibilities, and key processes in ensuring that asset management is effectively managed; including maintenance of an up-to-date asset register.	The Principal Asset Manager, Principal Accountant for Capital & Treasury and Group Property & Regeneration Solicitor should oversee the preparation of an Asset Management Procedure that clearly outlines the responsibilities of all involved departments and staff. The procedures will clearly outline: •How to identify assets; •Responsibility of staff in reporting new assets and disposals to the finance team, the legal team and the asset management team; •Documentation to be held for assets owned by the Council; •Responsibility in recording all assets into the Land Terrier and the Asset Register; •Timeliness and responsibility of reconciliations between the asset values in the asset register and the general ledger; •Timeliness and responsibilities for all involved teams within the asset revaluation process and updating of results. •Formal written verification procedures covering how regular reconciliations are to be completed against the asset register and the Councils property management records. The policy and procedure will be approved by CMT and communicated across all directorates.	Medium		31/03/17	Neil Wilcox	
Title: Management of Housing Stock								

	Place & Development	Of a sample of 10 mutual exchanges/transfers selected for review, the documentation could not be located on DIP for four of the cases, while only the application form could be located for two cases. We were therefore unable to provide assurance for these six cases that the correct procedures were followed or regarding the timeliness of the decisions.	A procedure to track the completion of scanning and correct indexing of files by the DIP section will be produced by Housing and agreed with arvato. This will include a requirement for the originator to confirm the documentation has been successfully scanned and indexed prior to being destroyed.	High	No Action Taken	31/12/17	Kamal Lalian	<p>"We are in the process of transferring our DIP indexing to the Logistics team, this will involve:</p> <ul style="list-style-type: none"> • Logistics scanning and sending documents that need to be actioned to the relevant officer • The officer will then action and make any notes on DIP. Once completed the officer would complete the document. • All completed documents to be indexed into correct account on W2. <p>The Logistics team at Arvato have now been trained on how we index our items, and we are currently awaiting confirmation of the date when Arvato will commence this function.</p> <p>Training will also be delivered to all neighbourhood services staff on how to use DIP w2, this will include:</p> <ul style="list-style-type: none"> • Worktray • How to search items correctly, • How to send completed documents to the Logistics properly. <p>Training dates to be confirmed with Logistics Team.</p> <p>Unfortunately we have been advised that Arvato are now unable to take on this work for several months - this has been escalated to the Arvato Contract Management Team and we await their response. (emails attached)"</p>
	Place & Development	We reviewed the Tenancy Strategy and Policy 2013-2018, accessible via the Council's website, and confirmed that this covered in sufficient detail the areas required by the Act. However, we noted that it still made reference to the Sustainable Community Strategy and the Corporate Plan, which have since been replaced by the Five Year Plan, and the Slough demographic and housing context data referred to within the document was from 2012.	The Tenancy Strategy and Policy will be reviewed and updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, and subject to the required consultation. Once finalised, it will be updated on the Council website and then reviewed annually thereafter.	Medium	Partially Completed	31/03/17	Karen Lewis	The Strategy is waiting on finalisation of the Allocations Scheme before it can be completed. A rough draft has been developed pending confirmation on allocations, rents etc.

Title: Management of the Pupil Premium

	Children's Learning & Skills Service	Claycots Through review of the school's website, we noted the school had published a Pupil Premium Policy and a separate spend statement for 2016/17. We reviewed the documents against the DfE requirement to publish a pupil premium strategy and the detail that must be included by schools. We confirmed; • The school's pupil premium allocation had been outlined within the spend statement for 2016/17; • The Pupil Premium Policy covered the school's identified priorities for pupil premium spend, and the spend statement identified which priority each area of spend fell under; and • The spend areas were in line with the conditions of the grant.	As part of the review of its pupil premium strategy for 2017/18, the school will ensure that it details; • How the school will measure the impact of the pupil premium by identifying measures and setting targets; and • The date of next review of the school's pupil premium strategy. For clarity and to align it to the DfE guidance, the documents will be amalgamated and renamed 'Pupil Premium Strategy'.	Medium	No Action Taken	31/12/17	Johnny Kyriacou	Amended recommendation
	Children's Learning & Skills Service	Through review of the school's website, we noted it had published a document titled 'Pupil Premium Funding 2016/17'. We reviewed the document against the DfE requirement to publish a pupil premium strategy and the detail that must be included by schools. We confirmed the school's pupil premium allocation had been outlined within the document.	Wexham School As part of the review of its pupil premium strategy for 2017/18, the format of the current document published on its website will be updated to ensure the following is covered as per the DfE requirements: • A summary of the main barriers to educational achievement faced by eligible pupils at the school; • How the school will spend the pupil premium, the reasons for that approach and how the expenditure areas are aligned to address each of the identified barriers; • How the school will measure the impact of the pupil premium by identifying measures and setting targets; and • The date of approval and next review of the school's pupil premium strategy.	Medium		31/12/17	Johnny Kyriacou	
	Children's Learning & Skills Service	We confirmed through review of the school's website that it had published a document titled 'Pupil Premium Funding 2015/16' which set out how the pupil premium funding for 2015/16 had been spent. As noted in the findings above, while we also identified through review and discussion with the Deputy Headteacher and Assistant Headteacher (PP lead) that impact and attainment data is reviewed regularly, this was not covered in the document as per the DfE requirement to publish this information.	Wexham School The school will ensure its published pupil premium strategy outlines the impact of its pupil premium spend in the previous year; through specific measures to track and assess the overall effectiveness of pupil premium spend.	Medium	The school will ensure	31/12/17	Johnny Kyriacou	

	Children's Learning & Skills Service	We confirmed through review of the school's website that it had published a document titled 'Pupil Premium 2015/16' which set out how the pupil premium funding had been spent in the previous year. As noted in the findings above, while we also identified through review and discussion with the Director of Inclusion & Wellbeing that impact and attainment data is reviewed regularly, this was only covered briefly in the document and was not linked to specific measures identified to track and assess the overall effectiveness of pupil premium spend.	Claycots The school will ensure its published pupil premium strategy outlines the impact of its pupil premium spend in the previous year; through specific measures to track and assess the overall effectiveness of pupil premium spend.	Medium		31/12/17	Johnny Kyriacou	
Title: Matrix Management of Agency Staff								
	Finance and Resources	The Employment and Appeals Committee's Terms of Reference did not detail key information such as meeting frequency.	We will ensure that the Employment and Appeals Committee's Terms of Reference is updated to ensure it makes reference to all areas, such as: • Meeting frequency; • Membership; and • Last and next review date.	Medium	Partially Completed	31/07/16	Surjit Nagra	Surjit advised in progress
	Finance and Resources	Staff were not inputting sufficient notes into the Matrix system when approving staff, for instance, whether sufficient budget is available.	We will ensure that all staff approving new agency workers or approving the extension of existing agency contracts on the Matrix system input relevant notes of checks that have been carried out, for instance: • Whether adequate budget is available for the post; • The post was required urgently out of hours and therefore, there is only authorisation from one member of staff; or • The reason why the contract has been extended. If this information is not detailed then the approval will be refused.	High	No Action Taken	31/05/16	Neil Wilcox	No Action
	Finance and Resources	We noted that the Council did not have an assigned Contract Manager for Matrix.	The Council will formally assign a Contract Manager who will have responsibility for managing the Matrix contract.	High	Partially Completed	31/05/16	Frederick Narmh	Corporate procurement will continue to manage the Matrix contract on an interim basis till the contract expires. Following the eminent expiry of the Matrix contract in 2018, it is anticipated that HR will actively manage the new service contract with a dedicated resource. HR to assist in Managing this contract that has been extended for a further year. As per FN A fixed term contract person will be appointed to manage Matrix by mid Oct 2017
	Finance and Resources	We were advised by the Procurement & Contracts Analyst that these reports are not presented at a more senior Committee, such as the Corporate Management Team (CMT).	This will be achieved by OD/HR BPs sharing with SMTs the quarterly spreadsheet produced by Procurement and Commercial Services listing all agency staff engaged by the Council and demonstrating why these agency staff are required.	Medium	No Action Taken	30/09/16	Surjit Nagra	No Action

Title: Legal Services Part 1								
	Finance and Resources	We also found some of the actions were not specific, and actions were not supported by specific measures and targets that would enable an objective assessment of the department's performance at the end of the year.	The 2017/18 Service Plan for Legal Services will be reviewed and updated to ensure identification of clearly defined, measurable actions with specific targets that are clearly linked to specific actions within five year plan outcome plans.	Medium	Partially Completed	31/08/17	Sushil Thobhani	In progress
	Finance and Resources	Through review of the Service Plan for 2017/18 and discussion with the Acting Head of Legal Services, we identified that the department has had a number of unfilled vacancies for some time. At the time of the audit, the department had 15 full time posts; however 8 of these were unfilled. We confirmed through discussion with the Acting Head of Legal Services that, although the department uses the IKEN time recording system to record chargeable time, there are no targets and no monitoring is undertaken in respect of the level of staff chargeability.	As part of the review of the 2017/18 Service Plan, a review of the current level of staff chargeability will be undertaken to inform the level of current resource gaps within the department. Following this, a clear delivery model will be agreed, with either a recruitment action plan put in place to address identified gaps or alternatively the level of outsourcing of legal work required to meet these gaps clearly defined and agreed.	Medium	Partially Completed	31/10/17	Sushil Thobhani	In Progress
Title: Neighbourhood ASB Enforcement								
	Place & Development	Through discussion with two of the Enforcement Team Leaders, we identified that monthly supervisions were not being held monthly. There is therefore the risk that cases may not be appropriately responded to without regular oversight from Team Leaders. Through review with the Tenancy Team Leaders, we confirmed existence of a system control within Capita requiring Team Leaders to review cases at monthly intervals. However, following review of the ASB Policy, Team Leaders must ensure that, as part of this review, consistent application of the policy is monitored, and non-compliance flagged for corrective action.	Team Leaders will ensure that ASB cases are reviewed monthly, and following review and approval, and subsequent dissemination of the ASB Policy, that consistent application of the policy is monitored.	Medium		31/10/17	Michelle Isabelle	
	Place & Development	We reviewed the ASB Policy and confirmed it adequately detailed the strategy and overarching aims of the Council with regards to managing ASB. We noted there were a total of 14 Fact Sheets which were split between 'ASB Policy and Procedure' and 'ASB Legislation'.	The Policy and Fact Sheets will be re-circulated to all relevant staff, and they will be required to confirm that they have read and will comply with it. Training covering policy application will be provided to ensure consistent understanding and application.	Medium		31/10/17	Michelle Isabelle	

	Place & Development	We reviewed our sample of 10 Capita and 10 Flare cases to confirm whether initial contact had been made with the complainant / referring agency via telephone or a face-to-face visit within the required time-frame. Of the 10 Flare cases, we noted one was notified to the Council anonymously, so could therefore not be followed up and responded to. Of the remaining nine cases, we identified; • Two had not been responded to and the cases were closed without any action; • The remaining seven had not been responded to within the required time-frame. The initial contact took on average 13 working days; and • Of these seven cases, the complainant had not been contacted in one case, while contact had not been made via telephone / face-to-face visit in two cases.	The Council will review the current structure and resources within Neighbourhood Enforcement teams, and assess whether additional resources are required to ensure ASB cases are responded to in a timely manner. As part of this, the role of the Resilience and Enforcement Team in coordinating ASB activity will be reinforced.	High	No Action Taken	31/01/18	John Griffiths	No action taken
	Place & Development	For the four Capita cases highlighted above where the method of notification had not been recorded, we were unable to confirm the accuracy of the date of notification logged on the system. For the remaining six cases, the notification was either face-to-face or via telephone, and as such, there was no supporting evidence to cross-reference the date of notification to.	Council staff will be reminded of the need to record details of the notification on Flare within the notes for all ASB cases, to ensure a clear audit trail exists for reported ASB cases. This will be reviewed by the Resilience and Enforcement Team Assistance when assigning cases to ensure the date of notification has been accurately recorded.	Medium		31/10/17	Michelle Isabelle	
Title: Risk Management								
	Finance and Resources	At the time of our audit, and following the go-live of Intalex in November 2016, the system had not been rolled out at a Directorate level.	The Council will agree the roll out of Intalex to record directorate level risks with each directorate. This will include agreement of responsibilities at directorate level to update risks on a regular basis.	High	Partially Completed	30/06/17	Phil Brown	The Risk and Insurance Officer will meet with the Children's, Learning and Skills directorate to ensure the responsibilities at directorate level to update risks on a regular basis are agreed.
	Finance and Resources	The RMS can be improved in the following areas: 1. The process for escalation of Directorate and Project level risks to the Corporate Risk Register. 2. The guidance on 'how to populate the risk register' does not mention the requirement for identified risks to be linked to strategic objectives. 3. The Strategy did not include guidance on identifying target risk ratings and documenting actions required to address any gaps in control to mitigate risks; 4. The Strategy did not state when is it due next for review.	The Council will ensure future Risk Management Strategy updates will include the following: •Next review date and requirement for it to be reviewed annually; •'How to populate the risk register' guidance to be updated to ensure it is specific to the Intalex risk system •Inclusion of the requirement for risks to be linked to strategic objectives, •Escalation of Directorate and Project risks to the Corporate Risk Register, and •Guidance on identifying target risk ratings and documenting actions required to address any gaps in control to mitigate the risks.	Medium	No Action Taken	30/04/17	Phil Brown	The Council will ensure future Risk Management Strategy updates will include the following: • Next review date and requirement for it to be reviewed annually; • 'How to populate the risk register' guidance to be updated to ensure it is specific to the 4risk system • Inclusion of the requirement for risks to be linked to strategic objectives, • Escalation of Directorate and Project risks to the Corporate Risk Register; and • Guidance on identifying target risk ratings and documenting actions required to address any gaps in control to mitigate the risks.

	Finance and Resources	The RMS includes a definition of risk appetite and states that the Cabinet's responsibilities include determining whether the Council is 'risk taking' or 'risk averse'. As the RMS had not been signed off by the Cabinet, the risk appetite has not been yet determined. Once determined, and as per out previous year's audit findings, the targets for the Corporate Balanced Scorecard should be set in line with the Council's risk appetite.	On Cabinet approval of the Risk Management Strategy, the Cabinet will determine the Council's risk appetite. Following this, targets for the Corporate Balanced Scorecard will be set in line with the Council's risk appetite as defined within the updated Risk Management Strategy.	Medium	No Action Taken	30/06/17	Phil Brown	No Action
Title: Homelessness								
	Place & Development	If the suitability of accommodation check is not being undertaken completely as laid out in the Private Rented Sector Toolkit there is the risk that the Council is placing clients in unsuitable accommodation and discharging their duty inappropriately which could open the Council up to legal action. The DGS referral spreadsheet was obtained and a sample of five cases that had a referral in 2016/17 were picked. These five cases were viewed on Capita and in all cases we confirmed that a DGS referral form as laid out in the Private Rented Sector Toolkit was completed appropriately providing assurance as to the process and that applicants are being assessed correctly and approved prior to the assistance being given.	A review will be carried out to assess the staffing levels in the teams responsible for completing the suitability of accommodation checklist to determine if these need to be adjusted to provide the manpower to complete the suitability of accommodation checklists.	Medium	Partially Completed	30/09/17	Colin Moone	The Housing Standards Team have drafted a new procedure to deal with this area. It is currently being consulted on and will be agreed in January 2018.
Title: Health & Safety								
	Finance and Resources	We found that procedures in relation to Health and Safety had not been formally reviewed or updated since 2011 for some procedures reviewed.	An exercise will be undertaken to update all procedural documents (Codes of Practice) regarding Health and Safety to ensure that they include areas of best practice. Once updated, procedures will be approved by the Corporate Health and Safety Committee.	Medium	Partially Completed	30/06/17	Robin Pringle	No Action The Policy has been updated but needs final sign off by CCF (we haven't had one in months) and the Codes of Practice are being reviewed and should finished by end Sept.
	Finance and Resources	We found that we could not obtain at the time of the audit, the risk assessments or self-audits for the Chief Executive Directorate as well as self-audits and action plan for Adult Social Care.	As per the H&S Policy, H&S leads will ensure that risk assessments and self-audits are readily available and stored securely.	Medium	No Action Taken	30/04/17	tba	No Action
	Finance and Resources	We identified that compliance with mandatory Health and Safety training across directorates (with the exception of the Chief Executive's Directorate) up to the end of August 2016 was between 40-60% compliant.	An exercise will be carried out to identify all staff eligible for the mandatory and optional training courses regarding health and safety along with staff that have already completed this training. Following this, a Health and Safety Compliance Report will be presented and challenged at the Corporate Management Team and the Senior Management Team. This report will include the compliance rates of health and safety training for all levels of staff across all directorates.	Medium	No Action Taken	30/06/17	tba	No Action

	Finance and Resources	We found that when target dates for actions raised within self-audit had passed, an explanation was not always provided and a revised target date had not been set.	Target dates will be set for all actions identified as a result of self-audits. These will also be added to the Directorate Health and Safety Action Plan. Where the target date has passed for a particular action, explanations will be provided and revised targets dates will be set.	Medium	Partially Completed	30/04/17	tba	In progress	
	Finance and Resources	We found that: We could not obtain the risk assessments or the self-audits for the Chief Executive Directorate; Actions raised from risk assessments were not monitored to ensure they had been implemented; We could not obtain the directorate action plan for Adult Social Care; and Accident/incidents were not being monitored within RHR and Chief Executive's Directorate.	A Health and Safety Report will be produced to replace the action plan. This will include: Compliance of risk assessments and self-audits completed. completed Risks and respective actions raised from risk assessments Risks and respective actions raised from self-audits Accident and incident statistics along with detailed of cases and action taken. This report will be completed and updated for each directorate and reviewed at each directorate Health and Safety meeting. This will ensure actions are being monitored and therefore completed in a timely manner.	Medium	Partially Completed	30/06/17	tba	In progress	
Title: Special Educational Needs Funding									
	Childrens, Learning & Skills Services	For the Priory School we obtained the 1516 and 1617 SEN information reports. We confirmed these were in an easy to follow format containing the information expected as laid out in the 2014 SEND regulations. The Priory School Head Teacher confirmed that the 1617 report will be sent over to the Council prior to the end of the year for inclusion in the Local Offering for next year.	The Council will ensure the Local Offer is updated annually with the new SEN Information Report for all schools. In line with the above, the Governing Bodies of each school will ensure their schools are annually reviewing the SEN Information Report, and will ensure review dates for SEN funding information are clear.	Medium		31/12/17	Jacqueline Laver		
	Childrens, Learning & Skills Services	For Wexham Court Primary School we obtained the SEN report as currently detailed on their website - this was not a dated document and therefore when reviewing you could not confirm that it was up to date. However through review of June 2017 minutes from the school's Pupil Support and Transforming Learning Committee we did confirm that the Local offer was recently reviewed. The information required as laid out in the 2014 SEND regulations was included making it clear to users the SEN services the school provide.	The Council will ensure the Local Offer is updated annually with the new SEN Information Report for all schools. In line with the above, the Governing Bodies of each school will ensure their schools are annually reviewing the SEN Information Report, and will ensure review dates for SEN funding information are clear.	Medium		31/12/17	Ranvir Chahal		
Title: Treasury Management									
	Finance and Resources	The Treasury Management Group will hold more detailed minutes to evidence effective scrutiny and review of the reports presented, including the cashflow report.	The Treasury Management Group will hold more detailed minutes to evidence effective scrutiny and review of the reports presented, including the cashflow report.	Medium	No Action Taken	30/04/17	Andrew Pate	Completed s per Andrew Pate's email 25th April 2017 Follow Up audit show as partially complete Andrew advised that a p.a. to a Strategic Director will be taking minutes from the August meeting Amended as per q1 follow up This has now happened	
Title: Asset Register									

	Regeneration	We obtained a rough two-sided step by step guidance document from the Principal Asset Manager which outlined the process to be followed for the Principal Asset Manager/Management Support Officer for the following; <input type="checkbox"/> Notifications from Legal Services; <input type="checkbox"/> Notifications from Finance; <input type="checkbox"/> Auditing process	The Principal Asset Manager, Principal Accountant for Capital & Treasury and Group Property & Regeneration Solicitor should oversee the preparation of an Asset Management Procedure that clearly outlines the responsibilities of all involved departments and staff.	Medium	Partially Completed	31/07/17	Barry Stratfull	No action has been taken on this Will be completed by Sept 2017 12th Oct 2017 - Barry to send out to ensure this is done
Title: Governance								
	Finance and Resources	In addition, the contracts register does not meet the detailed requirements for each contract to be published. The current information against each contract on the register was limited to: • Title; • Description; • Supplier; • Contract End Date; • Expiry Date; • Contract Extension Date; and • Project Category.	The Council will ensure that the contract register format and information published against each contract will be updated to comply with the requirements stated within Annex A of the Local Government Transparency Code 2015, and include: • Reference number • Title of agreement • Local authority department responsible • Description of the goods and/or services being provided • Supplier name and details • Sum to be paid over the length of the contract or the estimated annual spending or budget for the contract • Value Added Tax that cannot be recovered • Start, end and review dates • Whether or not the contract was the result of an invitation to quote or a published invitation to tender • Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.	Medium	Partially Completed	30/04/17	Frederick Narmh	In progress as per Fred Narmh As per FN this is almost complete - est date of completion
	Finance and Resources	We were unable to identify the publication of a list of grants to voluntary, community and social enterprise organisations.	The Council will meet the requirement to publish details of all grants to voluntary, community and social enterprise organisations on an annual basis. For each identified grant, the following information will be published as a minimum: • Date the grant was awarded • Time period for which the grant has been given • Local authority department which awarded the grant • Beneficiary • Beneficiary's registration number • Summary of the purpose of the grant amount	Medium		30/04/17	Craig Brewin	
Title: Business Continuity Planning Arrangements								

	Regeneration	A Business Impact Analysis (BIA) was last undertaken in July 2013 and has not been reviewed and updated since.	<p>"The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level that;</p> <ul style="list-style-type: none"> • Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident; • Takes into account legal and other commitments; • Includes systematic analysis and prioritisation of risk treatments; • Defines the required output from the business impact analysis and risk assessment; and • Specifies the requirements for this information to be kept up-to-date. <p>The business impact analysis will include;</p> <ul style="list-style-type: none"> • Identifying activities that support the provision of services; • Assessing the impacts over time of not performing these activities; • Setting prioritised timeframes for resuming these activities at a specified minimum acceptable level (RTO - Recovery Time Objective), taking into consideration the time within which the impacts of not resuming them would become unacceptable (MTPD - Maximum Tolerable Period of Disruption); and • Identifying dependencies and supporting 	High	Partially Completed	30/09/16	Joe Carter	Partially Complete as per Follow Up audit 04/17
	Regeneration	A formal programme of training for staff in relation to business continuity management had not been established.	<p>"A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to;</p> <ul style="list-style-type: none"> • The roles and contributions of staff to the effectiveness of BCM within the Council; and • The roles and contributions of staff to the effectiveness of BCM within the Council; and • The implications of non-conformance with the policy. • The implications of non-conformance with the policy. 	Medium	No Action Taken	31/10/16	Joe Carter	No action taken as per follow up Audit

	Regeneration	We also identified a lack of arrangements for testing the effectiveness of the BCP	"A formal and documented process will be established, implemented and maintained for exercising and testing business continuity procedures in order to assess their effectiveness. This will be documented within the Council's overarching Business Continuity Management Policy. A testing schedule will be defined for the Council BCP as well as the Directorate and Service BCPs which details the intervals at which each element of these will be tested. Exercises/tests will: • Be based on appropriate scenarios with clearly defined aims and objectives to minimise the risk of disruptions; and • Produce formalised post exercise reports that contain outcomes and lessons learnt, recommendations and actions to implement improvements." "	Medium	No Action Taken	30/09/16	Joe Carter	Not Complete
Title: Cash Handling								
	Finance and Resources	During our testing, we found that for petty cash claims, receipts for expenditure and evidence that the claimant had received petty cash was not being retained. We also noted that the authorisation of petty cash claims was not being checked against an authorised signatory list.	A review will be undertaken of the petty cash process to ensure: • Claims are reviewed against an up to date authorised signatory list; • Receipts are retained pertaining to expenditure claimed; and • Evidence is retained of the claimant confirming receipt of the reimbursement of petty cash	Medium	Partially Completed	31/05/17	Vijay McGuire	The receipts are now being retained as is the evidence that the Claimant has received the petty cash - this was a blip as they are usually retained Cashiers have requested an up to date signatory list from Finance on a number of occasions, this has not been provided - I personally escalated this to Neil Wilcox on 21st June 2017 - it is not for Cashiers to develop this list but for Finance to provide it for them to work from, without this list the management action is not achievable. Paula Bass advises that a project group has been set up in ASC to deal with this issue No response from George Grant
Title: Payroll								
	Finance and Resources	It was found that the budget holder listing held by the Transactional Finance Team was not up to date.	Slough Borough Council will provide an up to date listing of budget holders and their associated budget codes and updates will be provided upon any changes being made to budget holders.	Medium		30/09/17	George Grant	
	Finance and Resources	From a sample of 10 leavers for the current financial year, six users had not had their access to the system revoked. There was also no process in place to remove contractor system access.	A list of leavers will be provided to the Agresso Support Team each month which will be used to revoke Agresso access for leavers. A similar process will also be set up for contractors.	Medium		30/09/17	Neil Wilcox	
Title: Creditors								

	Finance and Resources	The Council (i.e. Procurement) does not feature on the current workflow on Agresso to approve amendments to supplier details.	The workflow on the Agresso system will be changed for amendments to supplier details. A comprehensive segregation of duties to approve and verify amendments of supplier details will be implemented between arvato P2P and Council Procurement.	Medium	Partially Completed	31/07/17	Frederick Narmh	This issue has been sent to the agresso project team and will form part of the implementation plan
Title: Holy Family Catholic School								
	Children's Learning & Skills Service	Without a regular inventory checks being completed by relevant staff, there is a risk that assets that have been stolen, are missing, or are damaged will not be picked up to be resolved by the School.	The School will ensure annual inventory checks are taking place with any discrepancies being investigated. Those discrepancies identified over a predetermined sum will be reported to the Governing Body. To coincide with Asset Tagging.	Medium	Partially Completed	30/09/17	Tina Tushingham	Asset tags to be added to equipment in half term Also looking at bespoke asset register systems but this is dependent on costs
Title: Five Year Plan Outcomes								
	Finance and Resources	The Outcomes report table included in the quarterly performance reports was not updated for all outcomes each quarter in 2016/17 and we noted one instance where by the directional arrow used to show change in the RAG rating over the quarter was incorrect showing a favourable movement when in fact it was a negative movement.	The Five Year Plan information reporting in the performance reports will be improved upon to ensure: •All indicators are SMART and measureable; •Performance is updated for all Outcomes quarterly; •Actions to address underperformance are included alongside reasons for underperformance; and •Detail is included to support RAG ratings including the thresholds which constitute the ratings.	Medium	No Action Taken	31/10/17	Neil Wilcox	No action taken
	Finance and Resources	Through review of the Outcome 4 plan, we identified instances whereby actions and performance measures were not specific and measurable, while in some case, timescales were not clear. Furthermore, we noted a lack of clarity around the financial impact of specific actions listed to achieve the outcome. There was no formal approval process for sign-off of outcome plans.	The Outcome Groups will ensure the 2017-2021 detailed action plans and performance measures are SMART including specific measurable actions, clear benchmarking figures, and clear timescales for the work where appropriate. Furthermore all detailed action plans will be reviewed and signed off by the Five Year Plan Board at the beginning of the year.	Medium	Partially Completed	31/10/17	Russell Bourner	Spoke to Russell this action is partially complete
	Finance and Resources	The Five Year Plan Board does not currently have any responsibility for risk management assigned to it in their terms of reference, with no forum involved in the Five Year Plan governance having oversight of identified risks. Furthermore a risk management framework has not been developed that takes into accounts strategic, operational and reputational risks related to the Five Year Plan Outcomes.	The Five Year Plan Board terms of reference will be updated to include their responsibilities around oversight of risk management. A risk management framework will be developed which takes into account strategic, operational and reputational risks related to each of the outcomes and their key actions. This will be discussed with the Board to determine how risk will be reflected and best managed. The framework will identify how the outcome groups will manage and identify their risks.	Medium	No Action Taken	31/10/17	Neil Wilcox	NO Action
Title: Income and Debtors Management								

	Finance and Resources	arvato have not been escalating debt relating to Adult Social Care in line with Slough Borough Council's debt recovery policy.	A review will be undertaken between Finance, arvato and Adult Social Care to identify which of the outstanding debtors should be chased in line with the Income Collection and Debt Recovery Policy. Any decision made will be reflected in an updated policy, to be shared between the above parties and council staff.	Medium	Partially Completed	31/03/17	Vijay McGuire	<p>The collection Policy needs to be updated and this is with Neil Wilcox. There is currently no date for completion. Adult Social Care are made aware by arvato of any large invoices outstanding and instruction requested as to how to proceed - responses are varied and in a large number of cases no responses are received. The first part of this action is with Finance.</p> <p>Person under Jacky A's supervision will have policy completed and signed off by end of Financial year</p> <p>Paula Bass will get Adult Social care to advise arvato what to do with the various debts</p> <p>The updated Policy is a Finance action which remains outstanding - Neil Wilcox is aware. Arvato have requested Finance involvement to assist in reviewing the outstanding debts to date no response has been received. To date arvato have been working with Victoria Tutty in Adults to do the best that they can without the updated policy</p>
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APPENDIX 2

**Outstanding High Risk Action
Outstanding High Risk Management Actions**

	Title	Management Actions	Target Date	Implementation Status	Completion Notes
Person Responsible: Simon Pallett					
	Information Governance	<p>The Information Governance Policy will be reviewed and updated to ensure it reflects the arrangements and processes within the Council, in line with the HSCIC guidance, including;</p> <ul style="list-style-type: none"> •Roles and responsibilities, covering senior IG roles (Caldicott Guardian, SIRO and IG Lead), other key staff roles in relation to IG as well the responsibilities of the wider workforce; •The specific resources within the Council to fulfil these roles. •The key policies underpinning the overarching Information Governance Policy; •Governance arrangements for overseeing the IG agenda within the Council; •Processes for delivering training and awareness programmes to staff; and •Arrangements for reporting, escalating and monitoring IG incidents and breaches. <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	31/03/17	Partially Completed	In progress
	Business Continuity & IT Disaster Recovery	Management will ensure that arvato provide recovery time profiles for key systems as soon as the DR infrastructure has been implemented, which will include the provision of recovery servers.	31/03/17	No Action Taken	Follow up audit amended findings

	Information Governance	<p>The Council will undertake a data flow mapping exercise to ensure all flows, both inbound and outbound, of person identifiable and sensitive information in all service areas have been identified mapped and recorded.</p> <p>The information flows will be risk assessed, with necessary actions identified to address risks highlighted.</p> <p>The outcome of the mapping exercise and the risks identified will be reviewed by the IT and Information Governance Board, prior to subsequently being reported to CMT.</p>	30/09/17	No Action Taken	No action taken
Person Responsible: Kamal Lalian					

	Management of Housing Stock	A procedure to track the completion of scanning and correct indexing of files by the DIP section will be produced by Housing and agreed with arvato. This will include a requirement for the originator to confirm the documentation has been successfully scanned and indexed prior to being destroyed.	31/12/17	No Action Taken	<p>"We are in the process of transferring our DIP indexing to the Logistics team, this will involve:</p> <ul style="list-style-type: none"> • Logistics scanning and sending documents that need to be actioned to the relevant officer • The officer will then action and make any notes on DIP. Once completed the officer would complete the document. • All completed documents to be indexed into correct account on W2. <p>The Logistics team at Arvato have now been trained on how we index our items, and we are currently awaiting confirmation of the date when Arvato will commence this function.</p> <p>Training will also be delivered to all neighbourhood services staff on how to use DIP w2, this will include:</p> <ul style="list-style-type: none"> • Worktray • How to search items correctly, • How to send completed documents to the Logistics properly. <p>Training dates to be confirmed with Logistics Team.</p> <p>Unfortunately we have been advised that Arvato are now unable to take on this work for several months - this has been escalated to the Arvato Contract Management Team and we await their response. (emails attached)"</p>
Person Responsible: Phil Brown					
	Risk Management	<p>The Council will agree the roll out of Intalex to record directorate level risks with each directorate.</p> <p>This will include agreement of responsibilities at directorate level to update risks on a regular basis.</p>	30/06/17	Partially Completed	The Risk and Insurance Officer will meet with the Children's, Learning and Skills directorate to ensure the responsibilities at directorate level to update risks on a regular basis are agreed.
Person Responsible: Joe Carter					

	Business Continuity Planning Arrangements	<p>"The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level that;</p> <ul style="list-style-type: none"> • Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident; • Takes into account legal and other commitments; • Includes systematic analysis and prioritisation of risk treatments; • Defines the required output from the business impact analysis and risk assessment; and • Specifies the requirements for this information to be kept up-to-date. <p>The business impact analysis will include;</p> <ul style="list-style-type: none"> • Identifying activities that support the provision of services; • Assessing the impacts over time of not performing these activities; • Setting prioritised timeframes for resuming these activities at a specified minimum acceptable level (RTO - Recovery Time Objective), taking into consideration the time within which the impacts of not resuming them would become unacceptable (MTPD - Maximum Tolerable Period of Disruption); and • Identifying dependencies and supporting resources for these activities, including 	30/09/16	Partially Completed	Partially Complete as per Follow Up audit 04/17
Person Responsible: TBA					

	Matrix Management of Agency Staff	We will ensure that all staff approving new agency workers or approving the extension of existing agency contracts on the Matrix system input relevant notes of checks that have been carried out, for instance: <ul style="list-style-type: none"> · Whether adequate budget is available for the post; · The post was required urgently out of hours and therefore, there is only authorisation from one member of staff; or · The reason why the contract has been extended. If this information is not detailed then the approval will be refused.	31/05/16	No Action Taken	No Action
Person Responsible: John Griffiths					
	Neighbourhood ASB Enforcement	The Council will review the current structure and resources within Neighbourhood Enforcement teams, and assess whether additional resources are required to ensure ASB cases are responded to in a timely manner. As part of this, the role of the Resilience and Enforcement Team in coordinating ASB activity will be reinforced.	31/01/18	No Action Taken	No action taken
Person Responsible: Frederick Narmh					
	Matrix Management of Agency Staff	The Council will formally assign a Contract Manager who will have responsibility for managing the Matrix contract.	31/05/16	Partially Completed	Corporate procurement will continue to manage the Matrix contract on an interim basis till the contract expires. Following the eminent expiry of the Matrix contract in 2018, it is anticipated that HR will actively manage the new service contract with a dedicated resource. HR to assist in Managing this contract that has been extended for a further year. As per FN A fixed term contract person will be appointed to manage Matrix by mid Oct 2017
Person Responsible: Vijay McGuire					

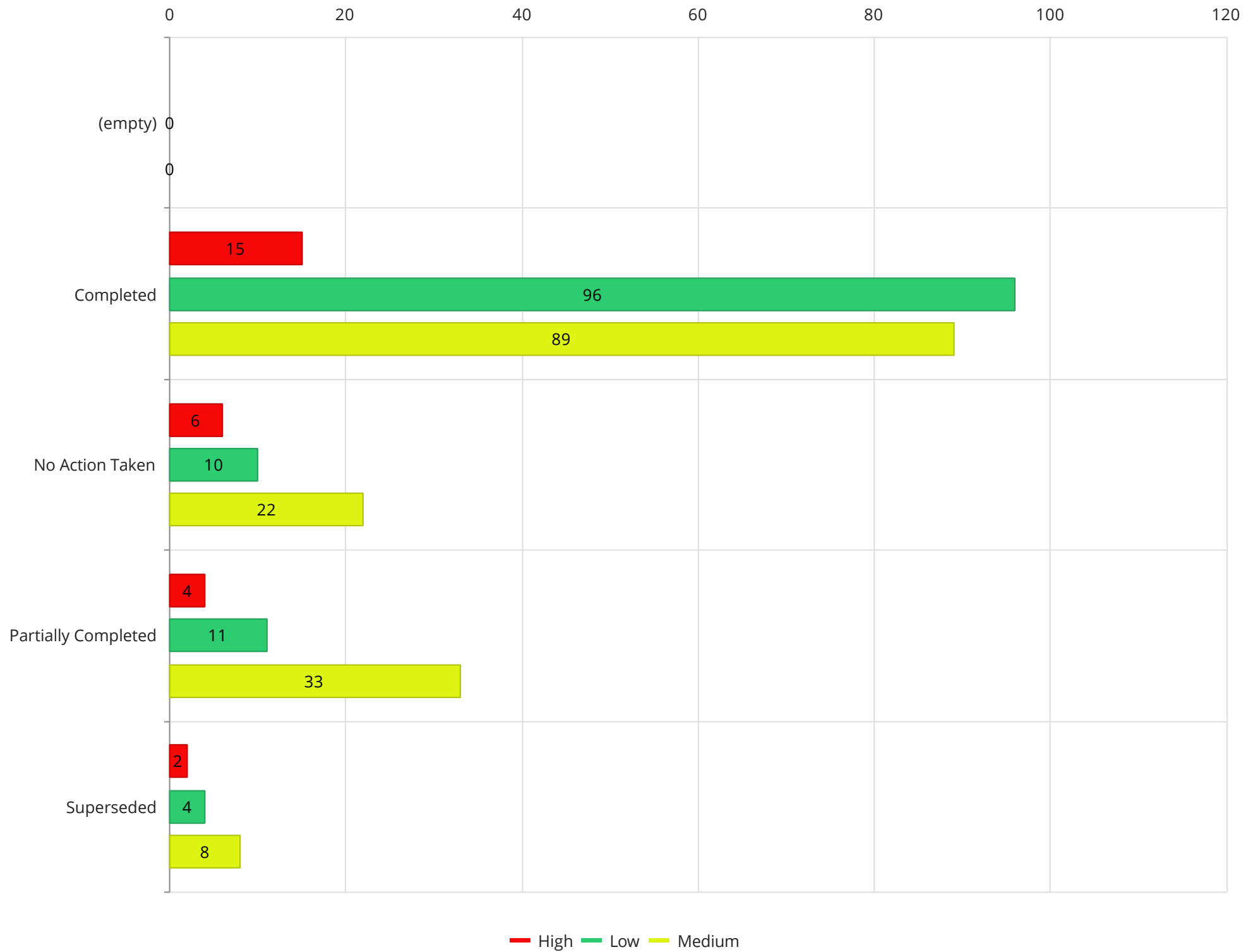
	General Ledger	The Council will ensure that the frequency of backups is stated within the contract with Trustmarque and that assurance is received that backups are conducted regularly and disaster recovery arrangements are tested for the ledger.	30/06/17	No Action Taken	<p>Cannot complete it without Finance involvement and we have asked for copies of the contract with Trustmarque which are not yet been made available. I have asked again and copied you into the request</p> <p>This issue is now between Barry and Simon</p> <p>Barry Stratfull will talk to Trustmarque to see who our contract is with and take matters further</p>
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Audit Actions by Implementaion Status

Bar Chart of Outstanding Audit Actions by Implementation Status

Appendix 3 - Chart of Status of Management Actions

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SBC Risk Register

Report Date	27 Feb 2018
Risk Area	1. Corporate Risks

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 4	Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget	Slough will be an attractive place where people choose to live, work and visit	<p>Description There are a number of major regeneration projects planned for the town which when completed will attract businesses in the area e.g. the TVU site and the old library. Failure to manage these projects effectively may result in project delays and increase project costs.</p> <p>Consequence The main impact will be delays in attracting businesses to the area with the consequential loss of income and ability to provide jobs and opportunities for Slough residents. Inadequate governance arrangements will contribute to ineffective decision making and management</p>	I = 3 L = 5 15	Created a Directorate for Regeneration Asset Master Plan	Existing	I = 3 L = 4 12	Ensure that SBC has proper representation on SUR board Person Responsible: Joe Carter To be implemented by: 31 Mar 2018	I = 2 L = 3 6
					External advisors used for legal and technical advice	Existing		Ensure that there is sufficient budget available Person Responsible: Joe Carter To be implemented by: 31 Mar 2018	
					Monitoring reports go to Cabinet & Members	Existing			
					Terms of reference and governance around SUR contracts	Existing			
CR 20	arvato Contract	All 5 year plan outcomes	<p>Description The Council has a contract with arvato to supply a range of back officer and IT functions. the contract is due to end in the next two years and a decision needs to be made on what the Council intends to do going forward.</p> <p>There is a danger that arvato may decide to pull away from the contract.</p> <p>Consequence If the decision is to bring the service back in-house this is likely to get a hostile response from arvato and we may end up in contractual dispute leading to financial and reputational issues</p>	I = 4 L = 6 24	There is an interim in place managing the contract with arvato	Existing	I = 4 L = 5 20	The Departmental restructure will look to address some of the monitoring issues Person Responsible: Barry Stratfull To be implemented by: 31 Mar 2018	I = 4 L = 4 16

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 2	Failure to ensure financial sustainability.	All 5 year plan outcomes	<p>Description The revenue support grant is declining whilst the population in the Borough is growing. In addition there is an increasing demand for the Council's Services. Efficiency savings still need to be made to reduce expenditure, whilst the financial sustainability of the Council in the longer term is..</p> <p>Consequence Failures or delays in the Slough Urban Regeneration programme is likely to produce an extended period of lower than expected income which will in turn impact the quality of services that can be delivered and result in a failure to meet the corporate objectives. Failures or delays in the Slough..</p>	I = 4 L = 4 16	Assessment of the impact of Brexit on Council finances	Existing	I = 4 L = 2 8	<p>Person Responsible:</p> <p>To be implemented by:</p>	I = 4 L = 2 8
					Budget Monitoring Reports to Members, Corporate Management Team, Departmental Management Teams	Existing			
					External experts used to carry out financial analysis. 5 Year Plan in place	Existing			
					Medium term financial strategy	Existing			

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 1	Recruiting, retaining and stabilising the senior management team.	All 5 year plan outcomes	<p>Description There are currently interim positions at Chief Executive and Resources, Housing and Regeneration Directorate. The Council is undergoing an organisational restructuring, requested by the leaders, and there is a need to recruit into these posts.</p> <p>Consequence Failure to stabilise the senior management of the Council will result in reduced effectiveness of leadership and potential inability to achieve the corporate objectives.</p> <p>Reputational Damage</p>	I = 4 L = 5 20	Corporate Management Team that leads the Council	Existing	I = 4 L = 4 16	<p>Appoint a permanent Chief Executive</p> <p>Person Responsible: Surjit Nagra</p> <p>To be implemented by: 31 Jul 2018</p>	I = 4 L = 2 8
CR 19	Failure of Children's Social Care	Our children and young people will have the best start in life and opportunities to give them positive lives	<p>Description The council is currently subject to statutory intervention by the DfE following 3 consecutive failed Ofsted inspections. Social care Functions now sit within Slough Children's services Trust and will be re-inspected in 2018.</p> <p>Consequence Poor outcomes for vulnerable children include risks to safeguarding. Reputational damage to the council. Prolonged statutory intervention</p>	I = 4 L = 6 24	<p>Improvement Board</p> <p>Joint Parenting Panel</p> <p>Reporting to Cabinet</p> <p>Reporting to Education and Children's Scrutiny</p>	<p>Existing</p> <p>Existing</p> <p>Existing</p> <p>Existing</p>	I = 3 L = 5 15	<p>Review of KPI for Improvement Board,</p> <p>Person Responsible: Cate Duffy</p> <p>To be implemented by: 31 Dec 2017</p> <p>Review of governance by external improvement partner</p> <p>Person Responsible: Cate Duffy</p> <p>To be implemented by: 31 Dec 2017</p> <p>Updated improvement Plan</p> <p>Person Responsible: Cate Duffy</p> <p>To be implemented by: 31 Dec 2017</p>	I = 3 L = 4 12

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 16	Ensuring that the Council meets its statutory duties with regards to school provision	Our children and young people will have the best start in life and opportunities to give them positive lives	<p>Description Currently forecasts indicate that there will be an insufficient level of available places in early years as well as an excess demand for places in the secondary school sector within the medium term</p> <p>Consequence The Council has limited space in the Borough to build more schools</p>	I = 4 L = 5 20	Capital Strategy Board	Existing	I = 4 L = 4 16	Strategy to Cabinet Person Responsible: Cate Duffy To be implemented by: 28 Feb 2018	I = 4 L = 3 12
					Oversight by Cabinet and Overview and Scrutiny	Existing			
					Place Planning Board	Existing			
CR 10	Ensuring that the sustainability and transformation partnership (STP) reaches a satisfactory agreement between all the partners.	Our people will become healthier and will manage their own healthcare and support needs	<p>Description Slough needs to deliver a sustainable Health & Care system</p> <p>There are 13 partners on the Board including acute hospital trusts, community trusts and CCGs.</p> <p>Consequence Failure of sufficient funds to be transferred to the Council to provide the social care will result in the Council not agreeing with the consequential reputational damage or the Council being put under greater financial pressure.</p> <p>Slough does not get enough focus to deliver what it needs to..</p>	I = 3 L = 4 12	A voting member of the board	Existing	I = 3 L = 3 9	The new Cabinet lead will need to be inducted and supported. Person Responsible: Alan Sinclair To be implemented by: 31 Jan 2018	I = 2 L = 3 6
					Reports are sent to the Wellbeing board and to Scrutiny Panel	Existing		Working out KPI metrics and financial control total Person Responsible: Alan Sinclair To be implemented by: 31 Mar 2018	
					There is a Wellbeing Board alliance	Existing			

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 18	Failure to Implement SEND Reform	Our children and young people will have the best start in life and opportunities to give them positive lives	<p>Description The Council has a statutory duty to implement Children & Families Act 2014 reforms to SEND by April 2018</p> <p>The Council will be inspected within the next three years</p> <p>Consequence Failure to do so may result in Government intervention</p> <p>A poor inspection would damage the reputation of the Council</p>	I = 4 L = 5 20	Recruited a Service lead for SEND for better integration with the Council	Existing	I = 3 L = 5 15	Additional resources for SEND Person Responsible: Cate Duffy To be implemented by: 31 Dec 2017	I = 3 L = 4 12
					Regular review and monitoring at Children's Learning & Skills Management team	Existing		Establishment of SEND Partnership Board Person Responsible: Cate Duffy To be implemented by: 31 Dec 2017	
					SEND has been returned to Council control	Existing		Creation of SEND Strategy with partners Person Responsible: Cate Duffy To be implemented by: 28 Feb 2018	
CR 5	Failure to ensure the Town Centre redevelopment, backed by external investors, is completed in as short a timescale as possible.	Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents	<p>Description The town centre will be redeveloped investors to make it an attractive centre for businesses to operate from and residents to visit. However there will be a period when the town centre will be blighted.</p> <p>In the short term SBC have to ensure the short term viability of the Town Centre</p> <p>Consequence Failure to ensure this period is short will mean that businesses and their income will be delayed or they may decide to go elsewhere. We understand this happened in elsewhere</p>	I = 4 L = 4 16	Discussions and negotiations with investors has started (single point of contact)	Existing	I = 4 L = 4 16	Ensure that the Planning Performance Agreement is established and is fully resourced Person Responsible: Sanjay Dhuna To be implemented by: 30 Jun 2018	I = 3 L = 3 9
								Establish a relationship with Ardia through a project board Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	
								Need to develop a program/strategy for attracting short term investment Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 11	Ensuring the Council's internal control environment is fit for future.	All 5 year plan outcomes	<p>Description Continued changes in personnel / vacancy / service change have resulted in loss of corporate memory and deterioration in the control framework including adherence with policy, systems, process and procedures. This can result in decisions being made without a firm policy footing or decisions being..</p> <p>Consequence The Council is therefore at greater risk of being challenged or making a poor decision with sub optimal outcomes.</p>	I = 3 L = 5 15	Reviewed Code of Conduct	Existing	I = 3 L = 3 9	Complete the review of the constitution. Person Responsible: Sushil Thobhani To be implemented by: 31 Mar 2018	I = 2 L = 2 4
					Reviewed Constitution	Existing		Complete the review of HR policies under the new structure Person Responsible: Surjit Nagra To be implemented by: 31 Mar 2018	
					RSM Internal Audit provides assurance Implementation of Agresso has increased controls	Existing		Complete the review of the code of conduct Person Responsible: Sushil Thobhani To be implemented by: 31 Mar 2018	
					Updated financial procedure rules	Existing			
CR 17	The Effects on the Council of political Instability	All 5 year plan outcomes	<p>Description The political instability of the Council hampers the effectiveness of the Council</p> <p>Consequence Senior Management resources diverted into dealing with issues that arise from the political situation.</p> <p>Decisions and important information reports are being delayed</p> <p>Possible intervention from Central Government</p>	I = 4 L = 5 20	To be decided	Existing	I = 4 L = 5 20	To Be decided Person Responsible: Roger Parkin To be implemented by: 31 Jan 2018	I = 4 L = 5 20

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority	
CR 9	Management of the procurement process to ensure that the Council is fully compliant with procurement rules and meets the associated regulations.	All 5 year plan outcomes	<p>Description The Council operates a hybrid procurement model which is in between centralised and non-centralised procurement. Hence some procurement is undertaken directly from the Directorates.</p> <p>The procurement process should also comply with the Public Services Social Value Act by having regard to..</p> <p>Consequence Failure to follow the EU or local rules for procurement opens the Council up to the risk of being challenged by unsuccessful bidders. Hence it is important that procurement officers have adequate training and familiarise themselves with the basic rules.</p>	I = 3 L = 5 15	Dedicated Procurement team	Existing	I = 3 L = 3 9	<p>The Procurement Strategy will be updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, published on both the Council website and intranet and then reviewed annually thereafter</p> <p>Person Responsible: Sushil Thobhani To be implemented by: 31 Jan 2018</p>	I = 2 L = 3 6	
					Internal Procurement and tender regulations in Constitution	Existing				<p>The Procurement team will undertake monthly monitoring and analysis of expenditure by supplier and by type of expenditure to monitor compliance with the Council and EU procurement thresholds requiring formal contracts to be awarded and to identify any potential efficiencies and savings that could be delivered through consolidation of contracts</p> <p>Person Responsible: Sushil Thobhani To be implemented by: 31 Jan 2018</p>
										<p>The Corporate Procurement Rules will be reviewed and updated to ensure it is reflective of current legislation and thresholds. The amendments will then be either approved by Council as part of the 2017 annual review of the Constitution or presented to the Constitution Panel for approval</p> <p>Person Responsible: Sushil Thobhani To be implemented by: 31 Jan 2018</p>

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 3	Failure to ensure that the Council meets its statutory service requirements in homeless, re-housing and emergency housing as well as compliance with health and safety regulations [Fire].	Our residents will have access to good quality homes	<p>Description The Council has statutory responsibility to provide accommodation for the homeless and adequate housing to meet the local demand. The increasing number of homeless is an emerging risk as the Council is required to find temporary accommodation which will be a high cost and poses a safeguarding..</p> <p>Consequence Failure to manage these properties could mean a failure to its corporate objectives and the Council's statutory obligations including health and safety, in particular, fire.</p> <p>Reputational Damage</p>	I = 4 L = 5 20	2018/19 Budget approved additional funding for the expansion of James Elliman Housing	Existing	I = 3 L = 4 12	Ensure the sufficient resourcing for the expansion of James Elliman Homes Person Responsible: Mike England To be implemented by: 31 Mar 2018	I = 3 L = 3 9
					A group has been set up to look specifically at high rise properties	Existing		Putting place Homelessness Prevention strategy aimed at trying to contain homelessness and containing the financial impact upon the authority Person Responsible: Colin Moone To be implemented by: 31 Mar 2018	
					Contracts have been strengthened with respect to contractor's health and safety responsibilities	Existing		Building compliance project that brings together various strands or the organisation to firstly discover if there any gaps in building/environmental compliance. RSM currently undertaking the review The first deliverable of this project will be the results of a review of the compliance system Person Responsible: Mike England To be implemented by: 31 Mar 2018	
					Corporate health and safety board.	Existing			
					Homeless Prevention Board	Existing			
					The risk of homelessness is being monitored.	Existing			

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 6	There is a risk that the processes for bringing Environmental Services back in house are inefficient and ineffective making the transition difficult. Failure to ensure Environmental services operate to the standard expected by the Council.	All 5 year plan outcomes	<p>Description Environmental services have been run by external organisations for the last few years.</p> <p>Consequence Failure to understand how well the services have been managed, their financial situation, the skills of staff and the risks they carry may mean the Council is taking on unwanted liabilities or does not have sufficient capabilities / capacity to ensure successful continuity of services to users once..</p>	I = 3 L = 5 15	Call off contract with Agency in case of staff shortages or strikes.	Existing	I = 3 L = 3 9	Construct a system of monitoring service delivery including Key performance indicators Person Responsible: Mike England To be implemented by: 31 Mar 2018	I = 3 L = 2 6
					New Fleet purchased	Existing			
					TUPE transfer of staff including experienced staff and managers.	Existing			
					Working Group has been set up to manage mobilisation (Chaired by CEO).	Closed			

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 15	Managing External Contractors	All 5 year plan outcomes	<p>Description Failure to manage external contractors</p> <p>Consequence The Council has ultimate responsibility for contractor risks and a contractors financial failure or over commitment of resources may result in the Council's services not being delivered or reputational damage due to poor health and safety practices or poor quality of work.</p>	I = 4 L = 3 12	Client and Compliance Teams	Existing	I = 4 L = 1 4	Undertake repeated financial due diligence at regular intervals Person Responsible: Barry Stratfull To be implemented by: 31 Mar 2018	I = 3 L = 1 3
					Employee Skills Committee	Existing			
					Financial Due Diligence	Existing			
					Financial Procedure Rules/Procurement Rules	Existing			
					Overview and Scrutiny Panel Neighbourhood Panels	Existing			
					Performance Monitoring Reports	Existing			
					Regular internal audits	Existing			
					Robust contracts	Existing			

SBC Risk Register

Risk Ref	Risk Title	5 Year Plan Outcomes	Description & Consequence	Inherent Risk Priority	Risk Control	Control Status	Residual Risk Priority	Action Required	Target Risk Priority
CR 14	Failure to ensure that the Council has adequate permanent staff with the skills required to meet their corporate objectives.	All 5 year plan outcomes	<p>Description The Council has relied on a high number of long-term agency staff to carry out its functions because of role vacancies. The organisational restructuring alongside developing initiative provides the opportunity to recruit staff into roles</p> <p>Consequence Failure to develop the workforce and retain staff will mean the Council does not have the required skills to meet its corporate objectives</p>	I = 3 L = 3 9	Employment Appeals Committee Monitoring data	Existing	I = 2 L = 2 4	Produce Business to set up academy to develop our own staff of the future Person Responsible: Surjit Nagra To be implemented by: 28 Feb 2018	I = 2 L = 2 4
					Invested in the Slough Academy for difficult to fill posts	Existing			
					Restructured Adult Social Care	Existing			
					Working with Matrix regarding the longevity of Agency staff.	Existing			
CR 8	Ensuring the effectiveness of resilience plans/ continuity plans for key locations and services.	All 5 year plan outcomes	<p>Description The Council's business continuity plan was last reviewed in 2013. The internal audit report in 2016 would provide no assurance that adequate controls are in place. The BCP has not been tested through desk top or simulation exercises.</p> <p>Consequence Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause disruption. Senior management do not appear to have appreciated the significance of the risks or given this due attention in the past</p>	I = 4 L = 6 24	Dedicated Business Continuity Officer	Existing	I = 4 L = 5 20	The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	I = 2 L = 3 6
					External assistance to help develop the plan	Existing		A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to; • The roles and contributions of staff to the effectiveness of BCM within the Council Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	
								To conclude the delivery programme for implementing Business Continuity Management throughout the authority Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 8th March 2018

CONTACT OFFICER: Simon Pallett, Service Lead – IT & Digital, Finance & Resources
Dean Trussler – Business Continuity and Response Manager
(For all Enquiries) 07979 708181 / 01753 875131

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

UPDATE ON INFORMATION GOVERNANCE AUDIT ACTIONS AND BUSINESS CONTINUITY

1. **Purpose of Report**

The purpose of this report is to:

- Respond to member request for an update at December 2017 Audit & Corporate Governance meeting
- Report to members on the progress of the implementation of Internal Audit recommendations relating to Information Governance and Business Continuity.

2. **Recommendation(s)/Proposed Action**

That details of the update on Information Governance Audit Actions and Business Continuity be noted.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The [Slough Joint Wellbeing Strategy](#) (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

3a. **Slough Joint Wellbeing Strategy Priorities –**

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the emerging Community Strategy Priorities

Priorities:

- *Economy and Skills*
- *Health and Wellbeing*
- *Regeneration and Environment*

- *Housing*
- *Safer Communities*

3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

4. **Other Implications**

(a) Financial

There are no financial implications of proposed action

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit & Risk Committee is requested to comment on and note the attached reports</i>	<i>This report concerns risk management across the Council</i>	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

(d) Equalities Impact Assessment

There is no identified need for an EIA

5. **Supporting Information**

5.1 **Information Governance Audit – December 2016**

5.1.1 An audit of Information Governance was undertaken as part of the annual internal audit plan in December 2016. This audit concluded that the Council could not take assurance that the controls in place to manage the risks associated with this area are suitably designed and consistently applied, with particular weaknesses identified in the design of the control framework. Within the report, a total of 2 high, 12 medium and 4 low priority management actions were agreed.

5.2 **Increased Importance**

5.2.1 With the introduction of the General Data Protection Regulations in May 2018, requiring more rigorous controls, the Council will need to be assured that robust information governance processes are embedded within the culture and working practices of the Council. Furthermore, as the Council moves towards more collaborative working with strategic partners, in particular the NHS, there is a need to demonstrate robust compliance with the Data Protection Act and GDPR requirements in relation to the security of data.

5.3 **Information Governance Audit Revisited – November 2017**

5.3.1 In view of the increased importance, in November 2017, RSM reviewed the high and medium priority actions to determine the progress made against each and to provide assurance that these actions have been fully implemented.

5.3.2 This audit concluded a “Partial Assurance”. It found that while the Council had taken action to address some of the failings identified in the previous report – where a “No assurance” opinion was provided, a number of issues remained. Mainly in the area of updating key corporate policies. This report identifies 1 high, 10 medium and 2 low actions outstanding. Revised target delivery dates have been agreed.

5.4 **Current Position – March 2018**

Significant activity has been undertaken in recent months in preparation for the implementation of GDPR on May 25th 2018. A series of Data Mapping workshops – with RSM oversight – are underway across the authority to review data silos and working practices. Key policies are being reviewed in line with best practice and revised documents being authorised by the Council’s Information Governance Board. The current position on audit actions is that only 2 medium priority actions remain outstanding. Both of these actions are partially completed - one of these is scheduled to be finalised by 31st March 2018 and the other by 31st July 2018.

6. **Business Continuity Update - February 2018**

Background

The Council has to have robust Business Continuity plan (BCP) as this is stated in the Civil Contingencies Act 2004. Business Continuity Management was also highlighted in an internal audit report and is still a high risk. CMT backed a Project plan to resolve the lack of Business Continuity.

Update

Unfortunately due to the senior management restructure the planned project is behind schedule. I took the opportunity to pilot both the new BIA template and Recover plan template with Housing and Neighbourhoods as they had already carried out their restructure. This was completed in January 2018. In the whole the templates are fit for purpose with few updates. The major issue that was gathered from feed back is that more training is required for the managers completing the templates. This training is being put together. Once that has been completed the project can be rolled out to the rest of the council.

In conclusion the project plan is behind schedule due to the restructure. Also a growth bid is being put together for a staff resource allocated to Business continuity as highlighted in the audit report. The BCM project will shortly be rolled out to the council to complete the templates with support from Business Continuity and response Manager.

7. **Comments of Other Committees**

There are no comments from other Committees.

8. **Conclusion**

Members are requested to note substantial progress in the implementation of Information Governance Audit management actions.

9. **Appendices Attached**

A Information Governance Audit Report 2017/18

B Business Continuity Audit Report

10. **Background Papers**

None



SLOUGH BOROUGH COUNCIL

Information Governance

FINAL

Internal audit report: 32.17/18

28 February 2018

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



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Debrief held	8 February 2018	Internal audit team	Daniel Harris - Head of Internal Audit
Draft report issued	14 February 2018		Chris Rising - Senior Manager
Responses received	28 February 2018		Amir Kapasi - Assistant Manager Zikhona Ngalo - Internal Auditor
Final report issued	28 February 2018	Client sponsor	Neil Wilcox - Director, Finance and Resources
		Distribution	Neil Wilcox - Director, Finance and Resources

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

1 EXECUTIVE SUMMARY

1.1 Background

An audit of Information Governance was undertaken as part of the annual internal audit plan for 2017/18. In December 2016, we undertook a review of the Information Governance Toolkit, for which the audit concluded that the Council could not take assurance that the controls in place to manage the risks associated with this area are suitably designed and consistently applied, with particular weaknesses identified in the design of the control framework. Within the report, a total of 2 high, 12 medium and 4 low priority management actions were agreed.

We have reviewed the medium and high priority actions agreed during this review to determine the progress made against each and to provide assurance that these actions have been fully implemented.

With the introduction of the General Data Protection Regulations in May 2018, requiring more rigorous controls, the Council need to be assured that robust information governance (IG) processes are embedded within the culture and working practices of the Council and that staff are knowledgeable of the risks of poor IG as these form the foundations of compliance with the Data Protection Act

Furthermore, as the Council moves towards more collaborative working with strategic partners within the Slough economy, in particular the NHS, there is a need to demonstrate robust compliance with the Data Protection Act and GDPR requirements in relation to the security of data, whether paper based or electronic.

1.2 Conclusion

We found that while the Council had taken action to address some of the failings identified in the previous report in 2016/17, where a ‘no assurance’ opinion was provided, such as the commencement of mapping of data flows within the organisation, a number of issues remain. Specifically; the update of key corporate policies in relation to Information Governance, the lack of review of contracts to ensure appropriate IG clauses are included, the lack of update and monitoring of training uptake and the lack of action plans to address any of the areas identified have contributed to the partial assurance opinion.

Internal audit opinion:

Taking account of the issues identified, the Council can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risks



1.3 Key findings

The key findings from this review are as follows:

Information Governance Policy and Structure

We found that due to the restructure, and key members of staff being off sick, the Information Governance Policy still had not been updated, and consequently, the role of the SIRO had not been allocated. Lack of an up-to-date policy which is reflective of the overarching IG framework within Council and which contains sufficient guidance on IG arrangements and processes increases the risk that staff may adopt incorrect processes which are non-compliant with the Data Protection Act. This could result in data protection breaches and expose the Council to reputational risks as well as the risk of penalties from the Information Commissioner. **(High)**

While a proposed structure had been provided to demonstrate the assignment of responsibilities for Information Governance, this had not been implemented at the time of audit fieldwork due to the council restructure. Without ensuring that all IG responsibilities are formally assigned, there is a risk that these responsibilities will not be undertaken and appropriate IG arrangements and processes may not be established and embedded within the Council. **(Medium)**

Data Protection Clauses within Contracts

The Council is has still not undertaken a review of all contracts within the organisation to ensure that sufficient clauses are included to set out the Council's obligations in relation to the Data Protection Act, due to key procurement staff leaving the organisation. If the Council is unable to sufficiently assure itself that appropriate data protection clauses are contained within all contracts, and where appropriate clauses are not included; there is a risk that the Council may not be able to hold third parties to account should they be involved in a data protection breach involving Council data. The Council is also unable to evidence compliance with the toolkit requirement. **(Medium)**

Information Security Awareness Training and Specialist Training

We found issues with the monitoring and reporting of compliance with training provided by the Council, with only 590 out of 1097 members of staff having undertaken the relevant Information Security training, with limited evidence to confirm this being challenged at CMT. In addition, the Council has not identified the training needs for specialist roles such as the SIRO and Caldicott Guardian due to the current restructure. If training is not provided for specialist roles, there is a risk that specialist staff will not be trained up to an appropriate standard which could in turn lead to a breach of the Data Protection Act and the consequences associated with this. **(Medium)**

Linked to the above, we found that the Information Security Awareness training slides had not been updated to include information in relation to the Caldicott Principles, upon which compliance with the Data Protection Act is based. Where training courses do not cover all relevant areas, there is a risk of incorrect processes being followed by staff, which could potentially result in non-compliance with data protection requirements and expose the Council to the risk of penalties and reputational damage. **(Medium)**

Information Governance Action Plan

Our review identified that the Council are yet to form a suitable action plan to address gaps identified in the IG framework. It was intended to use the previous Internal Audit report as the basis for the improvement plan, however this was never formulated. The lack of a formal IG Improvement Plan to identify actions necessary to embed IG arrangements may increase the risk that staff may adopt incorrect processes which are non-compliant with the Data Protection Act. This could result in data protection breaches and expose the Council to reputational risks as well as the risk of penalties from the Information Commissioner. **(Medium)**

We found that while a process had been implemented in relation to reporting of incidents to the IG Board, this process had not been updated within the Council's Information Security Incident Reporting Policy. If the Information Security Incident Reporting Policy is not updated with the process, there will be no reference to the procedures for the reporting of and response to incidents and there is a risk that information security incidents will not be reported correctly and that may lead to incidents not being addressed. **(Medium)**

Corporate Policies and Data Protection Workplan in relation to Information Governance

No policy for the management of corporate records had been developed by the Council since the previous audit in this area. This exposes the Council to the risk of penalties due to non-compliance with the provisions of the Data Protection Act, as well as an increased risk of data breaches due to records being held indefinitely. **(Medium)**

The Data Protection and Privacy Policy, which was found to be insufficient during the previous audit, had not been updated. If the Data Protection and Privacy Policy is not updated to ensure that the roles of a Council-wide Caldicott Guardian as well as those staff responsible for supporting the Caldicott Guardian appropriately are not assigned and formally communicated, there is a risk of a lack of sufficient attention to and oversight of the work necessary to ensure the Council complies with its confidentiality and data protection obligations. **(Medium)**

No data protection annual plan had been developed since the previous audit due to a lack of resource. If the data protection work programme is not developed there is a risk that work necessary to ensure compliance to data protection and confidentiality requirements will not be identified and non-compliance may result in penalties and reputational damage. **(Medium)**.

We found that while the Council had drafted a data quality policy, this had yet to be approved by the Information Governance Board, however the policy had not been updated to take account of GDPR. Without a Data Quality Policy, there is a risk of a lack of consistency as a result of controls to ensure the quality of data not having been defined. **(Medium)**

In addition, we have agreed two 'Low' priority actions, and these are detailed in section 2 below.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Area	Control design not effective*		Non Compliance with controls*		Agreed actions		
	Low	Medium	High	Low	Medium	High	
Information Governance	0	(13)	13	(13)	2	10	1
Total	2	10	1				

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 DETAILED FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

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Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
1	<p>Previous Action:</p> <p>The Council will review the current staffing resources in relation to information governance to ensure sufficient resources are in place to appropriately oversee information governance arrangements and responsibilities per the Health and Social Care Information Care guidance are formally assigned.</p>	Yes	No	<p>We were informed by the Service Lead Digital & Strategic IT that the management action to ensure staffing resources are in place to ensure and to oversee information governance arrangements and responsibilities per the Health and Social Care Information Centre guidance has been ongoing.</p> <p>As evidence, a draft Digital and IT team structure had been provided for our review. According to the Service Lead Digital & Strategic IT, the draft structure had been discussed with the Director of Finance and Resources (Section 151 Officer) and delays to finalise the</p>	Medium	The Council will ensure that the draft Digital and IT team structure is approved by the IG Board and the recruitment process is undertaken to ensure that sufficient resources are in place to appropriately oversee information governance arrangements and responsibilities per the Health and Social Care Information Centre guidance are formally assigned.	31 st July 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>process had been due to the Council restructuring for senior management level that had only been finalised on 01 November 2017.</p> <p>Through our review of the draft Digital and IT team structure, we noted that roles such as the IG lead officer reporting to the Service Lead Digital & Strategic IT, Data Protection Officer, Freedom of Information (FOI) Officer, Records Management Officer, reporting to the IG lead officer and a FOI Support Officer reporting to the FOI Officer had been set out.</p> <p>We were informed that of these roles the Service Lead Digital & Strategic IT, FOI and the FOI Support were in post. In addition, we were informed that recruitment for other roles will be undertaken as soon as the structure is approved.</p> <p>At the time of our review, the structure had not been approved and implemented, we therefore raised an action with medium priority.</p> <p>Without ensuring that all IG responsibilities are formally assigned, there is a risk that these responsibilities will not be undertaken and appropriate IG arrangements and processes may not be established and embedded within the Council.</p>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
2	<p>Previous Action</p> <p>The Information Governance Policy will be reviewed and updated to ensure it reflects the arrangements and processes within the Council, in line with the HSCIC guidance, including;</p> <ul style="list-style-type: none"> roles and responsibilities, covering senior IG roles (Caldicott Guardian, SIRO and IG Lead), other key staff roles in relation to IG as well the responsibilities of the wider workforce; the specific resources within the Council to fulfil these roles. the key policies underpinning the overarching Information Governance Policy; governance arrangements for overseeing the IG agenda within the Council; processes for delivering training and awareness programmes to staff; and arrangements for reporting, escalating and monitoring IG incidents and breaches. <p>Once updated, the policy will be presented to the IT and</p>	Yes	No	<p>We were informed by Service Lead Digital & Strategic IT that review of the IG Governance Policy had been added into the Council's IT Strategy Action plan dated 26 February 2017.</p> <p>However, no further work had been performed to ensure that the policy had been reviewed and updated as agreed in the 2016/17 internal audit report.</p> <p>Upon enquiry, we were informed that the Service Lead Digital & Strategic IT who was the responsible owner for the management action had been off sick and the policy review had been put on hold. We were also informed that another challenge to finalise the policy had been lack of clarity on who will take on the roles of the Caldicott Guardian and Senior Information Risk Officer (SIRO).</p> <p>We were also informed that following the organisational restructuring on 1 November 2017, the Caldicott Guardian role has been delegated to the Service Lead Adult Social Care Operation who is at the level of the Assistant Director.</p> <p>We reviewed a copy of the job description for the Service Lead Social Care Operation and confirmed that it included the Caldicott Guardian role.</p> <p>At the time of our follow up an individual had not been appointed to the SIRO</p>	High	<p>The Information Governance Policy will be reviewed and updated to ensure it reflects the arrangements and processes within the Council, in line with the HSCIC guidance, including;</p> <ul style="list-style-type: none"> roles and responsibilities, covering senior IG roles (Caldicott Guardian, SIRO and IG Lead), other key staff roles in relation to IG as well the responsibilities of the wider workforce; the specific resources within the Council to fulfil these roles. The key policies underpinning; the overarching Information Governance Policy; governance arrangements for overseeing the IG agenda within the Council; processes for delivering training and awareness programmes to staff; and 	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<p>Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>			<p>role, following the promotion of the Strategic Director Customer & Community Services to the role of the Interim Chief Executive.</p> <p>We were informed that the position of the Strategic Director Customer & Community Services has been removed from the organisational structure.</p> <p>In addition, we were informed that Interim Chief Executive had been continuing with the role, however, the role will need to be re-delegated.</p> <p>According to the discussions held, the Section 151 Officer had started chairing the meetings of the IG Board which had been the SIRO role prior to the restructuring. However there had been no formal delegation of the role to the Section 151 Officer.</p> <p>Lack of an up-to-date policy which is reflective of the overarching IG framework within Council and which contains sufficient guidance on IG arrangements and processes increases the risk that staff may adopt incorrect processes which are non-compliant with the Data Protection Act.</p> <p>This could result in data protection breaches and expose the Council to reputational risks as well as the risk of</p>		<ul style="list-style-type: none"> arrangements for reporting, escalating and monitoring IG incidents and breaches. <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>Thereafter, the policy will be reviewed annually with version control included within document to record approval and next review details.</p>		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				penalties from the Information Commissioner.				
3	<p>Previous Action</p> <p>The Council will ensure that, as part of the review and re-scoping of the contracts database, fields are included for evidencing the review of contracts for appropriate clauses relating to data protection and requirements for reporting information governance incidents.</p>	Yes	No	<p>We were informed by the Service Lead Digital & Strategic IT that the action had been delegated to the Assistant Director of Procurement, who went on sick leave since January 2017 and officially left the Council in August 2017.</p> <p>The Assistant Director of Procurement vacancy has now been scrapped in the new organisational structure and the review and re-scoping of the contracts database element of the vacancy has been delegated to the Head of Procurement from 01 November 2017.</p> <p>We were also informed that the agreed management action will be forwarded to them for implementation as the process of reviewing the contract database had been underway.</p> <p>If the Council is unable to sufficiently assure itself that appropriate data protection clauses are contained within all contracts, and where appropriate clauses are not included; there is a risk that the Council may not be able to hold third parties to account should they be involved in a data protection breach involving Council data. The Council is also unable to evidence compliance with the toolkit requirement.</p>	Medium	The Council will ensure that, as part of the review and re-scoping of the contracts database, fields are included for evidencing the review of contracts for appropriate clauses relating to data protection and requirements for reporting information governance incidents.	31 st March 2018	Frederick Narmh - Head of Procurement

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
4	<p>Previous Action</p> <p>As part of the review of training needs, the Council will ensure the inclusion of IG training as part of induction.</p> <p>In addition, a review will be undertaken to ensure the additional training needs of staff within specialist IG roles are identified and addressed.</p> <p>The training needs document will be updated to include the requirement for IG induction to be provided as part of induction, as well as the training requirements for staff within specialist IG roles.</p>	Yes	No	<p>We were informed that the Council has a mandatory IT training e-learning course on Information Security Awareness relating to internet security, data handling, and guidance on how data should be handled and this was available to all staff via the Intranet, along with Data Protection Awareness and the Government Connect courses. Intranet print screens and course content were provided as evidence.</p> <p>We were also informed that Data Protection Awareness course had not been updated and that it was to be updated in time to ensure compliance when the GDPR goes live</p> <p>Upon enquiry, we were informed that the Human Resources unit monitors completion of the mandatory IT training maintains a training log. The Human Resources unit submits the training log to the Corporate Management Team (CMT) monthly and non - compliance is communicated to relevant Service Leads by CMT.</p> <p>We reviewed the provided Information Security training report as of 6 September 2017. Through review of this report we noted that as of 6 September 2017, 590 out of 1097 members of staff had undertaken the Information Security training. We therefore reviewed CMT minutes dated 11 October 2017, however we could not confirm that the</p>	Medium	<p>The Data Protection Awareness training will be updated to provide guidance in line with GDPR prior to regulations going live.</p> <p>A review will be undertaken to ensure the additional training needs of staff within specialist IG roles are identified and the training needs document will be updated with the identified training requirements.</p>	<p>31st March 2018</p> <hr/> <p>31st March 2018</p>	<p>Alex Cowen - IT & Business Relationship Manager</p> <hr/> <p>Surjit Nagra- Service Lead HR</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>training report had been discussed at the CMT meeting as there had been no record made in the minutes. We were also informed by the Organisational Development Officer that CMT has requested the report format to be revised, therefore no reporting is due to be submitted until the revision of the report format is finalised in January 2018.</p> <p>In addition, we were provided with Data Security presentation dated 01 July 2017 that had been communicated to all staff and the presentation was also available to all staff on Insite. This includes the responsibilities of staff with regards data security and instructions over sending information by email.</p> <p>With regards to the ensuring the additional training needs of specialist IG roles, we were informed that the action had not been implemented, as the specialist roles had not been identified due to organisational restructuring.</p> <p>Through discussion we were informed that moving forward the Council intends to identify the SIRO, following which the training needs for the role will be identified and plotted for both the SIRO and the Caldicott Guardian. Now that the Caldicott Guardian has been identified, training is to be set up.</p>				

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				If training is not provided for specialist roles, there is a risk that specialist staff will not be trained up to an appropriate standard which could in turn lead to a breach of the Data Protection Act and the consequences associated with this.				
5	<p>Previous Action:</p> <p>The Information Security Awareness course will be reviewed and updated to ensure the content is reflective of current arrangements and includes reference to the Caldicott Principles and the processes for ensuring compliance with the Freedom of Information Act.</p> <p>In addition, the Council will consider merging the Information Security Awareness and Data Protection Awareness courses to provide a single course covering data protection and information governance.</p>	Yes	No	<p>We were informed through discussion with the IT and Business Relationship Manager, that the Information Security Awareness course has not been updated to include information with regards to the Caldicott Principles as the Caldicott Guardian role had not been delegated.</p> <p>In our discussions, we were informed that now that the role has been delegated, the course will be updated with the Caldicott principles and the Guardian details.</p> <p>Where training courses do not cover all relevant areas, there is a risk of incorrect processes being followed by staff, which could potentially result in non-compliance with data protection requirements and expose the Council to the risk of penalties and reputational damage.</p>	Medium	<p>The Information Security Awareness course will be reviewed and updated to ensure and includes reference to the Caldicott Principles.</p> <p>In addition, the Council will consider merging the Information Security Awareness and Data Protection Awareness courses to provide a single course covering data protection and information governance.</p>	31 st March 2018	Alex Cowen - IT & Business Relationship Manager
6	<p>Previous Action:</p> <p>The Corporate IT Security Policy will be reviewed and updated to ensure it reflects</p>	Yes	No	<p>We were informed by the Service Lead Digital & Strategic IT that the Corporate IT Security Policy had been drafted and was due to be discussed at the Information Governance Board's next</p>	Low	<p>The drafted Corporate IT Security Policy will be presented to the IT and Information Governance Board for approval, upon</p>	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<p>the current arrangements and processes for information security within the Council.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>			<p>meeting scheduled for discussion and approval in 13 December 2017.</p> <p>We reviewed the draft policy and confirmed that it had been updated to reflect IT security arrangements, however it had not been updated with GDPR.</p> <p>Upon enquiry, we were informed that the current draft was to go to the IGB as planned, and the policy was to be updated again to ensure that it was in line with GDPR prior to regulation going live.</p>		<p>approval the policy will be circulated to staff and made accessible via the intranet.</p> <p>The Council will ensure that the policy is also updated to provide guidance in line with GDPR prior to regulations going live.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>		
7	<p>Previous Action:</p> <p>The Council will develop and finalise the IG Improvement Plan to identify the actions necessary to embed robust IG arrangements and ensure compliance with the HSCIC IG toolkit requirements. Each action will be assigned a responsible owner and completion deadline.</p> <p>The plan will be reviewed and revised on an annual basis and will be subject to approval by the IT and Information Governance</p>	Yes	No	<p>We were informed by the Service Lead Digital & Strategic IT that the 2016/17 internal audit report actions had been used as the improvement plan with the intention to merge the internal audit actions with actions from the General Data Protection Regulation work into a formal IG Improvement Plan.</p> <p>At the time of our review, the formal improvement plan had not been produced. We were also informed that the improvement plan will be produced following the Digital & IT team restructuring and filling of posts.</p> <p>The lack of a formal IG Improvement Plan to identify actions necessary to</p>	Medium	<p>The Council will develop and finalise the IG Improvement Plan to identify the actions necessary to embed robust IG arrangements and ensure compliance with the HSCIC IG toolkit requirements.</p> <p>Each action will be assigned a responsible owner and completion deadline.</p> <p>The plan will be reviewed and revised on an annual basis and will be subject to</p>	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	Board. It will drive the IG agenda within the Council and progress against the plan will be monitored at each meeting of the IT and Information Governance Board, with progress updates reported to CMT periodically.			<p>embed IG arrangements may increase the risk that staff may adopt incorrect processes which are non-compliant with the Data Protection Act.</p> <p>This could result in data protection breaches and expose the Council to reputational risks as well as the risk of penalties from the Information Commissioner.</p>		<p>approval by the IT and Information Governance Board.</p> <p>It will drive the IG agenda within the Council and progress against the plan will be monitored at each meeting of the IT and Information Governance Board, with progress updates reported to CMT periodically.</p>		
8	<p>Previous Action:</p> <p>A formalised process will be implemented for reporting, recording, investigating and managing information security incidents, which will be reflected within the Information Security Incident Reporting Policy.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff, made accessible via the intranet and communicated to third party providers and partner organisations.</p> <p>The policy will be reviewed annually thereafter, with</p>	Yes	No	<p>We were informed by the IT & Business Relationship Manager that data breaches were reported to the IGB at monthly meetings and they were monitored by the IGB through the IGB Action Tracker.</p> <p>We reviewed provided July, August and September 2017 IGB Tracker as well as IGB minutes, and confirmed that data breaches had been reported to the IGB by the IT & Business Relationship Manager.</p> <p>However, we were informed that the agreed management action to update the Information Security Incident Reporting Policy with the process had not been implemented.</p> <p>If the Information Security Incident Reporting Policy is not updated with the process, there will be no reference to</p>	Medium	<p>The Council will ensure that the Information Security Incident Reporting Policy is updated to reflect the reporting, recording, investigating and managing information security incidents.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff, made accessible via the intranet and communicated to third party providers and partner organisations.</p>	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	version control included within document to record approval and next review details.			the procedures for the reporting of and response to incidents and there is a risk that information security incidents will not be reported correctly and that may lead to incidents not being addressed.		The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.		
9	<p>Previous Action:</p> <p>The Council will ensure that a robust framework is established and maintained for records management, including the use and monitoring of retention schedules.</p> <p>The Records Management Policy will subsequently be updated to reflect these processes and the responsibilities of all staff as well key staff roles in relation to records management.</p> <p>Once updated, the policy will be presented to the IT and IG Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within</p>	Yes	No	<p>We were informed by the Service Lead Digital and IT Strategy that a framework for records management had been drafted however it had not been discussed with relevant services leads and therefore had not been finalised.</p> <p>We reviewed the policy and confirmed that it reflected these processes and the responsibilities of all staff as well key staff roles in relation to records management, however it had not been updated with GDPR. Upon enquiry, we were informed that the policy will be updated with GDPR prior to regulations going live</p> <p>This exposes the Council to the risk of penalties due to non-compliance with the provisions of the Data Protection Act, as well as an increased risk of data breaches due to records being held indefinitely.</p>	Medium	<p>The drafted Records Management Policy will be discussed with relevant service leads and finalised. Once finalised, the policy will be presented to the IT and IG Board for approval.</p> <p>Upon approval, the policy will be circulated to staff and made accessible via the intranet.</p> <p>The Council will ensure that the policy is also updated to provide guidance in line with GDPR prior to regulations going live.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	31 March 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	document to record approval and next review details.							
10	<p>Previous Action:</p> <p>The Data Protection and Privacy Policy will be reviewed and updated to ensure it details;</p> <ul style="list-style-type: none"> the requirement for the Council to have in place a Caldicott function; the specific resources within the Council to fulfil the roles within the function, including the Caldicott Guardian, Data Protection Officer as well as those staff at directorate level with responsibility for supporting the Caldicott Guardian; the additional training requirements for staff within the function; the mechanisms for ensuring the effectiveness of the function, including the development and monitoring of an annual data protection work programme which identifies the work necessary to ensure the Council meets its data protection and 	Yes	No	<p>We were informed by the Service Lead Digital & Strategic IT that the agreed action to review and update the Data Protection and Privacy Policy had not been implemented due to lack of sufficient resources.</p> <p>We were also informed that the Council had been undertaking organisational restructuring of senior management and had therefore put staff resourcing on hold. In addition, we were informed that the recruitment process will be started and the Data protection and Privacy Policy will be updated as part of the General Data Protection Regulation work.</p> <p>If the Data Protection and Privacy Policy is not updated to ensure that the roles of a Council-wide Caldicott Guardian as well as those staff responsible for supporting the Caldicott Guardian appropriately are not assigned and formally communicated, there is a risk of a lack of sufficient attention to and oversight of the work necessary to ensure the Council complies with its confidentiality and data protection obligations.</p>	Medium	<p>The Data Protection and Privacy Policy will be reviewed and updated to ensure it details;</p> <ul style="list-style-type: none"> the requirement for the Council to have in place a Caldicott function; the specific resources within the Council to fulfil the roles within the function, including the Caldicott Guardian, Data Protection Officer as well as those staff at directorate level with responsibility for supporting the Caldicott Guardian; the additional training requirements for staff within the function; the mechanisms for ensuring the effectiveness of the function, including the development and monitoring of an annual data protection work programme which identifies the work necessary to ensure the Council meets its data 	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	<p>confidentiality obligations; and</p> <ul style="list-style-type: none"> the governance arrangements for monitoring the effectiveness of the function. <p>Once updated, the policy will be presented to IGB for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The roles will be formally assigned to the relevant staff and details published via the staff intranet. The role of Caldicott Guardian will also be communicated on the Council website.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>					<p>protection and confidentiality obligations; and</p> <ul style="list-style-type: none"> the governance arrangements for monitoring the effectiveness of the function. <p>Once updated, the policy will be presented to IGB for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The roles will be formally assigned to the relevant staff and details published via the staff intranet. The role of Caldicott Guardian will also be communicated on the Council website.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>		
11	<p>Previous Action:</p> <p>An annual data protection work programme will be</p>	Yes	No	We were informed that an annual data protection work programme had not been developed, due to lack of resources. We were also informed that	Medium	An annual data protection work programme will be developed to identify the work necessary to ensure	31 st March 2018	Simon Pallett - Service

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	developed to identify the work necessary to ensure the Council meets its data protection and confidentiality obligations. Clearly defined timescales and responsible owners will be assigned for all actions identified. The work programme will be reviewed and set on an annual basis and will be subject to approval by CMT. Progress will be monitored at each meeting of the IT and IG Board, with progress updates reported to CMT periodically.			<p>resourcing had been put on hold during the organisational restructuring process and now that the restructuring had been finalised, recruitment of new resources will be undertaken and the annual data protection work programme will developed.</p> <p>If the data protection work programme is not developed there is a risk that work necessary to ensure compliance to data protection and confidentiality requirements will not be identified and non-compliance may result in penalties and reputational damage.</p>		<p>the Council meets its data protection and confidentiality obligations.</p> <p>Clearly defined timescales and responsible owners will be assigned for all actions identified. The work programme will be reviewed and set on an annual basis and will be subject to approval by CMT.</p> <p>Progress will be monitored at each meeting of the IT and IG Board, with progress updates reported to CMT periodically.</p>		Lead Digital & Strategic IT
12	<p>Previous Action:</p> <p>The Council will undertake a data flow mapping exercise to ensure all flows, both inbound and outbound, of person identifiable and sensitive information in all service areas have been identified mapped and recorded. The information flows will be risk assessed, with necessary actions identified to address risks highlighted. The outcome of the mapping exercise and the risks identified will be reviewed by the IT and Information</p>	Yes	NA	The Council has engaged RSM UK to assist with the implementation of the action relating to the data flow exercise. At the time of our follow up, we were informed that sessions had been ongoing between SBC and RSM UK and SBC had submitted work on the data flow mapping and was awaiting on feedback.		No action raised		

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	Governance Board, prior to subsequently being reported to CMT.							
13	<p>The Council will ensure that an Information Sharing Protocol is agreed with statutory agencies and partner organisations to govern the sharing of person identifiable and sensitive information.</p> <p>Information Sharing Agreements (ISA) will be subject to review and approval by the IT and IG Board prior to being entered into, to ensure they conform to the requirements of the established protocol, and these will be retained in a central repository.</p> <p>The agreed protocol will be communicated to all staff via the staff intranet as well as within the updated Data Protection and Privacy Policy, together with the requirement for ISAs to be approved by the IT and Information Governance Board.</p> <p>The agreed protocol will also be communicated on the Council website.</p>	Yes	No	<p>We were provided with the Information Sharing Agreement for Health and Social Care Integrated Hub dated 2016 signed by relevant partner organisations.</p> <p>We were informed that the approval of the ISA had been done via email, as no IGB meeting was held on 25 November 2016, due to members' absence. Email was provided as evidence of approval.</p> <p>We confirmed that the IS Protocol had been uploaded onto the Council's website and available to all staff. However, we were informed that the data protection policy had not been updated to include the information protocol.</p> <p>If the agreed Information Sharing Protocol is not included within policy, there is a risk that staff may not receive adequate guidance relating to the sharing of information which could expose the Council to the risk of reputational damage and potential penalties being imposed, if person identifiable or sensitive information is shared inappropriately.</p>	Low	<p>The Council will ensure that the Information Sharing Protocol is integrated into the Data Protection policy when the policy is reviewed and updated to align with GDPR.</p> <p>The agreed protocol will be communicated to all staff via the staff intranet as well as within the updated Data Protection and Privacy Policy, together with the requirement for ISAs to be approved by the IT and Information Governance Board.</p> <p>The agreed protocol will also be communicated on the Council website.</p>	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
14	<p>Previous Action:</p> <p>A Data Quality Policy will be developed which will set out the processes and mechanisms for ensuring the quality of data used for decision-making across the Council, including the validation of data.</p> <p>The policy will outline the responsibilities of all staff, as well as specific, lead roles, in ensuring the quality of data. Roles will be formally assigned to staff with responsibilities for leading on data quality within the Council.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Yes	No	<p>We were provided with a drafted Data Quality Policy and were informed that the policy will be submitted to the Information Governance Board meeting on 13 Dec 2017 for review and approval.</p> <p>We reviewed the policy and confirmed that roles and responsibilities had been outlined and the processes and mechanisms ensuring the quality of data used for decision-making across the Council, including the validation of data had been set out.</p> <p>Through our review, we noted that the policy had not been updated in preparation for GDPR. We raised medium priority action as the policy had not been updated for GDPR and it had not approved by the IGB.</p>	Medium	<p>The Council will ensure that the Data Quality Policy is updated with GDPR and it is reviewed and approved by the Information Governance Board.</p> <p>Once approved, the policy will be circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	31 st March 2018	Simon Pallett-Service Lead Digital & IT

APPENDIX A: SCOPE

Scope of the review

The internal audit assignment has been scoped to provide assurance on how Slough Borough Council manages the following objective:

Objective of the area under review

To ensure robust systems of control are in place to protect the Council's data.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

In December 2016, we undertook a review of the Information Governance Toolkit and finalised the report which provided no assurance over the control framework. Within the report, a total of 2 high, 12 medium and 4 low priority management actions were agreed.

We will review the medium and high actions made as part of the previous audit and look to provide assurance that these actions have been fully implemented. These are:

- Whether there is an Information Governance Policy, which has been appropriately approved and contains the arrangements and processes within the Council, in line with the HSCIC guidance
- Whether issues with the staffing resource in relation to information governance have been addressed to appropriately oversee information governance arrangements.
- Whether there is an Information Governance Improvement Plan in place to identify the actions necessary to embed robust IG arrangements and ensure compliance with the HSCIC IG toolkit requirements. This includes whether the plan has been approved and is monitored by the IT and Information Governance Board, and reported to CMT periodically.
- Whether the Council has reviewed the contracts database to include fields for evidencing the review of contracts for appropriate clauses relating to data protection; and whether contracts have been checked to see if requirements for reporting information governance incidents have been included.
- Whether the Council includes appropriate IG training as part of the induction process, and that a training needs analysis has taken place to ensure that additional training needs of staff are identified and addressed.
- Whether the Information Security Awareness course has been reviewed and updated to ensure the content is reflective of current arrangements, and includes reference to the Caldicott principles and ensuring compliance with the FOI act.
- Whether there is a Data Protection and Privacy Policy in place which has been reviewed and formally approved and updated to include the requirements outlined in the previous report, and approved by CMT.

- Whether an annual data protection work programme has been developed and has been approved, with clear timescales and responsible owners, and whether this is approved by CMT and progress monitored through the IT and IG Board.
- Whether there is a Corporate IT Security Policy, which is regularly reviewed and reflects current arrangements and processes for information security within the Council, which has been approved by IT and IG Governance Board.
- Whether there is a formalised process for the reporting, recording, investigating and managing information security incidents and whether this has been included within the Information Security Incident Policy.
- Whether the Council has undertaken a data flow mapping exercise to ensure all flows, both inbound and outbound, of person identifiable and sensitive information in all service areas have been identified, mapped and recorded.
- Whether an Information Sharing Protocol which has been agreed with statutory agencies and partner organisations to govern the sharing of person identifiable and sensitive information.
- Whether a framework has been established and maintained for records management, including the use and monitoring of retention schedules.
- Whether a Data Quality Policy has been developed, including requirements for validation of data, the responsibilities of all staff, and whether this has been approved by the IT and IG Board

Limitations to the scope of the audit assignment:

- The review will not provide assurance that all staff have read policies and procedures, understand their responsibilities and are mitigating all IG-related risks.
- The review will not provide assurance that all actions have been implemented as the low actions will not be covered and the monitoring of the implementation of these actions are the responsibility of management.
- The review will not provide assurance that a robust framework for the security of data exists, only that the actions, which contribute to the framework, as documented above, have been implemented.
- Detailed testing may be undertaken for selected samples where appropriate and practical.

FOR FURTHER INFORMATION CONTACT

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SLOUGH BOROUGH COUNCIL

Business Continuity

FINAL

Internal audit report: 1.16/17

30 June 2016



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Debrief held	10 June 2016	Internal audit team	Dan Harris – Head of Internal Audit
Draft report issued	21 June 2016		Chris Rising – Senior Manager
Responses received	30 June 2016		Amir Kapasi – Assistant Manager
			Habib Aidarus – Senior Auditor
Final report issued	30 June 2016	Client sponsor	Neil Aves – Assistant Director, Housing and Environment
		Distribution	Neil Aves – Assistant Director, Housing and Environment

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

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. Management actions should be assessed by you for their full impact before they are implemented. 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. Therefore, the most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the risk management, governance and control processes reviewed within this assignment. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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

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

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

1 EXECUTIVE SUMMARY

1.1 Background

An audit of Business Continuity was undertaken as part of the approved internal audit plan for 2016/17. The audit was designed to provide assurance over the Council's business continuity arrangements and whether business continuity plans were in place to facilitate the Council returning to business as usual in the event of an adverse incident, within appropriate and planned timescales.

Senior leadership responsibility for business continuity management rests with the Assistant Director, Housing and Environment. However, over the last couple of years, there has been a lack of dedicated business continuity resource within the Council, due to one member of staff leaving and another being on long-term sickness absence. As such, there has been a lack of consideration given to business continuity management, with arrangements last reviewed in July 2013 despite significant organisational changes in the interim.

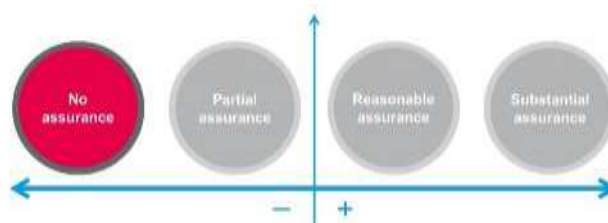
1.2 Conclusion

Our audit has highlighted a lack of a robust framework for business continuity management within the Council. A lack of dedicated resource in this area over the last couple of years has resulted in a lack of attention being given to this important area. Business continuity arrangements have not been reviewed since July 2013 despite significant organisational changes. Furthermore, there were no arrangements for delivering business continuity management training to staff, while a formal group to continuously monitor and evaluate business continuity arrangements has not been in place for the last two years.

Internal Audit Opinion:

Taking account of the issues identified, the Council cannot take 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.



1.3 Key findings

The key findings from this review are as follows:

Business Continuity Management Policy

We identified that the Council did not have an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. While we noted elements of this had been covered in the Council's Business Continuity Plan (BCP), this was last reviewed in July 2013 and did not reflect current arrangements. As a result, the policy may not provide accurate and up to date guidance to staff on the BCM arrangements to be followed within the Council.

Without sufficient guidance on the Council's BCM framework being made accessible to staff, there is an increased risk of staff within the Council not preventing incidents or responding appropriately to incidents should they occur, potentially resulting in significant adverse effects on delivery of services. We have agreed a **high** priority management action in relation to this.

Business Impact Analysis (BIA) and Business Continuity Plans (BCP)

We noted business continuity arrangements were last reviewed in July 2013, and that the BIAs undertaken at the time and the Council's BCP no longer reflect the current arrangements, following significant structural changes within the Council. We also identified a lack of arrangements for testing the effectiveness of the BCP. Furthermore, there were also no separate Directorate or Service BCPs.

Without undertaking regular BIAs, which encompasses risk assessments, the Council may not be able to identify the arrangements and resources necessary to be able to appropriately respond to incidents which could impact on business continuity and the delivery of services. As a result, the lack of up-to-date BCPs, which are regularly tested for effectiveness, increases the risk of the Council not being able to respond appropriately to incidents impacting business continuity. This could potentially result in significant disruptions to delivery of services. We have agreed **two high** and one **medium** priority management actions to address these issues.

Roles and responsibilities

As we have already highlighted above, there has been a lack of dedicated business continuity resource within the Council over the last couple of years to oversee and coordinate the arrangements. As a result, there has been a lack of attention given to this area, resulting in significant control gaps as identified within this audit.

Without ensuring adequate resources are in place to support the business continuity agenda within the Council, a lack of sufficient attention being given to business continuity arrangements increases the risk of significant service disruption as a result of an inadequate response(s) to an incident, which could impact business continuity and services to the public. We have agreed one **high** priority management actions in relation to this issue.

Training

We confirmed that a formal programme of training for staff in relation to business continuity management had not been established. There is therefore a risk that staff will not attain the necessary knowledge and expertise to be able to appropriately respond to incidents which could have an impact on business continuity. A **medium** priority management action has been agreed in respect of this. The Council should consider the use of the Learning Pool software to enable the provision of this training.

Governance

We identified that a formal group with responsibility for continuously monitoring and evaluating business continuity arrangements within the Council has not been in place for the last two years. Without such a group, the Council is unable to ensure adequate monitoring and scrutiny of business continuity arrangements to assess its continuing suitability, adequacy and effectiveness. This increases the risk that adequate arrangements and resources may not be deployed to minimise disruption to services in the event of an incident impacting business continuity. We have agreed a **high** priority management action in respect of this.

1.4 Additional information to support our conclusion

The five high and two medium priority management actions agreed to address the issues identified are detailed within the action plan that follows in section two.

Risk	Control design*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
Failure to maintain a minimum level of service due to a major system failure.	6 (6)	0 (6)	-	2	5
Total			-	2	5

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 ACTION PLAN

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The table below sets out the actions agreed by management to address the findings:

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
Risk: Failure to maintain a minimum level of service due to a major system failure.					
1	The Council did not have an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation	High	<p>The Council will develop an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. The policy will set out;</p> <ul style="list-style-type: none"> • Scope, aims and objectives of BCM in the Council; • The Council's commitment to BCM; • The activities that will be required to deliver these; and • Roles and responsibilities of staff in relation to BCM. • Version control to state approval details and next planned review date. <p>Once finalised, the policy will be subject to ratification by CMT and communicated to staff.</p>	31 August 2016	Neil Aves – Assistant Director, Housing and Environment

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
2	A Business Impact Analysis (BIA) was last undertaken in July 2013 and has not been reviewed and updated since.	High	<p>The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level that;</p> <ul style="list-style-type: none"> • Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident; • Takes into account legal and other commitments; • Includes systematic analysis and prioritisation of risk treatments; • Defines the required output from the business impact analysis and risk assessment; and • Specifies the requirements for this information to be kept up-to-date. <p>The business impact analysis will include;</p> <ul style="list-style-type: none"> • Identifying activities that support the provision of services; • Assessing the impacts over time of not performing these activities; • Setting prioritised timeframes for resuming these activities at a specified minimum acceptable level (RTO - Recovery Time Objective), taking into consideration the time within which the impacts of not resuming them would become unacceptable (MTPD - Maximum Tolerable Period of Disruption); and • Identifying dependencies and supporting resources for these activities, including suppliers and outsource partners. <p>The risk assessment will include;</p> <ul style="list-style-type: none"> • Identifying risks of disruption to the Council's prioritised activities and the processes, systems and resources that support them; • Systematically analysing risks in line with the Council's risk management methodology; 	30 September 2016	Neil Aves – Assistant Director, Housing and Environment

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
			<ul style="list-style-type: none"> Evaluating which risks require treatment/mitigation; and Identifying treatments/mitigations in line with business continuity objectives and the Council's risk appetite. <p>The processes will be documented within the Council's overarching Business Continuity Management Policy.</p>		
3i	<p>The Council's Business Continuity Plan (BCP) was last reviewed in July 2013 following the last BIA undertaken, and did not reflect current arrangements.</p> <p>In addition, there were also no separate Directorate or Service Business Continuity Plans.</p>	High	<p>Following finalisation of the Major Incident Plan, the document will be used to inform the development of the Council's Business Continuity Plan (BCP) as well as Directorate and Service BCPs. There will be a clear linkage between Directorate and Service BCPs and the Council's overall BCP. Each of these BCPs will define;</p> <ul style="list-style-type: none"> Purpose, scope and objectives; Defined roles and responsibilities during and following an incident potential affecting business continuity; The criteria and procedures for activating a response to such incidents; The detailed procedures for implementing the response, including details to manage the immediate consequences; The location(s) from which the response is to be coordinated; Contents and storage location of the battlebox (response pack) and details of where vital backup computer data and any critical paper records are stored; Communication requirements and procedures, including details of media response and how and under what circumstances the organisation will communicate with employees, key parties and emergency contacts; Emergency contact arrangements, including list of key customers, suppliers, third parties and their contact details; 	30 September 2016	Neil Aves – Assistant Director, Housing and Environment

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
			<ul style="list-style-type: none"> • Internal and external interdependencies and interactions between the Council and its stakeholders; • Resource requirements; • Information flows within the Council and processes for documenting actions taken as part of the response; and • Stand-down procedure once incident is resolved. <p>Once finalised, the BCPs will be subject to formal approval by CMT and reviewed regularly thereafter.</p> <p>Version control will be included within each BCP to state approval details; next planned review date and the requirement to review these in the event of a major structure change or where lessons learnt are identified after an exercise or real event.</p>		
3ii	We also identified a lack of arrangements for testing the effectiveness of the BCP.	Medium	<p>A formal and documented process will be established, implemented and maintained for exercising and testing business continuity procedures in order to assess their effectiveness. This will be documented within the Council's overarching Business Continuity Management Policy.</p> <p>A testing schedule will be defined for the Council BCP as well as the Directorate and Service BCPs which details the intervals at which each element of these will be tested.</p> <p>Exercises/tests will;</p> <ul style="list-style-type: none"> • Be based on appropriate scenarios with clearly defined aims and objectives to minimise the risk of disruptions; and • Produce formalised post exercise reports that contain outcomes and lessons learnt, recommendations and actions to implement improvements. 	31 October 2016	Neil Aves – Assistant Director, Housing and Environment

Ref	Findings summary	Priority	Actions for management	Implementation date	Responsible owner
4	There has been a lack of dedicated business continuity resource within the Council over the last couple of years to oversee and coordinate arrangements	High	The Council will review the current staffing resources in relation to business continuity to ensure sufficient resources are in place to appropriately oversee business continuity arrangements.	30 June 2016	Neil Aves – Assistant Director, Housing and Environment
5	A formal programme of training for staff in relation to business continuity management had not been established.	Medium	<p>A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to;</p> <ul style="list-style-type: none"> • The Council's overarching Business Continuity Management (BCM) Policy; • The roles and contributions of staff to the effectiveness of BCM within the Council; and • The implications of non-conformance with the policy. 	31 October 2016	Neil Aves – Assistant Director, Housing and Environment
6	We identified that a formal group with responsibility for continuously monitoring and evaluating business continuity arrangements within the Council has not been in place for the last two years.	High	<p>A formal group will be established to oversee the Council's business continuity agenda. The group's remit will be defined within Terms of Reference which will include;</p> <ul style="list-style-type: none"> • Responsibilities; • Membership and quoracy; • Meeting frequency; and • Accountability and reporting. 	30 June 2016	Neil Aves – Assistant Director, Housing and Environment

3 DETAILED FINDINGS

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
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Risk: Failure to maintain a minimum level of service due to a major system failure.

1	<p>The Council does not have a separate overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation.</p> <p>This is covered within the Council's Business Continuity Plan (BCP), however it was last reviewed in July 2013 and does not reflect current arrangements, and thus requires updating. It is therefore not accessible to staff.</p>	No	N/A	<p>In line with best practice guidance, organisations must agree and document a BCM policy which sets out;</p> <ul style="list-style-type: none"> • Scope, aims and objectives of BCM in the organisation; • The organisation's commitment to BCM; • The activities that will be required to deliver these; and • Roles and responsibilities of staff in relation to BCM. <p>We identified through discussion with the Assistant Director, Housing and Environment that the Council did not have a separate, overarching Business Continuity Management (BCM) Policy covering the above. We were provided with a copy of the Council's Business Continuity Plan (BCP), which was dated July 2013 and were informed by the Assistant Director, Housing and Environment that this was out-of-date and required updating. The document was therefore not accessible to staff.</p> <p>Through review of the BCP, while we confirmed it covered the above areas, it did</p>	High	<p>The Council will develop an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. The policy will set out;</p> <ul style="list-style-type: none"> • Scope, aims and objectives of BCM in the Council; • The Council's commitment to BCM; • The activities that will be required to deliver these; and • Roles and responsibilities of staff in relation to BCM. • Version control to state approval details and next planned review date. <p>Once finalised, the policy will be subject to ratification by CMT and communicated to staff.</p>
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Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				<p>not reflect current arrangements. Furthermore, there is a clear distinction between the BCP and BCM policy as the BCM policy sets out the overarching framework while the BCP details the arrangements for responding to and dealing with incidents affecting business continuity.</p> <p>The Council should therefore develop a separate, overarching policy which would cover the above areas in line with best practice, to ensure the Council's BCM framework is clearly signposted to staff.</p> <p>Without sufficient guidance on the Council's BCM framework being made accessible to staff, there is an increased risk of staff within the Council not responding appropriately to incidents, potentially resulting in significant adverse effects on delivery of services.</p>		
2	<p>A Business Impact Analysis (BIA) was last undertaken in July 2013 and has not been reviewed and updated since.</p> <p>A BIA report was produced for each of the four Council directorates, to identify those areas and services whose loss would have the greatest impact on the Council and would therefore need to be recovered quickest.</p>	No	N/A	<p>The Business Impact Analysis (BIA) is a key element of BCM and the foundation work from which the whole process is built. However, we confirmed through discussion with the Assistant Director, Housing and Environment that a BIA has not been undertaken since July 2013.</p> <p>We were provided with the BIA reports produced following the BIA undertaken in 2013, and were informed by the Assistant Director, Housing and Environment that these needed to be reviewed and updated following significant structural changes</p>	High	<p>The Council will establish, implement and maintain a formal and documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level that;</p> <ul style="list-style-type: none"> • Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident; • Takes into account legal and other commitments; • Includes systematic analysis and prioritisation of risk treatments; • Defines the required output from the business impact analysis and risk assessment; and

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
	The reports state that these are to be reviewed annually, where there is a major structure change or where lessons learnt are identified after an exercise or real event.			<p>within the organisation.</p> <p>We reviewed the format of the reports to assess whether these captured the necessary information in line with guidance. While we found that overall, the report covered the relevant areas in respect of BIA, we noted it did not capture risk assessments of critical activities/services. We also noted the reports had not been fully completed.</p> <p>Without undertaking regular BIAs, which encompasses risk assessments, the Council may not be able to identify the arrangements and resources necessary to be able to appropriately respond to incidents which could impact on business continuity and the delivery of services.</p>		<ul style="list-style-type: none"> • Specifies the requirements for this information to be kept up-to-date. <p>The business impact analysis will include;</p> <ul style="list-style-type: none"> • Identifying activities that support the provision of services; • Assessing the impacts over time of not performing these activities; • Setting prioritised timeframes for resuming these activities at a specified minimum acceptable level (RTO - Recovery Time Objective), taking into consideration the time within which the impacts of not resuming them would become unacceptable (MTPD - Maximum Tolerable Period of Disruption); and • Identifying dependencies and supporting resources for these activities, including suppliers and outsource partners. <p>The risk assessment will include;</p> <ul style="list-style-type: none"> • Identifying risks of disruption to the Council's prioritised activities and the processes, systems and resources that support them; • Systematically analysing risks in line with the Council's risk management methodology; • Evaluating which risks require treatment/mitigation; and • Identifying treatments/mitigations in line with business continuity objectives and the Council's risk appetite. <p>The processes will be documented within the Council's overarching Business Continuity Management Policy.</p>

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
3	<p>The Council's Business Continuity Plan (BCP) was last reviewed and updated in July 2013. The BCP needs to be reviewed and updated following significant structural changes within the organisation, and is therefore currently not accessible to staff.</p> <p>There are no separate Directorate or Service Business Continuity Plans.</p> <p>A Major Incident Plan is currently being developed in conjunction with an external facilitator, which will subsequently inform the updating and development of the Council's Business Continuity Plan.</p>	No	N/A	<p>We confirmed through discussion with the Assistant Director, Housing and Environment that the Council's BCP was last reviewed in July 2013 following the last BIA undertaken, and did not reflect current arrangements. We also identified a lack of arrangements for testing the effectiveness of the BCP. In addition, there were also no separate Directorate or Service Business Continuity Plans.</p> <p>We were informed that a Major Incident Plan was currently being developed in conjunction with an external facilitator, and once finalised, this would subsequently inform the development of the Council's BCP as well as Directorate and Service BCPs.</p> <p>Nevertheless, the lack of up-to-date BCPs, which are regularly tested for effectiveness, increases the risk of the Council not being able to respond appropriately to incidents impacting business continuity. This could potentially result in significant disruptions to delivery of services.</p>	High	<p>Following finalisation of the Major Incident Plan, the document will be used to inform the development of the Council's Business Continuity Plan (BCP) as well as Directorate and Service BCPs. There will be a clear linkage between Directorate and Service BCPs and the Council's overall BCP. Each of these BCPs will define;</p> <ul style="list-style-type: none"> • Purpose, scope and objectives; • Defined roles and responsibilities during and following an incident potential affecting business continuity; • The criteria and procedures for activating a response to such incidents; • The detailed procedures for implementing the response, including details to manage the immediate consequences; • The location(s) from which the response is to be coordinated; • Contents and storage location of the battlebox (response pack) and details of where vital backup computer data and any critical paper records are stored; • Communication requirements and procedures, including details of media response and how and under what circumstances the organisation will communicate with employees, key parties and emergency contacts; • Emergency contact arrangements, including list of key customers, suppliers, third parties and their contact details; • Internal and external interdependencies and interactions between the Council and its

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
						<p>stakeholders;</p> <ul style="list-style-type: none"> • Resource requirements; • Information flows within the Council and processes for documenting actions taken as part of the response; and • Stand-down procedure once incident is resolved. <p>Once finalised, the BCPs will be subject to formal approval by CMT and reviewed regularly thereafter.</p> <p>Version control will be included within each BCP to state approval details; next planned review date and the requirement to review these in the event of a major structure change or where lessons learnt are identified after an exercise or real event.</p>
					Medium	<p>A formal and documented process will be established, implemented and maintained for exercising and testing business continuity procedures in order to assess their effectiveness. This will be documented within the Council's overarching Business Continuity Management Policy.</p> <p>A testing schedule will be defined for the Council BCP as well as the Directorate and Service BCPs which details the intervals at which each element of these will be tested.</p> <p>Exercises/tests will;</p> <ul style="list-style-type: none"> • Be based on appropriate scenarios with clearly defined aims and objectives to minimise the risk of disruptions; and • Produce formalised post exercise reports that contain outcomes and lessons learnt, recommendations and actions to implement improvements.

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
4	There is currently no dedicated business continuity resource within the Council.	No	N/A	<p>We were informed by the Assistant Director, Housing and Environment that, due to the long-term absence of the Business Continuity and Response Manager since December 2014, there was currently no dedicated business continuity resource within the Council.</p> <p>Without ensuring adequate resources are in place to support the business continuity agenda within the Council, sufficient attention may not be given to business continuity arrangements. This increases the risk of significant service disruption as a result of an inadequate response to an incident impacting business continuity.</p>	High	The Council will review the current staffing resources in relation to business continuity to ensure sufficient resources are in place to appropriately oversee business continuity arrangements.
5	The Council has not established a formal programme of training for staff in relation to business continuity management.	No	N/A	<p>We were informed by the Assistant Director, Housing and Environment that a formal programme of training for staff in relation to business continuity management had not been established.</p> <p>There is therefore a risk that staff will not attain the necessary knowledge and expertise to be able to appropriately respond to incidents which could have an impact on business continuity.</p>	Medium	<p>A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to;</p> <ul style="list-style-type: none"> • The Council's overarching Business Continuity Management (BCM) Policy; • The roles and contributions of staff to the effectiveness of BCM within the Council; and • The implications of non-conformance with the policy.
6	A formal group to continuously monitor and evaluate business continuity arrangements within the Council is not in place.	No	N/A	We confirmed through discussion with the Assistant Director, Housing and Environment that a formal group with responsibility for continuously monitoring and evaluating business continuity arrangements within the Council was currently not in place.	High	<p>A formal group will be established to oversee the Council's business continuity agenda. The group's remit will be defined within Terms of Reference which will include;</p> <ul style="list-style-type: none"> • Responsibilities; • Membership and quoracy;

Ref	Control	Adequate control design (yes/no)	Controls complied with (yes/no)	Audit findings and implications	Priority	Actions for management
				Without such a group, the Council is unable to ensure adequate monitoring and scrutiny of business continuity arrangements to assess its continuing suitability, adequacy and effectiveness. This increases the risk that adequate arrangements and resources may not be deployed to minimise disruption to services in the event of an incident impacting business continuity.		<ul style="list-style-type: none"> • Meeting frequency; and • Accountability and reporting.

APPENDIX A: SCOPE

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risk:

Objective of the area under review	Risks relevant to the scope of the review	Risk source
To ensure Business Continuity arrangements are in place, regularly tested and effective.	Failure to maintain a minimum level of service due to a major system failure.	Corporate Risk Register (Risk ORG0045)

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

This audit aimed to provide assurance over the Council's Business Continuity arrangements and included consideration of:

- How Business Impact Assessments are completed and reviewed.
- Whether a Council-wide Business Continuity Plan has been developed that includes arrangements for responding to major incidents which could impact on business continuity, and how this has been communicated to all staff.
- Whether individual Business Continuity Plans have been developed at Directorate and Service level, and their approval and link to the Council's overall Business Continuity Plan.
- How Business Continuity Plans are monitored throughout the year.
- Whether the Business Continuity Plans are linked to the plans of Slough's other public sector providers such as the Police, Fire and NHS.
- Whether roles and responsibilities have been clearly documented within job descriptions in relation to business continuity.
- If leads have been identified at Directorate and Service level for co-ordinating the response of the Council.
- Whether a group has been established to review business continuity within the organisation and whether plans have been tested and the results reported to CMT or equivalent.

Limitations to the scope of the audit assignment:

- This review did not focus on the IT aspect of Business Continuity as this was covered as part of a separate review within the 2015/16 internal audit plan.
- The audit does not provide full assurance over the entire business continuity operations of the Council.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

APPENDIX B: FURTHER INFORMATION

Persons interviewed during the audit:

- Neil Aves – Assistant Director, Housing and Environment

Benchmarking

We have included some comparative data to benchmark the number of management actions agreed, as shown in the table below. In the past year, we have undertaken a number of audits of a similar nature in the sector.

Level of assurance	Percentage of reviews	Results of the audit
Green (substantial assurance)	20%	
Amber (partial assurance)	30%	
Amber/Red (partial assurance)	40%	
Red (no assurance)	10%	X

Management actions	Average number in similar audits	Number in this audit
	5	7

FOR FURTHER INFORMATION CONTACT

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SLOUGH BOROUGH COUNCIL

Internal Audit Strategy 2018-2021

Presented at the Audit and Corporate Governance
Committee Meeting Of:

8 March 2018

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.





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1 INTRODUCTION

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

1.1 Background

During 2017/18, the Council has gone through a period of transition, revising the structure in the Council, to align service leads to directors, and is also in the process of reviewing and re-provisioning some of its major contracts such as the provision of Facilities Management and Property Maintenance, previously provided by Interserve, now provided, as of 1st December 2017, by Buoygues (Facilities) and Osborne (Housing).

In addition, during 2017, the Council insourced their waste management arrangements from AMEY, setting up a Direct Services Organisation to manage this process for the residents of Slough. The council has a Five Year Plan (2017-21) which is the equivalent of a corporate plan, which sets out their vision, outcomes (objectives), and how they will achieve them. Slough's vision is to 'Growing a place of Opportunity and Ambition'. This will be achieved through the following:

Slough's priority outcomes - putting people first

- Our children and young people will have the best start in life and opportunities to give them positive lives
- Our people will become healthier and will manage their own health, care and support needs
- Slough will be an attractive place where people choose to live, work and visit
- Our residents will have access to good quality homes
- Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents.

Making this happen - how Slough will do this

- We will listen to, and work with our communities, customers and partners
- We will work towards being self-sufficient through innovation, income generation and maximising the value and effective use of our resources
- We will use digital technology to provide smarter services for people and businesses
- We will recruit, retain and develop high quality people who are committed to Slough and supported to do their job.

2 DEVELOPING THE INTERNAL AUDIT STRATEGY

We use your objectives as the starting point in the development of your internal audit plan.

2.1 Risk management processes

As part of the 2017/18 Internal Plan, RSM has worked with the Council to develop a Corporate Risk Register. We have reviewed the processes in place for the development of this register and consider that we can place reliance on its content, and have therefore utilised this as a starting point for the development of our Strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the following people:

- The Senior Management Team, including all Directors
- Senior Leadership Team, including all Heads of Service
- Audit and Corporate Governance committee
- Director of Finance and Resources (S151 officer)

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

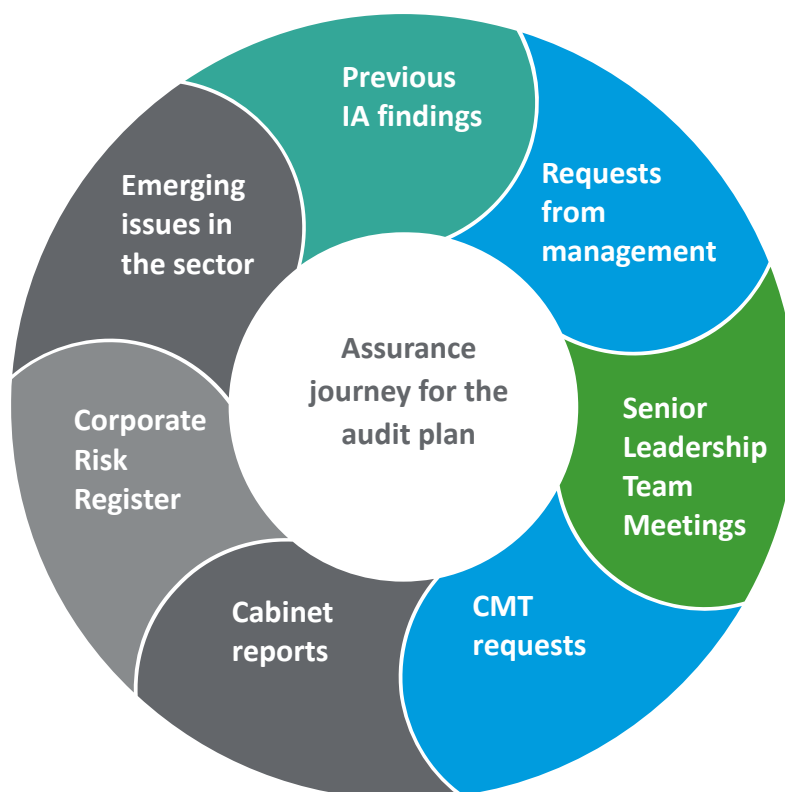
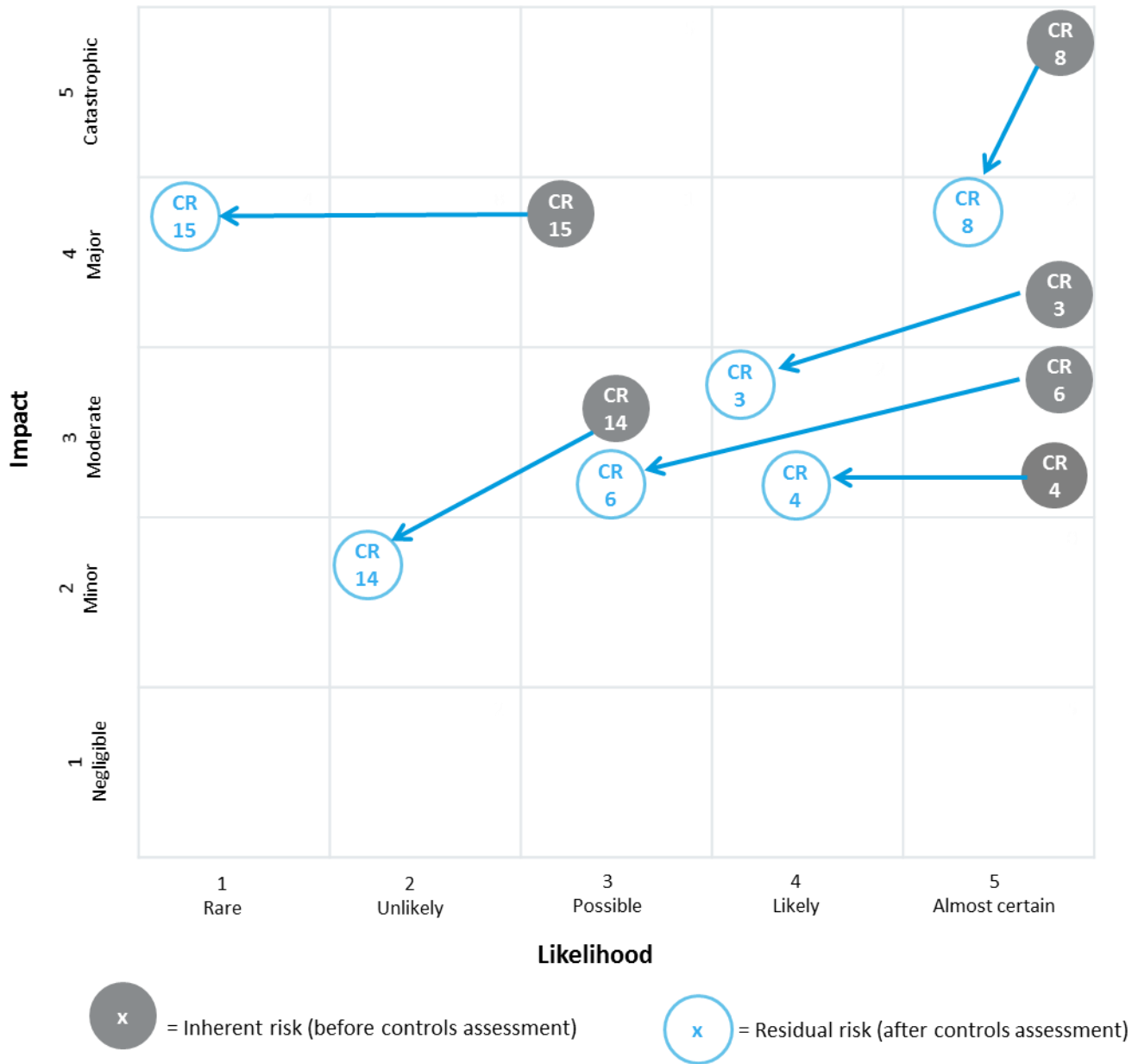


Figure A: Sources considered when developing the internal audit strategy

The table below details those strategic risks and objectives in which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years.

Strategic risk No	Strategic risk	Strategic objective (suggested audit coverage)
CR8	Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause disruption.	Applicable to all 5 Year Plan Outcomes Business Continuity and Emergency Planning Audit
CR14	Failure to develop the workforce and retain staff will mean the Council does not have the required skills to meet its corporate objectives.	Applicable to all 5 Year Plan Outcomes Policies and Procedures Audit
CR15	Contractors financial failure or over commitment of resources may result in the Council's services not being delivered or reputational damage due to poor health and safety practices or poor quality of work.	Applicable to all 5 Year Plan Outcomes Contract Management – Buoygues Contract Audit Contract Management – Osborne Contract Audit
CR6	Failure to understand how well the services have been managed, their financial situation, the skills of staff and the risks they carry may mean the Council is taking on unwanted liabilities or does not have sufficient capabilities / capacity to ensure successful continuity of services to users	Applicable to all 5 Year Plan Outcomes Direct Services Organisation Audit
CR3	Failure to manage these properties could mean a failure to its corporate objectives and the Council's statutory obligations including health and safety, in particular, fire.	Our residents will have access to good quality homes. (Outcome 4) Health and Safety Audit Fire Safety Audit
CR4	Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget.	Applicable to all 5 Year Plan Outcomes Governance – Slough Urban Renewal Audit

Figure B: Strategic risk matrix



2.2 How the plan links to your strategic objectives

Each of the reviews that we propose to undertake is detailed in the internal audit plan and strategy within appendices A and B. In the table below we bring to your attention particular key audit areas and discuss the rationale for their inclusion or exclusion within the strategy.

Area	Reason for inclusion or exclusion in the audit plan/strategy	Link to strategic objective
Contract Management - Buoygues (Corporate Risk Register CR15)	The Council has recently entered into a contract with Buoygues to provide Facilities Management to the Council, following the ending of the Interserve Contract and this review will provide assurance that sufficient controls are in place to manage the contract effectively.	Slough will be an attractive place where people choose to live, work and visit
Contract Management – Osborne (Corporate Risk Register CR15)	The Council has recently entered into a contract with Osborne to provide Property Maintenance services to the Council, following the ending of the Interserve Contract and this review will provide assurance that sufficient controls are in place to manage the contract effectively.	Our residents will have access to good quality homes
Slough Urban Renewal Governance (Corporate Risk Register CR4)	As part of Outcome 5, Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents. This is being undertaken primarily through the partnership between the Council and Morgan Sindell and the review will look to provide assurance that effective governance systems are in place.	Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents.
Business Continuity and Emergency Planning (Corporate Risk Register CR8)	Following on from a 'No Assurance' opinion being provided in 2016/17, we will undertake a review of the arrangements in place for business continuity and emergency planning to provide assurance that robust controls exist to maintain the continuity of service provided to residents of Slough as a result of a loss of service.	Slough will be an attractive place where people choose to live, work and visit
Direct Services Organisation (Corporate Risk Register CR6)	With the insourcing of the AMEY contract for the provision of waste services to the Council, a direct services organisation has been established and the review will provide assurance that appropriate governance structures and controls are in place.	Slough will be an attractive place where people choose to live, work and visit
Health and Safety / Fire Safety (Corporate Risk Register CR3)	A partial assurance opinion was provided as part of the 2016/17 in respect of the Council's arrangements for the management of Health and Safety risks. We are therefore proposing to undertake a further audit of this area to review the extent to which actions identified as part of the previous review have been implemented and that risks have been managed effectively. In addition, we are also proposing to undertake an audit on fire safety to provide assurance that arrangement for the management of fire safety risks are robust and operating effectively.	We will listen to, and work with our communities, customers and partners

Area	Reason for inclusion or exclusion in the audit plan/strategy	Link to strategic objective
Financial Planning and Budgetary Control (Corporate Risk Register CR2)	We will continue to provide assurance to the Council that financial plans have been robustly developed and that there are effective mechanisms in place to ensure that expenditure against the plan is rigorously monitored and that plans are developed and implemented to address any areas of overspend.	We will work towards being self-sufficient through innovation, income generation and maximising the value and effective use of our resources
Parish Council Governance	The audit will review the effectiveness of governance arrangement at the Parish Councils, with the focus in 2018/19 on Wexham Parish Council. This audit will provide assurance that key governance, financial and operational controls are operating effectively and assurance over this is provided to the Council where appropriate.	-

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes: a contingency allocation, time for tracking the implementation of actions and an audit management allocation. Full details of these can be found in appendices A and B.

2.3 Working with other assurance providers

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

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

3 YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Daniel Harris, Partner, supported by Chris Rising and Amir Kapasi as your Senior Management Team.

3.1 Conformance with internal auditing standards

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

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

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

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

3.2 Conflicts of interest

We have undertaken some work in 2017/18 and we are currently engaging with the Council to assist in their GDPR preparations. All of this work was (and will be) undertaken under separate letters of engagements, led by independent engagement partners and delivered by specialist staff.

4 AUDIT AND CORPORATE GOVERNANCE COMMITTEE REQUIREMENTS

In approving the internal audit strategy, the committee is asked to consider the following:

- Is the audit and corporate governance committee (A+CGC) satisfied that sufficient assurances are being received within our annual plan (as set out at appendix A) to monitor the organisation's risk profile effectively?
- Does the strategy for internal audit (as set out at appendix B) cover the organisation's key risks as they are recognised by the audit and corporate governance committee?
- Are the areas selected for coverage this coming year appropriate?
- Is the A+CGC content that the standards within the charter in appendix C are appropriate to monitor the performance of internal audit?

It may be necessary to update our plan in year, should your risk profile change and different risks emerge that could benefit from internal audit input. We will ensure that management and the audit and corporate governance committee approve such any amendments to this plan.

APPENDIX A: INTERNAL AUDIT PLAN 2018/19

Audit	Objective of the review	Audit approach	Proposed timing	Proposed A+CGC
Risk Based Coverage				
Governance – James Elliman Homes	<p>Risk Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget</p> <p>Proposed Audit Coverage Following the set-up of a housing company to purchase property within the private sector to generate rental income for the Council, a review will be undertaken of the governance arrangements in place for managing arrangements between the Council and James Elliman homes.</p>	Assurance	December 2018	March 2019
Direct Services Organisation	<p>Risk There is a risk that the processes for bringing Environmental Services back in house are inefficient and ineffective making the transition difficult. Failure to ensure Environmental services operate to the standard expected by the Council.</p> <p>Proposed Audit Coverage To provide assurance that effective governance have been established for the Direct Services Organisation together with the robustness of mechanisms in place to provide assurance to the Council that the DSO is meeting its agreed objectives.</p>	Assurance	October 2018	March 2019
Contract Management – Osborne Contract	<p>Risk Managing External Contractors</p> <p>Proposed Audit Coverage The audit will review the effectiveness of arrangements in place within the Housing team for the management of the above 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>	Assurance	September 2018	December 2018
Contract Management – Buoygues Contract	<p>Risk Managing External Contractors</p> <p>Proposed Audit Coverage The audit will review the effectiveness of arrangements in place within the Facilities team for the management of the above 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>	Assurance	September 2018	December 2018

Audit	Objective of the review	Audit approach	Proposed timing	Proposed A+CGC
Agresso Self Service	<p>Risk Ensuring the Council’s internal control environment is fit for future.</p> <p>Proposed Audit Coverage The Council will, during 2018 implement the HR self-service module of the Agresso system. The audit will therefore review the operation of this system to provide assurance that effective controls are in place for this system to enable staff to manage the process effectively.</p>	Assurance	January 2019	March 2019
Children’s Centres	<p>Risk Ensuring that the Council meets its statutory duties with regards to school provision.</p> <p>Proposed Audit Coverage The audit will provide assurance that the Council is fulfilling its duties as a corporate landlord in relation to children's centres</p>	Assurance	May 2018	July 2018
Slough Urban Renewal – governance and performance management	<p>Risk Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget</p> <p>Proposed Audit Coverage The audit will seek to provide assurance that the Council has established effective governance performance management arrangements between itself and the main contractor Morgan Sindell.</p>	Assurance	June 2018	September
Adult Social Care – Management of Income	<p>Risk Failure to ensure financial stability.</p> <p>Proposed Audit Coverage The audit will review the effectiveness of arrangement in place for how the service manages client charges for care at home, and whether these are in line with national rules on charging</p>	Assurance	September 2018	December 2018
Health and Safety	<p>Risk Failure to ensure that the Council meets its statutory service requirements in homeless, re housing and emergency housing as well as compliance with health and safety regulations [Fire].</p> <p>Proposed Audit Coverage The audit will provide assurance that effective arrangements have been established across the Council in respect of Health and Safety, following the receipt of a partial assurance opinion in 2016/17 and limited progress identified through our audit follow up process.</p>	Assurance	August 2018	December 2018

Audit	Objective of the review	Audit approach	Proposed timing	Proposed A+CGC
Fire Safety	<p>Risk Failure to ensure that the Council meets its statutory service requirements in homeless, re housing and emergency housing as well as compliance with health and safety regulations [Fire].</p> <p>Proposed Audit Coverage The audit will provide assurance that effective arrangements have been established across the Council in respect of Fire Safety at both a corporate and service level.</p>	Assurance	January 2019	March 2019
Contracts Procedure Rules Review	<p>Risk Management of the procurement process to ensure that the Council is fully compliant with procurement rules and meets the associated regulations.</p> <p>Proposed Audit Coverage The audit will review expenditure on Agresso for 2107/18 in respect of significant suppliers and / or high value items to provide assurance that the Financial Procedure and Contract Procedure rules are being complied with and that contracts are in place where appropriate.</p>	Assurance	April 2018	July 2018
Temporary Accommodation Strategy	<p>Risk Failure to ensure that the Council meets its statutory service requirements in homeless, re housing and emergency housing as well as compliance with health and safety regulations [Fire].</p> <p>Proposed Audit Coverage The audit will provide assurance that the Council is compliant with the requirements set out within the Temporary Accommodation Strategy</p>	Assurance	October 2018	December 2018
Business Continuity and Emergency Planning	<p>Risk Ensuring the effectiveness of resilience plans/ continuity plans for key locations and services.</p> <p>Proposed Audit Coverage To provide assurance that, following the no assurance opinion issued in 2016/17 and subsequent advisory work undertaken during 2017/18 that a robust framework for business continuity planning has now been established. In addition, the audit will further consider the arrangements in place for emergency planning.</p>	Assurance	November 2018	March 2019

Audit	Objective of the review	Audit approach	Proposed timing	Proposed A+CGC
Whistleblowing Arrangements	<p>Risk To ensure that the Council's internal control environment is fit for the future.</p> <p>Proposed Audit Coverage The Council has received a number of Whistleblowing allegations over the past 24 months. We will be reviewing the effectiveness of this process and ensuring compliance with the Councils constitution and procedures. We will also review compliance with core HR policies in relation to Grievances and similar areas to provide assurance that due process is being followed, to ensure that the Council is making the most effective use of resources.</p>	Assurance	August 2018	December 2018
Policies and Procedures	<p>Risk To ensure that the Council's internal control environment is fit for the future.</p> <p>Proposed Audit Coverage To review the effectiveness of arrangements to provide assurance that key policies are procedures are being complied with.</p>	Assurance	June 2018	September 2018
Workforce Planning and Recruitment	<p>Risk Failure to ensure that the Council has adequate permanent staff with the skills required to meet their corporate objectives.</p> <p>Proposed Audit Coverage The audit will review the effectiveness of workplace planning and recruitment arrangements to provide assurance that the Council is effectively planning and recruiting appropriate numbers of staff to ensure that it can deliver its objectives effectively.</p>	Assurance	October 2018	December 2018
Financial Planning and Budgetary Control	<p>Risk Failure to ensure financial sustainability</p> <p>Proposed Audit Coverage The audit will review the effectiveness of arrangements in place for financial planning and budgetary control to ensure that a realistic budget is set and that performance against this is rigorously monitored.</p>	Assurance	July 2018	September 2018

Core Assurance				
Business Rates	Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with.	Assurance	October 2018	March 2019
Council Tax	Coverage will also meet External Audit / Regulatory requirements and any management concerns.	Assurance	October 2018	March 2019
Housing Benefits		Assurance	October 2018	March 2019
Treasury Management		Assurance	November 2018	March 2019
General Ledger		Assurance	November 2018	March 2019
Cash Collection + Management		Assurance	November 2018	March 2019
Debtors		Assurance	December 2018	March 2019
Payroll		Assurance	December 2018	March 2019
Capital Expenditure		Assurance	December 2018	March 2019
Rent Accounts		Assurance	January 2019	March 2019
Assets		Assurance	January 2019	March 2019
Creditors		Assurance	January 2019	March 2019
Risk Management	To provide assurance over the effectiveness of risk management arrangements within the Council. This will include the use and management of both the Corporate and Service-level risk registers.	Assurance	December 2018	March 2019

Governance	To provide assurance that key governance processes are operating effectively within the Council. The specific area for coverage will be agreed through discussion with Council Senior management.	Assurance	December 2018	March 2019
Annual Governance Statement	To assist the Council in the Production of the Annual Governance Statement for 2018/19.	Advisory	March 2019	July 2019
Schools Financial Value Standard (SFVS)	To provide assurance to the Council on the appropriate completion of each school's SFVS. The audit will provide assurance that the Council has received a thorough assessment of each school to meet the requirements of the Education Funding Agency. This will include a review as to whether supportive information including Internal Audit opinions are consistent with the statements within each of the school's completed standards.	Assurance	May 2018	September 2018
Schools	To provide assurance over the effectiveness of governance and financial management arrangements within schools.	Assurance	April – June 2018	September 2018

Other areas of coverage

Parish Council Governance	The audit will review the effectiveness of governance arrangement at the Parish Councils, with the focus in 2018/19 on Wexham Parish Council. This audit will provide assurance that key governance, financial and operational controls are operating effectively and assurance over this is provided to the Council where appropriate.	Assurance	April 2018	July 2018
Conflicts of Interest	To provide assurance that effective processes are in place to ensure that Councillors, Members and senior staff routinely declare and conflicts of interest and adherence to the Council's policies is monitored rigorously.	Assurance	July 2018	September 2018
Licensing	To provide assurance that effective processes are in place to manage the change from the issue of three-year licences to five-year licences.	Assurance	June 2018	September 2018

Housing Revenue Account	To provide assurance over the management of the housing revenue account.	Assurance	September 2018	December 2018
OFSTED preparedness	The audit will provide assurance over the effectiveness of arrangements in place to ensure that the Council can prepare appropriately for any OFSTED inspections and the specific arrangements to be reviewed will be clarified with management.	Assurance	November 2018	March 2019
Buildings Compliance Management	<p>The Council has requested an advisory review to focus on weaknesses in building management compliance for all non-housing stock, in particular risk management i.e. fire, gas, electric, legionella and asbestos.</p> <p>This should include properties leased to third parties and checks to confirm that there is processes in place for the council to ensure it is meeting its landlord responsibilities in relation to compliance and where the Council may be falling short, advise on areas of actions required.</p>	Advisory	May 2018	September 2018
Management Meeting Attendance	Management Meetings (Risk Management Group, SMT, CMT, Berkshire Audit Group, Unitary and County Head of Internal Audit Network, Schools Forum, arvato and other meetings where attendance is requested).	-	N/A	N/A
Follow up	<p>To meet internal auditing standards, and to provide assurance on action taken to address actions previously agreed by management.</p> <p>We have agreed a new approach to this work in 2018/19 and we will therefore be undertaking regular quarterly assurance reviews over the accuracy of responses provided to the S151 Officer and his team and the reporting to the Audit and Corporate Governance Committee.</p>	Follow Up	Month Year	Month Year
Management	<p>This will include:</p> <ul style="list-style-type: none"> Annual planning Preparation for, and attendance at, Audit and corporate governance committee Regular liaison and progress updates Liaison with external audit and other assurance providers Preparation of the annual opinion 		Throughout the year	N/A

NB: Resources allocated to individual audits have taken into consideration the level of risk assigned to the area by the client, our knowledge of any existing client controls, including how effective these are, and the specialist nature of the area being reviewed. The resource level applied for the delivery of the area of work is reviewed as the detailed scope of the work is agreed with the executive lead.

APPENDIX B: INTERNAL AUDIT STRATEGY 2018 – 2021

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Risk based assurance				
Governance – James Elliman Homes	To provide assurance over the governance arrangements over the housing company established by the Council.	✓		✓
Direct Services Organisation	To provide assurance over the governance arrangements in place within the DSO	✓		
Contract Management (Osbourne and Buoygues to be reviewed as part of the 2018/19 Internal Audit Plan)	To provide assurance over the effectiveness of contract management arrangements	✓	✓	✓
Agresso Self Service	To provide assurance that Agresso self-service is being utilised effectively.	✓		
Children’s Centres	To provide assurance that the Council is fulfilling its duties as a corporate landlord in relation to children’s centres.	✓		
Slough Urban Renewal – governance and performance management	To provide assurance over the effectiveness of governance and performance management arrangements in respect of the Slough Urban Renewal project.	✓	✓	
Adult Social Care – Management of Income	To provide assurance that the management of adult social care income is in line with the national rules on charging.	✓		✓
Regulatory Services – Cash Handling Arrangements	To provide assurances that cash is handled appropriately within regulatory services and that the use of electronic / online payments is maximised.		✓	
Primary Authority Partnerships	To provide assurance that there are effective mechanisms in place for the recording of time and hours worked and amounts invoiced for partnerships with primary care.		✓	
Health and Safety	To provide assurance over the effectiveness of health and safety arrangements	✓		✓
Fire Safety	To provide assurance over the effectiveness of fire safety arrangements.	✓	✓	
Contracts Procedure Rules Review	To provide assurance that the contracts procedure rules are being complied with.	✓		✓
Temporary Accommodation Strategy	To provide assurance on compliance with the Council’s Temporary Accommodation Strategy.	✓		

Proposed area for coverage	Internal audit coverage	2018/19	2019/20	2020/21
Business Continuity and Emergency Planning	To provide assurance over the effectiveness of business continuity and emergency planning arrangements.	✓		✓
Whistleblowing Arrangements	To review the effectiveness of processes for the management of whistleblowing and grievances raised within and to the Council.	✓		✓
Policies and Procedures	To ensure that there are effective arrangements in place to monitor compliance with key policies and procedures.	✓		✓
Effectiveness of Partnership Arrangements (including STP)	To provide assurance that key partnerships, including those in respect of the STP, are being managed effectively.		✓	
Workforce Planning and Recruitment	To provide assurance that effective workforce planning and recruitment processes are in place throughout the Council.	✓		✓
Financial Planning and Budgetary Control	To review the effectiveness of the financial planning and budgetary control processes.	✓	✓	✓
Section 11 audits	To provide assurance that the Council are compliant with S11 audit requirements.		✓	
Educational Welfare Service	To provide assurance that robust procedures are in place for monitoring attendance of pupils and managing the service.		✓	
Gas Servicing	To provide assurance that effective controls are in place to ensure gas servicing regulations are being complied with.			✓
Special Educational Needs Funding	To provide assurance that the use of this fund is being managed effectively		✓	
Delayed Transfers of Care (DToc)	To review the effectiveness of arrangements within the Council for the management of delayed transfers of care.		✓	
Sickness Absence and Reporting	To review the effectiveness of processes in place to ensure the management of sickness.			✓
Overview and Scrutiny – Committee Effectiveness	To review the effectiveness of the operation of the Overview and Scrutiny Committee.		✓	
Appraisals	To provide assurance over the effectiveness of controls in place to ensure appraisals are undertaken annually.		✓	
Appointment and Management of Consultants	To provide assurance that there are effective arrangements in place for the appointment and management of consultants.		✓	

Core Assurance				
Business Rates	Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with.	✓	✓	✓
Council Tax		✓	✓	✓
Housing Benefits	Coverage will also meet External Audit / Regulatory requirements and any management concerns.	✓	✓	✓
Treasury Management		✓	✓	✓
General Ledger		✓	✓	✓
Cash Collection + Management		✓	✓	✓
Debtors		✓	✓	✓
Payroll		✓	✓	✓
Capital Expenditure		✓	✓	✓
Rent Accounts		✓	✓	✓
Assets		✓	✓	✓
Creditors		✓	✓	✓
Risk Management	To provide assurance over the effectiveness of risk management arrangements	✓	✓	✓
Governance	To provide assurance over the effectiveness of governance arrangements	✓	✓	✓
Delivery of the Gold Projects	To ensure that effective systems are in place to ensure that delivery of the gold projects is effectively managed.		✓	✓
Annual Governance Statement	To assist the Council in the preparation of the Annual Governance Statement.	✓	✓	✓
Schools Financial Value Standard (SFVS)	Providing assurance to the Council on the appropriate completion of each school's SFVS.	✓	✓	✓
Schools	To review the effectiveness of financial controls in place for those schools still under the control of the Council.	✓	✓	✓
Other Internal Audit Activity				
Parish Council Governance	The audit will review the effectiveness of governance arrangement at the Parish Councils.	✓	✓	✓
GDPR	The audit will consider the extent the extent to which the Council is complying with the requirements of the Government Data Protection Regulations. The scope of the audit will be confirmed closer to the time.		✓	
Conflicts of Interest	To provide assurance that effective processes are in place to ensure that Councillors, Members and senior staff routinely declare and conflicts of interest and adherence to the Council's policies is monitored rigorously.	✓		✓

Licensing	To provide assurance that effective processes are in place to manage the change from the issue of three-year licences to five-year licences.	✓	
Parking	to provide assurance that the function undertaken by the Council in relation to parking is collecting all income due and managing outsourced arrangements appropriately		✓
Section 11 requirements	To provide assurance that the Council are compliant with Section 11 audit requirements.		✓
Training and Development (including appraisals)	To ensure staff are adequately skilled and enhancing their skill set to make the best strategic decisions and to achieve the organisation's objectives.	✓	✓
Sickness and Absence Management	To provide assurance over the effectiveness of sickness and absence management processes		✓
Housing Revenue Account	To provide assurance over the management of the housing revenue account.	✓	
Human Resources – working from Home	The Council has recently introduced as part of the flexible working the opportunity for staff to work at home. The audit will therefore review as to whether appropriate policies and procedures have been established to ensure that such an approach does not adversely impact on staff performance and the delivery of objectives.		✓
OFSTED preparedness	The audit will provide assurance over the effectiveness of arrangements in place to ensure that the Council can prepare appropriately for any OFSTED inspections, and the arrangements to be reviewed will be clarified with management.	✓	
Buildings Compliance Management	The Council has requested an advisory review to focus on weaknesses in building management compliance for all non-housing stock, in particular risk management i.e. fire, gas, electric, legionella and asbestos. This should include properties leased to third parties and checks to confirm that there is processes in place for the council to ensure it is meeting its landlord responsibilities in relation to compliance and where we are falling short, advise on areas of actions required.	✓	
Buildings Asset Management	To provide assurance that the Council has a full inventory of all its non-housing assets (commercial, corporate and highways) and that processes are tight for ensuring agreements are being monitored, income being reconciled and Health and Safety compliance is being adhered to.		✓

Back Office Functions	The audit will consider whether the Council has considered opportunities for the centralisation of back office functions, particularly those in respect of finance, where these functions have been embedded within teams as opposed to centrally.	✓	✓	✓
Cyber Security and Cyber Risk	To provide assurance over the effectiveness of the Councils arrangements for the management of Cyber Risk.	✓		
Digitalisation	To provide assurance that the Council has in place to deliver its digitisation agenda.	✓		
Neighbourhood Enforcement	To provide assurance over the effectiveness of arrangement for neighbourhood enforcement.			✓
Contingency	To allow additional reviews to be undertaken in agreement with the Audit and corporate governance committee or management based in changes in risk profile or assurance needs as they arise during the year.	✓	✓	✓
Follow up	To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	✓	✓	✓
Management	This will include: <ul style="list-style-type: none"> • Annual planning • Preparation for, and attendance at, Audit and corporate governance committee • Administration of our actions tracking database – 4Action • Regular liaison and progress updates • Liaison with external audit and other assurance providers • Preparation of the annual opinion 	✓	✓	✓

APPENDIX C: LEVELS OF ASSURANCE GIVEN TO DATE

The table below informs of the key audits carried in our audit plan to date, giving an overview of assurances issued. This table will help to provide context when considering the key risk areas we wish to include in this year's plan.

Audit	Opinion	High	Medium	Low
2017/18 (to date)				
Chalvey Early Years Centre	Reasonable	1	4	0
Neighbourhood ASB Enforcement	Partial	2	4	1
Management of Housing Stock	Partial	2	3	1
Lea Nursery School	Reasonable	10	3	0
Holy Family Catholic School	Reasonable	4	3	0
Gas Safety	Reasonable	4	3	0
Management of the Pupil Premium	Reasonable	0	4	0
Delayed Transfers of Care	Reasonable	1	2	0
New Facilities Contract	Reasonable	0	3	0
Five Year Plan - Performance Reporting	Reasonable	3	1	0
Housing Regulations	Reasonable	5	3	0
Capital Expenditure	Reasonable	5	2	0
SEN Funding	Substantial	2	1	0
Business Rates	Substantial	1	0	0
Iqra School	Substantial	1	0	0
Schools Financial Value Standard (SFVS)	Advisory	3	3	0
AMEY Contract Management	Advisory			
Budgetary Control	tbc			
Council Tax	tbc			
Follow Up Q2	tbc			
Debtors	tbc			
Rent Accounts	tbc			
Fixed Penalty Enforcement	tbc			

Audit	Opinion	High	Medium	Low
Follow Up Q3	tbc			
2016/17				
Information Governance 3.16.17	No assurance	2	12	4
Voids 6.16.17	No assurance	3	3	3
Fixed Penalty Notice Enforcement 9.16.17	No assurance	4	5	3
Business Continuity 1.16.17	No assurance	5	2	0
Governance 15.16.17	Partial	0	9	18
Risk Management 17.16.17	Partial	1	13	3
Transfer of Balances - Agresso 2.16.17	Partial	1	2	0
Creditors 26.16.17 (DRAFT)	Partial	1	5	2
Budgetary Control and Financial Reporting 10.16.17	Partial	1	4	2
Adult Safeguarding 28.16.17 (DRAFT)	Partial	1	9	8
General Ledger 20.16.17	Partial	1	3	6
Health and Safety 21.16.17	Partial	1	6	4
Voluntary Sector Commissioning - Delivery of Outcomes 7.16.17	Partial	1	4	1
Asset Register 31.16.17	Reasonable	0	5	1
Budget Setting 4.16.17	Reasonable	0	1	2
Capital Expenditure 12.16.17	Reasonable	0	2	5
Cash Handling 24.16.17	Reasonable	0	2	2
Five Year Plan Outcomes 25.16.17	Reasonable	0	4	1
Rent Accounts 13.16.17	Reasonable	0	3	3
Homelessness 30.16.17	Reasonable	0	3	1
Payroll 27.16.17 (DRAFT)	Reasonable	0	5	5
Treasury Management 19.16.17	Reasonable	0	3	1
Allocations 31.16.17	Reasonable	0	3	3
Business Rates 14.16.17	Substantial	0	1	0
Housing Benefits 16.16.17	Substantial	0	1	1

Audit	Opinion	High	Medium	Low
Council Tax 11.16.17	Substantial	0	1	0
Schools Audit - Cippenham Nursery School 8.16.17	Substantial	0	1	1
Procurement 32.16.17	Advisory	0	9	3
Schools Financial Value Standard 5.16.17	Advisory	0	5	4
Tax - Temporary staff arrangements, in-house VAT return 23.16.17	Advisory	0	8	4
SBC Contract Management Change	Advisory	12 not categorised		
Follow Up (DRAFT)	Poor Progress	6	11	0
Follow Up of Financial Controls Audits 22.16.17 (DRAFT)	Poor progress	2	10	7

APPENDIX D: INTERNAL AUDIT CHARTER

Need for the charter

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

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

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. An overview of our client care standards are included at Appendix E of the internal audit strategy plan for 2018 – 2021.

The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core Principles for the Professional Practice of Internal Auditing
- Definition of internal auditing
- Code of Ethics; and
- The Standards

Mission of internal audit

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

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

Independence and ethics

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

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

Conflicts of interest may arise where RSM provides services other than internal audit to Slough Borough Council. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit 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 Management Team who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- 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).

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit and corporate governance committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

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

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

Reporting

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

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

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

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

APPENDIX E: OUR CLIENT CARE STANDARDS

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

FOR FURTHER INFORMATION CONTACT

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

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

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

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

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

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



SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

**For the Audit and Corporate Governance
Committee meeting on 8th March 2018**

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.





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Recommendations for improvements should be assessed by you for their full impact before they are implemented. 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.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client 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.

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1 INTRODUCTION

The Internal Audit Plan for 2017/18 was approved by the Audit Committee on 16th March 2017. This report provides a summary update on progress against that plan and any remaining audits within the 2016/17 plan as at the 27th February 2018.

2016/17 Internal Audit Plan

The following two reports issued as part of the 2016/17 plan remain in draft and are still in the process of being finalised:

- Follow Up – sponsor is liaising with the Risk and Insurance Officer to complete.
- Follow Up of Financial Controls – sponsor is liaising with the Risk and Insurance Officer to complete.

2017/18 Internal Audit Plan

We have finalised seven 2017/18 reports since the previous Audit and Corporate Governance Committee meeting held in December 2017.

- Payroll (26.17/18) – **Partial assurance**
- Follow Up Quarter One (12.17/18) – **Little Progress**
- Follow Up Quarter Two (22.17/18) – **Reasonable Progress**
- Asset Register (30.17/18) – **Reasonable Assurance**
- Rent Accounts (24.17/18) – **Reasonable Assurance**
- Information Governance (32.17/18) – **Partial Assurance**
- Purchasing Cards (31.17/18) – **Reasonable Assurance**

Of the reports listed above, both the payroll and Information Governance audits resulted in partial assurance opinions being provided over the effectiveness of controls in place, with a number of significant weaknesses identified which require prompt action to be taken the Council. In addition, our follow up of actions due for completion in quarter one of this year identified that only limited progress (less than 50% of action implemented by their due date) had been made. This, coupled with two follow up reports from the 2016/17 still not finalised, could be the cause of some concern if the original actions agreed are not being addressed.

A summary of the review and Medium and High priority management actions from finalised 2017/18 reports, where a partial assurance opinion was given, along with implementation dates and owners has been included within Appendix A below.

In addition to the above, the following six reports have been issued in draft. A number of these have remained in draft for over a month as highlighted below:








- Chalvey Early Years Centre (issued 13th July 2017)
- Council Tax (issued 6th December 2017)
- Budgetary Control – Issued on 20th December 2017. A management response has been provided to this audit are we are anticipating that this will be finalised shortly
- Follow Up Q3 (Issued 16th January 2018)
- Fixed Penalty Enforcement (Issued 19th January 2018)
- Debtors – (Issued on 23rd January 2018 – a partial response has been provided by the Council, and we anticipate that this will be finalised shortly)

2 SUMMARY OF PROGRESS TO DATE

Reports shown in bold have been finalised.

Executive summaries and action plans from any negative assurance reports finalised since the previous meeting are appended to the bottom of this progress report.

2017/18 Internal Audit Plan

Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
Follow Up Q1	June 2017	Final Report	16th August 2017	30th January 2018	Little progress in implementing agreed actions			
Neighbourhood ASB Enforcement	June 2017	Final Report	15th August 2017	13th October 2017		2	4	1
Management of Housing Stock	May 2017	Final Report	23rd June 2017	21st August 2017		2	3	1
Payroll	December 2017	Final Report	16th January 2018	1st February 2018		4	3	1
Information Governance*	August 2017	Final Report	14th February 2018	27th February 2017		2	10	1
Follow Up Q2	October 2017	Final Report	1st December 2017	2nd February 2018	Reasonable progress in implementing agreed actions			
Chalvey Early Years Centre	April 2017	Draft Report	13th July 2017			1	4	0
Lea Nursery School	April 2017	Final Report	2nd June 2017	23rd June 2017		10	3	0
Holy Family Catholic School	April 2017	Final Report	8th June 2017	11th July 2017		4	3	0

Gas Safety	June 2017	Final Report	11 th July 2017	21 st August 2017		4	3	0
Management of the Pupil Premium	May 2017	Final Report	24 th July 2017	15 th November 2017		0	4	0
Delayed Transfers of Care	September 2017	Final Report	19 th October 2017	27 th October 2017		1	2	0
New Facilities Contract	September 2017	Final Report	19 th November 2017	23 rd November 2017		0	3	0
Five Year Plan - Performance Reporting	September 2017	Final Report	7 th November 2017	15 th November 2017		3	1	0
Housing Regulations	October 2017	Final Report	16 th November 2017	24 th November 2017		5	3	0
Capital Expenditure	October 2017	Final Report	15 th November 2017	22 nd November 2017		5	2	0
Rent Accounts	November 2017	Final Report	20 th December 2017	16 th February 2018		3	3	0
Purchasing Cards	December 2017	Final Report	9 th February 2018	27 th February 2018		5	3	0
Assets	December 2017	Final Report	26 th January 2018	1 st February 2018		4	2	0
SEN Funding	June 2017	Final Report	4 th August 2017	23 rd November 2017		2	1	0
Business Rates	December 2017	Final Report	7 th November 2017	9 th November 2017		1	0	0

Iqra School	April 2017	Final Report	2 nd June 2017	7 th June 2017		1	0	0
Schools Financial Value Standard (SFVS)	May 2017	Final Report	23 rd June 2017	3 rd July 2017	Advisory	3	3	0
AMEY Contract Management	May 2017	Final Report	23 rd October 2017	14 th November 2017	Advisory	-		
Budgetary Control	July 2017	Draft Report	20 th December 2017					
Council Tax	September 2017	Draft Report	6 th December 2017					
Debtors	November 2017	Draft Report	23 rd January 2018					
Follow Up Q3	December 2017	Draft Report	16 th January 2018					
Fixed Penalty Enforcement*	November 2017	Draft Report	19 th January 2018					
Data Flow Mapping	September 2017	Advisory – Initial work complete and wider Data Flow Mapping / GDPR support being discussed with IT Team.						
Equal Pay Review / Gender Pay Reporting Gap	September 2017	Fieldwork in progress						
Business Continuity Advisory Support	September 2017	Fieldwork in progress and nearing completion						
Creditors	December 2017	In QA						
Cash Management & Collection / Treasury Management	January 2018	In QA						
General Ledger	January 2018	In QA						
Follow Up Q4	February 2018	In QA						
Voids*	January 2018	Commencing March 2018						
Governance	November 2017	Commencing March 2018						
General Data Protection Regulations Readiness	November 2017	This work now forms part of a wider piece of advisory support to the Council from RSM						

Adult Social Care Supervision	December 2017	Commencing 19 March 2018
Educational Welfare Service*	August 2017	Change requested by Director of Finance and Resources
Annual Governance Statement	March 2018	Commencing March 2018

* Please note change from agreed plan, see details below.

3 OTHER MATTERS

3.1 Changes to the 2017/18 audit plan

Auditable area	Reason for change
Voids	<p>Audit delayed to Q4 (initially agreed to be undertaken in Quarter 2) at the request of the Head of Neighbourhood Services, as a new contractor will be in post from December 1st, and the review would be better placed to be undertaken in January 2018 to provide assurance over the arrangements for voids with the new contractor.</p> <p>Review again delayed at the request of the Council, to be undertaken within March 2018</p>
Educational Welfare Service	<p>This audit was initially agreed to be undertaken in Quarter 2, but has been delayed at the request of the Strategic Director, Children, Skills and Learning, as the service has only recently been brought back in house from Mott Macdonald (Cambridge Education).</p> <p>Subsequently, we have been asked by the Director of Finance and Resources to review the area for Procurement Cards in replacement of this audit.</p>
Fixed Penalty Notices	<p>This audit was due to be undertaken in Quarter 2, but has been delayed at the request of the Head of Neighbourhood Services, as the 2016/17 report was only recently finalised, and Housing are in the process of implementing the actions. The audit has now been undertaken and a draft report was issued on 19th January 2018</p>
Information Governance	<p>This audit was due to be undertaken in Quarter 2, but has been delayed at the request of the Assistant Director, Finance and Audit, as the Council were still in progress of implementing actions from the previous review in 2016/17. The audit has been undertaken and a final report was issued on 27th February 2018.</p>
Property Services / Neighbourhood Services Building Maintenance	<p>At the request of the Director of Finance and Resources, we were asked to review the processes for ordering and authorising invoices for work undertaken by Interserve (new contractor as of 1st December is Osbournes) to ensure this was undertaken in line with Council procedures.</p>

3.2 Impact of our work to date on year end opinion

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 ('No Assurance' or 'Partial Assurance' opinions) will need to be noted in the annual report and may result in a qualified or negative annual opinion.

Where we have issued 'no assurance' (red) and 'partial assurance' (amber / red) reports, these opinions will impact our 2017/18 Head of Internal Audit Opinion for the Council.

We have issued four final reports to date that will impact our year end opinion on our end of year opinion, Information Governance, Management of Housing Stock, Neighbourhood ASB Enforcement and Payroll as all of these received a partial assurance opinion. The Information Governance and Payroll reports may need to be considered in the Annual Governance Statement, together with the little progress that has been made in implementing previous Internal Audit actions.

Of the seven 17/18 reports out in draft, Budgetary Control, Fixed Penalty Enforcement, Debtors and Follow Up Quarter Three (Little progress) may also impact the overall opinion, as these currently stand as partial opinion audits, albeit some of these opinions could yet change if additional information is provided. We are awaiting management responses to these audits before they are finalised.

In addition, it should be noted by the Committee that while the review of AMEY contract management was conducted on an advisory basis, the review identified discrepancies between the published RPIx and what has been used by AMEY Plc for indexing the contract value up to 2010, and this has resulted in a potential overcharge to the Council by AMEY Plc on the non-highways part of the contract. These details were discussed at the December Committee meeting.

We have also agreed a number of areas where negative assurance opinions were issued in 2016/17, but where we have provided further support and advice to the Council to help address these weaknesses in a timely manner. These details are included below.

We have continued to keep the Section 151 Officer, CMT and Audit and Corporate Governance Committee updated throughout the year on impact of all of the year to date findings on our year end opinion for 2017/18. Progress has been made in a number of areas to address weakness in the internal control, risk management and governance framework. However, we will need to consider all of the assurances issued to date, all remaining draft reports and the outcomes of the reviews in progress, along with when they were implemented and how embedded these improvements are in the control framework when considering our 2017/18 year end opinion. We will continue to discuss this with the Section 151 Officer over the coming weeks. We will also provide another update to the Committee at the next meeting.

3.3 Added value specialist support

Area of work	How this has added value
Risk Management Support	<p>We are providing the Council with support to embed and re-establish effective risk management processes to aid in the achievement of the Council's objectives. The support is being provided currently. To date we have;</p> <ul style="list-style-type: none"> • Interviewed the Corporate Management team and support officers to obtain their views on the Corporate risks to the Council • Produced a paper describing the risk themes that emerged from interview • Circulated the risk themes to the Corporate Management Team followed by a workshop to agree the risks, discussed controls and the score those risks. • Documented the corporate risks following this workshop for inclusion on the Corporate Risk Register. • Reviewed the risks and controls on the 4Risk software system <p>In summary, some good progress has been made in 2017/18 but further work is required to embed a risk management culture. We also need to see ongoing evidence of the new software being used, updated and risk owners buying into the risk management framework.</p>
Business Continuity Support	<p>Following a negative assurance opinion in 2016/17, we have agreed to provide support to the Council in improving its processes in relation to Business Continuity and the scope of the work is currently in progress. To date the following has been completed;</p> <ul style="list-style-type: none"> • Review of existing Business Continuity Plan and agree scope • Production and agree Business Impact Analysis template • Pilot BIA on two departments which were not affected by the recent restructuring • Review the completed BIAs with the departments and suggest improvements • Production and agreement of a Business Continuity Plan framework

-
- Production and agreement of a Recovery Plan template

We are currently in the process of reviewing the BC plans in place in respect of arvato,

In summary, good progress has been made in the areas mentioned above, there is however still a lot of work to do to ensure that BC plans are rolled out across the wider council and cover all key service areas.

Data Flow Mapping

Following a negative assurance opinion in 2016/17, we are providing the Council with support to map their flows of data, to aid in the Council's management and security of data. The initial DFM work has been completed and three successful DFM workshops have been held. We are now in discussions with the IT team about facilitating the roll out of further workshops in February 2018. These are being delivered under a separate engagement. The overall focus and outcome is to assist the Council in understanding and mapping their data flows, which is required to comply with the new GDPR arrangement coming into force in May 2018.

3.4 Information and briefings

The following items were highlighted as part of our information briefings since the last Audit and Corporate Governance Committee in December 2017:

Enabling school improvement

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Councils continue to work on school improvements to ensure that children and young people have access to a good school. The Local Government Agency (LGA) has set out nine conditions which it believes are important in establishing an effective local school improvement system. They include a clear and compelling vision, leadership from key systems and sufficient financial contributions. Across the three levels the local systems commonly work in - school-level clusters, local area or district-level clusters and local authority strategic partnerships - it will want to compare their own arrangements in these structures and review how local systems are operating. The use of the new £140m Strategic School Improvement Fund is a chance for both schools and councils to together identify priorities and activities to make a strategic bid for resources.

[Read more](#)

Website accessibility tests

60 per cent of homepages from 270 UK council websites were accessible to people with disabilities; a 5 per cent decline from the previous year. Following a test conducted by Better Connected, most council websites failed stage one accessibility due to a lack of visible focus indicators, meaningful links in context and the absence of skip links. Movement on the screen which affects cognitive-impaired, dyslexic and low vision users account for a third of website failures. Following the assessment, Better Connected has warned the councils to improve their sites in accordance with the new EU directive.

[Read more](#)

New housing agency to boost house building

Sajid Javid has launched a new national housing agency, Homes England, in the aim of providing the homes the country needs. The new agency aims to help deliver an average of 300,000 homes a year by the mid-2020s, supporting smaller house builders (the SME sector) into the market. 310 local authorities have published a brownfield register showing over 26,000 hectares of developable land in which Homes England will progress brownfield development across the country. Homes England will seek to create a new 'commercial approach' to preparing and developing land in areas of high demand.

Independent Review of Building Regulations and Fire Safety, interim report

The Independent Review of Building Regulations and Fire Safety, commissioned by the government following the Grenfell Tower tragedy, 'aims to make recommendations that will ensure there is a sufficiently robust regulatory system for the future and provide further assurance to residents that the buildings they live in are safe.' The interim report sets out the findings to date and the direction of travel for the final report. Key findings are:

- the current regulatory system is not fit for purpose in relation to high rise and complex buildings; and
- there is a need for significant improvement in the current system in several areas:
 1. regulation and guidance – current regulation guidance is complex and unclear;
 2. roles and responsibilities – clarity of roles and responsibilities within the system is poor;
 3. competence – the means of assessing and ensuring appropriate levels of competence throughout the system are unclear and inadequate;
 4. process, compliance and enforcement – enforcement and sanction measures are poor and do not provide adequate means of compliance assurance, deterrence or redress for non-compliance;
 5. residents' voice and raising concerns – the route for residents' concerns to be raised and addressed is unclear and inadequate; and
 6. quality assurance and products – current methods for testing, certification and marketing of construction products and systems are not clear.

The independent review will now undertake its second phase of work and publish a final report in spring 2018. The interim report sets out the direction for change in each of the six areas. In summary, this is a call to action for an entire industry and those parts of government that oversee it. It is noted that true and lasting change will require a universal shift, while a summit will be called in early 2018 with key stakeholders to discuss taking this work forward. [Read more](#)


Statutory homelessness, homelessness prevention and relief

Official statistics reveal that between 1 July and 30 September 2017, local authorities accepted 15,290 households as being statutorily homeless. This represents an increase of 6 per cent from the previous quarter and 2 per cent on the same quarter of last year. On 30 September 2017, the number of households in temporary accommodation also went up 6 per cent from last year. The data comes as the [Committee of Public Accounts](#) described the extent of homelessness across England as a national crisis. [Read more](#)

Councils facing a financial cliff edge

The Local Government Association (LGA) has warned that a likely delay in 100 per cent business rate retention has left councils facing a financial cliff edge in 2019-20. The local government settlement is expected to be announced soon and the LGA are urging the government to use the settlement to avoid 'a financial breaking point which will threaten the existence of some local services by 2020'. The LGA also warned that rising demand for adult social care and children's services threatened the viability of other services such as street cleaning, libraries and highways maintenance. Nick Forbes, LGA senior vice chair stated that 'councils knew they would struggle to cope with the pace of government funding cuts over the next few years. It was hoped that local government keeping all of its business rates income by 2020 would ease that pressure.' [Read more](#)

APPENDIX A: KEY FINDINGS FROM FINALISED 2017/18 INTERNAL AUDIT WORK (HIGH AND MEDIUM PRIORITY MANAGEMENT ACTIONS ONLY WHERE PARTIAL OR NO ASSURANCE REPORTS HAVE BEEN ISSUED)

<p>Payroll (26.17/18) – PARTIAL ASSURANCE</p>		<p>4 - Low 3 - Medium 1 - High</p>
<p>Our audit identified significant weaknesses with the management of leavers and the resulting effect of overpayments where managers within the Council are not sending termination forms into Payroll in a timely manner, and reconciliations between the payroll system and the ledger not being undertaken since June 2017 due to resource issues. At the time of the audit, overpayments totalled £44,472 for the current financial year, with c£17,000 attributable to one member of staff. In addition, weaknesses were identified in relation to leavers from the Payroll Team at arvato not having their access terminated on Agresso (as a web based system, this can be accessed remotely) and this issue has been raised by both Internal Audit and External Audit previously, and action needs to be taken to strengthen the controls in place to manage leavers.</p>		
<p>We identified the following weaknesses which resulted in one high and three medium priority management actions being agreed. We have also identified four 'low' priority management actions which are detailed further within section two of this report.</p>		
<p>Control Account Reconciliations We were informed by the T-HR & Payroll Service manager that monthly reconciliations had not been completed since June 2017. Upon enquiry, we were informed that this was due to operational pressures and insufficient resources and that a recruitment process was underway for the appointment of the additional resource. If reconciliations are not performed there is a risk of payroll errors not being identified, investigated and resolved in a timely manner. (High)</p>		
<p>Payroll: Agresso User Access At the time of this review there were three payroll staff members who had left the employment of arvato. We reviewed Agresso user access reports and noted that user access rights had not been revoked for all three leavers. Failure to revoke user access right for payroll leavers (payroll processing staff at arvato) may result in inappropriate access to payroll information and potentially lead to payroll fraud. (Medium)</p>		
<p>Leavers forms Whilst we confirmed that 19/20 leavers from our sample testing had been removed from the Payroll system in a timely manner, for one of the leavers, the leaving date was stated as 31st August 2017, yet the leavers form was not received and input by Payroll until the 2nd November 2017, resulting in an overpayment of £1362. Further investigation identified that whilst the member of staff left at the end of August, the form was only signed by the manager on 26th October, HR on 27th October and received in Payroll on 31st October, being processed on 2nd November 2017. Although the form was processed by Payroll in a timely manner, the form was completed two months following the member of staff leaving. There is an increased risk of overpayments if responsible managers do not complete termination forms in a timely manner. This has been raised in previous audits of this area, and if not addressed, could lead to unnecessary expenditure being incurred and difficulty in receiving income due back from staff that have left. (Medium)</p>		
<p>Overpayments At the time of this review the recorded total amount of overpayments was £44,742 (YTD). We noted that of this total, over 25% related to one employee, where an overpayment was made, totalling £18,270, split into two overpayments of £11,056 and £7214. Through review of the notification of debt form, we identified that for the £11,056, the total was obtained by the member of staff being overpaid from October 2016-March 2017, a period of six months. We were informed that the</p>		

member of staff is still a current employee, but held different roles within the Council, and a failure to notify payroll in a timely manner of a change in circumstances led to the overpayment.

Whilst an action has been raised in relation to the timeliness of termination forms being received by Payroll, if overpayments are not recovered in a timely manner, this could lead to financial loss if the Council cannot reclaim amounts due, and could also be seen as financial mismanagement by staff responsible for notifying Payroll of leavers (**Medium**).

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	The T-HR & Payroll Service Manager will ensure that monthly reconciliations between Payroll and the ledger are completed in a timely manner.	High	31 st March 2018	Barry Stratfull – Service Lead, Finance
2	On termination of employment for payroll staff, the T-HR & Payroll Service Manager will inform the SBC Agresso Support Team via email, copying the Financial Systems Accountant so access is removed	Medium	31 st December 2017	Barry Stratfull – Service Lead, Finance
3	Where an overpayment occurs as a result of a termination form being received late by Payroll, the names of staff responsible for late completion will be forwarded by Payroll to the relevant service lead for action to be taken and recorded.	Medium	31 st March 2018	Barry Stratfull – Service Lead, Finance
4	The payroll team will record reasons for salary overpayments in the adjustment register. A link for evidence that invoices had been sent to accounts receivable will be added into the register for adequate record keeping.	Medium	31 st March 2018	Barry Stratfull – Service Lead, Finance

Follow Up – Quarter 1 (12.17/18) – LITTLE PROGRESS

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 agreed management actions.

We identified through our fieldwork that of the four high and 11 medium priority management actions sampled, **33 per cent** of these had been fully implemented, however we noted that **60 per cent** of the actions were in progress of being implemented, including two **High** actions in relation to business continuity and health and safety and these are detailed below.

Action tracking is undertaken by Slough Borough Council's management.

We have identified 10 instances where the implementation status of actions reported to management differs from our own findings.

Of these, the following two **high** actions remained in progress:

- **Business Continuity** – while we confirmed that the Risk Management Group had begun to oversee progress with the implementation of actions from the previous audit, there was still a need to establish a Business Continuity Group, to ensure the objectives of the Council in relation to this area were delivered.
- **Health and Safety** – while we confirmed that the Corporate Health and Safety Committee had started to receive updates on the Directorate Health and Safety Risk Assessments, these had not been provided to the committee for all directorates.

Further details of progress made are provided in Section 2 of this report.

It is important to note that until a management action is fully implemented, the organisation is still exposed to risk.

<p>Information Governance (32.17/18) – PARTIAL ASSURANCE</p>		<p>2 - Low 10 - Medium 1 - High</p>
<p>The key findings from this review are as follows:</p> <p>Information Governance Policy and Structure</p> <p>We found that due to the restructure, and key members of staff being off sick, the Information Governance Policy still had not been updated, and consequently, the role of the SIRO had not been allocated. Lack of an up-to-date policy which is reflective of the overarching IG framework within Council and which contains sufficient guidance on IG arrangements and processes increases the risk that staff may adopt incorrect processes which are non-compliant with the Data Protection Act. This could result in data protection breaches and expose the Council to reputational risks as well as the risk of penalties from the Information Commissioner. (High)</p> <p>While a proposed structure had been provided to demonstrate the assignment of responsibilities for Information Governance, this had not been implemented at the time of audit fieldwork due to the council restructure. Without ensuring that all IG responsibilities are formally assigned, there is a risk that these responsibilities will not be undertaken and appropriate IG arrangements and processes may not be established and embedded within the Council. (Medium)</p> <p>Data Protection Clauses within Contracts</p> <p>The Council is has still not undertaken a review of all contracts within the organisation to ensure that sufficient clauses are included to set out the Council's obligations in relation to the Data Protection Act, due to key procurement staff leaving the organisation. If the Council is unable to sufficiently assure itself that appropriate data protection clauses are contained within all contracts, and where appropriate clauses are not included; there is a risk that the Council may not be able to hold third parties to account should they be involved in a data protection breach involving Council data. The Council is also unable to evidence compliance with the toolkit requirement. (Medium)</p>		

Information Security Awareness Training and Specialist Training

We found issues with the monitoring and reporting of compliance with training provided by the Council, with only 590 out of 1097 members of staff having undertaken the relevant Information Security training, with limited evidence to confirm this being challenged at CMT. In addition, the Council has not identified the training needs for specialist roles such as the SIRO and Caldicott Guardian due to the current restructure. If training is not provided for specialist roles, there is a risk that specialist staff will not be trained up to an appropriate standard which could in turn lead to a breach of the Data Protection Act and the consequences associated with this. **(Medium)**.

Linked to the above, we found that the Information Security Awareness training slides had not been updated to include information in relation to the Caldicott Principles, upon which compliance with the Data Protection Act is based. Where training courses do not cover all relevant areas, there is a risk of incorrect processes being followed by staff, which could potentially result in non-compliance with data protection requirements and expose the Council to the risk of penalties and reputational damage. **(Medium)**

Information Governance Action Plan

Our review identified that the Council are yet to form a suitable action plan to address gaps identified in the IG framework. It was intended to use the previous Internal Audit report as the basis for the improvement plan, however this was never formulated. The lack of a formal IG Improvement Plan to identify actions necessary to embed IG arrangements may increase the risk that staff may adopt incorrect processes which are non-compliant with the Data Protection Act. This could result in data protection breaches and expose the Council to reputational risks as well as the risk of penalties from the Information Commissioner. **(Medium)**

We found that while a process had been implemented in relation to reporting of incidents to the IG Board, this process had not been updated within the Council's Information Security Incident Reporting Policy. If the Information Security Incident Reporting Policy is not updated with the process, there will be no reference to the procedures for the reporting of and response to incidents and there is a risk that information security incidents will not be reported correctly and that may lead to incidents not being addressed. **(Medium)**

Corporate Policies and Data Protection Workplan in relation to Information Governance

No policy for the management of corporate records had been developed by the Council since the previous audit in this area. This exposes the Council to the risk of penalties due to non-compliance with the provisions of the Data Protection Act, as well as an increased risk of data breaches due to records being held indefinitely. **(Medium)**

The Data Protection and Privacy Policy, which was found to be insufficient during the previous audit, had not been updated. If the Data Protection and Privacy Policy is not updated to ensure that the roles of a Council-wide Caldicott Guardian as well as those staff responsible for supporting the Caldicott Guardian appropriately are not assigned and formally communicated, there is a risk of a lack of sufficient attention to and oversight of the work necessary to ensure the Council complies with its confidentiality and data protection obligations. **(Medium)**

No data protection annual plan had been developed since the previous audit due to a lack of resource. If the data protection work programme is not developed there is a risk that work necessary to ensure compliance to data protection and confidentiality requirements will not be identified and non-compliance may result in penalties and reputational damage. **(Medium)**.

We found that while the Council had drafted a data quality policy, this had yet to be approved by the Information Governance Board, however the policy had not been updated to take account of GDPR. Without a Data Quality Policy, there is a risk of a lack of consistency as a result of controls to ensure the quality of data not having been defined. **(Medium)**

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>The Information Governance Policy will be reviewed and updated to sure it reflects the arrangements and processes within the Council, in line with the HSCIC guidance, including;</p> <ul style="list-style-type: none"> • roles and responsibilities, covering senior IG roles (Caldicott Guardian, SIRO and IG Lead), other key staff roles in relation to IG as well the responsibilities of the wider workforce; • the specific resources within the Council to fulfil these roles. • The key policies underpinning; • the overarching Information Governance Policy; • governance arrangements for overseeing the IG agenda within the Council; • processes for delivering training and awareness programmes to staff; and • arrangements for reporting, escalating and monitoring IG incidents and breaches. <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>Thereafter, the policy will be reviewed annually with version control included within document to record approval and next review details.</p>	High	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT
2	<p>The Council will ensure that the draft Digital and IT team structure is approved by the IG Board and the recruitment process is undertaken to ensure that sufficient resources are in place to appropriately oversee information governance arrangements and responsibilities per the Health and Social Care Information Centre guidance are formally assigned.</p>	Medium	31 st July 2018	Simon Pallett - Service Lead Digital & Strategic IT
3	<p>The Council will ensure that, as part of the review and re-scoping of the contracts database, fields are included for evidencing the review of contracts for appropriate clauses relating to data protection and requirements for reporting information governance incidents.</p>	Medium	31 st March 2018	Frederick Narmh - Head of Procurement
4	<p>The Data Protection Awareness training will be updated to provide guidance in line with GDPR prior to regulations going live.</p>	Medium	31 st March 2018	Alex Cowen - IT & Business Relationship Manager /

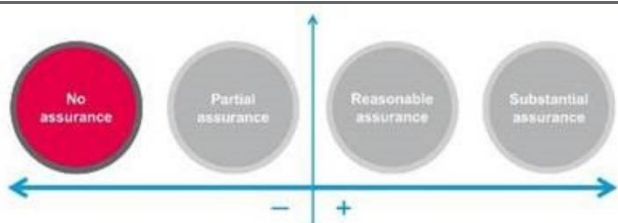
	<p>A review will be undertaken to ensure the additional training needs of staff within specialist IG roles are identified and the training needs document will be updated with the identified training requirements.</p> <p>Training reports will be discussed at DMT quarterly and CMT half-yearly and details of the discussion will be recorded in the minutes.</p>			Surjit Nagra-Service Lead HR
5	<p>The Council will ensure that the Data Quality Policy is updated with GDPR and it is reviewed and approved by the Information Governance Board.</p> <p>Once approved, the policy will be circulated to staff and made accessible via the intranet. The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31st March 2018	Simon Pallett - Service Lead Digital & Strategic IT
6	<p>The Information Security Awareness course will be reviewed and updated to ensure and includes reference to the Caldicott Principles.</p> <p>In addition, the Council will consider merging the Information Security Awareness and Data Protection Awareness courses to provide a single course covering data protection and information governance.</p>	Medium	31 st March 2018	Alex Cowen - IT & Business Relationship Manager
7	<p>The Council will develop and finalise the IG Improvement Plan to identify the actions necessary to embed robust IG arrangements and ensure compliance with the HSCIC IG toolkit requirements.</p> <p>Each action will be assigned a responsible owner and completion deadline. The plan will be reviewed and revised on an annual basis and will be subject to approval by the IT and Information Governance Board. It will drive the IG agenda within the Council and progress against the plan will be monitored at each meeting of the IT and Information Governance Board, with progress updates reported to CMT periodically.</p>	Medium	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic
8	<p>The Council will ensure that the Information Security Incident Reporting Policy is updated to reflect the reporting, recording, investigating and managing information security incidents.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff, made accessible via the intranet and communicated to third party providers and partner organisations.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

9	<p>The drafted Records Management Policy will be discussed with relevant service leads and finalised Once finalised, the policy will be presented to the IT and IG Board for approval.</p> <p>Upon approval, the policy will be circulated to staff and made accessible via the intranet.</p> <p>The Council will ensure that the policy is also updated to provide guidance in line with GDPR prior to regulations going live.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31 March 2018	Simon Pallett - Service Lead Digital & Strategic IT
10	<p>The Data Protection and Privacy Policy will be reviewed and updated to ensure it details;</p> <ul style="list-style-type: none"> • the requirement for the Council to have in place a Caldicott function; • the specific resources within the Council to fulfil the roles within the function, including the Caldicott Guardian, Data Protection Officer as well as those staff at directorate level with responsibility for supporting the Caldicott Guardian; • the additional training requirements for staff within the function; • the mechanisms for ensuring the effectiveness of the function, including the development and monitoring of an annual data protection work programme which identifies the work necessary to ensure the Council meets its data protection and confidentiality obligations; and • the governance arrangements for monitoring the effectiveness of the function. <p>Once updated, the policy will be presented to IGB for approval, and then subsequently circulated to staff and made accessible via the intranet. The roles will be formally assigned to the relevant staff and details published via the staff intranet. The role of Caldicott Guardian will also be communicated on the Council website. The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31 March 2018	Simon Pallett - Service Lead Digital & Strategic IT
11	<p>An annual data protection work programme will be developed to identify the work necessary to ensure the Council meets its data protection and confidentiality obligations.</p> <p>Clearly defined timescales and responsible owners will be assigned for all actions identified. The work programme will be reviewed and set on an annual basis and will be subject to approval by CMT. Progress will be monitored at each meeting of the IT and IG Board, with progress updates reported to CMT periodically.</p>	Medium	31 st March 2018	Simon Pallett - Service Lead Digital & Strategic IT

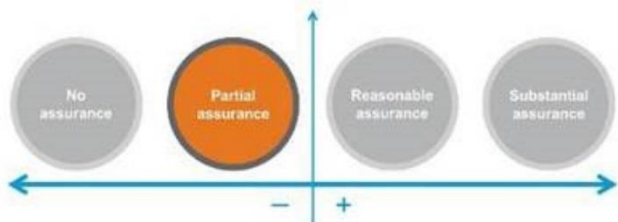
2017/18 ASSURANCE OPINIONS

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.

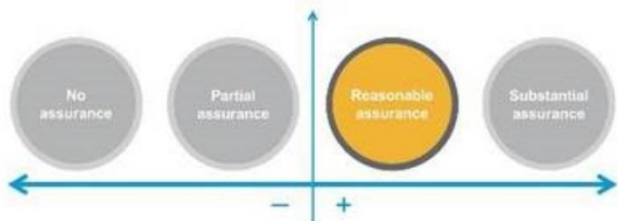
We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



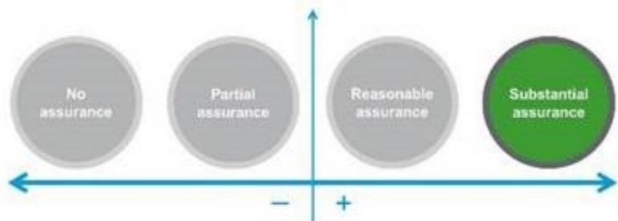
Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied. 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 in place to manage this risk are suitably designed and consistently applied. 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 the identified risk(s) are suitably designed, consistently applied and operating effectively.

FOR FURTHER INFORMATION CONTACT

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SLOUGH BOROUGH COUNCIL

GRANT CLAIMS AND RETURNS CERTIFICATION

Audit for the year ended 31 March 2017



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INTRODUCTION

Purpose of the report

This report summarises the main issues arising from our certification of grant claims and returns for the financial year ended 31 March 2017.

Public Sector Audit Appointments Ltd (PSAA) regime

PSAA has a statutory duty to make arrangements for certification by the appointed auditor of the annual housing benefit subsidy claim.

We undertake the grant claim certification as an agent of PSAA, in accordance with the Certification Instruction (CI) issued by them after consultation with the Department for Work and Pensions (DWP).

After completion of the tests contained within the CI the grant claim can be certified with or without amendment or, where the correct figure cannot be determined, may be qualified as a result of the testing completed.

Other certification work

A number of grant claims and returns that were previously included within the scope of the audit have since been removed, but Departments may still seek external assurance over the accuracy of the claim or return.

These assurance reviews are undertaken outside of our appointment by PSAA and are covered by tripartite agreements between the Council, sponsoring Department and the auditor.

The Council has requested that we undertake a 'reasonable assurance' review, based on the instructions and guidance provided by the Department for Communities and Local Government (DCLG), of the pooling of housing capital receipts return for the year ended 31 March 2017.

The Council has also requested that we undertake certain 'agreed-upon-procedures', based on the instructions and guidance provided by the Department for Education, of the teachers' pensions return for the year ended 31 March 2017.

We recognise the value of your co-operation and support and would like to take this opportunity to express our appreciation for the assistance and co-operation provided during our certification work.

Fees

We reported our original fee proposals in our 2016/17 audit plan.

Our fee for the certification of the housing benefits subsidy claim has increased from £20,625 (the indicative fee set by Public Sector Audit Appointments Limited) to £30,000 as we carried out, at management's request, the additional '40+ testing' normally completed by the Council. This additional fee is subject to approval by PSAA.

Our work on certifying the teachers' pensions return remains in progress as a result of significant difficulties experienced by the Council's shared service provider in responding to audit queries following a change in the payroll system during 2016/17. Depending on the extent of additional certification work required as a result of this, we will discuss fee overruns with management and report the final fee in our Annual Audit Letter.

Our final fee in respect of the pooling of housing capital receipts return remains the same as that reported in our audit plan.

AUDIT AREA	PLANNED FEES (£)	FINAL FEES (£)
PSAA regime		
Housing benefits subsidy claim	20,625	30,000
Total PSAA regime fees	20,625	30,000
Other certification work		
Pooling of housing capital receipts return	1,800	1,800
Teachers' pensions return	3,535	TBC
Total certification fees	25,960	TBC

KEY FINDINGS

Below are details of each grant claim and return subject to certification by us for the financial year ended 31 March 2016. Where our work identified issues which resulted in either an amendment or a qualification (or both), further information is provided. An action plan is included at Appendix II of this report.

CLAIM OR RETURN	VALUE (£)	QUALIFIED	AMENDED?	IMPACT OF AMENDMENTS (£)
Housing benefit subsidy	£73,070,548	YES	NO	N/A
Pooling of housing capital receipts	£10,915,919	NO	NO	N/A
Teachers' pensions	£5,214,445	Not yet complete	Not yet complete	Not yet complete

HOUSING BENEFIT SUBSIDY

FINDINGS AND IMPACT ON RETURN

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Local authorities responsible for managing housing benefit are able to claim subsidies towards the cost of these benefits from central government. The final value of subsidy to be claimed by the Council for the financial year is submitted to central government on form MPF720A, which is subject to certification.

Our work on this claim includes verifying that the Council is using the correct version of its benefits software and that this software has been updated with the correct parameters. We also agree the entries in the claim to underlying records and test a sample of cases from each benefit type to confirm that benefit has been awarded in accordance with the relevant legislation and is shown in the correct cell on form MPF720A.

The methodology and sample sizes are prescribed by PSAA and DWP. We have no discretion over how this methodology is applied.

The draft subsidy return provided for audit recorded amounts claimed as subsidy of £73,070,548. There were no amendments to the claim as a result of the audit.

Our audit of 60 individual claimant files highlighted a number of errors the Council made in administering benefit and calculating subsidy entitlement.

Guidance requires auditors to undertake extended 40+ testing if initial testing identifies errors in the benefit entitlement calculation or in the classification of expenditure that means that housing benefits were over paid. Such testing is also undertaken as part of our follow-up of prior year issues reported. This additional testing, combined with the original testing where there has been an overpayment of benefit, is extrapolated (or extended) across the population. Where the error can be isolated to a small population, the whole population can be tested and the claim form amended if appropriate. Where there is no impact on the subsidy claim, for example where the error always results in an underpayment of benefit, we are required to report this as an observation within our qualification letter.

The results of additional testing and issues reported in the qualification letter are noted in the detailed findings section of this report.

Our work was completed and the claim was certified on 28 November 2017, ahead of the certification deadline of 30 November. Our audit certification was qualified and we quantified the effect of the errors identified on the Council's entitlement to subsidy (based on our extrapolations where 40+ testing was carried out or actual errors based on 100% testing of the population) in a letter to DWP. The net effect of the qualified issues was that subsidy claimed was overstated by £646.

DETAILED FINDINGS

Benefit type	Error description	Impact on claim
QUALIFICATION ISSUES		
Non-HRA Rent Rebates	<p>Misclassification of Non-HRA Rent Rebate expenditure</p> <p>Testing of the initial sample of 20 cases identified one case where the Council pro-rated a part week subsidy instead of utilising the maximum weekly amount in full for the part week. This resulted in a misclassification of expenditure between cells on the claim form.</p> <p>Testing of the initial sample also identified one case where the Council apportioned an overpayment incorrectly between cells on the claim form.</p> <p>Testing of an additional random sample of 40 cases identified a further five cases where the Council misclassified expenditure between cells on the claim form.</p> <p>As a result of the errors identified, we extrapolated the errors over the remaining population of cases.</p>	<p>The total effect of these errors was as follows:</p> <ul style="list-style-type: none"> Cell 012 'Board and lodging or non self-contained licenced accommodation where the local authority is the landlord - Expenditure up to the lower of the one bedroom self-contained LHA rate and the upper limit (£500 or £375)' was overstated by £804 (attracts full subsidy) Cell 013 'Board and lodging or non self-contained licenced accommodation where the local authority is the landlord - Expenditure above the lower of the one bedroom self-contained LHA rate and the upper limit (£500 or £375)' was understated by £804 (attracts no subsidy). <p>As a result, subsidy claimed was overstated by £804. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>
Non-HRA Rent Rebates	<p>Misclassification of Non-HRA Rent Rebate expenditure</p> <p>Testing of the initial sample of 20 cases identified one case where the Council used the incorrect number of bedrooms in applying the subsidy cap, resulting in a misclassification of expenditure between cells on the claim form.</p> <p>Testing of an additional random sample of 40 cases identified a further four cases where expenditure was misclassified between cells.</p> <p>As a result of the errors identified, we extrapolated the errors over the remaining population of cases.</p>	<p>The total effect of these errors was as follows:</p> <ul style="list-style-type: none"> Cell 014 'Short term leaded or self contained accommodation where the local authority is the landlord - Expenditure up to the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375)' was understated by £817 (attracts full subsidy) Cell 015 'Short term leaded or self contained accommodation where the local authority is the landlord - Expenditure above the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375) was overstated by £817 (attracts no subsidy). <p>As a result, subsidy claimed was understated by £817. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>

DETAILED FINDINGS

Benefit type	Error description	Impact on claim
QUALIFICATION ISSUES (CONTINUED)		
<p>Non-HRA Rent Rebates</p>	<p>Misclassification of Non-HRA Rent Rebate overpayments</p> <p>Our testing in the prior year identified six cases where benefit was overpaid as a result of the Council not creating an overpayment when the claimant moved address. Testing of the initial sample of 20 cases in the current year did not identify any errors of this nature. However, testing of an additional random sample of 40 cases, where claimants moved address in the current year, identified two cases where the system failed to recognise overpayments and the issue was not detected by the Council.</p> <p>As a result of the errors identified, we extrapolated the errors over the remaining population of cases.</p>	<p>The total effect of these errors was as follows:</p> <ul style="list-style-type: none"> • Cell 026 ‘LA error and administrative delay overpayments’ was understated by £523 (attracts no subsidy) • Cell 028 ‘Eligible overpayments’ was understated by £67 (attracts 40% subsidy) • Cell 014 ‘Short term leased or self contained accommodation where the local authority is the landlord - Expenditure up to the lower of 90% of the appropriate LHA rate for the property plus the management costs element and the upper limit (£500 or £375)’ was overstated by £590 (attracts full subsidy) <p>As a result, subsidy claimed was overstated by £563. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>
<p>Rent allowances</p>	<p>Misclassification of Non-HRA Rent Rebate overpayments</p> <p>Testing of the initial sample identified one case where an overpayment was included in the incorrect cell on the claim form.</p> <p>Testing of an additional random sample did not identify any further cases where an overpayment was misclassified between cells.</p> <p>As a result of the errors identified, we extrapolated the errors over the remaining population of cases.</p>	<p>The total effect of these errors was as follows:</p> <ul style="list-style-type: none"> • Cell 113 ‘LA error and administrative delay overpayments’ was understated by £239 (attracts no subsidy) • Cell 114 ‘Eligible overpayments’ was overstated by £239 (attracts 40% subsidy). <p>As a result, subsidy claimed was overstated by £96. The claim form was not amended for the extrapolated error and we reported this in our qualification letter to DWP.</p>

DETAILED FINDINGS

Benefit type	Error description	Impact on claim
OBSERVATIONS		
Non-HRA Rent Rebates	<p>Underpaid benefit - family premium not applied</p> <p>Testing of the initial sample of 20 cases identified one case where benefit had been underpaid as a result of the Council not including the family premium in the applicable amount calculation despite the claimant having dependent children.</p> <p>This error will always result in an underpayment of benefit, therefore no additional testing was undertaken.</p>	As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not, therefore, classified as an error for subsidy purposes.
Non-HRA Rent Rebates	<p>Underpaid benefit - incorrect state pension increase applied</p> <p>Testing of the initial sample of 20 cases identified one case where benefit had been underpaid as a result of the Council using a state pension increase that was higher than the actual pension figure provided by DWP.</p> <p>This error will always result in an underpayment of benefit, therefore no additional testing was undertaken.</p>	As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not, therefore, classified as an error for subsidy purposes.
Rent allowances	<p>Underpaid benefit -incorrect state pension increase applied</p> <p>Testing of the initial sample of 20 cases identified one case where benefit had been underpaid as a result of the Council using a state pension increase that was higher than the actual pension figure provided by DWP.</p> <p>This error will always result in an underpayment of benefit, therefore no additional testing was undertaken.</p>	As there is no eligibility to subsidy for benefit which has not been paid, the underpayment identified does not affect subsidy and was not, therefore, classified as an error for subsidy purposes.

DETAILED FINDINGS

POOLING OF HOUSING CAPITAL RECEIPTS	FINDINGS AND IMPACT ON RETURN
<p>Local authorities are required to pay a portion of any housing capital receipt they receive into a national pool administered by central government. The Council is required to submit quarterly returns notifying central government of the value of capital receipts received.</p> <p>The return provided for audit recorded total housing capital receipts subject to pooling of £10,915,919 to DCLG.</p> <p>DCLG requires that this return is certified but the work is not part of PSAA’s certification regime. We therefore agreed a separate letter of engagement to provide a reasonable assurance report.</p>	<p>Our review did not identify any issues.</p>
TEACHERS’ PENSIONS	FINDINGS AND IMPACT ON RETURN
<p>Local authorities which employ teachers are required to deduct pension contributions and send them, along with employer’s contributions, to the Teachers’ Pensions office. (the body which administers the Teachers’ Pension Scheme on behalf of the Department for Education). These contributions are summarised on form EOYCa, which the Council is required to submit to Teachers’ Pensions.</p> <p>The Department for Education requires that Form EOYC is certified but the work is not part of PSAA’s certification regime. . We therefore agreed a separate letter of engagement to provide an agreed-upon procedures report.</p>	<p>Our work on certifying the teachers’ pensions return remains in progress as a result of significant difficulties experienced by the Council’s shared service provider in responding to audit queries following a change in the payroll system during 2016/17. We will update the Audit and Corporate Governance Committee when this work is complete.</p>

APPENDICES

APPENDIX I: STATUS OF 2015/6 RECOMMENDATIONS

RECOMMENDATION	PRIORITY	RESPONSIBILITY	TIMING	PROGRESS	STATUS
<p>Housing benefit claim</p> <p>Our audit found a number of errors in respect of Non-HRA rent rebate expenditure, in particular:</p> <ul style="list-style-type: none"> • Misclassification between board and lodging or non self-contained licensed accommodation and short term leased or self-contained licensed accommodation • Misclassification between expenditure up to the LHA cap and expenditure above the LHA cap • Apportionment of part week payments • Overpayments not being created when a claimant is paid twice. <p>We recommend that the Council and its transactional services supplier carries out significantly increased reviews of non-HRA rent rebate cases throughout the year to address issues reported, in particular classification issues that have been reported for the past two years.</p>	High	SBC transactional services supplier and contract manager	June 2017	<p>The Council carried out a number of checks and data cleansing during 2016/17.</p> <p>The 2016/17 audit identified fewer errors to those reported in previous years.</p>	See Appendix II for recommendations relating to the 2016/17 audit of non-HRA rent rebates.
<p>Housing benefit claim</p> <p>A number of errors were identified in respect of negative amounts included within HRA rent rebate expenditure attracting full subsidy.</p> <p>We recommend that the Council reviews all cases that net to a negative value in respect of HRA rent rebate expenditure attracting full subsidy before the 2016/17 claim form is finalised and amends all errors.</p>	High	SBC transactional services supplier and contract manager	June 2017	The review was completed in respect of the 2016/17 claim.	Closed.

APPENDIX I: STATUS OF 2015/16 RECOMMENDATIONS

RECOMMENDATION	PRIORITY	RESPONSIBILITY	TIMING	PROGRESS	STATUS
<p>Housing benefit claim</p> <p>Errors were identified in respect of rent allowance expenditure where rent free weeks had been paid to the landlord and no overpayment had been raised and where an overpayment had been raised this had been incorrectly classified.</p> <p>We recommend that the Council reviews all rent allowance cases where rent free weeks have been paid throughout the year and ensures that overpayments have been raised and that they have been classified correctly within the claim form.</p>	High	SBC transactional services supplier and contract manager	June 2017	<p>The Council carried out a number of checks and data cleansing during 2016/17.</p> <p>The 2016/17 audit identified fewer errors to those reported in previous years.</p>	Closed.
<p>Housing benefit claim</p> <p>An error was identified in respect of incorrect war pension amount being input in relation to modified schemes testing.</p> <p>We recommend that the Council reviews all modified schemes cases to ensure they have been calculated correctly (in respect of all aspects of the case as there tends to be different types of errors identified each year).</p>	High	SBC transactional services supplier and contract manager	June 2017	<p>The Council carried out a number of checks and data cleansing during 2016/17.</p> <p>The 2016/17 audit did not identify any errors of this nature.</p>	Closed.
<p>Pooling of housing capital receipts</p> <p>Our audit testing identified that buyback allowance (relevant interest) figures for quarters 1, 2 and 4 had not been input into the return. We recommend that the Council carries out a sense check of the return and a year-on-year comparison of amounts to identify and follow-up amounts that may have been input incorrectly.</p>	High	Head of Financial Reporting (Deputy Section 151 Officer)	August 2017	Buy back allowances were incorrectly inserted into the 2016/17 return.	Closed.

APPENDIX II: 2016/17 RECOMMENDATIONS

CONCLUSIONS FROM WORK	RECOMMENDATIONS	PRIORITY	MANAGEMENT RESPONSE	RESPONSIBILITY	TIMING
<p>Housing benefit claim</p> <p>Our audit found errors in respect of Non-HRA rent rebate expenditure, in particular:</p> <ul style="list-style-type: none"> Misclassification between expenditure up to the LHA cap and expenditure above the LHA cap Overpayments not being created when a claimant moved address. 	<p>We recommend that the Council and its transactional services supplier carries out further reviews of non-HRA rent rebate cases throughout the year to address issues reported, in particular classification issues that have been reported for the past three years.</p> <p>We recommend the Council completes this before the 2017/18 claim form is finalised and amends all errors. The Council will be required to ensure that a clear audit trail is retained of these checks and amendments (if applicable) so that we can clearly follow the work that has been completed to address these issues.</p>	Medium	<p>SBC note the mistakes stated but would reiterate the sums involved were £550 on £18.5m</p> <p>SBC will continue to check random cases in the large cells and full caseload in the smaller cells of the claim form prior to submission</p>	SBC transactional services supplier and contract manager	<p>Prior to submission of 2017-18 claim (30th April 2018)</p>
<p>Housing benefit claim</p> <p>Our audit found errors in respect of the classification of rent allowances overpayments.</p>	<p>We recommend that the Council and its transactional services supplier carries out further reviews of rent allowances overpayment classifications to address issues reported.</p> <p>We recommend the Council completes this before the 2017/18 claim form is finalised and amends all errors. The Council will be required to ensure that a clear audit trail is retained of these checks and amendments (if applicable) so that we can clearly follow the work that has been completed to address these issues.</p>	Medium	<p>SBC note the mistakes stated but would reiterate the sums involved were £96 on £55m</p> <p>SBC will continue to check random cases in the large cells and full caseload in the smaller cells of the claim form prior to submission</p>	SBC transactional services supplier and contract manager	<p>Prior to submission of 2017-18 claim (30th April 2018)</p>

The matters raised in our report prepared in connection with the audit are those we believe should be brought to the attention of the organisation. They do not purport to be a complete record of all matters arising. No responsibility to any third party is accepted.

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SLOUGH BOROUGH COUNCIL

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AUDIT PLAN TO THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE
Audit for the year ending 31 March 2018

Date of issue: 27 February 2018



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INTRODUCTION

PURPOSE AND USE OF OUR REPORT

We present our Audit Plan to the Audit and Corporate Governance Committee. It forms a key part of our communication strategy with you, a strategy which is designed to promote effective two-way communication throughout the audit process.

This report has been prepared to highlight and explain the key components of our audit strategy we believe to be relevant to the audit of the financial statements and use of resources of Slough Borough Council ('the Council') for the year ending 31 March 2018. Audit planning is a collaborative and continuous process and our audit strategy, as reflected in this report, will be reviewed and updated as our audit progresses. In particular, we will review our approach following our interim audit site visit. We will communicate any significant changes to our audit strategy, should the need for such change arise.

As auditors we are responsible for performing our audit in accordance with International Standards on Auditing (UK) which provide us with a framework which enables us to form and express an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management nor those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements and use of resources. As the purpose of the audit is for us to express an opinion on the Council's financial statements and use of resources for the year ending 31 March 2018, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we consider internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work is not for the purpose of expressing an opinion on the effectiveness of internal control.

This report has been prepared solely for the use of Audit and Corporate Governance Committee. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person.

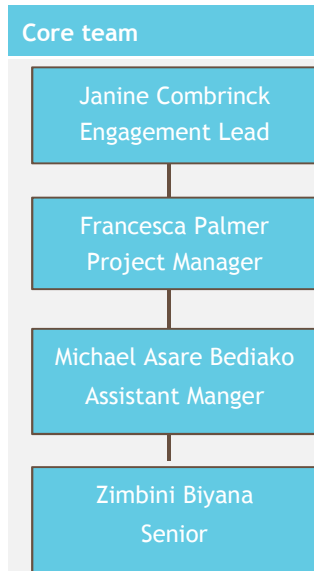
AUDIT QUALITY

BDO is totally committed to audit quality. It is a standing item on the agenda of BDO's Leadership Team who, in conjunction with the Audit Stream Executive (which works to implement strategy and deliver on the audit stream's objectives), monitor the actions required to maintain a high level of audit quality within the audit stream and address findings from external and internal inspections. BDO welcomes feedback from external bodies and is committed to implementing all necessary actions to address their findings.

We recognise the importance of continually seeking to improve audit quality and enhancing certain areas. Alongside reviews from a number of external reviewers, the AQR (the Financial Reporting Council's Audit Quality Review team), QAD (the ICAEW Quality Assurance Department), the PCAOB (Public Company Accounting Oversight Board who oversee the audits of US public companies) and CPAB (Canadian Public Accountability Board), the firm undertakes a thorough annual internal Audit Quality Assurance Review and as a member firm of the BDO International network we are also subject to a quality review visit every three years. We have also implemented additional quality control review processes for audits of listed companies and public interest entities.

More details can be found in our latest Transparency Report at www.bdo.co.uk.

YOUR BDO TEAM



Name	Contact details	Key responsibilities
Janine Combrinck Engagement Lead	Tel: 020 7893 2631 Janine.Combrinck@bdo.co.uk	Oversee the audit and sign the audit report
Francesca Palmer Project Manager	Tel: 01473 320739 Francesca.Palmer@bdo.co.uk	Management of the use of resources audit
Michael Asare Bediako Assistant Manager	Tel: 020 7893 3643 Michael.Asarebediako@bdo.co.uk	Day to day management and supervision of the financial statements audit
Zimbini Biyana Senior	Tel: 01473 320 823 Zimbini.Biyana@bdo.co.uk	Day to day lead of the on-site audit team

Janine is the engagement lead and has the primary responsibility to ensure that the appropriate audit opinion is given on the financial statements and use of resources.

In meeting this responsibility, she will ensure that the audit has resulted in obtaining sufficient and appropriate evidence to provide reasonable, but not absolute, assurance that:

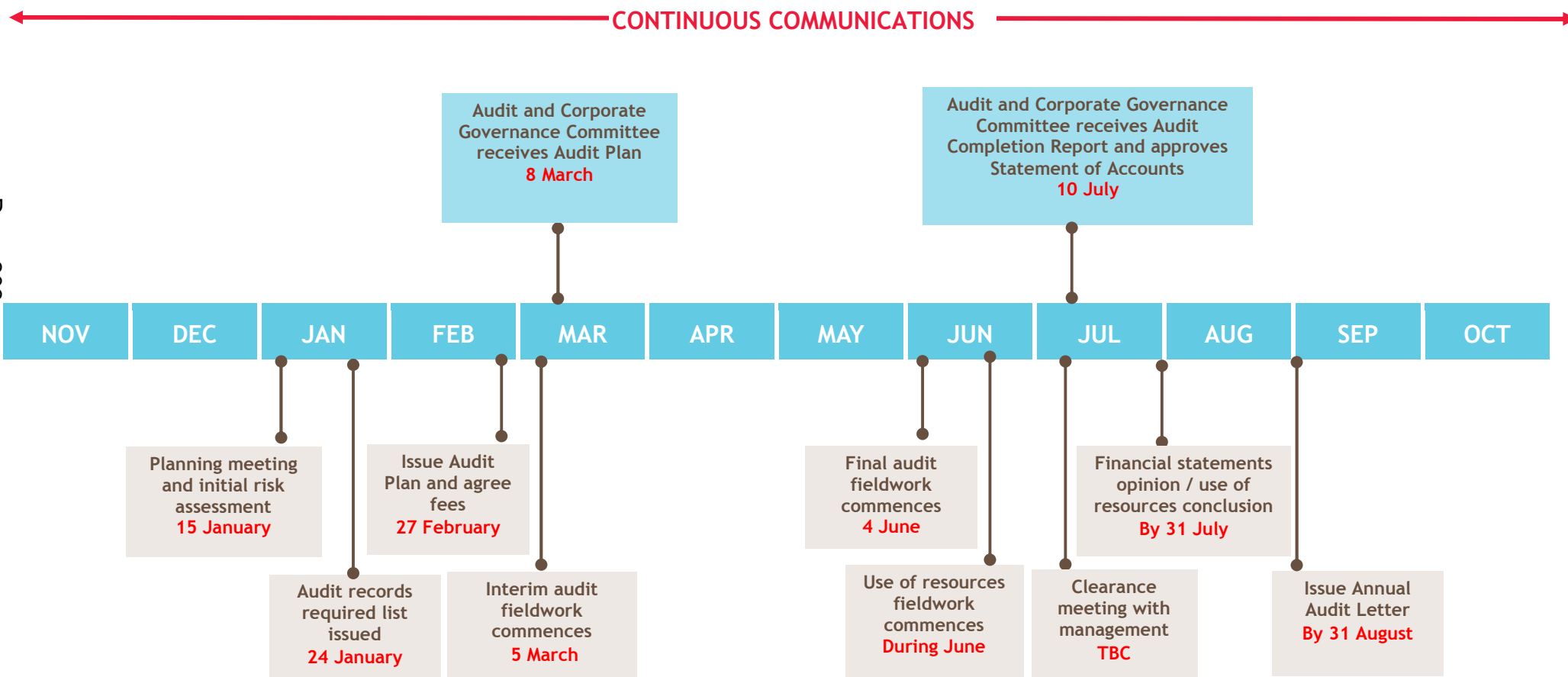
- the financial statements are free from material misstatement, whether due to fraud or error
- the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Janine is also responsible for the overall quality of the engagement.

ENGAGEMENT TIMETABLE

TIMETABLE

The timeline below identifies the key dates and anticipated meetings for the production and approval of the audited financial statements and completion of the use of resources audit.



AUDIT SCOPE AND OBJECTIVES

SCOPE AND OBJECTIVES

Our audit scope covers the audit in accordance with the National Audit Office’s (NAO) Code of Audit Practice, International Standards on Auditing (UK) and other guidance issued by the NAO.

To form an opinion on whether:

FINANCIAL STATEMENTS		OTHER INFORMATION	WGA CONSOLIDATION	USE OF RESOURCES
<p>1 The financial statements give a true and fair view of the financial position of the Council and its expenditure and income for the period in question.</p>	<p>2 The financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.</p>	<p>3 Other information published together with the audited financial statements is consistent with the financial statements (including the Governance Statement).</p>	<p>4 The return required to facilitate the preparation of Whole of Government Accounts (WGA) consolidated accounts is consistent with the audited financial statements.</p>	<p>5 The Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>

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ADDITIONAL POWERS AND DUTIES

6 To consider the issue of a report in the public interest.
To consider making a written recommendation to the Council.

7 To allow electors to raise questions about the accounts and consider objections.
To apply to the court for a declaration that an item of account is contrary to law, where necessary.
To consider whether to issue an advisory notice or to make an application for judicial review.

MATERIALITY

COUNCIL MATERIALITY

	MATERIALITY	CLEARLY TRIVIAL THRESHOLD
Slough Borough Council	£6,700,000	£134,000

Please see Appendix I for detailed definitions of materiality and triviality.

Planning materiality for the Council has been based on 1.6% of the prior year gross expenditure. This will be revisited when the draft financial statements are received for audit.

The clearly trivial amount is based on 2% of the materiality level.

OVERALL AUDIT STRATEGY

We will perform a risk based audit on the Council's financial statements and use of resources

This enables us to focus our work on key audit areas.

Our starting point is to update our understanding of the Council's business and the specific risks it faces. We discussed the changes to the business and management's own view of potential audit risk during our planning visit in order to gain an understanding of the Council's activities and to determine which risks impact on our audit. We will continue to update this assessment throughout the audit.

For the financial statements audit, we also confirm our understanding of the accounting systems in order to assess their adequacy as a basis for the preparation of the financial statements and that proper accounting records have been maintained.

For the use of resources audit, we consider the significance of business and operational risks insofar as they relate to 'proper arrangements', including risks at both sector and Council level, and draw on relevant cost and performance information as appropriate.

We then carry out our audit procedures in response to risks.

Risks and planned audit responses

For the financial statements audit, under International Standard on Auditing (ISA) 315 "Identifying and assessing the risks of material misstatement through understanding the entity and its environment", we are required to consider significant risks that require special audit attention.

In assessing a risk as significant, we exclude the effects of identified controls related to the risk. The ISA requires us at least to consider:

- Whether the risk is a risk of fraud
- Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention
- The complexity of transactions
- Whether the risk involves significant transactions with related parties
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty

- Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

For the use of resources audit, the NAO has provided information on potential significant risks such as:

- Organisational change and transformation
- Significant funding gaps in financial planning
- Legislative or policy changes
- Repeated financial difficulties or persistently poor performance
- Information from other inspectorates and review agencies suggesting governance issues or poor service performance.

We consider the relevance of these risks to the Council in forming our risk assessment and audit strategy.

Internal audit

We will ensure that we maximise the benefit of the overall audit effort carried out by internal audit and ourselves, whilst retaining the necessary independence of view.

Internal audit reviews have been undertaken across a range of accounting systems and governance subjects. We will review relevant reports as part of our audit planning and consider whether to place any reliance on internal audit work as evidence of the soundness of the control environment.

Management assessment of fraud

We have discussed with management its assessment of the risk that the financial statements may be materially misstated due to fraud and the processes for identifying and responding to the risks of fraud. Management believe that the risk of material misstatement due to fraud in the Council's financial statements is low and that controls in operation would prevent or detect material fraud. We are informed by management that there have not been any cases of significant or material fraud to their knowledge.

We are required to discuss with those charged with governance their oversight of management's processes for identifying and responding to risks of all fraud. We expect the Audit and Corporate Governance Committee, as those with governance, to let us know if there are any actual, suspect or alleged fraud of which they are aware.

KEY AUDIT RISKS AND OTHER MATTERS

Key: ■ Significant risk ■ Normal risk ■ Other Issue

AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Management override	<p>The primary responsibility for the detection of fraud rests with management. Their role in the detection of fraud is an extension of their role in preventing fraudulent activity. They are responsible for establishing a sound system of internal control designed to support the achievement of departmental policies, aims and objectives and to manage the risks facing the organisation; this includes the risk of fraud.</p> <p>Under auditing standards there is a presumed significant risk of management override of the system of internal controls.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements • Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud • Test a sample of significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual. 	Not applicable.
Revenue and expenditure recognition	<p>Under auditing standards there is a presumption that income recognition presents a fraud risk.</p> <p>We consider there to be a significant risk in relation to the existence and cut-off of revenue grants included as income in net cost of services within the Comprehensive Income and Expenditure Statement, when conditions attached to such grants have not been met.</p> <p>In the public sector the risk of fraud in revenue recognition is modified by Practice Note 10 (PN10), issued by the Financial Reporting Council. PN10 states that auditors should also consider the risk that material misstatements may occur through the manipulation of expenditure recognition. This risk is identified as being relevant to cut-off of expenditure, where testing will be focussed.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Test a sample of revenue grants recorded as income in the net cost of services to documentation from grant paying bodies and check whether revenue recognition criteria have been met • Test a sample of receipts either side of year end, to confirm that income has been recorded in the correct period and that all income that should have been recorded at year end has been • Test a sample of expenditure either side of year end, to confirm that expenditure has been recorded in the correct period and that all expenditure that should have been recorded at year end has been. 	Not applicable.

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p>Financial statements preparation</p>	<p>Our audit in the prior year identified weaknesses in the Council's arrangements for preparing the financial statements and working papers, and a significant number of misstatements were identified, including material misstatements in the following areas:</p> <ul style="list-style-type: none"> • Senior officer remuneration and exit packages note • Cash Flow Statement and associated notes • Financial instruments notes • Debtors and creditors analyses. <p>There is a risk of material misstatement in the 2017/18 financial statements if the weaknesses in Council's arrangements for preparing the financial statements are not addressed.</p>	<p>We will assess progress towards improving production of the 2017/18 financial statements and supporting working papers. This will include:</p> <ul style="list-style-type: none"> • Carrying out an early review of the draft financial statements against the requirements of the Code of Practice for Local Authority Accounting 2017/18 • Reviewing the consistency of the financial statements with underlying working papers before the start of the onsite audit visits • Review management's plans for carrying out a review of the financial statements before they are submitted for audit; this could be evidenced by comprehensive explanations for all significant variances from the prior year • Early testing of the areas where material misstatements were identified in the prior year. 	<p>Not applicable.</p>
<p>Schools' transactions and reconciliations</p>	<p>In prior years we reported that the Council's arrangements for consolidating schools' income, expenditure, working capital balances and reserves required significant improvement.</p> <p>There is a risk of material misstatement in the 2017/18 financial statements if the weaknesses in working papers and journals prepared to support the consolidation of schools' transactions are not addressed.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Review reconciliations between the general ledger and returns submitted by schools to support their income, expenditure, working capital balances and reserves. In addressing this risk, the Council will need to utilise the information provided by schools more effectively • Substantively test a sample of schools' transactions to check the accuracy and existence of transactions. 	<p>Schools returns authorised by the Treasurer or Head teacher of each school.</p>

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Bank and cash	<p>Our audit in the prior year identified weaknesses in the Council's arrangements for preparing bank and cash working papers, and a significant number of misstatements were identified in the financial statements.</p> <p>There is a risk of material misstatement in the 2017/18 financial statements if the weaknesses in working papers prepared to support the cash and cash equivalents balance in the financial statements are not addressed.</p>	<p>We will carry out an early and detailed review of the working papers provided to support the cash and cash equivalents balance in the financial statements, including analyses of all bank accounts and associated bank reconciliations.</p>	Not applicable.
Expenditure and funding analysis and change in directorate structure	<p>A management restructure during the year has resulted in the creation of new directorates. These changes will require a new mapping of income and expenditure to services in the Comprehensive Income and Expenditure Statement (CIES) and the Expenditure and Funding Analysis (EFA), and a restatement of comparatives.</p> <p>Our audit in the prior year also identified weaknesses in the Council's arrangements for preparing the EFA and restating comparatives, resulting in significant presentational misstatements in the accounts.</p> <p>There is a risk that the CIES and EFA may not be properly prepared in accordance with the new directorate structure and the requirements of the Code of Practice for Local Authority Accounting 2017/18, including restatement of comparatives to ensure consistency between the years.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Review the CIES and EFA and check that they been prepared in accordance with the Code of Practice for Local Authority Accounting 2017/18 • Check that income and expenditure has been appropriately mapped to the new directorates • Check that the CIES and EFA comparatives have been appropriately and consistently mapped and that management is able to explain any significant variances between the years. 	Not applicable.

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 210</p> <p>Group accounts</p>	<p>The Council is one of two members of a limited liability partnership (LLP), trading as Slough Urban Renewal Partnership LLP (SUR LLP). It has a 50% interest in the LLP, the remaining interest being held by the other member, a private sector construction services business. The arrangement comprises a joint venture as defined by IFRS 11 “Accounting for joint arrangements.” In prior years the Council has accounted for its interest in the joint venture on a cost basis and has not prepared Group Accounts, as its share of transactions in the joint venture has not been material. There has been an increase in activity in the joint venture in the current year and therefore it is possible that the Council will now need to prepare Group Accounts and account for its interest in the joint venture using the equity method of accounting.</p> <p>During the year the Council established two wholly owned housing subsidiaries (Herschel Homes Limited and James Elliman Homes Limited), to assist in the provision of affordable homes.</p> <p>There is a risk that the Council may have a material interest in these entities, individually or cumulatively, which would require that the Council prepare Group Accounts for the first time.</p>	<p>We will:</p> <ul style="list-style-type: none"> Review evidence of management’s assessment of its interests in these entities for the purposes of establishing whether Group Accounts are required Review the financial statements and management accounts of SUR LLP and its subsidiaries, Herschel Homes Limited and James Elliman Homes Limited, to assess the adequacy of management’s assessment <p>If Group Accounts are required, we will:</p> <ul style="list-style-type: none"> Check that assets, liabilities, income and expenditure in the joint venture and in the subsidiaries are appropriately consolidated in the Group Accounts, including conversion from FRS102 to IFRS based accounts under CIPFA’s Code of Practice on Local Authority Accounting Check that the disclosure requirements of IFRS 12 “Disclosure of Interests in Other entities” and the Code of Practice on Local Authority Accounting have been complied with in preparing Group Accounts. Liaise with the auditors of the other entities and review their most recent audit completion reports, considering the impact of any significant findings on our audit of the Group Accounts. 	<p>Financial statements and/or management accounts and audit completion reports for SUR LLP and its subsidiaries, Herschel Homes Limited and James Elliman Homes Limited.</p>

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p>Valuation of non-current assets</p>	<p>Local authorities are required to ensure that the carrying value of non-current assets is not materially different to the current value (operational assets) or fair value (surplus assets, assets held for sale and investment properties) at the balance sheet date.</p> <p>The Council appointed an external valuer to carry out revaluations on a sample of assets as at 1 January 2018, and a further market movements review will be performed on these assets as at 31 March 2018.</p> <p>Due to the significant value of the Council's non-current assets, and the high degree of estimation uncertainty, there is a risk over the valuation of non-current assets where valuations are based on assumptions or where updated valuations have not been provided for a class of assets at the year-end.</p>	<p>We will:</p> <ul style="list-style-type: none"> Review the instructions provided to the valuer and the valuer's skills and expertise in order to determine if we can rely on the management expert Check whether the basis of valuation for assets valued in year is appropriate; in particular, we will check whether an instant build modern equivalent asset basis has been used for assets valued at depreciated replacement cost and that investment properties and surplus assets have been valued at 'highest and best use' Review the reasonableness of assumptions used in the valuation of non-current assets, the accuracy and completeness of the source data used by the valuer and the Council's critical assessment of the external valuer's conclusions. 	<p>We will review independent data that shows indices and price movements for classes of assets against the percentage movement applied by the Council. We will follow up valuation movements that appear unusual against indices, or any assets which have not been revalued at the year-end which may have had material movements since the last formal valuation.</p>

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p>Pension liability assumptions</p>	<p>The net pension liability comprises the Council's share of the market value of assets held in the Royal County of Berkshire Pension Fund for Slough Borough Council and the previous Berkshire County Council, and the estimated future liability to pay pensions.</p> <p>An actuarial estimate of the pension fund liability is calculated by an independent firm of actuaries with specialist knowledge and experience. The estimate is based on the most up to date membership data held by the pension fund and has regard to local factors such as mortality rates and expected pay rises along with other assumptions around inflation when calculating the liability.</p> <p>There is a risk the membership data and cash flows provided to the actuary as 31 March may not be correct, or the valuation uses inappropriate assumptions to value the liability.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Agree the disclosures to the information provided by the pension fund actuary • Review the reasonableness of the assumptions used in the calculation against other local government actuaries and other observable data • Obtain assurance from the auditor of the pension fund over the controls for providing accurate membership data to the actuary • Check whether any significant changes in membership data have been communicated to the actuary. 	<p>We will use the PwC consulting actuary report for the review of the methodology of the actuary and reasonableness of the assumptions.</p>

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - FINANCIAL STATEMENTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Related party disclosures	<p>We need to consider if the disclosures in the financial statements concerning related party transactions are complete and adequate and in line with the requirements of the accounting standards.</p> <p>Our audit in the prior year found that the related parties note did not adequately disclose the Council's transactions and balances with Slough Urban Renewal LLP.</p> <p>There is a risk that related party disclosures are not complete and in accordance with the Code of Practice on Local Authority Accounting 2017/18 requirements.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Document the related party transactions identification procedures in place and review relevant information concerning any such identified transactions • Discuss with management and review councillors' and senior managers' declarations to ensure there are no potential related party transactions which have not been disclosed • Discuss with management and review minutes of meetings for key management personnel services received from other entities, and check that all required disclosures have been made. 	<p>Companies House searches for undisclosed interests.</p>

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - WHOLE OF GOVERNMENT ACCOUNTS

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p>Accuracy and completeness of the data collection tool</p>	<p>We are required to perform tests with regard to the WGA Data Collection Tool (DCT) prepared by the Council for use by the Department of Communities and Local Government for the consolidation of the local government accounts, and by HM Treasury at Whole of Government Accounts level.</p> <p>In prior years we identified a significant number of errors within the return, with the result that the Government's deadline for completion of the audit of the DCT was not met in the last five years.</p> <p>The achievement of the deadline will depend on the quality of the return, its timely receipt and the quality of the supporting working papers.</p> <p>There is a risk the DCT will contain numerous errors and incomplete CPID analyses, and the audit deadline will not be met if there are a large number of adjustments to the draft return.</p>	<p>We will check the consistency of the WGA return with the audited financial statements and supporting working papers, and review the completeness and accuracy of CPID data.</p>	<p>Not applicable.</p>

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - USE OF RESOURCES - SUSTAINABLE DEPLOYMENT OF RESOURCES

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p>Medium term financial strategy</p>	<p>The update to the Medium Term Financial Strategy (MTFS) to 2020/21 has forecast further reductions in Government core grant funding and annual inflationary and pay award pressures.</p> <p>Significant levels of savings are required to balance the budget in three of the four years from 2017/18. As at February 2018 the savings requirement amounts to £12.411 million in 2017/18, £5.596 million in 2018/19 and £5.135 million in 2020/21.</p> <p>The Council has a number of savings schemes, regeneration projects and capital projects in progress to generate additional income going forward. These include:</p> <ul style="list-style-type: none"> • Management and staff restructuring • Reductions in revenue costs associated with the Slough Children’s Services Trust • Investment in housing property companies • Insourcing environmental services • Development of two hotels in the centre of town • Development at the Thames Valley University site. <p>There is a risk that the MTFS does not adequately take account of the investment costs associated with major savings schemes and development projects and that there are insufficient underlying risk management and monitoring arrangements in place to ensure successful delivery of these projects.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Review the reasonableness of the MTFS assumptions, including investment costs associated with major savings schemes and capital projects • Review the adequacy of risk management and monitoring arrangements underpinning major development projects. 	<p>Not applicable.</p>

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - USE OF RESOURCES - INFORMED DECISION MAKING

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
Internal control and governance arrangements	<p>Our 2016/17 use of resources conclusion was qualified due to weaknesses in the system of internal control and governance arrangements in key areas such as information governance, risk management, compliance with the Local Government Transparency Code, HR policies and procedures and whistleblowing response procedures.</p> <p>There is a continuing risk that the Council may not be able to demonstrate that it has addressed these issues and applied the principles and values of sound governance and internal control to support informed decision making during 2017/18. In the absence of sufficient evidence of improvement, we may need to qualify our use of resources conclusion again.</p>	<p>We will:</p> <ul style="list-style-type: none"> Review the Council's processes to address Internal Audit's prior year recommendations We will assess the potential impact on our audit of continuing or further weaknesses in the system of internal control identified by Internal Audit and other governance issues of which we are aware. 	None.
Senior management and councillors	<p>There has been a high and sudden turnover of a number of members of the leadership team and key operating personnel during 2017/18, alongside an organisation restructuring. Changes in senior officers include the Chief Executive and the Leader of the Council.</p> <p>The Council's risk register acknowledges that changes in senior officers may result in a loss of corporate memory, deterioration in the control framework and decisions being made without a firm policy footing.</p> <p>Whilst there has been a reduction in the numbers of senior interim officers since the prior year, which should help to bring stability to the Council in the longer term, there is a risk that the Council may not respond appropriately to the changes during the year. This could lead to reduced performance and weaknesses in informed decision making.</p>	<p>We will assess how effectively the Council has responded to the changes in its leadership and management team during the year, by review of risk management and other processes supporting key decision making during the year.</p>	None.

KEY AUDIT RISKS AND OTHER MATTERS

Continued

AUDIT RISK AREAS - USE OF RESOURCES - PARTNERSHIP WORKING

RISK	DESCRIPTION	PLANNED AUDIT RESPONSE	EXTERNAL DATA TO BE USED TO CORROBORATE AUDIT EVIDENCE
<p>Children's social care services</p>	<p>Our 2016/17 use of resources conclusion was qualified due to ongoing significant weaknesses in Children's Social Care Services. Ofsted concluded that improvements in the service have largely been achieved after 31 March 2017 and there is still some way to go before vulnerable children can rely on a service that meets their needs and reduces the risks that they experience.</p> <p>There is a continuing risk that the Council may not be able to demonstrate value for money from its arrangements for improving services and outcomes in Children's Social Care Services during 2017/18, in managing the contract with the Trust. In the absence of sufficient evidence of improvement, we may need to qualify our use of resources conclusion again.</p>	<p>We will gain an understanding of action taken by the Council and Slough Children's Services Trust during 2017/18 to address Ofsted's recommendations and seek evidence of improved processes.</p>	<p>Not applicable.</p>

INDEPENDENCE

INDEPENDENCE

Under Auditing and Ethical Standards, we are required as auditors to confirm our independence to ‘those charged with governance’. In our opinion, and as confirmed by you, we consider that for these purposes it is appropriate to designate the Audit and Corporate Governance Committee as those charged with governance.

Our internal procedures are designed to ensure that all partners and professional staff are aware of relationships that may be considered to have a bearing on our objectivity and independence as auditors. The principal statements of policies are set out in our firm-wide guidance. In addition, we have embedded the requirements of the Standards in our methodologies, tools and internal training programmes. The procedures require that engagement leads are made aware of any matters which may reasonably be thought to bear on the firm’s independence and the objectivity of the engagement lead and the audit staff. This document considers such matters in the context of our audit for the year ending 31 March 2018.

We have not identified any potential threats to our independence as auditors.

We confirm that the firm complies with the Financial Reporting Council’s Ethical Standards for Auditors and, in our professional judgement, is independent and objective within the meaning of those Standards.

In our professional judgement the policies and safeguards in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit engagement lead and audit staff is not impaired. These policies include director and manager rotation. The table in Appendix II sets out the length of involvement of key members of the audit team and the planned year of rotation.

Should you have any comments or queries regarding this confirmation we would welcome their discussion in more detail.

FEES

FEES SUMMARY

Our proposed fees, excluding VAT, for the year ending 31 March 2018 are:

	2017/18 £	2016/17 £
Audit fee - scale fee	127,523	127,523
Audit fee - additional fee for financial statements audit and use of resources audit	.**	TBC*
Certification fee - Housing benefits subsidy claim	30,000	30,000
Total PSAA regime fees	157,523	TBC
Fees for audit related services:		
- Pooled capital receipts return	1,800	1,800
- Teachers' pensions return	3,535	TBC***
Fees for other non-audit services		
- None	-	-
TOTAL FEES	162,858	TBC

* We incurred significant cost overruns on the 2016/17 audit, in respect of both the financial statements audit and the use of resources audit, due to the large number of issues identified by the audit and delays in completing the audit. We are in the process of discussing additional fees with management, which will also be subject to agreement by Public Sector Audit Appointments Limited. We will update the Audit and Corporate Governance Committee on the outcome of these discussions when they are concluded.

** The scale fee published by PSAA is based on a 'normal' level of risk and does not cover the significant additional work that has been required over the last few years in addressing the large number of issues identified by the audit. We will keep the level of our fees for 2017/18 under review and discuss any overruns with management and the Audit and Corporate Governance Committee as the audit progresses.

*** Our work on certifying the 2016/17 teachers' pensions return remains in progress as a result of significant difficulties experienced by the Council's shared service provider in responding to audit queries following a change in the payroll system during 2016/17.

Audit fee invoices will be raised in quarterly instalments of £31,880.75 during 2017/18.

Fee invoices for other audit related services will be raised as the work is completed.

Our fee is based on the following assumptions

The complete draft financial statements and supporting work papers will be prepared to a standard suitable for audit. All balances will be reconciled to underlying accounting records.

Key dates will be met, including receipt of draft accounts and working papers prior to commencement of the on-site audit visits.

We will receive only one draft of the Statement of Accounts prior to receiving the final versions for signing.

Within reason, personnel we require to hold discussions with will be available during the period of our on-site work (we will set up meetings with key staff in advance).

APPENDIX I: MATERIALITY

CONCEPT AND DEFINITION

- The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to monetary misstatements but also to disclosure requirements and adherence to appropriate accounting principles and statutory requirements.
- We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.
- Materiality therefore has qualitative as well as quantitative aspects and an item may be considered material, irrespective of its size, if it has an impact on (for example):
 - Narrative disclosure e.g. accounting policies, going concern
 - Instances when greater precision is required (e.g. senior management remuneration disclosures).
- International Standards on Auditing (UK) also allow the auditor to set a lower level of materiality for particular classes of transaction, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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CALCULATION AND DETERMINATION

- We have determined materiality based on professional judgement in the context of our knowledge of the Council, including consideration of factors such as sector developments, financial stability and reporting requirements for the financial statements.
- We determine materiality in order to:
 - Assist in establishing the scope of our audit engagement and audit tests
 - Calculate sample sizes
 - Assist in evaluating the effect of known and likely misstatements on the financial statements.

APPENDIX I: MATERIALITY

Continued

REASSESSMENT OF MATERIALITY

- We will reconsider materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality if we had been aware.
- Further, when we have performed all our tests and are ready to evaluate the results of those tests (including any misstatements we detected) we will reconsider whether materiality combined with the nature, timing and extent of our auditing procedures, provided a sufficient audit scope. If we conclude that our audit scope was sufficient, we will use materiality to evaluate whether uncorrected misstatements (individually or in aggregate) are material.
- You should be aware that any misstatements that we identify during our audit, both corrected and uncorrected errors, might result in additional audit procedures being necessary.

UNADJUSTED ERRORS

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- In accordance with auditing standards, we will communicate to the Audit and Corporate Governance Committee all uncorrected misstatements identified during our audit, other than those which we believe are 'clearly trivial'.
- Clearly trivial is defined as matters which will be of a wholly different (smaller) order of magnitude than the materiality thresholds used in the audit, and will be matters that are clearly inconsequential, whether taken individually or in aggregate.
- We will obtain written representations from the Audit and Corporate Governance Committee confirming that in their opinion these uncorrected misstatements are immaterial, both individually and in aggregate and that, in the context of the financial statements taken as a whole, no adjustments are required.
- There are a number of areas where we would strongly recommend/request any misstatements identified during the audit process being adjusted. These include:
 - Clear cut errors whose correction would cause non-compliance with statutory requirements, management remuneration, other contractual obligations or governmental regulations that we consider are significant.
 - Other misstatements that we believe are material or clearly wrong.

APPENDIX II: INDEPENDENCE

SENIOR TEAM MEMBERS	NUMBER OF YEARS INVOLVED
Janine Combrinck - Engagement lead	Three years as engagement lead and three years as project manager
Francesca Palmer - Project manager	First year as project manager
Michael Asare Bediako - Assistant manager	Second year as assistant manager and one year as audit senior

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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SLOUGH BOROUGH COUNCIL

Faster close project plan - progress report

26 February 2018

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INTRODUCTION

Background

In 2016/17 and 2015/16 we were not able to complete our audit by the national deadline of 30 September 2017. This was in part due to weaknesses in the Council's arrangements for preparing the financial statements and working papers, a significant number of issues arising from our audit, and delays in obtaining explanations and supporting documentation for some of our audit queries.

From 2017/18 the deadline for preparation of the draft financial statements will be 31 May, a month earlier than the deadline in previous years. The deadline for approval and publication of the final audited financial statements has been brought forward from 30 September to 31 July.

In order to achieve this faster close timetable, it is important that there is a detailed project plan in place, involving all stakeholders.

This report is intended to provide the Audit and Corporate Governance Committee with a summary of the faster close project plan that we have agreed with finance officers for our audit of the 2017/18 financial statements. It sets out the working papers that we have requested from the Council, to allow us to complete our work by the expected deadlines.




Further reports will be issued in due course that will set out progress against the plan, and the impact on our audit and the overall timetable of any non-achievement or slippage against the plan.

Progress to date

We held a detailed planning meeting with finance officers on 24 January 2018, at which we agreed a comprehensive list of the information that we will require for each of our interim and final audit visits.

The report sets out the agreed deadlines for provision of working papers for our interim audit visits in March and April 2018.

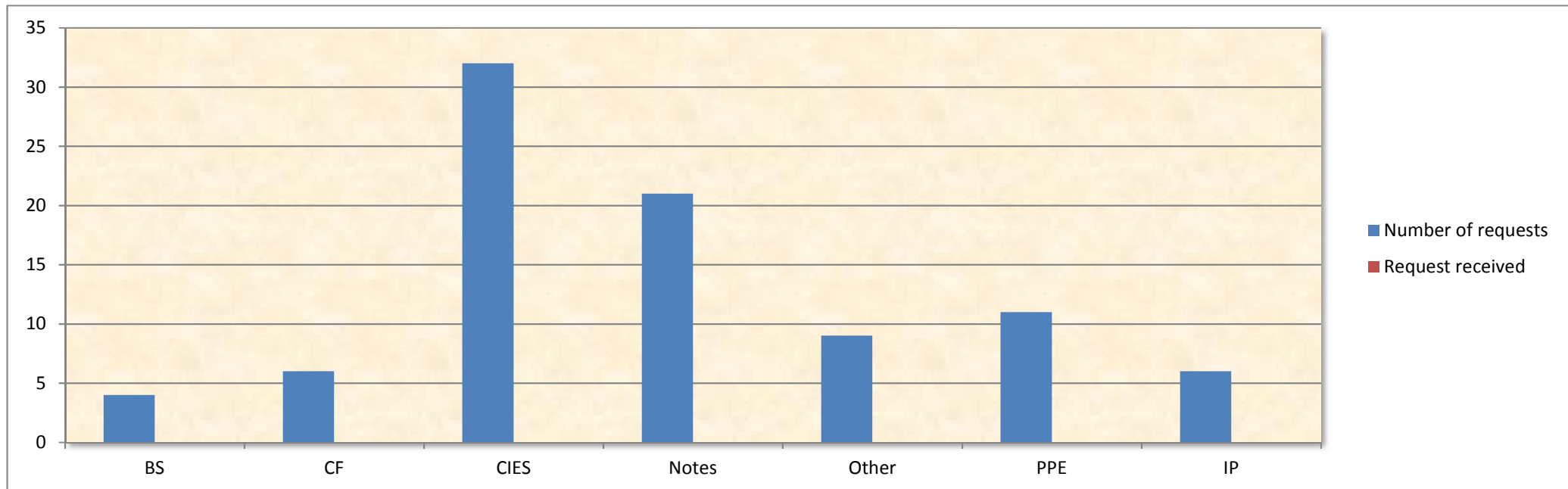
We will report on progress made against this list on the following 'RAG' basis:

ASSESSMENT		EXPLANATION
RED		Unlikely to be able to meet reporting deadlines, significant concerns over meeting audit deadline, or expected modification of audit opinion.
AMBER		Some concerns around meeting reporting deadlines or potential risk of modification of audit opinion.
GREEN		On target to meet deadlines and no current concerns over meeting deadline
	TBC	Work not yet started or sufficiently progressed to include a 'RAG' assessment

SUMMARY OF INFORMATION PROVIDED AGAINST RECORDS REQUIRED LIST

FSA	Number of requests	Request received
BS	4	
CF	6	
CIES	32	
Notes	21	-
Other	9	-
PPE	11	-
IP	6	

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RECORDS REQUIRED LISTING FOR INTERIM AUDIT VISIT

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days over due	Impact on audit progress/completion	Comments	RAG
Interim									
BS1	A. Details/breakdowns and supporting documentation of any acquisitions/disposals/further balances invested in any subsidiaries A1.Draft LABV accounts and estimates/forecast to March A2.Herschel,Slough and James Ellman Homes(New subsidiaries) and any other subsidiaries - details of transactions to assess materiality for Group Accounts purposes	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
BS2	Projected year end long term debtors, creditors and borrowing balances that will be due based on the confirmed debtors/creditors/borrowing taken out at month 10 - broken down to individual debt balance	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
BS3	(Once sample chosen from BS2 by audit) - Evidence to support the long term debtors/creditors/borrowing balances taken out as at month 10.	24/1/18	3 working days following sample being picked by auditor if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 05/03/2018	0			TBC
BS4	Estimated basis behind bad debt provision calculations with evidence for historical collection rates used	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CF1	Month 10 collection fund workbook showing gross debit for the year for both Council tax and Business Rates as well as reliefs and	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	discounts applied so far								
CF2	VOA schedules showing rateable value of business properties in the year-Date of report close to year end as possible	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CF3	VOA schedules showing number of each band properties for Council Tax purposes for the year	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CF4	(Once sample chosen from CF1 by audit) - Evidence behind reliefs / discounts chosen for testing	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CF5	Breakdown of all LCTS reliefs in year - down to individual claim level	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CF6	Details of expected precept values on the collection fund account and supporting precept demands for these	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES1	Month 10 hard close down of CIES - full statement to be prepared (excluding pension movements)	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES2	Mapping of accounts and TB codes	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES3	Break downs of these trial balance codes to transaction level or access to a system to allow us to obtain these break downs.	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES4	Details of how much of each of these trial balance codes are payroll/capex/schools/benefits costs and	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	information on how we would identify these in the trial balance break downs so we can exclude these items from our population to pick samples from.								
CIES5	(Once expenditure samples chosen from CIES3 by audit) - Supporting 3rd party evidence for the sample of expenditure chosen - ideally quality checked so that this isn't just a screen print of a journal or an excel spread sheet without any further backing.	24/1/18	Auditors to find evidence on the system and follow up with the Council on 07/03/2018 with a list of transaction they couldn't find supporting documentations for. Council has 3 working days to provide the evidence if the list has less than 20 items and 5 working days if more than 20 days	0	Week commencing 05/03/2018	0			TBC
CIES6	Payroll reports up to the month we are proposing on auditing down to employee level	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES7	Reconciliations of the payroll reports to the trial balance codes mapping documents in CIES2 and CIES4. I.e. reconciliation of payroll reports to TB and accounts	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CIES8	(Once samples chosen from CIES6 by audit) - period end payslips showing pay for period end(Period we are auditing) for each employee chosen.	24/1/18	Sample will be chosen on 22/02/2018 and supporting evidence should be ready on 05/03/2018 following sample being picked by audit for all information to be received - this can be received in batches if part of the sample is ready but all must be received	0	Week commencing 05/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
			within the deadline.						
CIES9	(Once samples chosen from CIES6 by audit) - latest contracts/change of role details which support the rates used by payroll	24/1/18	Sample will be chosen on 22/02/2018 and supporting evidence should be ready on 05/03/2018 following sample being picked by audit for all information to be received - this can be received in batches if part of the sample is ready but all must be received within the deadline.	0	Week commencing 05/03/2018	0			TBC
CIES10	(Once samples chosen from CIES6 by audit) - Workings to prove how the contracted rates and payslip "basic pay" rates tie up (IE the contracted value is pro-rated down due to number of hours worked/banding has increased each year etc.)	24/1/18	Following audit work done any discrepancies between basic pay and contracted rates will be queried and response required in 3 working days after query being raised	0	Week commencing 12/03/2018	0			TBC
CIES11	(Once samples chosen from CIES6 by audit) - Supporting evidence for any non "basic pay" awards such as overtime, mileage etc.	24/1/18	Where sample in CIES8 submitted on 22/02/18 includes awards such as overtime, mileage etc. supporting evidence should be provided on the 05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES12	Reconciliations of the depreciation cost in month 10 per the fixed asset register on PPE1 to the trial balance codes mapping documents in CIES2 and CIES4	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES13	(Once samples chosen from PPE1 by audit) - Evidence/explanations to support justification of the UEL applied on the asset	24/1/18	3 working days following sample being picked by audit if sample size is less	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	and calculations to support how the depreciation has been applied.		than 20 and 5 working days if sample is more than 20						
CIES21	Details of how much of each of these income trial balance codes are grants/benefits/HRA/Other rents/Schools income and information on how we would identify these in the trial balance break downs so we can exclude these items from our population to pick samples from.	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES22	(Once income sample chosen from CIES3 by audit) - Supporting evidence for the sample of income chosen - ideally quality checked so that this isn't just a screen print of a journal or an excel spread sheet without any further backing.	24/1/18	Sample will be chosen on 24/02/2018 and supporting evidence should be ready on 05/03/2018 following sample being picked by audit for all information to be received - this can be received in batches if part of the sample is ready but all must be received within the deadline.	0	Week commencing 05/03/2018	0			TBC
CIES23	(Once key revenue streams determined by audit following receipt of CIES21) - Key contacts and availability for the relevant revenue streams chosen	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES24	(Once key contacts identified from CIES23) Breakdowns of the populations of income for the stream from the relevant starting point that we can choose our sample from	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
CIES25	(Once samples chosen from CIES24 by audit) Evidence that the specific transactions chosen can be traced through to the nominal ledger posting or reason as to why not.	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES26	Grant income notes to be prepared for month 10 including capital grants unapplied/capital grants received in advance draft calculations based on expected conditions at year end	24/1/18	05/03/2017	0	Week commencing 05/03/2018	0			TBC
CIES27	Breakdown of grant income notes to transaction level	24/1/18	05/03/2017	0	Week commencing 05/03/2018	0			TBC
CIES28	Details of how the grant income notes reconcile to CIES2 and CIES21	24/1/18	05/03/2017	0		0			TBC
CIES29	Breakdown of HRA rental income to transaction level as well as analysis of the number and type of dwellings, as at the start and end of the financial year	24/1/18	05/03/2017	0	Week commencing 12/03/2018	0			TBC
CIES30	Annual rental increase approved by cabinet	24/1/18	BDO to get from Minutes of cabinet meetings online	0	Week commencing 12/03/2018	0			TBC
CIES31	(Once CIES29 and 30 obtained by audit)Analytical reviewed will be performed and variance above acceptable threshold investigated	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES32	Council dwellings-Supporting evidence of rent being charged to customer for the period and recording of this rent in the ledger	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
			than 20						
CIES33	Calculations to individual asset level for gains & losses on disposals to month 10 - with NBV of disposals reconciled to month 10 fixed asset register on PPE1	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES34	(Once sample chosen from CIES33 by audit) - Supporting evidence of the proceeds received for the asset upon disposal as well as transfer of title documents (if applicable)	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES35	Break down to transaction level of all interest paid up to and including M10 CIES excluding accruals	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CIES36	(Once we sample chosen from CIES35 and CIES37 by audit) - Supporting evidence of interest charges	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 05/03/2018	0			TBC
CIES37	Break down to transaction level of all interest received up to and including 10 CIES. Excluding year end accruals	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CIES38	Calculations to individual asset level for gains & losses on investment property disposals to month 10 - with NBV of disposals reconciled to month 10 investment property asset register on IP1	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES39	(Once sample chosen from CIES38 by audit) - Supporting evidence of the proceeds received for the asset upon disposal as well as transfer of title documents (if applicable)	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
			than 20						
IP1	Breakdown of all investment properties (updated to month 10 for any additions, disposals and valuations)	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP2	sample of investment property to test classification of investment	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP3	Valuation report for investment properties to January as well as how this reconciles to the breakdown of investment properties on IP1 including how this feeds through to the total revaluation gain/loss on investment properties.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP4	Evidence of the Councils challenge of the valuation assumptions used by the valuer and details behind why the Council is happy with the assumptions made.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP5	(Once additions sample chosen from IP1 by audit) Supporting evidence for a sample of investment property assets purchased in the period	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 05/03/2018	0			TBC
IP6	(Once existence sample chosen from IP1 by audit) - Evidence of rental income being received for the asset chosen OR if rental income is not being received for assets chosen we will need the expected location of the asset chosen and any further descriptions of the asset necessary for identification. For land items, please supply title deed numbers. In addition, if access to the asset is restricted please arrange	24/1/18	March-Using rental income to confirm existence April- Physical verification where there is no rental income	0	Week commencing 05/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	contact with relevant Council officer to allow us access to view the asset.								
NOTES1	All proposed accounting policies for year end	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES2	Proposed note for Accounting standards issued but not yet adopted	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES3	Proposed note for Critical Judgements in Applying Accounting Policies	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES4	Proposed note for Assumptions made about the future and other major sources of estimation uncertainty note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES5	Proposed note for Non- current assets valuation (wording)	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES6	Details and supporting contracts for any new pooled budget arrangements in the year	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES7	Members allowances disclosure based on projection set at month 9/10 and any relevant supporting workings behind this	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES9	Senior officers remuneration disclosure based on projection set at month 9/10 and any relevant supporting workings behind this	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES8	Contracts of employment for all members of staff disclosed in the senior officers remuneration note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES9	For all pay above contracted rates, supporting documentation to support additional pay (e.g. mileage claim forms	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	etc.)								
NOTES10	External audit costs note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES11	Confirmation of the Dedicated schools grant income that will be recorded in the financial statements	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES12	Confirmation of all bodies that the Council will treat as "related parties" for the purposes of carrying out related party transaction searches at year end, together with reasons why	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES13	Lease commitment disclosure notes expected based on the leases taken out as at month 9/10	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES14	Detailed workings to support the above disclosure notes down to individual leases which can be tested.	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES15	(Once sample chosen from NOTES16 by audit) - Supporting lease agreements for all items sampled	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0		0			TBC
NOTES16	PFI disclosures expected at year end along with supporting PFI model.	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES17	Termination benefits note as at month 9/10	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES18	Supporting workings for termination benefits note as at month 9/10 breaking down to each termination benefit granted	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
NOTES19	(Once sample chosen from NOTES8 by audit) - Supporting termination agreement for the sample items picked to confirm amount disclosed accurate.	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
NOTES20	HRA Stock valuations note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
OTHER1	Transaction reports from the ledger which detail every transaction posted in the 10 months. This should include as a minimum: cost centre, subjective code, user posted, date posted, period relates to, description, value of transaction.	24/1/18	19/02/2018	0	Week commencing 12/03/2018	0			TBC
OTHER2	Full trial balance for month 10	24/1/18	19/02/2018	0	Week commencing 12/03/2018	0			TBC
OTHER3	Reconciliation of transaction report totals to full trial balance for month 10 (if they don't agree exactly)	24/1/18	19/02/2018	0	Week commencing 12/03/2018	0			TBC
OTHER4	(Once sample chosen from OTHER1 by audit) - Evidence to support the journal transactions picked for testing	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
OTHER5	Cycles and system notes updates. Using internal audit files.	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
OTHER6	Various "walkthroughs" to be provided by contacts during on site visit by BDO	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
OTHER 7	Lists of starters, leavers and changes to user access for the financial ledger system	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
OTHER 8	Details and evidence of any periodic reviews of user access for the financial ledger system	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
OTHER 9	Details of any generic user accounts (such as "TEST") for the financial ledger system along with their purpose and how they are adequately restricted	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
PPE1	Access to fixed asset register at month 10, depreciation, valuations, additions and disposals down to individual asset level.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE2	Breakdown of all HRA assets (updated to month 10) on an individual property basis which reconciles to (or can be extracted from) the fixed asset register from PPE1	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE3	Breakdown of any other assets leased out during the year	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE4	Valuation report for PPE as well as how this reconciles to the breakdown of PPE on PPE1	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE5	Evidence of the Councils challenge of the valuation assumptions used by the valuer and details behind why the Council is happy with the assumptions made.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE6	Calculations to show the gain/loss on any revaluation and whether or not this is taken to the revaluation reserve, or I&E on an individual asset basis	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE7	Assessment of the rolling revaluation	24/1/18	05/03/2018	0	Week commencing	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	process to identify if there is a material difference in assets that have not been valued this year that would cause them to require further valuations.				05/03/2018				
PPE8	(Once additions sample chosen from PPE1 by audit) Supporting evidence for a sample of assets purchased in the period	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
PPE9	(Once AUC sample chosen from PPE1 by audit) Supporting completion certificates (or other relevant evidence) for assets under construction transferred to confirm asset brought into use within the year	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
PPE10	(Once existence sample chosen from PPE1 by audit) - Expected location of all assets chosen and any further descriptions of assets necessary for identification. For land items, please supply title deed numbers. In addition, if access to the assets is restricted please arrange contact with relevant Council officer to allow us access to view the asset.	24/1/18	April	0	Week commencing 09/04/2018	0			TBC
PPE11	Valuations instructions to the valuer	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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MEMBERS' ATTENDANCE RECORD 2017/18
AUDIT AND CORPORATE GOVERNANCE COMMITTEE

COUNCILLOR	26/07/17	11/10/17	14/12/17	08/03/18
Brooker	P	P	P	
Chaudhry	P	P	P	
Chohan	P	Ap	P	
Coad				
Amarpreet Dhailwal	Ap	P*	Ap	
Sadiq	P* (from 6.43pm)	P		
Swindlehurst	P	P*		
Usmani	P	P	Ap	
CO-OPTED INDEPENDENT MEMBER				
Iqbal Zafar	P	P	P	
Ronald Roberts	P	P	P	
Alan Sunderland	P	Ap	P	

P = Present for whole meeting
 Ap = Apologies given

P* = Present for part of meeting
 Ab = Absent, no apologies given

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