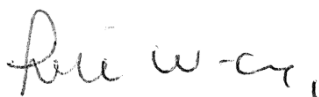


Date of issue: Wednesday, 11 September 2019

MEETING:	AUDIT AND CORPORATE GOVERNANCE COMMITTEE (Councillors Sabah (Chair), Wright (Vice Chair), Ali, Hussain, D Parmar, S Parmar and Plenty) CO-OPTED INDEPENDENT MEMBERS: Alan Sunderland and Iqbal Zafar PARISH COUNCIL MEMBERS: Parish Councillor Brooker (Britwell) Parish Councillor Escott (Colnbrook with Poyle) Parish Councillor Ahmed (Wexham Court) INDEPENDENT PERSON Dr Louis Lee
DATE AND TIME:	THURSDAY, 19TH SEPTEMBER, 2019 AT 6.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EJ
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 01753 787503

NOTICE OF MEETING

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



JOSIE WRAGG
Chief Executive

AGENDA

PART I

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.	-	-



<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
1.	Declarations of Interest	-	-
	<i>All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 4 paragraph 4.6 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i>		
2.	Minutes of the Last Meeting held on 30th July 2019	1 - 8	All
3.	Risk Management Update - Quarter 2 2019/20	9 - 18	All
4.	Audit and Risk Management Update - Quarter 2 2019/20	19 - 38	All
5.	Internal Audit Progress - Quarter 2 2019/20	39 - 54	All
6.	External Audit Update Report	To Follow	All
7.	LGA Governance Review Proposal	55 - 58	All
8.	Work Programme 2019/20	59 - 60	All
9.	Exception Reporting to Overview and Scrutiny Committee	-	All
10.	Members Attendance Record 2019/20	61 - 62	All
11.	Date of Next Meeting - Thursday 12th December 2019	-	-

Press and Public

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

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



Audit and Corporate Governance Committee – Meeting held on Tuesday, 30th July, 2019.

Present:- Councillors Sabah (Chair), Wright (Vice-Chair, from 6.36pm), Ali, Hussain, D Parmar, S Parmar and Plenty

Co-Opted Independent Members: Mr Sunderland and Mr Zafar

Parish Council Representatives: Parish Councillor Escott (Colnbrook with Polye) and Parish Councillor Ahmed (Wexham Court)

Independent Person (Observer): Dr Louis Lee

Apologies for Absence:- None.

PART 1

1. Declarations of Interest

None were declared.

2. Minutes of the Last Meeting held on 7th March 2019

Resolved – That the minutes of the meeting held on 7th March 2019 be approved as a correct record.

3. Audit and Risk Management Update - Quarter 1 2019/20

The Service Lead Finance introduced a report that updated the Committee on the finalising of draft Internal Audit reports and the progress of implementing Internal Audit recommendations.

(Councillor Wright joined the meeting)

There were eight reports currently in draft which was a significantly better position than in the past. The Risk & Insurance Officer regularly monitored the progress of implementation and this was set out in section 5.2 of the report. The proportion of completed actions had fallen from 80% to 68% since the previous report, however, Officers considered that overall progress remained good. The Committee queried why five of the eight 'red' management actions identified in the past two years had not been implemented and why there were outstanding recommendations from more than two years ago that had not been implemented. It was noted that the Risk & Audit Board met monthly and prioritised monitoring of high priority actions and Officers explained some of the reasons why actions on business continuity identified in 2016 had not yet being completed. Action had now been taken and the vast majority of business continuity planning actions were now in place.

Members raised a number of other points about specific aspects of the report and the following actions were agreed:

- Outstanding Medium Risk Actions: Neighbourhood ASB Enforcement (page 20 of the agenda). The update was from June 2018 and more recent information from the relevant directorate would be circulated to the Committee.
- Outstanding Medium Risk Actions Appendix to be amended to include a column showing “Revised Implementation Date”, which would also provide further narrative on the status of the audit.
- Outstanding Medium Risk Actions: Contract Procedure Rules (page 27 of the agenda). The small number of overpayments identified was discussed and the Council’s systems and processes were explained. Details relating to amounts of monies identified in duplicate payments and whether these had been recovered would be sent to Committee Members.
- Outstanding Medium Risk Actions: Rent Accounts (page 22 of the agenda). Details of the procedure implemented regarding void properties weekly rental charge stopping in a timely manner would be circulated to the Committee.

The issue of the potential historic overpayment in the Council’s contract with Slough Enterprise Limited was raised again. The Committee was reminded that a full report and discussion had taken place at the previous meeting in March 2019. Officers reiterated that the Council had fully investigated the issue, and taken expert advice, which concluded that a claim could not be substantiated and the matter was therefore closed.

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

Resolved – That details of the Audit and Risk Management Update be noted.

4. Risk Management Update - Quarter 1 2019/20

The Committee considered an update on risk management activity including the current Corporate Risk Register and the amended terms of reference of the Risk Management Board.

Members raised a number of issues during the course the discussion including the risks of the termination of the Arvato contract, which potentially included a reduction in income collection, costs associated with any late payments and reputational damage. Approximately 200 staff would transfer back to the Council from 1st November 2019. The Director of Finance & Resources highlighted that controls had been put in place including a Council-wide Arvato group and internal governance processes to mitigate the potential risks. Members also noted the anticipated benefits from bringing services back in house, which included the opportunities to better utilise IT to deliver the Council’s Transformation Programme.

In relation to the action on Risk Ref 38: Information Governance and GDPR, Councillor Wright asked whether the recruitment of a Data Protection Officer had taken place. Officers would check the position and update Councillor Wright accordingly.

The report was noted.

Resolved –

- (a) That details of the Risk Management Update Quarter 1 2019/20 be noted.
- (b) That the amended Terms of Reference of the Risk Management Board be noted.

5. Internal Audit Annual Report 2018/19

The Internal Audit Senior Manager summarised the Internal Audit Annual Report for 2018/19. The Head of Internal Audit Opinion for the year was positive in that “the organisation had an adequate and effective framework for risk management, governance and internal control.” However, it was noted the audit work carried out over the year had identified further enhancements that could be made and these were detailed on pages 46 and 47 of the agenda.

The Committee discussed the factors influencing the audit opinion and the scope and limitations of audit work. It was noted that the end of year opinion given was the second highest of the four possible opinions the auditor could issue. A Member asked about the finding in the Conflicts of Interest audit that Council and committee minutes did not document whether a potential conflict had been “reviewed for impact.” The Service Lead Governance commented that the report later on the agenda on revisions to the Constitution included further steps to strengthen the Council’s processes in view of the internal audit. Members discussed a number of other questions about some of the findings that had informed the audit opinion including on debtors management and health & safety compliance for Council owned properties used for temporary accommodation.

At the conclusion of the discussion, the Internal Audit Annual Report and Head of Internal Audit Opinion were noted.

Resolved – That details of the Internal Audit Annual Report be noted.

6. Internal Audit Progress Report - Quarter 1 2019/20

The Internal Audit Senior Manager introduced a report that updated the Committee on progress against the Internal Audit Plans.

Fourteen reports had been finalised since the last report to the Committee. Whilst the majority had received positive assurance opinions the Committee

noted that three – Debtors; Creditors; and Follow Up Q4 – had no or partial assurance. It was considered that reasonable progress had been made in implementing recommendations arising from internal audits.

The Committee asked questions about a number of specific audits including those relating to services provided by Arvato and the key findings from the Creditors audit set out in Appendix A. Councillor Plenty asked about the draft report of the Allotments Audit and it was agreed that a copy of the draft audit would be sent to Councillor Plenty and that he would also be advised whether the report could be shared with the Chair of the Allotment Association.

At the conclusion of the discussion, the Internal Audit Progress Report was noted.

Resolved – That details of the report be noted.

7. Statement of Accounts 2018/19

The Service Lead Finance introduced a report that sought approval to publish Slough Borough Council's 2018/19 Statement of Accounts. A draft of the document had been published on the Council website since June and they had been open to public inspection in accordance with regulations.

It was noted that the external audit by Grant Thornton had been delayed due to the limited resources available in the audit sector in the peak period for local government audits. Auditing of the statements had commenced on 16th July and it was therefore expected that the audit report would be presented to the Committee at the next meeting in September 2019.

Members discussed the timing of publication and circulation to the Committee and it was agreed that next year the Financial Statements for 2019/20 would be circulated to the Committee when the draft was published to the website.

After due consideration, the Committee approved the 2018/19 Statement of Accounts for publication.

Resolved – That the Statement of Accounts 2018/19 be approved for publication.

8. External Audit Progress Report and Sector Update

Julie Masci, the Engagement Lead at Grant Thornton introduced a report setting out progress on external audit activity as at July 2019, including the audit of the Council's financial statements, Value for Money and other areas such as the certification of claims and returns.

As had been reported earlier in the meeting, the delivery of the 2018/19 audit had been delayed due to constraints on Grant Thornton's audit resources, namely a lack of available specialist public sector auditors. They decided that a satisfactory audit could not have been completed by the deadline of the end

of July and Grant Thornton had informed the Public Sector Audit Appointments body, taking responsibility for the delay. It was noted that the Council had a responsibility to publish an explanation of why the audited accounts would not be available by 31st July and providing it did this the Council would not be in breach of its requirements under the Audit and Accountability Act 2014. There were no financial consequences to the Council arising from the deferral of the audit, which was now underway.

The Committee noted the update.

Resolved – That details of the External Audit progress report be noted.

9. Revision of the Constitution

The Service Lead Governance introduced a report that sought approval to recommend revisions to the Constitution to Council.

The proposed revisions were summarised. The principal changes were to update the contract procedure rules at paragraphs 16.1 to 16.81 of the Financial Procedure Rules; an amendment to the Code of Conduct to clarify the position regarding the declaration of company directorships; and an additional sub-clause 2.2.4 to the Confidential Whistleblowing Code to provide specific guidance on the process of identifying and raising concerns relating to conflicts of interest and the anonymised publication of details of these breaches.

After due consideration, the Committee agreed to recommend the proposed revisions to the Constitution to Council.

Recommendation to Council – That the revisions to the Council's Constitution, as set out in the report be approved.

10. Annual Governance Statement

The Service Lead Governance introduced a report that recommended approval of the draft Annual Governance Statement for 2018/19. It was a statutory requirement to review the effectiveness of the authority's internal controls and to prepare an annual statement.

The Council sought to follow the guidance set out in the CIPFA/SoLACE Framework for Delivering Good Governance. In relation to Principle B which stated that all meetings should be open to the public, a Member highlighted that the Council's Trustee Committee met in private and the agendas and minutes were not published. The Service Lead explained that the Trustee Committee was not a statutory committee and had been established following external legal advice to strengthen the governance arrangements of a number of trusts for which the Council acted as a corporate trustee. Following the points raised by the Member, further external advice would be sought from the solicitors to check the status of these meetings and, if necessary, any

recommendations to change the processes would be made to the Member Panel on the Constitution.

It was noted that the Cabinet had recently agreed to establish a Commercial Sub-Committee to strengthen the governance on certain commercial and contract management matters. Reference was made to the Sub-Committee but it was not considered by Members to be particularly prominent and it was agreed that this would be considered and reflected in next year's Annual Governance Statement.

At the conclusion of the discussion, the Annual Governance Statement 2018/19 was approved.

Resolved – That the Council's Annual Governance Statement as set out in the Appendix to the report, be approved.

11. Schedule of Activity - Code of Conduct Complaints

The Service Lead Governance introduced a report that updated on the activity undertaken by the Council's Monitoring Officer in relation to the Councillors' Code of Conduct.

For the benefit of new members, the role of the Committee in relation to complaints about councillors or parish councillors was explained and it was noted that the purpose was to receive an overview of activity to ensure that procedures were being followed, rather than discussing details of specific complaints. Members asked a number of questions about the position and outcomes of several of the complaints and the Service Lead answered them where appropriate. It was proposed that a separate report on the lessons learned from Code of Conduct complaints be considered at the meeting in December to identify any trends or patterns. Future reports would also include "Lessons Learnt/Update in Procedures" column.

At the conclusion of the discussion the report was noted.

Resolved – That details of the report be noted.

12. Schedule of Activity - Whistleblowing Complaints

The Committee received an information report that updated on the activity undertaken by the Council's Monitoring Officer in relation to complaints received under the Confidential Whistleblowing Code. The report was noted.

Resolved – That details of the report be noted.

13. Local Government and Social Care Ombudsman - Complaints, Findings and Recommendations

The Committee considered an information report that updated on complaints to the Local Authority and Social Care Ombudsman and the findings and recommendations.

Members asked for further details on the complaint about the Home to School Transport Policy and it was responded that the policy was being reviewed in light of the Ombudsman's findings and would be adopted as soon as possible after the review was complete so that future applications would be considered under a revised policy.

The report was noted.

Resolved – That details of the report be noted.

14. Date of Next Meeting - 19th September 2019

The date of the next meeting was confirmed as 19th September 2019.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.45 pm)

This page is intentionally left blank

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 19th September 2019

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

(For all Enquiries) (01753) 875368

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

RISK MANAGEMENT UPDATE – QUARTER 2 – 2019/201. **Purpose of Report**

To provide the Audit and Corporate Committee with the opportunity to comment on the Corporate Risk Register.

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

That the Committee comment on and note details of the Corporate Risk Register.

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

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

Priorities:

- *Improving Mental Health and Wellbeing*
- *Protecting Vulnerable Children*
- *Housing*
- *Increasing life expectancy by focusing on inequalities*

3b. **Five Year Plan Outcomes**

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

4. **Other Implications**(a) **Financial**

There are no financial implications of proposed action

(b) Risk Management

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

(c) Human Rights Act and Other Legal Implications

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

(d) Equalities Impact Assessment

There is no identified need for an EIA

5. **Supporting Information**

5.1 **Corporate Risk Register**

5.1.1 The Corporate Risk Register, (attached at Appendix 1) was reviewed and updated by Corporate Management Team on the 28th August 2019.

6. **Comments of Other Committees**

There are no comments from other Committees

7. **Conclusion**

Members are requested to comment on and note details of the Corporate Risk Register.

8. **Appendices Attached**

Appendix 1 – Corporate Risk Register

9. **Background Papers**

None

SBC Corporate Risk Register


APPENDIX 1

Report Date	06 Sep 2019
Risk Status	Open
Comparison Date	In the past 3 Month(s)
Risk Level	
Control Status	Existing
Action Status	Outstanding




SBC Corporate Risk Register

All 5 year plan outcomes									
Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority	Latest Review Date
CR 8	Ensuring the effectiveness of resilience plans/ continuity plans for key locations and services.	Dean Trussler	<p>Description The Council's business continuity plan was last reviewed in 2013. The internal audit report in 2016 would provide no assurance that adequate controls are in place. The BCP has not been tested through desk top or simulation exercises.</p> <p>Consequence Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause</p>	<p>I = 4 L = 6 24</p> <p>==</p> <p>==</p>	Dedicated Business Continuity Officer	<p>I = 4 L = 5 20</p> <p>==</p> <p>==</p>	To conclude the delivery programme for implementing Business Continuity Management throughout the authority	<p>I = 2 L = 3 6</p> <p>==</p> <p>==</p>	05 Sep 2019
					External assistance to help develop the plan		<p>Person Responsible: Dean Trussler</p> <p>To be implemented by: 31 Jul 2019</p>		
					There is a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level		<p>A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to; • The roles and contributions of staff to the effectiveness of BCM within the Council</p> <p>Person Responsible: Dean Trussler</p> <p>To be implemented by: 31 Jul 2019</p>		




SBC Corporate Risk Register

All 5 year plan outcomes									
Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority	Latest Review Date
C&C 10	Termination of arvato contract	Neil Wilcox	<p>Description</p> <p>The Council leadership have decided to terminate the contract with arvato w.e.f. 1st Nov 2019. and bring the services back in house.</p> <p>The original termination date of the contract was 2022.</p> <p>The Council now has to TUPE staff back into the council and set up appropriate management structures.</p> <p>Reduction in income collection arvato indifference to fulfilling the terms of the existing contract. Late payment to creditors Halting of various ICT projects with impacts on other major projects Opportunity to reshape the delivery of key inward and outward facing services Damage to reputation</p>	I = 4 L = 5 20 = =	Council-wide arvato group set up Internal Governance set up Project group set up RAID log jointly managed Strategic Meetings every month to ensure business as usual	I = 3 L = 3 9 	Person Responsible: To be implemented by:	I = 3 L = 3 9 = =	05 Sep 2019

SBC Corporate Risk Register




All 5 year plan outcomes									
Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority	Latest Review Date
F&A 27	Failure to ensure financial sustainability.	Neil Wilcox	<p>Description The revenue support grant is declining whilst the population in the Borough is growing. In addition there is an increasing demand for the Council's Services. Efficiency savings still need to be made to reduce expenditure, whilst the financial sustainability of the Council in the longer term is reliant on increased levels of income being generated by attracting new businesses to the area. There is limited ability to increase income due to uncertainties over BREXIT and the impact this may have on the Council's ability to raise income.</p> <p>Consequence Failures or delays in the Slough Urban Regeneration programme is likely to produce an extended period of lower than expected income which will in turn impact the quality of services that can be delivered and result in a failure to meet the corporate objectives. Failures or delays in the Slough Urban Regeneration programme is likely to produce an extended period of lower than expected income which will in turn impact the quality of services that can be delivered and result in a failure to meet the corporate objectives. Reputational Damage</p>	<p>I = 4 L = 4 16</p> 	Assessment of the impact of Brexit on Council finances	<p>I = 4 L = 2 8</p> 	On-going system of budget monitoring by accountants with DMT's	<p>I = 4 L = 2 8</p> 	05 Sep 2019
					Budget Monitoring Reports to Members, Corporate Management Team, Departmental Management Teams		<p>Person Responsible: Barry Stratfull</p> <p>To be implemented by: 31 Mar 2020</p>		
					External experts used to carry out financial analysis. 5 Year Plan in place		Medium Term Financial Strategy is produced each year		
					Medium term financial strategy		<p>Person Responsible: Barry Stratfull</p> <p>To be implemented by: 31 Mar 2020</p>		

SBC Corporate Risk Register

All 5 year plan outcomes									
Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority	Latest Review Date
Gov 2	Ensuring the Council's internal control environment is fit for future.	Neil Wilcox	<p>Description Continued changes in personnel / vacancy / service change have resulted in loss of corporate memory and deterioration in the control framework including adherence with policy, systems, process and procedures. This can result in decisions being made without a firm policy footing or decisions being made often late or without sufficient due process etc. This is applicable to both officers and members.</p> <p>Consequence The Council is therefore at greater risk of being challenged or making a poor decision with sub optimal outcomes.</p>	I = 3 L = 5 15 	Reviewed Code of Conduct for 2018 Reviewed Constitution RSM Internal Audit provides assurance Implementation of Agresso has increased controls Updated financial procedure rules	I = 3 L = 3 9 	on-going review of HR policies Person Responsible: Surjit Nagra To be implemented by: 31 Mar 2020 There is an on-going action of annual reviewing the Constitution Person Responsible: Sushil Thobhani To be implemented by: 31 May 2020	I = 2 L = 2 4 	05 Sep 2019

SBC Corporate Risk Register

Our people will become healthier and will manage their own healthcare and support needs

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority	Latest Review Date
A&C 8	Ensuring that the Frimley Integrated Care System (ICS) reaches a satisfactory agreement between all the partners.	Alan Sinclair	<p>Description Slough needs to deliver a sustainable Health & Care system</p> <p>There are 13 partners on the Board including acute hospital trusts, community trusts and CCGs.</p> <p>Consequence Failure of sufficient funds to be transferred to the Council to provide the social care will result in the Council not agreeing with the consequential reputational damage or the Council being put under greater financial pressure.</p> <p>Slough does not get enough focus to deliver what it needs to deliver</p>	I = 3 L = 4 12 	<p>A voting member of the board</p> <p>Reports are sent to the Wellbeing board and to Scrutiny Panel</p> <p>There is a Wellbeing Board alliance</p>	I = 2 L = 3 6 	<p>Person Responsible:</p> <p>To be implemented by:</p>	I = 2 L = 3 6 	05 Sep 2019

SBC Corporate Risk Register

Our residents will have access to good quality homes									
Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority	Latest Review Date
78	Health & Safety in Properties	Colin Moone	<p>Description if Properties are not being checked e.g. Gas Certs etc., then there could be a detrimental effect to the department as well as the organisation.</p> <p>Currently in the process of checking/inspecting safety risks of buildings. May be a high risk of fires as we SBC are still investigating.</p> <p>Consequence Reputational damage Injury to clients/users</p>	I = 4 L = 2 8 	<p>Ensure that regular safety risks are being conducted and that we are liaising with the correct departments. Also monitoring this regularly and putting the customers first if there are any safety issues. Making sure that we understand the procedure and that it is consistent when dealing with Emergency Planning.</p> <p>Having a dedicated Supply Manager/Property Acquisitions who will be responsible to these checks. They will conduct checks on a regular basis.</p>	I = 2 L = 2 4 	<p>Coordinate whose responsibility it is to conduct these checks - and follow up</p> <p>Person Responsible: Colin Moone</p> <p>To be implemented by: 31 Jul 2019</p>	I = 2 L = 1 2 	05 Sep 2019

SBC Corporate Risk Register

Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents

Risk Ref	Risk Title	Risk Owner	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority	Latest Review Date
D&SIT 1	information Governance and GDPR	Simon Pallett	<p>Description GDPR came in May 2018. .</p> <p>There needs to be a corporate and local response to the implementation of GDPR</p> <p>The section that deal with Information Governance lacks resource</p> <p>As the "go-live" date for GDPR approaches this has meant that workers who understand GDPR and how to mitigate the effects are becoming more valuable to all sectors, making it harder to fill posts with responsibility for GDPR</p> <p>Consequence If there is not an adequate response to GDPR there is a chance that there may fines, criticism from the information Commissioner</p> <p>Damage to reputations</p> <p>Civil Claims for damages</p>	I = 3 L = 4 12 = =	<p>Initial data mapping completed by RSM</p> <p>The Corporate Addendum has been accepted.</p> <p>Vacant post being temporarily covered</p>	I = 3 L = 3 9 = =	<p>advertise Data Protection officer post</p> <p>Person Responsible: Simon Pallett</p> <p>To be implemented by: 31 Oct 2019</p>	I = 3 L = 2 6 = =	05 Sep 2019

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 19th September 2019

CONTACT OFFICER: Neil Wilcox; Director, Finance & Resources
(Section 151 Officer)
(01753) 875368

(For all Enquiries)

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

AUDIT & RISK MANAGEMENT UPDATE – QUARTER 2 2019/20

1. **Purpose of Report**

The purpose of this report is to:

- Report to Audit and Corporate Governance Committee on the progress of finalising draft Internal Audit reports
- Report to Audit and Corporate Governance on the progress of the implementation of Internal Audit recommendations

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

The Committee is requested to comment on and note the Audit and Risk Management Update Quarter 2 2019/20.

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

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

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

Priorities:

- *Improving Mental Health and Wellbeing*
- *Protecting Vulnerable Children*
- *Housing*
- *Increasing life expectancy by focusing on inequalities*

3b. **Five Year Plan Outcomes**

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

4. **Other Implications**

(a) Financial

There are no financial implications of proposed action

(b) Risk Management

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

(c) Human Rights Act and Other Legal Implications

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

(d) Equalities Impact Assessment

There is no identified need for an EIA

5. **Supporting Information**

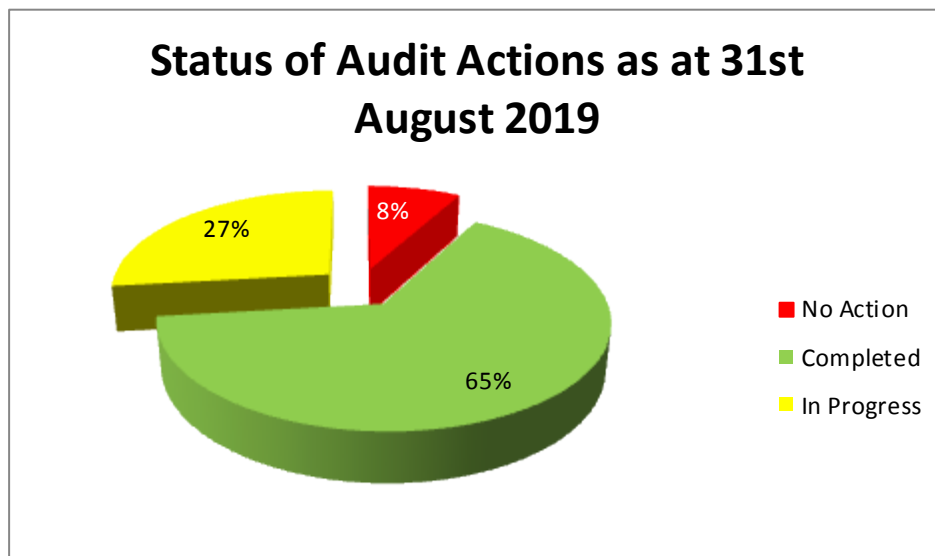
5.1 **Finalising Internal Audit Reports**

5.1.1 The table below shows those “Assurance” Internal Audits that remain in draft and were to be finalised by 31st August 2019

Audit	Audit Plan Year	Audit Sponsor	Assurance Level	Date to be Finalised by	Comments
Council Tax	17/18	Neil Wilcox	Reasonable Assurance	16 th Dec 2017	With RSM Awaiting re-issue of draft
Whistleblowing	18/19	Neil Wilcox	Advisory	5 th Jan 2019	With RSM Awaiting for response to query
Housing Revenue Account	18/19	Neil Wilcox	Partial Assurance	5 th June 2019	
Council Buy-Back	18/19	Joe Carter	No Assurance	8 th June 2019	
Slough Centre Nursey	19/20	Cate Duffy	Reasonable Assurance	11 th July 2019	With School to finalise
Fire Safety	19/20	Joe Carter	Reasonable Assurance	30 th August 2019	In process of finalising

5.2 Monitoring Management Actions

5.2.1 The Risk and Insurance Officer regularly monitors the progress of the implementation of made following Internal Audit reports. Below is a graph that shows the percentage of High and Medium risk recommendations, from the current and two preceding audit years, that have either been implemented, are in progress, or no action has been taken.



The table below summarises the number for each categorisation of management actions together with analysis by Audit Opinion for all Audit Actions

Audit Opinion	Total number of recs agreed.	Target date not reached	Implemented	Being Implemented	Not Implemented	Superseded
Green	15	0	9	0	5	1
Amber	227	28	141	29	28	1
Red	8	0	4	4	0	0
Amber Red	120	11	64	35	9	1
Totals	370	39	218	68	42	3
	100%	10.5%	58.9%	18.4%	11.4%	0.8%

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

5.2.3 The percentage of completed actions has reduced slightly to 65% from last quarters 68%

5.2.4 On a quarterly basis RSM our Internal Auditors conduct a follow up audit to review progress made by the Council to implement the previously agreed management actions.

5.2.7 Attached at Appendix 2 is a list of the "High" Recommendation Actions that remain Outstanding past the target date.

Current Position		Previous Audit Committee	
No Action	Partially Complete	No Action	Partially Complete
0	9	0	12

6. **Comments of Other Committees**

There are no comments from other Committees

7. **Conclusion**

That Members note details of the Outstanding Medium Risk internal Audit Actions and Outstanding High Rated recommendations.

8. **Appendices Attached**

Appendix 1 – Outstanding Medium Risk Internal Audit actions

Appendix 2 – Outstanding High Rated Recommendations

9. **Background Papers**

None

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Asset Register	Medium	31/3/2018	Andrew Pate	The Group Accountant Capital, Treasury and SUR will develop an Asset Management Procedure that clearly outlines the responsibilities of all involved departments and staff. The procedures will clearly outline: <ul style="list-style-type: none"> • How to identify assets; • Responsibility of staff in reporting new assets and disposals to the finance team, the legal team and the asset management team; • Documentation to be held for assets owned by the Council; • Responsibility in recording all assets into the Land Terrier and the Asset Register; • Timeliness and responsibility of reconciliations between the asset values in the asset register and the general ledger; • Timeliness and responsibilities for all involved teams within the asset revaluation process and updating of results. • The process for disposals and acquisitions of assets. • The requirement for the Principal Asset Manager to oversee the preparation and implementation of a physical asset inspection process which will allow the Council to take assurances on the integrity of asset details maintained in asset managed records. Once developed the procedure will be approved by the Capital Strategy Board and communicated across all service lines 	7/2/2019	A procedure is currently being developed and will be complete by mid-February. Asset Management have forwarded their procedure and Corporate Finance will incorporate into an overall document for consideration.
Asset Register	Medium	31/7/2019	Stuart Aislabie	The Principle Asset Manager will produce a work programme to ensure that all updates to assets are brought up to date. Following this, the Principal Asset Manager together with the Service Lead for Finance to ensure that the Terrier system and CIPFA asset register are updated with details of all new assets acquired by the Council as they occur.		

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Capital Expenditure (26.18/19)	Medium	28/2/2019	Sushil Thobhani	The Council will put in place a joint Capital and Procurement Business Case. Prior to being utilised, the new Business Case will be formally reviewed by both the PMO and Procurement team to ensure it captures all necessary information. Following approval, the Business Case will be made available for use via the Staff Intranet and will be used in the approval process of all capital projects.		
Contract Procedure Rules Review	Medium	30/4/2019	Sushil Thobhani	The permissions and segregation of duties within Agresso for the creation and amendment of suppliers will be reviewed by the Service Lead, Finance and the Director of Finance and Resources.	27/8/2019	Management action re-assigned to user: Sushil Thobhani
Contract Procedure Rules Review	Medium	30/9/2019	Claire Portsmouth	The Council will review all expenditure incurred over the OJEU limits ensuring these reviews are evidenced appropriately with a log of management checks being maintained and will take appropriate action where necessary.	11/6/2019	Management action re-assigned to user: Claire Portsmouth
Contract Procedure Rules Review	Medium	31/10/2018	Claire Portsmouth	Through the Finance DMT, controls will be established in the short term to monitor procurement and the use of suppliers, through measures such as the use of approved supplier lists.	17/6/2019	Approved supplier lists should not be used to circumvent procurement procedures, therefore any approved list needs to be in the form of a DPS or Framework. Approved lists can not/should not be created without some sort of competition. The POP will be updated to reflect this. The addition of 'estimated contract value' on the supplier set up should assist with spend tracking.

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Contract Procedure Rules Review	Medium	31/10/2018	Claire Portsmouth	The POP will clarify the responsibility and time periods for the retention and safeguarding of supplier agreements and/or terms and conditions for goods and services. Furthermore, the need for spot checks on compliance with the CPR and FPR to be conducted and reported to the respective DMT will be reclarified and communicated.	11/6/2019	Management action re-assigned to user: Claire Portsmouth
Contract Procedure Rules Review	Medium	30/6/2019	Claire Portsmouth	Expenditure between the £50,000 and the OJEU limits will be periodically checked to ensure compliance with the Contract Procedure Rules and Council's Constitution. Where non-compliance is identified, action will be taken to ensure a contract / terms and conditions are in place.	11/6/2019	Management action re-assigned to user: Claire Portsmouth
Creditors	Medium	30/7/2019	Simon Pallett	The process of inputting bank details for new suppliers will be subject to a verification check by a more senior manager via workflow, ensuring that the correct details have been entered onto the Agresso system.		
Debtors Management	Medium	30/6/2019	Barry Stratfull	The Accounts Receivable team will enquire with the Agresso Support Team as to how the faulty reminder run may have occurred. The outcomes of this enquiry will be used to provide the team with assurance that reminder runs distribute reminders to all relevant debtors. Following the production of a Debt Recovery Policy, the Head of Transactional Finance, will undertake monthly spot checks to confirm compliance against the stipulated debt recovery procedures.	27/8/2019	Cannot conclude as there is no debt management policy yet

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Debtors Management	Medium	31/10/2019	Barry Stratfull	The Council will produce a revised Debt Recovery Policy. The Policy will be reviewed and approved via appropriate forums which include the Operations Board as to ensure oversight from arvato. The policy will be designed to provide guidance to staff chase debt in a systematic manner.	15/5/2019	Target date changed to: 31/10/2019 Original target date: 30/06/2019
Debtors Management	Medium	30/6/2019	Barry Stratfull	The Council will send out guidance to staff to advise them to attach supporting documentation to all credit notes requests. Following this, where credit notes are raised, supporting documentation will be uploaded to Agresso to substantiate the request for raising a credit notes in all cases.	27/8/2019	Guidance will be sent out
Fixed Penalty Enforcement	Medium	30/11/2018	Ginny De Haan	A clear control framework will be put in place to ensure that in line with guidance, income received from the serving of fixed penalty notices is spent on related functions.	29/1/2019	A task and finish group is being established as part of the Corporate Enforcement Group as the service of FPN can potentially occur across the Council and any procedures agreed for the neighbourhood services Team needs to be replicated elsewhere.
Fixed Penalty Enforcement	Medium	30/11/2018	Colin Moone	Fixed Penalty Notice (FPN) templates will be updated to ensure they all reference the following information: •Time and date of offense; •Location of offense; and How the FPN was issued (in person, via post etc.).	12/2/2019	Management action re-assigned to user: Colin Moone

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Fixed Penalty Enforcement	Medium	31/10/2018	Ginny De Haan	<p>The Enforcement Policy and FPN Policy will be revised to ensure they include all areas outlined within DEFRA guidance on Fixed Penalty Notices.</p> <p>Following this, FPN related policies and procedures will be circulated and made readily available to all staff in an appropriate location.</p> <p>The FPN Policy and FPN Appeal Procedure will be and revised to detail a next review date and version control history, including:</p> <ul style="list-style-type: none"> •Details of the changes/review; •Details of who carried out the changes/review; and •Date of update. <p>Moreover, a segregation of duty will be maintained between the staff updating and subsequently approving the policies and procedures, with this clearly being noted on the documents.</p>	20/6/2019	Advised that R&E currently do not have capacity to progress. Given the limited number of FPN issued it is recommended to review actions in July 2019
Fixed Penalty Enforcement	Medium	30/11/2018	Ginny De Haan	<p>The Council will develop a formal process to systematically track income due through to collection, receipting and banking.</p> <p>This will include guidance for undertaking regular, formal reconciliations between income received and records maintained.</p>	29/1/2019	A task and finish group as been set up as part of the Corporate Enforcement Group to recommend a process that can be replicated across the Council.
Fixed Penalty Enforcement	Medium	30/11/2018	Ginny De Haan	<p>The FPN payment reminder templates will be amended to inform alleged offenders of the review process available should they have complaint with regards to an issued FPN.</p> <p>Following this, the Council will ensure that reminder letters are sent to alleged offenders in a timely manner.</p>	29/1/2019	new processes are in place however the evidence to substantiate this has not yet been provided
General Ledger	Medium	30/8/2019	Simon Pallett	<p>In line with the migration to the Milestone 7 system, the Council will enable the password functions to ensure the following:</p> <ul style="list-style-type: none"> •There is a requirement to change password on first sign in from a new user; •Passwords automatically expire and 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). 		

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Governance - Overview & Scrutiny	Medium	31/10/2018	Dean Tyler	As best practice, all relevant interests should be declared by Councillors at the Overview and Scrutiny Committee and recorded. As part of this, the Council will carry out a cost benefit analysis of the Council subscribing to a database (Tracker) which will enable the Council to check periodically if Members are failing to register relevant interests in the Register of Members' Interests or to instruct Internal Auditors to make these checks periodically and to report to the Monitoring Officer on interests not declared in the Register.	31/1/2019	Management action re-assigned to user: Dean Tyler
Governance - Overview & Scrutiny	Medium	30/4/2019	Dean Tyler	As part of the Overview and Scrutiny Committee annual report process, the report will explicitly review the Committee's own effectiveness against the group's objectives, and this will feed into a 'Lessons learnt' action plan that will better enable the Council to review and comment on the report to provide feedback.	31/1/2019	Management action re-assigned to user: Dean Tyler
Health and Safety	Medium	31/10/2019	Robin Pringle	Upon the review of the mandatory training needs based on job role and completion of the senior manager training exercise, training will be appropriately monitored with compliance reported at each Directorate Consultative Forum and any issues escalated to the Health and Safety Board and Corporate Management Team as required.	21/8/2019	Target date changed to: 31/10/2019 Original target date: 30/04/2019
Health and Safety	Medium	31/12/2019	Robin Pringle	The Council will ensure that upon the completion of the actions as per the directorate Health and Safety plans, DMT/ SMT meetings will monitor the performance of health and safety matters such as the following: <ul style="list-style-type: none"> •Review of high level risks and actions identified from risk assessments and self-audits; •Compliance of risk assessments and self-audits; and •Accident and incident statistics. 	21/8/2019	Target date changed to: 31/12/2019 Original target date: 30/04/2019

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Health and Safety	Medium	30/9/2019	Robin Pringle	We will ensure that following the full completion of leadership training by directorate Service leads and of directorate actions plans using the template provided, the implementation process is regularly monitored with a directorate self-audit undertaken annually to assess compliance with the policy and identify any potential new weaknesses requiring attention.	3/6/2019	The business case for procurement has now been approved. This will allow the trainers to be commissioned and a course scheduled. It is anticipated that because of diary commitments the course will be run end the end of summer
Health and Safety	Medium	31/5/2019	Neil Wilcox	We will ensure that the Health and Safety Board are provided with oversight of the progress of actions on directorate action plans at each meeting to ensure that satisfactory progress is made, and any significant issues are promptly escalated to the Corporate Management team.		
Holy Family Catholic School	Medium	31/7/2017	Tina Tushingam	The School will ensure where a DBS check confirmation is not obtained prior to an employee start date, an appropriate risk assessment is undertaken on the employee to ensure they are fit for service.	19/12/2018	Completed as per Tina q3 17/18 Follow up - No action taken
Holy Family Catholic School	Medium	30/9/2017	Tina Tushingam	The School will ensure annual inventory checks are taking place with any discrepancies being investigated. Those discrepancies identified over a predetermined sum will be reported to the Governing Body. To coincide with Asset Tagging.	19/12/2018	Asset tags to be added to equipment in half term Also looking at bespoke asset register systems but this is dependent on costs
Housing Regulation	Medium	31/3/2018	Amir Salarkia	The current suite of indicators will be reviewed to ensure these meet the characteristics of effective performance measures. Once reviewed and agreed, targets will be agreed for each indicator, and performance reported against each target. Flare reporting functionalities will be reviewed to ensure performance can be accurately reported each quarter.	19/12/2018	This has been completed and we can report performance accurately each quarter. q3 found this action incomplete

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
HR Policies and Procedures	Medium	31/3/2019	Surjit Nagra	The Council will formulate an overarching procedural document to inform staff on the processes for the creation, approval, review and communication of all Council policies and procedures. This will include the consultation process as part of new/reviewed policies and procedures.	22/7/2019	Management action re-assigned to user: Surjit Nagra
Information Governance	Medium	31/3/2018	Alexander Cowem	The Information Security Awareness course will be reviewed and updated to ensure and includes reference to the Caldicott Principles. In addition, the Council will consider merging the Information Security Awareness and Data Protection Awareness courses to provide a single course covering data protection and information governance.	10/4/2019	Re-Opened the Recommendation
Information Governance	Medium	31/7/2018	Simon Pallett	The Council will ensure that the draft Digital and IT team structure is approved by the IG Board and the recruitment process is undertaken to ensure that sufficient resources are in place to appropriately oversee information governance arrangements and responsibilities per the Health and Social Care Information Centre guidance are formally assigned.	19/12/2018	Partially Completed as per F&R DMT 17/9/2018. email 2/10/2018 requesting status
Information Governance	Medium	28/2/2019	Surjit Nagra	Training reports will be discussed at monthly DMT meetings and CMT half-yearly and details of the discussion will be recorded in the minutes. Where poor training compliance is observed, actions will be devised in attempt to improve levels of training completed.	10/4/2019	Target date changed to: 28/02/2019 Original target date: 31/03/2018

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Management of Housing Stock	Medium	31/3/2017	Karen Lewis	The Tenancy Strategy and Policy will be reviewed and updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, and subject to the required consultation. Once finalised, it will be updated on the Council website and then reviewed annually thereafter.	19/12/2018	The Social Housing Green Paper was published in August 2018. Work is now underway to analyse the recommendations ahead of significant consultation with tenants, residents, partners and stakeholders as well as internal colleagues to determine the type/s o
Neighbourhood ASB Enforcement	Medium	31/10/2017	Michelle Isabelle	The Policy and Fact Sheets will be re-circulated to all relevant staff, and they will be required to confirm that they have read and will comply with it. Training covering policy application will be provided to ensure consistent understanding and application.	19/12/2018	We reviewed the ASB Policy and confirmed it adequately detailed the strategy and overarching aims of the Council with regards to managing ASB. We noted there were a total of 14 Fact Sheets which were split between 'ASB Policy and Procedure' and 'ASB Legis
Neighbourhood ASB Enforcement	Medium	31/10/2017	Ian Blake	Council staff will be reminded of the need to record details of the notification on Flare within the notes for all ASB cases, to ensure a clear audit trail exists for reported ASB cases. This will be reviewed by the Resilience and Enforcement Team Assistance when assigning cases to ensure the date of notification has been accurately recorded.	23/8/2019	Email for update
Neighbourhood ASB Enforcement	Medium	31/3/2018	Ian Blake	The Council will review and update the ASB categories and types on both Capita and Flare to ensure these are aligned and reflect the categories and types defined within Fact Sheet 6 - ASB Case Management Systems. Training will subsequently be provided to Team Leaders and Officers on definitions of categories and types to ensure correct assignment and consistent application.	23/8/2019	Email for update

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Neighbourhood ASB Enforcement	Medium	31/10/2017	Ian Blake	Team Leaders will ensure that ASB cases are reviewed monthly, and following review and approval, and subsequent dissemination of the ASB Policy, that consistent application of the policy is monitored.	23/8/2019	email for update
Purchasing Cards	Medium	31/3/2018	Sushil Thobhani	As part of the Councils Transparency code, the Council will publish expenditure on purchase cards, broken down by merchant, on its public internet site.	19/12/2018	Moved resp to ST
Purchasing Cards	Medium	31/3/2018	Andrew Pate	The Council will ensure that for all purchase cards in use, a Purchasing Card Agreement Form will be maintained centrally by the Finance team. Financial Limits will be recorded on Cardholder Agreement forms.	7/2/2019	This is being done for all new Purchase Card users. A form was sent out to all existing users asking them to complete and return the cardholder agreement to Lubna Khan. Cardholders were given a two week deadline
Purchasing Cards	Medium	31/3/2018	Andrew Pate	Spot checks by Finance on a sample of submissions each month will be conducted and recorded to ensure that that expenditure on the detailed receipts provided are for official Council purchases and in line with the Purchasing Card Policy.	7/2/2019	Lubna Khan will commence spot checks in February 2019
Rent Accounts (28.18/19)	Medium	28/2/2019	Liz Jones	The Council will ensure that the weekly rental charge for void properties is stopped in a timely manner (the week of the void start date), to avoid the overcharging and subsequent requirement to refund tenants, and as part of this, evidence will be retained to demonstrate that the tenant has been signposted to all documentation that needs to be provided prior to a tenancy being ended.	27/3/2019	

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
School Reviews - St Bernard's Catholic Grammar	Medium	31/3/2019	Paul Kassapain	The School will send guidance to staff to ensure are aware of the desired practices upon receipt of goods that are classified as fixed assets. The School will also perform an exercise to ensure that all assets purchased since the last inventory check (11 April 2017) have been added to the asset register. Additionally, upon receipt of goods that are defined as fixed assets, the School will devise a mechanism that ensures the individual who checks the asset demonstrates when the asset had been added to the register and who by	6/6/2019	In progress of changing software.
Special Educational Needs Funding	Medium	31/12/2017	Ranvir Chahal	The Council will ensure the Local Offer is updated annually with the new SEN Information Report for all schools. In line with the above, the Governing Bodies of each school will ensure their schools are annually reviewing the SEN Information Report, and will ensure review dates for SEN funding information are clear.		
Special Educational Needs Funding	Medium	31/12/2017	Jacqueline Laver	The Council will ensure the Local Offer is updated annually with the new SEN Information Report for all schools. In line with the above, the Governing Bodies of each school will ensure their schools are annually reviewing the SEN Information Report, and will ensure review dates for SEN funding information are clear.		
SUR	Medium	31/1/2019	Joe Carter	The Council will seek assurance that the plans have been approved by JV Partner members prior to the planning of projects. SUR will create a shared drive (restricted to relevant personnel) to enable access to legal documentation.	28/1/2019	Email to Joe requesting status
SUR	Medium	31/12/2018	Joe Carter	The Board will ensure that at least two representatives from each Partner will attend Business Board meetings.		

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Date	Update Detail
Temporary Accommodation	Medium	31/10/2018	Debra Gilbert	The TA Team will obtain an up to date and accurate list of households within TA, the last date of visit and scheduled future visits and will formalise a plan to visit these households in a timely manner.	19/12/2018	This is ongoing. We have a new Officer starting on the 10/12/2018 which will provide us with additional capacity to schedule in visits and update Capita accordingly
Voids	Medium	31/3/2019	Liz Jones	Where possible, Preinspections will be carried out prior to the tenant moving out, where notice is given with the outcomes of this recorded on the CAPITA system. the CAPITA system. Housing Officers will also ensure that an information pack will be included with the appointment letter detailing how to leave a council property and the possibility of recharges for damage or clearance of possessions. A confirmation letter following the pretermination inspection visit will be sent confirming identified reports to be completed before vacation, which will be recorded on the CAPITA system.	10/4/2019	Target date changed to: 31/03/2019 Original target date: 31/07/2018
Voids	Medium	31/3/2019	Trevor Costello	The Capita system will record where recharges have been made and collected to enable sufficient oversight and to enable effective management over the recharges process. The Council will receive regular reports from Osborne in order to raise notification and issue of recharges to tenants and leaseholders.	10/4/2019	Target date changed to: 31/03/2019 Original target date: 31/07/2018

Audit Title	Rating	Target Date	Person Responsible	Management Response	Update Detail
Business Continuity Planning Arrangements	High	30/9/2016	Dean Trussler	<p>"The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level that;</p> <ul style="list-style-type: none"> • Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident; • Takes into account legal and other commitments; • Includes systematic analysis and prioritisation of risk treatments; • Defines the required output from the business impact analysis and risk assessment; and • Specifies the requirements for this information to be kept up-to-date. <p>The business impact analysis will include;</p> <ul style="list-style-type: none"> • Identifying activities that support the provision of services; • Assessing the impacts over time of not performing these activities; • Setting prioritised timeframes for resuming these activities at a specified minimum acceptable level (RTO - Recovery Time Objective), taking into consideration the time within which the impacts of not resuming them would become unacceptable (MTPD - Maximum Tolerable Period of Disruption); and • Identifying dependencies and supporting resources for these activities, including suppliers and outsource partners. <p>The risk assessment will include;</p> <ul style="list-style-type: none"> • Identifying risks of disruption to the Council's prioritised 	A policy was sent to CMT awaiting approval

Outstanding High Risk Actions

Business Continuity Planning Arrangements	High	31/8/2016	Dean Trussler	<p>The Council will develop an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. The policy will set out;</p> <ul style="list-style-type: none"> •Scope, aims and objectives of BCM in the Council; •The Council's commitment to BCM; •The activities that will be required to deliver these; and •Roles and responsibilities of staff in relation to BCM. <p>•Version control to state approval details and next planned review date.</p> <p>Once finalised, the policy will be subject to ratification by CMT and communicated to staff.</p>	A policy was sent to CMT awaiting approval
Business Continuity Planning Arrangements	High	31/3/2018	Dean Trussler	<p>"A formal group will be established to oversee the Council's business continuity agenda. The group's remit will be defined within Terms of Reference which will include;</p> <ul style="list-style-type: none"> • Responsibilities; • Membership and quoracy; • Meeting frequency; and • Accountability and reporting. <p>"</p>	Management action re-assigned to user: Dean Trussler
Creditors	High	31/5/2018	Claire Portsmouth	<p>All amendments to supplier standing data (including changes to email addresses and bank details) will be supported by a fully completed and authorised form (with any relevant correspondence), clearly evidencing the verification checks undertaken and uploaded to Agresso.</p>	Management action re-assigned to user: Claire Portsmouth

Outstanding High Risk Actions

Creditors	High	30/6/2019	Simon Pallett	<p>The Council will implement an amendment tracker, which details the following:</p> <ul style="list-style-type: none"> •The supplier; •The date on which an amendment was requested; •The individual requesting the amendment; •The method of contact (requesting the amendment); •The date on which verification checks were undertaken; •The method of verification check and individual responsible; •The details of the amendment (including type and date of); and •The individuals responsible for amending the account and checking the amendment entry. <p>All relevant staff will be informed of the method for the recording of supplier details amendments. The tracker will be made accessible to all relevant staff.</p>	
Debtors Management	High	30/6/2019	Barry Stratfull	<p>The Finance Team at the Council will conduct a review of all parked invoices, to establish whether there are valid reasons for these invoices not being chased. All invoices where there are no valid reasons for parking will be chased through the Council's debt management process.</p> <p>As part of this, guidance will be provided to Council staff requesting them to only park invoices had it been approved by the Service Lead – Finance and where debts are parked, an audit trail will be maintained on Agresso to support the reasons for parking the debt as well as approval from the Council.</p>	<p>A review has been completed and guidance has been provided the only part that has not been done is unparking the parked invoices. This is due to the amount of invoices that would need to be gone through to ensure that invoices that should be parked remain parked</p>
General Ledger	High	31/7/2018	Simon Pallett	<p>The Council will implement an appropriate password policy that requires passwords to be changed on first sign on from a new user, and that also sets passwords to automatically expire and require changing on a periodic basis.</p>	<p>Management action re-assigned to user: Simon Pallett</p>

Outstanding High Risk Actions

Neighbourhood ASB Enforcement	High	30/6/2020	Colin Moone	<p>The Council will review the current structure and resources within Neighbourhood Enforcement teams and assess whether additional resources are required to ensure ASB cases are responded to in a timely manner.</p> <p>As part of this, the role of the Resilience and Enforcement Team in coordinating ASB activity will be reinforced.</p>	<p>Target date changed to: 30/06/2020 Original target date: 31/01/2018</p>
Temporary Accommodation	High	31/10/2018	Colin Moone	<p>The TA Team will confirm all nightly self-contained properties and bed and breakfast properties have the following in place:</p> <ul style="list-style-type: none"> ☑ a current gas safety record; ☑ carbon monoxide and fire safety precautions; ☑ safe electrics and electrical equipment; and ☑ a valid energy performance certificate. <p>Evidence of each of these will be retained on the TA shared drive. The Team will document when assurances are received and when subsequent review of the property's safety certificates and equipment is due. This information will be actively monitored and where safety records become outdated and invalid, these will be chased with the relevant accommodation provider and escalated to Senior Management within the Council. The TA Team will undertake periodic visits to confirm that the properties have the appropriate safety equipment. The Team will also devise a preferred suppliers list which will be populated with establishments which the Council have confirmed to be compliant with the above requirements.</p>	<p>Details of os Management action asking for update</p>



SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

**For the Audit and Corporate Governance
Committee Meeting on 19th September 2019**

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





CONTENTS

1 Introduction.....	2
2 Summary of progress to date 2018/19 and 2019/20.....	3
3 Other matters	7
Appendix A: Key Findings from finalised 2018/19 and 2019/20 Internal Audit Work (High and Medium priority management actions only where partial or no assurance reports have been issued).....	9
Appendix B: 2019/20 Assurance Opinions.....	14
For further information contact	15

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

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

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

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

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

1 INTRODUCTION

The Internal Audit Plan for 2018/19 was approved by the Audit and Corporate Governance Committee on 8th March 2018. This report provides a summary update on progress against that plan and the 2019/20 plan (approved by the Audit and Corporate Governance Committee on 7th March 2019) as at the 9th September 2019.

2018/19 Internal Audit Plan

We have finalised **one** 2018/19 report since the previous Audit and Corporate Governance Committee meeting held in July 2019.

- Conflicts of Interest – (**Partial assurance**)

A summary of the high and medium actions is provided below in the appendices.

In addition, we the following **three** 2018/19 reports remain in draft:

- Whistleblowing – (**Advisory**) – 21st December 2018
- Housing Revenue Account - (**Partial assurance**) – issued 23rd May 2019
- Council Buy Backs – (**No assurance**) – issued 23rd May 2019

2019/20 Internal Audit Plan

The Internal Audit Plan for 2019/20 was approved by the Audit and Corporate Governance Committee on 7th March 2019. This report also provides a summary update on progress against that plan as at the 9th September 2019.

We have finalised **three** 2019/20 reports since the previous Audit and Corporate Governance Committee meeting held in July 2019:

- Follow Up Q1 (**Reasonable Progress**)
- Allotment Charges – (**Reasonable Assurance**)
- Regulatory Services – Cash Handling Arrangements (**Partial Assurance**)

The partial assurance documented above is discussed in more detail below in Appendix A.

In addition, we have issued the following **four** reports in draft as part of the Internal Audit Plan for 2019/20:

- School Audits – Slough Centre Nursery - (issued 27th June 2019)
- Fire Safety – (issued 16th August 2019)
- Temporary Accommodation – (issued 4th September 2019)
- James Elliman Homes – (issued 6th September 2019)

2 SUMMARY OF PROGRESS TO DATE 2018/19

Reports shown in bold have been finalised. The table below is a summarised version of the audits reported to this committee and the remaining audits.



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


2018/19 Internal Audit Plan

Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
Conflicts of Interest	Q2	Final Report	27th September 2018	6th August 2019		1	6	1
Whistleblowing	Q2	Draft Report	21 st December 2018					
Council Buy Backs	Q4	Draft Report	23 rd May 2019					
Housing Revenue Account	Q4	Draft Report	23 rd May 2019					

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

2019/20 Internal Audit Plan

Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
School Reviews (Penn Wood school)	Q1	Final Report	27th June 2019	8th July 2019		0	0	0
Regulatory Services - Cash Handling Arrangements	Q2	Final Report	2nd August 2019	28th August 2019		5	0	2

Allotments	Q1	Final Report	14 th June 2019	15 th August 2019		7	3	0
Follow Up - Q1	Q1	Final Report	10 th July 2019	29 th July 2019	Reasonable Progress	-	-	-
School Reviews (Slough Centre Nursery)	Q1	Draft Issued	27 th June 2019					
Fire Safety	Q1	Draft Report	16 th August 2019					
Governance - James Elliman Homes	Q1	Draft Report	6 th September 2019					
Temporary Accommodation Strategy	Q2	Draft Report	4 th September 2019					
Major Infrastructure Projects	Q2	In QA						
Risk Management	Q2	In QA						
Safety Advisory Group	Q2	In QA						
Health & Safety	Q2	In QA						
Rent Arrears Recovery	Q2	In QA						
Workforce Planning	Q2	In progress through our employer solutions team						
Council Tax	Q3	In Progress						
Budgetary Control & Financial Reporting	Q3	In Progress						
Assurance Mapping	Q2	22/10/2019						
Treasury Management	Q3	04/11/2019						

Follow Up - Q2	Q2	13/11/2019
----------------	----	------------

Capital	Q3	14/11/2019
---------	----	------------

Rent Accounts	Q3	23/11/2019
---------------	----	------------

General Ledger	Q3	25/11/2019
----------------	----	------------

School Reviews	Q3	02/12/2019
----------------	----	------------

Cash Handling	Q3	04/12/2019
---------------	----	------------

Housing Benefit	Q3	11/12/2019
-----------------	----	------------

Business Rates	Q3	13/12/2019
----------------	----	------------

Assets	Q4	16/12/2019
--------	----	------------

Follow Up - Q3	Q3	02/01/2020
----------------	----	------------

Payroll	Q3	06/01/2020
---------	----	------------

Continuing HealthCare	Q4	13/01/2020
-----------------------	----	------------

Matrix	Q4	20/01/2020
--------	----	------------

Creditors	Q3	21/01/2020
-----------	----	------------

Debtors Management	Q3	30/01/2020
--------------------	----	------------

School Reviews	Q3	07/02/2020
----------------	----	------------

Governance	Q4	10/02/2020
Follow Up - Q4	Q4	23/03/2020
Delivery of the Transformation Programme Board	Q4	To be undertaken by Consulting Team
Heathrow Strategic Planning Group (HSPG)	Q3	To be undertaken by Consulting Team
Direct Services Organisation	Q3	To be undertaken by Consulting Team
Contract Management - Everyone Active Leisure Contract	Q4	To be undertaken by Consulting Team
Emergency Planning / BCP Support	Q2 / Q3	In Progress

3 OTHER MATTERS

3.1 Changes to the 2019/20 audit plan

Auditable area	Reason for change
2019/20 Internal Audit Plan	There have been no proposed changes to the Internal Audit Plan

3.2 Impact of our work to date on 2019/20 year end opinion

The Committee should note that any negative assurance opinions ('No Assurance' or 'Partial Assurance' opinions, or poor or little progress on follow ups) will need to be noted in the annual report and may result in a qualified or negative annual opinion.

Where we have issued any negative opinions, i.e. 'no assurance' (red), 'partial assurance' (amber / red) or 'little or poor' progress follow up reports, these opinions will impact our 2019/20 Head of Internal Audit Opinion for the Council. To date, we have issued one final report over which the Council can take '**partial**' assurance in relation to cash handling arrangements within Regulatory Services. While the review only focussed on one area within the council that receives cash, issues were raised in relation to the processes undertaken to prevent money laundering and the lack of staff knowledge around money laundering, however this report in isolation will not lead to a qualification in the opinion.

Page 46

3.3 Added value specialist support

Area of work	How this has added value
Procurement Support	We were requested by the Director of Finance and Resources to undertake support work to assist the council with the procurement arrangements across the Council.
SLT Presentation	On 9 th September, we provided a presentation to the Senior Leadership Team on how to embed change as a result of Internal Audit assignments, including a refresh on the Internal Audit process, how the Council can get the most value from Internal Audit and a specific focus on the follow up process.

3.4 Information and briefings

The following items were highlighted as part of our information briefings since the last Audit and Corporate Governance Committee in July 2019:

Spending Round

Sajid Javid, the Chancellor of the Exchequer, has presented his Spending Round to Parliament. The Chancellor has announced a funding package of more than £3.5bn for vital council services. This is the biggest year on year real terms increase in spending power for local government in a decade. The fund includes councils receiving £1.5bn for social care next year. The Ministry of Housing, Communities and Local Government (MHCLG) settlement included £422m resource funding to help reduce homelessness and rough sleeping, including an additional £54m in 2020/21. This represents a real term increase of 13 per cent compared to 2019/20. The MHCLG will consult on mandatory accessible housing standards in building regulations, ensuring new properties are built with good accessibility standards to reflect the needs of older and disabled people.

Councils forced to overspend almost £800m on children's social care

Local Government Association (LGA) analysis has showed that despite councils budgeting an extra £542m in 2018/19 and trying to protect children's social care budgets by diverting cash from other local services, councils had to spend £770m more than they planned. Local government leaders say the number of councils spending more than they budgeted for indicates the immense pressure they are under to support vulnerable children and young people. Following the Spending Round, the LGA are pleased that the government has responded to their calls and provided 'desperately-needed' new money, including over £1bn for social care.

Councils invited to apply for digital funding to boost services

Luke Hall, Local Government Minister, has announced that the next round of applications for the £7.5m Local Digital Fund is now open. Councils can apply for funds of up to £350,000 in order to research how to improve public services through innovative uses of digital technology. 16 projects were awarded grants of up to £100,000 last year, with 57 councils working in teams to shape new digital services. Luke Hall stated, 'councils are on the front line of exploring how we can harness technology to improve services while saving taxpayers' money.'

£9m announced to get ports and local areas ready for Brexit

Robert Jenrick, Local Government Secretary, has announced an additional £9m will be made available to ensure local areas and major ports are ready for Brexit. £5m will be given to local councils which either have or are near to a major air, land or sea port and £4m to local resilience forums. The extra funding follows a £20m boost for councils announced in August to ramp-up preparations for leaving the EU by appointing a designated Brexit lead. This brings the total funding allocated by the government to help local areas prepare for Brexit to £77m to date.

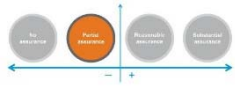
Government readies nation for Brexit with every council to have a designated Brexit lead

Robert Jenrick, Communities and Local Government Secretary, has announced a £20m fund for councils to prepare for delivering Brexit. Each council will be required to designate a Brexit lead to work with central government and oversee teams in every community who will work with stakeholders in their area to plan intensively for Brexit. Robert Jenrick stated, 'local government has a vital role in helping to make Brexit a success and it is absolutely right that together we intensify preparations in every community... I want all of us – central and local government – to be fully prepared for leaving the EU on 31 October whatever the circumstances. I know that we can achieve this, by continuing to work side by side with renewed national focus and intensity.'

£100m migration fund helps alleviate council pressures

Councils are to receive an additional £28m to help ease pressures on local services resulting from recent migration. This brings the total funding from the government's 'Controlling Migration Fund' to over £100m. The fund has helped deliver 'rapid results' for communities including tackling rogue landlords, helping alleviate rough sleepers and boosting community integration. The additional fund will be allocated to 123 projects across England. Lord Bourne, Communities Minister, stated 'each community is unique in the challenges it faces, but the projects we've funded have shown that positive change is possible when people come together and think innovatively about how to support the whole community.'

APPENDIX A: KEY FINDINGS FROM FINALISED 2018/19 AND 2019/20 INTERNAL AUDIT WORK (HIGH AND MEDIUM PRIORITY MANAGEMENT ACTIONS ONLY WHERE PARTIAL OR NO ASSURANCE REPORTS HAVE BEEN ISSUED)

<p>Conflicts of Interest 13.18/19 – Partial Assurance</p>		<p>1 - Low 6 - Medium 1 - High</p>
<p>The key findings from this review are as follows:</p> <p>We identified issues that led to the agreement of one 'High' and six 'Medium' priority management actions:</p> <p>Staff Declarations of Interest</p> <p>We undertook a review of the declaration forms for members of CMT and all Service Leads to identify whether the forms had been completed on an annual basis, and we were unable to obtain the declaration forms for 17 of the 20 individuals in our sample as these were not available at the time of the audit. Of these 17 individuals, we noted that there were seven staff with active directorships according to publicly available information. Of the three forms reviewed, none had been updated in the last 12 months.</p> <p>If updated declaration of interests forms are not completed on an annual basis and filed in a manner to allow for access when required, there is a risk that the Council may not be ensuring that their record of interests is kept up to date and can be referred to when necessary to ensure that potential conflicts relating to senior staff are identified, recorded and managed in a timely manner. (High)</p> <p>Recruitment and Selection policy</p> <p>We identified that although the Recruitment and Selection policy provided clear guidance on the recruitment process to be followed, the requirement for the capture and recording of any potential conflicts declared by new starters was not included within the policy as part of the required pre-employment checks detailed.</p> <p>There is a risk that individuals involved in the recruitment and selection process may not be adequately informed of their responsibility for obtaining declaration of interests from new starters to ensure that any conflicts can be identified, recorded and managed, with appropriate records of interest maintained for each relevant member of staff. (Medium)</p> <p>Declaration of interest guidance</p> <p>We identified that the online guidance was not dated and did not state a date of next review. Additionally, the guidance referred to the use of an electronic system in registering and reviewing interests which is a system that is no longer in use by the Council. It now appears that this Guidance was updated on 15 January 2019</p> <p>There is risk that staff and managers may be provided with outdated guidance relating to the process to be followed for the declaration and review of interests, ensuring that these are updated on a regular basis and stored appropriately. (Medium)</p> <p>Record of member interests</p> <p>Under Section 29 of the Localism Act 2011 the Council's Monitoring Officer must establish and maintain a register of interests of members and co-opted members of the Council. Subject to that Act it is for the Council to determine what is to be entered in the Council's register. Nothing in the act requires an entry to be retained</p>		

in the register once the person concerned no longer has the interest or is (other than transitorily on re-election or re-appointment) neither a member nor a co-opted member.

Under Section 30 of the Localism Act 2011 a member or co-opted member of the Council must before the end of 28 days beginning with the day on which the person becomes a member or co-opted member notify the Council's Monitoring Officer of any disclosable pecuniary interests which the person has at the time the notification is given. Where a person becomes a member or co-opted member as a result of re-election or re-appointment the duty to give notification only applies as regards disclosable pecuniary interests not already on the register.

The Council's Constitution requires members to register in the Council's register of members' interest their disclosable pecuniary interests and their personal interests specified in the constitution within 28 days of their appointment as a member and any changes taking place in their interests.

Section 31 of the Localism Act 2011 requires members and co-opted members who are present at a meeting of the authority or of any committee, sub-committee, joint committee or joint sub-committee who have a disclosable pecuniary interest in any matter to be considered or being considered at the meeting of which they are aware to disclose that interest to the if that interest is not entered in the authority's register. They must also notify the Monitoring Officer of that interest if it is not the subject of a pending notification within 28 days. The member or co-opted member must then also not participate or participate further in any discussion of the matter at the meeting or participate in any vote, or further vote, taken on the matter at the meeting. Breach of this requirement constitutes a criminal offence.

The Council's constitution requires members to withdraw from participation and voting at any meetings where they have declared any disclosable pecuniary interest and also any personal interest where in the member's judgement a member of the public with knowledge of the relevant facts would reasonably regard that interest as so significant that it is likely to prejudice the member's judgement of the public interest.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and include any employment, office (which includes directorships), trade, profession or vocation carried on for profit or gain, any payment towards the members election expenses or costs of acting as a member, any beneficial interest in land in the area of the Council and any interest in the securities of any body having a place of business or land in the area of the Council if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body.

We obtained a sample of minutes for the current financial year from the Cabinet, Planning Committee, Audit and Corporate Governance Committee, Full Council and Licence Committee meetings to confirm that declarations were reviewed at each meeting and these agreed to the declarations stated on the declaration of interest forms. Through review of a sample of committee minutes, we identified that, where declarations had been made at the meetings, we could not identify that these had been recorded on the members external declaration on their website.

There is a risk that conflicted individuals may remain in the meeting and decisions may be made with the influence of individuals who have an interest in the matter being discussed. **(Medium)**

Management of member interests

We were provided with the declaration of interest forms for each of the 42 members and reconciled this information to the Council website and the information held on RSM Tracker (RSM Tracker is a tool that sources and provides publicly available information on active and inactive limited and non-limited companies, directors and shareholders). Through review we noted that there were discrepancies between the information displayed on the form, website and Tracker, with a number of instances where directorships had not been explicitly stated on the declaration of interest forms.

There is a risk that potential conflicts of interests relating to members may not be identified and appropriately managed to ensure that decisions are made objectively the seven principles of the Council including Integrity, Objectivity, Openness and Honesty are upheld. **(Medium)**

Declarations at meetings

We obtained a sample of meeting minutes from decision making committees during the current financial year to confirm that declarations made are reviewed for impact and individuals are withdrawn from meetings where conflicts remain. Through review of the minutes we identified declarations of interest were a standing agenda item for each meeting sampled. However, we identified that where individuals were making declarations, the individuals were not routinely being withdrawn from the meetings and there was no clear documentation of the declarations being reviewed for impact to ensure appropriate action is taken.

There is a risk that decision making committees may not be assured that inappropriately conflicted individuals have been withdrawn from meetings or appropriate actions have been taken to ensure that decisions are made objectively. **(Medium)**

Reporting concerns and managing breaches

We identified that the policy had not been reviewed since May 2017(although we understand that the section on declaration of Members' interests in the Members; Code of Conduct has now been revised and approved by full Council at its annual meeting in May 2019) and specific guidance on identifying and raising concerns relating to conflicts of interest as well as the anonymised publication of the detail of breaches was not included within the Confidential Whistleblowing Code.

There is a risk that staff may not be adequately briefed on the up to date process for raising concerns to ensure that there is a feeling of confidence in raising concerns and a culture of questioning concerns about practice across the Council. **(Medium)**

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	We will ensure that the Recruitment and Selection policy is updated to include guidance on the process for obtaining declarations of interests from new starters as part of the standard pre-employment checks process. Once updated, the policy will be approved and communicated to all staff.	Medium	31 st October 2019	Surjit Nagra Service Lead - People
2	We will ensure that the online guidance on the intranet for declaring and reviewing interests for both managers and staff is updated to detail the current Council process and is subject to review on a regular basis.	Medium	31 st October 2019	Surjit Nagra Service Lead - People
3	We will ensure that any declarations made at meetings are recorded on the Slough Borough Council website and in the meeting minutes. In addition, we will ensure that all council members profiles are present on the Slough Borough Council website and fully up to date.to the extent notified by Members	Medium	31 st October 2019	Sushil Thobhani – Service Lead Governance
4	We will ensure that an exercise is undertaken to update the declaration of interests forms for staff and this process will be repeated on an annual basis. In addition, we will ensure that staff declaration of interest forms are held in an electronic file for each individual to facilitate prompt access where required.	High	31 st October 2019	Surjit Nagra Service Lead - People

5	We will ensure that the six weekly reminders sent to members clarify that “Office” in the definition of disclosable pecuniary interests includes directorships which are for profit or gain and should be declared as interests on the declaration of interest form, with the website to be updated promptly where any new interests have been declared. As part of this, consideration will be given to amending the form to provide clarity of the declaring of directorships.	Medium	31 st October 2019	Sushil Thobhani – Service Lead Governance
6	We will ensure that where declarations are made at decision making committees, these are reviewed for impact, with the individual withdrawing from the meeting where a disclosable pecuniary interest has been declared or where a personal interest has been declared where the member judges that such interest would reasonably be regarded by a of the public as being so significant that it would prejudice the members’ judgement of the public interest prior to decisions being made. Documentation of this review will be recorded in the meeting minutes.	Medium	31st October 2019	Sushil Thobhani – Service Lead Governance
7	We will ensure that the Code of Confidential Whistleblowing is reviewed and updated to include specific guidance on the process for identifying and raising concerns relating to conflicts of interest and the anonymised publication of the detail of breaches.	Medium	31st October 2019	Sushil Thobhani – Service Lead Governance

Regulatory Services – Cash Handling Arrangements 5.19/20 – Partial Assurance



5 - Low
0 - Medium
2 - High

Cash Payments Received Summary - Since January 2019

Area	Total value of cash payments received	Number of cash payments exceeding £1000	Total value of cash payments received exceeding £1000
Crematorium and Cemetery	£43,742.00	18	£41,869.50
Registrations	£35,922.60	0	£0.00
Licensing	£198,820.55	12	£41,680.00
Consumer Protection (Other)	£0.00	0	£0.00
Total	£278,485.15	30	£83,549.50

We noted the following issues, resulting in two high priority management actions

Money Laundering Policy

The Council's Money Laundering Policy is found within the 'Anti-Fraud and Corruption Strategy and Policy' attached to the Constitution. Despite outlining the Council's cash threshold for potential money laundering activities and the reporting actions to be adhered to, we found that none of the service areas reviewed were knowledgeable about the expected money laundering procedures.

Through our testing, we found that since January 2019, in excess of £80,000 in cash payments had been received by the services (30 transactions) that should have provoked preventative money laundering action. Of these, 11 were cash payments exceeding £3,000, however we confirmed during our sample testing that the received amounts agreed to the pricing and charges. Despite this, there remains a risk that without adequate information provided to cash handling staff, and without the staff completing the necessary training (see finding below) that staff may not be complying with the Council's own Money Laundering Policy in receiving large value cash payments when it may not be appropriate to do so. **(High)**

Money Laundering Training

The Constitution outlines the Council's obligation to provide money laundering training to all employees who handle cash as part of their job role. We identified that there is currently an optional 'Money Laundering' module within the 'Fraud Prevention' e-Learning training available to staff.

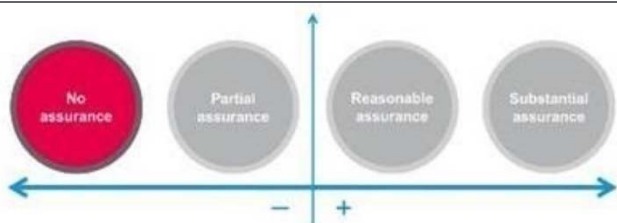
We identified through review that the module's contents did not adequately cover the expected actions in relation to money laundering. Furthermore, we found that none of our sample of ten Regulatory Services staff members tasked with cash handling had completed the training. There is an increased likelihood that money laundering activities are not identified and therefore go unchallenged by receiving staff without appropriate training in this respect. **(High)**

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>Regulatory Services will ensure that all relevant staff members handling cash as part of their respective job roles are made aware of the Money Laundering Policy in place and have read and understood the following:</p> <ul style="list-style-type: none"> • The Council's cash payment threshold for potential money laundering activities (one payment of £1,000 or £10,000 in smaller payments); • The Council's obligations with respect to money laundering; and • The process for reporting and investigating potential money laundering activities. 	High	31 st October 2019	<p>Ginny De Haan</p> <p>Service Lead – Regulatory Services</p>
2	<p>The Council will ensure that the 'Money Laundering' training module is updated to include the processes and procedures expected in instances of potential money laundering activities.</p> <p>Following this, the Council will ensure that relevant staff members handling cash as part of their respective job roles are required to complete the 'Money Laundering' module as part of ongoing training.</p>	High	31 st October 2019	<p>Ginny De Haan</p> <p>Service Lead – Regulatory Services</p>

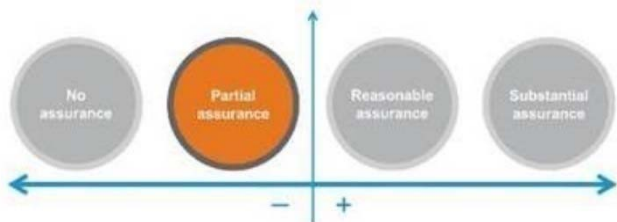
APPENDIX B: 2019/20 ASSURANCE OPINIONS

We are constantly developing and evolving the methods used to provide assurance to our clients. As part of this, we have refreshed our opinion levels in line with the graphics below.

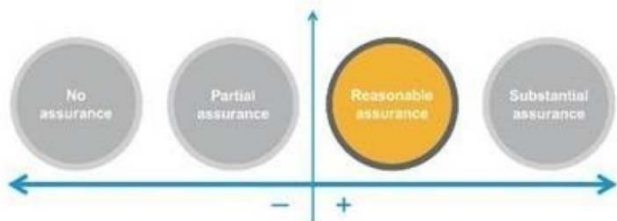
We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



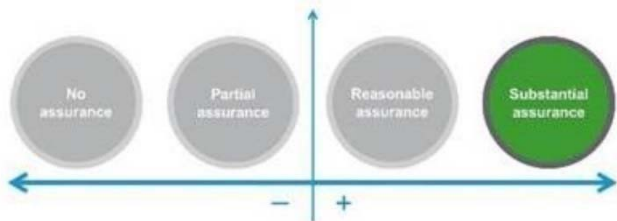
Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



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



Taking account of the issues identified, the Council can take **reasonable assurance** that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the Council can take **substantial assurance** that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

FOR FURTHER INFORMATION CONTACT

Dan Harris, Head of Internal Audit

Daniel.Harris@rsmuk.com

07792 948767

Chris Rising, Senior Manager

Chris.Rising@rsmuk.com

07768 952380

Amir Kapasi, Assistant Manager

Amir.Kapasi@rsmuk.com

07528 970094

April 2019

LGA Governance Review Proposal

Context

Slough Borough Council undertook their first corporate peer challenge in February 2019. Throughout the challenge staff and senior management spoke with commitment and energy about delivering an exciting future for Slough following a period of significant instability. Alongside this there was also a recognition that in order to successfully deliver their ambitions the council should spend time exploring its current governance arrangements and identify a roadmap for future governance that will provide a strong grounding for transparent decision-making and ethical standards.

During the corporate peer challenge there was an acknowledgement amongst all parts of the council that in recent year's governance had not always been as strong as it should be and behaviours and decisions have in some instances not met required standards. This had at times frustrated decision making and led to a propensity for 'workarounds' to be developed to ensure that services continue to be provided. The council undertook an internal governance review in 2018 and has made steps to ensure that governance standards are now functioning more effectively. It was not clear to the peer team to what degree a corporate commitment to improving governance to model the highest standards is either a) fully embedded or b) driving forward improvements in governance and behaviours.

Governance within the organisation appears to be largely transactional with a focus on decisions being taken in the appropriate fora, minuted and actioned. The peer team recommended that the council commission a governance review to explore the extent to which decision making is supported by effective, streamlined, strong and ethical processes. The governance review will provide the council with an independent view on how they can establish a clear roadmap for future governance arrangements which will allow the council to continue its improvement journey and deliver on its transformation and regeneration agenda.

Process:

- To maximise the peer team's time onsite it is proposed that the council undertake a **self-assessment** of its current governance model. This will be shared with the peer team in advance and can help guide the peer team's lines of enquiries whilst onsite.
- The self-assessment will be undertaken in June or July 2019 and will be a light touch process utilising governance toolkits previously used by the Improvement and Development Agency – the pre-cursor to the LGA's Improvement Support team.

- The LGA and lead peer for the governance review will undertake a scoping meeting with senior colleagues at Slough BC, including the Leader, Deputy Leader, Chief Executive and Monitoring Officer in September 2019.
- The onsite period for the governance review will be November or December 2019.

Proposed Timetable

<i>Activity</i>	<i>Timeframe</i>	<i>Responsible</i>
Proposal for review shared with Slough BC and review commissioned	May 2019	Josie Wragg, SBC
Peer team formation	May 2019	Clare Hudson, LGA
Self-assessment undertaken	June or July 2019	Josie Wragg, SBC
Scoping meeting with LGA and lead peer	September 2019	SBC and LGA
Peer team onsite	November or December 2019 – 3 days onsite	LGA
Final report	December or January 2019	LGA
Action Plan	February 2020	SBC
Corporate Peer Challenge Follow Up	September 2020	LGA

The Review will be delivered at no additional cost to the council.

Proposed content:

Good governance is the means by which a public authority shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individuals' integrity, openness and honesty. The review's exact focus and format will be tailored to reflect the council's self-assessment and key challenges and is likely to consider questions such as:

- How well are the benefits of good governance understood across the authority?
- How is good governance and ethical standards in behaviour managed and driven forward in the council?
- How well defined and understood are the respective roles of the Council, the Leader, the Executive/Cabinet, backbench Councillors and the Statutory Officers (HoPS, MO and S151) in (i) policy and decision making, and (ii) operational management?

- Does the council have appropriate controls, frameworks and support in place to support members and officers to make decisions in an accountable and transparent way?
- Are Codes of Conduct in place for, and respected by, elected Members and staff?
- Is a sufficiently robust standards regime in place, with a recognition of member and officer roles and responsibilities?
- Does Scrutiny provide effective challenge to the Executive, which improves policy and decision making?
- How is the council accountable for the decisions it takes, and how it does report on this?
- Does the council adopt leadership styles which are open, inclusive, and engender trust from staff, other partners, and the public?
- How does the council connect with residents and partners in its decision making, and do councillors and senior officers act as effective ambassadors for the council with residents and partners?
- How does the council ensure it is listening to all voices in the community?
- How does the council ensure it is a learning organisation and able to adapt its governance and decision making process to changing circumstances whilst ensuring continuous service improvement?

Peer team

The LGA will identify a team of expert peers with experience of governance challenges from across the sector. The team will likely comprise:

- Chief Executive from a unitary authority
- Monitoring Officer
- Head of Democratic Services
- Member peer – an experienced leader or deputy leader from a Labour led council
- Member peer – an experienced group leader from a Conservative group
- LGA Peer Challenge Manager

The team is anticipated to be onsite for 3 days and will provide a feedback presentation at the end of this period followed by a report and recommendations for the future.

LGA Contacts

Clare Hudson, Peer Challenge Manager, clare.hudson@local.gov.uk, 07909 898324
 Mona Sehgal, Principal Adviser, mona.sehgal@local.gov.uk, 07795 291006

This page is intentionally left blank

AUDIT AND CORPORATE GOVERNANCE COMMITTEE
WORK PROGRAMME 2019/2020

Meeting Date
12 December 2019
<ul style="list-style-type: none">• Quarter 3 Internal Audit Progress Report• Quarter 3 Risk Management Update• Revisions to the Constitution• Exception Reporting to Overview & Scrutiny Committee
5 March 2020
<ul style="list-style-type: none">• Exception Reporting to Overview & Scrutiny Committee• Quarter 4 Internal Audit Progress Report• Quarter 4 Risk Management Update

This page is intentionally left blank

MEMBERS' ATTENDANCE RECORD 2019/20
AUDIT AND CORPORATE GOVERNANCE COMMITTEE

COUNCILLOR	30/07/19	19/09/19	12/12/19	05/03/19
Ali	P			
Hussain	P			
D Parmar	P			
S Parmar	P			
Plenty	P			
Sabah	P			
Wright	P* (from 6.36pm)			
CO-OPTED INDEPENDENT MEMBERS				
Iqbal Zafar	P			
Alan Sunderland	P			

P = Present for whole meeting
 Ap = Apologies given

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

This page is intentionally left blank