



SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

For the Audit and Corporate Governance
Committee meeting on 10 December 2020


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1 KEY MESSAGES

The internal audit plan for 2020/21 was approved by the Audit and Corporate Governance Committee at the March 2020 meeting. This section provides an update on the key messages relating to the progress of the 2019/20 plan and 2021 plan.


2019/20 Internal Audit Plan

 Since the previous audit committee held in August 2020 where four audits were in draft, **three** reports have been finalised, however **one** remains in draft from the 2019/20 plan and this is detailed in Section 2 below. We are working with the Council to get these finalised. In relation to the final reports, the committee should note that two of these reports resulted in a positive opinion, and one report (Contract Management – Everyone Active Leisure Contract) resulted in a partial assurance opinion and the details are documented in **Appendix A**. [\[To note\]](#)


2020/21 Internal Audit Plan

 As part of the 2020/21 Internal Audit plan, a further **11** reports have been finalised since the meeting held in August 2020. Of these, 9 were assurance reviews and two were advisory. Of the assurance reviews, two relating to Follow Up (Q1 and Q2) concluded that Reasonable Progress had been made to implement actions agreed, a further five reviews concluded with reasonable (positive) assurance opinions, with two **partial** assurance (negative) opinions in relation to Cippenham Nursery School and Business Continuity.

Please see **Appendix A** for the details of the two negative assurance reviews issued since the last meeting. For details of all audits finalised to date, please see **Appendix B**. [\[To note\]](#)

 In addition, we have issued a further eight draft reports from the 2020/21 plan and these are documented below in Section 2. [\[To note\]](#)

2020/21 Year end Opinion

 The Committee should note that any negative assurance opinions ('No Assurance' or 'Partial Assurance' opinions, or poor or little progress re follow up reviews) will need to be noted in the annual report and may result in a qualified / negative annual opinion. Where we have issued any negative opinions, these will impact our 2020/21 Head of Internal Audit Opinion for the Council. To date, we have issued **two** final reports (Cippenham Nursery School and Business Continuity) with a negative opinion. We do also have a number of draft reports with negative opinions where we are working with management to finalise these reports.

Please see **Appendix A** for details of any negative assurance opinions presented to this meeting. [\[To note\]](#)



2 INTRODUCTION

This report provides a summary update on progress against the remaining audits from the 2019/20 internal audit plan and progress against the 2020/21 plan. The report is based on the position as at the 24th November 2020.

2019/20 Internal Audit Plan - Since the last audit committee in August 2020 one report relating to the 2019/20 audit plan remains in draft:

- Business Rates – Issued 13th May 2020

2020/21 Internal Audit Plan - The Internal Audit Plan for 2020/21 was approved by the Audit and Corporate Governance Committee on 5th March 2020. Since the last update provided in August 2020, **14** (including three 2019/20 reports) reports have been finalised:

- Capital Expenditure (19.20) – **Reasonable Assurance**
- Review of Our Futures Transformation Programme (19.20) – **Reasonable Assurance**
- Contract Management – Everyone Active Leisure Contract (19.20) – **Partial Assurance**
- Business Continuity and Emergency Planning – **Partial Assurance**
- Cippenham Nursery School – **Partial Assurance**
- Conflicts of Interest - **Reasonable Assurance**
- Safety Advisory Group – **Reasonable Assurance**
- Risk Management – **Reasonable Assurance**
- Council Buy Backs – **Reasonable Assurance**
- Schools Review – Our Lady Of Peace Catholic Primary School – **Reasonable Assurance**
- Follow Up Q1– **Reasonable Progress**
- Follow Up Q2 – **Reasonable Progress**
- Grants – Local Transport Revenue Block Funding - **Advisory**
- Grants – Local Bus Service Operators Grant – **Advisory**

In addition, we have issued the following **eight** reports in draft from the Internal Audit Plan for 2020/21:

- Whistleblowing – Issued 14th July 2020
- Schools Audit – Khalsa Primary School – Issued 6th August 2020
- James Elliman Homes – issued 6th October 2020
- Council Tax – issued 11th November 2020
- Leaseholder Service Charges – 11th November 2020
- Housing Benefits – issued 5th November 2020
- Rent Arrears Recovery – issued 5th November 2020
- Cyber Essentials – issued 26th November 2020

3 OTHER MATTERS

3.1 Client briefings

Since the last Audit and Corporate Governance Committee meeting, we have issued the following client briefings and we can provide electronic copies to members if required:

- COVID-19 Fraud Risks
- Alert: COVID-19 used as click bait
- Cyber security risk – Remote Working and New Challenges
- Audit and Risk Committees – Navigating COVID-19; and
- The new board agenda - How organisations can better manage their contingency risks.

3.2 Changes to the plan

Note	Auditable area	Reason for change
1	Parish Council Governance	At the request of the Director of Finance and Resources, we have cancelled the Parish Council Governance review, and this is being replaced with a review of Leasehold Service Charges.
2	Discretionary Grant Funding	At the request of the Director of Finance and Resources, we have replaced the review of Mental Health Provision with a review of the processes and governance in place surrounding the funding provided to the Council for businesses that do not fall inside the main COVID-19 funding schemes.
3	Grant Funding	<p>Initially we were informed of the Local Transport Revenue Block Funding grant was the only grant which required sign off in the current financial year. We have undertaken a review on the above to confirm the appropriateness of the grant spending in line with the conditions. Subsequently we were also informed of a further grant for the Bus Service Operators Grant, which we also delivered as part of the agreed Grant audit budget.</p> <p>However, we have been notified of two further grants (Dedicated Home to School Transport and Test and Trace Support Payment Scheme) which as part of the Grant conditions</p>

require sign off from the Chief Executive and Chief Internal Auditor, and we are in discussion with the Director of Finance and Resources about the best way to deliver these.

3.3 Sector Update

[Protect Programme launched](#)

Robert Jenrick, Housing Secretary, has launched a £15m scheme aimed at supporting councils to house rough sleepers during the winter. The new Protect Programme will provide funding for areas that need additional support to house their large rough sleeper populations during the winter, with a particular focus on protecting those deemed clinically vulnerable. The scheme will run alongside the government's 'Everyone In' scheme, launched at the start of the pandemic, which looked to take rough sleepers off the streets and house them in accommodation during lockdown.

Under the Protect Programme, areas with a high level of rough sleepers will receive targeted support, and this funding will last across the winter until 31 March. The £15m funding is on top of the £91.5m allocated to 274 councils in September to fund their individual plans for rough sleepers over the coming months, as well as the £10m Cold Weather Fund for all councils to help keep rough sleepers safe this winter.

[Action to help prevent vulnerable young people from becoming homeless](#)

New guidance has been published for councils to help guarantee young people leaving care have the stable homes they need and prevent them from becoming homeless. The guidance illustrates how council housing departments and children's services should produce a joint protocol that sets out how they will work together to ensure each care leaver has a personalised support plan as they transition to independent living, those at risk of homelessness are recognised early and action is taken to prevent it and a quick, safe and joined up action-plan for care leavers who go on to become homeless.

[£1bn funding for councils this winter](#)


Robert Jenrick, Local Government Secretary, has confirmed allocations for individual councils from the £1bn of additional support announced by the Prime Minister earlier this month. Over £900m will be provided to councils for their ongoing work to support communities during the pandemic, bringing the total funding provided to councils during the pandemic to £6.4bn. The remaining £100m will be used to introduce a new fund which will support council leisure centres most in need. The government has asked councils to use this funding to prioritise the running of vital services and protecting the most vulnerable and public health.

[Covid-19 enforcement boosted with £60m funding](#)

Local councils will receive part of an additional £60m from the government to step up their enforcement of Covid-19 rules as part of the government's plans to tackle the rise in infections. The £60m funding will be divided equally between police and local councils. Local councils will use the funding to increase their compliance work and enforcement checks on businesses. The government will also publish new guidance outlining the types of compliance and enforcement activities councils could carry out using the £30m funding.

[Investment needed to protect and improve local services](#)

The Local Government Association (LGA) has used its submission to set out the need for the Chancellor to use the Comprehensive Spending Review to provide an additional £10.1bn per year in core funding to councils in England by 2023/24. Councils will face a funding gap of more than £5bn by 2024 to maintain services at current



levels. The LGA's submission to the Treasury shows how with the 'right powers, sustainable funding, and enhanced flexibilities councils can continue this vital work and ensure communities are able to prosper in the future.'

Councils to receive housing support for vulnerable people

274 local councils will receive a share of £91.5m to support thousands of vulnerable people who were housed during the pandemic, to help them stay in accommodation this year. The funding will provide interim accommodation, support the government's commitment to end rough sleeping and help people into the private rented sector. An additional £13.5m fund will be used to enable local authorities to tackle new or emerging challenges.

Independent review on local authority financial reporting and external audit

This independent review, led by Sir Tony Redmond, considered the effectiveness of external audit and transparency of financial reporting in local authorities. The final report makes several recommendations in relation to transparency of financial reporting and smaller authorities audit regulation, including establishing a new regulatory body, 'the Office of Local Audit and Regulation', responsible for procurement, contract management, regulation and oversight of local audit. It is recognised that the new body will liaise with the Financial Reporting Council regarding its role in setting auditing standards.

High needs funding arrangements

The Education and Skills Funding Agency (ESFA) has published information for local authorities and institutions about high needs funding arrangements for the 2021 to 2022 financial and academic year.

Reforming local government exit pay

The Ministry of Housing, Communities and Local Government's (MHCLG) consultation is seeking views on proposals for reforming exit payment terms for local government workers. The government is seeking information on the effects the proposals for reform will have on the regulations and the impact that the proposals for reform will have on the local government workforce. The consultation closes on 9 November 2020.

MHCLG informs local authorities of changes to notice periods amid Covid-19

A letter has been sent to local authorities to alert them that the 'Coronavirus Act 2020 (Residential Tenancies: Protection from Eviction) (Amendment) (England) Regulations 2020' came into force on 29 August 2020. It requires English landlords to give tenants six months' notice if they intend to seek possession, thus extending the three-month notice required under 'Schedule 29 to the Coronavirus Act 2020 (CA 2020).' These measures will now be in force until 31 March 2021 to ensure tenants have more time to find accommodation during the pandemic.

£30m boost to help unlock land for new homes

Cabinet Office Minister, Lord Agnew, has announced that the government is boosting its Land Release Fund (LRF) and the One Public Estate (OPE) programme with an additional £30m. The LRF, which targets small sites with a focus on supporting SME builders, will offer councils the opportunity to bid for £20m for remediation works and infrastructure to bring their surplus sites forward for housing. It is currently supporting 73 council projects which are on track to release land for more than 6,000 homes by next March.

The OPE programme will provide £10m, supporting the earliest stages of development. New and existing partnerships will be able to bid for practical support to deliver ambitious property programmes in collaboration with central government and other public sector partners, which deliver homes, jobs, efficiencies and improved public services.



[Income compensation scheme for lost sales, fees and charges](#)

Guidance has been published for local authorities on how to access the local government income compensation scheme for lost sales, fees and charges as a result of Covid-19. The scheme is open to eligible authorities which have incurred relevant income losses and have been eligible for other coronavirus emergency funding for local government.

[Community mobilisation](#)

The New Local Government Network's (NLGN) report offers a how-to guide for organisations interested in the process of mobilisation, illustrating a range of potential strategies to build active, networked and powerful communities.

[Ministers call on councils to help deliver digital connectivity ambitions](#)

Local councils are being requested to help ensure people can access better broadband and mobile connectivity crucial to the UK's coronavirus recovery. Central government has also shared new guidance on the safety and benefits of 5G so councils can give people the facts and tackle disinformation about this mobile technology.

[Planning for the future](#)

The Ministry of Housing, Communities and Local Government (MHCLG) has published a policy paper setting out its proposals for reform of the planning system. The key change under the new system will be that permission to build new homes rests on the categorisation given to the land on which it is going to be built. Land will be designated to either growth areas, renewal areas or protected areas. The consultation closes on 29 October 2020.

[A councillor's workbook on health in all policies and Covid-19](#)

The Local Government Association's workbook is designed to prompt reflection, insight and to identify actions to improve practice and support councillor's work in adapting their approach to population health and the council's public health resource in the context of Covid-19.

[Code of Practice on Local Authority Accounting](#)

This code is prepared under International Financial Reporting Standards (IFRS), which have been adopted as the basis for public sector accounting in the UK. The 2020/21 Code has been developed by CIPFA/LASAAC and has effect for financial years commencing on or after 1 April 2020.

[£266m housing fund for vulnerable people](#)

Robert Jenrick, Housing Secretary, has launched the 'Next Steps Accommodation' programme. Councils and their local partners can apply for funds from the programme to cover property costs and support new tenancies for around 15,000 vulnerable people who were provided with emergency accommodation during the pandemic. A total of £105m, revenue only funding, is now available to ensure interim accommodation and support continues for those who need it. In addition, first wave funding, totalling £161m, is also available to provide 3,300 additional supported homes this year for those currently housed in emergency accommodation. This is part of a total of £433m to provide 6,000 long term, safe homes for those in need.


[Local government procurement: fraud and corruption risk review](#)

The Ministry of Housing, Communities and Local Government (MHCLG) has published new advice to help councils in England fight procurement fraud. The risk review aims to help councils strengthen their processes and implement prevention measures to tackle fraud and corruption.

APPENDIX A - KEY FINDINGS FROM FINALISED 2020/21 INTERNAL AUDIT REPORTS

Detailed below are the High and Medium Priority Management Actions from **Partial or No Assurance reports** (in the exception format previously agreed by the Committee):

<p>Contract Management - Everyone Active 19/20</p>		<p>5 High 11 Medium 2 Low</p>
<p>We identified the following weaknesses, resulting in four medium priority management actions being agreed:</p> <p>1.1.1 Underlying risk transfer is not stipulated in the contract (Section 3)</p> <p>The contract does not clearly stipulate which operational and performance risks have been transferred to EA, i.e. in the event of actual performance not meeting the expected performance per the financial bid model, which party will suffer a financial loss. We were unable to confirm whether there is a signed parent guarantee for the contract due to Covid-19. We would recommend the Council confirm whether there is a signed copy, and if not, obtain one. Subsequent to this we have seen the signed letter of principal provided by EA prior to contract award to have Castle View Ventures Limited sign a parent company guarantee once awarded the contract but still have not seen the guarantee itself.</p> <p>1.1.2 Risk management and mitigations needs to be improved (Section 3)</p> <p>We were unable to confirm if the actions to mitigate the risks on the contract have been carried out. Some of the risks are not captured in the risk register e.g. risks around EAs financial standing. This exposes the Council to a number of risks such as a lack of full awareness of key contractual risks at strategic, operational and tactical level and the inability to mitigate those risks, effectively leading to service disruption and poor value for money. This can also lead to ineffective risk transfer where risks may not be placed with parties who are best able to manage it.</p> <p>1.1.3 Performance Management and Monitoring needs strengthening (Section 4)</p> <p>While the Specification includes priority outcomes and performance indicators (PI's), the systems and processes to measure the PIs are still not in place and the required targets have not been defined and agreed to measure performance for all PIs. This may have an adverse impact on the Council's contractual and negotiation position when attempting to address poor performance.</p>		



There are currently no provisions for innovation within the contract, and those for continuous improvement do not contain a method for setting targets, monitoring or reporting. These may need to be added to the contract via formal change control. We understand that the Council has paid EA separately for various projects; we recommend all spend is tracked formally, so the Council has a record of all payments and forms part of a strategy for any additional spend with EA.

1.1.4 Change Control process needs revisiting (Section 5)

There is currently no change control log, listing all changes (including small value) to the contract. This would be useful for the Council in case of any future dispute with EA. We also identified several changes to the contract as part of our review, which had not been proposed and approved through formal change control, that in our view would qualify as a formal change, e.g. additional spend, changing payments terms or changes to the operations.

1.1.5 Contract Management Planning needs further improvements (Section 6)

Formal contract management planning appears to be lacking for the contract. As a result, there is a risk that contract management activities may not be planned adequately, may not be undertaken and issues may not be resolved on a timely basis. There is no evidence to suggest that key dates/milestones and contractual clauses are converted into a diary to ensure they can be monitored and complied with (excepting facilities and maintenance monitoring). Further to the initial issue of this document, the contract manager has created a time based matrix using info from page 58 of the contract onwards (Programmed Maintenance).

1.1.6 Exit planning clauses needs to be strengthened (Section 6)

We did not view any record of exit planning, or related clauses to prepare an exit plan as part of Termination procedures within the contract. Given the potentially short notice of termination (20-30 days in some cases) we believe the Council ought to introduce a contract clause via formal change control for EA to produce an annual exit plan, for the Council to review and approve. There are several clauses within the contract that refer to compensation or relief payments in relation to 'Relevant Events'. These are not always clear in terms of interpretation and calculations, so we suggest the Council liaise with legal colleagues to ensure they are fully understood. Subsequent to this report, as part of the response to Covid-19, we understand the Council has carried out further work in relation to exit planning and consideration. This included obtaining external legal advice from HB law, reviewing the provisions of Schedule 26 – Hand back, and commissioning a report from SLC which has costed the various alternative management options including; bringing back in house, transfer to a LATC, or re-procurement.

1.1.7 Governance and Relationship Management needs attention (Section 7)


We received feedback that the escalation routes are well known to those managing the contract and would be used to escalate any significant issues up the chain of management. However, these are currently not written down, which could impact effective decision making if individuals were to be moved or replaced within the structure. There is also no RACI (Responsibility, Accountability, Communicate and Inform) matrix or similar document, so it is unclear how the ownership and responsibility for various contract management tasks is split across various team members. We obtained feedback that there is a limited relationship between senior members of the Council and EA. This could make resolution of significant issues or disputes more lengthy or arduous.

We understand that as part of the Covid-19 response, the reporting lines and relationships between senior leadership at the Council and EA have been strengthened. The Council is also currently undergoing a restructure that is not expected to be finalised until 1 April 2021. As part of this there shall be a handover from the previous senior management to the new, at which point the reporting lines and escalation routes will have to be re-confirmed.

1	<p>Risk Registers</p> <p>We would recommend that the risk register be monitored and updated on a regular basis to ensure the effectiveness of mitigating actions is measured and additional risks are added where necessary.</p> <p>The Council should request evidence from EA regarding their own risks' management for the SBC leisure contract, to gain a wider view of risk from the supplier perspective.</p>	Medium	28 th February 2021	SBC Leisure Client Manager
2	<p>Financial Performance Monitoring</p> <p>The Council should formally review the financial performance of EA and its parent company on a regular basis, including reviewing credit scores, reviewing the business continuity plan, and proactively monitoring publicly available information such as Companies House or press releases for changes in business structure, business strategy and contract wins and losses.</p>	Medium	30 th November 2020	SBC Head of Finance / SBC Leisure Client Manager
3	<p>Parent company guarantee</p> <p>We recommend that the Council confirm they have a signed copy of the parent guarantee for the EA leisure contract. If they do not, they should obtain one.</p>	High	31 st December 2020	SBC Leisure Client Manager / SBC Head of Finance
4	<p>KPI reporting</p> <p>The Council should quantify and agree the performance targets of the contract. This will ensure the minimum expected standard required by the Council is being achieved, and to provide a measure of the level of service being delivered. There also needs to be defined consequences for EA not meeting these performance indicators. Change control may be required to alter these Performance Indicators.</p>	High	30 th June 2021	SBC Leisure Client Manger
5	<p>Additional spend with EA</p> <p>The Council should maintain a record of all spend with EA. This should form part of an agreed strategy regarding any payments made to EA.</p>	Medium	31 st December 2020	SBC Leisure Client Manager
6	<p>Loan agreement (£500k)</p> <p>The Council should carry out appropriate financial due diligence on the loan and seek legal advice in regard to the loan terms. The Council should also consider a financial guarantee for the loan amount.</p>	High	20 th March 2020	SBC Director of Adults and Communities

7	<p>Change Control Log</p> <p>Set-up a change control schedule to ensure all changes to the contract (both financial and non-financial) are recorded and a clear audit trail is maintained of all changes.</p>	Medium	31 st December 2020	SBC Leisure Client Manager
8	<p>Capturing Changes within Change Control</p> <p>Consider whether changes being made to the contract require formal change control processes (both historical and current), to ensure they are appropriately assessed and authorised, in line with the procedures as set out in Schedule 24.</p>	Medium	31 st December 2020	SBC Leisure Client Manager
9	<p>Schedule 24: Contract Change Control Procedures</p> <p>Review the change control procedures contained with Schedule 24 to determine whether they are fit for purpose. The process could be revised if necessary, using change control.</p>	Medium	31 st December 2020	SBC Service Lead Governance / SBC Leisure Client Manager
10	<p>Contract Management Planning</p> <p>Develop a contract management plan to ensure all clauses within the contact are proactively managed.</p> <p>Consider a formal timetable for contract management, to ensure key reporting requirements and/or milestones of the contract are considered at the appropriate times, to generate the best value going forward.</p>	Medium	31 st December 2020	SBC Leisure Client Manager
11	<p>Exit Planning</p> <p>Add a schedule to the contract through formal change control to require an annual exit plan to be submitted by EA for review and approval by the Council. The Council could also supplement this internally, by reviewing their own options in case of early termination or exit (e.g. re-tender, Step-In or other options).</p>	High	31 st December 2020	SBC Service Lead Governance / SBC Leisure Client Manager
12	<p>Use of legal advice</p> <p>As part of ongoing contract management, the Council should consult or involve legal colleagues, to ensure interpretation and understanding of various clauses is aligned with that of EA.</p>	Medium	31 st March 2021	SBC Service Lead Governance / SBC Leisure Client Manager

13	<p>Relationship Management</p> <p>The Council should involve senior management from both sides in strategic meetings to strengthen the relationship between the two organisations. A plan should also be put in place to develop relationships outside the formal meetings between key members of the senior team on both sides.</p>	Medium	31 st December 2020	SBC Leisure Client Manager
14	<p>Financial reconciliation</p> <p>Perform a reconciliation between the financial bid model and the current financial data submitted by EA with robust explanations for any key variances. The financial information should include an explanation on how overheads/central costs are allocated to the Slough contract.</p>	High	31 st March 2021	SBC Leisure Client Manager / SBC Head of Finance
15	<p>Forward view of performance</p> <p>Requesting at least annual forecasts to gain a forward view of expected financial performance. This may require the use of change control as the contract currently does not specify this information.</p>	Medium	30 th June 2021	SBC Leisure Client Manager / SBC Head of Finance
16	<p>Audit on key aspects of financial data</p> <p>Use the open book clauses within the contract to perform audits on key aspects of the financial submissions, such as revenue and/or payroll costs to gain confidence over the figures being submitted to EA. This will be particularly useful before the submission of profit share calculation by EA after year 3 of the contract.</p>	Medium	31 st December 2020	SBC Leisure Client Manager / SBC Head of Finance

Cippenham Nursery School 3.20/21		<p>0 High</p> <p>4 Medium</p> <p>10 Low</p>
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We identified the following weaknesses, resulting in four medium priority management actions being agreed:

High Value Purchases

A formal tendering process must be followed where purchases exceed £60,000, which includes Council written approval. We identified one item over the quotation threshold of £10,000 since April 2019 at a value of £150,948. We were informed by the School Business Manager that an evaluation criteria to assess the quotes had not been produced and the School had simply chosen the cheapest quote. There is a risk that the work may not be completed with sufficient quality or within a

required timeframe which could mean that additional costs are incurred. As the building work was not approved by the Council, the School is in contravention of its policies and procedures and the requirements of the Council. **(Medium)**

Goods Received Notes

Goods received notes (GRN) must be received and matched to goods received prior to approving invoices for payment. We noted during review of a sample of 15 purchase invoice payments that in five cases a GRN had been maintained and in four cases a GRN was not appropriate as the order was for a service. For the remaining six, we noted that a GRN had not been retained.

We confirmed through review of the five invoice payments with a GRN that in two cases the GRN had been signed. For the remaining three, we noted that the GRN had not been signed. We were informed by the School Business Manager that there was no particular reason for this, and it was likely that the member of staff had forgotten to sign the GRN. There is a risk that inappropriate payments are made for goods or that the correct goods and services have not been received. **(Medium)**

Starters and Leavers


Starter and leaver forms are completed and authorised by the Headteacher, or in their absence the line manager for the member of staff. For a sample of nine (all starters and leavers since April 2019), we found for 1/9, the evidence of the sign off of a form for a new starter had not been retained. We were informed by the School Business Manager that there was no requirement for starter forms to be signed by two members of staff to provide a segregation of duties. There is a risk that employees are inappropriately added to the School's payroll which could result in the inappropriate use of School funds. **(Medium)**

Background Checks

DBS checks are carried out for all new members of staff, excluding students and parent volunteers. We confirmed through review of a sample of five starters that in three cases a DBS check had been received prior to employment commencing. For the remaining two, we noted that there had been a period of 17 days (Level Three Apprentice) and four months (Cleaner) after starting work for the School before a DBS check was received. We confirmed that no issues were identified on the checks when received back. We were informed by the School Business Manager that where this occurs members of staff are not left alone with children, however where new starters are allowed to take up their posts without a DBS check, the School is in contravention of their policies and procedures. **(Medium)**

1	The School Business Manager will produce an evaluation criteria and this will be used to assess work where a tender is required. Where it is identified that the criteria was not met, any necessary corrective action will be taken.	Medium	31 st July 2020	Sarah Halsey, School Business Manager
2	The Headteacher will ensure that goods received notes are received, checked against the goods received and signed prior to authorising invoices for payment.	Medium	31 st May 2020	Christina Vecchio, Headteacher
3	The Headteacher will amend the starter process to require the line manager to sign the form as well as the Headteacher. Where the line manager and the Headteacher are the same person, an alternative appropriate signature will be obtained, such as the Deputy Headteacher.	Medium	31 st May 2020	Christina Vecchio, Headteacher

4	<p>The Headteacher will amend the Safeguarding and Child Protection Policy to state that new members of staff that work directly with children will not commence employment until an enhanced DBS check has been received.</p> <p>The Policy will also include that a risk assessment will be undertaken for any new members of staff who do not work directly with children until an enhanced DBS check has been received, which will determine what additional safeguards are put in place.</p>	Medium	30 th August 2020	Christina Vecchio, Headteacher
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<p>Business Continuity 8.20/21</p>		<p>0 High 9 Medium 2 Low</p>
<p>We identified the following weaknesses, resulting in nine medium priority management actions being agreed:</p> <p>Emergency Plan and Business Continuity Plan</p> <p>A draft version of the major incident plan was found to have been prepared, yet a finalised plan had yet to be agreed by CMT or any other decision-making committee such as Cabinet. (Medium)</p> <p>The business continuity plan was also in draft form, in part due to the upcoming management restructure and the EPBCM awaiting the return of business impact assessments and service recovery plans. (Medium)</p> <p>The disaster recovery plan was the responsibility of arvato prior to the 'in-sourcing' of functions. At the time of our review the Council had not prepared its own plan, instead basing recovery times on those agreed with arvato whilst awaiting the finalisation of service recovery plans. (Medium)</p> <p>Without formal arrangements for the handling of emergency incidents, there is a risk that the Council is unable to respond in a consistent and appropriate manner.</p> <p>Roles, Responsibilities and Training</p> <p>Roles and responsibilities were outlined in the draft major incident plan but as this had not yet been finalised, however training needs had not been formally agreed and assigned. (Medium)</p> <p>The draft business continuity plan also provided an overview of key responsibilities; however, these had not been formally assigned given that the document had not been finalised. (Medium)</p>		

Without ensuring roles and responsibilities are assigned to individuals, and training provided based on these responsibilities, there is a risk that inappropriate actions are taken in the event of an incident / incident.

Plan Testing

The major incident plan had not been tested at the time of our review, in part as the plan was in draft. **(Medium)**

Similarly, business continuity arrangements had also not been tested, again in part due to the draft form of the business continuity plan. **(Medium)**

We were advised by the EPBCM that 'live testing' was occurring such as during the COVID-19 outbreak. Whilst we appreciate this, a formal testing programme should be in place to formally test aspects of emergency response arrangements. There is a risk that in the event of an incident, the Council may be unable to respond quickly, appropriately or learn effectively from testing exercises.

Emergency Resources

The draft major incident plan referred to facilities and equipment requirements for staff and rest centres, however we noted that there was no detail provided for the specific equipment required nor was there any detail on who required what equipment. An inventory check was expected to be completed in March/April 2020; however, this did not occur (understandably) due to the COVID-19 outbreak. There is a risk that without ensuring facilities and equipment are appropriate, the Council may be ill-equipped to manage a major incident. **(Medium)**

Flood Risk Assessment

A strategic flood risk assessment had not been completed by the Council since May 2012, despite the requirement for this to be undertaken at least every two years (especially due to frequent localised flooding in the area). We noted that whilst discussions were being held between the advisor (Atkins) and the Emergency Planning Officer (EPO) on the development of the flood plan, no draft or finalised plan was held by the Council. There is a risk that the council may fail to effectively respond to flooding incidents if the risk assessment is not completed as per the two-year best practice guidance. **(Medium)**

Linkage to Slough Children's Services Trust

It was agreed in September 2019 that the Council would integrate Slough Children's Service Trust into its business continuity arrangements for events impacting both organisations. Despite this, the Trust was not found to be included in either the business continuity plan or in the 'priority service functions' spreadsheet (used to prioritise services for recovery). Without ensuring due consideration for the Trust, there is a risk that arrangements for contacting and recovery of its services are not appropriate. **(Medium)**

1	The draft major incident plan will be completed, with all updates made including the finalisation of the 'Contact Lists' (section four of the document).	Medium	31 st March 2021	Robin Pringle – Health & Safety Manager
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	<p>The plan will then be subject to appropriate formal review, first by the Health and Safety Manager/Emergency Planning and Business Continuity Manager, followed by CMT. Review will occur at least every two years.</p> <p>This plan will replace the outdated plan and be shared with relevant staff members either via the Resilience Direct Portal, digitally or hard copy.</p>			
2	<p>Once the roles and responsibilities for emergency planning and business continuity matters have been formally agreed and assigned, the Council will review the current skills and knowledge of its workforce in light of these expectations.</p> <p>Where training needs are identified, the Council will ensure that training is administered to relevant individuals to ensure that staff have the necessary understanding and capability to appropriately undertake their duties.</p>	Medium	31 st March 2021	Robin Pringle – Health & Safety Manager
3	<p>An overview of resources expected to be required in the event of specific incidents will be prepared and added to the major incident plan.</p> <p>This will be used by the Council to determine whether it has access to/can access these as part of training exercises. Where resources are physically held by the Council, the frequencies of inventory checks will be agreed. Checks will cover the number of resources and condition.</p>	Medium	31 st December 2020	Robin Pringle – Health & Safety Manager
4	<p>The Emergency Planning Team will ensure that a Flood Risk Assessment is completed and integrated into the ERP. The assessments will be subject to update at least every two years.</p>	Medium	30 th November 2020	Sing-Wai Yu - Project Manager, Major Infrastructure Projects
5	<p>Testing schedules will be agreed upon for emergency incidents and included as part of the major incident plan. Once the plan has been finalised and agreed, testing of expected processes will commence in-line with the schedule. Outcomes of tests will be noted, and appropriate updates made to the plan.</p>	Medium	31 st March 2021	Robin Pringle – Health & Safety Manager
6	<p>All parts of the business continuity plan will be updated and finalised following the return of all service business impact assessments, the return of all service recovery plans and the management restructure. The plan will then be subject to appropriate formal review and approval, both when first finalised and as per an agreed frequency.</p>	Medium	31 st March 2021	Robin Pringle – Health & Safety Manager

7	<p>The Council will develop/finalise a disaster recovery plan to include the following:</p> <ul style="list-style-type: none"> • The recovery time objective and recovery point objective; • An inventory of all hardware and software and identification of sensitive/essential data; • The back-up solutions for all data; • Disaster recovery key contacts and staff communication plan; • The disaster recovery sites; • A third-party contact list, including hardware vendors, software vendors and data centres; and • Network diagrams and directions, including standard procedures to be adhered to in emergency instances. <p>The coverage of the plan will extend to the Slough Children's Service Trust and will be reviewed and approved by an appropriate forum.</p>	Medium	31 st March 2021	Simon Pallett- Service Lead Digital and IT
8	<p>The business continuity plan will consider the following for Slough Children's Services Trust:</p> <ul style="list-style-type: none"> • The process for contacting and communicating with key personnel upon the occurrence of an event; • The provision of resources upon the occurrence of an event; and • The impact scores for the Trust's services, ensuring that these are ranked with Council services rather than separate. 	Medium	31 st March 2021	Robin Pringle – Health & Safety Manager
9	<p>The Council will develop, agree and implement a testing schedule in order to assess the effectiveness and robustness of the preparations outlined in the plan for ensuring business continuity.</p> <p>The following will be considered as part of the development of testing schedules:</p> <ul style="list-style-type: none"> • Paper walk-through testing, which involves working through the plans and identifying areas that have been overlooked or processes that may not work; • Component testing, which involves testing different sections or stages of the plan for practicableness, such as restore procedures, backup procedures and contacting stakeholder; • Full testing, which involves running through the plan in its entirety so as to assess its effectiveness in recovering lost information and continuing business as usual; • The intervals at which the above types of testing will be conducted; and • The reporting of outcomes and lessons learned. 	Medium	31 st March 2021	Robin Pringle – Health & Safety Manager

APPENDIX B - SUMMARY OF PROGRESS TO DATE

The tables below are summarised versions of the remaining 2019/20 audits and the 2020/21 internal audit plan where audits are either in progress or issued as a draft or final. The table relating to the 2020/21 plan, shows the reports that have been issued in either draft or final (**bold**) since the last committee meeting.

2019/20 Internal Audit Plan

Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
Capital Expenditure	Q3	Final Report	15 th January 2020	14 th September 2020		5	1	0
Review of Futures Transformation Programme	Q4	Draft Report	17 th July 2020	12 th November 2020		6	4	0
Business Rates	Q3	Draft Report	13 th May 2020					
Contract Management - Everyone Active Leisure Contract	Q4	Draft Report	16 th April 2020	31 st November 2020		2	11	5

2020/21 Internal Audit Plan

Assignment area	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
					L	M	H
Cippenham Nursery School	Final Report	13 th July 2020	19 th August 2020		10	4	0
Business Continuity and Emergency Planning	Final Report	11 th August 2020	17 th September 2020		2	9	0
Conflicts of Interest	Final Report	9 th July 2020	28 th July 2020		1	4	0
Risk Management	Final Report	27 th July 2020	20 th August 2020		5	5	0
Safety Advisory Group	Final Report	12 th August 2020	24 th August 2020		5	2	0
Council Buy Backs	Final Report	15 th September 2020	21 st September 2020		2	3	0
Our Lady of Peace Catholic Primary School	Final Report	3 rd November 2020	17 th November 2020		7	3	0

Follow Up Q1	Final Report	9th July 2020	23rd July 2020	Reasonable Progress	0	5	0
Grants – Local Transport Revenue Block Funding	Final Report	24th July 2020	28th July 2020	Advisory	0	0	0
Whistleblowing	Draft Report	14 th July 2020					
Khalsa Primary School	Draft Report	28 th July 2020					
Leasehold Service Charges	Draft Report	11 th November 2020					
James Elliman Homes	Draft Report	6 th October 2020					
Council Tax	Draft Report	11 th November 2020					
Rent Arrears Recovery	Draft Report	5 th November 2020					
Housing Benefits	Draft Report	5 th November 2020					
Cyber Security	Draft Report	31 st November 2020					
Section 106 Funds	Fieldwork complete - In QA						
Planning Application Response Times	Fieldwork complete - In QA						
Capital Expenditure	Fieldwork complete - In QA						



Business Rates

Fieldwork complete - In QA

Assets

Fieldwork complete - In QA

Rent Accounts

In Progress

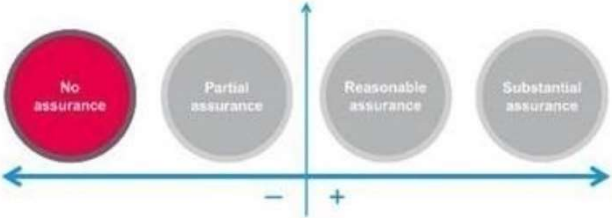
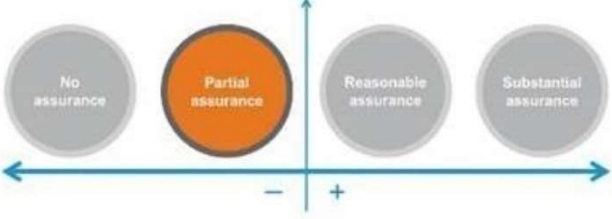
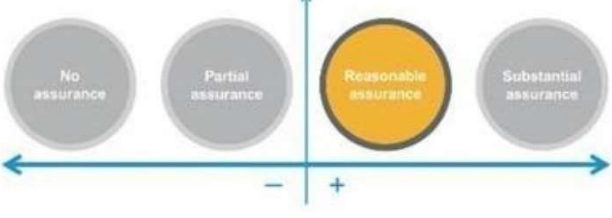
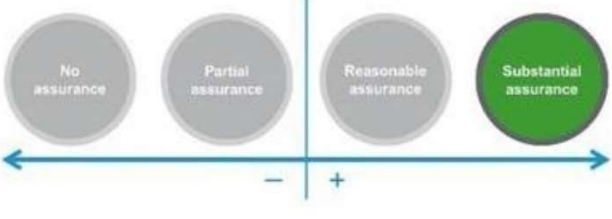
Planning Performance Agreements

In progress

APPENDIX C: 2020/21 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:

 <p>A horizontal scale with four circles labeled 'No assurance', 'Partial assurance', 'Reasonable assurance', and 'Substantial assurance'. A vertical line is between 'Partial' and 'Reasonable'. A horizontal double-headed arrow is below the circles, with a '-' sign to the left of the vertical line and a '+' sign to the right. The 'No assurance' circle is highlighted in red.</p>	<p>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).</p>
 <p>A horizontal scale with four circles labeled 'No assurance', 'Partial assurance', 'Reasonable assurance', and 'Substantial assurance'. A vertical line is between 'Partial' and 'Reasonable'. A horizontal double-headed arrow is below the circles, with a '-' sign to the left of the vertical line and a '+' sign to the right. The 'Partial assurance' circle is highlighted in orange.</p>	<p>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).</p>
 <p>A horizontal scale with four circles labeled 'No assurance', 'Partial assurance', 'Reasonable assurance', and 'Substantial assurance'. A vertical line is between 'Partial' and 'Reasonable'. A horizontal double-headed arrow is below the circles, with a '-' sign to the left of the vertical line and a '+' sign to the right. The 'Reasonable assurance' circle is highlighted in yellow.</p>	<p>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).</p>
 <p>A horizontal scale with four circles labeled 'No assurance', 'Partial assurance', 'Reasonable assurance', and 'Substantial assurance'. A vertical line is between 'Partial' and 'Reasonable'. A horizontal double-headed arrow is below the circles, with a '-' sign to the left of the vertical line and a '+' sign to the right. The 'Substantial assurance' circle is highlighted in green.</p>	<p>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.</p>

FOR FURTHER INFORMATION CONTACT

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