



# SLOUGH BOROUGH COUNCIL

Annual internal audit report 2020/21

7 July 2021

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# 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:



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

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*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.*

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## 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

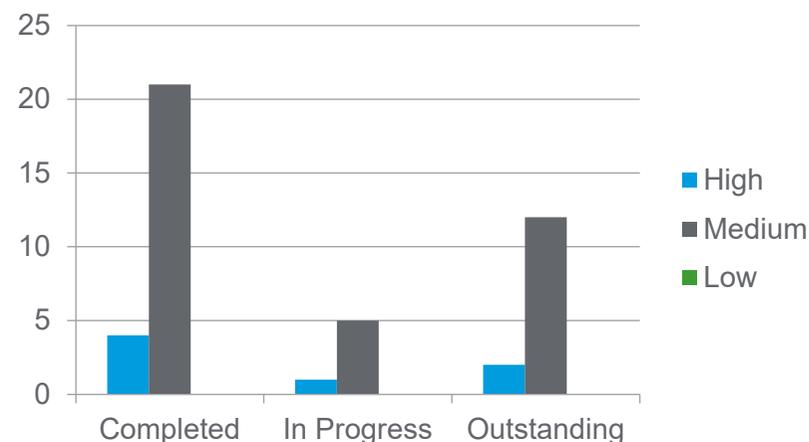
Management have agreed actions to address all of the findings reported by the internal audit service during 2020/21. At the time of the production of this report, 2 reports remain in draft at 16<sup>th</sup> July 2021, and we have been provided with assurance by management as part of the debrief meeting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

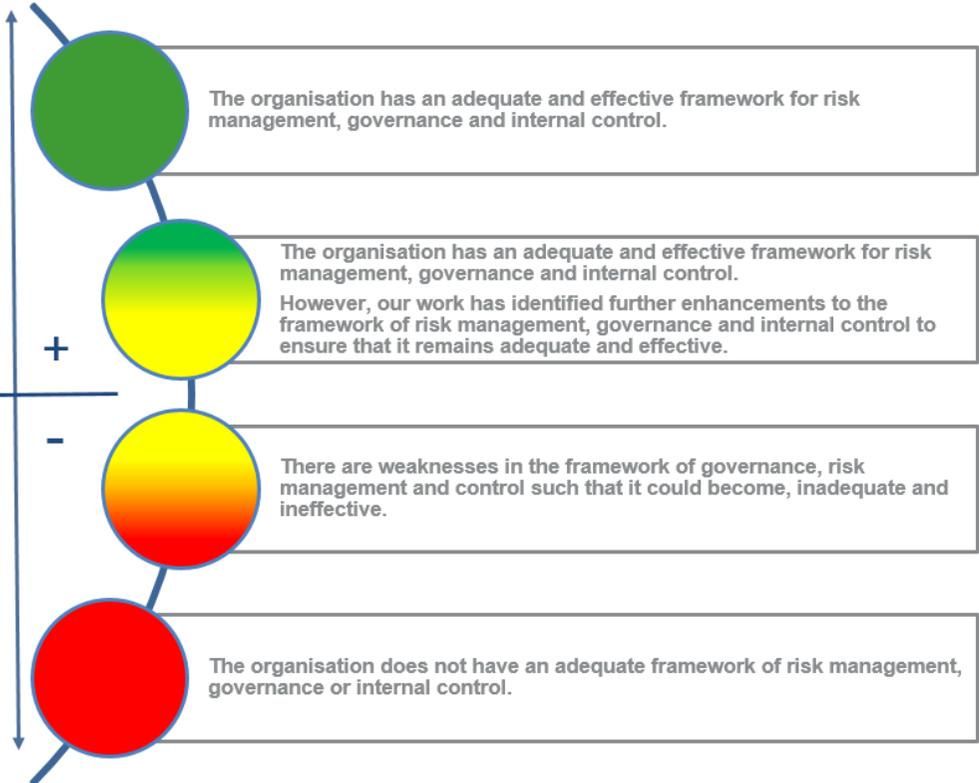
## **Quality assurance and continual improvement**

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

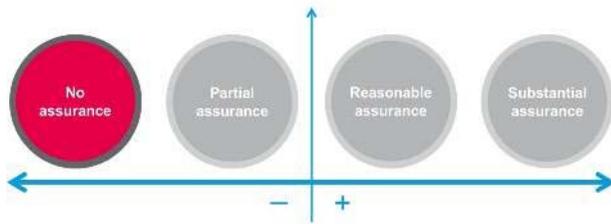
Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Temporary Accommodation	Richard West – Executive Director Customer and Community	Partial Assurance [●]	2	3	1
Asset Register	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	2	1
Whistleblowing	Neil Wilcox - 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

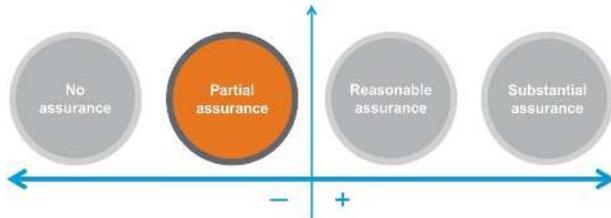
# APPENDIX C: OPINION CLASSIFICATION

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



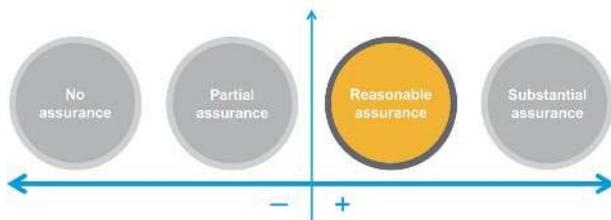
Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



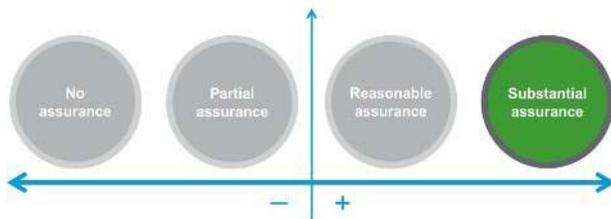
Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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

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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.

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

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