



# SLOUGH BOROUGH COUNCIL

Annual internal audit report for the year ending 31 March 2022

For presentation at the Audit and Governance Committee on 18 January 2023

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

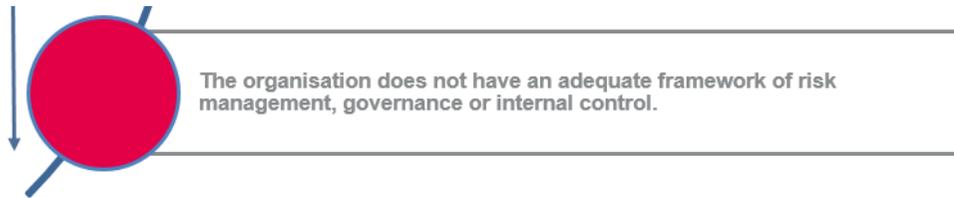
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# THE ANNUAL INTERNAL AUDIT OPINION

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 31st March 2022, 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 and organisation-led assurance framework (Corporate Risk Register). 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 have not undertaken any work in relation to Budget Setting and Control and the Council's Medium Term Financial Strategy as part of the 2021/22 plan. While coverage was included as part of the Annual Plan for 2021/22, at the request of the Director of Finance (Section 151), this coverage was deferred to 2022/23 due to the many competing demands on the finance team at the year end;
- The Internal Audit Plan for 2021/22 did not include specific audits on each of the Council's Subsidiary Companies, however we did include some coverage to follow up on a sample of the actions agreed as part of the 2020/21 subsidiary review. We have also not undertaken a review of the Procurement service due to the ongoing operational support provided by RSM to assist the Council during 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 2021/22 has continued to be undertaken through the operational disruptions caused by the Covid-19 pandemic as well as the significant financial position that the Council finds itself in following the s114 report and the Government Directions that have put the Council under the control of Commissioners. In undertaking our audit work, we recognise that there has been 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 2021/22 has been subject to some delays / postponements / cancellations. 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 2021/22 included in this report.

We would also note the reports published in October 2021 by CIPFA and DLUHC also provide further relevant context, as well as the recently completed Recovery and Improvement plan that explain further some of the significant challenges that the Council is facing. All of these documents provide further useful context, that we have not repeated in detail in this annual report, but these issues have impacted on the competing demands facing the Council and the workforce and we believe the outcomes of some of our reviews.

# FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

## Governance

Our Governance opinion has been informed by a number of different factors. Our internal audit reviews of Cyber Security (advisory but significant issues identified – four high and 15 medium priority actions agreed) GDPR Governance (advisory but significant issues identified – 12 high and 3 medium priority actions agreed) and Whistleblowing (partial assurance – negative opinion). We are advised by Officers that the plans to recruit the resources required to address the weaknesses in the Cyber Security review are now being implemented but will take up to 6-9 months to put in place, and interim resource is being put in place to manage the risk in the interim.

In addition, our Follow Up reviews, conducted on a quarterly basis, highlighted issues with the implementation of agreed management actions within the Council to ensure that governance control processes had been improved. This has been an ongoing issue identified and reported in previous financial years and action is still required to ensure a robust governance process is in place to improve the control framework, via the implementation and monitoring of agreed management actions, where both recent and historic issues and weaknesses have been identified. It is also important to ensure that actions have been embedded.

Background context - We note that the issues around recruitment and retention have impacted a number of our opinions and the Council's ability to implement previously agreed actions across the Council departments. The Council are actively working to rectify this position with the deployment of additional resource and an ongoing restructure, both within the Finance department and across other departments. The Council's previous Chief Executive was dismissed in 2021/22 for Gross Misconduct and three Commissioners have been appointed at the Council to oversee and report on the Council's recovery.

The restructure/reorganisation led to the departure of a significant number of senior finance and other professional staff, and we are advised that the resultant lack of capacity and the continuing high level of turnover, has and will continue to be a key governance weakness across not just finance but all service areas until sufficient capacity and capability is recruited.

Our opinion is also further informed by the Governance Review undertaken by Jim Taylor (*for the Secretary of State*) in 2021/22, whereby it was determined that the Council has been failing its Best Value duty under the Local Government Act, with the weaknesses a result of inadequate corporate governance and actions taken. A number of failures were noted including a failure to complete financial accounts and working papers to the required standards, annual governance statements and a poorly conceived and implemented restructure of the whole Council. We have also reviewed and taken into account the findings from the Local Government Finance Review undertaken by CIPFA for the Department for Levelling Up, Housing & Communities (DLUHC). An extract of the Executive summary from that report is shown below for context and provides an indication of the extent of the task required to get the risk, governance and control environments back to an acceptable place:

### **Executive Summary:**

“Slough Borough Council requested Exceptional Financial Support from the DLUHC in respect of the financial year 2021-22 to help it balance its budget by raising capital borrowing to support some of its revenue expenditure. Accordingly, DLUHC agreed in-principle to provide support and commissioned CIPFA to undertake an independent and detailed financial assurance review of Slough Borough Council (the Council).

Since the original capitalisation request for 2021-22, the Council has identified further substantial liabilities for previous years, which the Council is unable to meet from its reserves. These past liabilities also impact substantially on the financial position for the Council in the current financial year and beyond.

Drawing on our experience of over 200 financial management reviews and our policy work setting financial standards for local government, the current financial challenge facing the Council is acute. The S151 officer issued a statutory S114 notice in July of this year, which set out total potential liabilities across the Council....”.

“The Council’s record in delivering substantial savings is a mixed one and many of the savings identified in the last two years’ budgets have proved to be unrealistic. The Council has also not made some of the tough financial decisions that other Councils have taken to balance their budget. This means that there is considerable uncertainty around the Council’s ability to deliver the savings it needs to deliver both in the short term and the medium term.

At this stage, we cannot provide assurance that the Council will be able to balance its budget in the medium to long term. This does not reflect any lack of commitment from the Council but instead the size and scale of the financial challenge relative to the Council budget.

We were impressed by the considerable amount of work that has been carried out to date by the recently appointed S151 Officer and his team to identify the scale of the financial challenge and the measured approach that is being taken to assess what needs to be done to both restore sound financial management and potentially to balance the Council budget over the period of the Medium-Term Financial Strategy up to 2024-25. Despite being interims, their continued engagement over the next two years is crucial if the Council is to make progress in stabilising its financial position and building resilience.

Our conclusion is that the Council will require immediate Government support in the form of a capitalisation direction.....In view of the scale of the capitalisation direction required and the fragility of the Council’s finances, we consider that there is a need for ongoing oversight of financial plans to ensure that the Council is making the progress that it needs to make in starting to rebalance its budget.”

**A report from the Director of Finance (s151 Officer) to the Cabinet in March 2022** also provides some important context and highlights the scale of the challenges facing the Council which also need to be considered when writing this annual report and year end opinion:

“Prior to 2020/21, the Council as with other local authorities operated in a challenging environment where funding from Government had reduced year on year and demands for services was increasing. The Covid-19 pandemic compounded these issues and also resulted in unprecedented changes across the whole of the public sector as a means to manage the pandemic.

Since the approval of the 2021/22 capital and revenue budgets, there have been exceptional financial developments which have been extensively reported to Council. These developments, namely the S114 notice and subsequent emerging issues and others that will undoubtedly continue to be identified, will have lasting implications for 2022/23 and beyond and which will have consequences for all aspects of the Council including its finances, planning and future delivery of services.

The Council sought a capitalisation direction in February 2022 of £307.1m up to 31/3/23, although it is possible this figure will change as work continues to identify all the issues. Further capitalisation directions will be needed beyond this period. Other challenges to resolve the situation include:

- making asset sales in the region of £600m
- delivering annual additional recurrent revenue savings/income of circa £20m per annum
- carrying borrowing that has risen from £170m in 2016/17 to £760m in 2021/22
- dealing with an extensive range of further adverse financial management issues
- a large number of statutory and other audit recommendations to address
- responding to a series of recommendations from the Governance and CIPFA reviews
- responding to a large number of statutory directions from the Secretary of State which may increase over time

The cumulative impact of the above proportionately exceeds the scale of issues faced by any other Council by a considerable margin. In 2022/23 alone, the extent of the capitalisation direction means that without it, the authority would overspend by 78%. All of these issues have to be successfully dealt with, will radically change the focus, service delivery and size of the Council's services going forward and will significantly impact on residents and staffing within the Council. Good progress is being made in many areas but there remains a great deal to be done which will take some considerable time to conclude. Page 26

The scale and severity of the challenge now facing the Council cannot therefore be understated.”

### **Risk Management**

Our risk management opinion has been arrived at by auditing the processes in place to manage risk within the Council and through our attendance at the Risk and Audit Board in 2021/22. We have identified a number of weaknesses in the risk management process and issued a Partial Assurance (Negative) opinion.

Our audit was undertaken during quarter three of 2021/22 and found that since the restructure, while the Corporate Risk Register had been redrafted and it was clear that a large amount of work has gone into this and the re-forming of the Risk and Audit Board, the management of risk within the Council had been impacted by changes in structure and post holders. In addition, the simplified format of the Corporate Risk Register meant that some key elements were missing, and that it was not in line with best practice or with risk registers of organisations of a similar nature and size. Some other key issues include:

- The Risk Management Strategy was in need of review having not been reviewed by the Audit and Corporate Governance Committee since 2018;
- Risk management training was still not provided to staff or members;
- The Council was not using assurances received to inform the risk management process or documenting these within the Corporate Risk Register;
- Directorates did not have fully functioning risks registers in place; and
- There was no link between the Corporate Risk Register and the outcomes highlighted within the Council's Five Year Plan (While the Plan may be revised to reflect the current recovery and renewal arrangements, this is currently the overarching plan in place for the Council).

In addition, we identified some of the management actions agreed as part of previous reviews had been closed as 'implemented', such as the documenting of assurances against the risks in the Corporate Risk Register, however our review identified that there was not sufficient evidence to demonstrate that the actions had been completed, indicating a need for the Council to consider those actions closed under the previous management action tracking process to be assured that sufficient evidence exists to confirm their implementation.

Our risk management opinion has also been informed by a number of the risk-driven reviews (e.g. Business Continuity and Disaster Recovery, Temporary Accommodation, Corporate Health and Safety, IT Business Continuity, GDPR, RMI Contract and Cyber) a number of which concluded with negative assurance opinions.

### **Internal Control**

We have undertaken a total of 37 reviews (including the risk management audit and governance coverage documented above), of which eight were undertaken on an advisory basis, four were undertaken on a follow up basis (one positive, three negative opinions in relation to progress made) and a further 25 were assurance reviews. It should be noted that significant weaknesses were identified in five of the advisory reviews, namely Cyber Security, IT Business Continuity, Supplier Duplicate Payments – both reviews and GDPR. The significant issues within these reviews have also impacted our opinion, along with the negative assurance reports listed below. Of the 25 assurance reviews:

- 7 concluded that 'minimal' assurance (negative opinion) could be taken;
- 15 concluded with 'partial' (negative opinion) assurance could be taken; and
- 3 concluded with 'reasonable' (positive) assurance could be taken.

Note - Advisory reviews are generally undertaken where there is significant change occurring in a system / process or where management identified a weakness, and directed internal audit coverage, with the goal of identifying the current risks and assisting in agreeing mitigations. Advisory reviews do not include an opinion but do include a conclusion on the findings, highlighting if the issues are significant and management actions.

The key findings from the negative opinions and the five advisory reviews with significant issues are shown below:

### **General Ledger (Minimal Assurance)**

Our audit identified a number of significant issues and weaknesses relating to the processes and controls in place for the management of the Council's general ledger. Following the restructure and departure of key operational staff, we found that control account reconciliations were not being undertaken, suspense accounts were not being managed and month end tasks had not been assigned. There was limited guidance available to staff with regards to general ledger processes and finance training was not a requirement for new users when obtaining access to the Agresso system. In addition, there were no checking mechanisms to identify whether erroneous journals have been corrected, there was no review of general ledger access and the general ledger balance had not been rolled over since the beginning of 2019/20.

A few areas of appropriate practice were identified with regards to the samples tested. We found that journal approvals were appropriate, there was no posting to unrecognised accounts due to system controls in place, there were regular backups of Agresso, and code amendments were processed correctly with required approvals and appropriate segregation of duties.

### **Business Continuity (BC) and Disaster Recovery (DR) (Minimal Assurance)**

We identified that whilst emergency planning and business continuity arrangements were in place, neither the Major Incident Plan, the Business Continuity Plan nor the IT Disaster Recovery Plan had been finalised at the time of our review. Whilst 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 assignment of responsibilities, the provision of training and the testing of procedures. We also noted weaknesses with regards to the integration of Slough Children's First into business plans, the amendment of Business Impact Assessments to reflect the revised Corporate Structure and the level of challenge and oversight given to BC and DR matters.

Since this review (undertaken in October 2021) we are advised the Emergency Planning Manager resigned (November 2021), and an Interim has taken on the role with a focus on implementing the agreed actions. These actions have not yet been reviewed by Internal Audit.

### **Children Missing Education (Minimal Assurance)**

We identified a series of control deficiencies and areas of non-compliance with the established controls in place. Most notably we identified a lack of management oversight of 'open' Children Missing Education (CME) / Elective Home Education (EHE) cases as well as absence of controls over case closure, resulting in a number of sampled cases not evidencing compliance with the Council's statutory duties such as ensuring that 'there are effective tracking and enquiry systems in place'. This was further underlined by a lack of comprehensive policy/procedural guidance to support the processes in place and effectively communicate with Officers their responsibilities in relation to upholding the Council's legislative duties. In addition to this, we identified issues with the quality of information available to key stakeholders via the Council's website in relation to CME and EHE referrals as well as an absence of

comprehensive performance reporting for the Service and improving the reporting capabilities of the Capita system to aide management oversight over caseloads.

We did however note some positive areas in our sample testing including appropriate Referral Guidance being issued to schools, partnership agreements in place with regards to shared responsibility between agencies and organisations to safeguard and promote the welfare of all children in a local area, mandatory training on Safeguarding Children and Adults completed by all members of the CME Team, completion of Multi-Agency Referral Forms which were appropriately stored and escalated.

### **Debtors Management (Minimal Assurance)**

We identified several significant weaknesses with regards to the processes and controls in place for the management of the Council's accounts receivable (AR) function. It should be noted that the AR Team had limited input or involvement in many of the issues identified, rather these relate to the self-service finance functions on Agresso (accessible by all staff) and new processes to be agreed by Finance following the restructure. We identified issues with the raising of credit notes (including the approval and attaching supporting evidence) as well as an inconsistent debt recovery process in the absence of a recovery policy. Regular reviews of parked invoices and AR reconciliations were also not being completed, and there was no control in place to review invoices prior to issue to customers. Limited guidance was available relating to AR processes and there was a lack of AR Agresso finance training for staff. While the level of parked debt has reduced from £5.06m in our 2020/21 review to £2.7m at the time of audit, this still represents a high level of debt not actively being chased by the Council. Similar issues were identified in both 2020/21 and 2019/20.

A limited number of positives were identified in that there was up to date guidance available for the AR team, refunds tested were subject to segregation of duties and paid in a timely manner, and access to AR Agresso was appropriate to members of staff and their roles.

### **Creditors (Minimal Assurance)**

Our audit identified a number of weaknesses with regards to the processes and controls in place for the management of the Council's accounts payable (AP) function. Sample testing identified issues with the raising of requisitions and receipting of goods, both of which impact the timely payment of invoices, as well as the checking process when setting up new supplier accounts and logging of supplier amendments. AR reconciliations were not being completed, former staff members remained assigned as expenditure approvers and we were unable to test whether access to AR functions on Agresso was restricted (evidence was not provided over the course of our review). We also identified that there was a lack of adequate AP Agresso finance training for staff and limited guidance was available relating to AP processes, which may have contributed to the issues identified in this audit and those in the Supplier Duplicates advisory work.

We also identified there was up to date guidance available for the AP team, and our sample of BACs payments were accurately prepared, approved, and paid.

### **Temporary Accommodation (Minimal Assurance)**

Our audit has again (similar concerns raised in 2020/21 and 2019/20) identified significant issues within the temporary accommodation (TA) function, a number of which had not been addressed from previous years' audits. The issues identified were underpinned by resource challenges within both the TA and Housing Demand Teams, which has reduced following the restructure, in spite of increasing demand with respect to the number of homelessness applications made. In particular, we noted that the Council was lacking in strategic guidance with respect to an outdated Housing Strategy (2016-21) as well

how the TA team ensure there was an effective pathway to move households out of TA and diversify their portfolio of housing providers. We also identified weakness in relation to strategic monitoring and reporting, meaning an absence of clear and timely remedial action to address issues. Furthermore, our review identified significant performance issues with respect to the number of households within TA (which at the time of audit included 96 applicants that had remained in TA for between 3-9 years), including rent arrears levels and the timeliness with which homelessness decisions are made, contributing to the Council's non-compliance with responsibilities outlined within the Housing Act 1996. We also observed issues around how the TA Team receive assurance concerning the safety of private sector accommodation and monitor compliance of Council owned stock which was being used for TA. These assurances relate to confirmation of compliance with the minimum safety requirements, including gas, electric and fire safety.

We note that this area has been escalated to the corporate risk register (Risk 3), and were advised the service is being reviewed by DLUHC in the summer to assess what can be done to resolve the challenges being faced.

### **Matrix (Minimal Assurance)**

Overall, our audit identified several weaknesses in the Council's processes for requesting, approving and managing agency bookings. At the time of the review, the Council had 254 active placements of agency staff through Matrix, with a total spend of £16.8m, and an average length of placement of 54 weeks, noting that our review identified agency staff that had been with the Council for over 8 years. A number of appointments through Matrix were made as part of the restructure and subsequent changes in staff within the Council, with the Council spending approximately (January 2022 data) £1.2m per month on agency staff. The Council had not yet completed a cost benchmarking exercise for its contract with Matrix, to ensure that Matrix were providing workers at rates in line with the market, and we noted that the Council did not have a defined strategy in place to attempt to move agency workers to permanent contracts.

Evidence was not provided during the audit to demonstrate that agency bookings and extensions were being consistently requested and approved in a timely manner via business cases, and the current business case process did not evidence consideration of the expected value for money which agency bookings and extensions would provide. Furthermore, agency bookings were not being periodically reviewed by Directorates and HR Business partners to identify those which could be replaced by permanent hires and those which required extensions. The Council did not have procedural guidance in place on how to request agency bookings. In addition, through sample testing of 10 agency bookings commencing since August 2021 we identified three instances where pre-employment checks were completed after the worker's start date.

For context we were informed after the review that there are a number of restructures in the pipeline which have at their core the need to switch from agency to permanent staffing, and these are scheduled to complete during 2022/23 and early 2023/24. The Council has also introduced an Expenditure Control Panel which we were advised does consider the major agency staff budgets.

### **Council Tax (Partial Assurance)**

Our sample testing identified a number of significant issues with the controls relating to arrears recovery, arrears review and reconciliations. With regards to arrears recovery, we identified that markers could be placed on accounts to prevent recovery action, with limited guidance and no access restrictions to do so. Although raised as part of the 2019/20 and 2020/21 audits, a review of council tax arrears had not occurred, with total debt amounting to £18.5m and 99 arrears balances exceeding £10,000. Both issues impact the chasing and likelihood of debt recovery. An issue with reconciliations was also raised as part of the 2019/20 and 2020/21 audits, however these had not been completed for either 2020/21 or 2021/22. Further areas for improvement identified by this audit include ensuring write offs are processed in a timely manner, undertaking inspections of empty/unfurnished properties and the implementation of the revised approach to single person discount canvassing.

As at August 2021, the Council had a collection rate of 45.5 per cent of the expected in-year total, collecting £35.1m (of a total expected net collectable figure of £77.1m). This was a 0.12 per cent decrease compared to the same period last year, however it represented a monetary increase of £2.5m, owing to increased charges for 2021/22, which in part will be due to a number of positives identified during testing including comprehensive council tax procedural documentation being in place, timely review and approval of the annual council tax rates, for our sample of residents qualifying for exemptions of discounts we noted these were accurately billed with evidence to support the claims retained, accurate and timely refunds were issued with appropriate backing and approval for our sample, Academy records (system used to manage council tax) were being updated appropriately per the weekly Valuation Office lists, access to the Academy system was appropriately restricted, and there was regular appropriate reporting on council tax to the Director of Finance and Cabinet.

### **Rent Arrears Recovery (Partial Assurance)**

We identified a number of weaknesses and areas requiring improvement, with many of these caused by the knock-on effects of the Council's management restructure. We noted that policy and procedure documents required updating to reflect the revised team structures, as well as key process changes (including writing off rent arrears). The reporting and governance arrangements at team, service and scrutiny level had not been confirmed at the time of our review, and as a result KPI reports were not being subject to scrutiny and review and current year targets were not being reported against.

In addition, of the six management actions agreed as part of the Rent Arrears Recovery 2020/21 review, two actions were ongoing/partially implemented (low) at the time of the review and two had not yet been implemented (medium). These have been restated/revised as part of this review.

We did note some positives through this review including current Financial Procedure Rules with high level information on rent arrears, a sample of current rent arrears had the proper recovery procedure followed with a record and evidence maintained in the Capita system, user access to the Rent Module in Capita was appropriate and restricted, one to one meetings were being regularly held by the Housing Recovery Lead with the Senior Escalated Rent Recovery Officers to discuss targets and actions to ensure progress and weekly and monthly rent performance reports were being prepared by the Principal Performance & Quality Officer and shared with relevant managers/teams. We also found a Customer and Community Scrutiny Panel was in place responsible for scrutinising information relating to Revs/Bens and Communities and Housing.

### **Rent Accounts (Partial Assurance)**

Our review confirmed that the control framework for rent accounts was not consistently complied with in key areas, namely the Capita and Agresso rental income reconciliations which were not reconciled between June and September 2021 due to the lack of postings in Agresso. We were informed that this was in part due to the restructure and the resultant removal of the cashier's function which previously posted income received to the finance system. The rental income posted to Capita for this period was £8.5m. The housing stock reconciliation between Capita and the asset register had not been completed for 2019/20 and 2020/21. Discrepancies between the Capita system and the asset register had been highlighted in previous audits. Our review noted that it was possible that discrepancies still existed and as a result of not undertaking a stock reconciliation, the Council may have not been charging rent for all Council properties (for example where new properties have been built or brought back into Council Housing stock) or may have been charging for properties where no liability was present (for example where properties have been sold under the right to buy scheme). We were also unable to obtain evidence to show that refunds applied to rent accounts were suitably approved by Finance.

We have also agreed a number of management actions to improve efficiency and quality in relation to approval of key documentation such as tenancy agreements and the timely cessation of rent charges.

Some positive findings were identified in practice including TRAN level access on Capita system being secure and appropriate, the timely dissemination of a weekly lettings report to the Rent Accounts Team and actioning where required, weekly rent charges were agreed by Cabinet and accurately applied to all 5936 properties, new tenancies processed and set up on Capita with minor immaterial non compliance with targets, and quarterly rent statements were issued in line with the tenancy start dates.

### **Whistleblowing (Partial Assurance)**

Our audit found weaknesses around the culture of whistleblowing at the Council. Despite our review seeing that some improvements had been made, including the implementation of two low, one medium and one high priority management actions from our 2020/21 audit we still identified a number of weaknesses relating to mandatory training compliance, awareness of the code and staff attitudes and concerns to whistleblowing. All of these are important areas that needed to be embedded to provide confidence that whistleblowing arrangements are communicated, understood and are robust. It should be noted we were unable to review the Whistleblowing function's record keeping and investigation processes in light of no records of cases being raised by staff since July 2019.

### **Capital Expenditure (Partial Assurance)**

Overall, our audit found several weaknesses with regards to the controls in place relating to the approval and ongoing monitoring of capital project spend, with the only regular scrutiny and challenge being present at the Cabinet and full Council. We noted that the information relating to capital expenditure included within the Financial Procedure Rules was out of date, with limited other guidance available to staff. The processes for carrying forward capital balances and approving in-year changes to the capital programme were under review, having been inconsistently applied in previous years. We also noted issues with business cases (both the template used and the approval of these) and the controls for capitalising expenditure. In addition, project progress monitoring or internal capital reporting was not consistently occurring at the time of our review. We have agreed two high and seven medium priority management actions to address these issues. Our findings demonstrated that a number of key controls and processes were no longer in place.

We were after the audit that Contract procedure rules were introduced in November 2021 and management believe these should have improved the position identified during testing (however, we have not tested to confirm this).

### **Payroll (Partial Assurance)**

Overall, our audit identified a number of weaknesses with the controls linked to payroll functions. It should be noted that a number of the processes used by the Payroll team were found to be well designed and operating effectively, however, we found that issues with regards to raising invoices by line managers for payroll overpayments and supporting evidence had not been consistently submitted on Agresso with expense claims. Whilst the overpayments and unsupported expenses were low in financial value, they represent gaps in the control framework, and the potential risk of larger financial errors. Furthermore, reconciliations were not being reviewed by a member of the finance team and regular meetings were not always occurring with budget holders to review, amongst other areas, payroll information in relation to staff in post and associated costs. This was evidenced by a recent overpayment (£6k), where a line manager did not recognise a staff member was being fully paid when on maternity leave. Other issues were also noted relating to the content of the Financial Procedure Rules and the timeliness of notifying the Payroll team of new starters.

### **Asset Register (Partial Assurance)**

We identified several control gaps which impacted the maintenance of the Asset Management records. Most significantly, we found that the valuation methodology noted within the asset register system was not consistently accurate, and the valuation methods utilised were not in line with the CIPFA Code of Practice. The Council had not completed the reconciliation exercise to ensure that the asset register was consistent with the legal, asset management and housing databases. Although we identified the exercise was ongoing, the completion of this exercise was essential to ensure the accuracy of the Council's asset register. We noted issues in relation to the presence of procedural guidance which governs how the asset register and asset management systems are maintained, including the steps to be taken as part of the annual valuation and inspection exercises. Our review identified a lack of progress made in relation to previously agreed management actions, with none out of the four agreed previously being implemented.

We did also find that access to the CIPFA asset register is limited to authorised employees and that this had been updated annually with our sampled acquisitions and disposals correctly included.

### **Business Rates (Partial Assurance)**

We identified several weaknesses in business rates processes. Whilst we noted that the Council had retrospectively posted its business rates income in the year to date, we identified discrepancies between income posted to Agresso, Academy, and the Council's cash management system. In addition, whilst we noted that business rates reconciliations were being completed, we noted that work was still ongoing to identify reconciling items due to the previous backlog of unposted business rates income, whilst these were also not subject to independent review and approval. Further issues were identified including vacant properties not being inspected at appropriate frequencies, staff having inappropriate and unrequired levels of access to Academy and the outcomes of the annual review of eligibility for mandatory and discretionary relief not being recorded for all properties. We noted that some of the reasons which may have affected the operation of controls in this area included changes in Council staff as a result of the restructure, particularly in the Finance and Revenues and Benefits departments.

### **RMI Contract Management – Osbornes (Partial Assurance)**

We identified a number of weaknesses and improvements required with regards to the arrangements in place to manage the Repairs Maintenance and Investment (RMI) contract and the performance of Osborne. Specifically, we found that target dates for routine repairs were not being set in line with the expected 20 working day timeframe, whilst also noting that routine repairs were not being completed in a timely manner (based on both the set and expected target dates). Complaints were not being managed in an effective manner, with resolutions often not issued within ten working days as per the contract requirement. The Senior Management Board was not meeting quarterly as expected with no meetings since February 2021, and internal reporting requirements had not been agreed.

We did find that the Contract in place was complete and current with a recent revision in October 2021, payment applications from Osborne had been reviewed and payment certificated were issued appropriate, and monthly building compliance returns had been prepared since October 2021 and were used to prepare the overarching Health and Safety Compliance reports presented to the CLT, H&S Board and Building Compliance Group.

### **Corporate Health and Safety (Partial Assurance)**

We identified a number of issues and weaknesses relating to the management of health and safety at the Council. Risk assessments were not being reviewed annually as expected and that health and safety 'self-audits had not taken place. Service area representatives repeatedly did not consistently attend Building Compliance Group meetings and failed to complete compliance returns. Three of the directorate health and safety committees were not meeting on a bi-monthly basis and Directorates were not submitting action returns. Mandatory training completion rates remained low (20–51 per cent). It should be noted

that many of the above weaknesses stem from cultural, directorate or individual issues, not functions of the H&S team. These include failing to attend meetings (BCG), failing to submit returns (compliance and actions) or failing to host meetings such as Directorate Health and Safety Committees.

We did note there was an approved Health and Safety Policy in place, appropriate completion of the Accident and Near Miss Report forms for reported incidents, building compliance was being reported to the H&S Board and they were discharging their responsibilities appropriately, as were the Workplace Safety Group and Corporate Consultative Forum.

### **Capital Projects (Britwell GP Hub) (Partial Assurance)**

We identified a number of issues in relation to the governance arrangements in place to deliver the Britwell Expansion project. We found that there was no clarity with regards to how budgets were set/approved and that there was limited monitoring of expenditure against budget. The main funding agreement with the CCG was not provided (and the agreement with the GP was not fully signed). The Council also does not have an agreed approach for undertaking post implementation reviews and we found risk-related information was just being rolled over in reports.

We did identify some positive findings, for example there was a signed project contract in place with Kier Construction which contained expected responsibilities, there was stakeholder engagement in the process, the business case was complete covering expected areas and was appropriately approved by the Cabinet, there is a clear work programme in place with milestones, monthly meetings have been held with representatives of the Council, contractor, CCG and GP to discuss progress, and Early warning notices were being issued by the contractor to the Council where there are potential impacts to project delivery.

### **Leasehold Service Charges (Partial Assurance)**

Our review identified that the Council had controls in place in relation to the calculation of estimated and actual costs, with information on service charges made available to leaseholders through the Council's website. Our review also identified accurate input of information between various sets of working papers in the development of the master spreadsheets for the 2020/21 actual service charge costs and 2022/23 estimates. However, we identified a number of issues resulting in the agreement of five 'medium' priority management actions. These include the update and development of relevant procedural documentation in light of significant changes around the delivery of the function, costs relating to grounds maintenance and management fees not being supported by verifiable data, the absence of mechanisms to ensure all costs incurred are charged as appropriate, potential losses through the lack of section 20 notices (s20 is a notice to tell a resident that the Council intend to carry our work or provide a service that leaseholders will have to pay towards) being issued to leaseholders and the absence of specific reporting around the recovery of service charges. The Council are also subject to continuity associated risks where the function is administered by a single individual (Project Manager) whilst there is an absence of comprehensive procedural guidance.

### **IT Business Continuity (Advisory – significant weaknesses)**

During our review we confirmed that progress was being made by the Council to review Business Impact Analysis documents completed by departments in order to inform the IT business continuity and disaster recovery processes. However, issues were identified in relation to the absence of an IT Disaster Recovery Plan and the lack of an IT Business Continuity Plan leading to a lack of clarity over the roles and responsibilities, no testing of the plan, no lessons learnt process following an incident and controls over application management in a recovery scenario. We agreed one high and six medium priority actions. Further areas for improvement were noted with respect to IT BC and DR governance and ownership of plans.

## **GDPR Governance (Advisory – significant weaknesses)**

We agreed three high and 12 medium priority management actions in relation to the following areas where significant improvements were required:

- GDPR Action Plan
- Data Flow Mapping
- Password Management
- Records Management
- Management Awareness
- Data Protection Policy
- Privacy Notices
- Personal Data Requests
- Lawful Bases
- Consent
- Data Breaches
- Third Parties

## **Supplier Duplicate Payments – two phased Advisory reviews (significant issues identified in both reviews)**

Through the use of data analytics (Alteryx software), we analysed an invoice paid transaction report covering the period February 2016 (Agresso inception date) to July 2021.

### **Phase 1**

A total of 7,501 potential duplicate payments (9,978 transactions) were identified, valued at £13.2m. We selected judgemental samples and investigated these to ascertain whether there was a 'strong likelihood' these were genuine duplicate payments. Investigations included reviewing monetary and supplier transactions on the Agresso system in order to determine whether there was evidence of corrections (credit notes, reversals or refunded amounts).

Based on our investigations and sample testing, we have identified a total of 33 payments (based on 66 individual transactions), valued at £194,467 where there is a strong likelihood duplicate payments had been made.

### **Phase 2**

The objective of this review was to increase the level of sample testing (of potential duplicates) in Phase 1 to determine if there were any more potential (or strong likelihood) instances of duplicate payments where suppliers could be contacted to recoup money potentially owed to the Council. Investigations included reviewing monetary and supplier transactions on the Agresso system in collaboration with the P2P Team to determine whether there was evidence of corrections (credit notes, reversals or refunded amounts).

Based on our investigations in this part 2 review, we identified a further 77 payments (based on 152 individual transactions), valued at £194,024 where there is a 'strong likelihood' duplicate payments have been made by the Council.

As such, there is a total value of £388,491 identified across both reviews (Phase 1 and 2) where there is a strong likelihood of duplicate payments.

We understand that due to the significant changes in the finance staff and the impending finance restructure that Officers have not made progress in addressing these issues, but we were advised (July 22) Officers are in the process of contacting suppliers to obtain refunds in appropriate circumstances.

## **Cyber Security (Significant weaknesses)**

We have agreed four 'High' and 15 'Medium' priority management actions with regards to the cyber essentials control framework. The 'High' and 'Medium' actions related to the following areas:

- Office Firewalls and Internet Gateways
- Security Update Management

- User Accounts and Administrative Accounts
- Office Firewalls and Internet Gateways
- Secure Configuration

- Security Update Management
- User Accounts and Administrative Accounts

### **Schools Audits**

In addition to the above, we have also issued two Partial Assurance reports reviews at Pippins School and Priory School and summaries of the reports have been provided to the Audit and Corporate Governance Committee as part of the regular reporting of progress against the 21/22 plan and in full to Officers (noting Priory School remains in draft).

It should be noted that the summaries provided above have been reported pre-dominantly on an exception basis, but we have added in some of the well-designed controls, which had also been complied with.

### **Key Statistics**

An analysis of our internal audit findings across all reports which have been conducted (including the one remaining draft report) for 2021/22 shows that a total of 337 actions (70 High, 152 Medium and 115 Low) were agreed, split between controls not designed adequately and controls not being complied with. The largest number of actions were in the Creditors, Temporary Accommodation, GDPR and Cyber Essentials reviews. We note that a number of issues raised within the individual reports which have contributed to the overall opinion covered as part of the 2021/22 Internal Audit plan were as a result of the restructure and significant staff turnover linked to the Council issue of a S114 notice in July 2021.

Over the previous three financial years (2018/19 – 2020/21) a total of 46 reports over this three year period concluded with either negative assurance opinions or significant weaknesses (advisory reviews). In 2021/22 alone, a total of 27 reports (22 Assurance reports and 5 Advisory reviews) concluded with either negative assurance opinions or significant weaknesses. A key theme identified again in 2021/22 is actions being restated as the initial action had not been implemented, therefore demonstrating a lack of progress being made to fully implement high and medium priority actions agreed, over a number of financial years in some areas, with a worsening trend in areas which have been affected by high staff turnover as a result of the restructure and S114 notice.

### **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 2021/22, as detailed in Appendix B below where minimal assurance could be taken for 7 reviews and only partial (negative opinions) assurance could be taken by the Council for a further 15 reviews over the effectiveness of the controls in place. We also undertook five advisory reviews in relation to Cyber Security, IT Business Continuity, GDPR and Supplier Duplicate Payments (two phased reviews) which identified significant weaknesses that required urgent attention. Finally, three follow up reviews to review the progress made to implement previously agreed management actions identified that 'little' and 'poor' progress (all negative opinions) had been made to implement these actions.

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 minimal assurance or partial assurance has been provided, the four advisory reviews and the three 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:

- IT Business Continuity
- GDPR
- Supplier Duplicate Payments
- Cyber Security
- General Ledger
- Business Continuity and Disaster Recovery
- Children Missing Education (CME)
- Debtors Management
- Temporary Accommodation Strategy
- Creditors
- Matrix
- Council Tax
- Rent Arrears Recovery
- Rent Accounts
- Whistleblowing
- Capital Expenditure
- Payroll
- Risk Management
- Asset Register
- Business Rates
- RMI Contract Management
- Corporate Health and Safety
- Follow Ups Q1, Q2 and Q3

## 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 the findings reported by the internal audit service during 2021/22. One report is still in draft.

### Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through their internal action tracking process in place, managed by the Group Manager - Commercial. During the year progress has been reported to the Audit & Corporate Governance Committee (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, one review (Q4) concluded that **reasonable (positive) progress** had been made, whilst the Follow ups for Q3 and Q1 provided a **little (negative) progress** opinion and the Q2 Follow up provided a **poor (negative) progress opinion**.

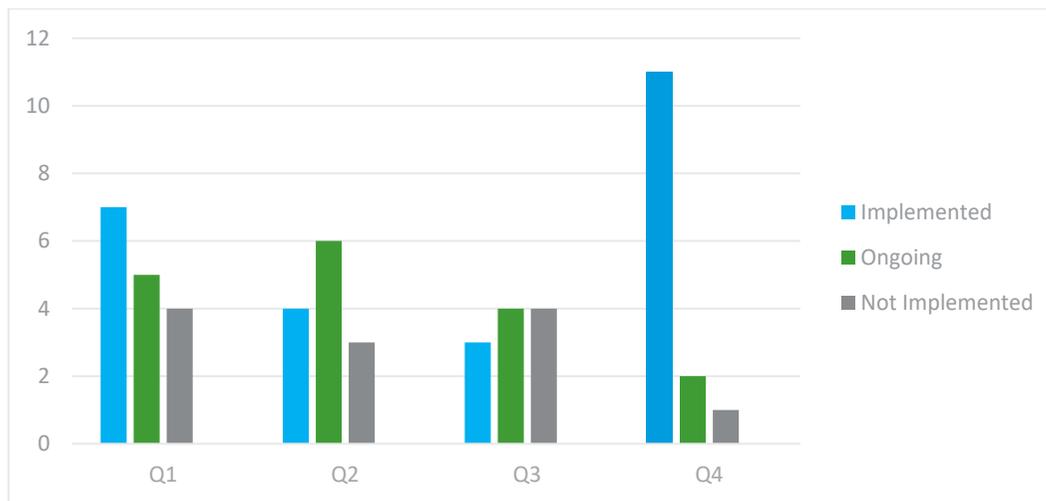
A summary of the implementation rate of the actions implemented can be found below.

The Council has previously received a number of qualified opinions in relation to the follow up reports undertaken on a quarterly basis, indicating issues with how the Council ensure that sufficient evidence is in place to be assured that control weaknesses have been addressed and actions fully implemented and embedded.

Without robust processes in place to verify and confirm that all actions have been implemented, there is a risk of inaccurate reporting to stakeholders such as the Audit and Corporate Governance Committee and control weaknesses not being addressed which could result in further weaknesses / deficiencies in controls being created.

The action tracking process was revised in year by officers following concerns raised that sufficient evidence was not being obtained to confirm that the actions agreed had been implemented, with a focus on those High and Medium priority actions from prior years which had not been closed.

However, we understand there were a number of actions closed under the previous management action tracking process that were not checked by officers to confirm that sufficient evidence was in place to confirm actions had been implemented, and we have found through our reviews conducted within 2021/22 that a number of actions have been restated as these had not been implemented.



Of the 54 actions reviewed across Quarters 1, 2, 3 and 4, we found that whilst 25 (46%) had been implemented, 17 actions (31%) were in progress and 12 actions (22%) had not been implemented

## Working with other assurance providers

In forming our opinion, we have reviewed the reports produced by CIPFA (for DHULC) and the Governance review for the Secretary of State, undertaken by Jim Taylor and made reference to these in this report. We are also aware that there have been a number of other independent reviews commissioned and undertaken which the Council should take into consideration when drafting the Annual Governance Statement, but have not been referred to in this annual report, some examples include:

- Ofsted
- Special Education Needs
- Ongoing review of Slough Children's First

# 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.
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 the Risk and Audit Board meetings, to provide a critical friend perspective on Risk Management information presented and as part of this meeting we review actions taken by the Council to address risks identified within Internal Audits and provide updates at each meeting on the progress of the IA plan and any significant findings and opinions issued. 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 2021/22.

## Conflicts of interest

We have undertaken additional work in the 2021/22 financial year covering the following areas;

- Procurement: We have supported the Council with the provision of its procurement service
- Insight software – the provision of risk software

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 2021/2022 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 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.

## **Quality assurance and continual improvement**

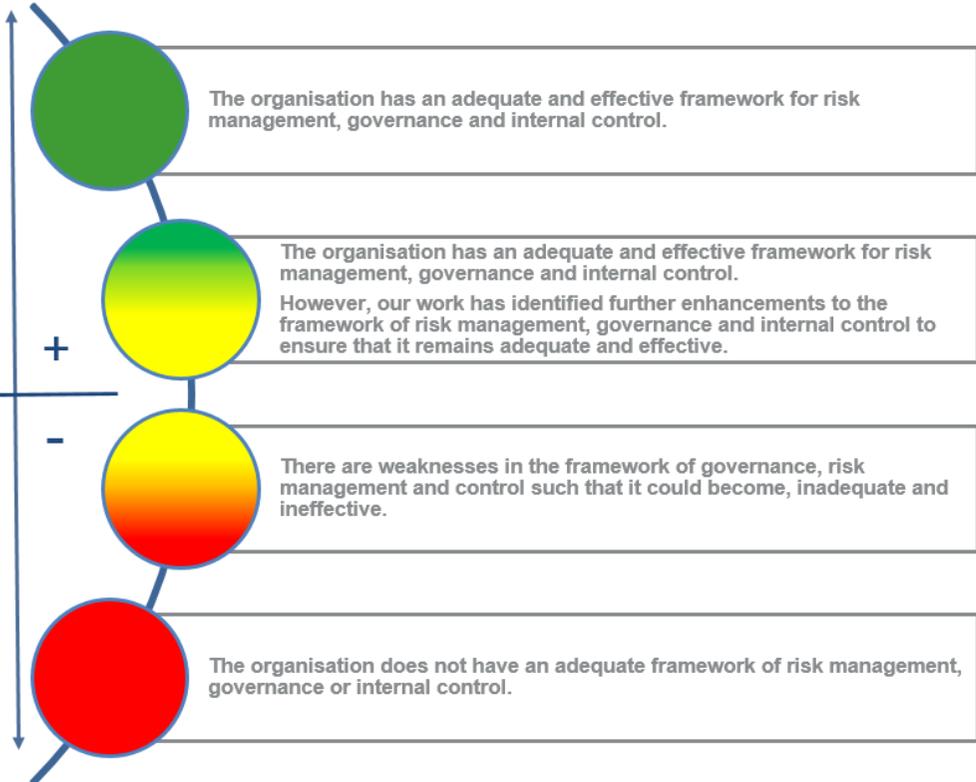
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any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

Resulting from the programme in 2021/22, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

# 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 21/22

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. Final reports are denoted in **bold**.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
<b>IT Business Continuity</b>	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	2	6	1
<b>GDPR</b>	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	1	3	12
<b>Supplier Duplicate Payments - (Part 1)</b>	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	0	0	2
<b>Supplier Duplicate Payments - (Part 2)</b>	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	0	0	0
<b>Cyber Essentials</b>	Steven Mair – Director of Finance	Advisory – Significant weaknesses identified [●]	1	15	4
<b>General Ledger</b>	Steven Mair – Director of Finance	Minimal Assurance [●]	1	4	6
<b>Business Continuity and Disaster Recovery</b>	Steven Mair – Director of Finance	Minimal Assurance [●]	3	7	1

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Children Missing Education (CME)	Eleni Ioannides – Interim Director of People (Children)	Minimal Assurance [●]	3	5	3
Debtors Management	Steven Mair – Director of Finance	Minimal Assurance [●]	3	5	4
Temporary Accommodation Strategy	Richard West – Director of Place and Community	Minimal Assurance [●]	3	7	7
Creditors	Steven Mair – Director of Finance	Minimal Assurance [●]	3	9	3
Matrix	Steven Mair – Director of Finance	Minimal Assurance [●]	2	4	2
Follow Up Q2	Steven Mair – Director of Finance	Poor Progress [●]	0	3	5
Follow Up Q1	Steven Mair – Director of Finance	Little Progress [●]	7	2	0
Follow Up Q3	Steven Mair – Director of Finance	Little Progress [●]	2	3	2
Council Tax	Steven Mair – Director of Finance	Partial Assurance [●]	4	1	3
Rent Arrears Recovery	Steven Mair – Director of Finance	Partial Assurance [●]	5	3	0
School Reviews - Pippins	Eleni Ioannides – Interim Director of People (Children)	Partial Assurance [●]	8	6	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Rent Accounts	Steven Mair – Director of Finance	Partial Assurance [●]	6	2	2
Whistleblowing	Angela Wakefield – Monitoring Officer	Partial Assurance [●]	2	3	1
Capital Expenditure	Steven Mair – Director of Finance	Partial Assurance [●]	2	7	3
Payroll	Steven Mair – Director of Finance	Partial Assurance [●]	3	3	1
Risk Management	Steven Mair – Director of Finance	Partial Assurance [●]	3	6	2
Assets	Steven Mair – Director of Finance	Partial Assurance [●]	3	5	1
Business Rates	Steven Mair – Director of Finance	Partial Assurance [●]	2	3	2
Schools Audit – Priory (DRAFT)	Eleni Ioannides – Interim Director of People (Children)	Partial Assurance [●]	11	3	1
RMI Contract Management	Richard West – Director of Place and Community	Partial Assurance [●]	7	5	0
Corporate Health and Safety	Richard West – Director of Place and Community	Partial Assurance [●]	5	6	1
Leasehold Service Charges	Richard West – Director of Place and Community	Partial Assurance [●]	2	5	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Capital Projects – Britwell GP Hub	Steven Mair – Director of Finance	Partial Assurance [●]	3	6	1
School Reviews – Cippenham	Eleni Ioannides – Interim Director of People (Children)	Reasonable Assurance [●]	3	1	0
Schools Review – Claycots School	Eleni Ioannides – Interim Director of People (Children)	Reasonable Assurance [●]	3	3	0
Housing Benefit	Steven Mair – Director of Finance	Reasonable Assurance [●]	3	2	0
Follow Up Q4	Steven Mair – Director of Finance	Reasonable Progress [●]	2	1	0
Slough Children First – Governance	Matt Marsden – Director of Finance and Resources (SCF)	No opinion - Advisory [●]	6	3	0
Slough Children First – VFM	Matt Marsden – Director of Finance and Resources (SCF)	No opinion - Advisory [●]	1	5	0
Travel Demand Management Grant	Steven Mair – Director of Finance	No opinion - Advisory [●]	0	0	0
Treasury Management	Steven Mair – Director of Finance	Deferred to 22/23			
Medium Term Financial Planning	Steven Mair – Director of Finance	Deferred to 22/23			
Budget Setting and Control	Steven Mair – Director of Finance	Deferred to 22/23			
Our Futures	Steven Mair – Director of Finance	Replaced with additional Supplier Duplicates testing			

# APPENDIX C: OPINION CLASSIFICATION

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

	<p>Taking account of the issues identified, the Council cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the Council can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Action is needed to strengthen the control framework to manage the identified risk(s).</p>
	<p>Taking account of the issues identified, the Council 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).</p>
	<p>Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>



## 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.

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.