

Date of issue: Monday, 16 July 2018

MEETING	AUDIT AND CORPORATE GOVERNANCE COMMITTEE
DATE AND TIME:	WEDNESDAY, 18TH JULY, 2018 AT 6.30 PM
VENUE:	VENUS SUITE 3, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 01753 787503

SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

* Item 9 was not available for publication with the rest of the agenda.

PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
9.	Governance Review - Report and Appendices 1-3	1 - 34	All

PART II

9.	Governance Review –Appendix 4 (involves the likely disclosure of exempt information relating to any individual and information which is likely to reveal the identity of an individual as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended).	35 - 88	All
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SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee

DATE: 18 July 2018

CONTACT OFFICER: Sushil Thobhani, Service Lead Governance & Deputy Monitoring Officer

(For all enquiries) (01753) 875036

WARD(S): All

PART I **FOR DECISION**

GOVERNANCE REVIEW

1 Purpose of Report

The purpose of this report is to:

- Report to the Committee on the Governance Review carried out following the approach agreed by this Committee at their meeting on 8 March 2018;
- To ask the Committee to resolve to note this Report and recognise the work carried out by Officers in improving the Governance of the Council ; and
- To ask the Committee to note and approve the Council's proposed Annual Governance Statement.

2 Recommendation(s)/Proposed Action

- a) That the findings of this Report following the review of the Council's governance arrangements be noted by this Committee; and
- b) The proposed Annual Governance Statement by the Council at Appendix 3 be noted and approved.

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

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

4 Other Implications

(a) Financial

There are no financial implications arising from this report.

(b) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications arising from this Report.

(c) Equalities Impact Assessment

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

5 Supporting Information

- 5.1 On 19 December 2017 the Council agreed a motion relating to governance which, inter alia, resolved to commission this Committee to undertake a full review of the Council's governance arrangements. The full printed minutes of the Council's resolution are appended to this report as Appendix 1.
- 5.2 The Council's resolution established the outcomes they desired to promote from such a review. This report concludes that the Council's governance arrangements are generally sound and assurance can be taken that they promote the features of good governance recognised in the Council resolution.
- 5.3 The background to the Council motion was the need in the preceding months to make a permanent appointment to the position of the Council's Chief Executive and Head of Paid Service together with various actions and behaviours exhibited by some individuals (both Council Officers and Members) generated by the appointment process and the circumstances preceding it.
- 5.4 That episode and actions leading up to it inflicted a strong test on the Council's governance arrangements which led to the Council's desire for the review of those governance arrangements.
- 5.5 An independent review into some of these events, behaviours and allegations made against various individuals had been commissioned by the then Deputy Monitoring Officer in September 2016. The investigation was conducted by Mr Richard Penn and reported upon in November 2016. A copy of the confidential report and findings from that investigation, which contains personal data, is appended to this report in Part 2 as Appendix 4, for noting. The Report has been redacted solely to remove references to current employees of the Council.
- 5.6 At their meeting on 8 March 2018 the Committee agreed an approach to the governance review which identified the following areas as being appropriate for review:
- the Council's Constitution generally
 - the process for the appointment of Head of Paid Service
 - the process for Members' access to information and to Council documents
 - the use by Members and Officers or former officers of the rights to request information under the Freedom of Information Act 2000 or the Data Protection Act 1998
 - The culture of behaviours by members and officers and how to promote desired behaviours and to imbed them.
- 5.7 This Report brings to the Committee the findings in respect of the above areas. In addition, it reports on the following matters which have affected the Council's governance arrangements since the last meeting of the Committee and which relate to the Committee's function as the member forum for corporate governance matters:

- the review of the Council's decision making processes
- the establishment of the Risk and Audit Committee
- the establishment of a committee to discharge the Council's duties as a charitable trustee
- the delegation of the Council's Legal Services Function to the London Borough of Harrow
- operational issues experienced in the area of governance
- engagement with the Local Government Association
- engagement with the Ministry of Housing and Local Government

5.8 The Council's Constitution

- 5.8.1 There is a clear need to revise the Council's constitution in order to update statutory references within it, in order to take account of the restructure of the Council's senior management and directorates, in order to take account of the setting up of the Trustee Committee to discharge the Council's functions as a corporate trustee of charitable assets (which is dealt with more fully below in paragraph 5.13 of this Report), in order to take account of the delegation of the Council's legal services function (which is more fully dealt with below in paragraph 5.14 of this Report) and, most importantly, to be able to make revisions to enhance the constitution as a result of the findings of the review of the Council's governance arrangements set out in this Report.
- 5.8.2 There is a separate report before the Committee today dealing in more detail with the revisions to the Constitution. That report deals largely with the revisions needed to deal formally with most of the above matters. This report deals with the matters designed to enhance good governance in other ways.
- 5.8.2 Ways to enhance good governance have been discussed at the last three meetings of the Member Panel on the Constitution. The revisions proposed as a result of the discussions of the Panel are the following:
- 5.8.2.1 to provide that the Chief Executive and Head of Paid Service should act as the Returning Officer and Acting Returning Officer at local and Parliamentary elections to accord with common practice elsewhere and to signal the importance to the Council of the electoral arrangements which it administers.
- 5.8.2.2 to extend to all Committees, subcommittees and panels of the Council the practice of the Overview and Scrutiny Committee and Panels of writing to Members who have missed two consecutive meetings without good reason and to provide for communication to Group Leaders following three consecutive absences.
- 5.8.2.3 to provide for regard to be had as to which of Cabinet or Council is the holder of the functions which need to be effected in order to implement recommendations in reports of Overview & Scrutiny Committee and Panels when considering where such reports should be referred.
- 5.8.2.4 to provide expressly that no body should seek to influence or control the contents or recommendations of Officers' reports in relation to Planning and Licensing Matters in order to avoid any impression of pressure on officers in relation to applications in which the Council may have an interest

5.8.2.5 to amend the Local Code Governing Relations Between elected Members and Council Employees to express clearly that Members are to be treated in the same manner as any member of the public would be when requesting information which any member of the public would be entitled to.

5.8.2.6 to amend the Code referred to in the preceding subparagraph to provide that in the event that Members feel unable for whatever reason to refer any matter to any of the Statutory Officers where the matter involves all of such officers, then they may refer the matter to any officer who would deputise for such statutory officers in their absence.

5.9 Appointment of Head of Paid Service

5.9.1 At its extraordinary meeting on 19 December 2017 Council requested an independent review by the Chartered Institute of Personnel and Development (CIPD) into the abortive process to appoint a Chief Executive and Head of Paid Service at the end of last year. The findings of this review were reported to this Committee at its last meeting on 8 March 2018. The findings were that the process was standard for this level of appointment.

5.9.2 Since then the Council have appointed the current Interim Chief Executive under whose supervision the process is underway to appoint the new permanent Chief Executive and Head of Paid Service. The Interim Chief Executive is not a candidate. The LGA have actively participated in the process.

5.9.3 The appointment will be recommended by the Council's appointments sub-committee for approval by full Council in accordance with Part 4.7 of the Constitution. The sub-committee comprises eight Members including the Leader and Deputy Leader and the Leader and Deputy Leader of the opposition group.

5.9.4 There have been over 20 applicants and five have been shortlisted. The Council Management Team, a stakeholders panel of partner organisations and an engagement panel of employees have all had the opportunity to meet and question the short-listed candidates.

5.9.5 The appointment is expected to be recommended for approval by the Council meeting on 24 July following a meeting of the appointments sub-committee on 20 July.

5.9.6 The recruitment process was approved by full Council at their meeting on 22 January 2018 and has found general acceptance and approval and there have been no objections to it. It is expected to result in the appointment of a strong candidate to lead the Council's Paid Service.

5.10 Members' Access to Information and Documents

5.10.1 The provisions dealing with Members' access to information and to Council documents is contained in paragraph 16 of the Local Code Governing Relations Between elected Members and Council Employees in Part 5.4 of the Constitution.

5.10.2 These provisions have been considered at the Member Panel on the Constitution. They have generally been found to be satisfactory. The only change that is proposed is that there be explicit recognition that Members are treated in the same manner as members of the public when requesting information to which members

of the public are entitled. This change is proposed to be made in the separate report before the Committee today relating to revisions of the Constitution.

5.10.3 Of more importance, however, is the manner in which information is sought by Members. The interim Chief Executive has now communicated with Members and Staff to set out the expectations of each other and the acceptable manner of seeking and providing information. The procedure that will be adopted henceforth is that requests will be made by Members through a central access point in the Council's Communication Team so that these requests can be monitored and processed effectively without placing an excessive burden on staff. Requests for information will also be addressed by Members to Directors and senior Managers and not to operational staff members. Staff have also been reminded of the expectations of their role in this process.

5.10.4 It is considered that this area of concern has now been fully addressed and should not prove an area of any difficulty, going forward.

5.11 Requests for information by Members and Officers under the Freedom of Information Act 2000 and the Data Protection Act 1998

5.11.1 Whilst Members have the same right as the Public to seek information from the Council it is not considered that Members should need to make formal requests under such statutory rights to receive information from their own Council. It is considered, therefore, that the communication by the Interim Chief Executive to Members and Staff referred to above, supported by the proposed amendment to the Constitution to provide for Members to be treated in the same manner as Members of the Public in relation to requests for information, and the direction of requests to a central contact point and to Directors and Senior Managers will lead to there being little need for such requests going forward.

5.11.2 in relation to any difficult areas, staff will now have access to dedicated expert advice on legal issues relating to the Data Protection Act and the Freedom of Information Act at the shared Legal Service with Harrow. It is considered that this will assist Officers considerably to deal more confidently and more expeditiously with requests for information under these statutes.

5.12 The Culture of Behaviours Amongst Members and Officers

5.12.1 The Committee will note from paragraphs 5.8 and 5.9 of this Report that the Interim Chief Executive has written to Members and Officers alike to reinforce good behaviours in the governance context.

5.12.2 It is indeed very much the case that the rules and procedures which prescribe good practice rely upon good behaviour for their effectiveness.

5.12.3 In this regard the Committee is informed that since the last meeting of this committee it is the case that all of the independent investigations of formal complaints under the Councillors' Code of Conduct against and among Members arising from the abortive 2017 Chief Executive appointment have now been completed and the final reports of the investigators have been issued. In no case was it found that there had been a breach of the Councillors' Code of Conduct. Nevertheless, the Reports did reveal behaviours which highlighted difficult relationships during this period between Officers and Members and amongst Members. It is considered that these are matters of behaviour which should be

addressed in furtherance of the purposes of the Constitution set out in Article 1 of the Constitution.

- 5.12.4 These difficult relationships and behaviours are matters which could be addressed by training and by building upon the programme of training “Actions Speak Louder Than Words” carried out across the Council subject to the findings of an ongoing evaluation of that programme. This could be a matter for further consideration by the new permanent Chief Executive, once in post.
- 5.12.5 It is of great importance, however, that the Committee, because it has been specifically charged to carry out a review of the Council’s governance arrangements as a result of specific difficult circumstances arising last year, receive, in confidence, the redacted copy of the independent investigation report (referred to in paragraph 5.4 above) which gained particular notoriety at the time. The purpose of providing the committee with this report in confidence in this manner is to enable general assurance to be taken that any findings of the Committee’s on the state of the Council’s governance arrangements arising from this report have been arrived at in all transparency.
- 5.12.6 Of course, matters could be enhanced further by informal adoption of good behaviour such as better cross party working, sharing of information between party groups, cross party co-operation on appointments to positions on committees and panels, joint working on further enhancement for better governance etc. all of which are not dependant upon formal provision in the Constitution but upon better behaviours outside the formal arrangements but which enhance them. Work is now continuing to seek to encourage the adoption of such behaviours and to imbed them.
- 5.12.7 During the current calendar year only four new complaints of Member conduct under the Code have been received, in marked contrast to the second half of the last calendar year.

5.13 Review of Decision Making Processes

- 5.13.1 For a considerable period of time now, there had developed within the Council a plethora of boards, project boards, consultative and advisory groups and informal groupings which led to confusion over the appropriate and correct decision making process.
- 5.13.2 the Council have now undertaken a complete overhaul of these procedures and groupings, which has been considered by the Interim Chief Executive, the Council Management Team and Lead Members.
- 5.13.3 As a consequence there is now in place a formal decision making process which provides a principled and properly understood process for decision making within the Council.
- 5.13.4 There is appended at Appendix 2 of this Report a schematic chart showing this new decision making process which takes account of the new directorates and their operation.

5.14 Establishment of Risk and Audit Board

- 5.14.1 The Council have now established a formal Risk and Audit Board to keep under constant review the Council's Corporate Risks Register and the risk registers of individual directorates.
- 5.14.2 the Risk and Audit Board consists of the Director for Finance and Resources, the Council's Service Lead For Finance, the Service Lead for Governance, the Council's Senior Risk and Insurance Officer, a representative from the Project Management Office, a representative from the Council's internal auditors and a representative from each directorate.
- 5.14.3 the Board meets once every month and reviews the Council's Corporate Risk Register and the risk register of a selected directorate at each meeting, on a rolling basis. In this manner, the risks registers are constantly monitored and actions required to mitigate or avoid them are progressed

5.15 Establishment of Charitable Trustee Committee

- 5.15.1 The Council is the corporate trustee of three registered charitable trusts, namely the Salt Hill Playing Fields Trust, the Langley War Memorial Trust and the War Memorial Fields.
- 5.15.2. Up till recently any decisions relating to these Trusts had to be taken at full Council as this was a Council side function and there was no mechanism for decisions to be taken otherwise on trust matters. This was unwieldy and not the best practice for dealing with the Council's functions as a corporate trustee.
- 5.15.3 At its meeting on 24 April 2018, the Council agreed, in accordance with Best practice, to set up a Trustee Committee of 7 members with appropriate terms of reference as advised by external, specialist Solicitors to discharge the Council's functions as a corporate Trustee.
- 5.15.4 Officers are now in the process of arranging appropriate Training for this Committee to enable the Committee to operate and to fulfil its functions, which are designed to provide clarity of purpose, ensure compliance with Charity Commission regulatory requirements, legal requirements of trustee obligations and to avoid conflicts of interest between the Council when acting in its different capacities as a local authority on the one hand and as a corporate trustee of charitable assets on the other.

5.16 Delegation of the Council's Legal Services Function

- 5.16.1 The Council's Legal Services department had become considerably depleted over time. Recruitment and retention of suitable staff was a continuing matter for concern. It was proving increasingly difficult to maintain a good and timely service without the expensive outsourcing of work to private firms. The Legal Services department lacked resilience and could not provide an attractive career path for staff employed within the department.
- 5.16.2 On 19 March 2018 the Cabinet agreed to the delegation of the Council's legal services function to the London Borough of Harrow, to be delivered by the joint legal service hosted by that Borough on behalf of itself, other London Boroughs and other authorities in Buckinghamshire. This decision was approved by full

Council on 24 April 2018 when the necessary constitutional changes were also agreed by Council.

5.16.3 On 31 May 2018 an Inter Authorities Agreement was completed between the Council and the London Borough of Harrow to effect the transfer of the legal services function to that Borough and the transfer became operational on 1 June 2018, when the Council's legal services staff transferred to the new service under TUPE arrangements.

5.16.4 With effect from 1 June 2018, therefore, the Council has access to a large and experienced legal service dedicated to work for public authorities whose profits are reinvested only in improvements of the service. This will enable the Council to have greater control over its legal spend and it provides the resilience previously lacking in the service. The Council's staff who transferred to the new service have greater opportunity for career progression than before.

5.17 Operational Issues Experienced In the Governance Area

5.17.1 Since the last meeting of this Committee, operational issues have arisen in the area of governance, which have provided the opportunity to improve governance practices at the Council, instances of which are described below.

5.17.2 It appeared, based on previous advice issued, that Officers had operated on the basis that during the "Purdah" period, at the time of elections, it was in order for Members to be shown on council publicity if they were not standing as a candidate in the election. This could in certain circumstances breach the Code on Local Authority Publicity and corrected advice was issued to officers to avoid such publicity during the relevant time.

5.17.3 Conversely, as a result of the advice issued as above, Officers also mistakenly stopped including news about Members' activities in the weekly Bulletins to Members. Accordingly, corrective advice was issued to officers that it was only publicity aimed at the public or a section of the public which was subject to the code and not publicity between Members and so it was not necessary to remove references to individual members and their activities from the Bulletin.

5.17.4 It had been the practice of the Council, and in fact the practice of all the authorities in Berkshire, not to apply the principle of political proportionality in relation to appointment of members to the Fire and Rescue Authority, which is required by the relevant legislation. When this non-compliance was brought to the attention of the Council, the practice was altered at the Council and, via the office of the Council's Interim Chief Executive, at all the other Berkshire authorities. Henceforth this error should not be perpetuated.

5.17.5 The Council's Constitution provides for the automatic disqualification of members of the Overview & Scrutiny Committee and its Panels in the event of three consecutive failures to attend meetings without good reason. It was proposed to extend this to all the Council committees, sub-committees and panels. This practice, was however, declared unlawful by virtue of the Localism Act 2011 by a judgement of the High Court of Justice handed down in May 2018 and hence action will now be taken to amend the Constitution in a manner that will not breach the law.

5.18 **Engagement with the Local Government Association**

- 5.18.1 Since the last meeting of this Committee there has been increased engagement, both by Officers and Members, with the Local Government Association (“LGA”) though meetings and support from LGA Officials.
- 5.18.2 The LGA supports good practice across all local authorities and provides learning and mentoring opportunities for both Officers and Members.
- 5.18.3 LGA representatives have met with the Interim Chief Executive and with the Directorate Management Team for the Finance and Resources Directorate and have provided individual members with access to contacts and opportunities to learn about and import good practice to the Council. This resource is now available to Managers to exploit as required.
- 5.18.4 LGA representatives have held a training session for Members upon effective Overview and Scrutiny functions and Members have had peer support in establishing better governance.
- 5.18.5 There is now increased awareness amongst Officers and Members of the utility of the LGA as a resource for reinforcing good practice and good governance.

5.19 **Engagement with the Ministry of Housing Communities and Local Government**

- 5.19.1 Civil Servants from the Ministry of Housing, Communities and Local Government (“MHCLG”), the former Department of Communities & Local Government (“DCLG”), have visited the Council’s Statutory Officers responsible for Governance i.e. the Monitoring Officer and S151 Officer and the Service Leads for Finance and Governance, for an in depth discussion upon the Council’s plans and practices in these important areas.
- 5.19.2 The Civil Servants involved in the visit recognised the significant work undertaken to improve the governance arrangements within the Council and did not express any concerns following their visit. The Council also intend to arrange further training sessions via South East Employers and make use of their resources as a further improvement tool going forward.

5.20 **Legal Implications Content In Reports to the Council and the Executive**

- 5.20.1 The most important control which seek to avoid the Council undertaking any actions or policies which may be ultra vires the Council or which might breach and statutory requirements in the requirement for legal implications to be considered.
- 5.20.2 Following the delegation of the Council’s Legal Services function to the London Borough of Harrow, the Council’s Senior Management Team has been instructed that report must be submitted to the Head of Legal Practice at Harrow to provide legal implications content for Reports before they are passed to the Service Lead for Governance to approve for publication.
- 5.20.3 The greater range of expertise and breadth of coverage of subject areas available from the share legal service should considerably reduce any risk of actions being taken by the Council which are ultra vires

5.21 Community Governance Review

5.21.1 At its meeting on 17 May 2018 the Council approved the carrying out of a Community Governance Review into the Parish Council arrangements in the Borough under the Local Government and Public Involvement in Health Act 2007.

5.21.2 This review is underway and expected to report recommendations by the end of the year which will provide an opportunity for further enhancement, if required, of the Council's Governance arrangements in relation to authorities in the tier below and interactions with them..

5.22 Annual Governance Statement

To reflect the findings of this Report, there is appended to this Report, at Appendix 3, the Council's proposed Annual Governance Statement for approval by the Committee.

6 Conclusion

The conclusion that is drawn from the cumulative consideration of the matters set out in this Report is that there is no crisis in the Council's governance arrangements, which are generally sound and improving, and this Committee can take assurance that the arrangements embody the features of good governance recognised in the Council's resolution of 19 December 2017.

7 Background Papers

None

Appendices

Part 1

Appendix 1 - Printed Minutes of the Council's Resolution of 19 December 2017.

Appendix 2 – Council's Decision Making Structure

Appendix 3 – Council's proposed Annual Governance Statement

Part 2 – Confidential Appendices

Appendix 4 – Redacted Investigation Report (Penn Report).

MINUTES OF COUNCIL PROCEEDINGS

At an Extraordinary Meeting of the Council for the Borough of Slough held at the Meeting Room 1, Chalvey Community Centre, The Green, Chalvey, Slough, SL1 2SP on Tuesday, 19th December, 2017 at 7.50 pm

Present:- The Worshipful the Mayor (Councillor Shah), in the chair; Councillors Ajaib, Anderson, Bains, Bal, Brooker, Carter, Cheema, Chohan, Coad, Dar, Davis, Amarpreet Dhaliwal, Arvind Dhaliwal, M Holledge, N Holledge, Hussain, Matloob, Nazir, Pantelic, Parmar, Plenty, Rana, Sadiq, A Sandhu, R Sandhu, Sarfraz, Sharif, Smith, Sohal, Strutton, Swindlehurst, Usmani and Wright.

Apologies for Absence:- Councillors Bedi, Chahal, Chaudhry, Kelly, Mann, Qaseem and Rasib.

49. **Declarations of Interest**

Councillor Bal declared that his daughter worked for Slough Borough Council.

50. **To Consider Motions Submitted regarding Governance and Postal Votes.**

Governance Motion

It was moved Councillor Swindlehurst,
Seconded by Councillor Strutton

“This Council recognises that:

- Good governance ensures we are doing the right things, in the right way, for the right people in pursuing our vision for Slough.
- Good governance leads to good management, high standards of performance, efficient stewardship of public money and ultimately the right outcomes for our residents and service users
- Good governance must include all members of the council- majority and opposition groups -and be embedded in the core operating functions of the Council and applied with the necessary transparency.

Therefore this Council resolves to:

- Tackle the significant governance issue facing the authority.
- To ensure its governance arrangements are resilient, open, honest, inclusive and accountable.
- Commission the Audit and Corporate Governance Committee to undertake a full review of the Council's governance arrangements.”

The motion was put the vote and carried unanimously.

Resolved –

This Council recognises that:

- Good governance ensures we are doing the right things, in the right way, for the right people in pursuing our vision for Slough.
- Good governance leads to good management, high standards of performance, efficient stewardship of public money and ultimately the right outcomes for our residents and service users
- Good governance must include all members of the council- majority and opposition groups -and be embedded in the core operating functions of the Council and applied with the necessary transparency.

Therefore this Council resolves to:

- Tackle the significant governance issue facing the authority.
- To ensure its governance arrangements are resilient, open, honest, inclusive and accountable.
- Commission the Audit and Corporate Governance Committee to undertake a full review of the Council's governance arrangements.

Postal Votes Motion

It was moved by Councillor Swindlehurst,
Seconded by Councillor Bains,

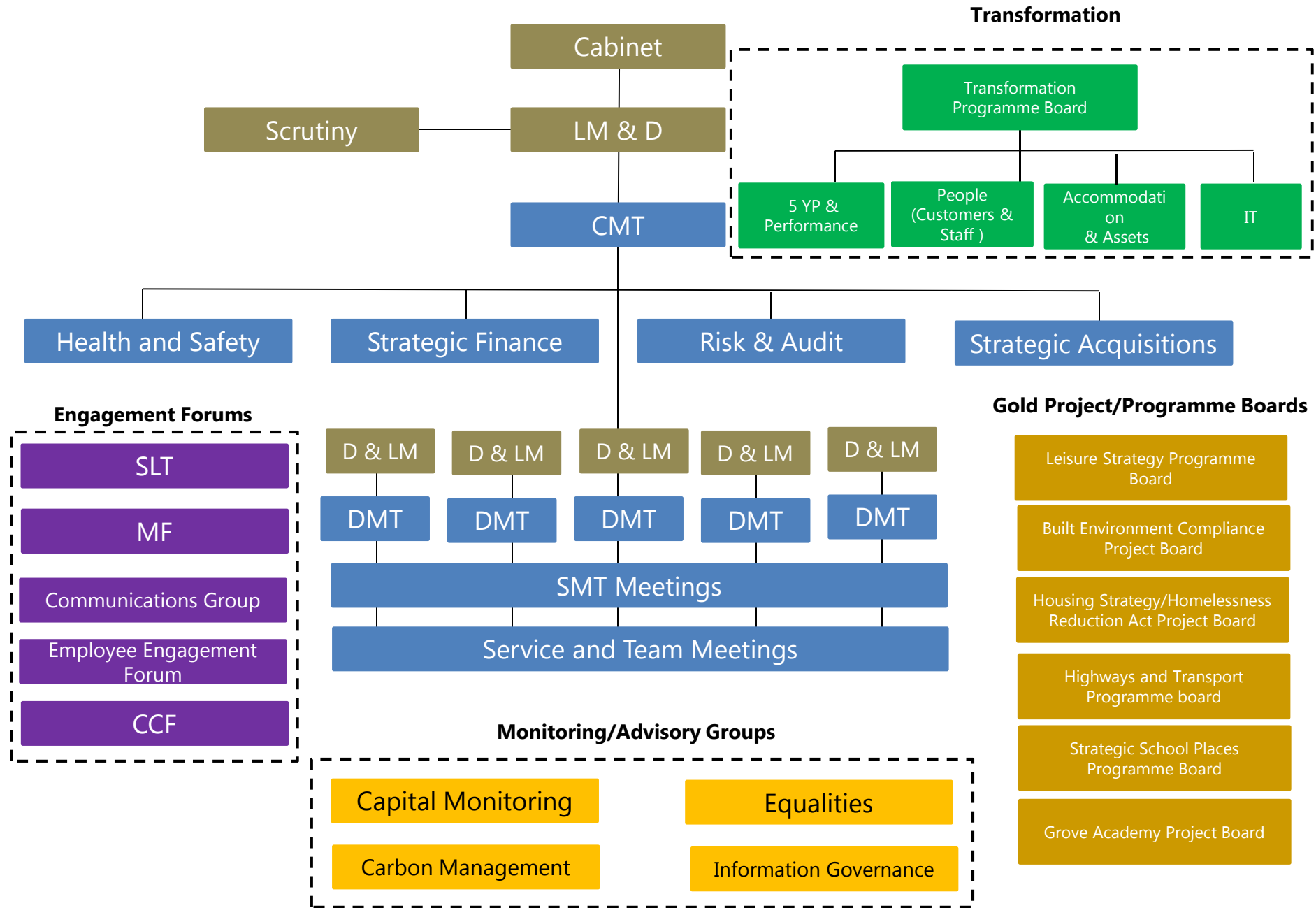
“This Council requests that the Returning Officer liaise with the Cabinet Office to design a brief for a pilot scheme to be trialled at the 2018 in local elections in Slough- with the pilot containing measures to strengthen the integrity of the postal vote system, help tackle fraud, and improve voter confidence.”

The motion was put the vote and carried unanimously.

Resolved – This Council requests that the Returning Officer liaise with the Cabinet Office to design a brief for a pilot scheme to be trialled at the 2018 in local elections in Slough- with the pilot containing measures to strengthen the integrity of the postal vote system, help tackle fraud, and improve voter confidence.

Chair

(Note: The Meeting opened at 7.50 pm and closed at 8.14 pm)



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Annual Governance Statement

2017/18



Slough Borough Council

INTRODUCTION AND PURPOSE OF THIS DOCUMENT

Slough Borough Council is responsible for ensuring that its business is conducted in accordance with the law and regulations, internal policies and procedures and that public money is safeguarded and properly accounted for, and used economically, efficiently, effectively and lawfully. Slough Borough Council also has a duty under the Local Government Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Slough Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Slough Borough Council has approved and adopted a code of corporate governance through its constitution and five year plan, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government 2016 edition*. A copy of the authority's constitution is on our website at www.slough.gov.uk or can be obtained from the Head of Democratic Services. This statement explains how Slough Borough Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

This document is an assessment of our "governance", but what do we mean by that word? There is no legal definition of "governance", but we believe it is best summarised as:

having:

- the right **governance structures** (including constitution, committees, delegated powers, internal management structures and audit arrangements)
 - the right **plan of action** (including **vision, aims, approaches and ambitions**); and
 - the right **way of operating** (including openly, honestly and efficiently)
- so that we deliver:
- the **right services**, to the **right people**, at the **right price** and at the **right time**.

Further guidance is given by CIPFA (the Chartered Institute for Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) which in 2007 jointly published a "Framework for Delivering Good Governance in Local Government", updated on an annual basis with the latest revision dated 2016.

This guidance is recognised as the proper practices referred to in the Accounts & Audit Regulations that we must follow (and in that sense is the nearest one can get to the 'official' definition of Governance), and sets out seven core principles of good governance, which we think are compatible with the summary we gave above.

CIPFA/SOLACE lists these core principles as:

- 1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law**
- 2. Ensuring openness and comprehensive stakeholder engagement**
- 3. Defining outcomes in terms of sustainable economic, social and environmental benefits**
- 4. Determining the interventions necessary to optimise the achievement of intended outcomes**
- 5. Developing the entity's capacity, including the capability of its leadership and the individuals within it**
- 6. Managing risks and performance through robust internal control and strong public financial management**
- 7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

The law requires each council to produce an annual statement to provide assurance that it is a well-governed organisation with the right policies and controls in place to ensure excellent public services are delivered and public money is spent wisely. **This is called our 'Annual Governance Statement' and includes a 'review of effectiveness'.**

This report is written under the authority of the Council's Audit and Corporate Governance Committee and approved by the committee at its meeting on 18 July 2018 through its delegated authority. It is signed by the Leader (an elected Councillor) and Interim Chief Executive (an Officer) and published with the final accounts by 30th September 2018. It was submitted to our external auditors along with our annual accounts by 31 May 2018; the auditors will consider whether the information we've submitted meets their expectations as part of their annual opinion in September 2018.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

We acknowledge our responsibility for ensuring that an effective system of internal control is maintained and operated in connection with the resources concerned. The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

GOVERNANCE STRUCTURES

The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

In the introduction above, the first thing we said was that we should have the right governance structures in place.

The key elements of the systems and processes that comprise Slough Borough Council's governance arrangements are set out below and include arrangements for:

- Identifying and communicating Slough Borough Council's Strategy through our Five Year Plan 2018-2023. The Plan sets out our intended outcomes for citizens and service users, the key actions to deliver these outcomes and how we will measure success
- Measuring the quality of services for users, ensuring they are delivered in accordance with Slough Borough Council's objectives and ensuring that they represent the best use of resources
- Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff
- Reviewing and updating the Constitution including Financial Procedure Rules and the scheme of delegation, which clearly define how decisions are taken and the processes and controls required to manage risks
- Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government (April 2016)"
- The Audit and Corporate Governance committee which performs the core functions of an audit committee, as identified in CIPFA's "Audit Committees – Practical Guidance for Local Authorities" (2018)
- Policies for Whistle-blowing, and requirements defined within the Constitution for managing conflicts of interest and for procedures which are available via the Council's website in relation to receiving and investigating complaints from the public
- Demonstrating a commitment to openness and acting in the public interest by exercising leadership through a robust scrutiny function (including the Audit and Corporate Governance and Overview and Scrutiny Committees) and demonstrating openness through the public's ability to attend Council meetings.
- Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

This section reviews those structures. We govern ourselves through **Council**, a **Corporate Management Team**, **Cabinet** and **Committees**, and we have many **policies** in place that govern our activities which we follow. These are listed in turn below:

Council

The number of elected Councillors in place at the end of the 2017/18 financial year is 42. The Council met nine times during the year. The numbers attending each meeting were as follows:

- 25 Apr 2017: 39 Councillors attended the meeting
- 18 May 2017: 37 Councillors attended the meeting
- 25 Jul 2017: 36 Councillors attended the meeting
- 28 Sept 2017: 37 Councillors attended the meeting
- 28 Nov 2017: 38 Councillors attended the meeting
- 19 Dec 2017: 34 Councillors attended the meeting (extraordinary meeting)
- 19 Dec 2017: 34 Councillors attended the meeting (extraordinary meeting)
- 30 Jan 2018: 41 Councillors attended the meeting
- 22 Feb 2018: 34 Councillors attended the meeting

Meetings of Council were held in open forum and considered reports from other committees.

Corporate Management Team (CMT)

CMT meets regularly throughout the year, and reviews and approves reports before they are sent on for consideration by the relevant Committee. They are also involved in the development of new policies and strategies for the Council, either directly, or by management review and comment. During 2017/18, we undertook a restructure which involved a change in the directorate structure and the removal of the posts of Assistant Directors, which were replaced by Service Leads. This process also included the establishment of five directorates, with the current post holders documented below:

- Place and Development - Vacant
- Children, Learning and Skills – Cate Duffy
- Finance and Resources – Neil Wilcox
- Adults and Communities – Alan Sinclair
- Regeneration – Joe Carter

Current members of CMT are:

- the **Interim Chief Executive** (Nigel Pallace – from February 19th 2018) is the person who is ultimately responsible for the welfare of the Council's employees and is Head of Paid Service); the role was previously filled by Roger Parkin until 19th December 2017;. In the period between Roger's departure and Nigel commencing at the Council the role was covered on a rotational basis by other members of CMT.
- the **Director of Adults and Communities**;
- the **Director of Finance and Resources**;
- the **Director of Children, Learning and Skills**;
- the **Interim Director of Place and Development**;
- the **Director of Regeneration** ; and
- the **Service Lead Governance**

During 2017/18, the Interim Director of Place and Development stepped down from the role, and we are looking to restructure this directorate and in the short-term, the responsibilities and staff have been transferred to the Interim Chief Executive..

Supporting Officers

- The **Section 151 Officer** (Neil Wilcox – also the **Director of Finance and Resources**) is responsible for looking after the financial affairs of the Council, fulfils the role of Chief Financial Officer and is a CIMA Qualified Accountant. The role of the Chief Financial Officer complies with the governance requirements as set out within the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) through:
 - Being a key member of the Leadership Team, with a dotted reporting line to the Chief Executive, helping the Council to develop and implement strategy and to resource and deliver the organisation's strategic objectives and having access to CMT papers and meetings;
 - Being involved in all material business decisions made by the Council to ensure both immediate and long-term risks and implications are considered and that these are in line with the financial strategy;
 - Leading the promotion and delivery of good financial management across the Council through ensuring that key financial targets are being set and reporting on performance against these to CMT and Members;
 - Ensuring the finance function is well led and effectively resourced throughout the year.

- The **Monitoring Officer** (Hugh Peart) is responsible for ensuring that decisions by the Council are legal, and are made in an open and transparent way. The Monitoring Officer also reviews any reports or complaints about conduct and behaviour. The current post holder has held the position from January 2018 to date with the post filled by a previous post holder (Linda Walker) from October 2016 until this date.
- In addition, the Service Lead, Governance, is the council's Deputy Monitoring Officer with effect from January 2018.

Cabinet

The Cabinet is the Council's principal decision-making body, consisting of elected Councillors, appointed by the Leader of the Council, each with an area of responsibility called a 'portfolio' for which they are "Lead Members". Although the Cabinet can be made up of any political proportion, at the moment all our Cabinet Members come from the majority political party. During 2017/18 the Leader of the Council resigned and a new Leader (James Swindlehurst) was appointed from the 1st December 2017. A new Cabinet was named by the leader and they commenced in their roles from this date.

Audit & Corporate Governance Committee

This Committee met four times during the 2017/18 financial year. The purpose of this Committee is to advise and review the Council's arrangements for internal audit, internal control, risk management, financial management, standards and corporate governance, in line with the CIPFA Practical Guidance for Local Authorities (2013). The Committee will also:

- Promote and maintain high standards of conduct by Members.
- Provide independent assurance of the adequacy of the risk management framework and the associated control environment.
- Approve the financial statements.
- Approve the Annual Governance Statement.

Overview & Scrutiny Committee

The Overview & Scrutiny Committee consisted of nine non-Executive members (those who are not members of the Cabinet) and is appointed on a proportional basis (with political groups represented in the same proportion as on the whole Council). The Committee met seven times during the year plus a further extraordinary meeting.

This Committee scrutinises a range of policy, financial and performance issues and makes reports and recommendations to Cabinet or full Council.

The Committee also scrutinises the implementation of the community and corporate performance plans, as well as investigating broad policy matters, including reviewing decisions taken or to be taken by the cabinet or Chief Officers under delegated powers.

The Committee is responsible for co-ordinating the consideration of 'member call-ins' where a Councillor requests that a particular issue is considered.

There are also three Scrutiny Panels in addition to the Overview and Scrutiny Committee which focus on the different aspects of the Council's work – Health, Neighbourhoods and Community Services and Education and Children's Services

The Council also has other committees (planning, licensing etc.), but these are not concerned directly with governance arrangements so are not listed here.

Policies

The following table lists the Council's main documents, policies and procedures; we refer to and follow these, to make sure we do things in the right and consistent way. All these policies have been approved by your elected Councillors where required.

Title	Last updated
Constitution (including Financial Procedure Rules)	2016
Risk Management Strategy 2016	2016
ICT Strategy 2015-2018	2016
Slough Joint Wellbeing Strategy 2016-2020	2016
Whistleblowing Policy and Procedure	2017
Corporate Plan (Five Year Plan) 2018-23	2017
Slough Wellbeing Strategy 2016-20	2016
Economic Development Strategic Plan for Growth 2014-18	2014
Equalities Strategy 2017	2017
Commissioning Strategy for Adult Social Care 2010	2010

Better Care Fund Plan 2016-17	2016
Safeguarding Adults Multi-Agency Workforce Development Strategy 2014-17	2014
Joint Carers Commissioning Strategy 2016-21	2016
Autism Strategy 2014-2017	2014
Learning Disabilities Plan 2016-2019	2016
Voluntary Sector (Partnership) Strategy 2015-2020	2015
Joint Strategic Needs Assessment 2016	2016
Sustainability and Transformation Plan 2016-2020	2016
Corporate Parenting Strategy 2016-2018	2016
Corporate Procurement Strategy 2012	2012
Leisure Strategy 2016	2016
Parks and Open Spaces Strategy 2015-20	2015
Carbon Management Plan 2015-20	2015
Regulatory and Enforcement Services Enforcement Policy 2016	2016
Asset Management Plan 2014-17	2014
Local Transport Plan 2011-26	2011
Housing Revenue Account Business Plan 2017-47	2017
Draft Housing Strategy 2016-21	2016
Housing Allocations Scheme 2013-18	2013
Tenancy Strategy and Policy 2013-18	2013
Medium Term Financial Strategy 2017-21 (included in Revenue Budget)	2017
Capital Strategy 2017-23	2017
Treasury Management Strategy 2017-18	2017

The Council's Cabinet adopted a new Ant Fraud and Corruption Strategy on 18 April 2017.

VISION, AIMS, APPROACHES AND ACTIONS

In the introduction to this document, the second thing we said we needed was the right plan of action. The Five Year Plan was introduced in January 2015 and replaced the previous Corporate Plan. This is reviewed and refreshed on an annual basis, the most recent version being updated in 2018, covering the period from 2018-2023. It was accepted that as a result of the funding challenges the Council faces, we needed a new approach to forward planning over the medium term.

The Plan sets the following overarching **Vision** for the Council:

“Growing a place of opportunity and ambition”

The Plan further outlines the priority outcomes of the Council which, by 2023, are:

- Slough children will grow up to be happy, healthy and successful
- Our people will be healthier and will manage their own care needs.
- Slough will be an attractive place where people choose to live, work and stay

- Our residents will live in good quality homes
- Slough will attract, retain and grow businesses and investment to provide opportunities for our residents.

The Plan identifies the challenges and opportunities facing the town, and includes five outcomes to respond to these opportunities and challenges, along with key actions to deliver the outcomes and measures of success. We have chosen to express our Plan in terms of outcomes supported by actions and success measures that will assist us in delivering our Plan, because we believe that a clear, simple, transparent set of statements provides the best way of establishing and then achieving them, and of being able to monitor performance – all of which is good governance.

The introduction of the Five Year Plan was important in providing clarity of vision and direction, explaining how and why the council is changing and identifying more effective and efficient ways of working together. The Five Year Plan is updated every year and we also produce an Annual Report so we can check progress. During the 2017/18 financial year, we carried out an in-depth review which reduced the number of outcomes from eight to five, combining some where there was overlap and duplication and removing others where they were more about ways of working than tangible outcomes.

This year we have worked with the Leader and Cabinet to ensure their priorities are reflected in the outcomes.

The Plan is therefore an important element of our strategic narrative in explaining our ambitions for Slough and how we are delivering major schemes to transform the borough for the better, while at the same time ensuring that vital services for those most in need are provided.

REPORTING

In the Introduction, we said that we needed the right way of operating (including openly, honestly, efficiently, etc.) so that, as outputs, we deliver the right services, to the right people, at the right price, and the right time. We also mentioned above that “it is standard practice to ‘work backwards’ and assess the results and performance, and infer that, if these outputs are good, that is a sign that the underlying governance is also working properly. This section reviews how we reported on the results.

Regular reporting

Within our Five Year Plan we have established a number of key performance indicators (outcome measures) which we use to measure the performance of the Council during the year. These are reported in the form of a balanced scorecard, which is reviewed and updated annually. The following regular reports are received at our Cabinet meetings:

- **Five Year Plan Progress Updates and Annual Report (formerly Corporate Plan)**
- **Finance and Performance Report:** quarterly reporting on progress against the targets in the Corporate Plan and delivery of performance targets. We also publish detailed revenue and capital expenditure reports each quarter, and include financial forecasts.
- **Balanced Scorecard:** quarterly performance against the Council’s key performance indicators
- **Council’s Gold Projects Updates:** we publish quarterly performance in respect of the delivery of the Council’s Gold projects, which are our key strategic projects.
- **Financial and Performance Outturn Report:** we have published a report following the year end detailing how we performed against our targets for 2016/17

We publish, annually:

- The **Statement of Accounts**: The format of these is set by accounting regulations. The council's accounts are subject to external audit, currently by BDO. Members of the public and local government electors have certain rights in the audit process.
- An **Annual Audit Letter**: Every year the council's external auditors, produce an Annual Audit Letter. This letter is a high level summary of the auditors' findings from their work during the previous financial year.

Auditing and monitoring

The Council was subject to auditing and monitoring processes, which were intended to be objective and (where necessary) critical:

- **Internal audit**: we appointed RSM to carry out audits on a number of specific areas that we asked them to review, linking them with our known strategic and operational risk areas.

To satisfy the requirements of the CIPFA guidance in relation to the role of the Head of Internal Audit, RSM's Head of Internal Audit provides an annual opinion to the council on all aspects covered in relation to governance, risk management and internal control following objective assessments during the year of the adequacy of governance and the management of risks. RSM's Head of Internal Audit is a Partner within RSM, and leads an Internal Audit service which has been independently assessed by the Institute of Internal Auditors (IIA) during 2016 which concluded that the service provided by RSM was fit for purpose.

The head of Internal Audit also has a functional reporting link into the Audit and Corporate Governance Committee, and a direct link in to both the Chief Executive and Section 151 Officer.

To comply with good governance on partnership arrangements, the Internal Audit service reports into the Audit and Corporate Governance Committee, and the management of this relationship is through the Council's Section 151 officer.

For each area of review, internal audit typically provide assurance on the policies and procedures in place and the governance arrangements in operation to monitor the performance in that area. For each area in the 2017/18 plan, a report was issued concluding with an assurance opinion that utilised a 'traffic light' system (red, amber, green) as to how they think each area was doing; and to agree management actions for changes to our procedures and governance arrangements. RSM have provided an Annual Report in which it includes all the areas they reviewed; what 'traffic light' they gave and how many [high/medium/low priority] management actions were agreed.

The Head of Internal Audit Opinion for 2017/18 concluded that 'There is 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.'

Positive assurance opinions were provided in 23 of the 31 assurance (41 reports issued in total, other 10 were follow up or advisory) reports issued in 2017/18. Whilst no 'no assurance' opinions were issued there were eight 'partial' assurance opinions issued during the year where a number of areas were identified where improvements in the control framework were required. It should also be noted that a number of advisory reviews were also undertaken which identified weaknesses in control, and these, together with the significant issues identified within the partial assurance reports have been highlighted within the improvements section below.

- **External audit**: The Council's external auditors, BDO, provided an unqualified opinion on the financial statements for the year ended 31 March 2017. BDO were satisfied that management had acknowledged weaknesses in its governance arrangements in its 2016/17 Annual Governance Statement, to be published as part of its 2016/17 Statement of Accounts, and that action is being taken to address these issues during 2017/18. Specifically, in respect of necessary improvements to the preparation of the financial statements, including supporting working papers, BDO have taken account of ongoing activity to increase the level of resources in the finance team and an additional layer of quality control review by management.

BDO have therefore not at this stage sought to exercise any of our additional reporting powers under the Local Audit and Accountability Act 2014 in respect of the 2016/17 audit. However, BDO will closely monitor developments in this area.

Due to weaknesses in the system of internal control and arrangements in key areas such as information governance, risk management, compliance with the Local Government Transparency Code, HR policies and procedures and whistleblowing response procedures during 2016/17, we are proposing to qualify our use of resources conclusion. The Council had not during the year demonstrated or applied the principles and values of sound governance and internal control to support informed decision making”.

“Subject to the successful resolution of outstanding matters set out on page 7 below, we anticipate issuing an unmodified opinion on the financial statements for the year ended 31 March 2017.” [The opinion is expected from BDO shortly and this Statement will be updated appropriately]

Other external assurance sources

- Sometimes we are reviewed by external bodies that look at certain services such as OFSTED, which provided a review of Children’s services, resulting in an inspection in December 2015 with an ‘inadequate’ rating. This was following the intervention of the Parliamentary Under Secretary of State for Children and Families using intervention powers under section 497A of the Education Act 1996 with respect to the Council’s exercise of its children’s social services functions, and creating a new organisation (Slough Children’s Services Trust) from 1 October 2015. The most recent OFSTED monitoring visit was undertaken in January 2018 and concluded that;

‘Based on the evidence gathered during this visit, the council and trust are continuing to make progress in some areas to improve services for children. Social work practice is improving. Assessments, plans and reviews are evident in the vast majority of children’s cases. Nevertheless, like previous monitoring visits, inspectors identified weaknesses in the effectiveness of management oversight. This continues to be an area of practice that requires attention. This has hampered progress in some areas and consequently, the pace of improvement has been slow. Leaders have recently taken action to re-focus the trust’s improvement plan, with increased emphasis on strengthening management oversight and accountability. The priorities set are appropriate, but it is too early to demonstrate impact.’

The trust has quickly established an accurate view of what needs to change. Managers are rightly prioritising workforce, performance management and the management oversight of practice. Under the decisive leadership of the chief executive of the trust, some important areas of poor practice are being tackled and children are already safer as a result. The Council and the Trust are in the process of negotiating a variation to the Service Delivery Contract between the Council and The Trust to reflect current working practices and to enhance service delivery under the contract.

- **Corporate Risk Register:** We document our corporate risks within this register which enables the Council to monitor how risks are being managed through regular review at the Risk Management Group (Now Risk and Audit Board from May 2018) and CMT. The Corporate Risk Register describes and rates each risk in terms of likelihood and consequence. It also lists controls mechanisms in place to manage those risks stated and actions to be undertaken to reduce the risks. This process has undergone a significant review during 2017/18, including the implementation of a new risk management software solution, a review of the Corporate Risk Register and assessment of the strategic risks facing the Council, together with the provision of risk management training for risk owners. In summary, improvements have been made to this process in 2017/18 but there is still further work to do to embed these arrangements further in 2018/19 and beyond. The Corporate Risk Register is also presented to each CMT meeting for review.

- **Audit recommendation tracker:** We have a process of recommendation tracking to ensure that recommendations made by our Internal Auditors are implemented in a timely manner. We report on the progress in implementing recommendations to the Risk and Audit Board each meeting and to the Audit and Corporate Governance Committee. This process has continued into 2017/18. Whilst the implementation of audit recommendations is still not as robust as the Council would like, we have demonstrated improvements during 2017/18 in this area and this can be evidenced by the outcome of internal audit reviews.

REVIEW OF EFFECTIVENESS

Slough Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of all managers within Slough Borough Council who have responsibility for the development and maintenance of the governance environment.

The following process has been applied in maintaining and reviewing the effectiveness of the governance framework, and includes:

- The work of the Risk Management Group (now Audit and Risk Group) and the Risk Management Strategy including a re-refresh of the Corporate Risk Register
- The annual assurance statements produced by all Heads of Service
- The work of the Audit and Corporate Governance Committee
- The work of the Standards Sub-Committee
- The work of Internal Audit
- The work of the Overview and Scrutiny Committee.
- Directors complete an annual assurance statement that is supported by a governance self-assessment completed by each Assistant Director; these are available on request.

We are currently in the process of undertaking a review of our Governance arrangements, which is being led by our Monitoring Officer, and following the completion of this a plan to address any weaknesses and ensure continuous improvement of the system(s) will be developed.

ANNUAL ASSURANCE STATEMENTS

As detailed above, in order to provide confirmation that each Directorate within the Council has a sound system of internal control in operation, which in turn helps to manage and control business risk, each Director has been required to complete, certify and return a statement of their Directorate's current position.

Each Director has been provided with a model format for completion and, in completing the statement, has facilitated the involvement of their Direct Reports (Service Leads) to ensure that sufficient input has been obtained to provide a clear and coherent statement of all risk and control issues within any given area. These statements are held by Internal Audit.

While the statements do not make reference to specific actions or audits undertaken, they document the control frameworks currently operating and the changes in process, such as the process to assign responsibility for management actions to ensure accountability for improvements required, and the mechanisms to monitor the implementation, through Senior Management Team meetings for each directorate.

IMPROVEMENTS

In the Annual Governance Statement for 2016/17 we identified a number of areas for improvement. The table below lists them, and comments how we did in addressing them in 2017/18.

<i>Issues reported in</i>	<i>2017/18 actions taken</i>	<i>Is this an issue for 2018/19 and</i>
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2016/17 AGS		beyond?
Safeguarding services and Safeguarding outcomes for children and young people (including risk assessments).	<p>Risks remain on the corporate risk register in Children's Social Care following the Ofsted inspection in December 2013 and the follow up in February 2014. An inspection of Children's Services was also undertaken during 2015/16 and the Service continues to be rated as inadequate.</p> <p>From the 1st October 2015 a new organisation, Slough Children's Services Trust (SCST), was established with staff previously working with Children's Services transferred to this organisation.</p> <p>The Council and Trust have worked together to develop a joint Ofsted Delivery Plan to address findings of Ofsted inspection and develop good services for vulnerable children.</p> <p>In August 2016 the council and Trust established a Joint Improvement Board (JIB) to monitor the delivery of the plan. The JIB includes all key partners, it meets monthly and is chaired by the Independent Chair, Slough Local Safeguarding Children's Board. The DfE attends as observer. The JIB reviews key performance and audit information as well as considering themed reports.</p> <p>There have been six Ofsted Monitoring visits (MV) to date, of which three fell in the 2017/19 period . Each MV focused on a particular theme relating to operational delivery of children's social care. In addition, the LGA was invited to conduct a "peer review" Safeguarding Practice Diagnostic in June 2018. In conjunction with the DfE the Trust has been assigned Essex County Council's Children's Services as an Improvement Partner to assist with improving outcomes for children in Slough. Ofsted have given notification of its intention to re-inspect Slough's Children's services within this calendar year.</p> <p>In 2017 and with the agreement of the DfE there was a transfer back from SCST to the Council of the Special Educational Needs and Disability (SEND) Service and the Family Information Service. In recognition of the progress that has been made the DfE also agreed that Slough no longer requires them to deploy a Commissioner for Children's Social Care.</p>	Yes
Contract Management	<p>This remains a key risk for the Council and continues to be managed by officers and captured on the Strategic Risk Register. In 2017/18 Internal Audit undertook a number of advisory reviews to assist us in developing our contract management arrangements together with carrying out an open book review into significant contracts.</p> <p>We have specifically targeted some of our internal audit coverage to provide some advice and assistance around the transition of significant contracts back into the Council, together with further work to support the development of our contract management framework. This will continue in 2018/19 where we will utilise our Internal Auditors to provide assurance that a number of our significant contracts are being managed effectively.</p> <p>In addition to this, we have also brought in a procurement specialist to review the effectiveness of our procurement arrangements with a view to delivering further improvements in this area.</p>	Yes

<p>Continued Economic Instability and Turbulence at a national level.</p>	<p>The Failure to Deliver a Balanced Budget Remains on the Corporate Risk Register for 2017/18 and beyond. The Council has reported a final outturn underspend for 2017/18 of £224K. We have set ourselves a balanced budget for 2018/19.</p> <p>In 2017/18 we also commissioned our Internal Auditors to undertake a review of our Budgetary Control arrangements together with a review of our key financial controls (including general ledger, creditors, payroll etc). Whilst Internal Audit were able to issue us with a reasonable assurance opinion in respect of our budgetary control arrangements, partial assurance opinions were provided in respect of their audits of Debtors, Creditors and Payroll. We have developed action plans to address these weaknesses and these actions will continue to be monitored to ensure their implementation.</p>	<p>Yes</p>
<p>Managing a mixed economy workforce.</p>	<p>The Council continues to monitor performance through metrics to ensure outcomes are met and during 2017/18 we have introduced a number of additional metrics within the Agresso system to ensure the management of the workforce can be more effectively monitored. We are continuing to ensure that the actions agreed from previous Internal Audit reports in this area are being implemented throughout the Council. We have also utilised support from Internal Audit in the production of our Gender Pay Gap report and work on this area will continue into 2018/19.</p>	<p>Yes</p>
<p>Partnership and Governance arrangements</p>	<p>In relation to Children's Services, there is good partnership working. In addition to the above-mentioned Joint Improvement Board, the SCST's Chief Executive is invited to SBC's Corporate Management Team meetings, with reciprocal arrangements extended to SBC's Director of Children's Services to the SCST Board. With the agreement of the DfE, a Deed of Variation has been initiated to the Service Delivery Contract between SBC/SCST, with the aim of further developing the formal contract monitoring process in 2018. We are continuing to utilise our Internal Auditors as part of their internal audit programme for 2018/19 to provide assurance that key strategic partnership projects such as those in relation to Urban Renewal are operating effectively.</p>	<p>Yes</p>
<p>Procurement</p>	<p>During 2017/18 we have continued to use Internal Audit in an advisory capacity to support us in the development of our contract management arrangements including how significant contracts are procured and have also brought in additional support in respect of our procurement function to improve the effectiveness of controls within this area. This has included increasing the resources available within our own procurement team and reviewing the expenditure thresholds to ensure that they still continue to remain fit for purpose.</p>	<p>Yes</p>
<p>Schools Environment</p>	<p>We continued to commission an extensive programme of Internal Audit reviews around the management of our schools, including re-auditing a number of schools where negative opinions were provided in the previous year. Further audits of schools have taken place in 2017/18 to continue to drive forward improvements in internal controls, and to engage further with schools over improving safeguarding arrangements. This process will continue to be actively supported by our Audit and Corporate Governance Committee in 2018/19 and beyond. The Council needs to maximise its progress in respect of school improvement in an increasingly disparate education provision environment.</p>	<p>Yes</p>

	<p>Internal Audit have also undertaken audits during 2017/18 into Special Educational Needs (SEN) funding at schools and also a review in relation to how the Pupil Premium received by schools is being spent and both of these audits provided positive assurances regarding the effectiveness of controls in place for these areas.</p>	
Risk Management	<p>During 2017/18 we have utilised specialist support to develop our risk management arrangements. This included a refresh of our strategic risks to take account of changes in the business, including organisational structure changes and changes in the external environment such as legislation. This work involved the full engagement of the Council Management Team and supporting officers and resulted in the agreement of a new set of corporate risks for the Council.</p> <p>We will continue to develop our risk management arrangements during 2018/19 to ensure that they are embedded at an operational as well as a corporate level.</p>	Yes
Business Continuity	<p>During 2017/18 we have commissioned external support to review our business continuity arrangements. This has included the production of a template for undertaking a Business Impact Analysis which could be used by each Service Department to identify the resources and systems that they would require to recover the business and can be used to assist in the production of the BCP and recovery plans together with the production of template plans for two service areas across the Council.</p> <p>We have also produced a draft framework BCP based on the inability of staff to access their usual office due to an internal event. The plan has been reviewed by the BCR Manager and has been refined to take account of a worst-case scenario. There is still further work required by the Council to develop and embed our business continuity arrangements and this will continue into 2018/19 and beyond.</p>	Yes
Information Governance (IG)	<p>During 2017/18 a further Internal Audit of IG was undertaken and found that whilst the Council had taken action to address some of the failings identified in the previous report in 2016/17, where a 'no assurance' opinion was provided, such as the commencement of mapping of data flows within the organisation, a number of issues remained.</p> <p>Since the second IG Audit, and in preparation for the introduction of GDPR in May 2018, significant effort was expedited in this area. All key corporate policies relating to IG have been reviewed and amended as appropriate and new policies created (Data Quality Policy, Information Retention Policy etc). The Council has added a field to the Corporate Contracts register to ensure that all appropriate data clauses are included in new contracts, and existing supplier/ partner processing contracts are being reviewed. The Council has reviewed and revised all IG training and introduced a new mandatory GDPR training module for all staff. The Council has conducted 54 Data Mapping workshops across the organisation to identify data flows and ensuring appropriate data sharing agreements are in place where required. A Gap Analysis is ongoing on the workshop outputs and an Information Governance Improvement Plan has been created to remedy any emerging issues. Staff have been identified and allocated to the key roles of SIRO and Caldicott Guardians and specialist training identified. Recruitment is currently in process to recruit a permanent Data Protection Officer for the</p>	No

	authority.	
Voids Management	During 2017/18 a further Internal Audit of voids management was undertaken which provided a partial assurance opinion and identified through testing that the voids process was not being undertaken in a timely manner, or in line with Council procedures, partly due to a backlog which was only identified following the conclusion of the contract with the previous service provider. New actions have been agreed to address the issues and will be monitored in 2018/19.	Yes
Fixed Penalty Notice Enforcement	A further Internal Audit was undertaken of this area which resulted in a partial assurance opinion being provided, which represented an improvement on 2016/17 although is still a negative assurance opinion. The audit identified a number of control weaknesses during the course of our review in respect of the robustness of policies in place together with the tracking and reconciling of income received. An action plan has been developed as a result of the audit and progress against these actions is being monitored on an ongoing basis.	No
Health and Safety	In addition to including Health and Safety as a standing business item on the agenda of the Risk Management Group (now Risk and Audit Group), we have also commissioned an external consultant to review a number of aspects of our health and safety arrangements where areas of weakness had previously been identified. This work will continue into 2018/19. As part of the update and review of our Corporate Risk Register we have also ensured that all health and safety risks have been captured appropriately, together with mitigating controls as appropriate.	Yes
Governance – Compliance with the Local Government Transparency Code 2015	We have assigned responsibility to appropriate staff to ensure that information to demonstrate compliance with the transparency code is maintained and updated. We have also utilised our Internal Auditors as part of their follow up audit programme to provide assurance that actions identified in this area that were due for completion had been addressed, and for the areas reviewed these had all been fully completed or were in the process of completion.	No
Adult Safeguarding	During 2017/18 we have established a process to review the delivery of safeguarding actions at management meetings. We are developing a process of multi agency audits and there now is monthly case audit being undertaken by the safeguarding manager who then feeds back learning into the operational teams through their team meetings. The Director of Adult Social Care has oversight of safeguarding practice and reviews the Board Business Plan to ensure safeguarding actions are considered as a priority. We have established a joint adult and children's safeguarding business unit which is responsible for reviewing the Business Plan, reviewing training and learning from safeguarding audits and Safeguarding Adults Reviews.	Yes
Voluntary Sector Commissioning	During 2017/18 we have reviewed the robustness of our contract monitoring processes for this area and have set up a series of contract monitoring meetings and review of outputs, KPIs and outcomes. We also commissioned our Internal Auditors to review progress against significant actions as part of their follow up work for 2017/18 and this confirmed that these actions had been implemented.	No

Implementation of previous Internal Audit actions	<p>We have continued to monitor the implementation of Internal Audit actions on an ongoing basis and quarterly reviews undertaken by Internal Audit have demonstrated that some improvements have been made in this area, although there is the need for continued vigilance to ensure that internal audit actions, particularly those relating to high risk systems, or areas where significant weaknesses were identified by Internal Audit, are implemented in a more timely manner.</p> <p>In addition to the above, the Risk and Audit Group now includes a standing agenda item regarding the follow up of outstanding internal audit actions.</p>	Yes
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In addition to the above, the following areas of weakness were identified during 2017/18. The table below details both the issue identified together with the actions taken to address these.

Area	Issues identified during 2017/18	Action Taken / to be taken in 2018/19
Cyber Security	An Internal Audit of this area identified a number of weaknesses in relation to cyber security controls in place within the Council.	We have developed an action plan in response to the weaknesses identified by Internal Audit and are monitoring implementation of these to ensure that they are completed in a timely manner.
General Data Protection Regulations (GDPR)	<p>An Internal Audit of our Information Governance arrangements identified a number of areas where the Council was not on track to meet the requirements of GDPR by the 25th May 2018.</p> <p>This included the identification of Information Assets and the completion of Data Flow Maps.</p>	<p>The Council has undertaken significant activity in this area prior to the May 25th introduction date. We have commissioned external support to assist the Council in undertaking 54 Data Mapping workshops across the organisation to understand and document all the data flows internally and externally with the Council. The Council is currently undertaking a Gap Analysis on this data and taking appropriate action to remedy any deficiencies where necessary. The Council has fully revised all Information Governance Policies in this area and has introduced new policies (Data Quality etc) to strengthen the position. The Council has also undertaken a series of awareness events with staff and introduced a new mandatory e-Learning training module for all staff.</p> <p>We are also ensuring appropriate data clauses exist in all new contracts and are reviewing existing contracts with partners and suppliers. Data Sharing agreements are being reviewed/introduced as appropriate. The Council has identified an officer to act as Interim Data Protection Officer</p>

		and is currently in the process of recruiting a permanent Data Protection Officer.
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Risk Register

The following red and amber rated residual risks have been highlighted on the Corporate Risk Register as at the 31st March 2018, together with the associated residual risk rating (colour coding). Some of these risks have been addressed or are well underway to being addressed:



We, the Leader and Interim Chief Executive, undertake over the coming year to continue to improve and monitor our governance arrangements to ensure they are fit for purpose. We acknowledge the weaknesses highlighted above in our governance arrangements and are committed to addressing these during 2018/19 and will reflect and report on their operation and effectiveness as part of our next annual review.

CONCLUSION

The Council’s Audit & Corporate Governance Committee is responsible for providing independent assurance on the adequacy of the risk management framework and the associated control environment and ensuring that appropriate action is taken with respect the issues raised on the control environment (for which the Annual Governance Statement forms a key element).

The Committee believes that it has discharged that responsibility, and that this report is evidence of that.

Signed

Date:

Leader

Signed

Date:

Interim Chief Executive

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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