



# SLOUGH BOROUGH COUNCIL

DISCUSSION DRAFT - Internal Audit Strategy 2022/23

Presented at the Audit and Corporate Governance Committee meeting of: 1st March 2022

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## EXECUTIVE SUMMARY

In preparing our draft Internal Audit Plan for 2022/23 we have worked with Officers to produce an audit programme which remains mindful of the continuing developments and challenges around Covid-19. Whilst this 2022/23 plan is presented for consideration by the Committee, we will continue to hold regular meetings with Officers 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 in consideration of the challenges facing the Council. Specifically, we have monthly meetings with the S151 Officer and Monitoring Officer, and we will also stay in regular contact with audit sponsors to ensure the timing and coverage of the planned audits remains fit for purpose as the Councils recovery and renewal plan progresses.

The key points to note from our plan are:



**2022/23 Internal Audit priorities:** Internal audit activity for 2022/23 is based on analysing your corporate objectives, risk profile and Corporate Risk Register as well as other factors affecting you in the year ahead. It should however be noted that the Council does not currently have any Directorate risk registers in place, so we have used the Corporate risk register and further informed this with discussions with a range of stakeholders. For example, we have also met with a number of Executive Directors, the Finance Director and Monitoring Officer and the lead commissioner (Finance) and the External Auditor to discuss our approach to considering internal audit priorities. The approach includes changes within the sector, horizon scanning across the Local Authority Chief Internal Auditor network and reflecting on a number of the key challenges facing the Council.

Our detailed draft plan for 2022/23 is included at Section 2, but includes risk based coverage (linked to your Corporate Risk Register where relevant) of the following areas: **Recovery and Renewal Plan, Workforce Recruitment and Retention, Budget Setting and Control, Medium Term Financial Strategy (MTFS), the Adult Social Care Transformation Plan, Corporate Health and Safety, Cyber Security, Data Quality and Performance Management (KPIs), Children Missing Education, Slough Children First, Temporary Accommodation, , Duplicate Payments, IT Business Continuity and Council's Subsidiary companies.**



**Level of Resource:** 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 Data Analytics, Contract Management, Cyber Security and wider Technology reviews, Risk Management specialists etc.

We will continue using technology when undertaking operational audits in 2022/23. This will strengthen our sampling, increasing the level of assurance provided. Please refer to Appendix A.



**Core Assurance:** The core assurance reviews for the 2022/23 audit plan includes reviews of: 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. A number of these reviews received a negative assurance opinion in the 2021/22 coverage and we will agree the best way to approach these reviews with the Director of Finance (for example, some will include data analytics, some may require a follow up and others will be subject to a full re-audit). The approach to the review will largely depend on the progress made by management to implement previous management actions.



**'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 Audit and Corporate Governance Committee during the year. For 2022/23, we recognise that this plan will be subject to an ongoing agile review and that the areas of coverage will change depending on the Council's risk profile and priority areas of coverage.

To ensure that any changes are communicated appropriately to the Audit Committee and Senior Management, we will be holding regular meetings with the Monitoring Officer and the S151 Officer.



# CONTENTS

- 1. YOUR INTERNAL AUDIT PLAN 2022/23 ..... 5
- 2. INTERNAL AUDIT PLAN 2022/23..... 6
- APPENDIX A: YOUR INTERNAL AUDIT SERVICE ..... 19
- APPENDIX B: INTERNAL AUDIT STRATEGY 2022/23..... 20
- APPENDIX C: INTERNAL AUDIT CHARTER..... 24

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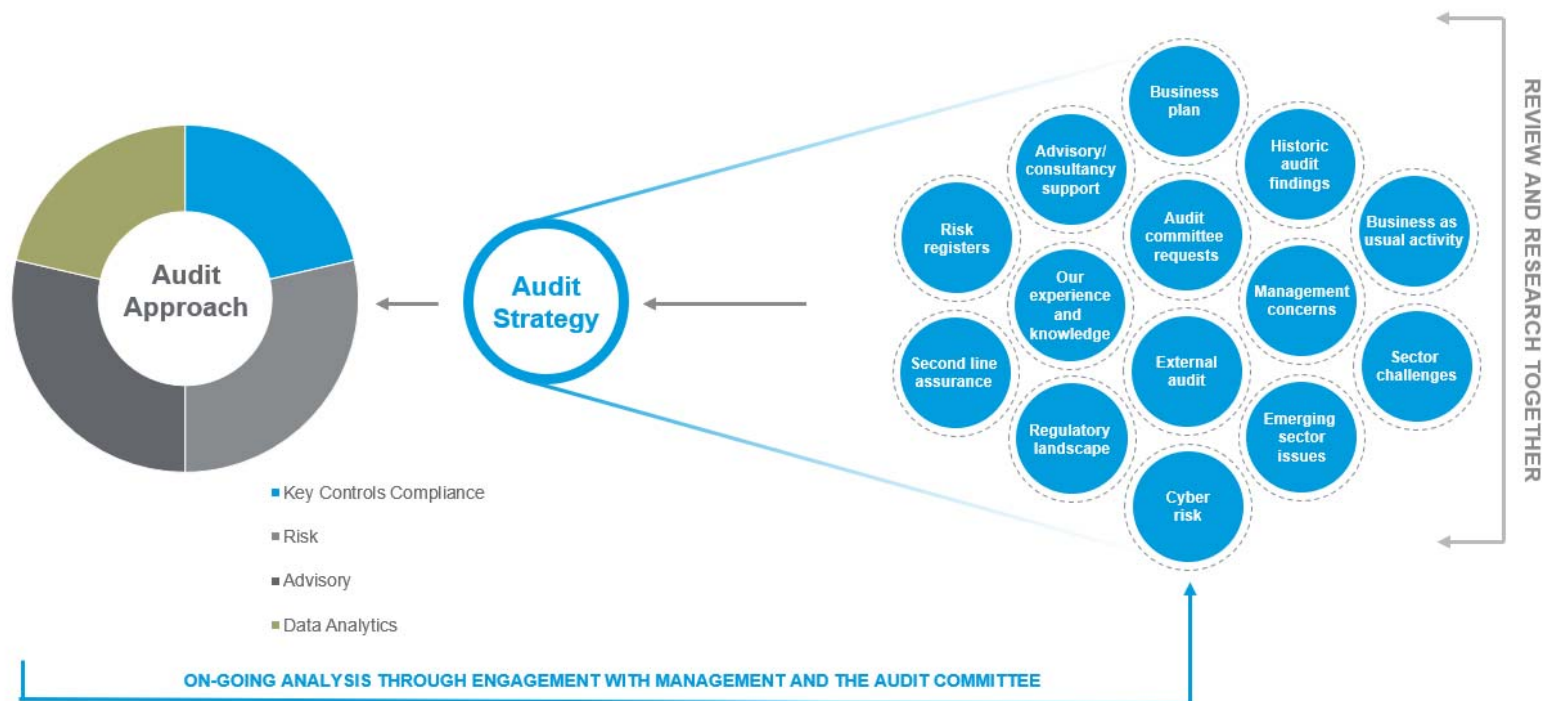
# 1. YOUR INTERNAL AUDIT PLAN 2022/23

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 in 2021/22 and consider that we cannot place full reliance on the Corporate Risk Register to inform the internal audit strategy. In the absence of Directorate risk registers we have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the Senior Leadership Team, key officers and the Audit and Corporate Governance Committee. The Commissioners have also received a copy of the draft plan and will provide feedback as appropriate.

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 2022/23

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2022/23. The table details the strategic risks that we have linked our coverage to 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.

However, we appreciate that the Council is still developing its risk management framework, does not currently use sources of assurance to inform strategic risks and controls, does not currently use departmental risk registers and has a significant number of actions and recommendations to address from various reports (CIPFA, DLUCH, External Consultants etc). We have some assignments designed to provide assurance or advisory input around specific risks, the strategy also includes time for tracking the implementation of agreed management actions and an audit management allocation.

Audit Title (Directorate)	Proposed Coverage (including link to risk title / consequence where appropriate)	Rationale for coverage	Est Timing & (Audit Committee)
<b>Risk Based Assurance – Split by current directorates</b>			
<b>People (Children)</b>			
Children Missing Education (CME)	<p>As part of the 2021/22 Internal Audit Plan, a 'minimal' assurance opinion had been provided in relation to the Attendance Service for CME. Significant issues were identified around case management and closure resulting in examples of the Council potentially not complying with their statutory duties. The purpose of this review will be to identify what changes have been made within the Attendance Service following our previous review and allow the Council to take assurance over the area.</p> <p><b>Risk 11: Special Educational Needs and Disability (SEND) Local Area Inspections</b></p>	Linked to strategic risk 21/22 Negative opinion	Q1 (July 2022)
Slough Children First	<p>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). We have been unable to meet with the Interim Director of People (Children) in the drafting of the plan despite repeated attempts and have therefore included an allocation with specific coverage tbc.</p> <p><b>Risk 15: Staffing Risks within Slough Borough Council and Slough Children First</b></p>	Linked to strategic risk	Various (Throughout the year)

Audit Title (Directorate)	Proposed Coverage (including link to risk title / consequence where appropriate)	Rationale for coverage	Est Timing & (Audit Committee)
<b>People (Adults)</b>			
Adult Social Care Transformation Plan	<p>At the request of the Executive Director - People (Adults), we will undertake a review, and considering the significant savings target associated with this plan, we propose to undertake a review to allow the Council to take assurance over the following key controls listed within the Council's Corporate Risk Register:</p> <ul style="list-style-type: none"> <li>• Adult Social Care Business Case and implementation plans</li> <li>• Adult Social care Transformation Board</li> <li>• Tracking of actions and savings</li> <li>• Support and challenge from People Too consultant partners</li> </ul> <p><b>Risk 1: Delivery of the Adults Social Care (ASC) Transformation Programme</b></p>	Linked to strategic risk Requested by Director	Q2 (September 2022)
<b>Place and Community</b>			
Temporary Accommodation	<p>Following a 'minimal' assurance opinion provided in 2021/22, and negative opinions provided in this area since 2018/19 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 to allow the council to take assurance that they are not in breach of statutory responsibilities.</p> <p><b>Risk 3: Temporary Accommodation</b></p>	Linked to strategic risk Requested by Director 21/22 negative opinion	Q3 (December 2022)
Leasehold Service Charges	<p>Whilst a review of Leasehold Service Charges is being completed as part of the 2021/22 plan (yet to be conducted), the Council are migrating to a new housing system and need to fully resource the team during 22/23 which will significantly change processes around leasehold service charges. As such, we will revisit the area to assess whether these changes to process have been duly made.</p> <p>As a result of the restructure, this team has been left with little/no staff and is currently being re-built. The Executive Director therefore requested coverage in 22/23 at the end of the financial year.</p> <p><b>Risk 15: Staffing Risks within SBC and SCF</b></p>	Linked to strategic risk Requested by Director 21/22 negative opinion	Q4 (March 2023)

Audit Title (Directorate)	Proposed Coverage (including link to risk title / consequence where appropriate)	Rationale for coverage	Est Timing & (Audit Committee)
<b>Finance and Resources</b>			
Budget Setting and Budgetary Control	<p>There has been a continued reduction to the Council's budget exacerbated by the COVID-19 pandemic and subsequent external reviews by DLUHC, CIPFA and the Council's Interim Finance Team. In addition, significant change in the level of staff within the Finance structure and the budget setting and monitoring process means the Council should seek assurance that the correct structures are now in place.</p> <p>The audit will review the effectiveness of arrangements in place for setting the budget for 22/23 and the systems in place to ensure effective budgetary control arrangements are in place.</p> <p><b><i>Risk 5: Financial sustainability, accounting, processes, commercial and other matters</i></b></p>	Linked to strategic risk Requested by Director Deferred from 21/22	Q1 (September 2022)
Medium Term Financial Strategy	<p>This review was initially deferred into 22/23 at the request of the Council due to ongoing work to address deficiencies in the accounts process.</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.</p> <p><b><i>Risk 5: Financial sustainability, accounting, processes, commercial and other matters</i></b></p>	Linked to strategic risk Requested by Director Deferred from 21/22	Q1 (September 2022)
Recovery and Renewal Plan	<p>The review could consider the management arrangements that the Council has put in place to ensure that these are appropriate and contribute to the delivery of the Council's priorities and meeting its statutory duties. The exact nature of the scope will be agreed with the sponsor(s).</p> <p><b><i>Risk 8: Recovery and Renewal Plan</i></b></p>	Linked to strategic risks	Q1 (September 2022)



Audit Title (Directorate)	Proposed Coverage (including link to risk title / consequence where appropriate)	Rationale for coverage	Est Timing & (Audit Committee)
Subsidiary Companies Governance	<p>Following the review conducted as part of the 2020/21 Internal Audit plan which identified 52 management actions in this area (and subsequent follow up in 21/22 to review a sample of actions where progress had been made), this review will either follow up on any remaining actions or be focussed on specific subsidiaries. We know a number of companies are being closed. This review will allow the Council to take assurance that key governance processes are in place and operating effectively and could also cover financial management and reporting of KPI's. Specific coverage to be agreed with Exec Directors.</p> <p><b>Risk 5: Financial sustainability, accounting, processes, commercial and other matters / Risk 14: Council Companies</b></p>	<p>Linked to strategic risk Requested by Director 21/22 negative opinion</p>	<p>Q4 (March 2023)</p>
Corporate Health and Safety	<p>Following 'partial' (negative) assurance opinions in 2019/20 and 2020/21 (2021/22 review to be completed) and being a key risk on the Council's Strategic Risk Register, 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> <p><b>Risk 6: The Council does not take adequate mitigations to reduce the risk of injury or death from incidents within the Council</b></p>	<p>Linked to strategic risk 21/22 negative opinion</p>	<p>Q4 (March 2023)</p>
Workforce Recruitment and Retention	<p>This is a key risk area highlighted in the Council's Corporate Risk Register and has the potential to impact a number of the other documented strategic risks. The audit will be scoped with the relevant sponsor but could include:</p> <ul style="list-style-type: none"> <li>• Reporting of vacancy rates to CLT and other committees</li> <li>• Use of the apprenticeship programmes to help 'grow your own'</li> <li>• Whether effective performance management and appraisal processes are in place</li> <li>• Recruitment and retention policies and compliance with these</li> <li>• Timeliness of the recruitment process (ie notification of leavers, advert, interview, through to offer)</li> <li>• Retention initiatives and compliance with these</li> </ul> <p><b>Risk 10: Service delivery risk due to workforce recruitment and retention issues</b></p>	<p>Linked to strategic risk</p>	<p>Q2 (December 2022)</p>

Audit Title (Directorate)	Proposed Coverage (including link to risk title / consequence where appropriate)	Rationale for coverage	Est Timing & (Audit Committee)
Supplier Duplicate Payments	<p>As part of the 2021/22 plan, transactional reviews were undertaken to identify potential supplier duplicate payments made by the Council. The review will build on the work completed in 2021/22 to identify further cases of potential duplicate payments.</p> <p><b>Risk 5: Financial sustainability, accounting, processes, commercial and other matters</b></p>	<p>Linked to strategic risk Requested by Director 21/22 significant issues</p>	<p>Q3 (December 2022)</p>
Cyber Essentials	<p>Coverage requested from IT Business Development Manager (in the absence of Head of IT) following on from the advisory reviews completed in 2020/21 and 2021/22 where some significant issues have been identified.</p> <p>Our audit would allow the Council to understand whether a robust control framework in relation to cyber security has been put in place. We would utilise our Technology Risk Assurance team and the exact scope will be agreed with the Director of Finance and IT officers within the Council.</p> <p><b>Risk 12: Cyber Security</b> <b>Risk 13: Information Governance and GDPR</b></p>	<p>Linked to strategic risk Requested by lead in IT 21/22 negative opinion</p>	<p>Q4 (March 2023)</p>
IT Business Continuity	<p>As part of the advisory 2021/22 review around IT Business Continuity, significant issues / gaps were identified within the existing control framework, resulting in one 'high and six 'medium' priority actions being agreed. Most notably, issues were identified around the content of both the IT Disaster Recovery and Business Continuity Plans. The audit will seek to identify actions to taken to address these issues.</p> <p><b>Risk 9: Business Continuity and Emergency Planning</b> <b>Risk 13: Information Governance and GDPR</b> <b>Risk 12: Cyber Security</b></p>	<p>Linked to strategic risk Requested by lead in IT 21/22 negative opinion</p>	<p>Q2 (September 2022)</p>

Business Continuity	Having been a constant risk on the Council's Corporate Risk Register over the previous four years, three negative opinions (including a Partial Assurance opinion in 2020/21 and Minimal Assurance opinion in 21/22) this review will focus on the controls in place to manage this area to allow the Council to take assurance that sufficient action has been taken to improve the control framework.  <b>Risk 9: Business Continuity and Emergency Planning</b>	Linked to strategic risk 21/22 negative opinion	Q2 (December 2022)
<b>Core Assurance (split by current directorates)</b>			
<b>People (Children)</b>			
Schools	To allow the Council to take assurance over the effectiveness of governance, financial and safeguarding within schools. As with previous years we will visit a sample of schools, based on outcomes from prior reviews and a cyclical risk-based approach. The reviews this year will include a follow up of Priory school where a 'partial' assurance opinion was issued previously, other schools reviews will be agreed with the Council.	21/22 and previous years negative opinions	Various (Throughout the year)
<b>Place and Community</b>			
Rent Accounts	The objective of this review is to assess rent accounting function and its ability to collect rental income. As part of the 2021/22 review, a 'partial' assurance opinion was provided, owing to significant issues around the receipt of rental income and the completion of stock reconciliations. Our audit will also seek to assess progress made in this area.	Requested by Director 21/22 negative opinion	Q2 (September 2022)
Rent Arrears Recovery	As part of this audit, we will consider review the controls in place to ensure rent arrears are effectively recovered, minimising the risk to the Council of not achieving their rent collection targets. This review will also assess the progress in addressing actions from the 2021/22 audit, where a 'partial' assurance opinion was provided.	Requested by Director 21/22 negative opinion	Q2 (September 2022)
Assets	We will assess the accuracy and recording of asset acquisitions and disposals as well as the management over the Council's Asset Register and asset other asset records. This review will also assess the progress in addressing actions from the 2021/22 audit, where a 'partial' assurance opinion was provided. We will also seek to understand what if any coverage is required in relation to the Councils asset disposal programme.  <b>Risk 4: Disposal of Assets</b>	Linked to strategic risk Requested by Director 21/22 negative opinion	Q3 (December 2022)

Allocations	This review will assess the processes in place for ensuring that the allocations process at the Council is in line with agreed policies and procedures. This will include a review of the waiting list and allocations process within the Council.	Requested by Director	Q1 (July 2022)
Strategic Housing Management	With changes to the structure of the Housing service, the Council may need to obtain assurance that its housing stock is being managed appropriately. As a result, we will undertake a review of the function to establish how the housing stock (c6000 properties) and the wider service is being managed. The exact nature of the scope will be agreed with the Executive Director for Place and Communities. <b>Risk 4: Disposal of Assets</b>	Linked to strategic risk Requested by Director	Q4 (March 2023)
Property Services	At the request of the Executive Director for Place and Communities, we will undertake a review of the property services function within the Council, which has been subject to significant change as part of the restructure. This review will aim to allow the Council to take assurance that a robust structure has been implemented to help the Council achieve its objectives in this area.	Requested by Director	Q4 (March / July 2023)
Planning – Production of a 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. At the request of the Executive Director – Place and Community we will undertake a review of the development of the Local Plan, including the governance around approvals and the implementation process including the consultation process	Requested by Director	Q4 (March / July 2023)
<b>Finance and Resources</b>			
Debtors Management	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. <b>Risk 4 – Disposal of Assets</b> <b>Risk 5: Financial Sustainability</b> <b>Risk 8 – Recovery and renewal plan</b>	Linked to strategic risks Requested by Director 21/22 various negative opinions	Q3 (Dec 2022 / March 2023)
General Ledger			
Creditors			
Payroll			
Council Tax			
Business Rates			

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Treasury Management

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Capital Expenditure

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Housing Benefits

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Whistleblowing	Following an advisory review in 2018/19, and 'partial assurance' opinions in 2020/21 and 2021/22, 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 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.	Requested by Monitoring Officer 21/22 negative opinion	Q3 (December 2022)
Risk Management	Following a 'partial' assurance opinion in 21/22 and the significant changes in the processes for managing risk, this review will 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 if these have been developed. <b>Cross cutting - Strategic Risks 1 - 15</b>	Drives strategic risks Requested by Director 21/22 negative opinion	Q2 (September 2022)
Grants	Following the completion of a number of grant returns in 2021/22 which require the sign off of both the Chief Executive and the Head of Internal Audit we have included a provision to undertake reviews on the use of grant funding received, which will include review of evidence to substantiate claims.	Requirement of grant T+Cs	TBC (TBC)
Payroll and HR Interface	With the Council introducing a new Payroll and HR interface within Agresso, we could review the implementation and governance processes to ensure that data is appropriately migrated and sufficient training and guidance is in place to aid in the use of the new system.	Changes to existing system	Q3 (December 2022)

## Other Internal Audit Activity

Data Quality and Performance Management (KPIs)	<p>The Council uses a variety of performance indicators and evidence bases to monitor how well their services are performing in meeting the needs of their residents and businesses, and to monitor their efficiency and value for money. Our review will allow the Council to take assurance over a sample of indicators that robust and accurate performance information is being produced on a timely basis and reported to appropriate committees, in line with the outcomes of the latest version of the Five-Year Plan. As part of our testing, we will verify information reported for a sample of indicators back to source data.</p> <p><b>Cross cutting - Strategic Risks 1 - 15</b></p>	Linked to strategic risk	Q1 (July / Sept 2022)
Assurance Mapping	<p>Potential area of coverage to support the Council in either determining the approach to Assurance Mapping, or to perform an assurance Mapping exercise for a sample of Departments / areas.</p> <p><b>Cross cutting - Strategic Risks 1 - 15</b></p>	Linked to strategic risk 21/22 negative opinion	TBC (TBC)
Follow Up	<p>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.</p> <p><b>Cross cutting - Strategic Risks 1 - 15</b></p>	Linked to strategic risk 21/22 negative opinion	Quarterly (Each Audit Committee)
Management Meeting Attendance	<p>This will include attendance at all meetings (Directorate / Department meetings, CLT, Risk Board, Governance meetings, ad-hoc meetings)</p>	N/A	N/A
Management	<p>This will include:</p> <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>• 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> <li>• 2<sup>nd</sup> partner review process</li> </ul>	N/A	N/A

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

**Further areas of potential coverage not included in the 22/23 plan above (Sector issues and Horizon Scanning / previous years coverage):**

Please see below some additional areas that could be considered for inclusion in an internal audit strategy. None of these areas were specifically identified as priority areas of coverage for 2022/23 following our discussions with Executive Directors, however a number of areas were suggested as potential areas in a 3 year strategy or are areas that we believe could be considered and as part of the horizon scanning carried out by RSM and the Chief Internal Auditors network. However, we have stopped short of including these in a new 3 year strategy as we agreed with the Executive to produce a detailed one year plan, with areas of potential coverage with future years, and then subsequently to develop a new 3 year strategy for 2023/24 – 2025/26.

<b>People (Adults)</b>	Strategic Risk Ref
Adult Social Care (ASC) - Care Practice and Quality Assurance	1
ASC - Practice and CMHT	1
ASC - Financial Assessments and Charging	1
ASC Budget Management	1
ASC caseload management	1
ASC workforce planning	1
Social care placements and monitoring	1
Care Homes - Quality of Care	1
Care Homes - Deferred payments	1
Care Homes - Placement Process	1
Continuing Health Care Commissioning and Procurement	1
ASC - Data and performance information	1
<b>People (Childrens)</b>	
PFI Contract - Schools	5
Children Social Care (CSC) - Budget management	5

Child Safety (focus on social care assessments)	
CSC Caseload management	
CSC residential contract management	
CSC Recruitment and Retention	
SEND (Special Educational Needs & Disability) * Compliance with Time Targets * Forward plans and anticipated needs * Partnership working	11
SEND Funding	11
Dedicated Schools Grant	8, 11
<b>Place and Community</b>	
Gas Servicing	6
Planned and Responsive Maintenance	
Planning - Local Plan	8
Housing White Paper	
Governance of the Housing Delivery Action Plan	
Asset Disposals	4
Homelessness	
Houses of Multiple Occupation	
New Homes Bonus Scheme	
Planning Control	
Local Government Transparency Code	
<b>Finance and Resources</b>	
Recovery and Renewal plan	8
Workforce Recruitment and Retention	10, 15



Payroll and HR Interface - Agresso	5
Insurance Service	5
Elections	7
IT Education and Awareness	12
Policies and Procedures	5
Savings Plans	5
Commercialisation	5
Investment Projects	5, 8
Income Collection - Debt Collection Management and use of Enforcement Agents	5
Workforce – Appraisals	10, 15
Workforce – Equality and Diversity	10, 15
Workforce - Recruitment and Retention	10, 15
Workforce - Wellbeing	10, 15
Workforce - Absence Management	10, 15
Workforce - Organisational Culture	10, 15
Contract Management - Everyone Active	
Capital Projects – Stoke Wharf	
<b>Other</b>	
Counter Fraud Service	
ESG (Environmental, Social, and Governance) Maturity Assessment	5,10,15
Supply Chains and third party risk (incl Modern Slavery Act compliance)	

Domestic Violence - Strategy, Communications and awareness processes	
Domestic Violence - Multi Agency referral and Partnership Working	

As reported each year since 2019/20, RSM Internal Audit cannot review this area as RSM Consultants are assisting the Council in the Operational delivery of Procurement activity. As has been reported to the AC and S151 Officers for the previous 4 years, an independent internal audit review of Procurement services could be commissioned separately of RSM.

## 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 UK Risk Assurance Services LLP. The team will be led by Daniel Harris as your Head of Internal Audit, supported by Mark Jones (National Head of Internal Audit, 2<sup>nd</sup> Partner) Anna O’Keeffe as your Senior Manager and Fiona Ho as your Manager.

## Core team

The delivery of the 2022/23 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 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM ‘generally conforms\* to the requirements of the IIA Standards’ and that ‘RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards’.

\* The rating of ‘generally conforms’ is the highest rating that can be achieved, in line with the IIA’s EQA assessment model.

## Compliance with GovS009 Internal Audit Functional Standard 2021/22

RSM affirms compliance with the requirements of the GovS009 Internal Audit Functional Standard. The Functional Standards are there to support compliance and continuous improvement across UK government for those working in and ‘with’ government. RSM is undertaking the self-assessment against the mandatory ‘shall’ elements of the Functional Standards and, as the Functional Standard is consistent with the requirements of our own policies and audit manual, RSM are embedding the requirements within our audit methodology.

## Conflicts of interest

We continue to deliver operational support to the Council in relation to the Procurement Function. We also supply some software solutions to help the Council manage their policy management and risk capture although we note that these are not currently being used by the Council. 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 will 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 2022/23

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 and the Executive summary above.

		Internal Audit coverage - Third Line of Assurance					
Assurance Provided:		current (21/22) Strategic Risk Register Ref:	2018/19	2019/20	2020/21	2021/22	2022/23
	Red - Minimal Assurance / Poor Progress						
	Amber/red - Partial Assurance / Little Progress						
	Amber/green - Reasonable Assurance / Reasonable Progress						
	Green - Substantial Assurance / Good Progress						
	Advisory / AUP						
<b>Audit Area (split by current directorates)</b>							
<b>People (Adults)</b>							
Adult Social Care - Management of Income / Financial Assessments and Charging	1						
Adult Social Care - Transformation Programme	1						✓
Adult Education Service (OFSTED Inspection							
<b>People (Childrens)</b>							
Children Missing Education	11						✓
Schools		✓	✓	✓	✓	✓	✓
Children's Centres							
SC First	15					✓	✓
<b>Place and Community</b>							
Strategic Housing Management							✓
Property Services							✓
Allocations							✓
HRA							
Housing Benefits	5						✓

Regulatory Services (Cash Handling Arrangements)						
Council Buy Backs						
Social Lettings Team						
Temporary Accommodation Strategy	3					✓
Slough Urban Renewal (SUR)	14					
DSO (refuse and recycling, fleet etc) (*Note, this was being covered by RSM Specialists in 2020/21 but work stopped at Council request)						
Matrix	5					✓
Leasehold Service Charges						✓
Contract Management – Osbornes (Repairs, Maintenance, Investment Housing Contract, including statutory safety checks, ie lifts, legionella etc)	5					✓
Contract Management – Everyone Active (Leisure Contract)*	5					
Contract Management – Bouygues (Facilities Mgmt)	5					
Fire Safety	6					
Planning Performance Agreements (PPAs)						
Planning Applications Response Times						
Rent Accounts	5					✓
Rent Arrears Recovery	5					✓
Assets	4, 5					✓
Section 106						
Allotment Charges						
Major Infrastructure Projects (LEP)						
<b>Finance and Resources</b>						
Capital Projects – Tower and Ashbourne (replaced with Britwell GP Hub)						✓
Capital Projects – Stoke Wharf						
Corporate Health and Safety	6					✓
Conflicts of Interest						

Safety Advisory Group (SAG)	6						
Supplier Duplicate Payments	5						✓
Business Continuity and Emergency Planning	9						✓
Whistleblowing							✓
Contract Procedure Rules							
Budget Setting and Budgetary Control	5						✓
Medium Term Financial Strategy (MTFS)	5						✓
Recovery and Renewal plan	8						✓
Workforce Recruitment and Retention	10						✓
Cyber Security and Cyber Risk	12						✓
GDPR	13						✓
IT Business Continuity	9, 12						✓
Data Security and Protection Toolkit (previously Information Governance)	12, 13						
Procurement *	5		*	*	*	*	*
Subsidiary Companies Governance	5, 14						✓
Transformation Plan	1, 8						✓
Business Rates	5						✓
Council Tax	5						✓
Treasury Management	5						✓
General Ledger	5						✓
Debtors	5						✓
Payroll	5, 10						✓
Capital Expenditure	5						✓
Creditors	5						✓
Assurance Map	All						✓

Risk Management	All					✓
Governance						
Governance - Overview and Scrutiny	5					
Governance - James Elliman Homes	14					
Governance – Sub Committee Effectiveness						
Agresso HR - Self-Service						
Freedom of Information						
Cash Collection & Management	13					
Grant audits	5	✓	✓	✓	✓	✓
Data Quality and Perf Mgmt						✓
Follow Up	All	✓	✓	✓	✓	✓

\* As reported each year since 2019/20, RSM Internal Audit cannot review this area as RSM Consultants are assisting the Council in the Operational delivery of Procurement activity. As has been reported to the AC and S151 Officers for the previous 4 years, an independent internal audit review of Procurement services could be commissioned separately of RSM.

# 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 UK 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.

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

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## Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner (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. Your head of internal audit has been in place for ten years. The Internal Audit Code of Practice as published by the Chartered IIA suggests that this is brought to the attention of the Audit Committee / Director of Finance to review and confirm your assessment on the independence of your internal audit services. To assist the assessment; RSM is able to remain independent for the following reasons:

As an outsourced provider of internal audit services to the Council, independence is inherent in our delivery and audit methodology. Our internal auditors do not have any operational responsibilities across the Council. No member of the audit team is employed by the Council. The head of internal audit reports to the Chief Executive, Director of Finance and Audit Committee chair. RSM methodology includes a second partner review (by another head of internal audit who does not work at the Council) of the annual plan, the year-end annual report and opinion.



The Internal Audit Charter details our role and responsibilities and the authority we have which enables us to undertake our internal audit service. Please also refer above to the conflict of interest section at Appendix 1 that details how we manage any potential conflict and remain independent.

The head of internal audit has unrestricted access to the chair of audit 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 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 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 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 UK 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 Board 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.

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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.

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 UK 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 UK 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 UK 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.