

Date of issue: Wednesday, 10 January 2024

<b>MEETING</b>	<b>AUDIT AND CORPORATE GOVERNANCE COMMITTEE</b>
<b>DATE AND TIME:</b>	WEDNESDAY, 17TH JANUARY, 2024 AT 6.30 PM
<b>VENUE:</b>	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
<b>DEMOCRATIC SERVICES OFFICER: (for all enquiries)</b>	SHABANA KAUSER 07821 811 259

### SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

\* Items 4 and 7 were not available for publication with the rest of the agenda.

#### PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
4.	Update on Internal Audit	1 - 32	All
7.	Proposed Audit Fees	33 - 36	All

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## Slough Borough Council

<b>Report To:</b>	Audit and Corporate Governance Committee
<b>Date:</b>	17 January 2024
<b>Subject:</b>	Update on Internal Audit
<b>Chief Officer:</b>	Adele Taylor – Executive Director of Finance and Commercial (S151)
<b>Contact Officer:</b>	Sati Seehra, Internal Audit Manager
<b>Ward(s):</b>	All
<b>Exempt:</b>	NO
<b>Appendices:</b>	Appendix 'A' – Overdue High Risk Audit Actions Appendix 'B' – Internal Audit Reports (Executive Summaries) Appendix 'C' – Revised Internal Audit Plan

### 1. Summary and Recommendations

1.1 This report sets out:

- Progress on the implementation of internal audit reports and actions for 2021/22, and 2022/23 (Appendix A) with Executive Summaries (Appendix B).
- Progress on recruitment to the Internal Audit Team and the Risk and Insurance Team.
- A revised Internal Audit Plan for the remainder of 2023/24 and an initial proposal for 2024/25 (Appendix C).

#### Recommendations:

The Audit and Corporate Governance Committee is recommended to:

- Approve the amended Internal Audit Plan for 2023/24 at Appendix C;
- Consider and comment on the draft Internal Audit Plan for 2024/25 and note this will be brought back to Committee in March 2024 for approval;
- Note the progress update in relation to outstanding internal audit actions.

#### Reasons

Internal audit is a critical function in a local authority, helping the Council to achieve its objectives by evaluating the effectiveness of governance, risk management and internal control arrangements and promoting good corporate governance.

#### Commissioner Review

To be effective, the internal audit function must possess sufficient resources, in terms of staff numbers, skills and expertise. to accomplish its goals in relation to assurance, consulting, compliance auditing; and to carry out the internal audit plan, which has been

reviewed and approved by the committee and the committee should periodically assess this.

In providing an opinion to the Committee over the reliance which may be placed upon management’s reporting, Internal Audit need to ensure the action which are reported as complete are implemented correctly, obtaining suitable evidence to confirm this and, where relevant, undertake testing to ensure it is operating effectively. It is critical not just to ensure the action is complete, but that it has effectively mitigated risk to an acceptable level with follow up audits scheduled where appropriate.

In considering material changes to the approved audit plans and deciding whether to defer an audit, consideration should be given as to whether the audit area is key to the Council achieving its ambitions, the impact of deferring, whether assurance can be delivered in an alternative way and what impact if any there will be as a collective set of actions on the Head of Internal Auditor’s or Chief Internal Auditor’s annual opinion.

## 2. Response to Internal Audit Actions

2.1 Progress continues to be made regarding completion of internal audit recommendations. All internal audit actions have been allocated to and reviewed by action owners and Executive Directors, including actions that are deemed not relevant due to changes in circumstances. Actions from previous year’s audits are also reviewed to ensure they are relevant to the service area to which they have been assigned.

2.2 Evidence of actions completed is obtained and quality assured by the Internal Audit Manager and retained for use in follow up audits.

### 2.3 2021/22 Internal Audit Actions

A total of 37 Internal audit reports were issued in 2021/22 (29 assurance and 8 advisory). The status of audits actions for the financial year 2021/22 is as follows:

Total 21/22				
Totals	Total	High	Medium	Low
Not Due	0	0	0	0
<b>Overdue</b>	<b>64</b>	<b>2</b>	<b>39</b>	<b>23</b>
Complete	263	53	119	91
Not Allocated	0	0	0	0
<b>Totals</b>	<b>327</b>	<b>55</b>	<b>158</b>	<b>114</b>

- 327 recommendations were made in 2021/22 reports, 55 are High, 158 are medium and 114 are low rated.
- 263 actions or 80 per cent of actions due are complete (up from 229 prior month) with a further 64 actions or 20 per cent are overdue the agreed date of implementation (down from 98 prior month). 2 of these are rated high, 39 are medium and 23 low rated.

2.4 The overdue actions have been shared with each department so Department Leadership Teams can consider the current position and respond. Work will

continue with DLT's to reduce these numbers with the expectation that these should be closed off by the end of this financial year.

2.5 The Council has a collective responsibility to ensure that agreed audit recommendations have been actioned. The Council has set a target to have no high-rated actions from FY2021/22 outstanding by March 2024. This target will not be achieved as there will be one action outstanding from the GDPR Governance audit which is dependent upon the current senior management restructure being completed before action to close can be taken. The remaining action relates to Cyber Security which is expected to be completed by the end of January 2024.

2.6 **2022/23 Internal Audit Actions**

A total of 28 Internal audit reports were issued in 2022/23 (25 assurance and 3 advisory). The status of audits actions for the financial year 2022/23 is as follows:

Total 22/23				
Totals	Total	High	Medium	Low
Not Due	53	10	33	10
<b>Overdue</b>	<b>66</b>	<b>17</b>	<b>32</b>	<b>17</b>
Complete	106	27	52	27
Not Allocated	0	0	0	0
<b>Totals</b>	<b>225</b>	<b>54</b>	<b>117</b>	<b>54</b>

- 225 recommendations were made in 2022/23 reports, 54 are High, 117 are medium and 54 are low rated.
- 106 actions or 47 per cent of actions due are complete (up from 90 prior month) with a further 53 or 24 per cent of actions not yet due for completion (down from 75 prior month).
- 66 actions or 29 per cent are now overdue of the agreed date of implementation (up from 60 prior month). 17 of these are rated high, 32 are medium and 17 low rated.

2.7 The overdue actions have been shared with each department so Department Leadership Teams can consider the current position and respond. Work will continue with DLT's to reduce these numbers. However, there was a trend of the number of overdue actions increasing predominantly due to a mixture of optimistic implementation dates having been originally agreed with the previous internal audit provider by action owners, and a high turnover of staff in Directorates over the last two years that has put the focus on 'business as usual' activity.

2.8 As the Council enters Quarter 4, traditionally one of the busiest periods for reporting, the focus on overdue audit actions may become diluted due to end of year requirements, and the number of overdue actions may increase once again. The Internal Audit function will continue to work with the Directorate Leadership Teams to encourage completion of all audit actions.

2.9 The Council has a collective responsibility to ensure that agreed audit recommendations have been actioned. The Council has been set a target to

have no high-rated actions from FY2022/23 outstanding greater than 30%. The current year to date achievement is 31%. If no further outstanding or upcoming actions are closed, then Internal Audit will not achieve this target.

## 2.10 2023/24 Internal Audit Actions

A total of 9 Internal audit reports were issued in 2022/23 (9 assurance and 0 advisory). 7 have been finalised and 2 are still in draft.

Total 23/24				
Totals	Total	High	Medium	Low
Not Due	35	5	22	8
<b>Overdue</b>	<b>9</b>	<b>1</b>	<b>3</b>	<b>5</b>
Complete	15	5	8	2
Not Allocated	6	2	3	1
<b>Totals</b>	<b>65</b>	<b>13</b>	<b>36</b>	<b>16</b>

- 65 recommendations were made in 2023/24 reports, 13 are High, 36 are medium and 16 are low rated. 6 recommendations have not been allocated and action owner due to audit reports not having been finalised.
- 15 actions or 23 per cent of actions due are complete (up from 0 prior month) with a further 35 or 54 per cent of actions not yet due for completion (up from 14 prior month).
- 9 actions or 14 per cent are now overdue of the agreed date of implementation (up from 7 prior month). 1 of these are rated high, 3 are medium and 5 low rated.

2.11 4 of the overdue actions are no more than a month over their agreed implementation date, with the remaining 5 actions no more than 3 months over their agreed implementation date. 4 actions (1 High, 1 Medium and 2 Low) relate to SBC's subsidiary companies. However, the Internal Audit team are currently carrying out a follow-up audit which will include a review of both previously closed and current outstanding actions. 3 actions (1 medium and 2 Low) relate to Wexham School with supporting evidence expected before the start of the Spring term in January 2024, and 1 action (Low) relates to People (Childrens).

## 2.12 Governance and Monitoring of Management Actions

Outstanding internal audit actions are currently monitored on a regular basis including reporting into Corporate Leadership Team, Risk and Audit Board and the Audit and Corporate Governance Committee. Audit and Corporate Governance Committee reports include the executive summaries of all finalised audit reports undertaken by the Internal Audit team highlighting the key findings (Appendix B). However, it should be noted that certain factors may impact the governance and monitoring arrangements, namely current and future staff turnover from the impact of the senior management restructure that is underway in the Council. However, given the importance of the actions that have been identified and their contribution to strengthening the overall control framework, every effort should be made to minimise the impact of staff turnover.

### 3. Internal Audit Team Developments

- 3.1 The Internal Audit team had one vacancy, for a Senior Internal Auditor for which an offer has been made and will shortly have a temporary vacancy for an internal auditor. The Head of Internal Audit or Chief Internal Audit function is currently being covered by the Internal Audit Manager, whilst recruitment for the Head of Service continues.
- 3.2 The Internal Audit Manager has procured support from Azets, a professional services organisation to undertake two technical audits – the Agresso Finance system audit and the Transactional Data Quality audit. These will commence in January 2024.
- 3.3 The Risk and Insurance Manager role also needs to be recruited to. The insurance element of the role will be covered by the Risk and Insurance Officer. The Internal Audit Manager will cover the risk management aspect of the role, until a suitable candidate is appointed.
- 3.4 The lack of stability in the team risks having an impact on fulfilling the Internal Audit plan and ensuring there are the right level of skills to contribute to the overall internal control environment. Internal Audit should meet the UK Public Sector Internal Audit Standards (PSIAS). This requires a Head of Internal Audit with an effective team focused on objectively assessing the adequacy and effectiveness of governance and management of risks, championing best practice in governance and having regular and open engagement across the Council at an officer and member level. The planned recruitment will mitigate these risks.

### 4. Revised Internal Audit Plan

- 4.1 Due to the lack of capacity and capability within the Internal Audit function, an amended Internal Audit Plan (Appendix C) is presented that details the audits that the current Internal Audit team are proposing to complete this financial year.
- 4.2 The Internal Audit plan agreed by the Audit and Corporate Governance Committee at the 19 July 2023 meeting had 28 audits for delivery in FY2023/24. The proposed revised plan submitted to this Committee highlights 18 audits that the Internal Audit function is proposing to deliver, whilst incorporating the parallel run of the new AuditBoard application as well as recruitment to address staffing issues.
- 4.3 The following audits will not be undertaken in FY2023/24:

<b>Directorate</b>	<b>Audits (merged/cancelled/deferred)</b>	<b>Reason</b>
People Adults	CQC Regulatory Inspection	Corporate Improvement Scrutiny Committee has undertaken a review of the Council's inspection readiness and therefore there is no need to complete this audit.
Place and Community	Libraries	The scope of the Cash Collection and Cash Management audit has covered this area.

	Car Parks	The scope of the Cash Collection and Cash Management audit has covered this area.
Housing, Property and Planning	Assets	There is already an audit planned for the asset disposal programme. The additional audit on assets had not been scoped and in view of the work being undertaken on an Estates Strategy, it is deemed appropriate to delay this audit.
Finance, Commercial and Resources	Business Rates	FY2022/23 audit of Business Rates was finalised in May 2023 (Reasonable Progress). Agreed to undertake audit in FY2024/25.
	Procurement	There has been an external review of Strategic Commissioning and there are large scale changes in legislative framework coming into force in 2024, therefore delaying the audit will allow those changes to be introduced and embedded into practice.
	Budget Setting and Budgetary Control	FY2022/23 audit finalised in August 2023 - To allow sufficient time between audits this is deferred to 2024/25 especially given there are new processes being put into place so this will allow time to assess their effectiveness.
	Legal Services Contract	No previous audit ever undertaken, and scope would consider whether this is an audit of the function or of the effectiveness of the monitoring arrangements. This was considered to be a lower risk.
	Grants	This audit deemed less risk compared to other areas in Finance therefore deferred to FY2026/27.
Strategy and Improvement	Business Continuity and Emergency Planning	This has been deferred after discussion with the Executive Director. There is an ongoing internal review to improve BC and EP. Internal Audit were asked to allow this to be completed, and then perform the audit.
	Starters, Movers and Leavers Process	This has been deferred to FY2024/25. The Human Resources teams have identified deficiencies and are working to review current processes, make improvements and strengthen internal controls.
	Cyber Security and Cyber Risk	ITC and Digital have been working to strengthen and enhance SBC's



		cyber security. This is not expected to be completed before March 2024, and due to the technical nature, may be outsourced to a third-party professional services organisation early in the new financial year.
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- 4.4 In addition, there is an indicative audit plan for FY 2024/25 for the next 3 years, which includes some audits that have been deferred from the current audit plan to the following financial year. However, it should be noted that the proposed audits are for illustration only as no discussions have been held with Executive Directors . Furthermore, no planning for the FY2024/25 can be undertaken without a review of the Directorate or Corporate Risk Registers or agreed without the approval of the Audit and Corporate Governance Committee.
- 4.5 Areas of the Council that can be audited are listed in Appendix C, together with an indicative ‘forward plan’. Members of the Committee are welcome to review and suggest any areas that they feel should be brought forward to FY2024/25 to the Chair of the Audit and Corporate Governance Committee.
- 4.6 In January 2024, the FY2024/25 audit planning process will commence with discussions with the Executive Directors. We will ascertain areas where they require assurance on governance, risk management and internal controls, formulating a high-level scope of the audits and timings through the financial year. Discussion will also be held with the Chair of the Audit and Corporate Governance Committee to receive member input into the proposed audit plan. The March 2024 Audit and Corporate Governance Committee papers will include a draft audit plan for FY2024/25 for the Committee’s approval.
- 4.7 The plan also takes into consideration the parallel running of the AuditBoard application to our current delivery of audits in progress and any additional training required for new members of the team. We are asking the Committee to consider current circumstances and accept our proposed strategy to provide audit coverage over the next 3 years.

## 5. Implications of the Recommendation

### 5.1 Financial implications

- 5.1.1 There are no direct financial implications relating to the updates to the internal audit recommendations, but completion of the actions will improve the Council’s processes including those that underpin sound financial management, governance, risk management and internal control.

### 5.2 Legal implications

- 5.2.1 Failure to address those risks associated with the Directions from the Department for Levelling Up, Housing and Communities will impact the ability to secure the Authority’s compliance with the requirements of Part I of Local Government Act 1999. The Council has specific legal duties in relation to certain areas, such as managing health and safety risks and civil

contingency. Effective internal audit is a key part of providing assurance on the adequacy of governance, risk management and internal control.

5.2.2 This Committee is responsible for providing an independent and high-level focus on the audit assurance and reporting arrangements that underpin good governance and financial standards. This includes overseeing internal audit. The Committee's terms of reference include making appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations, to consider reports from the head of internal audit on internal audit's performance during the year, including receiving updates on the work of internal audit setting out key findings, issues of concern and actions in hand.

### 5.3 **Risk management implications**

5.3.1 Having in place an adequate internal audit function is a critical responsibility of a local authority. Failure to operate an adequate internal audit function heightens the risk of poor governance, internal control, and risk management. The draft best value guidance refers to Governance as one of seven best value themes. An indicator of potential failure is having an internal audit function which does not meet the PSIAS and fails to consider identified high risks.

### 5.4 **Environmental implications**

5.4.1 There are no direct environmental implications in this report.

### 5.5 ***Equality implications***

5.5.1 *Section 149 of the Equality Act 2010 requires public bodies to have due regard to the need to:*

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected character.

## 6. **Background Papers**

None

Appendix A - Overdue High Risk Actions

Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 15 December 2023)	Age Analysis	Updates Received since November 2023 Audit and Corporate Governance Meeting
21/22	24.21/22 GDPR Governance	The Data Flow Capture Spreadsheet will be updated to include the following areas: • name and contact details of joint controller (if applicable); • categories of individuals; • names of third countries or international organisations that personal data are transferred to (if applicable); • safeguards for exceptional transfers of personal data to third countries or international organisations (if applicable); • Data Protection Act 2018 Schedule 1 Condition for processing; • GDPR Article 6 lawful basis for processing; • link to retention and erasure policy document; and • whether personal data retained and erased in accordance with the retention policy document - reasons for not adhering to retention policy document (if applicable).	High	Alex Cowen	Sarah Hayward	Strategy and Improvement	ICT and Digital	30/09/22	Overdue	437	> 1 Year < 2 Years	Need to confirm Information Asset Owners following the restructure. ICT&D need to replan approach to complete action.  No ETD provided
21/22	29.21/22 Cyber Essentials	The Council will ensure that its IT estate is brought up to date in terms of patching as soon as possible	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/10/2022	Overdue	406	> 1 Year < 2 Years	ICT&D are now regularly patching the IT estate. Only item outstanding is to document to the process as specified in the audit action.  Action should be completed in January 2024.

Appendix A - Overdue High Risk Actions

Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 15 December 2023)	Age Analysis	Updates Received since November 2023 Audit and Corporate Governance Meeting
22/23	7.22/23 Leavers Process	We will ascertain why a leavers report was not provided to IT for April 2022 and take any action to ensure reports are provided consistently. Where reports are not received in the first week of the month, the IT Team will confirm with HR whether there are any leavers.	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	30/09/22	Overdue	437	> 1 Year < 2 Years	There were no leavers in March 2022 hence no report. HR and ICT&D are currently implementing a new JML process to ensure the complete end to end process is managed effectively with the correct workflow.  No ETD provided
22/23	10.22/23 Council Tax	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off	High	Laverne Belle	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	72	Three Months	Work continues of the preparation of the bulk write-off request and due to the sheer numbers of accounts involved this has taken significantly longer than originally envisaged.  Current ETD - March 2024
22/23	12.22/23 Housing Benefits	We will implement a process whereby we will cleanse the data available on accumulated aged debt and look to maximise recovery potential and write off any debt that we consider cannot be recovered. This will include a periodic report on accumulated aged debt.	High	Baljit Nijjar	Thomas Mulloy/Ruth Hodson (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	72	Three Months	Following the recent DWP improvement teams visit we are awaiting their support to review the collection of outstanding and new debt. Once that review has happened we will agree a bulk write-off of uncollectable debt.  Current ETD - March 2024
22/23	9.22/23 General Ledger	An exercise will be completed to identify all tasks to be completed as part of the month end process. A full month end timetable will be prepared, and tasks will be assigned to appropriate staff members. The completion of tasks will be confirmed each month to a relevant manager responsible for overseeing the closedown process. (Restated from 2021/22, we noted that this High action was reported to the Audit & Corporate Governance Committee as overdue	High	Jasvinder Dalvair	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	255	> Six Months < 1 Year	A full month end timetable is in place but there is no detail or breakdown of Finance tasks listed that should be completed. There is only a high level review of key milestones so this action has not been closed.  Current ETD - March 2024
22/23	9.22/23 General Ledger	The Council will review the password functions within Agresso to ensure that: • Password require changing on a periodic basis; and • Acceptable passwords will be subject to rules (certain lengths and unique characters to strengthen them and minimise the possibility of a security breach.	High	Steve Yeo	Tom Mulloy (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/23	Overdue	255	> Six Months < 1 Year	Not actioned yet - discussion underway with IT to establish the SSO progress. If not implemented, then alternative solution will be sought to address this gap.  No ETD provided
22/23	9.22/23 General Ledger	The Council will complete an exercise to identify those roles/positions requiring access to Agresso finance functions and the access/functions required. Based on this the Council will implement a training programme covering finance functions on Agresso. Training will be a requirement before system access is granted and will focus on the processes required as part of job roles. (Restated from 2021/22, we noted that this High action was reported to the Audit Committee as overdue)	High	Thomas Mulloy/Steve Yeo	Adele Taylor	Finance and Commercial	Finance and Commercial	31/03/23	Overdue	255	> Six Months < 1 Year	Due to turnover of staff, this has not been carried out. However, work is underway to develop a clear plan to address this gap. Target date now Sept 2024 - this will factor in the recruitment of senior roles within the Systems team to help deliver the work programme  Current ETD - September 2024

22/23	14.22/23 Follow Up IT Business Continuity and Disaster Recovery	The DR Policy The Council will document a Disaster Recovery Policy, independent of the Disaster Recovery Plan	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/03/23	Overdue	255	> Six Months < 1 Year	Need to undertake a review of policies in this space to see how detailed these are. Will also need to understand how a specific DR policy will work alongside our more general approach to business continuity.  No ETD provided
22/23	4.22.23 Workforce recruitment and retention	As part of reviewing and updating the recruitment process, the following will be incorporated into procedure documents:	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/06/23	Overdue	164	Six Months	This will be completed 31 March 2024 when recruitment processes will be updated to complement this system and training completed. Updated in HRDLT.  Current ETD - March 2024
22/23	4.22.23 Workforce recruitment and retention	Following the completion of service delivery plans for each service, outcomes relating to recruitment (such as hiring additional staff and restructuring) will be identified and referred to HR. Implications from the outcomes will be assessed and used to define recruitment initiatives.	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/09/23	Overdue	72	Three Months	No update or ETD provided
22/23	16.22.23 Rent Arrears Recovery – Full Follow Up	An action plan will be put in place and monitored in order to resolve the problems and known issues surrounding the new Housing System. This will set out clear activities, responsible officers, and deadlines. We will additionally consider escalation of risks to the corporate risk register.	High	Carol Maduka	Adele Taylor	Finance and Commercial	Revenues, Benefits and Charges	30/06/23	Overdue	164	Six Months	An action plan is in place and some issues have been resolved but others remain outstanding. There is now an NEC programme board in place to monitor the position.  Current ETD - March 2024
22/23	19.22/23 Creditors	We will develop an efficient method to output new suppliers over a given period of time for audit testing. In addition, we will complete the following checks as part of setting new suppliers up: •supplier names against existing supplier accounts; •supplier addresses against existing supplier accounts; •bank details against existing supplier accounts; and •verification of bank details being input for new supplier accounts.	High	Jasvinder Dalvair, Interim Finance Manager	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/10/23	Overdue	41	Two Months	We're currently reviewing our final 35 suppliers and cross-checking with the departments to clarify why there are two suppliers with different names but the same bank details open."  Current ETD - March 2024
22/23	19.22/23 Creditors	We will undertake a review of all supplier accounts on Agresso and remove any duplicates.	High	Jasvinder Dalvair, Interim Finance Manager	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/23	Overdue	72	Three Months	We have reviewed 3,795 suppliers from an Agresso report. After this review, we have potentially closed down 857, which were duplicates. Upon further examination of the report, we still need to investigate another 105. Once this is complete, we will have a unique list of suppliers. Additionally, we are implementing a report that will be run at the end of every month to identify and address any duplicate suppliers.  Current ETD - March 2024
22/23	22.22/23 Temporary Accommodation	In line with current plans, the Council will ensure that an up-to-date Housing Strategy and Homelessness Strategy is created. Additionally, progress against the action plan will be periodically monitored by an appropriate forum.	High	Chris Stratford, Director of Housing	Pat Hayes	Housing, Property and Planning	Housing	31/10/23	Overdue	41	Two Months	The Housing Strategy development will be complete by December 23. This has been held up as additional needs assessment work was required and also to allow work to be aligned with the Safe Homes strategy also being completed by Campbell Tickell.  Current ETD - December 2023

22/23	22.22/23 Temporary Accommodation	The Council will take action to improve the Council's rent arrears profile for those housed in TA. Collection rates will be reviewed via KPI reporting.	High	Caroline Bartos, Group Manager - Accommodation	Pat Hayes	Housing, Property and Planning	Housing	30/09/23	Overdue	72	Three Months	A spreadsheet with data required to set up all outstanding rent accounts will be forwarded to the NEC Project Team and IT. The NEC and Project Team will then proceed to create all outstanding TA occupancy rent accounts.  Current ETD – End of January 2024
22/23	22.22/23 Temporary Accommodation	The Annual Compliance Statement issued to Private Providers will be reviewed to assess whether the terms and conditions satisfies the Council's legislative duties as a housing provider. Following this, the Council will introduce a monitoring mechanism to ensure: •Providers are only engaged with should they have a signed Compliance Statement in place; •These Compliance Statements are reviewed and signed annually.	High	Ian Blake, Special Projects Manager	Pat Hayes	Housing, Property and Planning	Housing	30/11/23	Overdue	11	One Month	Ian Blake has been given a new role as project officer with special responsibility for TA management and compliance. He now works with TA staff and accommodation services to improve compliance standards etc. All landlords have been written to regarding compliance information and ongoing contact now focused on collecting data.  New monitoring arrangements are now being drafted to use once data collected and private sector landlord forum to be established in March 2024. Compliance statements will be reviewed and initiated after all compliance data has been established and landlords contacted.  Current ETD - March 2024
22/23	17.22/23 Health & Safety Full Follow Up	The CLT will determine further steps that can be taken to address training noncompletion. This may include directly contacting individual staff members or targeting directorates once breakdowns can be prepared.	High	Georgina Watson, Senior H&S Professional	Mark Halligan (Pat Hayes)	Housing, Property and Planning	Housing	30/06/23	Overdue	164	Six Months	The H&S team provide this data for each H&S Committee and H&S Board with a request for members to follow up with the relevant staff to ensure completion.  Current ETD - March 2024
22/23	2.22/23 Follow Up Part 1	Management will review governance documentation required for the full year 2023/24 and put these in place to ensure clarity on levels of authority and on financial responsibilities and controls. Key documents will be standardised across the companies.	High	Ellen Little, Commercial Finance Lead	Thomas Mulloy (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/11/23	Overdue	11	One Month	Governance documentation is in place for GRE5, with the exception of the Shareholders Agreement, which is in draft form currently. Strategic reviews of options are ongoing for JEH and DISH in order to establish the future direction of the companies. This may impact the governance documentation needed.  No ETD provided

Appendix A - Overdue High Risk Actions By Aged Analysis (FY2021/22 and FY2022/23)

<div style="background-color: yellow; padding: 2px;"> <b>&gt; 1 Year &lt; 2 Years</b> </div>												
Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 15 December 2023)	Age Analysis	Updates Received since November 2023 Audit and Corporate Governance Meeting
21/22	24.21/22 GDPR Governance	The Data Flow Capture Spreadsheet will be updated to include the following areas: • name and contact details of joint controller (if applicable); • categories of individuals; • names of third countries or international organisations that personal data are transferred to (if applicable); • safeguards for exceptional transfers of personal data to third countries or international organisations (if applicable); • Data Protection Act 2018 Schedule 1 Condition for processing; • GDPR Article 6 lawful basis for processing; • link to retention and erasure policy document; and • whether personal data retained and erased in accordance with the retention policy document - reasons for not adhering to retention policy document (if applicable).	High	Alex Cowen	Sarah Hayward	Strategy and Improvement	ICT and Digital	30/09/22	Overdue	437	> 1 Year < 2 Years	Need to confirm Information Asset Owners following the restructure. ICT&D need to replan approach to complete action.  No ETD provided
21/22	29.21/22 Cyber Essentials	The Council will ensure that its IT estate is brought up to date in terms of patching as soon as possible	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/10/2022	Overdue	406	> 1 Year < 2 Years	ICT&D are now regularly patching the IT estate. Only item outstanding is to document to the process as specified in the audit action.  Current ETD - January 2024.
22/23	7.22/23 Leavers Process	We will ascertain why a leavers report was not provided to IT for April 2022 and take any action to ensure reports are provided consistently. Where reports are not received in the first week of the month, the IT Team will confirm with HR whether there any leavers.	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	30/09/22	Overdue	437	> 1 Year < 2 Years	There were no leavers in March 2022 hence no report. HR and ICT&D are currently implementing a new JML process to ensure the complete end to end process is managed effectively with the correct workflow.  No ETD provided

<div style="background-color: yellow; padding: 2px;"> <b>&gt; Six Months &lt; 1 Year</b> </div>												
Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 15 December 2023)	Age Analysis	Updates Received
22/23	9.22/23 General Ledger	An exercise will be completed to identify all tasks to be completed as part of the month end process. A full month end timetable will be prepared, and tasks will be assigned to appropriate staff members. The completion of tasks will be confirmed each month to a relevant manager responsible for overseeing the closedown process. (Restated from 2021/22, we noted that this High action was reported to the Audit & Corporate Governance Committee as overdue	High	Jasvinder Dalvair	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	255	> Six Months < 1 Year	A full month end timetable is in place but there is no detail or breakdown of Finance tasks listed that should be completed. There is only a high level review of key milestones so this action has not been closed.  Current ETD - March 2024

22/23	9.22/23 General Ledger	The Council will review the password functions within Agresso to ensure that: • Password require changing on a periodic basis; and • Acceptable passwords will be subject to rules (certain lengths and unique characters to strengthen them and minimise the possibility of a security breach.	High	Steve Yeo	Tom Mulloy (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/23	Overdue	255	> Six Months < 1 Year	Not actioned yet - discussion underway with IT to establish the SSO progress. If not implemented, then alternative solution will be sought to address this gap.  No ETD provided
22/23	9.22/23 General Ledger	The Council will complete an exercise to identify those roles/positions requiring access to Agresso finance functions and the access/functions required. Based on this the Council will implement a training programme covering finance functions on Agresso. Training will be a requirement before system access is granted and will focus on the processes required as part of job roles. (Restated from 2021/22, we noted that this High action was reported to the Audit Committee as overdue)	High	Thomas Mulloy	Adele Taylor	Finance and Commercial	Finance and Commercial	31/03/23	Overdue	255	> Six Months < 1 Year	Due to turnover of staff, this has not been carried out. However, work is underway to develop a clear plan to address this gap. Target date now Sept 2024 - this will factor in the recruitment of senior roles within the Systems team to help deliver the work programme  Current ETD - September 2024
22/23	14.22/23 Follow Up IT Business Continuity and Disaster Recovery	The DR Policy The Council will document a Disaster Recovery Policy, independent of the Disaster Recovery Plan	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/03/23	Overdue	255	> Six Months < 1 Year	Need to undertake a review of policies in this space to see how detailed these are. Will also need to understand how a specific DR policy will work alongside our more general approach to business continuity.  No ETD provided

< Six Months												
Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 15 December 2023)	Age Analysis	Updates Received
22/23	10.22/23 Council Tax	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off	High	Laverne Belle	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	72	Three Months	Work continues of the preparation of the bulk write-off request and due to the sheer numbers of accounts involved this has taken significantly longer than originally envisaged.  Current ETD - March 2024
22/23	12.22/23 Housing Benefits	We will implement a process whereby we will cleanse the data available on accumulated aged debt and look to maximise recovery potential and write off any debt that we consider cannot be recovered. This will include a periodic report on accumulated aged debt.	High	Baljit Nijjar	Thomas Mulloy/Ruth Hodson (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	72	Three Months	Following the recent DWP improvement teams visit we are awaiting their support to review the collection of outstanding and new debt. Once that review has happened we will agree a bulk write-off of uncollectable debt.  Current ETD - March 2024
22/23	4.22.23 Workforce recruitment and retention	As part of reviewing and updating the recruitment process, the following will be incorporated into procedure documents:	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/06/23	Overdue	164	Six Months	This will be completed 31 March 2024 when recruitment processes will be updated to complement this system and training completed. Updated in HRDLT.  Current ETD - March 2024



22/23	4.22.23 Workforce recruitment and retention	Following the completion of service delivery plans for each service, outcomes relating to recruitment (such as hiring additional staff and restructuring) will be identified and referred to HR. Implications from the outcomes will be assessed and used to define recruitment initiatives.	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/09/23	Overdue	72	Three Months	No update or ETD provided
22/23	16.22.23 Rent Arrears Recovery – Full Follow Up	An action plan will be put in place and monitored in order to resolve the problems and known issues surrounding the new Housing System. This will set out clear activities, responsible officers, and deadlines. We will additionally consider escalation of risks to the corporate risk register.	High	Carol Maduka	Thomas Mulloy/Ruth Hodson (Adele Taylor)	Finance and Commercial	Revenues, Benefits and Charges	30/06/23	Overdue	164	Six Months	An action plan is in place and some issues have been resolved but others remain outstanding. There is now an NEC programme board in place to monitor the position.  Current ETD - March 2024
22/23	19.22/23 Creditors	We will develop an efficient method to output new suppliers over a given period of time for audit testing. In addition, we will complete the following checks as part of setting new suppliers up: *supplier names against existing supplier accounts; *supplier addresses against existing supplier accounts; *bank details against existing supplier accounts; and *verification of bank details being input for new supplier accounts.	High	Jasvinder Dalvair, Interim Finance Manager	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/10/23	Overdue	41	Two Months	We're currently reviewing our final 35 suppliers and cross-checking with the departments to clarify why there are two suppliers with different names but the same bank details open."  Current ETD - March 2024
22/23	19.22/23 Creditors	We will undertake a review of all supplier accounts on Agresso and remove any duplicates.	High	Jasvinder Dalvair, Interim Finance Manager	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/23	Overdue	72	Three Months	We have reviewed 3,795 suppliers from an Agresso report. After this review, we have potentially closed down 857, which were duplicates. Upon further examination of the report, we still need to investigate another 105. Once this is complete, we will have a unique list of suppliers. Additionally, we are implementing a report that will be run at the end of every month to identify and address any duplicate suppliers.  Current ETD - March 2024
22/23	22.22/23 Temporary Accommodation	In line with current plans, the Council will ensure that an up-to-date Housing Strategy and Homelessness Strategy is created. Additionally, progress against the action plan will be periodically monitored by an appropriate forum.	High	Chris Stratford, Director of Housing	Pat Hayes	Housing, Property and Planning	Housing	31/10/23	Overdue	41	Two Months	The Housing Strategy development will be complete by December 23. This has been held up as additional needs assessment work was required and also to allow work to be aligned with the Safe Homes strategy also being completed by Campbell Tickell.  Current ETD - December 2023
22/23	22.22/23 Temporary Accommodation	The Council will take action to improve the Council's rent arrears profile for those housed in TA. Collection rates will be reviewed via KPI reporting.	High	Caroline Bartos, Group Manager - Accommodation	Pat Hayes	Housing, Property and Planning	Housing	30/09/23	Overdue	72	Three Months	A spreadsheet with data required to set up all outstanding rent accounts will be forwarded to the NEC Project Team and IT. The NEC and Project Team will then proceed to create all outstanding TA occupancy rent accounts.  Current ETD – January 2024

22/23	22.22/23 Temporary Accomodation	The Annual Compliance Statement issued to Private Providers will be reviewed to assess whether the terms and conditions satisfies the Council's legislative duties as a housing provider. Following this, the Council will introduce a monitoring mechanism to ensure: •Providers are only engaged with should they have a signed Compliance Statement in place; •These Compliance Statements are reviewed and signed annually.	High	Ian Blake, Special Projects Manager	Pat Hayes	Housing, Property and Planning	Housing	30/11/23	Overdue	11	One Month	Ian Blake has been given a new role as project officer with special responsibility for TA management and compliance. He now works with TA staff and accommodation services to improve compliance standards etc. All landlords have been written to regarding compliance information and ongoing contact now focused on collecting data.  New monitoring arrangements are now being drafted to use once data collected and private sector landlord forum to be established in March 2024. Compliance statements will be reviewed and initiated after all compliance data has been established and landlords contacted.  Current ETD - March 2024
22/23	17.22/23 Health & Safety Full Follow Up	The CLT will determine further steps that can be taken to address training non-completion. This may include directly contacting individual staff members or targeting directorates once breakdowns can be prepared.	High	Georgina Watson, Senior H&S Professional	Mark Halligan (Pat Hayes)	Housing, Property and Planning	Housing	30/06/23	Overdue	164	Six Months	The H&S team provide this data for each H&S Committee and H&S Board with a request for members to follow up with the relevant staff to ensure completion.  Current ETD - March 2024
22/23	2.22/23 Follow Up Part 1	Management will review governance documentation required for the full year 2023/24 and put these in place to ensure clarity on levels of authority and on financial responsibilities and controls. Key documents will be standardised across the companies.	High	Ellen Little, Commercial Finance Lead	Thomas Mulloy (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/11/23	Overdue	11	One Month	Governance documentation is in place for GRE5, with the exception of the Shareholders Agreement, which is in draft form currently. Strategic reviews of options are ongoing for JEH and DISH in order to establish the future direction of the companies. This may impact the governance documentation needed.  No ETD provided



### Opinion: Minimal Assurance

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

### Key findings

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

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

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

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

	High	Medium	Low
Recommendation(s)	3	2	1

# Schools Audit – St. Bernards

Reasonable

## Opinion: Reasonable Assurance

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

## Key findings

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

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

The audit has highlighted the following areas of concern:

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

High

Medium

Low

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Recommendation(s)

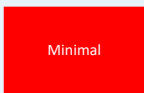
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# Matrix - Management of Agency Staff



## Opinion: Minimal Assurance

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

## Key findings

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

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

The audit has highlighted the following areas of concern:

- Evidence was not provided during the audit to demonstrate that agency bookings and extensions were being consistently requested and approved via business cases submitted to the ECP. Business cases did not consistently outline the steps taken to fill vacancies via permanent hires prior to requesting agency bookings or include consideration of the expected value for money which agency bookings would provide compared to a permanent hire.
- Testing of 20 agency bookings and extensions also identified three instances where pre-employment checks were completed retrospectively after the engagement had commenced, without a risk assessment being completed.
- There were two instances where bookings had been deemed outside of IR35 legislation for tax purposes, but evidence was not retained to demonstrate that the workers tax status had been checked and confirmed.
- Agency bookings were not being periodically reviewed by Directorates and HR Business partners to identify those which could be replaced by permanent hires and those which required extensions.
- The Council also did not have procedural guidance in place on how to request agency bookings through the current ECP process, whilst a strategy to move agency workers onto permanent contracts had not been documented and agreed.

	High	Medium	Low
Recommendation(s)	2	5	1

# Council Tax Audit

Reasonable

## Opinion: Reasonable Assurance

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

## Key findings

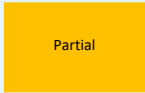
At Slough Borough Council (SBC), Council Tax is administered by the Council Tax Team, who are responsible for the identification, collection and accounting of Council Tax through the Academy system.

The audit has highlighted the following areas of concern:

- Governance and control processes are in place to ensure accurate and timely invoicing of Council Tax. However, there are areas of weakness with undocumented roles and responsibilities (R&R) and defined segregation of duties.
- Policies and procedures are in place but do not holistically cover all processes appropriately such as procedures to ensure monthly reconciliations by the Finance team in Agresso agree to Academy records.
- The draft Council Tax rate preparation process is not robust. Little documentation is maintained, especially as to how rate preparation analysis meets regulatory requirements.
- Documentation and records supporting Council Tax administration are poorly maintained with a reliance on Academy system's output. While correctly set up, only basic controls are in place and additional checks and controls should be employed to further evidence additional work undertaken to monitor and control deliverables, especially where work is undertaken by other teams.
- Internal processes could be enhanced further to efficiently deliver high quality outputs and reports. Check point reports and review of other teams as far as Council Tax work is concerned should be undertaken to maintain ownership.

	High	Medium	Low
Recommendation(s)	0	7	1

# Adults Safeguarding



## Opinion: Partial Assurance

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

### Key findings

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

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

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

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

	High	Medium	Low
Recommendation(s)	2	3	1

# Review of Admissions, School Places and Attendance

Reasonable

## Opinion: Reasonable Assurance

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

## Key findings

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

We identified the following areas of strength:

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

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

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

	High	Medium	Low
Recommendation(s)	2	4	2



# Schools Audit – Wexham

Reasonable

## Opinion: Reasonable Assurance

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

### Key findings

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

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

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

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

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

	High	Medium	Low
Recommendation(s)	0	1	2

# Our classification systems

Substantial	<h3>Substantial Assurance</h3>	<p>The framework of governance, risk management and control is adequate and effective.</p>
Reasonable	<h3>Reasonable Assurance</h3>	<p>Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.</p>
Partial	<h3>Partial Assurance</h3>	<p>There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.</p>
Minimal	<h3>Minimal Assurance</h3>	<p>There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.</p>

## Recommendation

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



APPENDIX C

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## SLOUGH BOROUGH COUNCIL

REVISED DRAFT Internal Audit Plan 2023 - 2024

To be presented at the Audit and Corporate Governance Committee meeting of: 17 January 2024

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

To the fullest extent permitted by law, SBC Internal Audit will accept no responsibility or liability in respect of this report to any other party.

# EXECUTIVE SUMMARY

Our revised Internal Audit Plan for 2023/24 is presented for consideration by the Audit and Corporate Governance Committee (ACGC). In preparing the Internal Audit Plan for 2023/24 we have worked with Officers to produce an audit programme which remains mindful of the Council's financial position, significant financial and operational challenges, the Council's improvement and recovery plan position and weaknesses.

The key points to note from this plan are:

## **1) Assumptions for revising the 2023/24 Internal Audit Plan:**

We have done this by considering a range of factors for example, a review of the Corporate Risk Register, the Directorate risk registers made available, our knowledge of issues in the wider sector, meetings with Executive Directors, Assistant Directors, technical guidance and current Internal Audit resource capability and capacity.

- Reviewed the reports submitted to Department for Levelling Up, Housing and Communities (DLHUC) and to the Council.
- The factors that contributed to the issuance of the Section 114 notice and the ongoing efforts to implement the Recovery Plan.
- Continuing process of updating and improving the Corporate and Directorate risk registers.
- Shared all the areas of priority that were identified from our discussions with the Executive Director – Finance and Commercial and members of the Council Leadership Team.

Our audits will look to identify root causes that resulted in the S.114 notice and support the ongoing recovery programme to ensure SBC achieves its objectives and targets.

## **2) Level of Resource:**

We currently have a number of vacant roles, consisting of the Head of Financial Governance, Internal Audit, Counter Fraud, Risk and Insurance, a Senior Internal Auditor, and an Internal Auditor. The revised Internal Audit plan agreed by the Audit and Corporate Governance Committee on 19<sup>th</sup> July 2023 meeting, was to deliver 21 audits through the financial year 2023/24, based on a fully resourced team. However, we will be delivering 15 audits in this current financial year. Our core team will continue to be supported using specialists where appropriate (for example Cyber Security and wider Technology reviews etc).

### **3) Approach to Audit Engagements:**

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

# PROPOSED INTERNAL AUDIT PLAN 2023/24

The table below shows each of the reviews that have suggested are undertaken as part of the internal audit plan for 2023/24, and details the strategic risks linked to these areas which management believe may warrant internal audit coverage.

Internal Audit coverage - Third Line of Assurance									
current (22/23) Corporate Risk Register Ref:	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Audit Area (split by current directorates)</b>									
<b>People (Adults)</b>									
Adult Social Care - Management of Income / Financial Assessments and Charging	✓							✓	
Adult Social Care - Transformation Programme	✓				✓				
Adult Education Service (OFSTED Inspection)		✓						✓	
CQC Regulatory Inspection									✓
Safeguarding						✓			✓
Adult Social Care – End to End Business Process							✓		
<b>People (Childrens)</b>									
Children Missing Education	1, 3			✓	✓				

<b>Schools **</b>	1, 3	✓	✓	✓	✓		✓	✓	✓	✓
Children's Centres		✓								
Slough Children First	1, 3				✓			✓	✓	✓
Enrolment, School Places and Attendance							✓			
Safeguarding	1						✓			
<b>Place and Community</b>										
Strategic Housing Management						✓				✓
HRA		✓								
Housing Benefits		✓	✓	✓	✓	✓		✓		
Regulatory Services (Cash Handling Arrangements)			✓							
Council Buy Backs			✓		✓				✓	
Social Lettings Team				✓						
Temporary Accommodation Strategy	5	✓	✓	✓	✓	✓			✓	
Slough Urban Renewal (SUR)		✓		✓						✓
<b>Parking including Car Parks +++</b>							✓			
<b>Libraries +++</b>							✓			
<b>Housing, Property and Planning</b>										
Leasehold Service Charges				✓	✓		✓		✓	
Contract Management – Osbornes (Repairs, Maintenance, Investment Housing Contract, including statutory safety checks, i.e., lifts, legionella etc)		✓			✓					
Contract Management – Everyone Active (Leisure Contract)				✓						
Contract Management – Bouygues (Facilities Mgmt.)		✓								
Fire Safety			✓						✓	
Planning Performance Agreements (PPAs)				✓						✓

Planning Applications Response Times				✓					✓	
Rent Accounts		✓	✓	✓	✓	✓		✓		
Rent Arrears Recovery	10		✓	✓	✓	✓			✓	
Assets	11	✓	✓	✓	✓			✓		✓
Section 106				✓						
Allotment Charges			✓						✓	
Major Infrastructure Projects (LEP)			✓							
Licensing									✓	
<b>Finance, Commercial and Resources</b>										
Capital Projects – Britwell GP Hub					✓					
Travel and Subsistence							✓		✓	
Transactional Audit (reconciliation/journal vouchers/suspense accounts/debit balances on AP/credit balances on AR, interface)							✓			
Credit Control									✓	
Legal Services Contract								✓		
Asset Disposal Programme							✓		✓	
Cash Collection & Management							✓			✓
Agresso Finance							✓		✓	
Budget Setting and Budgetary Control	10, 11, 13	✓	✓			✓		✓		✓
Medium Term Financial Strategy (MTFS)						✓		✓		✓
Business Rates		✓	✓	✓	✓	✓		✓		✓
Council Tax	10, 11, 13	✓	✓	✓	✓	✓	✓		✓	
Treasury Management	10, 11, 13	✓	✓	✓		✓			✓	
General Ledger	10, 11, 13	✓	✓	✓	✓	✓		✓		✓
Debtors		✓	✓	✓	✓	✓		✓		✓



Payroll	10, 11, 13	✓	✓	✓	✓	✓	✓	✓	✓	✓
Capital Expenditure		✓	✓	✓	✓	✓		✓		
Creditors	10, 11, 13	✓	✓	✓	✓	✓		✓		✓
Grant audits	10	✓	✓	✓						✓
Procurement	10							✓		
Follow Up	All	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Strategy and Improvement</b>										
Starters. Movers and Leavers								✓		
Corporate Health and Safety	7	✓	✓	✓	✓	✓				✓
Conflicts of Interest		✓		✓					✓	
Safety Advisory Group (SAG)			✓	✓						✓
Supplier Duplicate Payments	10				✓				✓	
Business Continuity and Emergency Planning		✓	✓	✓	✓			✓		✓
Matrix	10				✓		✓		✓	
Contract Procedure Rules		✓								
Workforce Recruitment and Retention	6					✓			✓	
Cyber Security and Cyber Risk	9			✓	✓	✓		✓		
GDPR		✓			✓				✓	
IT Business Continuity	8, 9				✓	✓				✓
Data Security and Protection Toolkit (previously Information Governance)		✓	✓					✓		
<b>Subsidiary Companies Governance +++++</b>	10, 12			✓		✓	✓			✓
Transformation Plan			✓	✓						
Assurance Map			✓						✓	
Risk Management	All	✓	✓	✓	✓	✓		✓		✓

Governance	All		✓						✓
Governance - Overview and Scrutiny			✓					✓	
Governance - James Elliman Homes			✓	✓					
Governance – Sub Committee Effectiveness		✓	✓						
Agresso HR - Self-Service		✓						✓	
Payroll and HR Interface		✓	✓						
Leavers processes						✓			
Remote and Hybrid Working	9, 14							✓	
Starters, Movers and Leavers Process								✓	
Approach for Cloud Migration	9, 14								✓
<b>Democratic Services</b>									
Whistleblowing		✓	✓	✓	✓	✓		✓	✓
Freedom of Information									✓

## Notes:

\*\* The FY2023/24 Schools Audit is made of two separate audits for two separate schools – Wexham School and St Bernards School.

+++ These audits have been incorporated into the Cash Collection & Management audit.

++++ In FY2023/24 this is a Follow-Up audit to ensure previous audit recommendations have been implemented.

**Slough Borough Council**

<b>Report To:</b>	Audit and Corporate Governance Committee
<b>Date:</b>	17th January 2023
<b>Subject:</b>	Proposed Audit Fees
<b>Chief Officer:</b>	Adele Taylor – Executive Director of Finance and Commercial (S151)
<b>Contact Officer:</b>	Ruth Hodson, Director of Financial Management
<b>Ward(s):</b>	All
<b>Exempt:</b>	No
<b>Appendices:</b>	No

**1. Summary and Recommendations**

- 1.1 This report is to raise Audit and Corporate Governance Committee’s awareness of the increase of price for the Audit Fees as set by the Public Sector Audit Appointments scheme (PSAA).

**Recommendations:**

1. Audit and Corporate Governance Committee note the increased Audit Fee from £98k in 2023/24 to £472k in 2024/25.

**Reason:**

The Audit and Corporate Governance Committee have responsibility to monitor the external Audit arrangements for Slough Borough Council

- 1.2 These fees are reviewed annually and therefore, should be presented to the Audit and Corporate Governance Committee for noting.

**Commissioner Review:**

- 1.3 The Commissioners note the report.

**2. Report****Introduction:**

- 2.1 Slough Borough Council is part of the PSAA scheme. PSAA is responsible for appointing an external auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme. There are 532 public sector organisations that are part of this scheme.

2.2 In September 2023 PSAA went out for consultation on the proposed fees for 2023/24 audit. The costs were calculated using the following formula

- the scale fee for the previous year (2022/23), as the starting point;
- adding in fees for any changes in the audit work now needed, replacing the need for fee variations where possible; and
- taking the total of the previous scale fee plus the additional work needed (a plus b) and applying the procurement adjustment of 151% for the new contract rates for audit firms

2.3 As part of the consultation 70% of respondents agreed with the approach to fee setting even though there is an understanding this would let to a significant increase in the fees.

### **3 Implications of the Recommendation**

#### **3.1 Financial Implications**

3.1.1 This Audit fee (base fee) has increased for 2022/23 accounts from £98k to £472k in 2023/24 accounts. However, due to this early consultation the pressure was incorporated into the budget setting process with the draft budget being presented to Cabinet on the 18<sup>th</sup> of December 2023.

#### **3.2 Legal Implications**

3.2.1 The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities. In response to the Redmond Review, the Government published a policy paper in 2020 emphasising the importance of a robust local audit system and transparent local authority financial reporting to ensure value for money services are being delivered for taxpayers. Since that date, there have been some well publicised failures in local government and the delays in auditing of local authority accounts are seen as a contributing factor.

3.2.2 In July 2023 the Minister for Local Government wrote to the Chair of the relevant select committee about the issues and potential next steps to deal with the local audit delays. This included how to manage audit fees for historic years in the event that the amount of work required for the audit changes.

3.2.3 Like the majority of local authorities, the Council has opted into the Public Sector Audit Appointments and is therefore bound by the fees set by PSAA. PSAA conducted consultation and set rates based on the current requirements for audit due to the need to publish rates by 1 December 2023. Any subsequent changes in national requirements or local circumstances relating to the 2023/24 audits will therefore be the subject of fee variations. The PSAA conducted a procurement for audits covering 2023/24 to 2027/28 and new contracts were awarded to six audit firms. The procurement highlighted the limited audit capacity available to meet the demands of the local government audit market and resulted in an increase of 151% on total fees for local audit work. PSAA has publicly stated that it is aware of the significant financial pressures on all local government bodies but that the fee scale for 2023/24 is largely determined by two factors: the audit work required to deliver compliant audits and the market rates received in the public procurement.

### **3.3 Risk Management Implications**

3.3.1 As it is a statutory requirement to have external auditors this payment must be made.

### **3.4 Environmental Implications**

3.4.1 There are no direct environmental implications in this report.

### **3.5 Equality Implications**

3.5.1 There is no identified need for an Equality Impact Assessment.

## **4 Background Papers**

None

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