



SLOUGH BOROUGH COUNCIL

Annual internal audit report for the year end 31 March 2023

DRAFT

For presentation and the Audit Committee on 19 July 2023

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THE ANNUAL INTERNAL AUDIT OPINION

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

The opinion

For the 12 months ended 31 March 2023, the DRAFT head of internal audit opinion for Slough Borough Council (SBC) is as follows:



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

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

Scope and limitations of our work

The formation of our draft opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit 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 board 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;
- 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;

- 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 the actions agreed as part of the 2021/22 subsidiary governance 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 up to October 2022;
- 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;

We would also note the reports published in October 2021 by CIPFA and DLUHC also provide further relevant background and context, as well as the Recovery and Improvement plan that all explain some of the significant challenges that the Council is facing.

These documents along with the Accounts and Audit Updates and Section 25 report (provided by the Executive Director of Finance and Commercial (s151 Officer) and the Best Value Commissioners reports (1st report June 2022, 2nd report December 2022) all 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 a number of our reviews in 2022/23.

- our internal audit work for 2022/23 has been undertaken throughout the operational disruptions as a result of the restructure. The Council also face a range of significant financial challenges and are still working to address the issues contained within the s114 report and the Government Directions that have put the Council under the control of Commissioners. We are also acutely aware of the number of interim and temporary staff (where we have seen high levels of turnover and vacancies) that have been working alongside other existing Council staff. 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 2022/23 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 2022/23 included in this report.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Governance:

Our Governance opinion has been informed by a number of different factors, and specifically from the following reviews:

- Governance – Council Subsidiaries (Advisory – but significant weaknesses remained)
- Leavers Process (Minimal Assurance)
- Delegated Authorities (Partial Assurance)
- Health and Safety – Full follow up (Little Progress)
- Follow Up – Part 2 (Follow Up Governance)

In addition, our internal audit reviews of Cyber Security in 2021/22 (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) identified some significant issues. The planned audits in these areas for 2022/23 were deferred at management request until 2023/24 and it is possible therefore that some of these weaknesses still existed in 2022/23.

Specific findings from governance related coverage in 2022/23 informing our opinion:

We determined that the overall internal control and risk management framework relating the **Governance of Subsidiary Companies** has improved since the previous audit in 2020/21, although some actions remain outstanding. Improvements were demonstrated by regular reporting into the Council on governance, operational and financial issues, as well as the outcome of externally commissioned reviews and developments in progress. We also observed actions in progress. SBC has additionally replaced and appointed Directors/Members to each of the three companies reviewed, with replacements all signing up to revised letters of appointments aimed to improve the governance framework and clarity of expectations and responsibilities. Each subsidiary company Board is now meeting regularly and is attended by senior representatives / leads from the Council, to provide input into decision-making and provide more effective oversight, including in relation to risks.

The Council has commissioned reviews from external stakeholders for James Elliman Homes (JEH) and Slough Urban Renewal (SUR) that have largely superseded many of the internal audit actions agreed with management previously. In total 13 management actions have been superseded. We have additionally confirmed 16 of the management actions had been implemented and that six were ongoing, with progress being reported on periodically. Some management actions previously agreed have been deprioritised given that we can see progress has been made with implementation. However, we have still agreed one high and four medium priority actions that need to be addressed. Following the considerable changes that are taking place across the companies, business plans and service level agreements will be required to be updated to reflect future activities and objectives. During 2022, the Council has taken action to simplify its structure by closing down six companies. We also understand that the Council is considering further simplification of its subsidiaries and may seek to develop exit strategies over the short to medium term.

Following a specific request from the Best Value Commissioners, we performed an audit of the process for assurance over **Delegated Authorities** approved by the Cabinet. The audit concluded that there were a number of areas where weaknesses existed, and improvement was required. These issues related to a lack of clarity in relation to expected procedures and the consistency of their application. We identified issues relating to the maintenance of a central record for delegations, retention of records to evidence consultations with Lead Members, reporting of significant updates / progress to Cabinet (including the use of the significant decisions process), assurance reporting to Cabinet regarding the implementation of delegations and transfer of delegations as part of handovers where there was a turnover in staff.

It was noted that where delegations within our sample testing had been implemented (completed), we identified no apparent significant deviation from the approval granted by Cabinet. Although this was caveated by another finding, whereby the broadness of delegations often made it difficult to identify specifics, which in turn limited the ability to sufficiently assign ownership, record, monitor and receive assurance.

Our **Leavers Process** audit confirmed that controls were not well designed or complied with in relation to leavers processes, such as defining IT specific and Council/SCF wide guidance, the return of equipment from leavers, the termination of leaver access from Council and SCF IT systems, the provision of reporting to weekly meetings between the Council and SCF, and the implementation of the leavers related action agreed as part of previous internal audit assignment (General Ledger access).

More specifically, we found that:

- the Starters/Leavers Process document for IT did not define all arrangements regarding the processing of leavers;
- there was no Council/SCF wide guidance on leavers responsibilities and processes;
- the Council's SLA with SCF specified performance metrics, however, these were not being monitored or reported on; and
- an action agreed with the 2021/22 General ledger audit to monitor IT users and access levels (including adding starters, removing leavers and periodically checking access rights / levels were appropriate) had not been implemented.

We also found through sample testing that of 40 leavers since January 2022 (20 Council and 20 SCF leavers), 27 were recorded as still being in possession of equipment, four user accounts remained active at the time of the audit, and 20 had not been deleted; the latter 20 had been suspended despite having passed the point where the accounts should be deleted (three months since the user left). The findings in this review result in potential financial loss and potential breach of confidential and personal data (including non-compliance with GDPR legislation) and urgent action was required to strengthen the control framework in relation to the leavers process.

Health and Safety – Full Follow Up – A total of 12 management actions were tested as part of this review, comprising of one **high**, six **medium** and five **low** priority actions following our partial assurance opinion issued in 2021/22. We concluded that the Council had demonstrated **little progress** in fully implementing agreed management actions. However, we do recognise the work undertaken by the Council to make progress with the implementation of actions.

We confirmed that two low and one medium priority management actions had been implemented, and one medium priority action was now superseded.

The implementation of the remaining one high, four medium and three low priority management actions were found to be ongoing or partially implemented at the time of our review. The CLT needed to determine further steps to ensure that health and safety training non-compliance can be reduced, which will in turn resolve the high priority management action identified in this review. Senior management should also take action to ensure that health and safety meetings are attended by those required to join and the required information is submitted by the wider organisation, to allow key health and safety groups to exercise oversight of compliance and any residual risk exposure.

Finalising Internal Audit Reports and Progress in implementing Internal Audit Management Actions - The Council has been particularly slow in finalising internal audit reports, meaning that the required improvements in governance, internal control and risk management are not being reported, and therefore realised, in a timely manner. This has resulted in delays impacting the timeliness and effectiveness of the Audit and Governance Committee holding management to account for poor performance and internal control weaknesses that we have identified throughout the current and previous financial years. RSM has also provided a range of negative assurance opinions for the Council over many of the last financial years, and our conclusion on the effectiveness of the governance arrangements has been impacted by this.

The organisation has not demonstrated an ability to address control deficiencies over recent years, despite these being highlighted regularly. We therefore agreed to perform the following review in 2022/23 to summarise the position for the incoming S151 Officer and new in-house Head of Internal Audit.

We have also undertaken a specific **follow up Part 2 (Follow Up Governance)** audit to review which analysed the time between the Council first being made aware of weaknesses during an audit (where an action is agreed) and the most recent target implementation date. Our review found that there was a period between 366 days and 1,425 days from the date the Council were first made aware of the weakness / issues and the implementation date of the restated action agreed as part of the 2022/23 subsequent audit, with the average days being 715 days to the restated actions. Please note, all of these actions followed up are still outstanding and therefore the risks are likely to still exist. This confirms that the Council is not taking timely action to improve its control framework, increasing its exposure to risks identified as part of our audit fieldwork. We also undertook an analysis of the time taken to finalise reports in 2022/23 as actions are not tracked by management until reports are finalised. This analysis also suggests that timely action is not being taken to address control framework weaknesses with timeframes between 12 to 252 days, and an average of 96 days, from the issue of a draft report to finalisation (for the audits reviewed within our sample testing).

Background context:

The background as per the Section 25 Report from the Section 151 Officer is that in December 2020 the Council requested exceptional financial support from the Ministry of Housing, Communities and Local Government (MHCLG) (now the Department for Levelling Up, Housing & Communities (DLUHC)) in respect of the financial year 2021/22 to help it balance its budget. MHCLG agreed in-principle to provide support and commissioned CIPFA to undertake an independent and detailed financial assurance review of the Council. Since the original capitalisation request for 2021/22 of up to £15.2m, the Council has identified further very substantial liabilities for previous years, which the Council is unable to meet from its reserves. These liabilities impact substantially on the financial position for the Council in previous financial years, including the current financial year and beyond. On 1 December 2021, the Secretary of State for DLUHC made a statutory Direction requiring the Council to take prescribed actions and that certain functions be exercised from this date by appointed Commissioners. The functions to be exercised by the Commissioners included the requirement at Section 151 of the Local Government Act 1972 to arrange for the proper administration of the Authority's financial affairs, and all functions associated with the strategic financial management of the Authority. Commissioners were therefore appointed and will remain in force until 30 November 2024.

The Commissioners issued two reports during 2022/23 with the seriousness of the financial situation and how the Council found itself in this position remaining of significant concern. The Commissioners highlighted in their first report that the Council as a whole did not understand the implications of the Capitalisation Directions and the changes they needed to take. The second Commissioner report highlighted progress in promoting and embedding cultural changes had not been sufficiently progressed. Commissioners specifically stated that those in leadership roles did not see modelling corporate improvement as their overriding responsibility and that the approach taken had resulted in a more negative impact. In their second report it was stated that 'Progress had been very slow...' and that it took some time for the Council to '...recognise what had to be done.' There were some positive conclusions in relation to efforts made to improve finances; our review of medium-term financial planning largely corroborated with these conclusions, although our Budget Setting and Control audit provided a minimal assurance that identified various issues and risks that need to be addressed.

Commissioners recognised that asset sales impacted this, and that future sales of assets '...are likely to be less attractive to the market and as a result more susceptible to reducing prices...' with reference to the Akzo Nobel site. Commissioners were still not confident that the necessary receipts can be generated in time, with this issue highlighted in both Commissioner reports. The second Commissioner report concluded that '...SBC is many months behind where it should be...' and that the organisation will require exceptional financial support far beyond the envisaged end of the Direction regime and that it was impossible at that stage (December 2022) for Commissioners to conclude that the Council will be a viable unitary authority at the end of the current or potentially extended Direction period.

Finally, there have been significant organisational failures with signing off, and obtaining external verification of financial accounts for recent years. The Accounts and Audit Update to Cabinet in February 2023 has highlighted the serious errors identified in the 2018/19 accounts and these were noted as 'unprecedented'. It has been reported that there has been a lack of proper record keeping, poor procedures and poor practices across the Council, such that external auditors have had no alternative option other than to disclaim them. It was reported it had been particularly problematic to obtain supporting evidence or explanations for transactions posted in 2018/19 and prior periods due to the loss of staff, poor audit trails and poor-quality working papers, lack of appropriate reconciliations, mapping issues with the financial statements, in addition to inadequate control over journals and the lack of supporting evidence. Internal and external stakeholders had been made aware of these failing some time ago and it is accepted that the current finance team has spent a considerable amount of time and effort to address the failings. Commissioners had concluded that given the issues, the same errors are likely to be found in 2019/20 and 2020/21 accounts as the new finance team were not in place until 2021/22.

Risk Management:

The Council has made positive progress with regards to their risk management framework since our partial assurance opinion in 2021/22, however we identified that there were still fundamental elements missing that we would expect to see, particularly with regards to embedding risk management practices. Whilst there had been some progress made, the fundamental aspects of an effective risk management control framework were still lacking, including an effective direction level process for risk identification and assessment, and an adequate process for identifying, recording and acting on sources of assurance that provide an opinion on the effectiveness of the controls in place, as the structure of the Council's risk registers did not incorporate assurances over controls.

We identified through our review that in relation to the two high priority management actions, action was still required to fully implement the management actions. Actions were also ongoing for two of the six medium priority management actions. In total, we were satisfied that six management actions, comprising four medium and two low priority actions had been fully implemented.

Our review has concluded that the direction of travel and framework for risk management is positive, although gaps still existed in the framework, in part influenced by the restructure. Progress had been demonstrated by a revised Risk Management Strategy being approved within the governance structure and the roll out of training to staff on risk management, as well as risk workshops held with the Corporate Leadership Team and a regular update and review of the Council's Corporate Risk Register. However, there was a need for an additional campaign to increase completion of training, and we note that the Council did not have up to date operational risk registers in place for all its new departments. We noted progress was made against this action under the previous restructure, however regular review ceased, and updates were not made as the new restructure got underway. In addition, we found that the structure of the risk register does not include a section on assurances (over controls). As a result, management had not yet fully implemented two high priority management actions, meaning that there remains a risk that the Council does not have an effective approach to risk management, and that the framework was not yet fully embedded.

Our risk management opinion has also been informed by a number of the risk-driven reviews (e.g., Temporary Accommodation, Corporate Health and Safety – Full follow up, Children Missing Education, Workforce Recruitment and Retention and Budget Setting and Budgetary Control) which all concluded with negative assurance opinions.

Internal Control:

Our conclusion on the internal control framework at the Council, in line with the previous two years, is that it was not well designed, complied with, or effective. During 2022/23 we have completed a total of 27 audits and the following assurance levels were provided:

- Minimal Assurance (negative) – nine audits
- Partial Assurance (negative) – seven audits
- Advisory (significant issues) – four reviews, one where the full scope could not be completed
- Little Progress (negative) – three full follow up audits

- Reasonable Assurance (positive) – one audit
- Advisory (no significant issues) – one review
- Good Progress (positive) – one follow up audit
- Reasonable Assurance (positive) – one full follow up audit.

The key findings from the negative opinions (minimal and partial assurances) and the negative outcomes from the follow up and advisory reviews with significant issues are summarised below:

Budget Setting and Control (Minimal Assurance) - DRAFT

Our audit identified several issues relating to both budget setting and the monitoring processes. We found limited evidence of budget manager and budget holder involvement in setting budgets, including savings, given the Council's prioritisation to set the budget for the coming year (although the Finance Team stated this had occurred). We also noted limited training provided to budget holders, no agreed approach for local budget monitoring and discrepancies in the virements process for a sample of virement transactions tested. It should be noted that the Council proposes to (and was in the process of) revising the procedures and controls relative to these areas, however, Officers had not agreed or introduced these at the time of our testing. We have also noted weaknesses with the level of guidance available to staff, namely those budget managers / holders involved in budget setting and monitoring, as well as the agreed reporting arrangements.

Workforce Recruitment and Retention (Minimal Assurance)

Our review identified a number of weaknesses relating to recruitment and retention processes. There was no formally agreed and monitored approach for performance management, although a paper had been presented to CLT discussing proposed options in this regard. There was also no retention policy. We noted that right to work checks did not always appear to be undertaken in line with Government guidance, whilst identifying that insufficient staffing levels were reported for teams and services following the restructure. Our sample testing of the recruitment process also identified a number of discrepancies; however, many of these were impacted by the unavailability of evidence. This was caused by increased workload pressures on the reduced team (workload and staffing resources both impacted by the restructure), the departure of a key member of staff during the review, and inability to access a system portal.

While the absence of evidence does not automatically indicate non-compliance and may point to a potential issue with the retention of documentation during the recruitment process, without such documentation, we have been unable to confirm compliance with these parts of the recruitment process and there was a risk that controls in these areas were not being complied with. The impact of the lack of controls in place and/or being complied with was evident in the high vacancy rate, and this also contributed to the opinion.

General Ledger (Minimal Assurance)

Our audit has identified that a number of significant issues, including a number of which that were identified in previous years reports were still outstanding. The process to clear the backlog and prevent future build-up of unposted journals was still ongoing, as was the agreement of actions to produce a month-end timetable, evidence the clearing of suspense accounts, provide Agresso training to key staff and evidence the adequate review of all control account reconciliations. We have highlighted this year that the supporting evidence for journals is not uploaded to Agresso in line with the system's functionality and that there were no additional checks of high-value journals. We have also restated a management action agreed from our 2020/21 review relating to the creation of a password policy, which had initially progressed and then fallen through. There was still limited guidance available to staff with regards to general ledger processes and no periodic review of general ledger access. The general ledger balance had not been rolled over (previous year closed down and subsequent year opened) from 2018/19, due to ongoing complications with the sign-off of the accounts.

Leavers Processes (Minimal Assurance)

Our review confirmed that controls were not well designed or complied with in relation to leavers processes, such as defining IT specific and Council/SCF (Slough Children First) wide guidance, the return of equipment from leavers, the termination of leaver access from Council and SCF IT systems, the provision of reporting to weekly meetings between the Council and SCF, and the implementation of the leavers related action agreed as part of previous internal audit assignment (General Ledger access). More specifically, we found that:

- the Starters/Leavers Process document for IT did not define all arrangements regarding the processing of leavers;
- there was no Council/SCF wide guidance on leavers responsibilities and processes;
- the Council's SLA with SCF specified performance metrics, however, these were not being monitored or reported on; and
- an action agreed with the 2021/22 General ledger audit to monitor IT users and access levels (including adding starters, removing leavers and periodically checking access rights / levels were appropriate) had not been implemented.

We also found through sample testing that of 40 leavers since January 2022 (20 Council and 20 SCF leavers), 27 were recorded as still being in possession of equipment, four user accounts remained active at the time of the audit, and 20 had not been deleted; the latter 20 had been suspended despite having passed the point where the accounts should be deleted (three months since the user left). The findings in this review result in potential financial loss and potential breach of confidential and personal data (including non-compliance with GDPR legislation) and urgent action was required to strengthen the control framework in relation to the leavers process.

Creditors (Minimal Assurance) - DRAFT

Our review identified a number of exceptions to compliance with the control framework. This included guidance having not been updated since 2016, leavers we identified had not been removed from Agresso, and sample testing of new users could not be completed as the Council could not provide the resource to enable the testing to take place. Whilst Agresso limits who can approve POs there was no delegation of authorities outlining how this should be set up and through review of a sample of 10 POs, three had not been approved prior to purchase. In addition, we found that the Expenditure Control Panel guidance did not set out exceptions despite the process not consistently being followed, aged creditor reports had not been reviewed for the last three months to take action on resolving Council debts, and three of a sample of 15 invoices were not paid in accordance with their terms.

Finally, we found that evidence of checks on payments over £50k as part of payment runs was not being held, evidence to test the setup of a sample of new suppliers was not provided to us and therefore we could not test whether controls had been established to prevent the addition of duplicate suppliers, and Agresso lacked the ability to output a list of suppliers that had been edited to enable sample selection and testing. Where we have retested actions from the previous audit, we have found that high and medium priority management actions from the 2021/22 Creditors audit had not been fully implemented (some of which were initially raised in the 2018/19 audit). There have been a number of management actions agreed prior to the 2021/22 audit that have still not been implemented and re-agreed in each annual audit since, including this audit.

Temporary Accommodation (TA) (Minimal Assurance)

Our audit has again identified significant issues within the TA function, a number of which that have not been addressed from previous years audits (including 2020/21 and 2021/22). It should, however, be noted that many of the issues are underpinned by the resource challenges within both the TA and Housing Demand Teams, the ongoing migration to the NEC system and the increasing demand on the service with respect to the number of homelessness applications made. The increasing demand in the service is represented by the increase of households in TA from 433 in October 2021 to 650 in October 2022, with estimations that this will exceed 800 over the next 12 months. The Council was aware of many of these issues prior to the audit.

We noted that the Council was lacking in strategic guidance with respect to the outdated Housing Strategy (2016-2021), moving households out of TA and the diversification of accommodation providers. We also found weaknesses with regards to performance monitoring and reporting, as well as TA rent arrears.

Our testing was restricted by the failure to provide us with evidence over the course of our fieldwork, given the operational workload of officers. This meant that compliance with regards to the processes for allocations, contact with households, homelessness decisions, license breaches / notices to quit and safety assurances from private TA providers could not be tested. There are various potential significant risks in these areas if adequate arrangements are not in place. Issues were identified and actions agreed in relation to each of these as part of the 2021/22 review, with findings including applicants remaining in TA between 3-9 years (96 identified), increasing rent arrears, delays in homelessness decisions (impacting compliance with the Housing Act 1996) and limited assurance regarding minimum safety requirements of accommodations managed by external providers (including gas, electric and fire safety). Given the lack of evidence and testing, we have been unable to confirm if any improvement has been made in the 2022/23 audit.

Debtors Management (Minimal Assurance) - DRAFT

Our review confirmed that controls were primarily not well designed or complied with in relation to debtor management, such as documentation of guidance, controlling access to Agresso AR, completion of training, raising and parking invoices, credit note backing documentation, review of aged debtor reports, write off of debts and the use of sequential numbering or invoices. More specifically, we found that responsibilities as to who must approve debt write offs had been removed from the Financial Procedure Rules from November 2022, evidence was not provided to test a sample of new users to Agresso and issues relating to the incorrect raising of invoices had continued with the level of credit notes raised to cancel these increasing since 2021/22.

We also found that backing documentation had not been uploaded to Agresso for 19 of a sample of 20 credit notes. Aged debt reports, whilst produced, had not been reviewed and debts written off had not been approved in line with guidance prior to November 2022. We followed up actions agreed as part of the 2021/22 Debtors Management audit (four high, five medium and three low priority actions) and found that seven (three high, three medium and one low) had not been implemented. Five of these actions were agreed prior to the 2021/22 Debtors Management audit, of which one dated back to 2019/20 and four at least back to 2018/19.

As for the remaining four, two had been implemented (one medium and one low) and two medium and one low action had been superseded.

Capital Expenditure (Minimal Assurance) - DRAFT

Our review confirmed that controls were not well designed or complied with in relation to capital expenditure, such no updates to the Financial Procedure Rules with capital programme guidance and no development of procedural guidance, the lack of use of business cases for capital projects and approval of them, the lack of monitoring of capital projects by project managers, the absence of review and monitoring of the capital programme by the Finance Board and the lack of regular reporting to the Cabinet.

More specifically, actions from the 2021/22 Capital Expenditure audit had not been implemented (to add guidance to the Financial Procedure Rules relating to carry forwards or the development of procedural guidance), and out of a sample of 10 capital projects, nine did not have business cases covering expenditure in 2022/23, and where a business case existed the Council could not evidence approval. We were also not provided with Finance Board papers and minutes to test monitoring of the capital programme and confirmed the Cabinet were not receiving quarterly reports as expected.

We followed up actions agreed as part of the 2021/22 Capital Expenditure audit (two high, seven medium and three low priority actions) and found that seven (one high, four mediums and two lows) had not been implemented. As for the remaining five, two had been implemented (two medium) and three had been superseded (one high, one medium and one low).

Rent Accounts (Minimal Assurance) - DRAFT

The rent accounts system has not been used to its full capacity due to ongoing issues that have been noted by the Housing services. The issues have been highlighted to the project team responsible for the implementation of the new system.

The authority did not evidence controls being in place for the following areas that were reviewed as part of this audit.

- Stock Reconciliation, either annually or more regularly;
- Appropriate action taken against Terminated Tenancies and Void properties;
- Write-offs from the period from October 2022 when the new Housing system was introduced;
- Verification that rent increases have been correctly applied to individual accounts and appropriately checked for 2022/23; and
- Daily reconciliations of income from Agresso to income received in the Slough Housing system.

As a result we have been unable to undertake any testing or provide any assurance in the above areas. This has contributed to the minimal assurance opinion concluded for this audit.

The Rent Account system needs to be reviewed considering the findings and actions that have been detailed in Section 2 of this report along with addressing any additional issues the Rent Accounts team identify as soon as possible. We have agreed 13 management actions in this audit. In addition, the actions agreed in the 2021-22 audit reports were reviewed to see if they had been implemented. Of the ten management actions, nine have still not been implemented.

Children Missing Education (CME) (Partial Assurance)

This review found there had been an improvement in the controls and processes in place at the Council in relation to CME, including EHE and permanently excluded children, since our last audit in June 2021. We noted that policy and procedure documents were updated, arrangements for joint working, information sharing, and network contacts were clear, alternative education was found for a sample of permanently excluded children and regular reporting was occurring. Given the issues identified as part of the CME 2021/22 review, a number of improvements and revisions to processes were only recently implemented or were in progress at the time of this review.

As such, we have still identified weaknesses in adhering to the (new) CME process checklist (namely completion and timeliness of case upload, officer allocation, database checks and contacting parents), as well as the frequency and formality of both casework supervision meetings and case dip reviews. We have also found there needed further clarity over responsibilities, the process for all types of red EHE cases needs to be confirmed and that there was no systematic process in place for raising of orders / prosecution and associated monitoring.

Council Tax (Partial Assurance)

Whilst the Council had made some progress in implementing management actions from the 2021/22 review of Council Tax, we have reiterated management actions or agreed revised management actions in 2022/23, due to insufficient progress overall. Management have not yet fully implemented and reported closure of the management actions from the previous audit, and we note these are overdue for implementation (as of September 2022). The level of aged debt remains significant, increasing the risk of a loss of income for the Council. In addition, monthly reconciliations of Academy (Council Tax system) to Agresso (financial system) had not been completed for the period July to September 2022 and those completed prior in April to June 2022 had not been subject to independent review. We also found that markers can still be placed on accounts that can prevent debt recovery action, and that guidance covering this process has not been introduced, despite some progress being made by the Council Tax team in reviewing circumstance codes. Total Council Tax arrears for the period 1997/98 through to 2021/22 amounts to £18.1m. Without completing the outstanding reviews there is a risk that inappropriate markers are not identified and removed. Arrears may then not be subject to suitable recovery action, increasing the likelihood of financial loss. Our testing additionally identified two staff with inappropriate access to Academy (that were removed during the audit), a backlog of inspections developing without a clear schedule for completion, and exemptions that were inappropriately classified on Academy. Our sample testing confirmed effective processes were in place with regards to billing, discounts, refunds, and valuation updates.

Housing Benefits (Partial Assurance)

Our sampling of Housing Benefit and Council Tax Support claims processing found these to be operating in line with procedures, with the exception of processing times. Our sample testing of payment runs returned positive outcomes. However, delays in Temporary Accommodation providing details on claims for Housing Benefit was impacting processing timeframes. Our sample testing of the recovery of overpayments identified discrepancies where invoices had not been raised and recovery action had not been completed, and we are concerned over the level of accumulated aged debt which was circa £14.1m for the period 1997 through to 2022. Interviews with staff as part of the audit confirmed that the number of vacancies in the department has impacted compliance with procedures, and in particular, the recovery of accumulated aged debt, where in year debt is being prioritised.

We found that a sample of debts had not been approved for write off (or been written off) by the S151 Officer or Cabinet where this was necessary, but we understand that a consolidated report will go to the Cabinet by the end of the financial year. However, there had been delays as the debts had been approved for write off by the Housing Benefits Team in May and September 2022 respectively. In addition, our sample testing of access rights to the system identified two contractors that required their access to Academy to be terminated (one ex-contractor and one current) and we found that two prior medium priority management actions agreed in our 2021/22 internal audit of Housing Benefits had not been implemented. These related to reviewing key performance indicators and establishing a formal performance reporting route for the Housing Benefit function (e.g., a dashboard) and ensuring the timely completion of reconciliations between the housing system (whether Capita or Northgate) and Agresso, the financial system.

Payroll, including associated financial controls (Partial Assurance)

Our audit has identified a number of weaknesses with the controls linked to payroll functions. It should be noted that the issues identified relate to financial controls and processes that come before or after the involvement of the payroll team. Activities managed by the payroll team were found to be effective, including guidance documents, system access, payment run processing, inputting of payroll rates and actioning payroll updates when notified.

We found that there were often delays in notifying the payroll team of payroll updates (such as new starters, leavers and amendments), resulting in over and underpayments. Sample testing of mileage claims identified that required supporting evidence had not been agreed and that this was not always being submitted, although this was not a mandatory requirement on Agresso. Sample testing also identified that invoices were not being suitably raised by line managers for overpayments, whilst appropriate action had not been taken with regards to one overpayment for which a payment plan should have been agreed. Furthermore, we noted issues with the Agresso system, namely with approval workflows that contributed to delays in notifying the payroll team of payroll updates, and one instance whereby a rejected expense claim proceeded to be paid.

Treasury Management (Partial Assurance)

Our review identified some positives relating to the treasury management framework, namely that a treasury management strategy had been prepared and approved, that treasury activity was being conducted with agreed institutions and counterparties, and that a cashflow forecast has been prepared and was being regularly updated. However, our audit still identified a number of weaknesses in relation to the Council's treasury management function. Sample testing found no authorisations were required prior to investments, and that there were miscalculations for interest payable for matured loans. No evidence of reconciliations was provided, whilst further work was required for Councillor training and the introduction of internal reporting. We also identified issues relating to the Treasury Manual, updating the bank mandate, approval requests (for investments and loans), the loans authorisation process, and reporting to Cabinet.

Delegated Authorities (Partial Assurance)

This review identified a number of areas where improvement was required and where weaknesses existed with regards to delegated authorities. These related to a lack of clarity in relation to expected procedures and the consistency of their application. It was noted that where delegations within our sample testing had been implemented (completed), we identified no apparent significant deviation from the approval granted by Cabinet. This should be caveated by another finding, wherein we identified the broadness of delegations often made it difficult to identify specifics, which in turn limits the ability to sufficiently assign ownership, record, monitor and receive assurance.

We also identified issues relating to the maintenance of a central record for delegations, retention of records to evidence consultations with Lead Members, reporting of significant updates / progress to Cabinet (including the use of the significant decisions process), assurance reporting to Cabinet regarding the implementation of delegations and transfer of delegations as part of handovers where there is a turnover in staff.

Our findings have been impacted by the availability of evidence; however, it was noted that most evidence for delegations involving HB Law could be provided. The findings namely related to the availability of evidence that should be held within the Council and / or processes that should be undertaken by the Council.

Housing Management – Health and Safety: Gas, Electrical and Legionella (Partial Assurance)

We have identified areas of weakness, notably in relation to electrical installation condition reports (EICRs). At the time of testing, 383 EICRs were overdue from a total of 6,373 (based on the five-year review period), with 182 becoming overdue prior to 2020. As such, these properties were non-compliant with related legislation as well as Council policy expectations. It is necessary that the Council introduces additional controls to fully resolve and prevent recurrence, including updating and following the escalation procedure for EICRs. Owing to issues with the Slough Housing (NEC) system, reconciliations of property records on RAMIS could not be completed. We also found improvements could be made in relation to the accessibility of the Compliance Strategy and safety policies, inputting of check completion dates, and the timeliness of receiving reports / certificates. We have found the remaining controls in place to be well designed and adhered to. We noted operational guides included sufficient description for staff and that the frequencies of gas, electric and legionella checks were suitably defined, in line with applicable regulations and guidance.

Sample testing confirmed the operational effectiveness of processes for storing reports / certificates, recording gas and electrical check details, arranging checks (including after major works), escalating procedures for gas checks, and undertaking of remedial works. We also confirmed suitable performance reporting and governance arrangements through review of proceedings at the Operational Subgroup, Operational Management Group, Building Compliance Group and H&S Board. However, the non-compliance with legislation, combined with the other exceptions have resulted in a partial (negative) opinion.

Follow Up reviews completed concluding Little Progress has been made to implement management actions:

In three of the Full Follow Up assignments completed during the course of the year we found that insufficient progress had been made to implement previously agreed internal audit management actions. These were in relation to:

- Follow Up – IT Business Continuity and Disaster Recover
- Follow Up – Rent Arrears Recovery
- Follow Up – Health and Safety

It should be noted that all of these reviews were previously undertaken as full audits in 2021/22. The IT Business continuity audit was an advisory review, but identified significant issues previously, the other two reviews were both partial assurance opinions. The A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B. In total we agreed three high, 15 medium and four low priority actions across these three follow up reviews where issues previously identified had not been resolved and actions fully implemented.

We have also issued one reasonable assurance (positive), one reasonable progress (positive), one good progress (positive) follow up review and two advisory reviews that did not identify significant weaknesses as part of the 2022/23 internal audit plan.

We also have two reviews in progress relating to Rent Accounts and Capital Expenditure. The results of these two audits will be concluded shortly and the annual report will be updated.

Key Statistics

An analysis of our internal audit findings across all reports which have been conducted (including those remaining draft) for 2022/23 shows that a total of 225 management actions (split 47 high / 120 medium / 58 low) had been agreed with management, arising from either controls not designed adequately or controls not being complied with (2 draft reports still to issue).

The largest number of actions were in the Temporary Accommodation (17), Creditors (15), General Ledger (14) and Rent Accounts (13) audits. We note that a number of issues raised within the individual reports that have contributed to the overall opinion for the 2022/23 Internal Audit Plan continue to be a result of the restructure and significant staff turnover linked to the Council issue of a S114 notice in July 2021, whilst some of the issues pre-date the S114 notice and have still not been addressed or only partly addressed.

Over the previous four financial years (2018/19 – 2021/22) a total of 71 reports over this four-year period concluded with either negative assurance opinions or significant weaknesses (advisory reviews).

In 2022/23 alone, a total of 22 of the 27 reports issued as of June 2023 (19 assurance reports and three advisory reviews) concluded with either negative assurance opinions or significant weaknesses. A key theme identified again in 2022/23 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. This theme is consistent with the findings in 2021/22 where a total of 27 reports (22 Assurance reports and 5 Advisory reviews) concluded with either negative assurance opinions or significant weaknesses and found poor progress in addressing internal audit management actions.

Topics judged relevant for consideration as part of the annual governance statement

We have identified significant weaknesses in multiple areas of control and the control frameworks reviewed during 2022/23, as detailed in Appendix B below where minimal assurance could be taken for nine reviews and only partial (negative opinions) assurance could be taken by the Council for a further seven reviews over the effectiveness of the controls in place.

We also undertook Full Follow reviews of reports for a selection of areas where negative opinions were issued in 2021/22 (and previous years). The areas where full re-audits were completed were in relation to Council Tax, Housing Benefits, Payroll (including associated Financial Controls), General Ledger, Creditors, Debtors Management, Treasury Management, Children Missing Education (CME), Temporary Accommodation, Capital Expenditure and Rent Accounts.

We also performed specific follow up assignments and found that in three instances 'little' progress (negative opinion) had been made to implement previously agreed management actions. These were for Health and Safety, Rent Arrears and for IT Business Continuity and Disaster Recovery.

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, and the three negative follow up reviews. These include:

- Budget Setting and Control
- Workforce Recruitment and Retention

- General Ledger
- Creditors
- Temporary Accommodation
- Debtors Management
- Children Missing Education
- Council Tax
- Housing Benefits
- Payroll (including associated Financial Controls)
- Treasury Management
- Delegated Authorities
- Housing Management – Health and Safety (Gas, Electrical and Legionella)
- Capital Expenditure
- Rent Accounts
- Follow Up – IT Business Continuity and Disaster Recovery
- Rent Arrears Recovery – Full Follow Up
- Health and Safety – Full Follow Up

The Council will also need to reflect the significant weaknesses following the Government intervention and appointment of best value commissioners and the progress being made to address all of these issues. The Council will also need to consider all of the issues identified by the external audit findings in their AGS.

THE BASIS OF OUR INTERNAL AUDIT OPINION

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

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during the 2022/23 financial year. Please note some reports are still in draft.

Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the audit and governance committee, with the validation of the action status confirmed by internal audit on periodic basis through 2022/23.

Our follow up of the actions agreed to address previous years' internal audit findings shows that overall, the organisation had made **little progress** (negative opinion) in implementing the agreed actions. This conclusion is derived from three Follow Up reviews that concluded that little progress had been made (Health and Safety Follow Up / Rent Accounts Recovery Follow Up / IT Business Continuity and Disaster Recovery Follow Up), in addition to significant weaknesses remaining in two other reviews (Risk Management and Council Subsidiary Companies), and various management actions reiterated through re-performing full audits in 2022/23 on areas identified as weaknesses in 2021/22.

However, it should be noted that we did issue two positive opinions from our Follow Up work in 2022/23; this included the Business Rates Full Follow Up that provided a reasonable assurance on progress, and the Part One Follow that provided a good progress opinion.

We also undertook an analysis of the time taken to finalise reports in 2022/23 as actions are not tracked by management until reports are finalised. This analysis also suggests that timely action is not being taken to address control framework weaknesses with timeframes between 12 to 252 days, and an average of 96 days, from the issue of a draft report to finalisation (see below graph).



Working with other assurance providers

In forming our opinion, we have reviewed the first and second reports publishing in 2022/23 by the best value commissioners and some of the updates provided by the Section 151 Officer and made reference to these in this report (above). We are also aware that there have been a number of other independent reviews commissioned and undertaken which the Council should also take into consideration when drafting the Annual Governance Statement (for example, Ofsted, Special Education Needs, Ongoing reviews of Slough Children’s First, Subsidiary Governance reviews, work of the external auditor).

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, Procurement.
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 2022/23.
Responding to Commissioner requests	Two additional audits completed following specific Commissioner requests.
Regular liaison with in-house IA team	Monthly status reporting to the S151 Officer and new Head of IA and the management team.

Conflicts of interest

We have undertaken additional work in the 2022/23 financial year covering; Procurement: We have supported the Council with the provision of its procurement service until 30/9/22 and Insight software – the provision of software for the first part of the 2022/23 financial year. 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 2022/23 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.

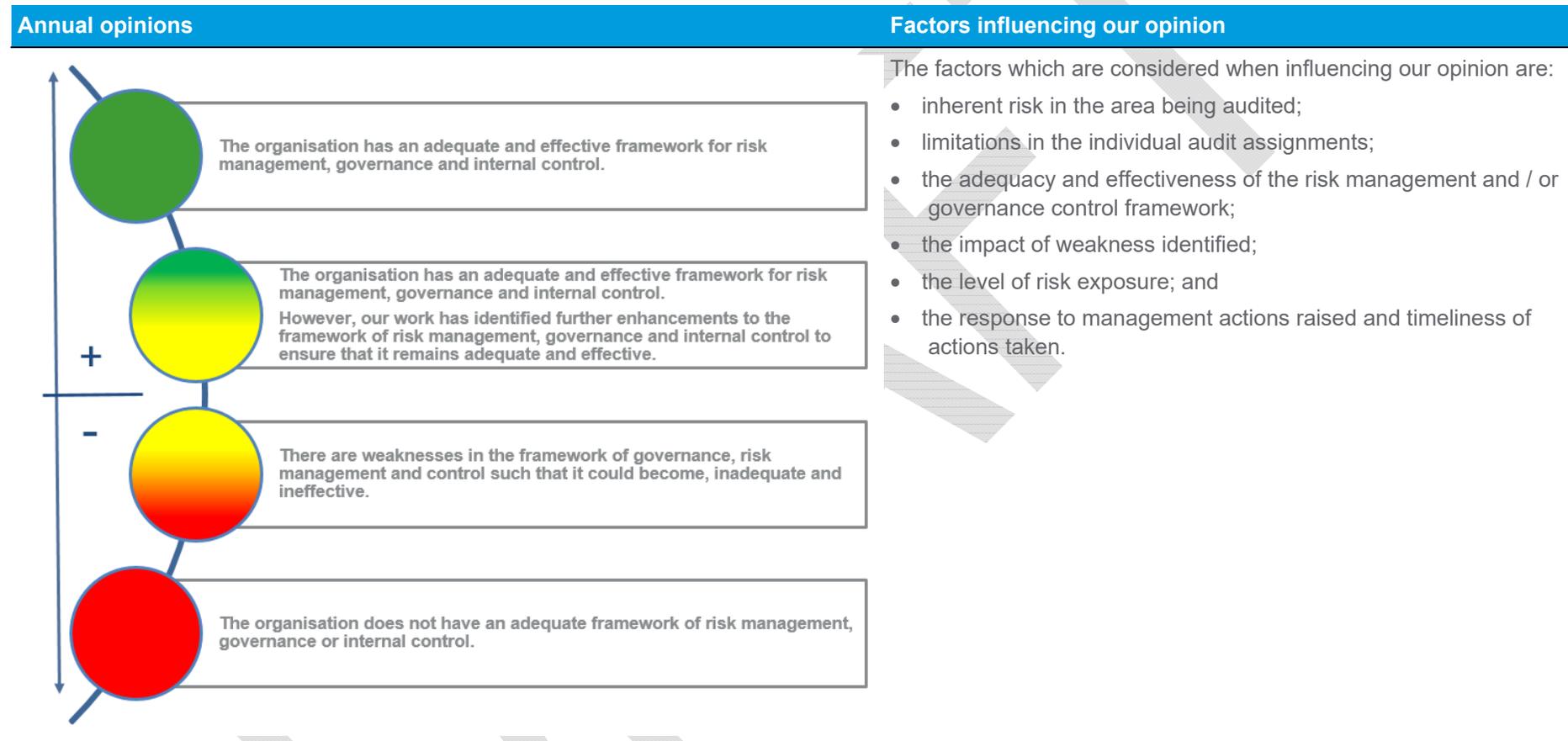
Quality assurance and continual improvement

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 2022/23, 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.



APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED MAY 2023

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

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Risk Management – Follow Up 6.22/23	Section 151 Officer	Advisory – Significant weaknesses remain [●]	1	1	2
Governance – Council Subsidiary Companies 1.22/23	Section 151 Officer	Advisory – some Significant weaknesses remain [●]	2	4	1
Follow Up – Part 2 (DRAFT)	Section 151 Officer	Advisory – significant issues [●]	0	0	2
Whistleblowing 20.22.23 - Full scope not covered	Monitoring Officer	No opinion / Advisory [●]	2	3	0
Capital Expenditure 27.22/23 (DRAFT)	Section 151 Officer	Minimal Assurance [●]	2	7	2
Rent Accounts 26.22/23 (DRAFT)	Section 151 Officer	Minimal Assurance [●]	4	4	5
Budget Setting and Budgetary Control (DRAFT) 3.22/23	Section 151 Officer	Minimal Assurance [●]	2	5	1
Workforce Recruitment and Retention 4.22/23	Section 151 Officer	Minimal Assurance [●]	5	5	1
Leavers Processes 7.22/23	Section 151 Officer	Minimal Assurance [●]	0	5	3
General Ledger 9.22/23	Section 151 Officer	Minimal Assurance [●]	2	4	8

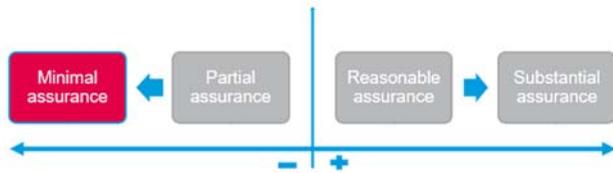
Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Creditors 19.22/23 (DRAFT)	Section 151 Officer	Minimal Assurance [●]	1	11	3
Temporary Accommodation 22.22/23	Executive Director of Housing and Property	Minimal Assurance [●]	2	10	5
Debtors Management 23.22/23 (DRAFT)	Section 151 Officer	Minimal Assurance [●]	2	6	4
Children Missing Education 5.22/23	Director of Children's Services	Partial Assurance [●]	5	5	0
Council Tax 10.22/23	Section 151 Officer	Partial Assurance [●]	3	5	2
Housing Benefits 12.22/23	Section 151 Officer	Partial Assurance [●]	1	3	3
Payroll (including associated Financial Controls) 13.22/23	Section 151 Officer	Partial Assurance [●]	2	3	1
Treasury Management 15.22/23	Section 151 Officer	Partial Assurance [●]	5	4	1
Delegated Authorities 21.22/23	Monitoring Officer	Partial Assurance [●]	0	8	1
Housing Management – Health and Safety (Gas, Electrical and Legionella) 24.22/23	Executive Director of Housing and Property	Partial Assurance [●]	3	3	1
Follow Up – IT Business Continuity and Disaster Recovery 14.22/23	Chief Digital and Information Officer	Little Progress [●]	0	6	1
Rent Arrears Recovery – Full Follow Up 16.22/23	Section 151 Officer	Little Progress [●]	1	5	1
Health and Safety – Full Follow Up 17.22/23	Section 151 Officer	Little Progress [●]	3	4	1

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Business Rates – Full Follow Up 18.22/23	Section 151 Officer	Reasonable Progress [●]	0	2	0
Medium Term Financial Strategy 2.22/23	Section 151 Officer	Reasonable Assurance [●]	4	3	0
Follow Up – Part One 8.22/23	Section 151 Officer	Good Progress [●]	2	1	0
Adult Social Care Transformation 11.22/23	Executive Director for Adults	No opinion / Advisory [●]	1	2	0

DRAFT

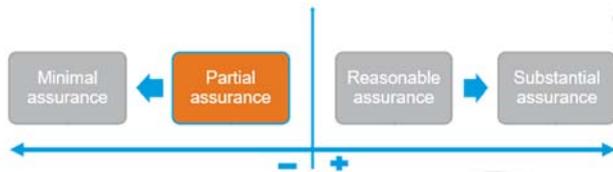
APPENDIX C: OPINION CLASSIFICATION

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



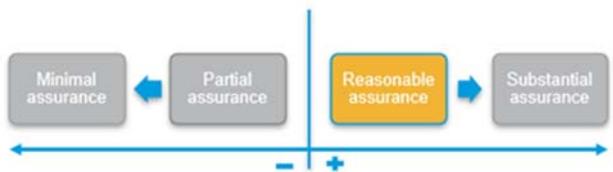
Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



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

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



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

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



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

YOUR INTERNAL AUDIT TEAM

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

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.