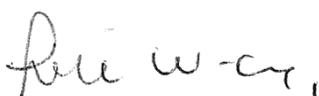


Date of issue: Wednesday, 21 July 2021

<b>MEETING:</b>	<b>AUDIT AND CORPORATE GOVERNANCE COMMITTEE</b> (Councillors Sabah (Chair), Wright (Vice Chair), Ali, Brooker, J Davis, Grewal and Hussain)  <b>CO-OPTED INDEPENDENT MEMBER:</b> Iqbal Zafar  <b>PARISH COUNCIL MEMBERS*:</b> Parish Councillor Sean Wright (Britwell) Parish Councillor Andrea Escott (Colnbrook with Poyle) Parish Councillor Iftakhar Ahmed (Wexham Court)  <b>INDEPENDENT PERSON</b> Dr Louis Lee
<b>DATE AND TIME:</b>	THURSDAY, 29TH JULY, 2021 AT 6.30 PM
<b>VENUE:</b>	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
<b>DEMOCRATIC SERVICES OFFICER:</b> (for all enquiries)	SHABANA KAUSER  07821 811 259

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**

**AGENDA**  
**ITEM**

**REPORT TITLE**

**PAGE**

**WARD**

Apologies for absence.



sustainable  
forest

<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 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i>	-	-
2.	Minutes of the Meetings held on 4th March 2021 and 18th May 2021	1 - 12	-
3.	Action Progress Report	13 - 16	All
<b>GOVERNANCE ISSUES</b>			
4.	Whistleblowing Code and Guidance	17 - 40	All
5.	Schedule of Activity - Councillors Code of Conduct	41 - 44	All
6.	Members Performance Report - May 2020 to February 2021	45 - 50	All
<b>AUDIT ISSUES</b>			
7.	Risk Management Update - Quarter 1 2021/22	51 - 60	All
8.	Internal Audit Progress Report	61 - 100	All
9.	Internal Audit Annual Report 2020/21	101 - 120	All
10.	Internal Audit Plan 2021/22	121 - 148	All
11.	Date of Next Meeting - 30th September 2021	-	-

\* Parish Council representatives are invited to attend and speak on agenda items relating to the Code of Conduct (4 and 5).

Press and Public

**Attendance and accessibility:** 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 any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

**Webcasting and recording:** The public part of the meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The footage will remain on our website for 12 months. A copy of the recording will also be retained in accordance with the Council's data retention policy. 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.

In addition, the law allows members of the public to take photographs, film, audio-record or tweet the proceedings at public meetings. Anyone proposing to do so 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.

**Emergency procedures:** The fire alarm is a continuous siren. If the alarm sounds Immediately vacate the premises by the nearest available exit at either the front or rear of the Chamber and proceed to the assembly point: The pavement of the service road outside of Westminster House, 31 Windsor Road.

**Covid-19:** To accommodate social distancing there is significantly restricted capacity of the Council Chamber and places for the public are very limited. We would encourage those wishing to observe the meeting to view the live stream. Any members of the public who do wish to attend in person should be encouraged to contact the Democratic Services Officer in advance.

This page is intentionally left blank

**Audit and Corporate Governance Committee – Meeting held on Thursday, 4th March, 2021.**

**Present:-** Councillors Sabah (Chair), Wright (Vice-Chair), Ali, Akram, D Parmar, S Parmar and Plenty.

Co-Opted Members Alan Sunderland and Iqbal Zafar.

Parish Councillors Wright (Britwell) and Escott (Colnbrook with Poyle)

Dr Lee (Observer)

**Also present under Rule 30:-** Councillors Dar, Gahir and Strutton

**PART 1**

**29. Declarations of Interest**

None received.

**30. Minutes of the Last Meeting held on 10th December 2020**

**Resolved** – That the minutes of the meeting held on 10<sup>th</sup> December be approved as a correct record.

**31. Action Progress Report**

**Resolved** – That details of the Action Progress report be noted.

**32. Councillor Code of Conduct**

The Monitoring Officer introduced a report which highlighted the recently published Local Government Association Model Code of Conduct for Councillors. Members attention was drawn to key changes which included application of the code, standards of conduct, interests and gifts and hospitality.

The Committee were also reminded of the recommendations made by the Committee on Standards in Public Life in its 2019 report on Local Government Ethical Standards. Progress made on the recommendations were detailed for Members consideration.

**Resolved –**

- a) That details of the LGA new model code of conduct be noted
- b) That progress in implementing the recommendations of the CSPL and specifically on recommendations 2, 3, 5, 7, 9 & 12, as set out in the report, be noted.

**33. Schedule of Activity - Councillors Code of Conduct**

The Monitoring Officer (MO) updated the Committee on activity undertaken on the Councillors' Code of Conduct in relation to complaints received. It was noted that three parish councillor complaints had been received and the matters resolved. In response to whether the Parish Councils had been advised regarding the new Local Government Association model code of conduct, the MO confirmed that they had been provided with the necessary details to do so.

**Resolved** – That details of the report be noted.

**34. Members Performance Report - May 2020 to February 2021**

Agenda item withdrawn.

**35. Internal Audit Progress Report Quarter 4 2020/21**

The Head of Internal Audit provided a summary update against the remaining audits from the 2019/20 internal audit plan and progress against the 2020/21 plan. Since the previous update to the Committee in December 2020, 7 further reports in the 2020/21 audit plan had been finalised of which 3 received partial assurance, 3 reasonable assurance and 1 advisory. Clarification was sought on whether the three high recommendations relating to the IT Patch Management Process had been completed. Details would be obtained and circulated to the Committee on whether the recommendations had been implemented. It was noted that a Cyber Security review was also scheduled in the Internal Audit Plan 2021/22. Speaking under Rule 30, Councillor Strutton asked about the impact of cyber attacks could have on the Council's public liability insurance and it was agreed that this specific issue would be looked into.

Referring to the Debt Collection Agencies review and whether a formal contract was in place with them for works undertaken on behalf of the Council, it was agreed that report to the next meeting would be updated to include this information.

**Resolved** - That details of the Internal Audit Progress Report Quarter 4 be noted.

**36. Internal Audit Plan 2021/22**

Details of the reviews proposed within the Internal Audit Plan (IA) 2021/22 were outlined for Members consideration. The plan had been produced which remained mindful of the continuing developments and challenges around Covid-19. Risk based reviews were linked to the Council's Corporate Risk Register and included amongst others, reviewing key capital projects Tower and Ashbourne and Stoke Wharf development. Follow up audits would be conducted on a quarterly basis and reported to the Committee to provide assurance that agreed actions were being implemented.

Members, including Councillor Strutton speaking under Rule 30, raised concerns in relation to the risks associated with General Data Protection Regulation (GDPR) and the consequences of fines and reputational damage to the Council. The Head of Internal Audit highlighted that a GDPR Post Implementation audit was scheduled within the IA Plan 2021/22 and the review would consider the extent to which the Council was complying with the GDPR requirements.

**Resolved** – That the Internal Audit Plan 2021/22 be agreed.

### **37. Financial Statements 2018/19**

The Committee considered details of the report which set out the latest version of the Statement of Accounts for 2018/19. The accounts were being presented for information only at this stage as officers had recently discovered a possible overstatement of income due from one of the Council's commercial partners. If this overstatement was confirmed then there would likely be an impact on the Council's reserves; which was currently provisionally assessed as being more than £1.6 million. Further work was being undertaken to track the impact of the possible overstatement through the accounts and a definitive figure could not be provided until this exercise was completed. In response to when the overstatement was identified, Members were informed that the issue was discovered on 25<sup>th</sup> February 2021.

Members expressed concern that despite being given assurances at previous meetings that the accounts would be completed for sign off prior to this meeting, yet again the Committee were presented with a draft set. The Section 151 Officer and Chief Executive stated that work had been ongoing for a number of months to produce a final set of accounts and expressed their disappointment at not being in a position to present the final 2018/19 accounts for sign off. It was anticipated that outstanding matters would be resolved imminently and an extraordinary meeting of the Audit Committee would be convened prior to the next municipal year.

A Member asked whether outstanding matters relating to information required from the Berkshire Pension Fund Panel, as reported to the Committee in December 2020, had been obtained and it was confirmed that these details had been received.

Referring to the what the final bill from the external auditors was likely to be, it was reported costs to date were in the region of £223k and that the total cost bill would not be known until the accounts had been closed.

Speaking under Rule 30, Councillor Strutton raised concerns relating to a lack of transparency in the scrutiny of the various limited companies that had been established by the Council. Poor governance and accountability had contributed to a number of issues that had been highlighted as part of the work undertaken on the financial statements 18/19.

**Resolved** - That the latest version of the Statement of Accounts 2018/19 be noted.

### **38. Going Concern Statement - 2018/19 Accounts**

The Section 151 Officer informed the Committee of his assessment of the Council as a “going concern” for the purposes of producing the Statement of Accounts for 2018/19. Details of the likely impact that Covid-19 would have on the Council’s financial position and performance were highlighted as set out in the report.

Members were informed that discussions were ongoing with the Ministry of Housing, Communities and Local Government (MHCLG) to seek permission for a Capitalisation Directive to help balance the budget in 2021/22. A capitalisation directive would permit the Council to capitalise revenue expenditure if it is unable to set a balanced budget and has considered all other options, has limited reserves, and is increasing its Council Tax by the maximum permitted. The direction could only be permitted by the Secretary of State and be granted in exceptional circumstances.

It was noted that the Council required flexibility due to two unique one-off funding pressures arising in 2021/22, namely:

- A 2019/20 Business Rates rebate (of £5.3m) following a Valuation Office Agency Tribunal decision; and
- The Department for Education (DfE) seeking Slough Borough Council to write-off the Slough Children’s Services Trust’s (SCST’s) historic deficit of approximately £5.5m when a new Local Authority Company, Slough Children First, is created from 1 April 2021.

MHCLG officials had indicated that Ministers were minded to permit the capitalisation of £12.200m of revenue spend in 2021/22 to balance the budget.

In the ensuing discussion, a Member asked whether financial support provided by central government covered the financial pressure the council was facing in terms of income lost and additional expenditure incurred due to the pandemic. The Section 151 Officer explained that although a total of circa £20m in general support funding had been given by central government this did not cover all losses. The Council had carried out a detailed assessment of the likely impact of Covid-19 on its financial position and performance during 2019/20, 2020/21 and beyond.

Speaking under Rule 30, Councillor Strutton expressed concern that issues identified previously had not been implemented and referred to the absence of an updated Business Continuity Plan as an example. The Committee were informed that although work was on going with RSM, the Council’s Internal Auditors, to ensure that the plan was updated; the Council had responded to a number of incidents very well (including flooding within the borough and a cyber attack) to ensure business continuity.

**Resolved** – That the assessment of the Council’s status as a “going concern” as a basis for preparing its 2018/19 Statement of Accounts be noted.

**39. Audit Findings Report 2018/19**

Julie Masci, the Engagement Lead at the Council’s external auditors, Grant Thornton, provided an outline of the key findings and other matters arising from the statutory audit of Slough Borough Council and the preparation of the Council’s financial statements for the year ended 31 March 2019 for those charged with governance, as set out in the report.

A number of Members sought assurance that the Council would not find itself in a similar position going forward and asked what measures were being taken to ensure that financial statements were signed off within the prescribed timeframes. The Chief Executive informed the Committee that work was currently being undertaken with the Section 151 Officer to establish a Financial Resilience Project Working Group which would in the first instance carry out an audit of the process and procedure in relation to the 18/19 financial statements but its’ remit would also include a review of the Medium Term Financial Strategy. It was anticipated that work would begin in the first quarter of the next financial year and findings reported to the Committee thereafter. Requests that backbenchers and the Chair of Audit Committee be involved with the work of the Working Group was noted.

The Committee noted details of the Audit Findings Report and agreed that the Cabinet Member with the portfolio for financial governance be invited to give account at the extraordinary meeting that would be convened to sign off the 18/19 financial statements.

**Resolved** - a) That details of the audit findings 2018/19 be noted.  
b) That the Cabinet Member with responsibility for financial governance be invited to the extraordinary Audit and Corporate Governance meeting.

**40. Progress Update on implementation of Internal Audit Actions**

The Executive Director, Corporate Operations provided an update on progress of the implementation of agreed internal audit management actions. The percentage of actions completed were 88% and Quarter 1 and Quarter 2 follow up audits from internal auditors RSM showed that the Council had made “reasonable progress.” The medium priority actions were highlighted, as set in the appendix to the report and it was agreed that Members would be informed as to why the majority of actions were showing a revised completion target date as 30<sup>th</sup> July 2021.

**Resolved** – That details of the report be noted.

**41. General Data Protection Regulation Update**

The Committee received a report which set out details on the number of breaches of General Data Protection Regulation (GDPR) / DPA 2018 and any subject to legal action and to set out responsibility for GDPR / DPA 2018 in the new organisational structure. Details of breaches by service area were outlined and it was agreed that this information would be circulated to Members. From April 2020 to date, there were a total of 23 incidents recorded, of which 1 was reported to the Information Commissioners Office (ICO). In this instance, the ICO deemed no further action necessary and there was no fine applied to the Council.

The Chair requested details of the percentage of staff that had completed the mandatory GDPR training and it was noted that this would be circulated to the Committee. A Member suggested that the issue of adequate training and support for staff relating to GDPR be examined as part of Internal Audit's GDPR Post Implementation Audit scheduled for September 2021.

**Resolved** – That details of the report be noted.

**42. Risk Management Update Quarter 4 2020/21**

Members considered details of the Corporate Risk Register and action required. A Member queried why a number of the risks had no associated actions and it was explained that these issues were being satisfactorily managed which meant that no immediate action was required.

**Resolved** – That details of the Risk Management Update Quarter 4 2020/21 be noted.

**43. Exception Reporting to Overview and Scrutiny Committee**

This was a standing agenda item to provide a formal mechanism to refer relevant matters to the Overview and Scrutiny Committee. No matters were referred.

**Resolved** – That no matters be reported to the Overview and Scrutiny Committee arising from the agenda.

**44. Members Attendance Record 2020/21**

**Resolved** – That details of the Members Attendance Record 2020/21 be noted.

**45. Date of Next Meeting - 29th July 2021**

The date of the next scheduled meeting was confirmed as 29<sup>th</sup> July 2021.

Chair

(Note: The Meeting opened at 6.32 pm and closed at 8.35 pm)

## **Extraordinary Audit and Corporate Governance Committee – Meeting held on Tuesday, 18th May, 2021.**

**Present:-** Councillors Sabah (Chair), Wright (Vice-Chair), Ali, Akram, D Parmar (from 6.46pm), and S Parmar.

Co-Opted Members Alan Sunderland and Iqbal Zafar (until 8.45pm)

Parish Councillor Ahmed (Wexham Court)

**Also present under Rule 30:-** Councillors Smith, Strutton and Swindlehurst.

### **PART 1**

#### **46. Declarations of Interest**

None received.

#### **47. Going Concern Statement - 2018/19 Accounts**

The Associate Director Finance informed the Committee of the S151 Officer's assessment of Slough Borough Council as a "going concern" for the purposes of producing the Council's Statement of Accounts for 2018/19. It was noted that the concept of a going concern assumed that an authority's functions and services would continue in operational existence for the foreseeable future. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting.

Details of the pressures the Council experienced in terms of lost income and additional expenditure due to Covid-19 were highlighted.

The 2021/22 financial position was outlined and it was brought to Members attention that the Council had had discussions with the Ministry of Housing, Communities and Local Government (MHCLG) about seeking permission for a Capitalisation Directive to help balance the budget in 21/22. the Council required flexibility due to two unique one off funding pressures arising in 21/22 – a 19/20 business rates rebate of £5.3m and the Department of Education seeking that the Council write off the Slough Children's Services Trust historic deficit of approximately £5.5m.

Addressing the Committee under Rule 30, Councillor Strutton raised a number of points relating to governance arrangements of the local authority owned companies and concern that the existing senior management team would not be able to take the council forward in delivering the work required as recommended by the external auditors in their Section 24 statutory recommendations. Financial issues identified, which may have been exacerbated by Covid-19, existed prior to the pandemic. Clarification was also sought on when Grant Thornton, the Council's external auditors, informed the Council of their final findings and subsequently when senior management were informed.

## **Audit and Corporate Governance Committee - 18.05.21**

The Associate Director Finance explained that in order to improve the quality of the Council's financial services a series of actions had been instigated which would underpin robust financial management of the Council and enhance its assessment of its going concern status. Work including securing a highly skilled core team of financial experts in various key aspects of Council finances and developing a training programme for the finance team to ensure they were adequately skilled to produce high quality accounts and financial management information. A re-focussed Strategic Finance Board had begun receiving and agreeing financial standards papers with a particular focus on ensuring that the Council's 21/22 budget will balance and its 22/23 targeted savings identified. Final audit reports were received on 9<sup>th</sup> and 10<sup>th</sup> May 2021 and issued later on 10<sup>th</sup> May.

Councillor Smith, speaking under Rule 30, stated that he had queried whether the £5m savings identified for Phase 2 of the Transformation Programme were achievable and that one of the primary reasons that the Council's current levels of reserves only amounted to £0.5m was due to the Council using its own funds for investments in property, plant and equipment and investment property. In response, the Associate Director Finance informed Members that a budget savings exercise was currently being looked at and clarified that accounting errors in the 18/19 accounts had contributed to the reduction in reserve levels and not as a result of purchases made.

Committee Members made a number of comments in the ensuing discussion including;

- Concern that the Council found itself in its current position and that the Council's internal financial processes had significantly failed.
- Disappointment that the Committee had, over the years requested information, which had not been provided and that there needed to be a fundamental culture change.
- What the financial costs were of implementing the changes required to establish good financial governance were. Two sums of £350k had been allocated in the existing budget to be used towards financial excellence. Investing to produce good quality working papers meant that less work was required to be carried out by external audit, thus reducing their fees; but that this would take a number of years to materialise.
- Frustration that following the LGA Peer review in 2019 the recommendation that the Council have a full time Monitoring Officer (MO) was still not in place. The Council's governance arrangements

## **Audit and Corporate Governance Committee - 18.05.21**

were being reviewed and Members were informed that interviews for the MO role were due to take place soon.

- Accountability of individuals involved which had led to the current financial position the Council was in. It was noted that the S151 Officer had resigned from post and that the Council would be considering a report at its meeting on 20<sup>th</sup> May 2021 to appoint Steve Mair as the Council's S151 Officer.

The Committee agreed that the Going Concern Statement be a basis for preparing the 18/19 Statement of Accounts.

**Resolved** - That the assessment made of the Council's status as a "going concern" as a basis for preparing its 2018/19 Statement of Accounts be approved.

### **48. 2018/19 Accounts - Planned improvements in the Council's accounts, financial services, reserves and group entities**

The Committee received a report from the Associate Director of Finance that updated on the completion of the 2018/19 accounts and set out how the Council would be addressing the current issues in its accounts processes and financial services.

The Associate Director summarised the key aspects of the 2018/19 accounts and particularly the current issues and areas identified for improvement. The context was that the Council had received two highly critical external audit reports with extensive criticism of the accounts which included seventeen recommendations and four statutory recommendations, which the Council would respond to at its meeting on 20<sup>th</sup> May 2021.

Amongst the key issues in the 2018/19 accounts was the significant deterioration in the level of usable reserves. This would have a direct impact on the current year's financial situation with spending controls and a focus on achieving planned savings, and in future budget setting processes. Both revenue and capital budgets were being reviewed in detail with service areas and whilst there were some areas where action could be taken quickly the overall improvement programme would take time with quarterly updates to the Committee from October.

It was recognised that the process for completing the 2018/19 accounts had been difficult and their approval was significantly later than set out in statutory deadlines. Part of the financial improvement plan for the Council was for accounts to be produced to a higher standard than had historically the case. It was therefore not yet possible to confirm the date for the 2019/20 accounts until the detailed plan to produce them was further advanced.

## **Audit and Corporate Governance Committee - 18.05.21**

The Committee had previously agreed to invite the Leader of Council, who now had lead responsibility for financial strategy, to answer questions from Members. Speaking under Rule 30, Councillor Strutton raised a number of issues including his longstanding concerns about the “capability and capacity” of some departments and financial management; the oversight of accounts of some of the Council’s subsidiary companies. The Leader of the Council responded to the issues raised. He highlighted the LGA framework for the respective roles and responsibilities of Members and Officers which stated that the key role of councillors was to set high level strategy and be accountable to the public whilst Officers should be responsible for the professional management of the Council’s finances, operational delivery, practices and processes. The Leader also responded that poor financial practice had not been defended in the past. Following concerns raised by the Chair of the Committee about the delays in signing off the accounts the Leader had instigated a weekly meeting with the Section 151 Officer, auditors and Chair to try to resolve the issues. It became clear there hadn’t been sufficient financial expertise in the Council to address the issues and the Section 151 Officer had since left the Council and additional resources had been brought in to implement substantial improvement. He emphasised that the Council leadership had accepted the auditors findings in full and was committed to taking the necessary action to address the deficiencies and weaknesses.

Members of the Committee asked questions about several other aspects of the report including how the weaknesses in the finance department had not been identified and addressed at a much earlier stage and what plans were in place to strengthen the finance team in the medium term. The Associate Director confirmed this was an important aspect of the plans for improvement and he confirmed that that quarterly reports to the Committee would include updates on the steps to put in place both the short term skills and expertise to address the current challenges and the structure and upskilling to ensure a suitably skilled and resourced finance team was developed for the long term. Other issues raised and discussed with the Leader, Chief Executive and Associate Director included the Council’s contract management function; the approach to asset disposals required as part of the capitalisation directive; and the performance management processes for staff.

At the conclusion of the discussion the recommendations were agreed.

### **Resolved –**

- (a) That the accounts for 2018/19 be agreed.
- (b) That the Council’s planned response to address the issues in its current approach to the preparation of its accounts, reserves and group entities be agreed.
- (c) That the Council’s planned response to improve its financial services be agreed.

**49. Grant Thornton Audit Findings**

The Committee received a report detailing the audit findings of the Council's external auditors, Grant Thornton. The Council had had difficulties in producing supporting information for a number of areas in the financial statements which had resulted in the 2018/19 audit incurring a significant delay and additional audit resource to conclude. The Council had relied on the use of the CIPFA Big Red Button which had resulted in issues understanding the audit trail. Recommendations had been made in four key areas - finance capacity and skills; preparation of the financial statements; levels of useable reserves and financial governance, monitoring and controls relating to Group entities as set out in the report.

A Member asked what the impact of the recommendations was likely to have on the preparation and approval of the 19/20 financial statements. The Associate Director, Finance explained that the CIPFA Big Red Button was no longer going to be used as a tool and that quality assurance of paperwork submitted for audits was a key priority.

Responding to why the Council was not aware of the financial position of the Children's Trust, it was explained that although relevant Cabinet Members were being briefed on the situation there was no formal reporting mechanism. One of the recommendations related to a review of the governance and reporting arrangements for Slough Children First Ltd, established in April 2021, to ensure Members were provided with a proper oversight of matters.

Councillor Strutton raised a number of points including the capability of asset management team and it was noted that there were no specific concerns regarding the team but external audit were reliant on the quality of the data provided by the Council.

Councillor Swindlehurst placed on record his thanks to the external auditors for identifying the issues as discussed and presenting clear recommendations and action plans as to how matters identified would be addressed.

The Chair thanked Councillor Swindlehurst for attending the meeting.

**Resolved** - That details of the report be noted.

**50. Letter of Representation**

Members were informed that it was a requirement for all councils to provide a Letter of Representation to External Auditors and the Committee noted details of the letter as set out in the agenda.

**Resolved** – That details of the Letter of Representation be noted.

**51. Grant Thornton Section 24 Statutory Recommendations**

Julie Masci and Paul Dossett, representing Grant Thornton, the Council's External Auditors, set out the reasons why statutory recommendations had been issued under Section 24 of the Local Audit and Accountability Act 2014. Inadequate arrangements and insufficient skills and capacity at the Council to prepare reliable financial statements and supporting working papers had led to the statutory recommendations being issued. A number of internal control deficiencies, as outlined in the report, meant that there were significant weaknesses and material misstatements in the preparation of the Council's financial statements which had reoccurred over a number of years.

Details of the statutory recommendations were highlighted as set out in the report and Members informed that these had been accepted by senior management at the Council. The recommendations were due to be considered by full Council and at its meeting scheduled for 20<sup>th</sup> May 2021.

Lead Member for Governance and Customer Services stated that an audit exercise of the audit needed to be carried out to realise lessons learnt and avoid a repetition of the same issues occurring in future. Furthermore, improved training for members of the Committee was essential to equip them with the skills necessary to ensure effective scrutiny. Speaking under Rule 30, Councillor Smith asked whether there were penalties for late audits and what the final audit fee for the 18/19 accounts was. It was estimated that the final audit fee would be circa £450k and that there were no specific fines given for audits being completed outside of the prescribed timeframe.

Responding to queries raised by Councillor Strutton, in relation to the scale of poor governance and financial reporting with regard to the Council's group entities and specifically James Elliman Homes, it was explained that although an audit of James Elliman Homes had commenced this was never concluded. However, external auditors were satisfied that this was not a material concern for the purposes of the 18/19 accounts.

**Resolved** – That details of the Section 24 Statutory recommendations be noted.

**52. Vote of Thanks**

The Chair placed on record a vote of thanks to Alan Sunderland who had served as an Independent Co-Opted Member of the Committee for a number of years and wished him well for the future.

**53. Date of Next Meeting - 29th July 2021**

The date of the next meeting was confirmed as 29<sup>th</sup> July 2021.

Chair

(Note: The Meeting opened at 6.40pm and closed at 10.04pm)

**SLOUGH BOROUGH COUNCIL**  
**AUDIT & CORPORATE GOVERNANCE COMMITTEE**  
**ACTION PROGRESS REPORT**

**Actions Arising from Meetings**

**4<sup>th</sup> March 2021**

<b>Minute:</b>	<b>Agenda item and Action:</b>	<b>For:</b>	<b>Status / Comment</b>
34	<p><b>Members Performance Report - May 2020 to February 2021</b></p> <p>Item withdrawn.</p>	Interim Head of Democratic Services	29.7.21 meeting - agenda item 6.
35	<p><b>Internal Audit Progress Report - Quarter 4 2020/21</b></p> <p>Progress on implementation of high risk recommendations on IT Patch Management Operating Systems</p> <p>Debt Collection Agencies – details of the number of agencies being used and whether they held a proper contract with the Council to be included in the next committee report.</p>	<p>Vijay McGuire Associate Director – Business Services</p> <p>Steven Mair Section 151 Officer</p>	<p>Policy has now been developed and agreed at Information Governance Board, policy has now been introduced to IT policy library and is live</p> <p>The Council does not use debt collection agencies but it does use Enforcement Agents via a contract for Ctax / NNDR/ Accounts Receivable/ Rents (mainly for evictions) and it uses an Enforcement Agent on a separate contract for HB Overpayments</p> <p>It also uses the Court Enforcement Agents for Accounts Receivable which are allocated based on the debt</p> <p>The Council also uses Tracing Agents</p>

	Information whether cyber attacks had an affect on the Council's public liability insurance.	Vijay McGuire Associate Director – Business Services	Cyber risks are excluded from the Council's liability policies
39	<p><b>Audit Findings Report 2018/19</b></p> <p>That an extraordinary meeting to be scheduled prior to the municipal year 2021/22 to consider the Financial Statements 2018/19 and that the Leader of the Council/Cabinet Member for Regeneration &amp; Strategy be invited to the meeting.</p>	Democratic Services	<b>Completed.</b> Extraordinary meeting held on 18.05.21.
40	<p><b>Internal Audit Actions Progress Report</b></p> <p>Clarification to be provided as to why the majority of the Outstanding Medium risk actions (as contained in appendix 1 to the report) were showing a target completion date of 30<sup>th</sup> July 2021.</p>	Steven Mair Section 151 Officer	The review of Internal Audit actions were reviewed by the Risk & Audit board on 9 <sup>th</sup> July and the process for review is being re-energised. The Board will report back to the next Audit and Corporate Governance Committee on progress of the actions
41	<p><b>General Data Protection Regulation Update</b></p> <p>Details of percentage of staff that had completed the mandatory GDPR training to be circulated to the Committee.</p> <p>Internal Audit to include whether adequate training and support for staff relating to GDPR was provided as part of the GDPR Post Implementation Audit scheduled for September 2021.</p>	Steven Mair Section 151 Officer  RSM	<p>As at 29 June 2021 83% of staff had completed mandatory GDPR training. CMT and directors monitor via access to the dashboard reports and managers have access to their team training completion reports to pick review at team meetings and 1:1s.</p> <p>GDPR post implementation Audit is on the 2021 Audit plan</p>

10<sup>th</sup> December 2020

Minute:	Agenda item and Action:	For:	Status / Comment
21	<p><b>Internal Audit Progress Report – Quarter 3 2020/21</b></p> <p>Contract Management Everyone Active 19/20. Details of monies overpaid to EA to be circulated to the Committee.</p> <p>Implementation of a Flood Action Plan and for this to be in place as a priority.</p>	<p>RSM</p> <p>Executive Director, Corporate Operations</p>	<p><b>Completed.</b> Leisure Development and Client Manager has developed a spend tracker to manage both commercial and non commercial spend and this has been evidence has been sent to RSM.</p> <p><b>In progress:</b> Subsequent to the December A&amp;G Meeting the Council had to deal with substantial flooding in Colnbrook. The EP/BC Manager is aware that the development of an overarching plan is a priority.</p>

3<sup>rd</sup> August 2020

Minute:	Agenda item and Action:	For:	Status / Comment
4.	<p><b>LGA Peer Review of Governance Arrangements</b></p> <p>To confirm the appointment of the Monitoring Officer.</p>	Chief Executive	<b>Completed.</b> Appointment of MO considered at Council meeting on 22.07.21
4.	<p><b>LGA Peer Review of Governance Arrangements</b></p> <p>To carry out a lessons learned review regarding the delay in external audit of the financial statements 2018/19.</p>	Steven Mair Section 151 Officer	This has been superceded by the response to the Grant Thornton recommendations on the 2018/19 accounts

**Note: Actions to be removed from the log after being reported as ‘completed’ to the Committee.**

This page is intentionally left blank

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit & Corporate Governance Committee

**DATE:** 29<sup>th</sup> July 2021

**CONTACT OFFICER:** Hugh Peart, Monitoring Officer

**WARDS:** All

**PART I**  
**FOR COMMENT & CONSIDERATION**

**WHISTLEBLOWING CODE AND GUIDANCE****1. Purpose of Report**

As part of the agreed internal audit plan for 2020/21, the Council's auditors, RSMUK, undertook a review of whistleblowing practices within the Council. A number of actions were proposed and this report outlines how those proposals that are the responsibility of the Monitoring Officer have been implemented.

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

The Committee is requested to:

- Approve the revised Whistleblowing Code, including new guidance, for incorporation into the Council's constitution; and
- Note the revised Schedule of Activity and the new arrangements for record keeping and formalised reviews of whistleblowing.

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

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

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

There are no financial implications of proposed action.

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

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

**(c) Equalities Impact Assessment**

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

## 5. INTERNAL AUDIT RECOMMENDATIONS

- 5.1 Internal audit made 5 recommendations in respect of the Monitoring Officer's responsibilities. These are set out below with details of implementation.

### Whistleblowing Code update

- 5.2 It was recommended that the Code should be updated as some information, for example, in addresses and contact details, was out of date.
- 5.3 The Code has been updated and a tracked change version is at Appendix 1

### Whistleblowing Procedure – guidance

- 5.4 It was recommended that a formalised process should be developed along with a guidance document based on the process. Guidance has been added to the Code as Schedule 5.

### Schedule of activity

- 5.5 It was recommended that the Schedule of Activity be updated to include a column for lessons learned and that this should be presented to the Committee every 6 months to allow for complete committee oversight. A copy of the revised Schedule is at Appendix 2.
- 5.6 There have been no whistleblowing complaints in the last 6 months and the next report, using the new Schedule if appropriate, will be in December 2021.

### Case Management system / record keeping

- 5.7 It was recommended that a bespoke case management system be set up to keep records, including those created by investigators, to allow proper reporting of complaints and their outcome.
- 5.8 The Monitoring Officer considers that a specific case management system would be expensive and would not be cost effective. Individual investigators, who would differ from case to case, would need to be trained on the system and provided with a licence. An administrator of the system would be required.
- 5.9 The number of whistleblowing complaints currently received does not justify the expenditure and organisation required. Whilst improvements to record-keeping are required, this can be achieved through a simple shared drive system. IT have been asked to set this up with access provided to the Monitoring Officer and Deputy Monitoring Officer.
- 5.10 Advice to investigators to provide all the documents to the Monitoring Officer at the end of the case is included in the guidance document.

### Formalised whistleblowing review

- 5.11 It was recommended that a formalised review of whistleblowing be completed on a regular basis and presented to this Committee for consideration. The first review will take place in April 2022, to allow changes to be made.

Appendices

Appendix 1 – Whistleblowing Code with track changes

**Background Papers**

None

This page is intentionally left blank

# PART 5.5 Confidential Whistleblowing Code

Reviewed by Audit and Corporate Governance Committee on 29 July 2021

## TABLE OF CONTENTS

1. INTRODUCTION .....	
1.1 What is the Code about? .....	
1.2 Who does the policy apply to? .....	
2. AIMS AND SCOPE OF THE CODE .....	
2.1 Aim of the code .....	
2.2 Scope of the code .....	
2.3 Which procedure should I use? .....	
3. SAFEGUARDS .....	
3.1 The Council's Assurances to you .....	
4. CONFIDENTIALITY .....	
5. ANONYMOUS ALLEGATIONS .....	
6. UNTRUE ALLEGATIONS .....	
7. HOW TO RAISE A CONCERN - INTERNALLY .....	
8. HOW THE COUNCIL WILL HANDLE THE MATTER .....	
9. HOW THE MATTER CAN BE TAKEN FURTHER .....	
10. SUPPORT FOR EMPLOYEES RAISING A CONCERN AND OTHERS AFFECTED BY THE RAISING OF A CONCERN .....	
11. RESPONSIBILITIES .....	
11.1 Staff and others working at the Council .....	
11.2 Managers .....	
12. REVIEW OF THIS POLICY .....	
Schedule 1 – Situations in which Employees might Blow the Whistle .....	
Schedule 2 – List of External Bodies .....	
Schedule 3 – Flowchart showing how Whistleblowing matters will be handled .	

## 1. INTRODUCTION

The council is committed to the highest possible standards of openness, honesty and accountability. It is not prepared to tolerate malpractice and/or wrongdoing. In line with that commitment we expect employees, and others that we deal with, who have any serious concerns about any aspect of the council's work to come forward and voice those concerns. Wherever possible, employees are encouraged to use relevant council procedures to report issues in an open and transparent way, because that is the type of organisational culture we are trying to foster. It is recognised, however, that some cases will have to proceed on a confidential basis, but this should be the exception.

**This document makes it clear that employees and others can voice concerns without fear of victimisation, subsequent discrimination or disadvantage. The Confidential Reporting Code is intended to encourage and enable employees to raise serious concerns within the council rather than overlooking a problem or 'blowing the whistle' outside.**

I hope that the improvements made to this process inspire confidence and enable employees and others to feel able to raise concerns so that the Authority can address them appropriately and improve standards within the organisation.

**James Swindlehurst Leader, Slough Borough Council**

### 1.1 What is the Code about?

1.1.1 Employees can sometimes be the first to realise that there may be something seriously wrong with procedures and/or processes within Slough Borough Council (the council). However, they may not always express their concerns because they feel that speaking up would be disloyal to their colleagues or to the council. They may also fear the threat of harassment or victimisation and in these circumstances, they may feel it easier to just ignore their concern rather than report what may just be a suspicion of malpractice.

1.1.2 'Whistleblowing' is the term used when an employee passes on information concerning wrongdoing. This is generally referred to as 'making a disclosure' or 'blowing the whistle'. Whistleblowing law is located in the Employment Rights Act 1996 (as amended by the Public Interest Disclosure Act 1998).

### 1.2 Who does the policy apply to?

1.2.1 This code applies to all employees except for school-based employees. Schools need to give consideration to their own code adopted by the governing body, but are strongly recommended to adopt this policy.

- 1.2.2 The code also applies to former employees, agency staff working for the council, home workers, contractors and their staff, suppliers, volunteers, elected members and members of the public.
- 1.2.3 The code is recommended as good practice to all other groups associated with the council who have the discretion to adopt our policies. Apart from schools, this will include such groups as voluntary sector organisations.
- 1.2.4 The term “employee” within this document is used to describe any of the above.
- 1.2.5 These procedures are in addition to the council’s complaints procedures and other statutory reporting procedures applying to some services. If asked, employees should make service users aware of the existence of these procedures.

## **2. AIMS AND SCOPE OF THE CODE**

### **2.1 Aim of the code**

This code aims to:

- 2.1.1 encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice;
- 2.1.2 provide avenues for you to raise those concerns and receive feedback on any action taken;
- 2.1.3 ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied;
- 2.1.4 reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in the public interest;
- 2.1.5 ensure consistency and fairness in dealing with whistleblowing across the Council.

### **2.2 Scope of the code**

- 2.2.1 An employee who makes a disclosure under this code must reasonably believe:
  - (a) That they are acting in the public interest;
  - (b) That the disclosure tends to show past, present or likely future wrongdoing falling into one or more of the following categories:
    - (i) criminal offences;
    - (ii) failure to comply with an obligation set out in law;
    - (iii) miscarriages of justice;

- (iv) endangering of someone's health and safety;
  - (v) damage to the environment;
  - (vi) deliberate concealment of any of the above.
- (c) Examples of the above could include:
- (i) conduct which is an offence or a breach of law;
  - (ii) health and safety risks, including risks to the public as well as other employees;
  - (iii) the unauthorised use of public funds;
  - (iv) negligence;
  - (v) unauthorised disclosure of confidential information;
  - (vi) possible fraud and corruption;
  - (vii) sexual or physical abuse of children and/or vulnerable young people/adults;
  - (viii) deliberate concealment of the above matters.

2.2.2 The above list is neither exclusive nor exhaustive.

2.2.3 Thus, any serious concerns that you have, which are in the public interest, about any aspects of service provision or the conduct of officers or members of the council or others acting on behalf of the council can be reported under the Confidential Whistleblowing Code.

2.2.4. Councillors and Officers, by nature of working in the public sphere, are always likely to face a conflict between their own personal interest and the public interest. That is why the Council has codes of conduct for Councillors and Officers which require each of them to act in the public interest rather than in their own personal interest. Councillors are subject to the Councillors' Code of Conduct in part 5.1 of the Constitution and Officers are subject to the Officers are subject to the Local Code of Conduct for Employees in Part 5.3 of the Constitution. These codes guide Councillors and Officers on how to act in the public interest in certain circumstances where this conflicts with their own personal interest. Any breach of these codes could in extreme circumstances lead to the disqualification of a Councillor or the dismissal of the Officer. If you become aware of any breach of these codes by a Councillor or another Officer you must report this to the Monitoring Officer.

## **2.3 Which procedure should I use?**

2.3.1 There are existing employee policies and procedures designed to resolve many concerns you may have. The procedures to be followed in raising issues under these policies can be found on SBCinsite by clicking on People. They include

- (a) Incident Reporting and Investigation Guidelines
- (b) Grievance Policy & Procedure
- (c) Equal Opportunities Policy
- (d) Disciplinary Policy & Procedure
- (e) Capability Procedure
- (f) Drug & Alcohol Policy
- (g) Probationary Policy & Procedure

2.3.2 If one of these procedures is relevant that process should be used unless you have genuine concerns, at either the outset or the end of the procedure, about following the relevant process in which case this Policy & Procedure should be used. The procedure is not an appeal mechanism for other procedures, unless, exceptionally, you think when you have been through another procedure, that process was compromised. If you are unsure which procedure you should use, then please seek advice from your trade union representative or an HR Adviser or your line manager.

2.3.3 The Confidential Whistleblowing Code is for all other cases involving conduct which appears likely to harm the reputation of the Council.

2.3.4 Schedule 1 shows some examples of situations in which employees might blow the whistle and the procedure to use.

### **3. SAFEGUARDS**

#### **3.1 The Council's Assurances to you**

3.2 The council is committed to good practice and high standards and wants to be supportive of employees.

3.3 The council recognises that the decision to report a concern can be a difficult one to make. If you believe what you are saying is true and the statement being made is in the public interest, you should have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service.

3.4 It is understandable that whistleblowers are sometimes worried about possible repercussions. The council aims to encourage openness and will support employees who raise genuine concerns under this code, even if they turn out to be mistaken. However, please see Paragraph 6 regarding untrue allegations.

3.5 The council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in the public interest. This action will depend on the type of concern and specific service arrangements.

3.6 Employees must therefore not suffer any detrimental treatment as a result of raising a disclosure. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a disclosure.

- 3.7 Employees must not threaten or retaliate against whistleblowers in any way. If you are involved in such conduct you may be subject to disciplinary action.
- 3.8 On occasions, you may be asked whether you would be prepared to obtain further information. This would be entirely at your discretion and a full risk assessment would be completed, prior to such a course of action being agreed.
- 3.9 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you.

#### **4. CONFIDENTIALITY**

- 4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. However, it is possible that we will be unable to resolve the concern raised without revealing identity (eg because your evidence is needed in Court) but if this occurs we will discuss this with you as to how we can proceed). Any breach of confidentiality will be regarded as a serious matter and will be dealt with accordingly.
- 4.2 All information will be handled sensitively and used only for its proper purpose.
- 4.3 Under the Data Protection Act 2018 individuals have the right to see their own personal data held subject to the rights of confidentiality of any third parties involved in that information.

#### **5. ANONYMOUS ALLEGATIONS**

- 5.1 This policy encourages you to put your name to your allegation whenever possible.
- 5.2 If you don't tell us who you are, it will be much more difficult for us to look into the matter, protect your position and give you feedback.
- 5.3 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council. In exercising this discretion the factors to be taken into account will include:-
  - 5.3.1 The seriousness of the issues raised
  - 5.3.2 The credibility of the concern
  - 5.3.3 The likelihood of confirming the allegation from attributable sources.

#### **6. UNTRUE ALLEGATIONS**

If you make an allegation in the public interest but it is not confirmed by the investigation, no action will be taken against you. However, the Council will view very seriously any false or malicious allegations or allegations made for personal gain and disciplinary action may be taken against you under the Council's Disciplinary Policy.

Similarly if an agency worker, external secondee, volunteer etc makes malicious or vexatious allegations or allegations made for personal gain, then the Council will consider dispensing with their services.

## **7. HOW TO RAISE A CONCERN - INTERNALLY**

7.1 Any concerns that you have may be raised orally or in writing and those who wish to make a written statement should set out the background and history of the concern (giving relevant dates) and the reasons why you are particularly concerned about the situation. (See Form attached at Schedule 4) ). The earlier you express your concern the easier it will be to take action. **REMEMBER – IF IN DOUBT RAISE IT.** You must make it clear that you are using this procedure.

7.2 The Council will not expect you to prove that your concern is true but you will need to demonstrate to the person contacted that there are reasonable grounds for you to raise the issue.

7.3 It is perfectly acceptable for you to discuss your concern with a colleague and you may find it more comforting to raise the matter if there are two (or more) of you who have had the same experience or concerns.

7.4 If you have a concern about any malpractice/wrongdoing, we hope you will feel able to raise it first with your Line Manager or their superior. If you feel unable to raise the matter with your Line Manager or their superior, then please raise the matter with your Chief Officer.

7.5 If the above channels have been followed and you still have concerns or if you feel that the matter is so serious that you cannot discuss it with your Line Manager, their superior or your Director or you consider that it is not appropriate (e.g. you are a contractor, supplier, Councillor or member of the public), then you can contact the Council's Monitoring Officer (01753) 875036.

7.6 Where your complaint relates to the Monitoring Officer and/or the Section 151 Officer you should contact the Chief Executive on (01753) 875207. If you are unhappy about raising your concern internally then you are at liberty to whistleblow externally under Paragraph 10 below.

7.7 Where your complaint relates to the Chief Executive you should contact the Monitoring Officer on 01753 875036.

7.8 Where Council members have concerns, they may wish to first discuss matter with their Group Leaders.

## **8. HOW THE COUNCIL WILL HANDLE THE MATTER (See flowchart at Schedule 3)**

8.1 Within 5 working days, the person with whom the concern was raised will acknowledge its receipt in writing, irrespective of how the concern was raised.

8.2 Where the concern has been raised with a manager, (s)he together with an HR Adviser (or other relevant representative eg from Audit or Child Protection Unit) will decide whether the matter needs to be referred to a more senior officer e.g. Director, Section 151 Officer, Monitoring Officer or Chief Executive.

- 8.3 Investigation does not imply either acceptance or rejection of an individual's concerns
- 8.4 The initial enquiry will be undertaken, wherever possible within 10 working days, by the most appropriate Officer(s). This will not involve a detailed investigation, however, sufficient information will need to be gathered in order that a decision can be made as to whether further investigation will take place.
- 8.5 Where appropriate, the matters raised may:
- 8.5.1 be investigated by management, internal audit, or through the disciplinary process
  - 8.5.2 be referred to the police
  - 8.5.3 be referred to the external auditor or other external investigation
  - 8.5.4 form the subject of an independent inquiry
  - 8.5.5 be investigated under another procedure e.g. child/adult protection
  - 8.5.6 be investigated under other forms of prosecution and inspection e.g. to protect public health and safety
- 8.6 In order to protect individuals and those accused of misdeeds or possible malpractice or wrongdoing, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.
- 8.7 Within fifteen working days of a concern being raised, the person with whom the concern has been raised will write to the individual who raised the matter:
- 8.7.1 indicating how they propose to deal with the matter
  - 8.7.2 giving an estimate of how long it will take to provide a final response
  - 8.7.3 informing them whether any initial enquiries have been made
  - 8.7.4 supplying them with information on staff support mechanisms, and
  - 8.7.5 informing them whether further investigations will take place and who will conduct that investigation, or
  - 8.7.6 explaining the reasons why no investigation is to be carried out.
- 8.8 It may be necessary, as part of the investigation, to obtain additional information from the individual who raised the concern.
- 8.9 The investigation may need to be carried out under the terms of strict confidentiality i.e. by not informing the subject of the concern until (or if) it becomes

necessary to do so. This may be appropriate in cases of suspected fraud.

- 8.10 The Council accepts that individuals who raise a concern need to know that the matter has been properly addressed. Thus, subject to legal constraints, the employee will be given feedback on any action taken. However, it will not include information relating to specific individuals, which will remain confidential.
- 8.11 Guidance on the operation of the process is at Schedule 5.

## **9. HOW THE MATTER CAN BE TAKEN FURTHER**

- 9.1 This policy and procedure is intended to provide employees with an avenue within the Council to raise concerns. The Council hopes employees will be satisfied with any action taken. If not, and they feel it is right to take the matter outside the Council, the matter can be raised with the relevant organisation(s) as listed in Schedule 2.
- 9.2 There may be circumstances where an employee considers that (s)he needs to raise the matter externally. This may be because, for example, there is a need to involve the appropriate external regulatory body, or the employee considers that the matter has not been properly addressed, or that an employee reasonably believes that the matter will be covered up.
- 9.3 If an employee is unsure whether or how to raise a concern or wants confidential advice, contact can be made with the independent charity Protect on 020 3117 2520 or at [adviceline@protect-advice.org.uk](mailto:adviceline@protect-advice.org.uk) . Their lawyers can provide free confidential advice on how to raise a concern about serious malpractice or wrongdoing at work.
- 9.4 Further information can also be obtained from the website of the employment service, ACAS (the Advisory, Conciliation and Arbitration Service) at [www.acas.org.uk](http://www.acas.org.uk).
- 9.5 In circumstances where an employee decides to raise the matter externally, (s)he will only be protected under this procedure, and under employment law, where the disclosure is made in accordance with the PIDA. This means that the disclosure must fall under one of the categories listed in paragraph 4 above and must be made in one of the following ways:
- 9.5.1 in the course of obtaining legal advice
  - 9.5.2 to a prescribed regulatory body (listed in Schedule 4) provided the employee reasonably believes the prescribed body is responsible for the matter of concern and that the allegations are substantially true;
  - 9.5.3 to other third parties where the employee makes the disclosure:
    - (a) with reasonable belief that the information and allegations are substantially true, and
    - (b) does not make the disclosure for personal gain, and

(c) has already raised the matter with the Council or prescribed regulator, unless the employee reasonably believes that (s)he will suffer a detriment, or there is not prescribed regulator and (s)he reasonable believes that evidence will be concealed or destroyed if (s)he makes the initial disclosure to the Council, and

(d) in all of the circumstances it is reasonable to make the disclosure.

9.5.4 The disclosure is of an exceptionally serious nature and the whistleblower makes the disclosure:

(a) with reasonable belief that the information and allegations are substantially true, and

(b) does not make the disclosure for personal gain, and

(c) in all of the circumstances it is reasonable to make the disclosure.

9.5.5 Council employees who wish to take the matter outside the Council should check with their Trade Union/Professional Association Representative, Human Resources or statutory body that they are not in breach of the Council's Code of Conduct.

**Important:**

**All employees must not, under any circumstances attempt to obtain any further information covertly either directly or indirectly without first having complied with the Council's procedures in relation to staff surveillance which can be found in the Regulation of Investigatory Powers (RIPA) Policy – a copy of this is available on the intranet. Failure to do so may infringe Human Rights and render the Council liable to legal action.**

**10. SUPPORT FOR EMPLOYEES RAISING A CONCERN AND OTHERS AFFECTED BY THE RAISING OF A CONCERN**

10.1 The Council is committed to good practice and high standards and wants to be supportive of individuals who raise concerns.

10.2 The Council will also support individuals affected by the raising of a concern as appropriate.

10.3 Council employees experiencing stress as a result of their involvement in this process can seek counselling and support through the Council's Employee Assistance Programme.

10.4 Council employees can also approach their Trade Union or a statutory body such as the General Medical Council (GMC) or Nursing and Midwifery Council (NMC) for advice/support throughout the procedure.

10.5 Council employees may also approach their Employee Support Group for support throughout the procedure.

10.6 The employee may find it helpful to involve his or her manager, particularly if they can identify specific support that would be helpful and which the manager feels are

reasonable.

- 10.7 The Council will take steps to minimise any difficulties which individuals may experience as a result of raising a concern, eg if they are required to give evidence in criminal or disciplinary proceedings the Council will arrange for them to receive advice about the procedure and, if necessary, be fully prepared for a Court appearance.
- 10.8 Where the raising of a concern affects a group of staff, the relevant manager will, having made an assessment, take appropriate action to support the workgroup.

## **11. RESPONSIBILITIES**

### **11.1 Staff and others working at the Council**

11.1.1 To be aware of this policy and procedure.

11.1.2 In making any disclosure to tell us if you have a direct personal interest in the matter.

### **11.2 Managers**

11.2.1 To make their staff aware of this policy and procedures.

11.2.2 To encourage a positive open working culture for staff and others working at the Council to express easily their concerns.

11.2.3 To take concerns seriously

11.2.4 To guide staff to the most appropriate route.

## **12. REVIEW OF THIS POLICY**

This policy will be reviewed annually by the Council. The Responsible Officer for the maintenance and operation of the policy is:

The Monitoring Officer  
Slough Borough Council  
Observatory House  
25 Windsor Road  
SLOUGH  
SL1 2EL  
Tel. (01753) 475111

## **SCHEDULE 1 – SITUATIONS IN WHICH EMPLOYEES MIGHT BLOW THE WHISTLE**

### **1. EXAMPLE ONE**

You are working in an area which regularly engages outside contractors. You have noticed how the one which has been named Council's preferred supplier doesn't deliver on time or to budget. Your Chief Officer who is very friendly with one of the staff in the contracting firm, doesn't appear to share your concerns, but is quick to make excuses for them. Senior management seem to have accepted these explanations and don't seem to be concerned. You suspect your Director may be receiving inducements. What should you do?

Report the suspicion to the Monitoring Officer.

### **2. EXAMPLE TWO**

You are in the gym within a Council leisure facility and you notice that everyone using a piece of equipment is now complaining of back trouble. You see that one part of it is loose, but, despite reporting it to the manager of the leisure facility, nothing had happened. What should you do?

Report the matter immediately to the Head of Health & Safety under the Health & Safety policy. Allow a reasonable time for the problem to be resolved and ask about progress. If you have genuine concerns that nothing is being done, contact the Monitoring Officer.

### **3. EXAMPLE THREE**

You work for a contractor in the staff restaurant, and over the past few weeks you notice a member of staff who doesn't seem to be paying for their food. You put this down to your error or their genuine mistake. However recently you notice the same person doing this on a daily basis. You are not sure what to do and you are worried because you did not report it the first time. What should you do?

Report the incident immediately to your Line Manager or their superior. If the concern involves your Line Manager or their Superior or your Director, or for any reason you would prefer them not to be told, you may raise the matter directly with the Monitoring Officer.

### **4. EXAMPLE FOUR**

You start work at the Council in an administrative role. It isn't long before you become aware that false claims for expenses are being made by certain people in your department. What should you do?

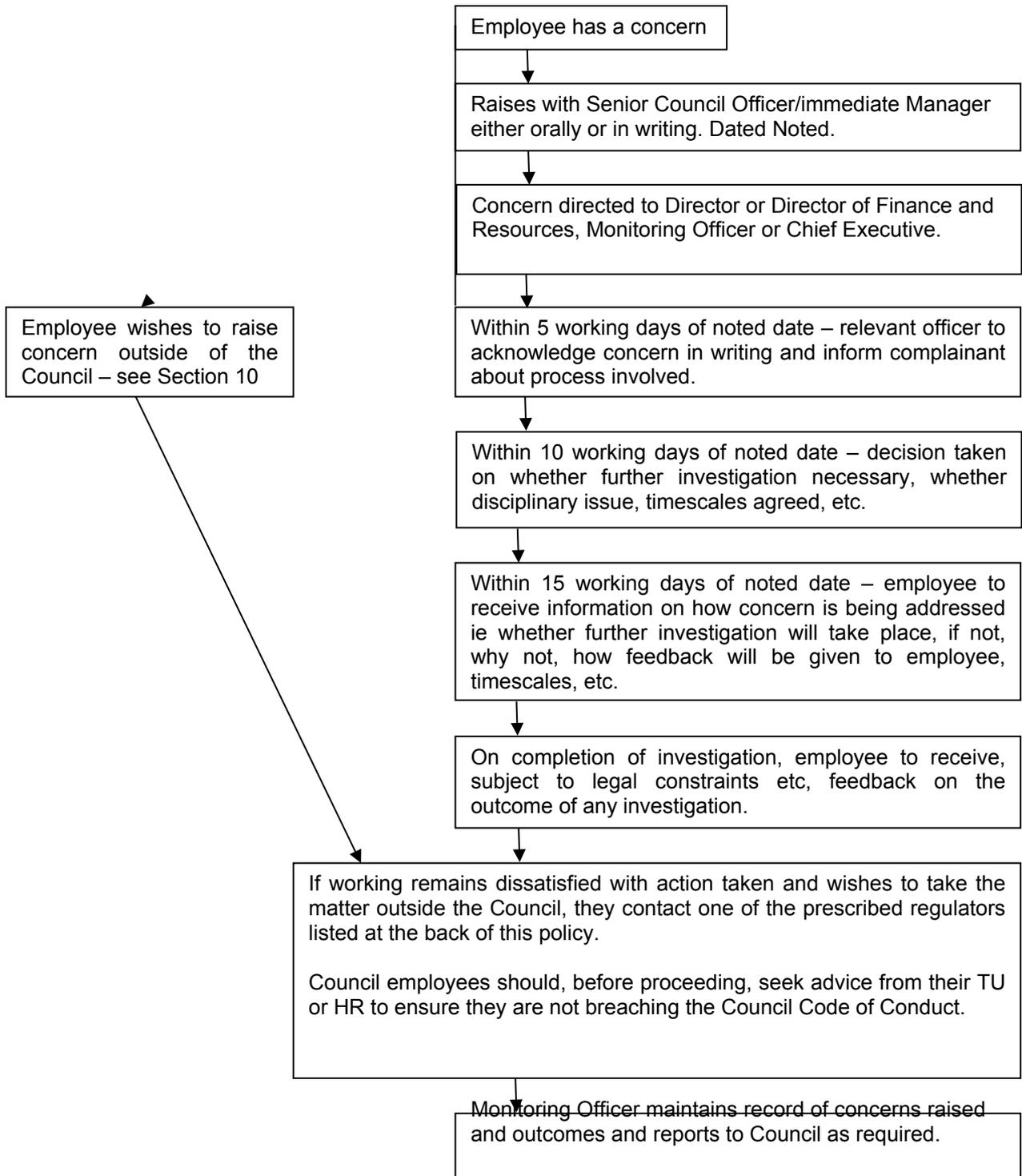
Report the incident immediately to your Line Manager. If the concern involves your immediate Line Manager or their Superior or Director, or for any reason you would prefer them not to be told, you may raise the matter directly with the Monitoring Officer.

## SCHEDULE 2 – LIST OF EXTERNAL BODIES

<b><u>NAME &amp; ADDRESS</u></b>	<b><u>AREA OF CONCERN</u></b>
<p>Protect The Green House 244-254 Cambridge Heath Road London E2 9DA (Tel. No. 020 3117 2520)</p>	<p>All matters of malpractice and/or wrongdoing.</p>
<p>Local Government Ombudsman PO BOX 4771 Coventry CV4 0EH (Tel. No. 0300 061 0614 or 0207 217 4620)</p>	<p>Maladministration – causing injustice to a member of the public.</p>
<p>Thames Valley Police Windsor Road Slough, Berkshire SL1 2HH (Tel. No.101 ) or CRIMESTOPPERS Tel. (0800 555 111)</p>	<p>Breach of the Criminal Law</p>
<p>Headquarters: Fraud Squad Thames Police Station Rushey Way Valley Police c/o Loddon Valley Lower Earley, Reading Berkshire, RG6 4PS (Tel. No. 01189 181 818)</p>	<p>Fraud and Public Sector Corruption</p>
<p>The Heath &amp; Safety Executive Priestley House Priestley Road Basingstoke, Hants RG24 9NW</p>	<p>Health &amp; Safety dangers</p>

<p>(Tel. No. 0300 003 1747)</p>	
<p>The Environment Agency  National Customer Contact Centre  P O Box 544  Rotherham  S60 1BY  (Tel: <a href="tel:03708506506">0370 850 6506</a>)</p>	<p>Environmental dangers.</p>
<p>Care Quality Commission  National Customer Service Centre  Citygate  Gallowgate  Newcastle upon Tyne  NE1 4PA  (Tel: 0300 061 6161)</p>	<p>Poor care practice/abuse in registered establishments, including care homes.</p>

**SCHEDULE 3 – Flowchart showing how whistleblowing matters will be handled**



## SCHEDULE 4

# Whistleblowing reporting form

Please fill out this form with as much detail as you can regarding the person that you are reporting.

## Your detail

Please bear in mind anonymous information often cannot be used against an individual and that if you do not provide your contact details we maybe be unable to verify some of the facts given.

Your name (optional)

Your work dept (optional)

Your contact no. (optional)

## Incident

Describe the incident you are reporting

Provide details of the persons involved in the incident (if known)

If you have any further information we may find useful, please provide it here

All information that we receive is treated with the highest confidentiality.

## SCHEDULE 5

### GUIDANCE ON OPERATION OF THE WHISTLEBLOWING PROCESS

#### Introduction

1. This guidance is intended to provide practical guidance on the operation of the Code, in particular for investigators and decision- makers

#### Record Keeping and data protection

2. The Monitoring Officer keeps a record of all whistleblowing complaints. Access to such records is restricted to the Monitoring Officer and the Deputy Monitoring Officer. These records include all the investigator's records (see below).
3. The Monitoring Officer keeps a spreadsheet summarising essential information about each complaint. An anonymised version will be presented to Audit and Governance Committee every 6 months.
4. All officers must comply with the Council's policies on data protection in relation to record-keeping.

#### Informing the Monitoring Officer

5. The manager should inform the Monitoring Officer when he/she has received a concern and concluded that the Whistleblowing Code applies.

#### Choosing an investigator

6. Generally, the investigator should be a suitable manager from within the Council's staff.
7. Consideration can be given to an external investigator if appropriate, including where some specialist knowledge might be helpful and is not readily available from amongst the Council's staff.

#### Guidance for investigators

8. ACAS publish guidance on workplace investigations and provide a template plan and report on their website at

<https://www.acas.org.uk/acas-guide-to-conducting-workplace-investigations>

9. Although these resources are designed for disciplinary and grievance investigations, they are also suitable for assisting investigators in whistleblowing matters.
10. If it appears at any point during the investigation that the matter is more serious than first believed, or new more serious allegations arise, which may need referral to the police or other outside agency, the investigator should inform the manager who

commissioned him/her. The manager must decide whether these new allegations should be added to the investigation or whether another appropriate course of action e.g. a referral to the police or other outside body should be made.

11. On completion of the investigation, all documents and records gathered by the investigator should be provided to the Monitoring Officer who will keep them with the records.
12. Employees should be permitted to bring a work colleague or trade union representative to any meeting should they wish, unless there is good reason e.g. a matter of extreme sensitivity.

**WHISTLEBLOWING CODE OF PRACTICE – SCHEDULE OF ACTIVITY**

Ref	Complainant	Subject matter	Manager	Investigator	Date received	Date investigation completed	Outcome	Action	Lessons learned

This page is intentionally left blank

**SLOUGH BOROUGH COUNCIL****REPORT TO:** Audit & Corporate Governance Committee**DATE:** 29<sup>th</sup> July 2021**CONTACT OFFICER:** Hugh Peart Monitoring Officer**WARDS:** All**PART I****FOR INFORMATION****SCHEDULE OF ACTIVITY – COUNCILLORS’ CODE OF CONDUCT****1. Purpose of Report**

The purpose of this report is to update the Committee on the activity undertaken by the Council’s Monitoring Officer in relation to the Councillors’ Code of Conduct since the last report to the Committee on this subject in March 2021.

**2. Recommendation**

The Committee is requested to consider and note this report.

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

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

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

There are no financial implications arising specifically from this report. The cost of administering and enforcing the Councillors’ Code of Conduct is a cost to be considered as appropriate.

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

The law relating to Councillors’ conduct is contained in the Localism Act 2011. Under Section 27 of that Act the Council must promote and maintain high standards of conduct by members of the Council and, in discharging this duty, the Council must adopt a code dealing with the conduct that is expected of members of the Council when they are acting in that capacity. The Council must secure, by virtue of Section 28 of that Act, that such code adopted by it is, when viewed as a whole, consistent with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership (the “Nolan Principles”). The Council must also have in place arrangements under which allegations can be

investigated and arrangements under which decisions on allegations can be made, and if the Council find that a member of the Council (or a Parish Councillor) has failed to comply with its code of conduct, it may have regard to the failure in deciding whether to take action in relation to the member and what action to take.

(c) Equalities Impact Assessment

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

5. Supporting Information

<b>Complainant &amp; date received</b>	<b>Subject member</b>	<b>Allegation</b>	<b>Outcome</b>
Resident 15 <sup>th</sup> March	SBC Councillor	Callous Statement at Council meeting	Words used do not amount to a breach of the Code
SBC Councillor 25 <sup>th</sup> March	SBC Councillor	Bullying & failure to intervene at Council meeting	Complaints do not amount to breaches of the Code
SBC Councillor 25 <sup>th</sup> March	SBC Councillor	Breach of 7 Principles of Public Life	Complaint not sufficiently detailed to support a proper investigation
Resident 5 <sup>th</sup> April	SBC Councillor	Inappropriate comments at Council meeting	Words used do not amount to a breach of the Code
Resident 5 <sup>th</sup> April	SBC Councillor	Inappropriate comments at Council meeting	Words used do not amount to a breach of the Code
3 Residents 6 <sup>th</sup> April	SBC Councillor	Offensive social media tweets which embarrass SBC & offend a Religious Group	Comments do not amount to a breach of the Code

SBC Councillor 6 <sup>th</sup> April	3 SBC Councillors	Swearing, attacking statement & personal comments at Council meeting	Councillor apologised in respect of swearing; Insufficient detail of attacking statement to warrant investigation; & Words used do not amount to a breach of the Code
Resident 6 <sup>th</sup> April	3 Colnbrook with Poyle Councillors	Being a willing cohort of others; Being misguided and readily intimidated; Failure to treat others with respect or comply with good governance	Not clear how breached Code Not clear how breached Code Complaint not sufficiently detailed to support a proper investigation
Resident 9 <sup>th</sup> June	SBC Councillor	Defamatory comments	Breach of the Code, written apology given to resident.

6. **Background Papers**  
None

This page is intentionally left blank

**SLOUGH BOROUGH COUNCIL****REPORT TO:** Audit & Corporate Governance Committee**DATE:** 29<sup>th</sup> July 2021**CONTACT OFFICER:** Group Manager, Governance  
**(For all Enquiries)****WARD(S):** All**PART I**  
**FOR INFORMATION****MEMBERS PERFORMANCE REPORT - MAY 2020 TO FEBRUARY 2021****1. Purpose of Report**

To submit for information details of Members meeting and training attendance and number of casework submitted for the period May 2020 to February 2021.

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

The Committee is requested to resolve that Members' attendance details at meetings and casework submitted for the period May 2020 to February 2021 be noted.

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

By putting in place the means for effectively monitoring Members' performance the Council will help ensure that governance of the highest order is maintained which will contribute to achieving the Council's priorities.

**4. Other Implications**

- (a) **Financial** – None
- (b) **Risk Management** – There are no specific risks arising from this report.
- (c) **Human Rights Act and Other Legal Implications** - None

**5. Supporting Information**

- 5.1 In accordance with the Audit and Corporate Governance Committee's Terms of Reference, details of Members attendance at meetings for the period May 2020 to February 2021 are attached at Appendix 1. Following discussion at it's meeting in December 2019, the Committee also requested that statistics relating to Members casework and attendance at training sessions be provided.
- 5.2 Appendix 1 details the number of formal committee meetings each Member was called to attend, the number of meetings actually attended and in respect of meetings not attended whether or not apologies were tendered. These figures do not include Group meetings, internal meetings, outside bodies or briefings so Councillors workload is higher than stated.

- 5.3 Details of Member casework submitted between May 2020 and February 2021 are as attached at Appendix 2. 54% of Members have accessed their cases on the Intelx casework system since May 2020. However, it should be noted that these figures do not represent all casework dealt with as Councillors can and do use other methods to deal with casework, for example going directly to departments or dealing with casework at their ward surgeries. The figures included in Appendix 2 are only those on the Council's casework monitoring system.
- 5.4 In relation to attendance at Members' training, the Development Programme was reviewed and a number of training sessions have been held since December 2020. Mandatory training has continued during the year and all Members who were required to be trained have attended the following sessions:
- Planning – the role of Members in Development Management
  - Licensing – the importance of decision making
- 5.5 It is recognised that attendance at meetings forms only part of the duties of an elected Member. A significant proportion of a Member's time may be spent in dealing with constituents' enquiries and requests for help; representing the views, opinions and interests of their constituents in respect of ward issues/matters; representing the views and policies of the Council within their Ward which may require attendance at local tenants'/residents' meetings. Accordingly, the indicators now reported are only partially representative of a Member's overall performance.
- 5.6 Members may also be aware that agendas for meetings include a brief report setting out Member attendance for that Committee/ Panel, for that municipal year. This allows ongoing monitoring of Members attendance at that Committee/Panel meeting.
- 5.7 Meeting statistics have been compiled using data obtained from the Committee system, 'Modern.gov' which has the facility to collate Member attendance, thereby reducing the need to compile and maintain manual records. Information produced using Modern.Gov details the number of meetings a Member was expected at, those who attended and whether apologies were submitted.

## 6. **Conclusion**

The Committee is requested to note Members attendance details and casework submitted for the period May 2020 to February 2021.

## 7. **Appendices**

Appendix 1 - Members Attendance Record Statistics May 2020 to February 2021.  
Appendix 2 - Members Casework May 2020 to February 2021

21<sup>st</sup> May, 2020 to 22<sup>nd</sup> February, 2021

## Explanation of the statistics columns

### Expected

The number of meetings that the Councillor was expected to attend in their capacity as member of that committee.

### Present

The number of meetings that the Councillor attended in their capacity as member of that committee.

### In attendance

The number of meetings that the Councillor attended in a capacity other than committee member, for example a voluntary attendance out of personal interest for a topic being discussed.

Statistics					
Councillor	Expected	Present (% of expected)	In attendance	Absent (inc. Apologies)	Apologies received (of absences)
Councillor Zaffar Ajaib	24	24 (100%)	2	0	0
Councillor Sabia Akram	19	18 (95%)	3	1	1
Councillor Safdar Ali	17	17 (100%)	3	0	0
Councillor Robert Anderson	20	20 (100%)	1	0	0
Councillor Balvinder S. Bains	17	17 (100%)	2	0	0
Councillor Jina Basra	19	15 (79%)	1	4	3
Councillor Madhuri Bedi	7	7 (100%)	1	0	0
Councillor Ruqayah Begum	19	18 (95%)	0	1	0
Councillor Preston Brooker	5	5 (100%)	2	0	0
Councillor Martin F. Carter	16	16 (100%)	0	0	0
Councillor Shafiq A. Chaudhry	9	7 (78%)	0	2	1
Councillor Avtar Kaur Cheema	11	11 (100%)	0	0	0
Councillor Harpreet Kaur Cheema	9	9 (100%)	0	0	0
Councillor Haqeeq Dar	16	16 (100%)	3	0	0
Councillor Roger Davis	17	11 (65%)	0	6	6
Councillor Arvind Dhaliwal	14	14 (100%)	6	0	0
Councillor Harjinder Gahir	33	33 (100%)	9	0	0
Councillor Michael Holledge	23	14 (61%)	0	9	4
Councillor Nora Holledge	9	3 (33%)	1	6	4
Councillor Christine Hulme	22	22 (100%)	8	0	0
Councillor Paul Kelly	16	15 (94%)	1	1	0
Councillor Pavitar K. Mann	25	25 (100%)	0	0	0
Councillor Fiza A. Matloob	22	22 (100%)	0	0	0
Councillor Harjinder K. Minhas	23	22 (96%)	0	1	1

<b>Statistics</b>					
<b>Councillor</b>	<b>Expected</b>	<b>Present (% of expected)</b>	<b>In attendance</b>	<b>Absent (inc. Apologies)</b>	<b>Apologies received (of absences)</b>
Councillor Maroof Mohammad	16	15 (94%)	1	1	1
Councillor Mohammed Nazir	21	21 (100%)	5	0	0
Councillor Natasa Pantelic	18	17 (94%)	0	1	1
Councillor Dilbagh S. Parmar	17	17 (100%)	0	0	0
Councillor Satpal S. Parmar	22	22 (100%)	0	0	0
Councillor Ted Plenty	17	17 (100%)	0	0	0
Councillor Naveeda Qaseem	16	13 (81%)	0	3	1
Councillor Mohammed Rasib	10	5 (50%)	1	5	4
Councillor Waqas Sabah	22	22 (100%)	2	0	0
Councillor Atiq Sandhu	15	11 (73%)	0	4	4
Councillor Rajinder S. Sandhu	13	12 (92%)	1	1	0
Councillor Sunyia Sarfraz*	8	5 (62%)	0	3	3
Councillor Mohammed Sharif	6	5 (83%)	1	1	0
Councillor Dexter J. Smith	25	23 (92%)	2	2	2
Councillor Wayne Strutton	9	9 (100%)	16	0	0
Councillor James Swindlehurst	16	16 (100%)	3	0	0
Councillor Anna Wright	8	7 (88%)	1	1	1

\* Councillor Sarfraz was on maternity leave between 13<sup>th</sup> May to 12<sup>th</sup> November 2020.

## Appendix 2

### Councillor Casework 06/05/20 - 17/02/2021\*

Councillor	Record No.
Anna Wright	53
Arvind Dhaliwal	24
Atiq Sandhu	47
Avtar Cheema	12
Balvinder Bains	113
Christine Hulme	72
Dexter Smith	37
Dilbagh Singh Parmar	32
Fiza Matloob	476
Haqeeq Dar	128
Harjinder Gahir	38
Harjinder Minhas	29
Harpreet Cheema	12
James Swindlehurst	44
Jina Basra	35
Madhuri Bedi	148
Maroof Mohammad	144
Martin Carter	39
Michael Holledge	1
Mohammed Nazir	32
Mohammed Sharif	21
Natasa Pantelic	32
Naveeda Qaseem	2
Pavitar Mann	12
Preston Brooker	496
Rajinder Sandhu	13
Rob Anderson	48
Roger F Davis	8
Ruqayah Begum	39
Sabia Akram	49
Safdar Ali	42
Satpal Parmar	3
Shafiq A Chaudhry	17
Ted Plenty	49
Waqas Sabah	27
Wayne Strutton	92
Zaffar Ajaib	58

**\*These figures do not represent all casework dealt with as Councillors can and do use other methods to deal with casework, for example going directly to departments or dealing with casework at their ward surgeries.**

This page is intentionally left blank

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Corporate Governance Committee

**DATE:** 29<sup>th</sup> July 2021

**CONTACT OFFICER:** Steve Mair; Interim Asst. Director, Corporate Operations  
(Section 151 Officer)

**(For all Enquiries)** (01753) 875368

**WARD(S):** All

**PART I**  
**FOR COMMENT & CONSIDERATION**

**RISK MANAGEMENT UPDATE – QUARTER 1 – 2021/22**

1. **Purpose of Report**

The purpose of this report is to:

- Provide Audit and Corporate Governance Committee with the opportunity to comment and amend the Corporate Risk Register

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

That Audit and Corporate Governance Committee is requested

- to comment on and note the attached reports

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:*

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

3b. **Five Year Plan Outcomes**

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

4. **Other Implications**

(a) **Financial**

There are no financial implications of proposed action

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit and Corporate Governance 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 the Risk and Audit Board on 9<sup>th</sup> July 2021

5.1.2 The Risk and Audit Board are putting in place a rigorous process to ensure that Corporate risks are regularly reviewed and acted upon. It will ensure that they adequately reflect the current situation in the Council and address recommendations coming from reviews.

6. **Comments of Other Committees**

There are no comments from other Committees

7. **Conclusion**

That the Audit and Corporate Governance Committee note the report and details contained within the Corporate Risk Register.

8. **Appendices Attached**

Appendix 1 – Corporate Risk Register

9. **Background Papers**

None

# SBC Corporate Risk Register

All 5 year plan outcomes							
Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 8	Ensuring the effectiveness of business continuity plans for key locations and services.  <b>Risk Owner:</b> Dean Trussler  <b>Delegated Risk Owner:</b>  <b>Last Updated:</b> 19 Jul 2021	<p><b>Description</b> The Council's business continuity plan was last reviewed in 2019.. The internal Audit review in 2021 has provide a partial assurance. The BCP has not been tested through desk top or simulation exercises.</p> <p><b>Consequence</b> Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause disruption.</p>	<p>I = 4 L = 6 24 To I = 4 L = 6 24</p> <p>=</p> <p>=</p>	Emergency Planning and Business Continuity awareness programme delivered to mangers	<p>I = 4 L = 3 12 To I = 4 L = 3 12</p> <p>=</p> <p>=</p>	Training for mangers is booked. Awaiting to get e learing package online. Training programme to be delivered by December 2021	<p>I = 2 L = 3 6 To I = 2 L = 3 6</p> <p>=</p> <p>=</p>
				Emergency Planning and Business continuity lead in place		<b>Person Responsible:</b> Dean Trussler	
				External assistance to help develop the plan		<b>To be implemented by:</b> 31 Dec 2021	
				There is a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide		To implement a plan to review Business Continuity Management in response to the organisation restructure and availability of IT Disaster Recovery  <b>Person Responsible:</b> Dean Trussler  <b>To be implemented by:</b> 31 Dec 2021	

# SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
F&A 27	<p>Financial sustainability, accounting, processes, commercial and other matters</p> <p><b>Risk Owner:</b> Steven Mair</p> <p><b>Delegated Risk Owner:</b></p> <p><b>Last Updated:</b> 19 Jul 2021</p>	<p><b>Description</b> The Council faces a financial situation of an extremely serious nature: with a significant estimated unfunded financial deficit forecast. The approach to financial decision-making, leadership and management, processes, quality assurance and review, financial governance etc that has been adopted by the Council over a number of years was not robust and consequently highly detrimental to the Council. Contract Management also needs to be much improved</p> <p><b>Consequence</b> The Council is now actively tackling its financial position and issues. Failure to have done so would have rendered the Council unable to fulfil its duties and acting illegally</p>	<p>I = 4 L = 5 20 To I = 4 L = 6 24</p> 	<p>The Council has recently appointed a new S151 officer. Additional specialist resources have been brought in to understand the nature and scale of the problems, which has culminated in the issuing of a s114 Report on 2nd July.</p>	<p>I = 4 L = 4 16 To I = 4 L = 4 16</p> 	<p>The S114 Notice and accompanying report sets out areas and measures in relation to the Council's finances and governance which require urgent attention. These measures are underpinned by a detailed action plan, and the S151 officer, working with colleagues, is leading on its implementation.</p> <p><b>Person Responsible:</b> Steven Mair</p> <p><b>To be implemented by:</b> 31 Mar 2022</p>	<p>I = 4 L = 2 8 To I = 3 L = 3 9</p> 

# SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
240	<p>Cyber Security</p> <p><b>Risk Owner:</b> Alexander Cowen</p> <p><b>Delegated Risk Owner:</b></p> <p><b>Last Updated:</b> 19 Jul 2021</p>	<p><b>Description</b></p> <p>Cyber attacks are increasing globally with increasing levels of success. The IT infrastructure inherited back from arvato is known to be neglected and potentially vulnerable. No dedicated cyber security staff were transferred to SBC and there is limited skill set</p>	<p>I = 4 L = 5 20 To I = 4 L = 5 20</p> <p style="text-align: center;">=</p> <p style="text-align: center;">=</p>	<p>Contract external cyber security resilient service to strengthen response with Softcat security service. Quarterly Security Controls Assessment</p>	<p>I = 3 L = 3 9 To I = 3 L = 3 9</p> <p style="text-align: center;">=</p> <p style="text-align: center;">=</p>	<p>Increase Comms to staff to raise awareness of best practice and increase awareness (phishing attacks etc)</p> <p><b>Person Responsible:</b> Alexander Cowen</p> <p><b>To be implemented by:</b> 30 Sep 2021</p>	<p>I = 3 L = 2 6 To I = 3 L = 2 6</p> <p style="text-align: center;">=</p> <p style="text-align: center;">=</p>
		<p><b>Consequence</b></p> <p>There is an inherent risk of security breach and data loss. A successful ransomware attack could leave Council data inaccessible unless a ransom was paid. There is a potential for network downtime and major service disruptions</p>		<p>Breach Assessment for 3 Vectors annually</p> <p>Security Improvement Programme Leadership</p> <p>Core Security Policies</p>		<p>Work to achieving PSN compliance</p> <p><b>Person Responsible:</b> Alexander Cowen</p> <p><b>To be implemented by:</b> 30 Sep 2021</p>	
				<p>Network boundary perimeter protection software (malware protection) are using a supported version of a product made by Clearswift, which have antivirus engines built in</p>		<p>Ensure security patching is up to date</p> <p><b>Person Responsible:</b> Alexander Cowen</p> <p><b>To be implemented by:</b> 30 Sep 2021</p>	
						<p>Ensure membership of SEGWARP and other government alert agencies</p> <p><b>Person Responsible:</b> Alexander Cowen</p> <p><b>To be implemented by:</b> 30 Sep 2021</p>	

SBC Corporate Risk Register

Page 56

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
						<p>Implement a cyber security plan and programme of work to increase security and reduce vulnerabilities, open actions are being addressed through the refresh of equipment</p> <p><b>Person Responsible:</b> Alexander Cowen</p> <p><b>To be implemented by:</b> 31 Dec 2021</p> <hr/> <p>Ensure there is an updated assessment of annual internal and external penetration testing for independent verification of potential weaknesses.</p> <p><b>Person Responsible:</b> Alexander Cowen</p> <p><b>To be implemented by:</b> 31 Dec 2021</p>	

Slough children will grow up to be happy, healthy and successful.

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
----------	------------	---------------------------	------------------------	--------------	------------------------	-----------------	----------------------

# SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
33	<p>Failure of Children's Social Care</p> <p><b>Risk Owner:</b> Josie Wragg</p> <p><b>Delegated Risk Owner:</b></p> <p><b>Last Updated:</b> 19 Jul 2021</p>	<p><b>Description</b>                      Children's social care services are currently judged as RI having improved from Inadequate. It is important that the improvement journey continues                      Slough Children's Services Trust have recently published 2018-19 accounts indicating that there is a material uncertainty to going concern status due to there being no agreed plan to repay liabilities to the Council. There is a risk that directors may need to declare insolvency in the next 12 months. The publication of these accounts may lead to reputational damage to SCST and potentially to a lack of confidence from providers and staff. This in turn may impact negatively on outcomes for children.                      The Covid emergency has placed additional pressures on children's social care and higher caseloads have exacerbated issues with the..</p> <p><b>Consequence</b>                      Poor outcomes for vulnerable children include risks to safeguarding.</p>	I = 4 L = 5 20 To I = 4 L = 5 20 = =	<p>Interim DCS/Chief Executive appointed and recruitment process in place to recruit to permanent post.</p> <p>6-weekly contract monitoring meetings take place, including a review of performance against KPIs. Quarterly meetings of the Strategic Commissioning Group. SBC receive regular budget monitoring reports including updates on savings and on progress with implementation of additional financial controls by SBC.</p> <p>Finance directors from SBC and SCF meet regularly. Regular Transition Steering Group meetings with the Company, DfE, Commissioner and SBC senior officers in attendance. Review of rapid Improvement Plan, recommendations from DfE with counter response from SBC</p> <p>Joint Parenting Panel i.e. through the Corporate Parenting Strategy and related Action Plan, that JPP ensures the effective discharge of the corporate parenting role.</p>	I = 3 L = 4 12 To I = 3 L = 4 12 = =	<p><b>Person Responsible:</b></p> <p><b>To be implemented by:</b></p>	I = 3 L = 4 12 To I = 3 L = 4 12 = =

# SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
				<p>Regular Transition Steering Group meetings with Trust representatives, DfE, Commissioner and SBC senior officers in attendance. PeopleToo have been commissioned to conduct business analysis work. Transition Project Group to ensure individual workstreams are progressed to enable "go live" for new arrangements by 1 April 2021.</p> <p>Review of model for delivery of children's services undertaken in partnership with SCST, DfE and external partners</p>			

# SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
A&I 5	SALT Services <b>Risk Owner:</b> Johnny Kyriacou  <b>Delegated Risk Owner:</b> <b>Last Updated:</b> 19 Jul 2021	<p><b>Description</b> Speech and language therapy services constitutes as special educational provision outlined by the Children’s Act 2014 and SEND Reforms.</p> <p>Where SALT needs are identified in an Education and Health Care Plan, the Council is duty bound to meet the needs. The current investment in SALT service is inadequate, with increasing demand and numbers of SALT needs identified, current estimates place the investment with meeting approximately 70% of needs and a 3 year waiting list.</p> <p><b>Consequence</b> The lack of investment in SALT provision has led to increased wait times and insufficient supply. This will inevitably lead to a growing number of tribunal complaints, and noncompliance with the statutory framework</p> <ul style="list-style-type: none"> <li>• Damage to reputation</li> <li>• Risk of noncompliance with statutory framework</li> <li>• Risk of failure to meet strategic objectives of the Council</li> </ul>	I = 3 L = 4 12 To I = 3 L = 4 12  = =	Actions are in the process of being completed	I = 3 L = 3 9 To I = 3 L = 3 9  = =	Establish a market of independent SALT providers with competitive pricing models for schools to make own arrangements, where appropriate.  <b>Person Responsible:</b> Johnny Kyriacou  <b>To be implemented by:</b> 30 Sep 2021  Investment in preventative tools to help with early identification and response in schools, thereby delay and reduce the need for specialist intervention need  <b>Person Responsible:</b> Johnny Kyriacou  <b>To be implemented by:</b> 30 Sep 2021  Work with East Berks CYPIT group to establish a new service to meet needs of local children  <b>Person Responsible:</b> Johnny Kyriacou  <b>To be implemented by:</b> 31 Mar 2022	I = 3 L = 3 9 To I = 3 L = 3 9  = =

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

## SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
38	information Governance and GDPR <b>Risk Owner:</b> Alexander Cowen <b>Delegated Risk Owner:</b>  <b>Last Updated:</b> 19 Jul 2021	<p><b>Description</b> 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>GDPR 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><b>Consequence</b> If there is not an adequate response to GDPR there is a chance that there may fines, criticism from the information Commissioner Damage to reputations Civil Claims for damages</p>	I = 3 L = 4 12 To I = 3 L = 4 12  =	Data Protection Informations assessment External review of compliance by RSM Initial data mapping completed by RSM Interim Data Protection Officer appointed	I = 3 L = 2 6 To I = 3 L = 2 6  =	Recruitment of permanent Data Protection Officer <b>Person Responsible:</b> Alexander Cowen <b>To be implemented by:</b> 31 Mar 2022	I = 3 L = 2 6 To I = 3 L = 2 6  =



# SLOUGH BOROUGH COUNCIL

## Internal Audit Progress Report

For the Audit and Corporate Governance  
Committee meeting on 29 July 2021

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.

# 1 KEY MESSAGES

The internal audit plan for 2020/21 was approved by the Audit and Corporate Governance Committee at the March 2020 meeting. This section provides an update on the key messages relating to the progress of the 2019/20, 2020/21 and 2021/22 plans, as at 16 July 2021.



## 2019/20 Internal Audit Plan

Since the previous Committee held in March 2021, we have finalised the **one remaining 2019/20** report (Business Rates) which resulted in a reasonable assurance opinion. [\[To note\]](#)

## 2020/21 Internal Audit Plan

As part of the 2020/21 Internal Audit plan, a **further 19 reports** have been finalised since the meeting held in March 2021. 17 of these reports provided assurance opinions, of which, reviews concluded with:

- eight reasonable (positive) assurance opinions,
- seven reports with partial assurance (**negative**) opinions (Temporary Accommodation, Payroll, Asset Register, S106 funds, Treasury Management, Health and Safety and Whistleblowing);
- one advisory report with significant weaknesses identified impacting the year end opinion (Council Subsidiary Companies)
- the remaining report (Debtors Management) resulted in a no assurance (**negative**) opinion.
- We have also finalised our Q3 Follow Up report, where we concluded that '**poor progress**' had been made with respect to the implementation of agreed management actions.
- In the follow up report, we are advising the Committee that they cannot place reliance on the accuracy of the management action reporting provided by Officers. We have agreed an additional action in the Follow Up report to address future reporting at the Audit and Governance Committee meetings.

Please see **Appendix A** for the executive summary details of the nine (eight assurance reviews and one follow up concluding little progress) negative assurance reviews issued since the last meeting. For details of all audits finalised to date, please see **Appendix B**. [\[To note\]](#)

In addition, we have issued a further 4 **reports in draft** from the 2020/21 plan and these are documented below in Section 2. [\[To note\]](#)

## Impact on the 2020/21 Head of Internal Audit Opinion



Our annual opinion is on the Committee's agenda today as a separate paper. The 2020/21 is an overall negative (qualified) opinion concluding that 'The organisation does not have an adequate framework of risk management, governance or internal control'. The previous S151 Officer was advised of this position prior to his departure and the new S151 was advised of this position at our first meeting. We have also attended a recent Strategic Leadership Team meeting to discuss this in more detail with Senior Officers and discuss the importance of the internal audit programme and crucially the implementation of agreed management actions by Officers.



**Senior Management Commitment** - It should be noted that senior management have recognised the weaknesses in the control framework for tracking management actions. Significant progress has already been achieved in finalising all but two of the 2020/21 internal audit reports (noticeable improvements on previous financial years). Furthermore, there has been a re-allocation of roles with regards to the finalisation and tracking of internal audit reports, and we have also recognised a strong commitment from the new S151 Officer and Chief Executive to drive improvements in this important areas, given the number of action plans and recommendations that will need to be tracked, reported on and implemented in 2021/22 and beyond.

### 2021/22 Internal Audit Plan



As part of the current financial year Internal Audit Plan, **five reports** have been issued in draft. We have also started the fieldwork for three other audits.

### Impact on 2021/22 Head of Internal Audit Opinion

The Committee should note that any negative assurance opinions ('Minimal Assurance' or 'Partial Assurance' opinions, or poor or little progress in relation to follow up reviews) and any advisory reviews where significant issues are identified will be noted in the annual report and may result in a qualified / negative annual opinion.

Where we have issued any negative opinions, these will impact our 2021/22 Head of Internal Audit Opinion, but further updates will be provided during the year.

We are still in the early stages of delivery of the 2021/22 Internal Audit plan. However, this Committee will need to carefully monitor the progress made by Officers to implement the management actions agreed from the 2020/21 Internal Audit reviews. All of the negative opinions from 2020/21 will be re-audited in 2021/22, including the advisory reviews where significant issues were identified.

Please note the Chair of this Committee receives a copy of all final reports throughout the year as they are finalised. **[To note]**



## 2 INTRODUCTION

This report provides a summary update on progress against the remaining audits from the 2019/20 internal audit plan and progress against the 2020/21 plan. The report is based on the position as at the 15<sup>th</sup> July 2021.

**2019/20 Internal Audit Plan** – Since the last audit committee in March 2021, the one remaining report relating to the 2019/20 audit plan has been finalised

- Business Rates – Reasonable assurance

**2020/21 Internal Audit Plan** - Since the last update provided in March 2021, the following **19** reports have been finalised:

- Debtors Management – No Assurance
- Payroll – Partial Assurance
- Temporary Accommodation – Partial Assurance
- Asset Register – Partial Assurance
- Health and Safety – Partial Assurance
- Section 106 Funds – Partial Assurance
- Whistleblowing – Partial Assurance
- Treasury Management – Partial Assurance
- Quarter 3 Follow Up – Little Progress
- St Mary's Church of England School – Reasonable Assurance
- General Ledger – Reasonable Assurance
- Creditors – Reasonable Assurance
- Capital Expenditure – Reasonable Assurance
- Planning Statutory Response Times – Reasonable Assurance
- Planning Performance Agreements – Reasonable Assurance
- Social Lettings Team – Reasonable Assurance
- Rent Accounts – Reasonable Assurance
- Discretionary Business Grants – Advisory
- Council Subsidiary Companies – Advisory (but significant weaknesses identified)

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

- Business Rates – Issued 31<sup>st</sup> March 2021 (Reasonable Assurance)
- Follow Up Q4 – 26<sup>th</sup> May 2021 (Poor Progress)

**2021/22 Internal Audit Plan**

The Internal Audit Plan for 2021/22 was approved by the Audit and Corporate Governance Committee on 4th March 2021 (please note a revised 2021/22 plan is also on today's agenda for approval). Since the last update provided in March 2021, five 2021/22 reports have been issued in draft:

- Travel Demand Grant (Issued 14<sup>th</sup> May 2021)



- Children Missing Education (1<sup>st</sup> July 2021)
- Schools Audit – Cippenham Nursery School (5<sup>th</sup> July 2021)
- Rent Arrears Recovery (14<sup>th</sup> July 2021)
- IT Business Continuity and Disaster Recovery (15<sup>th</sup> July 2021)

## 3 OTHER MATTERS

### 3.1 Client briefings

We have issued a number of client briefings to Officers since the last Audit and Corporate Governance Committee meeting.

### 3.2 Changes to the plan

The following changes were agreed with the previous Section 151 Officer to the 2020/21 plan since the last meeting:

Note	Auditable area	Reason for change
6	Governance	Following discussions with the previous S151 Officer, it was agreed that the audit budget would be used to complete the Subsidiary Companies Governance audit, given the significant findings identified and the additional time required to complete the review.
7	Transformation Programme Follow Up	At the request of the Chief Executive the review was deferred to the 2021/22 Internal Audit Plan, owing to the impact of the Council's restructure programme.

The changes below have been previously reported to the Committee:

Note	Auditable area	Reason for change
1	Parish Council Governance	At the request of the Director of Finance and Resources, we have cancelled the Parish Council Governance review, and this is being replaced with a review of Leasehold Service Charges.
2	Discretionary Grant Funding	At the request of the Director of Finance and Resources, we have replaced the review of Mental Health Provision with a review of the processes and governance in place surrounding the funding provided to the Council for businesses that do not fall inside the main COVID-19 funding schemes.

3	Grant Funding	Initially we were informed of the Local Transport Revenue Block Funding grant was the only grant which required sign off in the current financial year. We have undertaken a review on the above to confirm the appropriateness of the grant spending in line with the conditions. Subsequently we were also informed of a further grant for the Bus Service Operators Grant, which we also delivered as part of the agreed Grant audit budget. However, we have been notified of two further grants (Dedicated Home to School Transport and Test and Trace Support Payment Scheme) which as part of the Grant conditions require sign off from the Chief Executive and Chief Internal Auditor, and we are in discussion with the Director of Finance and Resources about the best way to deliver these.
4	Cash Collection	Since the Council has moved to being cashless, we have replaced this review following discussion with the Executive Director, Corporate Operations with work undertaken in relation to the Council's Subsidiary Companies.
5	Continuing Healthcare	Following the request of the Executive Director, People (Adults) to postpone a review of Continuing Healthcare until the 2021/22 Internal Audit Plan, we have agreed to replace this review with a further grant funding review. A new scheme from central government in relation to the Test and Trace Scheme funding provided to the Council requires sign off from the Council's Chief Internal Auditor and Chief Executive.

### 3.3 Sector Update

#### Coronavirus workforce survey

The Local Government Association has published the latest findings from its monthly surveys of all councils in England and Wales collecting key workforce data on how the sector is responding to coronavirus. Key findings from the May 2021 survey includes:

- 38 per cent of councils reported recruiting additional staff in the week ending 7 May 2021;
- 24 per cent of councils reported that they had furloughed at least one member of staff. In total, responding authorities reported there were 3,938 staff furloughed in the week ending 7 May 2021, which was 0.8 per cent of the current workforce;
- the main reason given for furloughing staff was that the service had stopped (59 per cent) or that funding had stopped (33 per cent);
- 50 per cent of councils had redeployed staff; and
- when asked to assess the council overall, in terms of whether there are enough staff to run services normally or not, 53 per cent of councils reported they were not operating normally.

#### Local government finance

The Public Accounts Committee has published a report on local government finance. Despite receiving additional funding during coronavirus, many local authorities are in a 'precarious financial situation and will experience long-term financial effects' from the pandemic. Many expect to make cuts to their budgets for local services in 2021/22. The Public Accounts Committee says that the impact of the pandemic risks leading to reductions in services for local people even as council tax rises, meaning that local people could be paying more for less. Other key points include:

- 
- the Ministry of Housing, Communities and Local Government (MHCLG) was not sufficiently prepared for the local government finance implications of a severe emergency;
  - the pandemic has exposed limitations in the data that the MHCLG normally collects from local authorities, meaning it has not had a proper picture of local financial resilience; and
  - the MHCLG has not fulfilled previous assurances that it will be transparent about financial risk in the sector by sharing information with the National Audit Office.

#### Councils to test the use of digital tools in planning process

The Housing Minister has announced a £1.1m fund to test the use of digital tools and data standards across 10 local areas. The planning white paper 'Planning for the future', published in August 2020, proposed reforms to the planning system to streamline and modernise the planning process. By introducing a digital system that makes plans map-based and accessible online, local people will be able to engage with planning in their local area, which will help get homes built quicker.

#### Funding boost to develop new local design guide for housing development

A new national design code ensuring areas are beautiful, well-designed and locally led is being tested across 14 areas in England, the government has announced. The National Model Design Code (NMDC) will ensure future developments are beautiful and fit in with local character. 14 councils will receive £50,000 each to develop new design codes.

#### Councils given further £200m in next stage of successful rough sleeping programme

Robert Jenrick, Housing Secretary, has announced a further £203m fund which will be allocated to councils across England and will support vital projects such as shelters, specialist mental health or addiction services, and targeted support to help rough sleepers off the streets. This funding is one part of the £750m investment this year to tackle homelessness and rough sleeping and part of the government's drive to end rough sleeping by the end of this Parliament. Analysis of the Rough Sleeping Initiative, now in its fourth year, shows that the programme has reduced rough sleeping by almost a third compared to areas which have not taken part in the programme.

#### Councils given power to build more homes

The Ministry of Housing, Communities and Local Government (MHCLG) has announced that councils will have more freedom on how they spend the money from homes sold through Right to Buy to help them build the homes needed in their communities. It will also give councils more time to use receipts and to develop ambitious building programmes. The government wants homes supplied using Right to Buy receipts to be the best value for money, and to add to overall housing supply, to help towards delivering 300,000 new homes a year across England by the mid-2020s.

#### £212m investment in homes for rough sleepers

The MHCLG has announced £212m in funding for councils to support its aim of creating 6,000 dedicated homes for rough sleepers. Councils are invited to bid for a share of the £212m funding for the next 3 years as part of a total £433m investment in safe, long-term, stable and supported housing for rough sleepers.

#### Local government finance in the pandemic

The National Audit Office's (NAO) report examines if the MHCLG's approach to local government finance in the coronavirus pandemic enabled it to assess and fund the costs of new services which local authorities have been asked to deliver. It also examines whether the MHCLG fulfilled its responsibilities in securing financial sustainability across the sector. The report:

- looks at the financial health of the sector before the pandemic and the financial impact of the pandemic in 2020/21;



- prior to the pandemic, local authority finances were under pressure following a period of funding reductions, growth in service demand and delayed reforms to the local finance framework; and
- local authorities have forecast that the pandemic will create £6.9bn of cost pressures in 2020/21.
- examines action taken by the government to support the sector in 2020/21;
- assesses the effectiveness of government measures to support the sector in 2020/21; and
- examines the steps taken by government to support the sector's financial sustainability in 2021/22.

### Timeliness of local auditor reporting on local government

The NAO has published a report on the timeliness of local auditor reporting on local government in England, setting out how the majority of local authorities, police and fire bodies failed to achieve reporting and audit deadlines despite a four-month extension in recognition of the pandemic. Key findings include:

- the timeliness of audit opinions in 2019/20 has deteriorated further from the 2018/19 audits, when around two-fifths of audit opinions were delayed;
- the pandemic has had a significant impact on delivery of the 2019/20 audits and the financial position of audited bodies;
- the late delivery of local audit opinions has delayed the audits for some government departments, impacting on the assurance Parliament receives over how taxpayers' money is used;
- the Committee of Public Accounts has continued to express concern about the system of local audit;
- concerns over the quality of local audit have been raised by the Financial Reporting Council (FRC) in its report on local audits in October 2020.

The ICAEW has also published its view following the NAO's report.

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

Detailed below are the High and Medium Priority Management Actions from negative opinion reports ie **Partial or No Assurance reports** (or **Poor or Little progress** for follow up reports) and any **advisory reviews where significant issues were identified** (in the exception format previously agreed by the Committee):

<p><b>Debtors Management 25.20/21</b></p>		<p><b>1 High</b> <b>5 Medium</b> <b>1 Low</b></p>
<p><b>Debt Reminders</b></p> <p>Through discussions with the Head of Transactional Finance and Accounts Receivable Team Leader, we were informed that an instruction had been made by the Director of Finance and Resources to stop debt reminders, however when reviewing an email from the Director of Finance and Resources instructing the temporary stop of recovery of debt by enforcement agents we found that it stated that bills and reminders were to continue to be issued in the usual way.</p> <p>Through review of email correspondence, we found that the Accounts Receivable Team Leader and Head of Transactional had been instructed to not send out debt reminders by the Service Lead Finance on multiple occasions after querying whether they could start issuing them again.</p> <p>If debt reminders are not issued to individuals, there is a risk that aged debts will continue to rise and that the chances of recovering debts will decrease the longer they remain outstanding. <b>(High)</b></p> <p><b>Training</b></p> <p>Training relating to the raising of invoices is provided via the Council's e-Learning platform Cornerstone. Although not mandatory, those individuals responsible for completing accounts receivable functions are encouraged to complete the training module to ensure familiarity with expected processes.</p> <p>As part of the 19/20 Debtors Management review a management action was raised regarding the review and updating of all finance-based training, Additionally, staff using the Agresso self-service finance functions were to undertake relevant training with completion rates being reported at an appropriate forum and exception reports issued to managers with instructions for relevant staff to complete the training.</p> <p>Through discussions with the Head of Transactional Finance we were informed that the action had not been implemented.</p> <p>Through further discussions with the Interim Service Lead - Finance we were informed that the training material had not been updated and the training had not been carried out due to the Council restructuring, with the reasoning being that it would be an inefficient use of time and resources to train staff who may no longer be at the Council after the restructuring is complete.</p> <p>If staff do not receive suitable finance-based training, there is a risk that staff will take inappropriate actions with regards to accounts receivable processes, such as not obtaining supporting evidence for credit notes, which could lead to financial losses for the Council. <b>(Medium)</b></p>		

## Credit Notes

Through review of sample of 20 credit notes raised since April 2020 we found that:

- for 15 credits, authorisation had been obtained via the Agresso workflow and had occurred within a day of the credit note being raised;
- for all credits, the credit notes had been processed within a minimum of two days following approval; and
- for 14 credits, documentation supporting the raising of the credit note had been retained and matched the values of the credit raised.

For one of the samples we found that this did not relate to a credit note but a transfer from a suspense account and as such approval and supporting documentation was not required.

For the four credits without authorisation through the Agresso workflow, we were informed this was due them being bulk raised by AR as 57 credit notes had to be raised for the same value and confirmed that appropriate email authorisation was on file.

With regards to the five credit notes without supporting documentation, we found that for one of these nothing was on file as no documented evidence existed and for the remaining four, while we were supplied with reasons as to why the credit was raised no supporting documentation could be supplied to support the raising of the credit note.

As part of the 19/20 Debtors Management review a management action was raised for a reminder to be issued to staff and managers to add supporting documentation to Agresso when raising credit notes however we did not obtain any evidence that any reminders had been issued. If supporting documentation is not attached to credit notes on Agresso there is a risk that credit notes are approved without any basis which could result in financial loss for the Council. **(Medium)**

## Parked Invoices

We found that a review of all parked invoices with due dates to 31 March 2020 had been carried that documented a reason to park each invoice, or had other information recorded regarding the status of the invoice such as whether it had been paid or written off. We found that the report contained 1037 invoices, with a total value of £4.8m.

We obtained a further report detailing parked invoices that was generated in November 2020 and through review found that the total parked invoice value had risen to £5.06m.

Through further analysis of this report we identified that 68% of this value was owed by 10 debtors. Three of these were business partners of the Council including Slough Children's Services Trust, East Berkshire CCG and Beechwood Secondary School and we were informed by the Accounts Receivable Team Leader that debt enforcement was not carried out against these clients, under the understanding of the Council's Director of Finance and Resources.

For two of the customers, Arvato Public Sector Services and First Beeline Buses, the Council was engaged in ongoing legal disputes, with the invoices remaining on hold in the event that the Council were to be successful in the dispute and the debts would be paid.

For one debtor, we found that six of their invoices had been parked due a rent deferral being agreed. The corporate customer, due to the impacts of COVID-19, had requested a rent deferral which we confirmed had been agreed and authorised by the Director of Finance and Resources through review of a letter to the customer.

For a further three, we found that these related to Adult Social Care customers that had deferred payment arrangements with the Council and as a result, debts could not be enforced until the Council were informed that the customer's property had been sold or that they had passed away.

In another Adult Social Care case, we noted that the customer had three invoices parked, one from July 2015 and two from June 2017. Through discussions with the Accounts Receivable Team Leader we were informed that since the initial review of parked invoices, no additional reviews have taken place due to debt recovery being on hold as a result of COVID-19.

If parked invoices are not periodically reviewed there is a risk that recovery action will not be pursued for these debts which could increase the amounts that are not recuperated by the Council. **(Medium)**

#### Debt Recovery Policy

Through review of the draft Income Collection and Debt Recovery Policy we found that it documented areas such as the policy objective, debts covered by the policy and disputed invoices, with additional relevant areas covered.

We noted that the policy was still in an incomplete, early draft format and were informed by the Head of Transactional Finance that due to significant work pressures and delays caused by COVID-19, the Council had not had time to complete the policy and submit it for approval and implementation. Without a defined process for debt recovery, including circumstance specific action to be taken, there is an increased risk that inconsistent debt chasing practices are followed. This in turn increases the risk that debts are not sufficiently chased and decreases the likelihood of debt recovery. **(Medium)**

#### Reconciliations

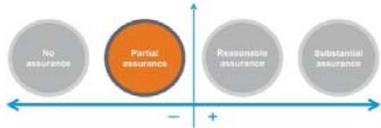
A review of Accounts Receivable reconciliations for the last three months found that while they had been completed for cash and control accounts for all months, we found issues with incorrect preparation dates being recorded for the four of the reconciliations and no dates or signatures recorded to show that the reconciliations had been reviewed.

We were informed by the Group Accountant that they will review the reconciliations and talk through any queries with the Accountancy Assistant should they arise, but a digital signature is not applied, or approval email sent. As a result, we were unable to confirm that any of the reconciliations had been reviewed and if these were completed in a timely manner.

If control account reconciliations are not carried out there is a risk that variances will not be highlighted or investigated within a timely manner which could lead to financial losses for the Council. **(Medium)**

1	<p>The new finance training manual will be introduced in April 2021 and all staff using Agresso self-service finance functions are to undertake relevant training, with completion rates reported to an appropriate forum.</p> <p>Exception reports of staff who have not completed the training will be forwarded onto managers with an instruction for relevant staff to complete the trainings.</p>	Medium	31 <sup>st</sup> July 2021	Tony McGuinness - Group Manager Operational Finance
2	<p>The Council will ensure a reminder is issued to staff and managers outlining the following requirements:</p> <ul style="list-style-type: none"> <li>• For all staff to add supporting documentation on Agresso when raising credit notes; and</li> <li>• For all managers approving credit notes to ensure such documentation has been uploaded prior to approval.</li> </ul>	Medium	30 <sup>th</sup> April 2021	Mandy Richards - Accounts Receivable Team Leader

3	The issuing of debt reminders will be reinstated by the Accounts Receivable Team.	High	30 <sup>th</sup> April 2021	Mandy Richards - Accounts Receivable Team Leader
4	The Council will complete a review of parked invoices on a periodic basis, validating the reasons for parking amounts through the issuing of a parked debt report to relevant cost centre managers. The outcome of the reviews will be reported to the Service Lead Finance and escalated as appropriate.	Medium	31 <sup>st</sup> July 2021	Tony McGuiness - Group Manager Operational Finance
5	The Council will complete the Income Collection and Debt Recovery Policy which will be subject to formal review and disseminated to relevant staff, including the Accounts Receivable team.	Medium	31 <sup>st</sup> July 2021	Tony McGuiness - Group Manager Operational Finance
6	The dates that reconciliations have been reviewed by the Group Accountant will be recorded within the reconciliation spreadsheet. In addition to this, where hard copy reconciliations are unable to be signed off a digital signature will be applied to the reconciliation spreadsheet once it has been reviewed by the Group Accountant	Medium	31 <sup>st</sup> April 2021	Ishrat Fatima - Group Accountant

<p><b>Whistleblowing 4.20/21</b></p>		<p><b>2 High</b> <b>3 Medium</b> <b>4 Low</b></p>
<p><b>Whistleblowing Procedure</b></p> <p>Our review identified that there is no formal procedure relating to the whistleblowing process, which includes guidance on handling concerns and undertaking enquiries. Although an overview of the process is outlined in schedule three of the Confidential Whistleblowing Code, this does not provide adequate instruction or guidance for investigators on processes such as carrying out localised investigations and safely and securely holding documentation. There is a risk of inconsistencies in the whistleblowing process without a documented process, which may lead to issues when dealing with and escalating cases, which in turn can negatively impact staff confidence in the whistleblowing process. <b>(High)</b></p> <p><b>Case Management System</b></p> <p>We confirmed through discussion with the Service Lead – Governance that the Council continued to use the IKEN legal management programme to record whistleblowing proceedings in lieu of a central case management system. Access to IKEN has not been granted to the Monitoring Officer nor investigators, prohibiting the monitoring of caseloads and progress. One of the roles of a Monitoring Officer is to be responsible for matters relating to the conduct of Councillors and officers. The programme also does not allow for the planning of investigations, recording of decisions nor extraction of statistics.</p>		

In addition to this and importantly, limited access means that there is a risk that the Council does not have an extensive, live record of whistleblowing concerns. **(High)**

#### Confidential Whistleblowing Code

The Confidential Whistleblowing Code has been produced to provide a reference point for staff with regards to whistleblowing matters. Although available as part of the Constitution, an individual document and via the SBC website, we found that these locations had not been shared with staff since April 2018. There is therefore a risk of a decreased employee awareness of the code. **(Medium)**

#### Mandatory Whistleblowing Training Module

A Whistleblowing with Confidence module has been created and made mandatory for all staff as per the management action from the previous review. Dashboard figures for the module identified 32 per cent of staff were overdue completing this training. The Head of Organisational Development informed us that the Council is beginning to follow up and chase individuals, however this process is yet to be formalised and may need to consider those who cannot access the module as well as ensuring managers address non-completion locally.

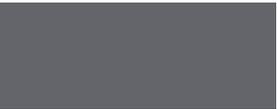
Without ensuring appropriate follow up is undertaken, there is a risk that staff do not complete the training and remain unaware of whistleblowing processes, limiting the number of concerns raised. This is supported by our survey findings where 44 per cent of respondents answered negatively when asked about the provision of whistleblowing training. **(Medium)**

#### Whistleblowing Practices Review

As part of the 2018/19 report it was agreed that a regular review of whistleblowing practices would occur covering staff awareness, training needs, effectiveness of investigations and integration into strategic governance. At the time of testing it was found that no such review had taken place. In the absence of a review of whistleblowing practices, there is a risk that the Council is unable to take assurance regarding the processes in place. There is also a risk that issues relating to the whistleblowing system are not identified and resolved, decreasing staff confidence in raising concerns. **(Medium)**

1	<p>The Confidential Whistleblowing Code will be subject to review and approval, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Ensuring the content reflects current processes (i.e. the current address);</li> <li>• Ensuring all references to appendices are correct and appendices reflect this; and</li> <li>• Ensuring all quoted legislation and regulatory information is in-date.</li> <li>• Ensuring reference is made to the author, approval date and review date.</li> </ul> <p>The updated version of the code will then be made accessible to all staff, with its location regularly communicated.</p>	Medium	28 <sup>th</sup> May 2021	Hugh Peart - Monitoring Officer
2	<p>A formalised process for handling whistleblowing concerns will be agreed upon and a guidance document produced based on this.</p> <p>The document will make clear the expectations of all staff involved in the whistleblowing process, including but not limited to the following:</p>	High	28 <sup>th</sup> May 2021	Hugh Peart - Monitoring Officer

	<ul style="list-style-type: none"> <li>Ensuring referrals are escalated as appropriate to the relevant members of staff (Service Lead Governance, Monitoring Officer);</li> <li>Ensuring details of all investigations are recorded on a central case management system; and</li> <li>Ensuring all investigation documentation and supporting evidence is saved onto a central case management system.</li> </ul> <p>The document will then be shared with all relevant staff involved in the whistleblowing process, including management and investigators.</p>			
3	<p>The Council will implement a central case management system to be used to record the following:</p> <ul style="list-style-type: none"> <li>All whistleblowing concerns raised;</li> <li>Investigation progress and outcomes; and</li> <li>Supporting documentation and information relating to investigations.</li> </ul> <p>The system will be accessible to all staff involved in the receipt and investigation of raised concerns, with appropriate restrictions put in place to ensure confidentiality across cases.</p>	High	28 <sup>th</sup> May 2021	Hugh Peart - Monitoring Officer
4	<p>A formalised follow up and chasing process will be implemented including the following:</p> <ul style="list-style-type: none"> <li>The incorporation of substitute training onto Cornerstone accounts; and</li> <li>The oversight of training completion to ensure managers are managing this locally.</li> </ul>	Medium	28 <sup>th</sup> May 2021	Jules Potter - Head of Organisational Development
5	<p>The Monitoring Officer will ensure that a formalised review of whistleblowing is completed on a regular basis, covering the following:</p> <ul style="list-style-type: none"> <li>Staff awareness of whistleblowing practices at the Council;</li> <li>Whistleblowing training provided to staff and investigators;</li> <li>An evaluation of the effectiveness of investigations, the recording of documentation and the reported outcomes/learning points; and</li> <li>An evaluation of whistleblowing in supporting overall organisational strategic governance.</li> <li>The outcomes of the review will be presented to the Audit and Corporate Governance Committee for consideration.</li> </ul>	Medium	29 <sup>th</sup> April 2022	Hugh Peart - Monitoring Officer



<p>Treasury Management 33.20/21</p>		<p>2 High 4 Medium 5 Low</p>
-------------------------------------	--	--------------------------------------

Page 76

**New Loans**

New loans are to be agreed in line with the Borrowing Strategy included as part of the Treasury Management Strategy. For a sample of ten new loans (since April 2020), we confirmed that these were with approved counterparties (per the Strategy and Arlingclose reports) and that loan amounts had been received via review of bank statements. Data analytics testing also confirmed that the end dates as per the terms for all current loans had not expired at the time of our testing, and as such the Council had no matured, overdue loans.

However, we were unable to confirm that the CHAPS receivables listing reports (which are reviewed and approved to reflect authorisation) for two of the loans had been suitably approved by authorised signatories, given that evidence of authorisation was not provided. The loans were both for £5m, giving a total of £10m and required authorisation from an authorised signatory. Without evidence of approval, there is a risk the Council is borrowing money outside of the approved authorised signatory framework, which could result in non-compliance with the Borrowing Strategy and potentially the Financial Procedure Rules and wider vfm implications. **(High)**

**Internal Treasury Management Governance, Oversight and Reporting**

Following instruction from the Director of Finance and Resources, the Treasury Management Board (TMB) has not met since June 2020 (in part to review reporting requirements and how this should be designed going forward). There has been no reporting of day-to-day treasury activity to any other operational forum in its absence, with only the in-year treasury position reported to Cabinet as part of the Treasury Management Annual Report in November 2020. As such as the TMB responsibilities to oversee overall control of treasury functions, ensure functions are adequate for demand and review treasury reports had not been assumed by any forum.

We were advised that there are plans to bring a treasury report to the Cabinet Commercial Sub-Committee, however this had not commenced at the time of our review. If treasury management is not discussed at an appropriate Governance forum, there is a risk that operational activities and performance are not suitably scrutinised. **(High)**

**Money Market Investment Interest**

Interest amounts received for money market investments (where the Council invests surplus funds with approved counterparties) are based on variable rates and as such are determined by movements in the underlying interest rates. The calculations for monthly interest amounts can be accessed via the Logotech system, however at the time of our review there was no evidence that the Council was checking amounts received to the calculations for accuracy. Without such a check, the Council cannot be assured that correct due interest amounts have been received. **(Medium)**

For a sample of ten 'money market' investments made since April 2020, we sought to obtain the calculations for the most recently received interest amounts. We were not provided with these over the course of the review and as such could not confirm interest had been received and that amounts were correct. Where auditors are not given access to interest calculations, testing cannot be completed and therefore assurance provided to confirm correct amounts have been received. **(Medium)**

### Cashflow Forecast

A cashflow forecast, detailing available cash funds, is maintained on the Logotech system. We obtained the overarching cashflow forecast for 2020/21, noting that this included breakdowns of expenditure and income for the period. We identified that the forecast had not been updated to include actual cashflows. The Group Accountant-Corporate (Capital, Treasury & SUR) informed us that whilst this information is recorded on the Logotech system, there is currently no way to prepare a report comparing actual and forecasted cashflows. Without this comparison, there is a risk that inaccurate forecasting is not identified and resolved to inform future cashflows, and associated investment or borrowing decisions, which could result in financial loss or have value for money implications. **(Medium)**

### Cabinet Treasury Management Reporting / Member training

The Council's treasury position is presented to Cabinet as part of the Treasury Management Annual Report. The most recent report was brought to the Cabinet meeting in November 2020, outlining the Council's treasury positions for 2019/20 and as at October 2020. We noted that with the exception of one query, there was limited evidence of scrutiny of this within the meeting minutes.

A recent Public Interest report (for another local authority) identified that Council members responsible for reviewing treasury activity should receive sufficient training to allow for adequate understanding and the ability to scrutinise information. At the time of our review, although plans were in place to offer further financial training (including treasury), only an 'introduction to local government finance' session had been provided to Councillors. Without treasury management training, there is a risk that treasury activity is not subject to appropriate scrutiny and members may not hold sufficient treasury management skills to provide appropriate oversight and challenge. The Council's intention to bring a treasury report to the Cabinet Commercial Sub-Committee increases the importance of training. **(Medium)**

1	The Group Accountant - Corporate (Capital, Treasury & SUR) will ensure that interest amounts and calculations for money market investments are reviewed and reconciled for accuracy on a rolling basis.	Medium	30 <sup>th</sup> September 2021	Lubna Khan – Treasury Technician
2	The calculations and interest information relating to money market investments will be made accessible to the auditors during future reviews.	Medium	30 <sup>th</sup> September 2021	Lubna Khan – Treasury Technician
3	The Group Accountant - Corporate (Capital, Treasury & SUR) will ensure that all CHAPS reports, and the associated approvals, are retained on file. This may include saving and filing email approvals rather than retaining these in inboxes.	High	31 <sup>st</sup> August 2021	Lubna Khan – Treasury Technician
4	The Group Accountant-Corporate (Capital, Treasury & SUR) will liaise with Logotech to produce a report including forecasted and actual cashflows. This report will then be monitored to identify significant variances.	Medium	30 <sup>th</sup> September 2021	Lubna Khan – Treasury Technician
5	We will ensure that treasury management activity is internally reported and discussed at an operational level by an appropriate forum/group on a formal basis.	High	31 <sup>st</sup> August 2021	Lubna Khan – Treasury Technician



6	We will review the level of training offered to Councillors with regards to treasury management, with a focus on ensuring this is provided to members of the Cabinet Commercial Sub-Committee as a minimum requirement.	Medium	30 <sup>th</sup> September 2021	Tony McGuinness - Financial Controller
---	---	--------	---------------------------------	--

Payroll 34.20/21		<p>1 High</p> <p>1 Medium</p> <p>2 Low</p>
------------------	--	--

Page 78

**Access to Payroll Module**

From a report of individuals who have access to the Payroll module of Agresso, we sampled a total of 20 individuals and confirmed two who were no longer employed by the Council (or the relevant third party). This was confirmed through discussion with the Head of T-HR and Payroll and searching on an establishment report (dated November 2020).

We confirmed that for one of the exceptions, the individual was a member of the Agresso Project Team, who had left the Council in September 2020. We were advised by the leavers' line manager (Agresso HR Consultant / Project Manager) that this had been due to an oversight on their part, having not completed a leaver form and subsequently not removed their access.

For the second employee, they had left arvato in November 2019, however their Active Directory (AD) account was only removed in July 2020. For a period of time (Nov 19 – Jul 20), this member of staff did have access to Agresso and the account was not de-activated in a timely manner. Further discussion with the Head of T-HR and Payroll identified that there is currently no detective mechanism to identify such instances where ex-staff accounts (from the Council, or any third parties) have not had their account closed.

We did however identify that there are some compensating controls which allow Council Officers to identify any inappropriate payroll transactions, specifically monthly prepared variation reports which highlight all payroll variances in excess of £2,000. There is also a monthly budget holder budget monitoring controls in place. Our testing during this review did not identify any exceptions in relation to the effectiveness of variation reports and their review. In spite of these compensating controls, the individual with access could have potentially made smaller payments (less than £2,000), which would be harder to detect by Council Officers.

If access to the Payroll system is not restricted to staff that require it, and access revoked for leavers in a timely manner, there is a risk of individuals with unauthorised access to the payroll system which could result in fraudulent or erroneous payments, and sensitive information such as bank details may not be kept secure. **(High)**

**Expenses – Supporting Evidence**

From a sample of 10 expense claims made since April 2020 we identified two claims where the claimant had not attached evidence to the form to substantiate the claim, and despite this, the claim had been approved by the Budget Holder. The expenses related to the purchase of a 'long extension pole for testing over height equipment' and 'Professional fees'. These claims amounted to £22.99 and £285.



If claims are not supported by receipts, there is a risk that Budget Holders cannot be assured that expenses paid are wholly and exclusively incurred on official Council business. This may lead to losses where the Council are paying fraudulent or erroneous expense claims. <b>(Medium)</b>				
1	The Agresso Project Team will complete periodic reviews of individuals with access to the Payroll system to ensure the system is only accessed by appropriate staff	High	30 <sup>th</sup> June 2021	Nicky Dear - Head of T-HR and Payroll
2	A reminder will be sent to Budget Holders informing them to only approve expenses relating to the purchase of goods and services should receipts be attached to the claim.	Medium	1 <sup>st</sup> August 2021	Surjit Nagra – Associate Director - Customer

<p><b>Temporary Accommodation Strategy (29.20/21)</b></p> <p><b>Timeliness of Homelessness Decisions</b></p> <p>We obtained a copy of the latest homelessness decisions report which details the amount individuals currently residing in TA, with this dated 8 March 2021, and identified from our analysis that 70 per cent (out of 258) were made more than 56 days after the application date (the requirement stipulated within section 188 of the Housing Act). Whilst we noted valid reasons for this (see detailed findings), we identified a lack of reporting around the timeliness of decisions taken within the monthly Housing Services Performance reports (November 2020 to January 2021 reviewed).</p> <p>If there is a delay in reaching a homelessness decision, there is an increased potential for ineligible households to remain in TA properties after the relief duty period of 56 days. There is therefore an increased likelihood that new applicants cannot be accommodated within the Council's TA property portfolio and so the TA Team are forced to use nightly rate shared and bed and breakfast properties which incur greater nightly rate charges. It is important to note that some of the issues cited above could contribute, if not rectified, to the Council not being in compliance with their statutory responsibilities outlined within the Housing Act 1996, Part VII, s188 and 193. <b>(High)</b></p> <p><b>Housing Strategy</b></p> <p>We obtained a series of email correspondence held between the Housing Services Team (dated between August 2019 and January 2020), evidencing that a review of the Council's Housing Strategy was underway in consultation with external consultants Campbell Tickell. We also identified a copy of the draft strategy alongside its accompanying action plan, had been communicated to the Team with this clearly outlining how the Council will achieve its five-year strategy (to 2024).</p>		<p><b>1 High</b></p> <p><b>3 Medium</b></p> <p><b>2 Low</b></p>

Discussions with the Arrears and Investigations Manager identified that there was a lack of clarity over whether the strategy had been formally approved or adopted. At the time of our review, the Project Manager responsible for delivery of the strategy and action plan was currently on maternity leave and as such, we were unable to identify what the status of the strategy was. If a Housing Strategy is not in place and progress against actions is not monitored, there is an increased likelihood that organisational objectives may not be achieved. **(Medium)**

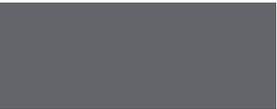
### Monthly Monitoring

We were advised by the Arrears and Investigations Manager that the monthly Housing Services meetings have not taken place since August 2020 due to the impending Council restructuring which has meant that there is currently no Service Lead/ Associate Director in post with this position currently being recruited for. In absence of monthly monitoring of KPI indicators in relation to Housing Services, there is a risk that service level issues are not identified, investigated and rectified in a timely manner. We also noted two of the four TA KPIs (as at February 2021) were currently red RAG rated, emphasising the need for periodic scrutiny of performance levels. **(Medium)**

### Allocations

We selected a sample of 20 households that had entered TA between December 2020 and February 2021 in order to ensure all processes had been followed and corresponding documents had been retained on the digital image processing system (DIP). By means of a system walkthrough and review of the documentation, we confirmed that the correct process had been adhered to by the officers responsible. We noted however that the evidence of the referral documentation, licence agreement and copy of the Section 188 decision had been retained on the DIP for one of the sample. We also identified one instance where retrospective approval from the Arrears and Investigations Manager for a spot purchase (where third party housing is procured to home an applicant at first notice) had not been provided in a timely manner. Failure to retain all documentation relating to TA cases decreases the ability of the Council to demonstrate process compliance. **(Medium)**

1	In line with current plans, the Council will ensure that an up to date Housing Strategy is created. Additionally, progress against the action plan will be periodically monitored by an appropriate forum.	Medium	31 <sup>st</sup> December 2022	Richard West – Executive Director Customer and Community
2	Following completion of the corporate restructure, a new performance mechanism will be developed to reflect the new service. This will include periodic consideration of Temporary Accommodation related performance indicators.	Medium	31 <sup>st</sup> December 2021	Ian Blake - Group Manager - Accommodation
3	The Arrears and Investigations Manager will ensure that all approvals relating to TA, including spot placements are received. Furthermore, all documentation relating to the TA process will be uploaded onto the DIP.	Medium	1 <sup>st</sup> July 2021	Ian Blake – Group Manager Accommodation
4	The timeliness of homelessness decisions will be included within the monthly Housing performance reports.	High	1 <sup>st</sup> July 2021	Julie Render – Housing Demand Manager



Time periods exceeding 56 days will be highlighted and appropriately reviewed by either the TA Team or the Housing Demand Team.			
---	--	--	--

<b>Health and Safety (22.20/21)</b>		<b>1 High</b> <b>2 Medium</b> <b>5 Low</b>
-------------------------------------	--	--

**Mandatory Training Compliance**

We obtained a copy of a training compliance report (dated 7 January 2021) which evidenced that 68 per cent of staff (with a cornerstone account) had completed the Introduction to H&S module and 66 per cent had completed the Display Screen Equipment (DSE module). Given that the modules are mandatory, compliance is expected to be 100 per cent.

Through comparison against compliance rates reported as at 1 April 2020, we identified that compliance rates were at 62 per cent for each of the two modules. Whilst we noted some improvement in terms of compliance across the two modules, there are a significant number of the workforce who have not completed these modules.

If staff do not complete the relevant mandatory training, there is a risk that employees are unaware of the correct processes to adhere to in relation to health and safety matters. There is therefore an increased likelihood that inappropriate actions are followed not in line with the Council's Health and Safety Policy. **(High)**

**Directorate Health and Safety Plans**

Directorate Health and Safety Plans are standardised documents which highlight the measures that need to be introduced by each directorate to ensure the objectives set out within the Health and Safety Strategy are achieved. We obtained copies of the most recent iterations of the Health and Safety Plans for each directorate, noting that Adult Social Care (ACS), Transformation and Place and Development had not reviewed their plans in the last six months. We also noted that across the five directorates a total of 49 actions in relation to the plans are currently overdue.

Our review of DMT meetings of each directorate identified inconsistencies with which how often H&S matters had been discussed, including review of these action plans. Where the Health and Safety Plans are not periodically reviewed, directorates cannot be assured around their progress against said plans. Additionally, without setting renewed target dates for actions not yet completed, the action plan is not reflective of intentions in relation to health and safety tasks. Therefore, there is a potential risk that actions are not completed and as such there is an increased likelihood that directorates are non-compliant with the Council's health and safety expectations. **(Medium)**

**Self-Audits**

We were advised by the Health and Safety Manager that Health and Safety self-audits have not been completed by any directorate in relation to the 2020/21 financial year. This was corroborated through review of the latest Health and Safety Plans of each directorate. We were further advised that directorates have had to prioritise other matters such as the continuation of their services owing to the ongoing COVID-19 pandemic. As such, health and safety self-audits have not been completed for the current financial year.

If self-audits are not carried out by each directorate, there is potential risk of inadequate review of health and safety processes in order to ensure any areas of weaknesses are resolved. Therefore, there is an increased likelihood that health and safety related incidents could occur. <b>(Medium)</b>				
1	A reminder will be sent to Associate Directors and Line Managers to chase mandatory training non-compliance. The Council will also consider measures to encourage completion of mandatory training modules.	High	31 <sup>st</sup> October 2021	Robin Pringle - Health and Safety Manager
2	Following completion of the restructure, the Council will implement a standardised framework for Directorate Health and Safety Committees. This will include a standardised approach to reviewing the progress of directorate action plans, self-audits and meeting frequency of H&S Committees as part of DMT meetings. In addition to this, the responsibilities of each directorate in relation to H&S will be documented within terms of reference.	Medium	31 <sup>st</sup> October 2021	Robin Pringle - Health and Safety Manager
3	Directorates will ensure that health and safety self-audits are completed across all service lines on an annual basis. The completion of these audits will be reported to the health and safety team and a log of self-audits completed will be maintained	Medium	31 <sup>st</sup> March 2022	Robin Pringle - Health and Safety Manager

<b>Asset Register 19.20/21</b>		<b>1 High</b> <b>2 Medium</b> <b>2 Low</b>
<p><b>Reconciliations between Finance and Asset Management Records</b></p> <p>We requested and obtained a listing of all assets acquired and disposed of in the 2019/20 financial year from both the Finance and Asset Management Teams. We reconciled the two sets of listings (from the Finance and Asset Management Teams) and identified a number of inconsistencies. At the date of review, we were unable to confirm whether these inconsistencies had led to the Terrier system not being updated, given issues with access to this system at the time of our review.</p> <p>We were advised by the Principal Asset Manager that no reconciliation between records held by Asset Management, Finance and Legal had been completed for the 2019/20 and 2020/21 financial years. As such, The Asset Management Team would be unable to identify any inconsistencies.</p> <p>If reconciliations between asset data and systems are not undertaken to ensure data accuracy, there is an increased risk that errors will not be identified, leading to inaccuracies in financial reporting. <b>(High)</b></p>		

### Asset Management Property Records Procedure

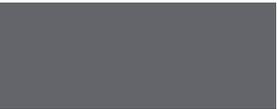
Our review of the Asset Management Property Records Procedure found the processes for managing the Council's property records had been documented. However, we found the management action agreed as part of the 2016/17, 2017/18, 2018/19 and 2019/20 audits of the Asset Register for the inclusion of other teams' responsibilities, such as Finance and Legal remained incomplete. No clear reasoning was established explaining why the action had not been implemented.

Failing to update and review procedural documents increases the risk that contents are not reflective of current practice and that outdated information is made available to staff. This may lead to inconsistent practices being adopted by staff. **(Medium)**

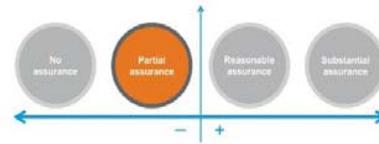
### Periodic Revaluations

Our review identified that the Council's policy around performing periodic verification exercises (such as revaluation) is not formally documented. Whilst we identified that asset re-valuation had been conducted as part of the preparation of the 2019/20 Asset Register (see 'Revaluations' below), the absence of a clearly documented and robust process for conducting asset verification and valuation increases the risk that such verification exercises are not consistently carried out. **(Medium)**

1	<p>The Principle Asset Manager will undertake a review of the current Asset Management Procedure to determine the responsibilities of all involved departments and staff.</p> <p>The procedure will be updated to outline:</p> <ul style="list-style-type: none"> <li>• How to identify assets;</li> <li>• Responsibility of staff in reporting new assets and disposals to the Finance team, the Legal team and the Asset Management team;</li> <li>• Documentation to be held for assets owned by the Council;</li> <li>• Timeliness and responsibility of reconciliations between the asset values in the Asset Register and the general ledger;</li> <li>• Timeliness and responsibilities for all involved teams within the asset revaluation process and updating of results; and</li> <li>• The process for disposals and acquisitions of assets.</li> <li>• Upon review the document will be made available to members of the Asset Management, Finance and Legal Teams</li> </ul>	Medium	31 <sup>st</sup> October 2021	Stuart Aislabie – Principal Asset Manager
2	<p>The Principle Asset Manager will ensure periodic reconciliations are performed around:</p> <ul style="list-style-type: none"> <li>• The reconciliation between the Land Registry and the Asset Register; and</li> <li>• Legal notices and the Asset Register.</li> </ul>	High	31 <sup>st</sup> December 2021	Stuart Aislabie – Principal Asset Manager
3	<p>The Group Accountant Corporate will fully document the verification / valuation process performed on Council assets.</p> <p>This will include documentation around the frequency with which various asset classes are verified / revalued, roles and responsibilities of key individuals as well as any other asset verification processes.</p>	Medium	31 <sup>st</sup> December 2021	Tony McGuinness – Financial Controller



Section 106 Funds 38.20/21



1 High  
 4 Medium  
 2 Low

**Council specific s106 policies and guidance**

The Council do not have a specific S106 policy linking to its Local Development Framework (2006-2026), and as such follows the National Planning Policy Framework (NPPF). The NPPF was updated in February 2019 and outlined the government's planning policies for England, with guidance on how these are expected to be applied and information on how planning obligations should be used, as well as the objectives that should be delivered through the preparation and implementation of plans and the application of the policies in the NPPF. Additionally, there is guidance for developers who are proposing to submit planning applications for residential and commercial schemes on the Council's website, with a suite of procedural documentation made available for developers and other members of the public.

However, we noted that none of the procedural documentation uploaded to the Council website had been recently updated and did not state review frequencies, for example some of the documentation listed the Council's old address at the Town Hall as the place to send documentation back to. There is a risk that developers may not be provided with up to date guidance to provide assistance where they are proposing to submit planning applications for residential and commercial schemes in Slough. **(Medium)**

**Corporate s106 Monitoring group**

A Corporate s106 Monitoring group was set up in February 2020, with the Planning Manager as chair and consisting of budget holders that have been established within the different departments of the Council. The Group meet on a quarterly basis with the purpose of being proactive in looking at key sites for development, to ensure infrastructure identified to facilitate and measures to mitigate development.

However, we noted that a terms of reference had not been developed and it was not evident that there had been discussion within the meeting on the three criteria stipulated by the NPPF and whether the developments would meet these. There is a risk that projects may not be subject appropriate assessment and scrutiny to ensure that these are meeting the Council's prescribed criteria prior to the commencement of work to ensure that s106 conditions can be agreed with developers where possible. **(Medium)**

**Monitoring of s106 funds**

Montagu Evans were commissioned to undertake a review in August 2019 to assess whether the Council should become a CIL (Community Infrastructure Levy) authority and it was decided that this would not be beneficial, with one of the main reasons being cited as high set up costs. S106 funds that have been received by the Council are monitored by the Accountant and Special Projects Officer (over seen by the Group Manager for Place Strategy) with the use of two spreadsheets (one for funds already received and one for funds due based on the s106 agreements signed).

We reviewed the spreadsheets and noted that this captured information such as agreement numbers and total amount of funds contributed.

However, we identified that of the 54 agreements detailed on the spreadsheet for funds not yet received, 50 had not yet been invoiced for by the Council, with some agreements dating back to 2011 not yet being invoiced for. This meant that at the time of testing, £6.75m of the expected £7m had not been invoiced.

There is a risk that funds may not be requested from developers prior to the commencement of developments to contribute to the community projects and schemes that offset the inconveniences of developments and ensure required community and social infrastructure is provided. This however is subject to the trigger points of the financial obligations as not all are required prior to commencement. **(High)**

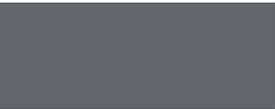
In addition, without in-year monitoring of the total number of invoices expected to be sent and those that have been sent, as well as the associated monetary values, there is a risk that the Council has limited oversight of funds that have and have not been requested. **(Medium)**

#### Oversight from Planning Committee

The Planning Committee meet on a monthly basis to determine planning applications for major development. We reviewed the Planning Committee minutes for the three most recent meetings and confirmed that a list of planning applications was discussed at each meeting, with the outcome of decisions noted.

However, we identified that no update had been provided relating to the level of s106 funds/spend to either the Planning Committee or CMT since November 2019. There is a risk that senior management and members within the Planning Committee may not have adequate oversight of s106 funds available and the use of these for planned works within Slough to mitigate the impact of development. **(Medium)**

1	<p>A terms of reference will be developed for the monitoring group to document the remit of the group, including details such as;</p> <ul style="list-style-type: none"> <li>• Required members of the group</li> <li>• Roles and responsibilities of the group (including the review and assessment of the s106 process, receiving reports of all new developments and assess these against the legislated criteria and development of SMART remedial actions)</li> <li>• Required meeting frequencies</li> <li>• Reporting requirements of the group (including updates on the level of funds and key fund movements).</li> </ul>	Medium	1 <sup>st</sup> November 2021	Daniel Ray - Group Manager - Planning
2	The Planning Department will review the developer guidance documents made available on the SBC website and update where required taking account of recent changes in requirements as a result of the Covid-19 pandemic and the Infrastructure Funding Statement, with updates reported to the Planning Committee.	Medium	31 <sup>st</sup> January 2022	Pippa Hopkins – Group Manager – Place Strategy
3	We will ensure that a timeframe is developed for the invoicing of s106 funds following completion of agreements and a formal s106 monitoring officer will be assigned with the responsibility of overseeing the s106 function.	High	31 <sup>st</sup> September 2021	Pippa Hopkins – Group Manager – Place Strategy
4	Discussions will be held between Finance and Planning to agree how the monitoring function will operate, however this will include in-year reporting of the total number of invoices expected to be sent and the total number of invoices that have been sent, as well as the monetary values associated with both. (This will be incorporated into the review of Funding Statements as per action six).	Medium	31 <sup>st</sup> September 2021	Pippa Hopkins – Group Manager – Place Strategy



5	We will ensure that guidance is reviewed within Infrastructure Funding statements and the Council will take appropriate action to ensure the level of funds are kept under regular review and the Funding Statements will be reviewed by the Planning committee. This will include monitoring of invoices expected to be sent and those actually sent for the year.	Medium	1 <sup>st</sup> November 2021	Pippa Hopkins – Group Manager – Place Strategy
---	---	--------	-------------------------------	--

Follow Up Quarter 3 - 35.20/21	Little Progress (Negative Opinion)	1 High 5 Medium 0 Low
--------------------------------	---------------------------------------	-----------------------------

**Conclusion**

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix B, in our opinion Slough Borough Council has demonstrated **little progress** in implementing agreed management actions.

We identified through our fieldwork that the high priority action was fully implemented and from the ten medium management actions sampled, only five of these had been implemented, with one in progress and a further four actions which had not been fully implemented. It should however be noted that per the Council’s action tracking software all 11 actions had been shown ‘closed’ and therefore deemed implemented.

In addition, we conducted a deep dive into the Council’s action tracking software, which identified a number of issues including:

- 38 actions assigned to staff no employed at the Council
- Staff not updating actions to show how the gaps identified had been addressed.
- The Committee is not fully sighted on all High and Medium priority outstanding actions, as only those outstanding for the current and previous two financial years are included within the update report.

Advisory reports and associated actions are also not currently reported to the Committee. It should be noted that some of these actions have been agreed following significant weaknesses being identified and should therefore be included in future reporting

**In summary, we are advising the Committee that they cannot place reliance on the accuracy of the management action reporting provided by Officers. We have agreed an additional action (action 6) for revised reporting to be included at future Audit and Governance Committee meetings.**

1	<b>Conflicts of Interest</b> - The establishment list utilised within the Declarations of Interest Monitoring spreadsheet will be escalated to CMT where responses are not received.	Medium	31 <sup>st</sup> July 2021	Surjit Nagra - Service Lead People
2	<b>James Elliman Homes</b> - The Council will seek assurance that the plans have been approved by JV Partner members prior to the planning of projects.	Medium	30 <sup>th</sup> June 2021	Stephen Gibson - Executive Director Regeneration

	SUR will create a shared drive (restricted to relevant personnel) to enable access to legal documentation.			
3	<b>Governance – Overview and Scrutiny Committee</b> - 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.	Medium	31 <sup>st</sup> August 2021	Dave Hounsell – Group Manager - Business Insight
4	<b>Cippenham Nursery School</b> - The School Business Manager will produce an action log for the Finance Committee and add actions where appropriate to the log from the most recent meeting's minutes. Actions will be assigned dates and owners.	Medium	Complete	Basia Dowling.- Headteacher
5	<b>Cippenham Nursery School</b> - The Headteacher will ensure that goods received notes are received, checked against the goods received and signed prior to authorising invoices for payment.	Medium	Complete	Basia Dowling.- Headteacher
6	<b>Audit and Corporate Governance Committee</b> - The reports detailing the implementation status of management action (provided to the Audit and Governance Committee), will be updated to include: <ul style="list-style-type: none"> <li>All outstanding high and medium priority management actions, regardless of the period in which they were agreed; and</li> <li>All high and medium priority advisory actions or advisory actions where a significant number of actions have been agreed.</li> </ul>	High	31 <sup>st</sup> May 2021	Tony McGuinness – Financial Controller

<b>Council Subsidiary Companies Review</b>	<b>Advisory</b>	<b>9 High 37 Medium 6 Low</b>
<p><b>Conclusion</b></p> <p>Following the outcome of previous governance reviews undertaken on JEH and SUR the Council commissioned a further high-level review of the governance arrangements, financial controls and business plan risks across the Council's subsidiary companies. Our review involved reviewing the latest sets of management accounts at the time of the review, longer term business plans and consideration of these in comparison to current performance where appropriate and the financial and governance controls in place for the subsidiaries.</p> <p>Below is a list of the key risks (not all risks) identified across three areas:</p> <ul style="list-style-type: none"> <li>Financial Risks</li> <li>Business Plan Risks</li> </ul>		

- Financial Controls and Governance Risks.

We have identified a series of significant weaknesses across the subsidiary companies covered by this review. Please note this was in no way a review of all of the operations or risk, governance or control arrangements in place at the companies. We are aware that Officers within the Finance team have also identified a number of additional areas of weakness.

**SBC Officers response to the report and management actions contained within - as at July 2021:**

*“Following the internal audit recommendations across all of the companies, additional work has been commissioned with Local Partnerships to undertake deeper dives into specific matters to help to inform the development of an Action Plan and the scope of further company reviews. The Council has also introduced significant additional resource from a highly skilled dedicated resource to lead and drive a complete review of all governance, commercial and financial change across the companies.*

*A series of immediate measures have been introduced to mitigate against some of the recommendations, including the development of a Corporate Oversight Board, introduction of reporting where this has not taken place, clarification of roles and responsibilities, much enhanced reporting into Cabinet and complete and clear financial analysis and review on a staged basis.*

*Responses and milestones for all internal audit recommendations, Local Partnership recommendations and the outcome of the work of the Council’s new finance team will be included in a comprehensive Companies Action Plan, which will form part of the Way Forward paper, to be completed by the end of September 2021. This will set out the way forward across the companies to address the weaknesses and issues identified, together with clarification on responsibility for actions and target dates”.*

Steve Mair, Section 151 Officer

**James Elliman Homes - JEH**

1	Gross Rental Income - Conduct a budget profiling exercise to ensure accurate alignment between budget and actual outturn.	High	TBC	
2	SLA For Support Staff - Conduct a budget profiling exercise to ensure accurate alignment between budget and actual outturn.	Medium	TBC	
3	Undertake a capitalisation exercise with a view to reducing the level of revenue expenditure.	High	TBC	
4	Journal COVID related costs into COVID-19 cost centre to monitor related expenditure.	Medium	TBC	

5	Ensure a plan is in place to attain properties in line with the Saville's Business Plan and ensure appropriate reporting of progress against plan.	Medium	TBC	
6	Review all properties rented to ensure that rental income is maximised, and rates are in line with the Business Plan, and where a shortfall is identified, consideration should be given for additional funding requirements from the Council to meet the plans.	High	TBC	
7	Revisit the loan schedule with JEH as part of a revised business plan and short and medium term cashflow	Medium	TBC	
8	Review the bad debt provisions to ensure these are in line with forecasts within the business plan and undertake corrective action to align with the plan.	High	TBC	
9	Review and revise the business plan to account for the changes as a result of BREXIT.	Medium	TBC	
10	Management should develop a Scheme of Delegation and accompanying set of Standing Financial Instructions based upon information contained within the ToR's, SLA, Articles of Association and Financial Procedure Note.	Medium	TBC	
11	The Council should review existing capacity within the finance team to define the resourcing need to permit regular Board financial reporting or consider whether this could be paid for from any profits made by James Elliman Homes.	Medium	TBC	
12	Management should update the risk register to ensure this is reflective of current operating conditions to enhance risk assessment and mitigation.	Medium	TBC	
13	Assess the level of need for a sub-group(s) to support the main JEH Board. Consideration will be given to the roles of responsibilities of any sub-group and the resource / support required for this group.	Medium	TBC	

14	Review the current reporting arrangement to ensure this remains reflective of the Councils information needs.	High	TBC	
<b>Slough Urban Renewal - SUR</b>				
15	The robustness of the Business Plan financial assumptions needs to be considered, given the unexpected timing of the £735k dividend (income) impacting significantly on year end projected performance.	Medium	TBC	
16	Discuss potential in-year costs with lettings agents considering project plans and revise up or down accordingly	Medium	TBC	
17	Review the dividends expected in light of potential reduced profit, and review against the assumptions within the Business Plan and potential impact on Council finances.	Medium	TBC	
18	Investigate the reasons for delay in the planning application and likelihood of reduction in dividends	High	TBC	
19	Review the impact of affordable housing on the finance required by the Council or partners where grants or public sector finance may be required.	Medium	TBC	
20	Ensure that the planning application addresses concerns raised by residents regarding the proposed development.	Medium	TBC	
21	The Council should identify the likelihood of the development not proceeding and the potential effects of a reduction in dividend should be recorded in the SUR Business Plan	High	TBC	
22	Develop a standalone Scheme of Delegation based on Schedule 6 and elements contained within the LABV that clearly sets out who has the authority to make decisions within SUR.	Medium	TBC	
23	Develop a standalone set of Standing Financial Instructions based on Schedule 6 and elements contained within the LABV which clearly explains the financial responsibilities, policies and procedures to be followed by the organisation.	Medium	TBC	



24	A management accounts summary should be incorporated into the main body of the SUR Board report with associated narrative on key financial variances	Medium	TBC	
25	The SUR Business Board and/or its SBC representatives, should formally present key performance information to the Councils Cabinet Commercial Committee on a quarterly basis to enhance central oversight in view of the JV agreement.	Medium	TBC	
26	See Management Action re Scheme of Delegation.	Medium	TBC	
<b>DISH</b>				
27	Tenant Bad Debt Provision - Review bad debt provision and increase if necessary – JEH set at 2% per annum.	Medium	TBC	
28	COVID Bad Debt provision - Review bad debt provision and increase if necessary – JEH set at 2% per annum.	Medium	TBC	
29	Management should develop a Scheme of Delegation to clarify the financial authority delegated to key members of DISH such as the Company Secretary and Board of Directors.	Medium	TBC	
30	Management should develop a set of Standing Financial Instructions to complement the Scheme of Delegation and to ensure financial transactions are compliant with the Councils objectives regarding DISH.	Medium	TBC	
31	The Council would benefit from a formal risk register to identify specific risks, assess, prioritise and develop corresponding responses / mitigations associated with the 54 properties.	Medium	TBC	



32	The Council should develop an SLA which includes the support services provided to DISH and the methodology for attributing cost.	Medium	TBC	
33	The Council must identify a suitable replacement for the role of DISH Company Secretary to ensure governance activities are carried out in line with the Articles of Association.	Medium	TBC	
<b>DISH RP</b>				
34	Review the agreement between the Council and DISH RP to ensure that the terms are feasible and contribute towards achieving the Council's and DISH RP's objectives.	Medium	TBC	
35	The Board should ensure that the Scheme of Delegation is clearly marked as so and includes the authority limits of DISH RP officers / members and should be stored with the Financial Regulations to ensure both documents complement each other.	Medium	TBC	
36	The Board should develop a financial reporting template to ensure it meets their information needs. This will promote the consistency of financial information received and support with comparability.	Medium	TBC	
37	The Board should commence identification of a suitable permanent Chair as DISH RP progresses through registration with the Housing Regulator.  This will ensure a full set of Board Members upon registration.	Medium	TBC	
<b>GRE5</b>				
38	Arrangements should be reviewed to ensure that in the event of a refund process taking longer than anticipated that sufficient funds are in place to meet short term costs.	Medium	TBC	

39	Ensure that the best / worst and likely cases have been forecasted to ensure mitigating actions are taken in the event that income is reduced.	High	TBC	
40	Review the provisions to ensure sufficient funds are held in the event of costs not being fully recoverable.	High	TBC	
41	GRE5 should develop a Scheme of Delegation to ensure Members and employees clarity over decision authority.	Medium	TBC	
42	GRE5 would benefit from incorporating elements regarding financial conduct into standalone SFIs to complement a SoD.	Medium	TBC	
43	The Board should define its financial information needs to develop its financial reporting requirements to incorporate the format and frequency of reporting.	Medium	TBC	
44	GRE5 should include the risk date and current progress field to ensure risks are followed up on a timely basis and the register is kept up to date.	Medium	TBC	
45	As sole shareholder, the Council should develop/issue a Board Constitution including Terms of Reference to ensure GRE5 Board Members are clear on expectations regarding their roles and duties.  The Council need to ensure that there are suitable members for the GRE5 Board in place and should consider whether sufficient training has been provided to allow Board members to undertake their roles in line with the requirements of being a director of a limited company	Medium	TBC	
46	The Council would benefit from expediting the Boards Terms of Reference / Appointment Letter to ensure this is issued to existing Members to better inform them of their roles and responsibilities.	Medium	TBC	

## APPENDIX B - SUMMARY OF PROGRESS TO DATE

The tables below provides a status update on the summary of progress with the 2020/21 internal audit plan to date (29 June 2021).

### 2020/21 Internal Audit Plan

Assignment area	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
					L	M	H
Debtors Management	Final Report	7 <sup>th</sup> April 2021	21 <sup>st</sup> June 2021		1	5	1
Cippenham Nursery School	Final Report	13 <sup>th</sup> July 2020	19 <sup>th</sup> August 2020		10	4	0
Business Continuity and Emergency Planning	Final Report	11 <sup>th</sup> August 2020	17 <sup>th</sup> September 2020		2	9	0
Council Tax	Final Report	11 <sup>th</sup> November 2020	14 <sup>th</sup> December 2020		2	1	1
Leasehold Service Charges	Final Report	11 <sup>th</sup> November 2020	19 <sup>th</sup> February 2021		1	5	0
Rent Arrears Recovery	Final Report	5 <sup>th</sup> November 2020	19 <sup>th</sup> February 2021		2	4	0

Whistleblowing	Final Report	14 <sup>th</sup> July 2020	4 <sup>th</sup> May 2021		4	3	2
Treasury Management	Final Report	28 <sup>th</sup> April 2021	11 <sup>th</sup> June 2021		5	4	3
Payroll	Final Report	14 <sup>th</sup> May 2021	21 <sup>st</sup> June 2021		2	1	1
Temporary Accommodation	Final Report	26 <sup>th</sup> May 2021	28 <sup>th</sup> June 2021		2	3	1
Health and Safety	Final Report	21 <sup>st</sup> March 2021	1 <sup>st</sup> July 2021		5	2	1
Section 106 Funds	Final Report	26 <sup>th</sup> May 2021	2 <sup>nd</sup> July 2021		2	4	1
Asset Register	Final Report	2 <sup>nd</sup> February 2021	1 <sup>st</sup> July 2021		2	2	1
Conflicts of Interest	Final Report	9 <sup>th</sup> July 2020	28 <sup>th</sup> July 2020		1	4	0

Risk Management	Final Report	27 <sup>th</sup> July 2020	20 <sup>th</sup> August 2020		5	5	0
Safety Advisory Group	Final Report	12 <sup>th</sup> August 2020	24 <sup>th</sup> August 2020		5	2	0
Council Buy Backs	Final Report	15 <sup>th</sup> September 2020	21 <sup>st</sup> September 2020		2	3	0
Our Lady of Peace Catholic Primary School	Final Report	3 <sup>rd</sup> November 2020	17 <sup>th</sup> November 2020		7	3	0
Khalsa Primary School	Final Report	28 <sup>th</sup> July 2020	4 <sup>th</sup> January 2021		3	1	0
James Elliman Homes	Final Report	6 <sup>th</sup> October 2020	19 <sup>th</sup> February 2021		1	3	0
Housing Benefits	Final Report	5 <sup>th</sup> November 2020	19 <sup>th</sup> February 2021		5	0	0
St Mary's Church of England School	Final Report	5 <sup>th</sup> March 2021	8 <sup>th</sup> June 2021		3	1	0

<b>General Ledger</b>	Final Report	5 <sup>th</sup> March 2021	11 <sup>th</sup> June 2021		2	4	0
<b>Creditors</b>	Final Report	30 <sup>th</sup> March 2021	14 <sup>th</sup> June 2021		3	4	0
<b>Capital Expenditure</b>	Final Report	25 <sup>th</sup> March 2021	16 <sup>th</sup> June 2021		2	1	0
<b>Planning – Statutory Response Times</b>	Final Report	25 <sup>th</sup> May 2021	30 <sup>th</sup> June 2021		3	3	0
<b>Planning Performance Agreements</b>	Final Report	8 <sup>th</sup> April 2021	30 <sup>th</sup> June 2021		2	5	0
<b>Social Lettings Team</b>	Final Report	8 <sup>th</sup> April 2021	1 <sup>st</sup> July 2021		7	2	0
<b>Rent Accounts</b>	Final Report	12 <sup>th</sup> April 2021	1 <sup>st</sup> July 2021		3	2	0
<b>Follow Up Q1</b>	Final Report	9 <sup>th</sup> July 2020	23 <sup>rd</sup> July 2020	Reasonable Progress	0	5	0

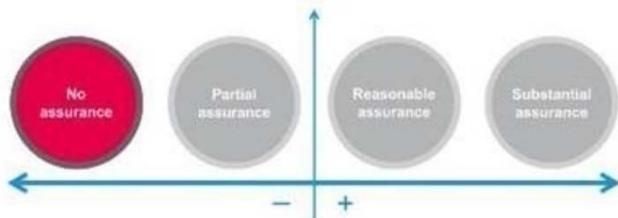


Follow Up Q2	Final Report	3 <sup>rd</sup> November 2020	12 <sup>th</sup> November 2020	Reasonable Progress	1	2	0
Follow Up Q3	Final Report	14 <sup>th</sup> May 2021	1 <sup>st</sup> July 2021	Little Progress	0	5	0
Grants – Local Transport Revenue Block Funding	Final Report	24 <sup>th</sup> July 2020	28 <sup>th</sup> July 2020	Advisory	0	0	0
Cyber Security	Final Report	31 <sup>st</sup> November 2020	4 <sup>th</sup> January 2021	Advisory	4	10	3
Council Subsidiary Companies	Draft Report	3 <sup>rd</sup> February 2021					
Business Rates	Draft Report	31 <sup>st</sup> March 2021					
Discretionary Business Grants	Draft Report	12 <sup>th</sup> April 2021					
Follow Up Q4	Draft Report	26 <sup>th</sup> May 2021					

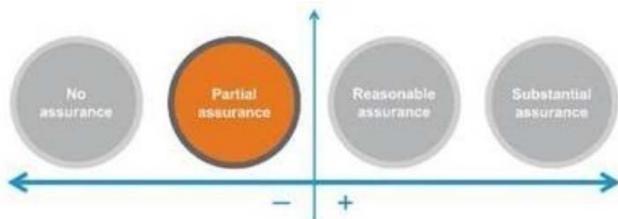
## APPENDIX C: 2020/21 ASSURANCE OPINIONS

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

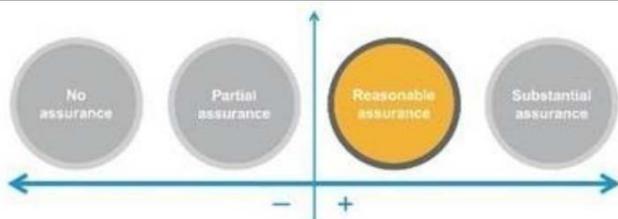
We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



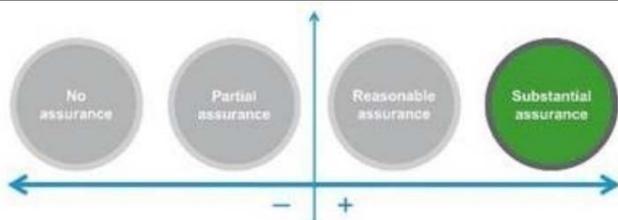
Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



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](mailto:Daniel.Harris@rsmuk.com)

07792 948767

Amir Kapasi, Manager

[Amir.Kapasi@rsmuk.com](mailto:Amir.Kapasi@rsmuk.com)

07528 970094

# SLOUGH BOROUGH COUNCIL

## Annual internal audit report 2020/21

7 July 2021

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.

# THE ANNUAL INTERNAL AUDIT OPINION

This report provides an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance reporting.

## The opinion

For the 12 months ended 31 March 2021, the head of internal audit opinion for Slough Borough Council is as follows:



Page 102

Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

---

*It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.*

---

## Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the Audit and Corporate Governance (ACGC) committee, our opinion is subject to inherent limitations, as detailed below:

- Internal Audit has not reviewed all risks and assurances relating to the organisation; The opinion is substantially derived from the conduct of risk-based plans generated from a robust organisation-led Assurance Framework (Corporate Risk Register). As such, the assurance framework is one component that the Council takes into account in making its annual governance statement (AGS).
- The opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management.
- Where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- Internal Audit has not undertaken any internal audit coverage for Slough Children's Services Trust (now known as Slough Children First) during 2020/21 due to COVID-19 and at the request of the Trust's Director of Finance and we communicated this to the Councils S151 Officer.

- Internal Audit have been asked to defer the planned review of the Council's Transformation Plan into the 2021/22 plan. Internal Audit have not undertaken any work in relation to Budget Setting and Control and the Council's Medium Term Financial Strategy as part of the 2020/21 plan. While coverage was suggested as part of the Annual Planning Process, at the request (due to other sources of assurance being available) of the Executive Director: Corporate Operations (Section 151), this coverage was deferred to 2021/22.
- Due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- Our internal audit work for 2020/21 has been undertaken through the substantial operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been a significant impact on both the operations of the organisation and its risk profile, and our annual opinion should be read in this context; and
- Our planned internal audit work for 2020/21 has been subject to some delay / postponement / cancellation. We are however of the view that sufficient internal audit coverage has been performed to allow the provision of the annual Head of Internal Audit Opinion for 2020/21 included in this report.

# FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

## Governance

Our Governance opinion has been informed by our reviews of Subsidiary Companies Governance (advisory, but significant issues identified and 9 high and 37 medium priority management actions contained within the report), Cyber Security (advisory but significant issues identified – three high and 10 medium priority actions agreed) and Whistleblowing (partial assurance – negative opinion). In addition, our Follow Up reviews, conducted on a quarterly basis highlighted issues with the completeness and accuracy of the governance reporting within the Council to ensure that management actions have been implemented. This has been an ongoing issue identified and reported in previous financial years and urgent action is still required to ensure a robust governance process is in place to improve the control framework, via the implementation of agreed management actions, where both recent and historic issues and weaknesses have been identified.

## Risk Management

Our risk management opinion has been arrived at by auditing the processes in place to manage risk within the Council and while the structures were in place and operating when this audit was undertaken during Q1 2020/21, we have identified a number of weaknesses in the risk management process, from our attendance at the Risk Board in 2020/21 (which has ceased to meet from April 2021, but meetings now re-convened from July 2021). A number of these weaknesses and concerns were raised by RSM in relation to the effectiveness of the Risk Board during 2020/21, including the lack of representation from all Directorates and the level of scrutiny and challenge of information within risk registers, the lack of reporting on key governance issues including the implementation of management actions agreed (to address known and new risks) as part of internal audit reviews and reporting to the Risk Board from key functions such as Business Continuity. We have agreed with the new S151 Officer and Chief Executive that we will continue to provide support and challenge to the Council by attending the Risk Board in 2021/22.

Our risk management opinion has also been informed by a number of the risk-based reviews, some of which concluded with negative assurance opinions.

## Internal Control

We have undertaken a total of 40 reviews (including the risk management and governance audits), of which five were undertaken on an advisory basis, four were undertaken on a follow up basis (two positive, two negative opinions in relation to progress made) and a further 31 were assurance reviews. It should be noted that significant weaknesses were identified in the Subsidiary Companies Governance and Cyber Security Advisory reviews, which have also impacted our opinion, along with the negative assurance reports listed below. Of the 31 assurance reviews:

- one concluded 'no assurance' (negative opinion) could be taken;
- 12 concluded with 'partial' (negative opinion) assurance; and
- 18 concluded with 'reasonable' (positive) assurance opinions;

## Debtors Management – No Assurance

We identified significant issues in relation to the review of parked invoices, issuing of debt reminders, raising of credit notes and the preparation of reconciliations. Furthermore, we also identified issues with the measurement and reporting of performance information for the Accounts Receivable department. A number of these issues were raised in previous reports issued in 2019/20 (No assurance) and 2018/19 and 2017/18 (Partial Assurance), and there is not sufficient evidence to demonstrate how the Council have addressed the risks identified. Significant weaknesses were raised in relation to the issuing of debt reminders, training in relation to the raising of invoices, evidence to support the raising of credit notes, the level of parked invoices (£5.06m as at November 2020), an incomplete debt recovery policy and evidence of timely review of Accounts Receivable reconciliations.

## Council Subsidiary Companies – Advisory

Our review found significant weaknesses in the governance of the Council's Subsidiary Companies. The review raised a total of 52 recommendations with significant concerns identified around the governance of SUR, GRE5 and James Elliman Homes in particular:

- The Council need to review the key performance information (financial and non-financial) being presented to the Council's respective Committee(s) and ensure that this remains appropriate, with due consideration to the frequency of information being presented. If additional reporting is required, the Council need to ensure that the Finance Team have the appropriate level of resource to be able to meet any new requirements.
- The Council need to ensure that sufficient training has been provided to allow Board members to undertake their roles in line with the requirement of being a Director of a Limited Company.
- The Council should report on separate bodies they have set up or which they own as part of their annual governance statement (AGS) and give a full picture of their relationship with those bodies. We could see evidence of four of the subsidiaries (GRE5, JEH, SUR and Herschel Homes) within the scope of review within the AGS. We would recommend all other subsidiary companies (DISH, DISH RP and SLAM) are included in future AGS.
- Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas, minutes and annual reports in a consistent manner and in an accessible place.

While the review was undertaken on an Advisory basis and was a high-level overview of the governance of the Councils subsidiary companies, significant issues were identified and urgent action is needed to ensure the issues are addressed. Some of these issues have been identified in previous years internal audit work and actions agreed to address the weaknesses.

It should be noted that Officers were not in a position to agree all of the actions/recommendations in this report, given that additional work has been commissioned with Local Partnerships to undertake deeper dives into the specific matters to help inform a wider action plan. We are advised "*The Council has also introduced significant additional resource from a highly skilled dedicated resource to lead and drive a complete review of all governance, commercial and financial change across the companies*".

*We were also advised that "a series of immediate measures have been introduced to mitigate against some of the recommendations, including the development of a Corporate Oversight Board, introduction of reporting where this has not taken place, clarification of roles and responsibilities, much enhanced reporting into Cabinet and complete and clear financial analysis and review on a staged basis.*

*Responses and milestones for all internal audit recommendations, Local Partnership recommendations and the outcome of the work of the Council's new finance team will be included in a comprehensive Companies Action Plan, which will form part of the Way Forward paper, to be completed by the end of September 2021. This will set out the way forward across the companies to address the weaknesses and issues identified, together with clarification on responsibility for actions and target dates*".

### Cyber Security - Advisory

We found that 14 of the 34 requirements from the five Cyber Essentials control themes had evidence to support the self-assessment that controls were established. Of the remaining 20 requirements, 16 did not have evidence to fully support the self-assessment score and for four, we agreed with the Council's assessment that these areas had not been fully implemented. The issues were identified across the Boundary Firewalls and Internet Gateways, Secure Configuration, Access Control, Malware Protection and Patch Management control themes, leading to three 'High', ten 'Medium' and four 'Low' priority management actions being agreed.

Overall, a range of issues exist that collectively increases the risk to the confidentiality, availability and integrity of Council information systems and operations. In particular, as a priority the Council need to review and enhance administrator account control, develop stronger procedures to remove access accounts for staff leavers, enhance firewall management, develop policies and procedures to set out the framework and intent for password control, data back-up management, default account management, end point malware protection, remote working and patch management and further develop software inventory management information.

### Whistleblowing – Partial Assurance

Our audit found significant control weaknesses and absence of controls relating to the whistleblowing function at the Council. Despite improvement and clear implementation of two of the low priority actions previously agreed relating to staff awareness and specific investigator training, very little progress was noted with regards to many of the other key issues from the 2018/19 review. For example, the Confidential Whistleblowing Code had not been updated to ensure contents are reflective of practice and references are up to date, nor has this been shared with staff. In addition, a formalised process for handling concerns and investigations was yet to be prepared (procedure document) and a central case management system had not been implemented.

Our survey also identified that although staff awareness and knowledge of whistleblowing appeared to be positive, questions relating to the organisational culture to raise concerns and the confidence in the handling of these concerns were not answered favourably.

### Treasury Management – Partial Assurance

We identified a number of areas of weakness as part of our testing. We found that the cashflow forecast was not updated with actuals to assess the accuracy of forecasting. Cashflow forecasting is critical given that the total external debt for the Council is in excess of £750m. We further found that internal treasury reporting of operational activities to the Treasury Management Board had ceased in June 2020 with no clear replacement Board / Governance forum apart from annually reporting the Treasury Management Strategy to Cabinet, thus limiting the level of ongoing governance, challenge and scrutiny of treasury management activity.

We were also unable to confirm CHAPS authorisation for two of our sample of new loans each valued at £5m, received no evidence relating to the interest amounts received for a sample of ten money market investments (and if they were therefore correct) and noted that there was no specific treasury management training for Council members.

### Asset Register – Partial Assurance

We identified several control gaps which has impacted the maintenance of the Asset Management records. This includes the Asset Records Property Management Procedure which does not document the responsibilities for the wider council in relation to the register's maintenance. We also noted that the Council has not formally documented their policy around performing asset verification exercises.

The most significant issue identified was in respect of the Asset Management and Finance Team records (in relation to additions and disposals) not agreeing, in the absence of a reconciliation being performed between the various records maintained across the Council for either 2019/20 or the 2020/21 year (at the time of the audit).

#### Council Tax – Partial Assurance

Our review found that significant issues identified as part of both the 2019/20 review and previous reviews of Council Tax around the reconciliations process had not been rectified. Whilst we identified that progress had been made in re-designing the reconciliation process, we noted that prior year discrepancies of around £2.5m had not been fully investigated, nor had monthly reconciliations between the two systems been carried out in the 2020/21 financial year. Further areas for improvement were also been identified, including timely reviews of historic Council Tax debts.

#### Temporary Accommodation (TA) Strategy – Partial Assurance

We identified weaknesses in relation to the strategic monitoring and reporting, TA visits, the placement process and the timeliness of homelessness decisions, and the presence of an up to date Housing Strategy. In addition to these weaknesses, we also identified poor performance in relation to TA KPIs, where two of the four measures were RAG-rated red and one was RAG-rated as amber. These include the number of occupants in TA and both current and former rent arrears being more than the Council's target levels. As such the Council can only take partial assurance that homeless applicants are being placed in appropriate accommodation in a timely manner, and it is important to note that some of the issues cited above could contribute, if not rectified, to the Council not being in compliance with their statutory responsibilities outlined within the Housing Act 1996, Part VII, s188 and 193.

#### Business Continuity and Emergency Planning – Partial Assurance

Our audit identified that, whilst emergency planning and business continuity arrangements were in place, neither of the emergency plan, business continuity plan nor disaster recovery plan had been finalised at the time of our review, which were actions raised previously in our 2016/17 review. While we noted the Council's comprehensive response to the COVID-19 outbreak in the absence of the above, the review was intended to assess the framework in place for assisting officers in dealing with emergency events and arrangements for the continuity of business in the event of major incidents.

The draft emergency and business continuity plans were found to cover the key responses to incidents, define roles and responsibilities, outline expectations for reporting and provide linkage to the Civil Contingencies Act 2004. However, given that these had not been finalised we identified issues relating to the assigning of responsibilities, the provision of training and the testing of procedures. We also noted weaknesses with regards to the integration of Slough Children's Service Trust business continuity arrangements.

#### Corporate Health and Safety - Partial Assurance

Our audit found that whilst COVID-19 brought about the prioritisation of risk assessments, our review found Directorates were not periodically updating their Health and Safety Plans, nor completing self-audits of their areas, and this was underpinned by a lack of defined expectations for directorates in relation to health and safety. We also noted a significant amount of staff had not completed mandatory training relating to Health and Safety, resulting in a high priority action being agreed. Furthermore, two 'low' and two 'medium' priority actions were restated from the previous review.

#### Payroll – Partial Assurance

We identified two significant issues in relation to expense claims and access to the payroll system, where we have agreed one high and one medium priority management actions. Specifically, we found that expense claims were not consistently supported by receipts( where applicable) and we identified two individuals with access to the Payroll systems who were no longer employed by the Council or relevant contractors.

#### Rent Arrears Recovery – Partial Assurance

Our review identified key areas requiring improvement, namely the follow up of former tenant arrears balances below £3,000, the use of debt collection agencies without a contract or tendering and the reporting and monitoring of rent arrears collection performance in light of arrears levels increasing over the course of the COVID-19 pandemic.

Following analysis of the Council's debt profile of current rent arrears, we identified that this has increased significantly between August 2019 and September 2020. We noted that current arrears have increased by 35% to £1,944k between August 2019 and September 2020, with this likely to be attributable to impacts of COVID-19 on Slough residents.

#### Cippenham Nursery School – Partial Assurance

Our review identified weaknesses in relation to the approval of a budget (recognising that COVID-19 resulted in cancelled meetings where this would have been presented), Council approval for high value purchases, signing of goods received notes, a segregation of duties in the starter form completion process and carrying out timely DBS checks on new members of staff.

#### Leaseholder Service Charges – Partial Assurance

We identified a number of issues resulting in the agreement of five 'medium' priority management actions. These include a lack of a clear methodology policy for the apportionment of service charge costs, costs relating to grounds maintenance not being supported by verifiable data, the absence of mechanisms to ensure all costs incurred are charged as appropriate, a lack of awareness around processes for recharging costs associated with capital works to leaseholders and the absence of specific reporting around the recovery of service charges.

#### Follow up of previously agreed management actions

On a quarterly basis we also undertake follow up audits to substantiate the implementation of management actions previously agreed through review of supporting evidence. Whilst the Q1 and Q2 follow up concluded with reasonable (positive) progress opinions, this has declined for the Q3 and Q4 reviews, each concluding with negative progress opinions (Little and Poor progress respectively). This indicates a lack of robustness regarding the implementation and oversight / monitoring by the Council of the implementation of agreed management actions.

We have also identified issues with the completeness and accuracy of the management reporting to the ACGC on the status of the management actions agreed. This is an important issue that needs to be addressed so that the Committee can have full confidence in the information being provided, to be assured that appropriate and timely action is being taken to address identified weaknesses.

## Topics judged relevant for consideration as part of the annual governance statement (AGS)

We have identified significant weaknesses in multiple areas of control and the control frameworks reviewed during 2020/21, as detailed in Appendix B below where only partial (negative opinions) assurance could be taken by the Council for 12 reviews, and one where no assurance (negative opinion) could be taken, over the effectiveness of the controls in place. We also undertook two advisory review in relation to Cyber Security and Council Subsidiary Companies which identified significant weaknesses that require urgent attention. Finally, two follow up reviews to review the progress made to implement previously agreed management actions identified that 'little' and 'poor' progress (negative opinions) had been made to implement these actions. Furthermore, we have also identified issues with the completeness and accuracy of the management reporting to the ACGC on the status of the management actions agreed.

The AGS should therefore include appropriate detail regarding the weaknesses identified and any actions that have already been taken by the Council to address the issues identified as part of audits where no assurance or partial assurance has been provided, the two advisory reviews (Cyber Security and Council Subsidiary Companies) and the two (negative) progress follow up reviews.

The AGS should therefore include detail regarding the reviews documented below as each contained significant issues which warrant inclusion in the AGS, along with the management action being taken to address the issues:

- Debtors Management
- Cyber Security
- Council Subsidiary Companies
- Whistleblowing
- Corporate Health and Safety
- Treasury Management
- Asset Register
- Council Tax
- Payroll
- Temporary Accommodation Strategy
- Follow Up Q3 and Q4

**Senior Management Commitment** - It should be noted that senior management have recognised the weaknesses in the control framework for tracking management actions. Significant progress has already been achieved in finalising all but two of the 2020/21 internal audit reports (noticeable improvements on previous financial years). Furthermore, there has been a re-allocation of roles with regards to the finalisation and tracking of internal audit reports, and we have also recognised a strong commitment from the new S151 Officer and Chief Executive to drive improvements in this important areas, given the number of action plans and recommendations that will need to be tracked, reported on and implemented in 2021/22 and beyond.

The AGS should also consider the current COVID19 pandemic and its impact on the operations of the Authority.

# THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

## Acceptance of internal audit management actions

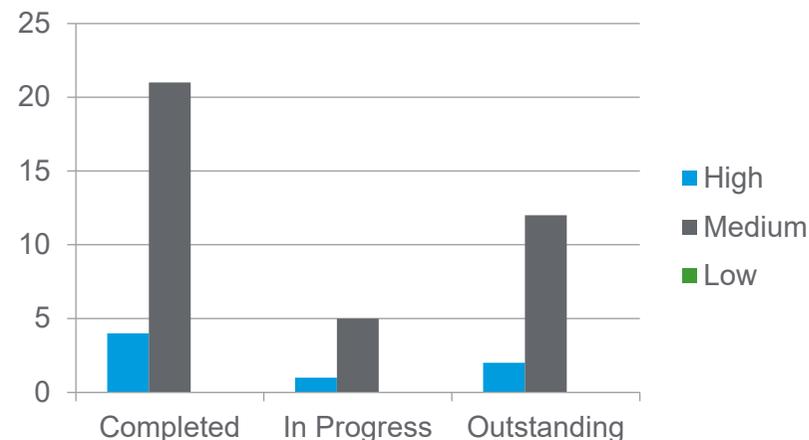
Management have agreed actions to address all of the findings reported by the internal audit service during 2020/21. At the time of the production of this report, 2 reports remain in draft at 16<sup>th</sup> July 2021, and we have been provided with assurance by management as part of the debrief meeting process that the management actions have been accepted.

## Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place which is managed by the Risk and Insurance Officer. During the year progress has been reported to the ACGC, and quarterly validation of a sample of high and medium priority actions has been undertaken by Internal Audit.

For the four reviews undertaken during the year, two reviews concluded that **reasonable (positive) progress** had been made, whilst the Follow up for Q3 provided a **little (negative) progress** opinion and the Q4 Follow up provided a **poor (negative) progress opinion**. In addition, the Q3 Follow Up included a deep dive into the Council's action tracking system and identified a number of issues which means the Executive and ACGC cannot place reliance on the information provided on the implementation

of management actions. A summary of the implementation rate of the actions implemented can be found below.



Of the 45 actions reviewed across Quarters 1, 2, 3 and 4, we found that whilst 25 (55%) had been implemented, 14 actions (31%) were not implemented.

## Working with other assurance providers

In forming our opinion, we have not placed any direct reliance on other assurance providers.

# OUR PERFORMANCE

## Wider value adding delivery

Area of work	How has this added value?
Sector Briefings	Issued briefings relating to the sector within our progress reports presented to the ACGC to assist officers and committee members in being informed on the latest developments within the sector.
Webinar invitations	Various invitations have been sent to management to attend webinars to inform of any sector and wider sector updates. Examples include VAT, Employment Tax and Change Management.
Off-payroll working / IR35	We have provided Emergency Services clients with updates in relation to the Off-payroll working / IR35 rules, following the launch of the Government review into the implementation of the changes to the off payroll working rules that will aim to determine if any further steps can be taken to ensure the 'smooth and successful implementation' of the reforms.
Coronavirus: Various briefings and webinars	RSM have delivered a number of webinars and client briefings in relation to Coronavirus (ranging from Government financial support for employers, fraud briefings, HR and Legal Support etc).
Audit Committee attendance	We have attended all ACGC and where appropriate contributed to the wider agenda.
Risk and Audit Board	We attend and contribute to the Risk and Audit Board meetings, helping the Council embed Risk Management, as part of this meeting we review actions taken by the Council to address risks identified within Internal Audits. This has included updating the Group on significant findings from Internal Audit work together with providing independent challenge on the content and quality of the risk registers.
Data Analytics	Through the use of data analytics, we were able to analyse, amongst other areas, the aged profile of the Council's former tenant arrears and debtors which has provided the Council with an appreciation of the issues they may face around the collectability of older debts and have also used data analytics where applicable through all finance work completed during 2020/21.

## Conflicts of interest

We have undertaken additional work in the 2020/21 financial year covering the following areas;

- Procurement: We have supported the Council with the provision of its procurement service.
- Software: We provide the Council with Software to assist in tracking management actions and risk management processes.
- Consultancy Support - External contract management support to support the creation of a new Contract Management Function and support to investigate the historical financial performance of a contract with a third party provider, working alongside Council staff. Consultancy support from our HR team for gender pay gap reporting.

All this work was undertaken via separate letters of engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met.

When asked to undertake any additional roles / responsibilities outside of the internal audit programme, the Head of Internal Audit has discussed these areas with the Section 151 (S151) Officer and highlighted any potential or perceived impairment to our independence and objectivity. We have also reminded the S151 Officer of the safeguards we have put in place to limit impairments to independence and objectivity and how these continue to be managed.

RSM has not therefore undertaken any work or activity during 2020/2021 that would lead us to declare any conflict of interest or a self-review threat.

## **Conformance with internal auditing standards**

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

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

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

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

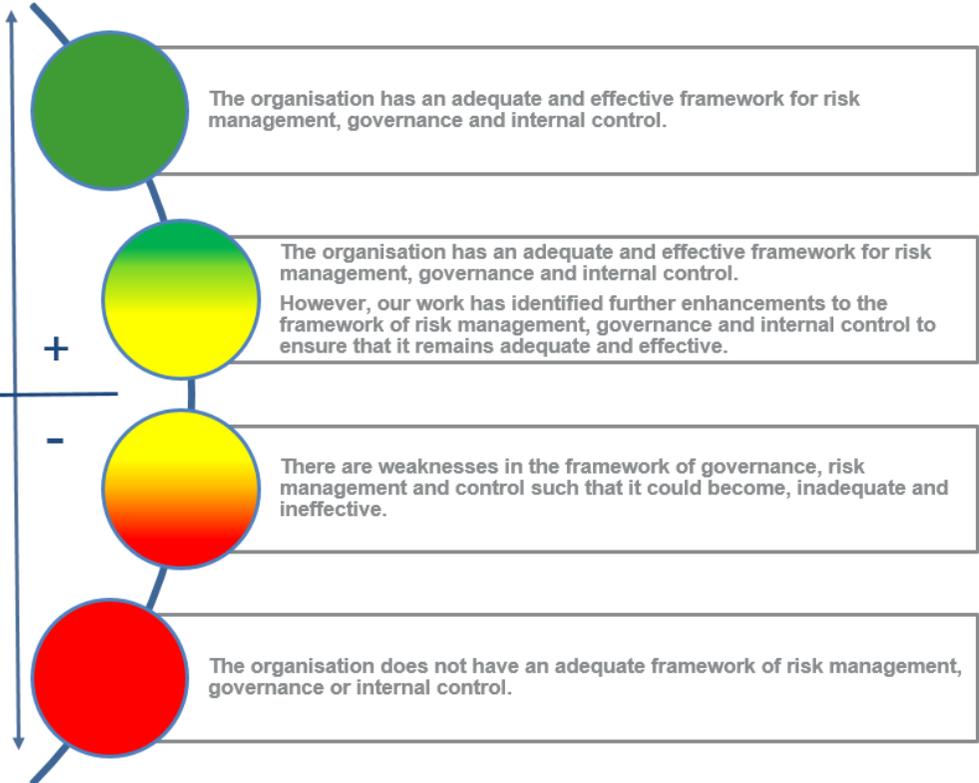
## **Quality assurance and continual improvement**

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

# APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p> <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> <li>• inherent risk in the area being audited;</li> <li>• limitations in the individual audit assignments;</li> <li>• the adequacy and effectiveness of the risk management and / or governance control framework;</li> <li>• the impact of weakness identified;</li> <li>• the level of risk exposure; and</li> <li>• the response to management actions raised and timeliness of actions taken.</li> </ul>

# APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2020/21

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Debtors Management	Neil Wilcox - Executive Director, Corporate Resources	No Assurance [●]	1	5	1
Council Subsidiary Companies Review	Neil Wilcox - Executive Director, Corporate Resources	Advisory – significant weaknesses [●]	6	37	9
Cyber Essentials	Neil Wilcox - Executive Director, Corporate Resources	Advisory – significant weaknesses [●]	4	10	3
Council Tax	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	1	1
Business Continuity and Emergency Planning	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	9	0
Treasury Management	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	5	4	2
Cippenham Nursery School	Cate Duffy / Director - Children, Learning and Skills	Partial Assurance [●]	10	5	0
Leaseholder Service Charges	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	1	5	0
Rent Arrears Recovery	Colin Moone - Service Lead, (Housing) People Services	Partial Assurance [●]	2	4	0
Corporate Health and Safety	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	5	2	1

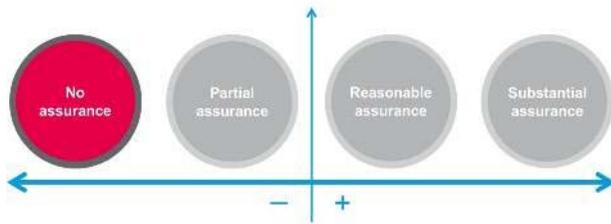
Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Temporary Accommodation	Richard West – Executive Director Customer and Community	Partial Assurance [●]	2	3	1
Asset Register	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	2	1
Whistleblowing	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	4	4	2
Payroll	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	1	1
Section 106 Funds	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	4	1
Follow Up Q3	Neil Wilcox - Executive Director, Corporate Resources	Little Progress [●]	0	5	0
Follow Up Q4 (Draft)	Neil Wilcox - Executive Director, Corporate Resources	Little Progress	-	6	2
Conflicts of Interest	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	1	4	0
Follow Up Q1	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Progress [●]	0	5	0
Council Buy Backs	Joe Carter – Executive Director, Transformation and Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	2	3	0
Follow Up Q2	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Progress [●]	2	1	0
Housing Benefits	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	4	1	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
James Elliman Homes	Richard West – Executive Director, Customer and Community	Reasonable Assurance [●]	1	3	0
Our Lady of Peace Catholic Primary School	Cate Duffy / Director - Children, Learning and Skills	Reasonable Assurance [●]	7	3	0
Safety Advisory Group	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	5	2	0
Risk Management	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	5	5	0
School Audits - Khalsa Primary School	Cate Duffy – Director – Children, Learning and Skills	Reasonable Assurance [●]	3	1	0
Rent Accounts	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	3	2	0
Social Lettings Team	Richard West – Executive Director Customer and Community	Reasonable Assurance [●]	7	2	0
Schools Audits – Our Lady of Peace Catholic Primary School	Cate Duffy – Director – Children Learning and Skills	Reasonable Assurance [●]	7	3	0
Planning Performance Agreements	Stephen Gibson - Executive Director of Place	Reasonable Assurance [●]	2	5	0
St Marys CE School	Eleni Ioannides – Interim Executive Director for Children	Reasonable Assurance [●]	3	1	0
Business Rates (In Draft)	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	6	0	0
General Ledger	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	2	4	0
Creditors	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	3	4	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Capital Expenditure	Neil Wilcox – Executive Director, Corporate	Reasonable Assurance [●]	2	1	0
Planning Statutory Response Times	Stephen Gibson – Executive Director, Place	Reasonable Assurance [●]	3	3	0
Grants - Local Transport Revenue Block Funding	Neil Wilcox - Executive Director, Corporate Resources	Advisory – no significant issues [●]	-	-	-
Grants – Test and Trace Funding	Neil Wilcox - Executive Director, Corporate Resources	Advisory – no significant issues [●]	-	-	-
Grants - Discretionary Grant Process	Neil Wilcox - Executive Director, Corporate Resources	Advisory [●]	1	1	1

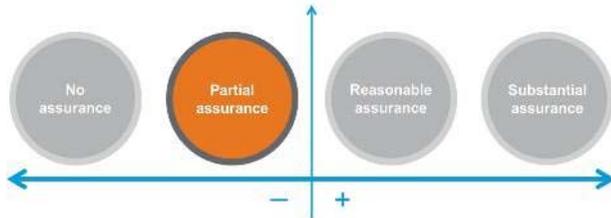
# APPENDIX C: OPINION CLASSIFICATION

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



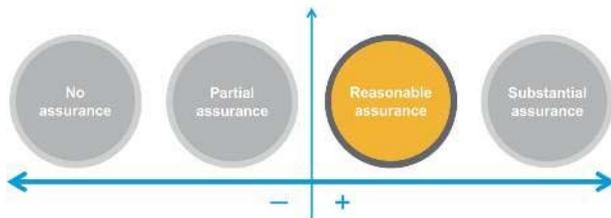
Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



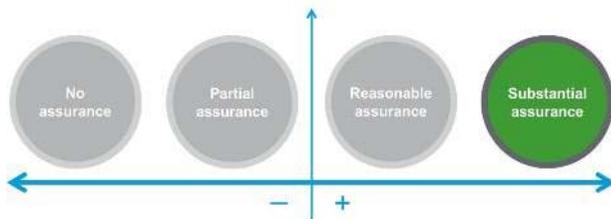
Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

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 board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

# YOUR INTERNAL AUDIT TEAM

**Daniel Harris, Head of Internal Audit**

[Daniel.Harris@rsmuk.com](mailto:Daniel.Harris@rsmuk.com)

Tel: 07792 948767

**Anna O'Keeffe, Senior Manager**

[Anna.O'Keeffe@rsmuk.com](mailto:Anna.O'Keeffe@rsmuk.com)

Tel: 01908 687800

**Amir Kapasi, Manager**

[Amir.Kapasi@rsmuk.com](mailto:Amir.Kapasi@rsmuk.com)

Tel: 01908 687800

**rsmuk.com**

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

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

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

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

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

# SLOUGH BOROUGH COUNCIL

Internal Audit Strategy 2021/2022 - REVISED

Presented at the Executive Board in July 2021 and Audit and Corporate Governance Committee meeting of: 29<sup>th</sup> July 2021

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.

## EXECUTIVE SUMMARY

In preparing our revised Internal Audit Plan for 2021/22 we have worked closely with the new Section 151 Officer to revise the plan presented and approved at the March 2021 Audit and Corporate Governance Committee (ACGC). This plan is mindful of the continuing developments and challenges around Covid-19, the recent S114 Notice and specifically focusses on re-auditing a number of the qualified internal audit reviews undertaken in 2020/21. Whilst this plan is presented for consideration by the ACGC, we will continue to hold regular meetings with management, during the year, to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in these ever changing circumstances and as the conclusions and any actions of the MHCLG governance and financial reviews become clear.

The key points to note from our revised plan are:



**2021/22 Internal Audit priorities:** Internal audit activity for 2021/22 is based on analysing your corporate objectives, risk profile and Corporate Risk Register as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2021/22 is included at Section 1. Please note that we identified some weaknesses in the risk management framework in 2020/21 which means that **we cannot place full reliance on your risk management framework and the associated risk registers**. Furthermore, given the significant financial challenges facing the Council, we have agreed to target three reviews specifically around ensuring robust controls are in place surrounding significant areas of expenditure, including Creditors, Matrix and Capital Project expenditure.

Risk based reviews, designed to provide assurance over risks which are linked to your Corporate Risk Register and department risks include: **Capital Projects** – reviewing key projects - Tower and Ashbourne, **Contract Management** of the **Osborne Contract**, **Business Continuity**, **Health and Safety**, the refreshed **Medium Term Financial Strategy**, the revised **Budget Setting and Control framework** and **Temporary Accommodation** arrangements. Please note, we will ensure that coverage in these areas are carefully scoped to ensure that we are targeting the coverage in the right areas to provide assurance and/or advice on the arrangements in place to manage the risks.

We issued a total of 12 negative assurance opinions in 2020/21 comprising of **one 'No Assurance'** and **11 'partial assurance' opinions**. An audit of all of these areas will be undertaken in 2021/22 to provide assurance that the actions agreed have been implemented.

We will also be re-auditing the **Cyber Essentials** framework and the **Council Subsidiary Governance** audits, both undertaken in an advisory capacity in 2020/21, but both reviews identifying significant weaknesses in the control frameworks, resulting in the agreement of **12 high, 47 medium** and 10 low priority **management actions**.

We also concluded that an ineffective framework was in place to provide complete and reliable information to the Executive Team and ACGC on the progress made to implement previously agreed management actions. We have therefore included a provision within the internal audit plan to review this framework via our follow up coverage and assist management in putting a more robust and comprehensive control framework in place.



**Level of Resource:** We will continue to utilise our core internal audit team to deliver our plan of work and they will continue to be supported by the use of specialists where appropriate, for example Contract Management, Cyber Security and wider Technology Risk reviews, Risk Management specialists etc.

We will continue using technology when undertaking operational audits in 2021/22. This will strengthen our sampling, increasing the level of assurance provided. Please refer to Appendix A.

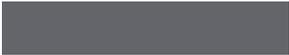


**Assurance:** The core assurance reviews for the 2021/22 audit plan includes reviews of: the Risk Management and Subsidiary Governance frameworks, the Key Financial Systems (such as Accounts Payable / Accounts Receivable / Payroll / Rent Accounts / Treasury Management / General Ledger), Key Revenues and Benefits systems (Council Tax, Business Rates and Housing Benefits) and the programme of Schools reviews.



**'Agile' approach:** Our approach to working with you has always been one where we will respond to your changing assurance needs. By employing 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to the ACGC during the year. This is particularly important during 2021/22 given the work of the MHCLG, tighter expenditure controls following the S114 notice and we will be holding monthly meetings with the Section 151 Officer to agree:

- any potential changes to the 2021/22 internal audit coverage (which will be reported to the ACGC)
- provide regular status updates on the programme of work, including any significant issues that may impact the year end opinion



# CONTENTS

- 1. YOUR INTERNAL AUDIT PLAN 2021/22 .....5
- 2. INTERNAL AUDIT PLAN 2021/22.....7
- APPENDIX A: YOUR INTERNAL AUDIT SERVICE ..... 17
- APPENDIX B: INTERNAL AUDIT STRATEGY 2019 – 2022..... 18
- APPENDIX C: INTERNAL AUDIT CHARTER.....22
- FOR FURTHER INFORMATION CONTACT .....27

# 1. YOUR INTERNAL AUDIT PLAN 2021/22

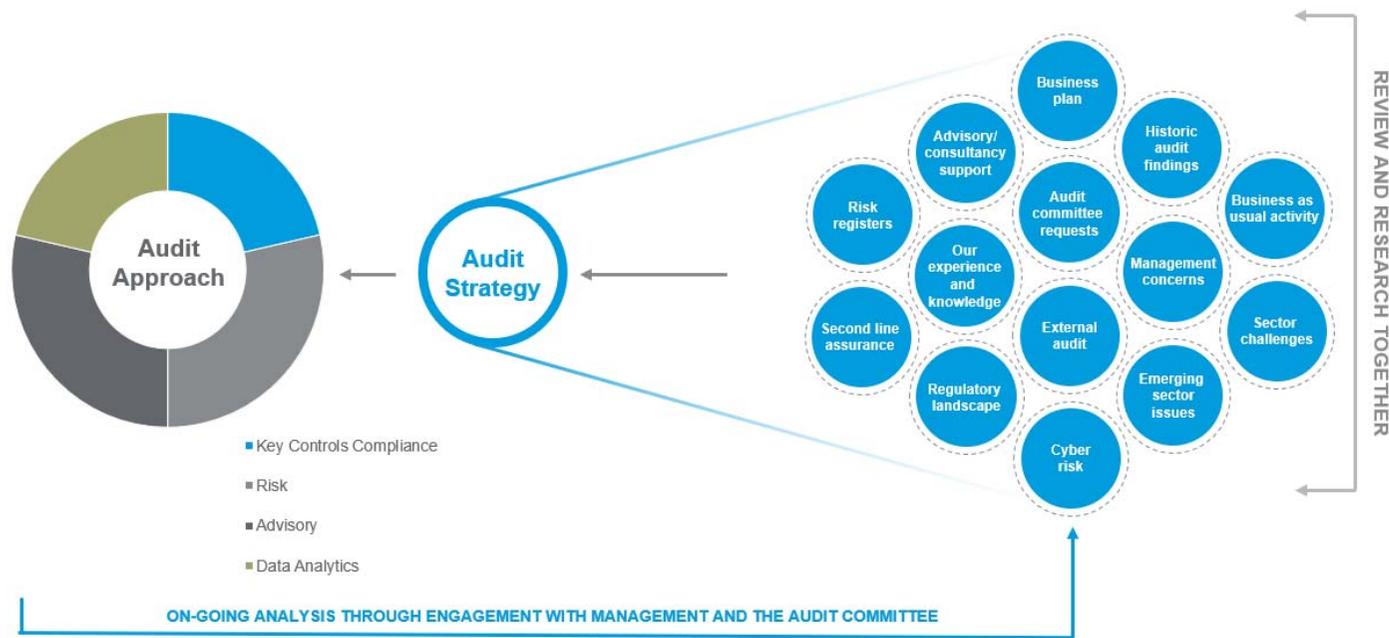
Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Slough Borough Council in the year ahead, including changes within the sector.

## Risk management processes

We have evaluated your risk management processes and consider that we cannot place full reliance on your corporate risk register to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the following stakeholders:

- The CMT and wider leadership team, including all Directors and the Chief Executive
- Audit and Corporate Governance Committee
- The Section 151 officer
- Senior Leadership Team
- External Audit

Figure A: Audit considerations – sources considered when developing the Internal Audit Strategy.



Based on our understanding of the organisation, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high-level strategic plan (see Section 2 and Appendix B for full details).

## 2. INTERNAL AUDIT PLAN 2021/22

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2021/22. The table has been updated following the March 2021 ACGC and details the strategic and departmental risks (either by risk title or risk consequence depending on clarity of these) which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years (noting the comments above regarding the risk management framework). As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes; time for tracking the implementation of actions and an audit management allocation.

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
<b>Risk Based Coverage</b>			
IT Business Continuity	<p><b>Risk Consequence - There is an inherent risk of security breach and data loss. This could lead to ICO fines for GDPR breach and reputational damage (CRR 240)</b></p> <p>At the request of the Council's IT Business Development Manager we are proposing to undertake a review of the Council's Business Continuity Arrangements from an IT perspective.</p> <p>Prior to their exit in November 2019, arvato were responsible for the Council's IT provision however now this service has been brought back in house and in light of recent IT incidents within the Council we will review the plans in place and whether the effectiveness and robustness has been tested. <b>(Advisory)</b></p>	Q1	September 2021
Corporate Health and Safety	<p><b>Risk – Health and Safety of Staff (A &amp; C 7)</b></p> <p>Following a 'partial' assurance opinion in 2019/20 and 2020/21, we will undertake a review to provide assurance that actions have been implemented to improve the robustness of the control framework in place. These include the monitoring of Health and Safety Training, regular meetings of Directorate Consultative Forums, appropriate oversight from the Health and Safety Board and conducting of directorate self-audits.</p>	Q3	December 2021
GDPR Post Implementation	<p><b>Risk Consequence - If there is not an adequate response to GDPR there is a chance that there may fines, criticism from the information Commissioner, damage to reputation or civil claims for damages (CRR 38)</b></p> <p>With the introduction of the General Data Protection Regulations in May 2018 and GDPR being a long-standing risk on the Council's Corporate Risk Register the review will consider the extent to which the Council is complying with the GDPR requirements. The scope of the review will be confirmed closer to the time. <b>(Advisory)</b></p>	Q2	September 2021
Slough Children First (SC First)	<p><b>Various risks including Risk Consequence - Poor outcomes for vulnerable children include risks to safeguarding. Reputational damage to the council. (CR33)</b></p>	TBC	TBC

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	Following SC First becoming a wholly owned subsidiary of the Council, we have included a provision within the plan to allow the Council to take assurance over the arrangements within the SC First. The exact nature of any work will be scoped and agreed with the Interim Director of People (Children). <b>(Assurance)</b>		
Our Futures	<p><b>Risk: Savings target of £5.2m is not realised within the timescales and impacts the ability for the council to meet its MTFS. The delay to the consultation and response increased the lead in time for recruitment for the new structure and will increase the short term reliance on agency spend. (Our Futures Risk Register)</b></p> <p>Exact scope of the review to be agreed – potential coverage could include a benefits realisation review of the Council’s Transformation Plan, coverage of the Governance and Risk Management arrangements in place, change control arrangements in place and the lessons learnt process.</p>	Q3	Dec 21 / March 22
Capital Projects – Tower and Ashbourne	<p><b>Risk: Failure to ensure financial sustainability. (F&amp;A27)</b></p> <p>Tower and Ashbourne House is located within the centre of Slough and the Council have awarded a contract for the redevelopment of the building, to be undertaken by HTA Design LLP. At the request of the Director of Corporate Resources, we will review the following significant projects within the Council’s portfolio with a particular focus on:</p> <ul style="list-style-type: none"> <li>• The delegation of powers between SBC and partners</li> <li>• The timeliness of the process</li> <li>• Whether the projects have a sufficient level of governance in place, particularly in relation to the approval process</li> <li>• The process for the development and approval of business cases, including the funding / capital budgets</li> <li>• Benefits Realisation / monitoring of performance;</li> <li>• Risk Management arrangements;</li> <li>• The reporting of progress, including both financial and non-financial information.</li> </ul> <p><b>(Assurance)</b></p>	Q3	Dec 21 / March 22
RMI Contract Management - Osbornes	<p>Risk Consequence: If the RMI contract is not managed appropriately, there is a risk to the Council’s reputation (PP82)</p> <p>At the request of the Director of Place and also the Neighbourhood and Community Services Scrutiny panel, we will undertake a review of the contract management arrangements with</p>	Q2	December 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	Osborne to evaluate how the objectives and performance measures were being met and reported. Councillors and residents will be engaged in the review. <b>(Assurance)</b>		
Temporary Accommodation	<p><b>Risk: Failure to ensure that the council meets its statutory service requirements in homelessness, re-housing and emergency housing as well as compliance with health and safety regulations (CR3)</b></p> <p>Following a 'partial' assurance opinions in 2018/2019, 2019/20 and 2020/21 we will undertake a full review of the area to provide assurance that actions have been implemented to improve the robustness of the control framework in place including the monitoring of Health and Safety requirements over B&amp;B accommodation, undertaking periodic visits to TA properties, issuing of notices to quit and procedures for breaches of licenses. <b>(Assurance)</b></p>	Q3	December 2021
Cyber Essentials	<p><b>Risk Consequence - There is an inherent risk of security breach and data loss. This could lead to ICO fines for GDPR breach and reputational damage (CRR 240)</b></p> <p>Following an advisory review in 2020/21 and a number of significant actions (3 high, 10 medium and 4 low actions in total) being raised, we propose to undertake a further review of this area to confirm that actions have been addressed. Our audit would allow the Council to take assurance that good practice in cyber security is being implemented. We would utilise our Technology Risk Assurance team to undertake this review, and the exact nature of the scope will be agreed with the Director of Finance and Resources. <b>(Advisory)</b></p>	Q3	March 2022
Business Continuity	<p><b>Risk Consequence - Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause disruption. (CR8)</b></p> <p>Having been a constant risk on the Council's Risk Register over the previous four years, three negative opinions (Partial Assurance in 2020/21) on the controls in place to manage this area we will undertake a review to allow the Council to take assurance that effective arrangements have been implemented. <b>(Assurance)</b></p>	Q2	Sept 2021
Budget Setting and Budgetary Control	<p><b>Risk: Failure to ensure financial sustainability (F&amp;A27)</b></p> <p>Continued reduction to the Council's budget and the COVID-19 pandemic, leading to increased levels of service reductions and organisational wide transformation. The requirement for balanced corporate strategy that seeks to address the needs of vulnerable individuals whilst ensuring appropriate levels of service provision for the universal services.</p> <p>The audit will review the effectiveness of arrangements in place for financial planning and budgetary control to ensure that a realistic budget is set and that performance against this is rigorously monitored. <b>(Assurance)</b></p>	TBC	TBC

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
Medium Term Financial Strategy	<p><b>Risk: Failure to ensure financial sustainability (F&amp;A27)</b></p> <p>The Council must:</p> <ul style="list-style-type: none"> <li>• Set a balanced budget each year;</li> <li>• Ensure it is financially sustainable in the medium term; and</li> <li>• Maintain adequate reserves.</li> </ul> <p>The MTFS brings together all known factors affecting the Council's financial position and its financial sustainability into one process. We will undertake a review of the Council's MTFS to understand whether the underlying assumptions are based on robust plans. <b>(Assurance)</b></p>	TBC	TBC
<b>Core Assurance</b>			
Business Rates		Q3	December 2021
Council Tax		Q3	December 2021
Housing Benefits		Q3	December 2021
Treasury Management		Q3	December 2021
General Ledger		Q3	December 2021
Debtors	Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns.	Q3	December 2021
Payroll		Q4	March 2022
Capital Expenditure		Q4	March 2022
Rent Accounts		Q4	March 2022
Asset Register		Q4	March 2022
Creditors		Q4	March 2022
Rent Arrears Recovery	Following a 'partial' assurance opinion provided as part of both the 2019/20 and 2020/21 plans, we propose to undertake a further review to identify whether improvements identified have been undertaken to strengthen the control framework. <b>(Assurance)</b>	Q1	June 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
Grants	Following the completion of a number of grant returns in 2020/21 (including for example, the Bus Service Operators Grant) which require the sign of both the Chief Executive and the Head of Internal Audit we have included a provision to undertake reviews in our capacity of the Council's Chief Internal Auditor on the use of grant funding received, which will include review of evidence to substantiate claims. <b>(Advisory)</b>	Throughout the year	Not applicable – report to management
Risk Management	To allow the Council to take assurance over the effectiveness of risk management arrangements within the Council. This will include the use and management of both the Corporate and Service-level risk registers.	Q2	September 2021
Governance - Council Subsidiary Companies	To allow the Council to take assurance that key governance processes are in place and operating effectively within the Council over a range of the Council Subsidiary Companies. The specific area for coverage will be agreed through discussion with Council Senior management, given that this may be an area reviewed by MHCLG. We could also include a review (of a sample) of the 52 management actions agreed in the 2020/21 audit of this area.	Q3	March 2022
<b>Other Internal Audit Activity / IT Coverage</b>			
Leaseholder Service Charges	Following a 'partial assurance' opinion provided during 2020/21, we are proposing to undertake a re-audit of this area to allow the Council to take assurance that improvements have been made to the control framework. Coverage will include review of policies and procedures, the basis for apportioning service charges, the billing process, recording of leaseholders, recharge process for capital improvements and governance arrangements.	Q2	December 2021
Supplier Duplicate Payments - IDEA Testing	As part of our work for 21/22 we are proposing to utilise our IDEA software to identify potential duplicate payments made by the Council, and we will follow up on a sample of potential duplicates to review the invoices and audit trail within Agresso and will report back to the S151 Officer.	Q2	September 2021
Matrix	Following a previous review where significant weaknesses for the approval, booking of, management and monitoring of temporary staff which have been obtained through the Matrix contract were identified, we are proposing to undertake a review of the arrangements for using matrix and compliance with policies and procedures including review of actions undertaken as part of the previous review.	Q3	December 2021
Whistleblowing	Following an advisory review in 2018/19, a 'partial assurance' opinion in 2020/21 and a need to ensure that the whistleblowing processes in place are working, we propose to review the effectiveness of processes for the management of whistleblowing and grievances raised within	Q2	September 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	and to the Council, with a view to enabling the Council to take assurance over the processes in place. We will also cover the actions raised as part of the previous review. <b>(Assurance)</b>		
Attendance Service – Children Missing Education (CME)	At the request of the Associate Director, Children and Families, we will review the effectiveness of the Attendance Service for CME. Slough Borough Council have a legal duty to identify children who are missing education (CME), taking action where necessary and ensuring children are receiving suitable education. This duty applies to all maintained schools, academies, free schools and independent schools. <b>(Assurance)</b>	Q1	June 2021
School Audits (maintained schools)	To allow the Council to take assurance over the effectiveness of governance and financial management arrangements within schools. As with previous years we will visit a sample of schools, based on outcomes from prior reviews, to review the effectiveness of governance and financial management arrangements on site.  The reviews this year will include a follow up of Claycots and Cippenham schools where ‘partial’ assurance opinions were issued previously, other schools reviews will be agreed with the Council. <b>(Assurance)</b>	Q1 + Q2	Each Audit Committee
Follow Up	We will conduct Follow Up audits on a quarterly basis to provide assurance that agreed actions have been implemented and that there is sufficient evidence to demonstrate their implementation.	Throughout the Year	Each Audit Committee
Management Meeting Attendance	This will include attendance at all meetings (Department meetings, CMT, Risk Board, Governance meetings, ad-hoc meetings)	Ongoing	Ongoing
Management	This will include: <ul style="list-style-type: none"> <li>• Annual Planning meetings and draft strategy</li> <li>• Preparation for, and attendance at, Audit and Corporate Governance Committee</li> <li>• Attending LG Chief Auditors Network</li> <li>• Administration of action tracking database (4action) used by the Council to track actions</li> <li>• Regular liaison and progress updates</li> <li>• Meetings with Chief Executive, S151 Officer, Monitoring Officer, Chair of Audit and Corporate Governance</li> <li>• Liaison with external audit and other assurance providers</li> <li>• Preparation of the annual Head of Internal Audit opinion and IA Charter</li> </ul>	Ongoing	Ongoing

## Audits requested by Officers for coverage but deferred to future years due to other priorities:

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Continuing Health Care Commissioning and Procurement	At the request of the Director of People (Adults), we will look to review the processes for Continuing Healthcare within the Council to allow the Council to take assurance over the processes in place since SBC took over the responsibilities of CHC commissioning and procurement on behalf of East Berks CCG in 2019/20. (Assurance)
Grip and Governance	At the request of the Chief Executive, we will review the robustness of plans to obtain a grip over the governance within the Council, which will include reviewing the mechanisms of how assurance is provided to CMT in relation to key functions within the Council. <b>(Assurance)</b>
ASC - Care Practice and Quality Assurance	At the request of the Director of People (Adults), we will undertake an advisory review to review whether all practitioners within Adult Social Care are following practice laid out in the Council's policies and procedures and whether there are robust quality assurance processes provide sufficient information. <b>(Advisory)</b>
ASC - Practice and CMHT	At the request of the Director of People (Adults), we propose to undertake a review to give a view on whether social care staff working in CMHT are appropriately discharging their care act responsibilities. <b>(Advisory)</b>
Adult Social Care (ASC) - Financial Assessments and Charging	At the request of the Director of People (Adults), we propose to undertake a review to allow the Council to take assurance over the processes in place for conducting financial assessments and whether these are done in a timely manner and in line with policies and procedures, and as part of this, we will also review the charging process in Adult Social Care and how this is monitored and managed to ensure income is collected to contribute towards the Adult Social Care Income Targets <b>(Assurance)</b>
IT Education and Awareness	<p>At the request of the Council's IT Business Development Manager we are proposing to undertake a review in to cover the following:</p> <p>Users have a critical role to play in their organisation's security and so it's important that security rules and the technology provided enable users to do their job as well as help keep the organisation secure. This can be supported by a systematic delivery of awareness programs and training that deliver security expertise as well helping to establish a security-conscious culture.</p>
Local Plan	The Council's new Local Plan will set out how to guide development in Slough through to 2036. The plan will contain policies to guide business and residential development to meet the needs of Slough's expanding population. The new Local Plan will update the existing Core Strategy, Site Allocations, and Local Plan Saved Policies. The emerging Local Plan aims to address some of the key challenges facing Slough and the plan could be escalated to a Gold Project. At the request of the Associate Director - Place Strategy and Infrastructure will undertake a review of the development of the Local Plan, including the governance around approvals and the implementation process including the consultation process. <b>(Assurance)</b>

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Local Government Transparency Code	The Ministry for Housing, Communities and Local Government (MHCLG) published a revised Local Government Transparency Code on 27 February 2015 which includes new requirements to publish social housing assets. The revised Code came into effect on 1 April 2015. The LGA has produced a set of revised practical guidance documents to support local authorities in understanding and implementing the Transparency Code 2015 and to help them publish the data in a meaningful and consistent way. This area has not been covered by Internal Audit since 2017/18 where we issued a 'partial' assurance opinion and at the request of Strategic Programme Management Office (PMO) Manager as part of the Council's Grip and Governance Project, we are proposing to review compliance with the code. (Assurance)
Planned and Responsive Maintenance	Risk Consequence: If the RMI contract is not managed appropriately, there is a risk to the Council's reputation (PP82) The repairs and maintenance of the Council's housing stock is currently outsourced to Osbornes and at the request of the Director of Place and following a number of complaints to the Council regarding the performance of Osbornes, we will undertake a review to allow the Council to take assurance over the processes for maintaining the Councils Housing Stock and meeting the needs of its residents. (Assurance)
Governance of the Housing Delivery Action Plan	The Housing Delivery Test (HDT) measures net additional dwellings provided in a local authority area against the homes required. The methodology for calculating the Housing Delivery Test measurement is set out in the Housing Delivery Test Measurement Rule Book, and the Ministry of Housing, Communities and Local Government (MHCLG) will publish the HDT result for each local planning authority in England annually in November. Where delivery is below 95% of the Local Planning Authorities requirement it has to prepare an Action Plan in line with national guidance. At the request of the Associate Director - Place Strategy and Infrastructure we will look the governance around the delivery of actions to address shortfalls in housing need in Slough. ( <b>Assurance</b> )
Capital Projects – Stoke Wharf	Risk: Failure to ensure financial sustainability. (F&A27) Stoke Wharf is a joint venture between SBC and Morgan Sindall, with Lovells as the developers. At the request of the Director of Corporate Resources, we will review the following significant projects within the Council's portfolio with a particular focus on: <ul style="list-style-type: none"> <li>• The delegation of powers between SBC and partners</li> <li>• The timeliness of the process</li> <li>• Whether the projects have a sufficient level of governance in place, particularly in relation to the approval process</li> <li>• The process for the development and approval of business cases, including the funding / capital budgets</li> <li>• Benefits Realisation / monitoring of performance;</li> <li>• Risk Management arrangements;</li> <li>• The reporting of progress, including both financial and non-financial information.</li> </ul> (Assurance)

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Housing White Paper	As part of the Government's plans to ensure that residents in social housing are safe, are listened to, live in good quality homes, and have access to redress when things go wrong, a Social Housing Charter is being introduced, and at the request of the Director of Customer and Community, we propose to undertake a review to assess how the Council has implemented the requirements of the white paper. <b>(Assurance)</b>
HR – Appraisals	At the request of the Deputy S151 officer we propose to undertake a review to enable the Council to take assurance around the processes in place to ensure appraisals are being carried out on a consistent basis. As part of the audit, we will review whether appropriate guidance around the appraisal process is in place, whether Line Managers are sufficiently trained to conduct appraisals, whether appraisals are completed in a consistent manner and whether sufficient controls are in place to identify members of staff who have not had their appraisals completed. <b>(Assurance)</b>
Agresso Utilisation	At the request of the Director of Corporate Resources, we propose to undertake a review around how staff are utilising Agresso. The review will consider whether staff are both aware and fully utilising the reporting functionality available within the ERP platform. The scope of the review will focus on systems-based functionality available with respect to financial information (for example, budget reporting) as well as HR related information. <b>(Assurance)</b>
Contract Management - Everyone Active	<p data-bbox="456 737 1975 769"><b>Risk: Failure of the Leisure Strategy to have an impact on the health of the local community (C&amp;L5)</b></p> <p data-bbox="456 778 1975 909">Following the appointment of new contractors to manage the Council's Leisure Services, and a 'partial assurance' opinion in 2019/20, we will review the management of the contract with a view to providing assurance of the contract management arrangements in place and whether the actions raised as part of the previous review has been implemented. This work would be led by our contract management specialists. <b>(Assurance)</b></p>
ASC - Data and performance information	At the request of the Director of People (Adults), we propose to undertake a review of the information generated from the Adult Social Care system following concerns raised over the timeliness and accuracy of management data reports and performance information data <b>(Advisory)</b>
Data Security and Protection Toolkit (DSPT)	<p data-bbox="456 1050 1975 1120">At the request of the Council's IT Business Development Manager we will undertake a review to assess the Council's compliance with the DSPT.</p> <p data-bbox="456 1129 1975 1295">The Council has access to a secure N3 connection which is being transitioned to The Health and Social Care Network (HSCN), which is a new data network for health and care organisations. It provides the underlying network arrangements to help integrate and transform health and social care services by enabling them to access and share information more reliably, flexibly and efficiently while benefitting from improved network and bandwidth capacity, financial savings and easier and smoother access to clinical systems.</p> <p data-bbox="456 1305 1975 1407">Currently to maintain access to this connection, the Council has to submit an annual self-assessment demonstrating how it complies with the requirements of the toolkit. Our review will confirm that sufficient evidence exists to demonstrate that processes are in place to comply with the minimum requirements of the toolkit <b>(Advisory)</b></p>

## 2.1 Working with other assurance providers

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

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

# APPENDIX A: YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Daniel Harris as your Head of Internal Audit, supported by Amir Kapasi as your Manager.

## Core team

The delivery of the 2021/22 audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required. This will include the use of our IT Specialists within the Technology Risk Assurance (TRA) team, Risk Management specialists, Programme and Project Management Specialists and wider consulting specialists.

## Conformance with internal auditing standards

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

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

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

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

Our next external review will be conducted during 2021 and we will inform the Audit and Corporate Governance Committee of its findings.

## Conflicts of interest

We continue to deliver support to the Council in relation to the Procurement Function, which has run into 2021/22. We also supply a range of software solutions to help the Council manage their action tracking, policy management and risk capture. All of this work was undertaken via separate engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met. We continue to keep the Section 151 Officer sighted and informed throughout the year of potential conflicts and how these have been considered and managed.

## APPENDIX B: INTERNAL AUDIT STRATEGY 2019 – 2022

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided		Internal Audit - Third Line of Assurance					
		Risk Register Ref	2017/18	2018/19	2019/20	2020/21	2021/22
	Red - Minimal Assurance / Poor Progress						
	Amber/red - Partial Assurance / Little Progress						
	Amber/green - Reasonable Assurance / Reasonable Progress						
	Green - Substantial Assurance / Good Progress						
	Advisory / AUP						
Audit Area							
Risk based assurance							
Capital Projects – Tower and Ashbourne	F&A27						✓
Slough Children's Services Trust	CR33						✓
Planned and Responsive Maintenance	PP82						
Contract Management - Osbornes	PP82						
Capital Projects – Stoke Wharf	F&A27						
Contract Management – Everyone Active (Leisure Contract)	C&L5						
Continuing Healthcare	ACPH 3						

Governance - James Elliman Homes	RD 11					
Direct Services Organisation* (was being covered by RSM Specialists in 2020/21 but work paused at Council request)	CR6				✓	
Contract Management – Osborne	CR15					✓
Business Continuity and Emergency Planning	CR8					✓
Contract Management – Buoygues	CR15					
Slough Urban Renewal	CR4					
Adult Social Care - Management of Income / Financial Assessments and Charging	F&A 27					
Corporate Health and Safety	78				✓	
Temporary Accommodation Strategy	78				✓	✓
Budget Setting and Budgetary Control (including forecasting)	F&A 27					✓
Medium Term Financial Strategy (MTFS)	F&A 27					✓
Governance - Overview and Scrutiny - Committee Effectiveness	Gov 2					
Conflicts of Interest	F&A 27					
Safety Advisory Group (SAG)	C&C 9					
GDPR (previously Information Governance)	D&S IT 1					✓
Cyber Security and Cyber Risk	D&S IT 2					✓
Planning Performance Agreements (PPAs)	NWQ 1				✓	
Planning Applications Response Times	P&T 7				✓	
Accounts Preparation Process	F&A 1					
Savings Plan	F&A 27					

Special Educational Needs Funding	SD 2					
Major Infrastructure Projects (Local Enterprise Partnership)	RD11					
Fire Safety	78					
Gas Servicing	78					
4Policies	Gov 2					
Policies and Procedures	Gov 2					
Procurement	CR9					
Transformation Plan					✓	
<b>Core Assurance</b>						
Business Rates	CR2				✓	✓
Council Tax	CR2					✓
Housing Benefits	CR2					✓
Treasury Management	CR2				✓	✓
General Ledger	CR2				✓	✓
Debtors	CR2				✓	✓
Payroll	CR2				✓	✓
Capital Expenditure	CR2				✓	✓
Rent Accounts	CR2				✓	✓
Assets	CR2				✓	✓
Creditors	CR2				✓	✓
Rent Arrears Recovery	CR2					✓

Risk Management	Gov 2					✓
Governance – Sub Committee Effectiveness	Gov 2					
Cash Collection + Management	CR2					
Data Security and Protection Toolkit						
IT Education and Awareness						
Whistleblowing						✓

# APPENDIX C: INTERNAL AUDIT CHARTER

## Need for the charter

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

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

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;
- Definition of internal auditing;
- Code of ethics; and
- The Standards.

## Mission of internal audit

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

---

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

---

## Independence and ethics

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

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

Conflicts of interest may arise where RSM provides services other than internal audit to Slough Borough Council. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the audit and corporate governance committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

## Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the audit committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Council senior management who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.

- Executive (Cabinet) - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "board" may refer to a committee or another body to which the governing body has delegated certain functions (eg an audit and corporate governance committee).

## Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Huddle.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.



We continue to closely monitor and implement official guidelines from the Government and health organisations in respect of Covid-19. All our staff must adhere to the relevant RSM Policies, including limiting time on site and completing the relevant approvals prior to any site visit.

## Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.

- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

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

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

## Reporting

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

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

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

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

## Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

## Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the audit committee.

## Fraud

The audit committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

## Approval of the internal audit charter

By approving this document, the internal audit strategy, the audit committee is also approving the internal audit charter.

## FOR FURTHER INFORMATION CONTACT

### **Daniel Harris – Head of Internal Audit**

Email: [Daniel.Harris@rsmuk.com](mailto:Daniel.Harris@rsmuk.com)

Telephone: 07792 948767

### **Amir Kapasi – Manager**

Email: [Amir.Kapasi@rsmuk.com](mailto:Amir.Kapasi@rsmuk.com)

Telephone: 07528 970094

### **rsmuk.com**

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.

This page is intentionally left blank