



# SLOUGH BOROUGH COUNCIL

## Internal Audit Strategy 2018-2021

Presented at the Audit and Corporate Governance  
Committee Meeting Of:

**8 March 2018**

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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).

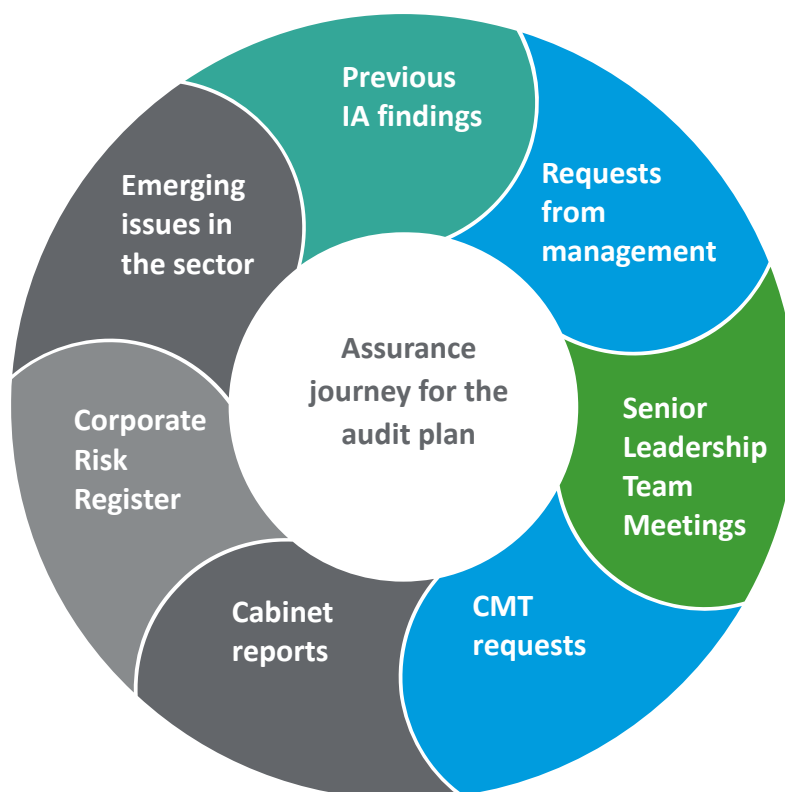
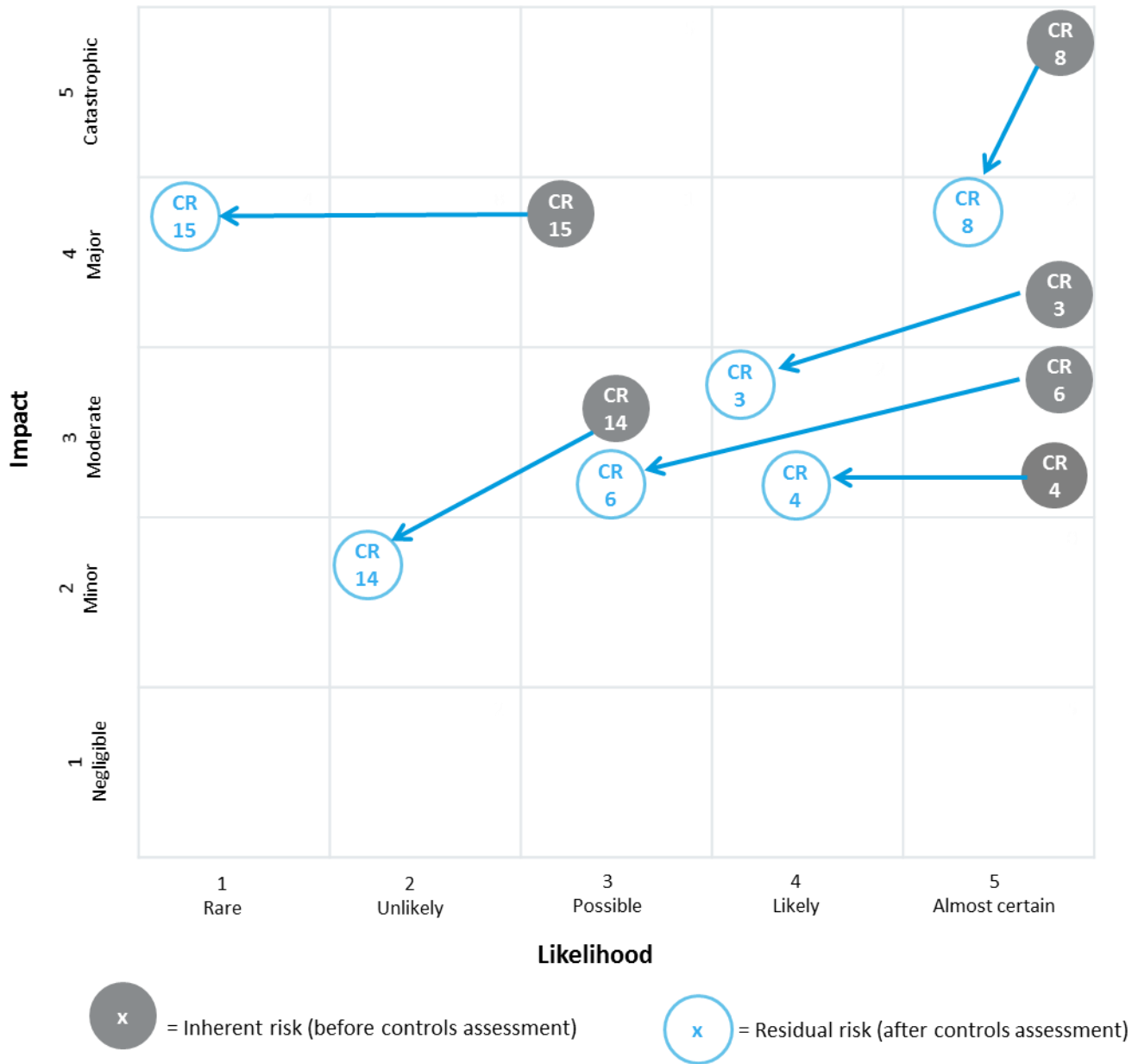


Figure A: Sources considered when developing the internal audit strategy

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 <b>Business Continuity and Emergency Planning Audit</b>
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 <b>Policies and Procedures Audit</b>
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 <b>Contract Management – Buoygues Contract Audit</b> <b>Contract Management – Osborne Contract Audit</b>
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 <b>Direct Services Organisation Audit</b>
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) <b>Health and Safety Audit</b> <b>Fire Safety Audit</b>
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 <b>Governance – Slough Urban Renewal Audit</b>

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 ( <b>Corporate Risk Register CR15</b> )	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 ( <b>Corporate Risk Register CR15</b> )	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 ( <b>Corporate Risk Register CR4</b> )	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 ( <b>Corporate Risk Register CR8</b> )	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 ( <b>Corporate Risk Register CR6</b> )	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 ( <b>Corporate Risk Register CR3</b> )	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 <b>(Corporate Risk Register CR2)</b>	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
<b>Risk Based Coverage</b>				
Governance – James Elliman Homes	<p><b>Risk</b> Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> 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><b>Proposed Audit Coverage</b> 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><b>Risk</b> Managing External Contractors</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> Managing External Contractors</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> Ensuring the Council’s internal control environment is fit for future.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> Ensuring that the Council meets its statutory duties with regards to school provision.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> Failure to ensure financial stability.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> 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><b>Proposed Audit Coverage</b> 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><b>Risk</b> 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><b>Proposed Audit Coverage</b> 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><b>Risk</b> Management of the procurement process to ensure that the Council is fully compliant with procurement rules and meets the associated regulations.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> 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><b>Proposed Audit Coverage</b> 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><b>Risk</b> Ensuring the effectiveness of resilience plans/ continuity plans for key locations and services.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> To ensure that the Council's internal control environment is fit for the future.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> To ensure that the Council's internal control environment is fit for the future.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> Failure to ensure that the Council has adequate permanent staff with the skills required to meet their corporate objectives.</p> <p><b>Proposed Audit Coverage</b> 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><b>Risk</b> Failure to ensure financial sustainability</p> <p><b>Proposed Audit Coverage</b> 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

<b>Core Assurance</b>				
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
<b>Other areas of coverage</b>				
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"> <li>Annual planning</li> <li>Preparation for, and attendance at, Audit and corporate governance committee</li> <li>Regular liaison and progress updates</li> <li>Liaison with external audit and other assurance providers</li> <li>Preparation of the annual opinion</li> </ul>		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
<b>Risk based assurance</b>				
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.		✓	

<b>Core Assurance</b>				
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.	✓	✓	✓
<b>Other Internal Audit Activity</b>				
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"> <li>• Annual planning</li> <li>• Preparation for, and attendance at, Audit and corporate governance committee</li> <li>• Administration of our actions tracking database – 4Action</li> <li>• Regular liaison and progress updates</li> <li>• Liaison with external audit and other assurance providers</li> <li>• Preparation of the annual opinion</li> </ul>	✓	✓	✓

## 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
<b>2017/18 (to date)</b>				
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			
<b>2016/17</b>				
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.