

MEETING	AUDIT AND CORPORATE GOVERNANCE COMMITTEE
DATE AND TIME:	WEDNESDAY, 22ND NOVEMBER, 2023 AT 6.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 07821 811 259

SUPPLEMENTARY PAPERS

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

* Items 5 and 8 were 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>
5.	Internal Audit Progress Report Quarter 3 2023/24	1 - 36	All
8.	Annual Governance Statement Progress Update	37 - 44	All

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Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	22 November 2023
Subject	Update on Internal Audit Quarter 3
Chief Officer:	Adele Taylor – Executive Director of Finance and Commercial (S151)
Contact Officer:	Sati Seehra, Internal Audit Manager
Ward	All
Exempt	NO
Appendices:	Appendix 'A' – Internal Audit Actions Report Appendix 'B' – Overdue High Risk Audit Actions Appendix 'C' – Internal Audit Reports (Executive Summaries)

1. Summary and Recommendations

1.1 This report sets out progress on

- progress on the implementation of internal audit reports and actions for 2021/22, and 2022/23, appendix A and B
- Actions being taken by the Corporate Leadership Team and Department Leadership Teams to respond to internal audit reports and outstanding actions.

Recommendations:

1.2 The Audit and Corporate Governance Committee is recommended to:

Consider and comment on this report noting in particular:

- that a detailed review of all outstanding recommendations continues to be carried out. The output from which has been shared with the Departmental Leadership teams for actioning overdue and other outstanding actions. Update analysis has been provided as of 3rd October 2023.
- the current and future resourcing issues that affect the delivery of the current audit plan for the financial year.
- the implementation of AuditBoard is currently underway with expected 'go-live' date of 15th December 2023. This will help build a value-adding, fit for purpose audit services that will cater for the Council's present and future requirements.

Commissioner Review

The Commissioners are content with the recommendations in this report.

2. Completion of Internal Audit actions

- 2.1 All internal audit actions have been allocated to and reviewed by actions owners and Executive Directors, including actions that are deemed not relevant due to changes in circumstances. Actions from previous year's audits are also reviewed to ensure they are relevant to the service area to which they have been assigned. The action tracker has been updated to reflect the senior management restructure and the change in directorates.
- 2.2 Progress is being made on closing actions on the tracker. Evidence of actions completed is obtained and quality assured by the Head of Financial Governance, Internal Audit, Corporate Fraud, Risk and Insurance and the Internal Audit Manager, and retained for use in follow up audits.

2021/22 Internal Audit Actions

A total of 37 Internal audit reports were issued in 2021/22 (29 assurance and 8 advisory). The status of audits actions for the financial year 2021/22 is as follows:

Total 21/22				
Totals	Total	High	Medium	Low
Not Due	0	0	0	0
Overdue	98	9	55	34
Complete	229	46	103	80
Not Allocated	0	0	0	0
Totals	327	55	158	114

- 327 recommendations were made in 2021/22 reports, 55 are High, 158 are medium and 114 are low rated.
- 229 actions or 70 per cent of actions due are complete with a further 98 actions are overdue the agreed date of implementation. 9 of these are rated high, 55 are medium and 34 low rated.

The overdue actions have been shared with each department so Department Leadership Teams can consider the current position and respond. Work will continue with DLT's to reduce these numbers. Progress to achieve zero high risk overdue audit actions continues to progress.

2022/23 Internal Audit Actions

A total of 28 Internal audit reports were issued in 2022/23 (25 assurance and 3 advisory). The number of overdue audit actions has increased from 56 in August to 60 in September, a 7% decline.

Total 22/23				
Totals	Total	High	Medium	Low
Not Due	75	17	41	17
Overdue	60	18	30	12
Complete	90	19	46	25
Not Allocated	0	0	0	0
Totals	225	54	117	54

- 225 recommendations were made in 2022/23 reports, 54 are High, 117 are medium and 54 are low rated.
- 90 actions or 40 per cent of actions due are complete with a further 75 or 33 per cent of actions not yet due for completion.
- 60 actions are now overdue the agreed date of implementation. 18 of these are rated high, 30 are medium and 12 low rated.

The overdue actions have been shared with each department so Department Leadership Teams can consider the current position and respond. Work will continue with DLT's to reduce these numbers. Progress to achieve zero high risk overdue audit actions continues to progress.

2023/24 Internal Audit Actions

A total of 9 Internal audit reports were issued in 2022/23 (9 assurance and 0 advisory). \$ have been finalised and 5 are still in draft.

The number of overdue audit actions has increased from 56 in August to 60 in September, a 7% decline.

Total 23/24				
Totals	Total	High	Medium	Low
Not Due	14	4	5	5
Overdue	7	0	4	3
Complete	0	0	0	0
Not Allocated	46	11	27	8
Totals	67	15	36	16

- 67 recommendations were made in 2023/24 reports, 15 are High, 36 are medium and 16 are low rated. 46 recommendations have not been allocated and action owner due to audit reports not having been finalised.
- 14 actions or 21 per cent of actions not yet due for completion.
- 7 actions are now overdue the agreed date of implementation. 0 of these are rated high, 4 are medium and 3 low rated.

3. Governance and Monitoring of Management Actions

- 3.1 Outstanding internal audit actions are being actively monitored on a regular basis including reporting into Corporate Leadership Team, Risk and Audit Board and the Audit and Corporate Governance committee.
- 3.2 Future Audit and Corporate Governance Committee reports will include the executive summaries of all finalised audit reports undertaken by the Internal Audit team highlighting the key findings.

4. Internal Audit Team Developments

- 4.1 The Internal Audit team currently has one vacancy, for a Senior Internal Auditor since September 2023. The Head of Financial Governance, Internal Audit, Counter Fraud, Risk and Insurance will also be vacant from December 2023. Furthermore, an Internal Auditor is due to go on maternity leave from February 2024.
- 4.2 The implication to the audit plan is that the Internal Audit team will not be able to deliver the full audit plan that had been agreed by the Audit and Corporate Governance Committee on 19th July 2023. The Internal Audit team have advertised these vacancies, but responses have been poor.

5. Implications of the Recommendation

5.1 Financial Implications

- 5.1.1 There are no direct financial implications relating to the updates to the internal audit recommendations, but completion of the actions will improve the Council's processes including those that underpin sound financial management, governance, risk management and internal control.

5.2 Legal Implications

- 5.2.1 Failure to address those risks associated with the Directions from the Department for Levelling Up, Housing and Communities will impact the ability to secure the Authority's compliance with the requirements of Part I of Local Government Act 1999. The Council has specific legal duties in relation to certain areas, such as managing health and safety risks and civil contingency. Effective internal audit is a key part of providing assurance on the adequacy of governance, risk management and internal control.
- 5.2.2 This Committee is responsible for providing an independent and high-level focus on the audit assurance and reporting arrangements that underpin good governance and financial standards. This includes overseeing internal audit. The Committee's terms of reference include making appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations, to consider reports from the head of internal audit on internal audit's performance during the year, including receiving updates on the work of internal audit setting out key findings, issues of concern and actions in hand.

5.3 Risk Management Implications

5.3.1 Having in place an adequate internal audit function is a statutory responsibility of the s151 officer. Failure to operate an adequate internal audit function heightens the risk of poor governance, internal control, and risk management.

5.4 Environmental Implications

5.4.1 There are no direct environmental implications in this report.

5.5 Equality Implications

5.5.1 Section 149 of the Equality Act 2010 requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected character.

6. Background Papers

None

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Appendix A

Internal Audit Actions Report

22 November 2023

Sati Seehra, Internal Audit Manager

Internal Audit Team Developments

- The Head of Financial Governance, Internal Audit, Corporate Fraud, Risk and Insurance will be leaving the Council at the end of November 2023. Cover arrangements will be in place before their departure with permanent recruitment taking place at an appropriate time.
- The team currently has some vacancies (Senior Internal Auditor and Internal Auditor (metrinity leave)) that now need to be recruited to in light of a departure of a member of staff and other changes within the team. This is being progressed but will mean the team need to balance audits that need to be completed.
- The Internal Audit team will not be able to deliver the full audit plan that had been agreed by the Audit and Corporate Governance Committee on 19th July 2023. The Internal Audit team have advertised these vacancies, but responses have been poor.

Response to Internal Audit Recommendations

Progress continues to be made regarding completion of internal recommendations. There have been several changes since the last report to the Committee:

- Actions from internal audit reports outstanding from 2021/22. Actions completed as of 3rd October 2023, 229 or 70% (up from 65% last month). A concerted effort is being made by the Corporate Leadership Team (CLT) to close the remaining 98 actions or 30% (down from 35% last month) that are overdue.
- 2022/23 reports and actions - as of 3rd October 2023, 60 actions or 27% (down 1% from last month) are overdue and 90 or 40% complete (up from 28% last month). 75 or 33% (up from 27% last month) are not due.
- 2023/24 reports and actions – 2 reports have been finalised with 7 reports in draft status. As of 3rd October 2023, 7 actions are overdue with 46 actions awaiting management responses.

Update on Internal Audit Actions

As of 3 October 2023

Total 21/22				
Totals	Total	High	Medium	Low
Not Due	0	0	0	0
Overdue	98	9	55	34
Complete	229	46	103	80
Not Allocated	0	0	0	0
Totals	327	55	158	114

The number of overdue audit actions has decreased from 110 to 98.

As of 31 August 2023

Total 21/22				
Totals	Total	High	Medium	Low
Not Due	0	0	0	0
Overdue	110	10	60	40
Complete	217	45	98	74
Not Allocated	0	0	0	0
Totals	327	55	158	114

The overdue actions are recommendations not being implemented by their due dates, due to factors such as (but not limited to) resourcing.

A total of 37 Internal audit reports were issued for the financial year 2021/22 (29 assurance and 8 advisory).

Update on Internal Audit Actions

As of 3 October 2023

Total 22/23				
Totals	Total	High	Medium	Low
Not Due	75	17	41	17
Overdue	60	18	30	12
Complete	90	19	46	25
Not Allocated	0	0	0	0
Totals	225	54	117	54

The number of overdue audit actions has increased from 56 to 60.

As of 31 August 2023

Total 22/23				
Totals	Total	High	Medium	Low
Not Due	94	24	49	21
Overdue	56	14	30	12
Complete	75	16	38	21
Not Allocated	0	0	0	0
Totals	225	54	117	54

The overdue actions are due to recommendations not being implemented by their due dates.

A total of 28 Internal audit reports were issued for the financial year 2022/23 (25 assurance and 3 advisory).

Update on Internal Audit Actions

As of 3 October 2023

Total 23/24				
Totals	Total	High	Medium	Low
Not Due	14	4	5	5
Overdue	7	0	4	3
Complete	0	0	0	0
Not Allocated	46	11	27	8
Totals	67	15	36	16

The number of overdue audit actions has increased from 0 to 7.

The overdue actions are due to recommendations not being implemented by their due dates.

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As of 31 August 2023

Total 23/24				
Totals	Total	High	Medium	Low
Not Due	21	4	9	8
Overdue	0	0	0	0
Complete	0	0	0	0
Not Allocated	31	7	18	6
Totals	52	11	27	14

46 actions have not been allocated, up from 31, due to audit reports not having been finalised.

2023/24 Outstanding Audit Actions and Reports

As of 3 October 2023

Status	Name of Review	Classification	Total Number of Findings		
			High	Medium	Low
Draft	Follow Up	Little Progress	2	3	4
Draft	Cash Collection and Management	Minimal Assurance	2	4	1
Draft	Matrix	Minimal Assurance	2	5	1
Draft	Adult Safeguarding	Partial Assurance	2	4	1
Draft	Schools Audit - St Bernard's	Partial Assurance	1	6	3
Finalised	Schools Audit - Wexham	Reasonable Assurance	0	1	2
Finalised	Enrolment, School Places and Attendance	Reasonable Assurance	2	4	2
Q1 Total			11	27	14
Draft	Travel and Expenses	Minimal Assurance	4	2	1
Draft	Council Tax	Reasonable Assurance	0	7	1
Fieldwork	Childrens Safeguarding	TBC			
Fieldwork	Asset Disposal Programme	TBC			
Q2 Total			4	9	2

Internal Audit Actions By Directorate

As of 3 October 2023

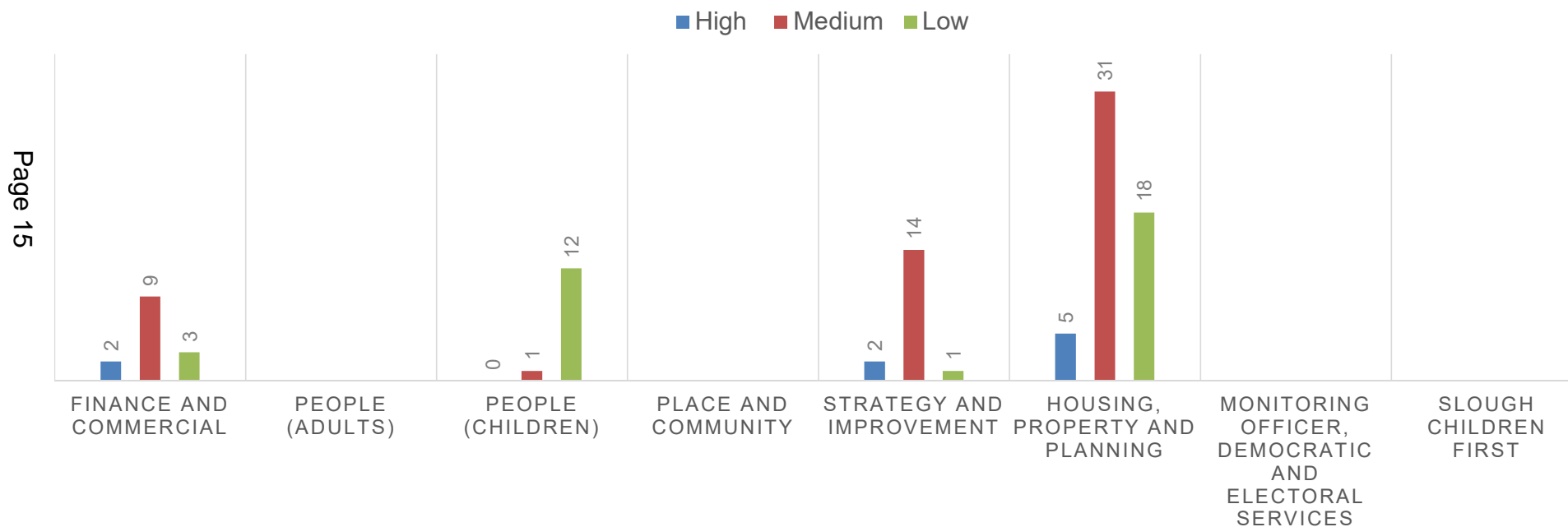
2021/22 COMPLETED AUDIT ACTIONS BY DIRECTORATE



Internal Audit Actions By Directorate

As of 3 October 2023

2021/22 OVERDUE AUDIT ACTIONS BY DIRECTORATE



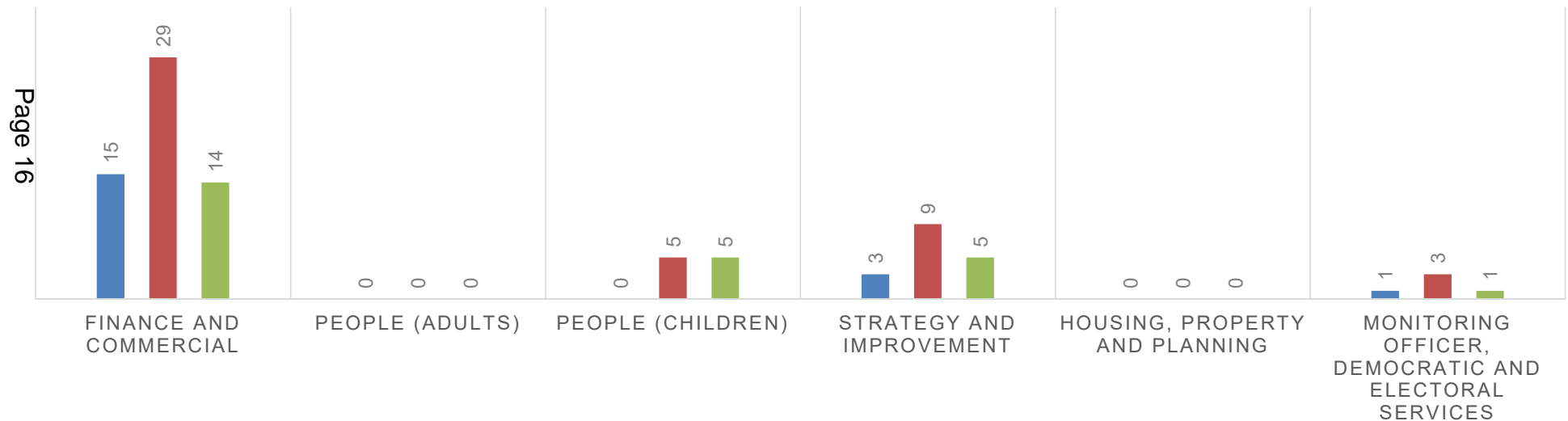
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Internal Audit Actions By Directorate

As of 3 October 2023

2022/23 COMPLETED AUDIT ACTIONS BY DIRECTORATE

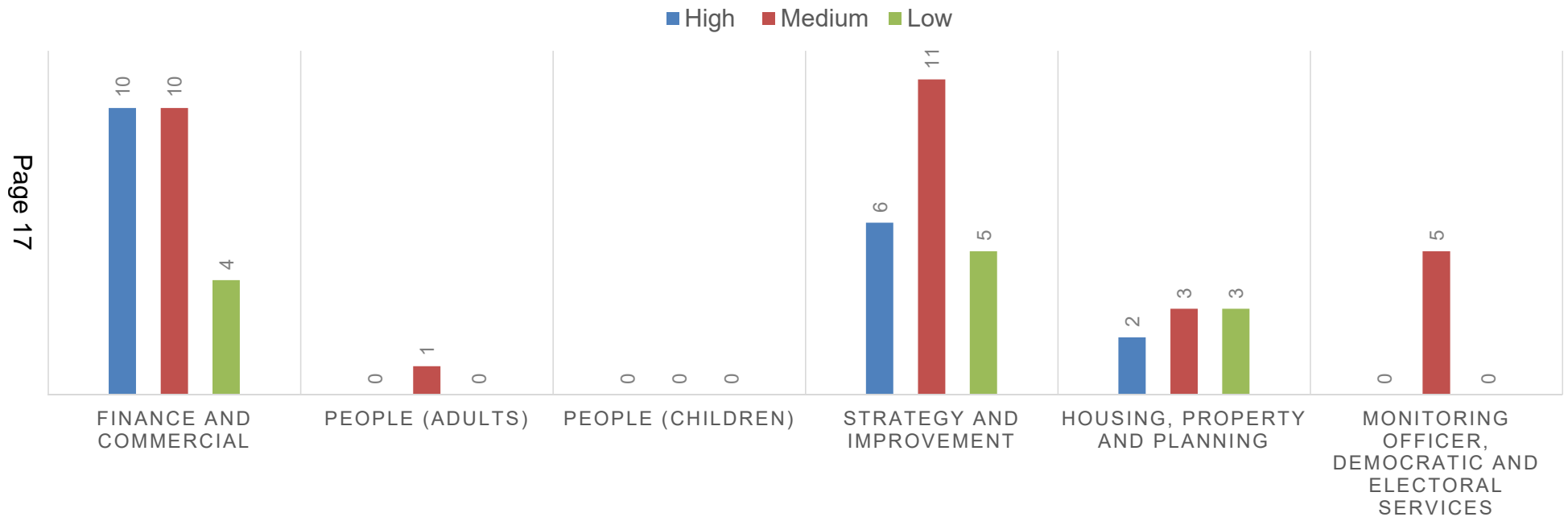
■ High ■ Medium ■ Low



Internal Audit Actions By Directorate

As of 3 October 2023

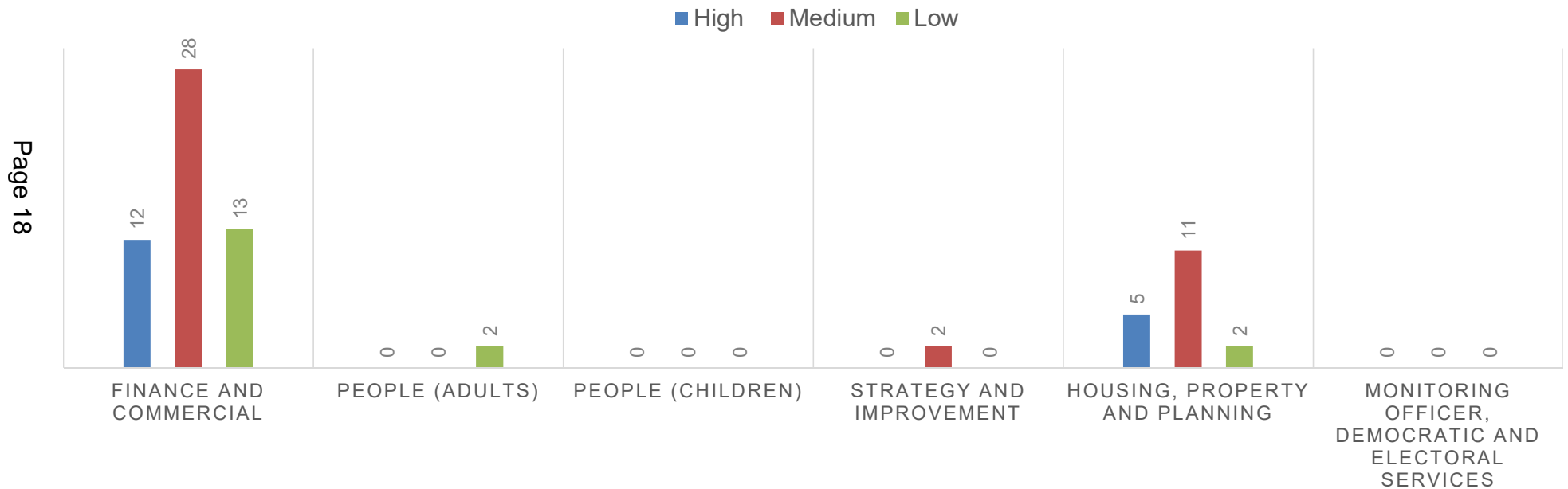
2022/23 OVERDUE AUDIT ACTIONS BY DIRECTORATE



Internal Audit Actions By Directorate

As of 3 October 2023

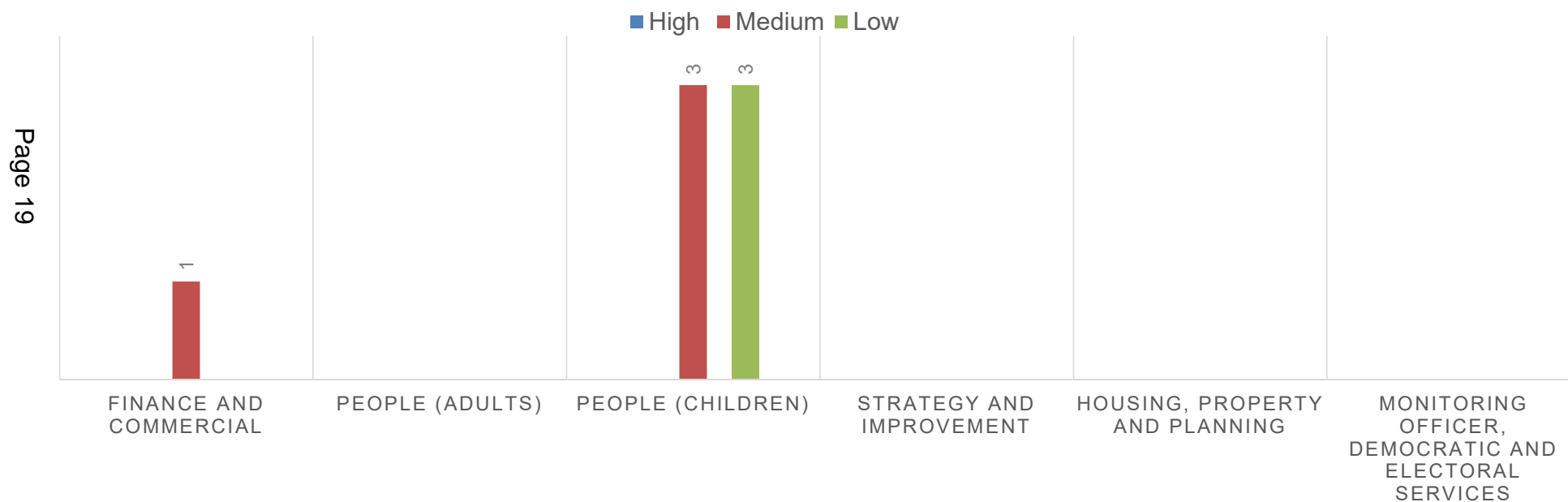
2022/23 NOT DUE AUDIT ACTIONS BY DIRECTORATE



Internal Audit Actions By Directorate

As of 3 October 2023

2023/24 OVERDUE AUDIT ACTIONS BY DIRECTORATE

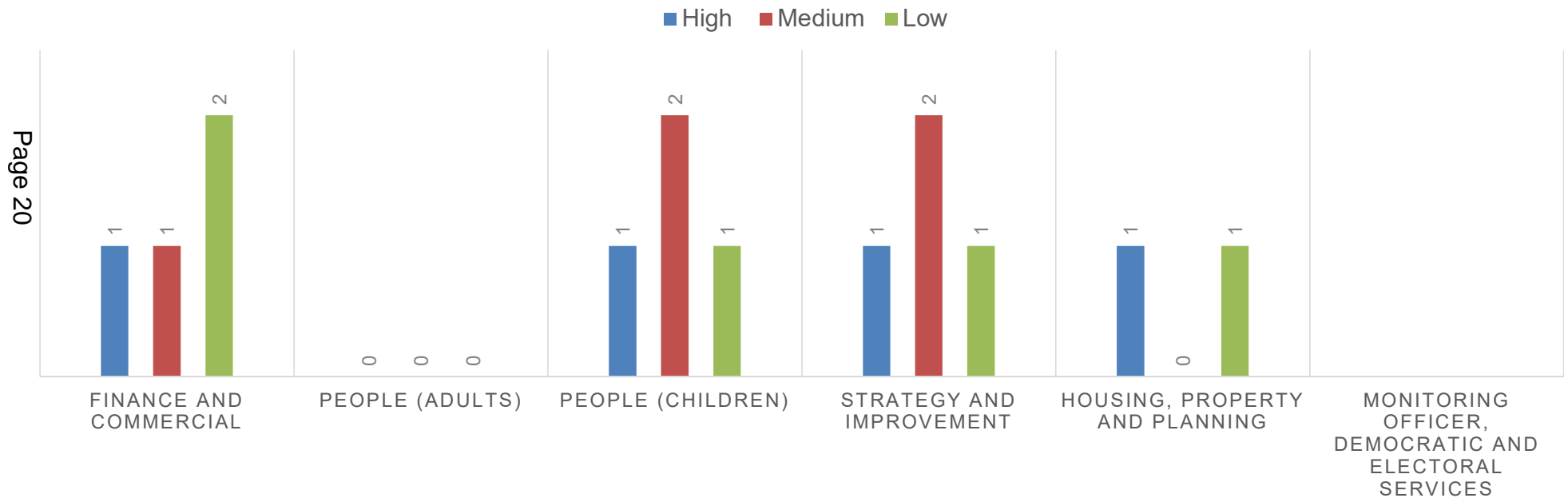


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Internal Audit Actions By Directorate

As of 3 October 2023

2023/24 NOT DUE AUDIT ACTIONS BY DIRECTORATE

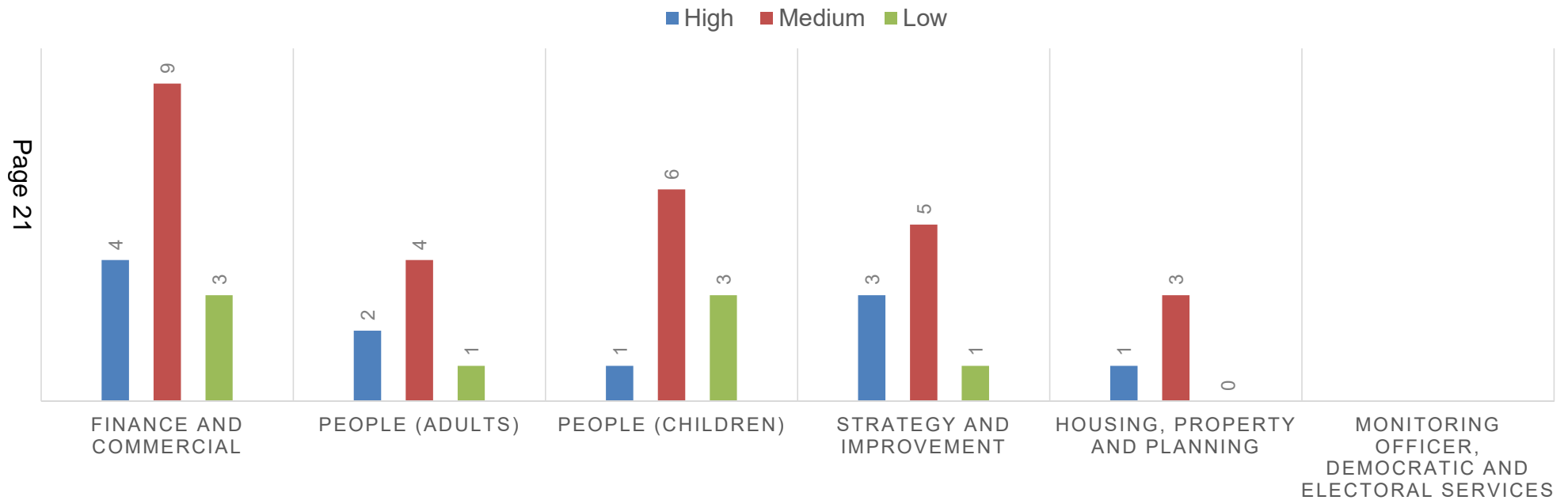


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Internal Audit Actions By Directorate

As of 3 October 2023

2023/24 NOT ALLOCATED AUDIT ACTIONS BY DIRECTORATE

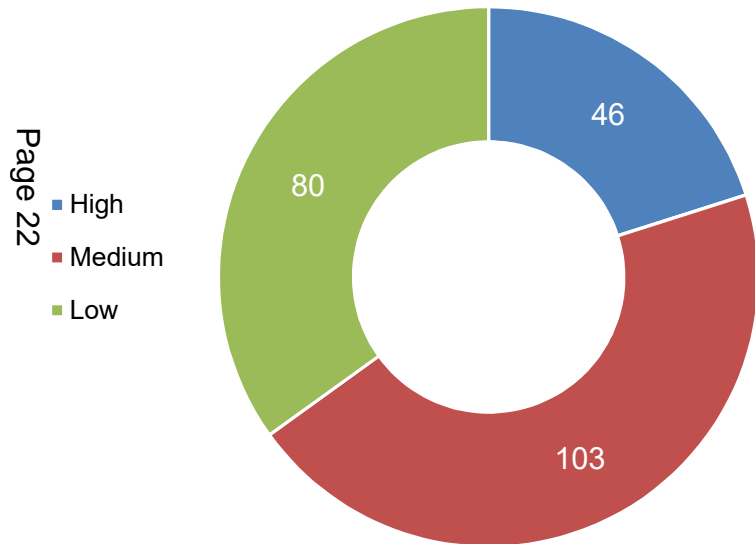


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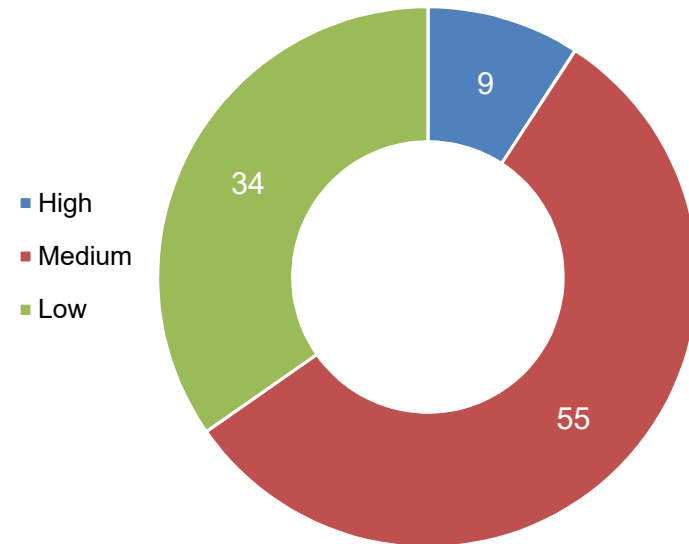
Internal Audit Actions 2021/22

As of 3 October 2023

2021/22 COMPLETED Audit Actions



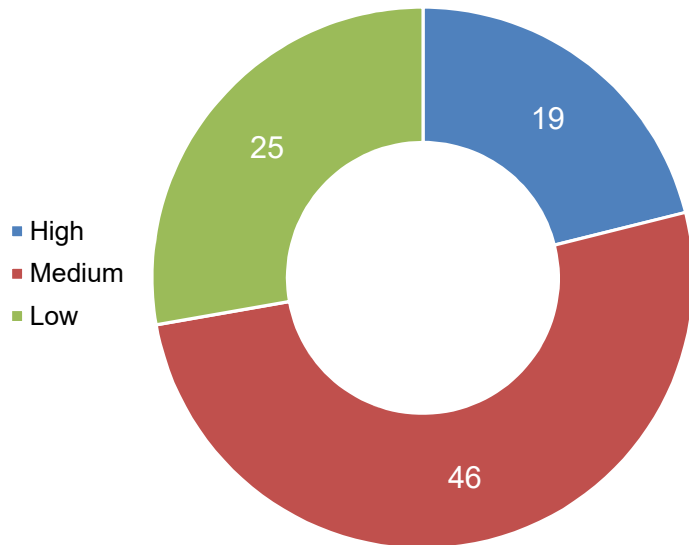
2021/22 OVERDUE Audit Actions



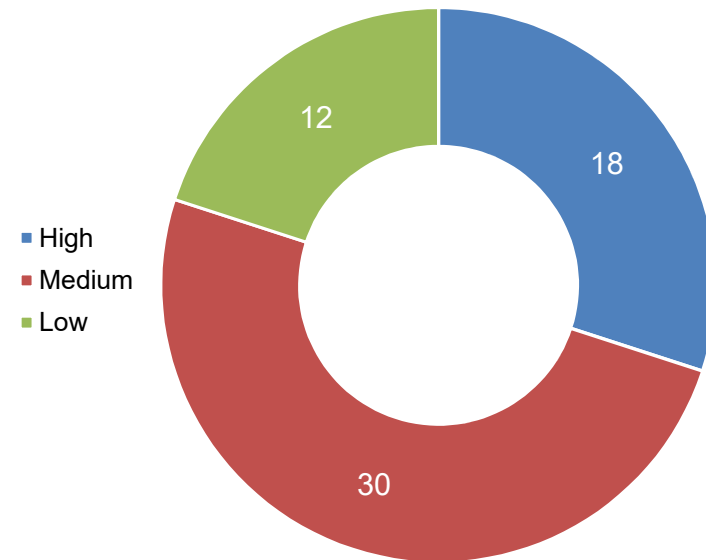
Internal Audit Actions 2022/23

As of 3 October 2023

2022/23 COMPLETED Audit Actions



2022/23 OVERDUE Audit Actions



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Appendix B - Overdue High Risk Actions

N.B. Audit actions highlighted in green have been marked as closed since publication of main audit report, but for transparency have been included

Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 5 October 2023)	Age Analysis	Updates Received
21/22	9.21/22 Follow Up of Previous Management Actions - Quarter 2	A clear control framework will be put in place to ensure that, in line with government guidance, income received from the serving of fixed penalty notices is spent on related functions.	High	Linda Corcoran	Director of Law & Governance (Monitoring Officer)	Law & Governance	Anti-Social Behaviour	30/09/2021	Overdue	735	> 2 Years	This is marked as closed because in the 26.21/22 Follow Up Audit, some progress had been made to close the action and therefore given a Medium rating.
21/22	9.21/22 Follow Up of Previous Management Actions - Quarter 2	The council will develop a formal process to systematically track income due through to collection, receipting and banking. This will include guidance for undertaking regular, formal reconciliations between income received and records maintained.	High	Linda Corcoran	Director of Law & Governance (Monitoring Officer)	Law & Governance	Anti-Social Behaviour/Enforcement	30/09/2021	Overdue	735	> 2 Years	This is marked as closed because in the 26.21/22 Follow Up Audit, some progress had been made to close the action and therefore given a Medium rating.
21/22	16.21/22 General Ledger	An exercise will be completed to identify all tasks to be completed as part of the month end process. A full month end timetable will be prepared and tasks will be assigned to appropriate staff members. The completion of tasks will be confirmed each month to a relevant manager responsible for overseeing the closedown process.	High	Alistair Rush	Adele Taylor	Finance and Commercial	Finance	30/04/2022	Overdue	523	> 1 Year < 2 Years	This is an action that is repeated in 9.22/23 General Ledger report therefore marked as closed
21/22	24.21/22 GDPR Governance	The Data Flow Capture Spreadsheet will be updated to include the following areas: • name and contact details of joint controller (if applicable); • categories of individuals; • names of third countries or international organisations that personal data are transferred to (if applicable); • safeguards for exceptional transfers of personal data to third countries or international organisations (if applicable); • Data Protection Act 2018 Schedule 1 Condition for processing; • GDPR Article 6 lawful basis for processing; • link to retention and erasure policy document; and • whether personal data retained and erased in accordance with the retention policy document - reasons for not adhering to retention policy document (if applicable).	High	Alex Cowen	Simon Sharkey Woods (Sarah Hayward)	Strategy and Improvement	ICT and Digital	30/09/2022	Overdue	370	> 1 Year < 2 Years	Reviewing data flow captures has commenced and additional categories identified are being included. Asset owners in each department will be contacted to fill in the gaps.
21/22	21.21/22 Temporary Accommodation	The Annual Compliance Statement issued to Private Providers will be reviewed to assess whether the terms and conditions satisfies the Council's legislative duties as a housing provider. Following this, the Council will introduce a monitoring mechanism to ensure: • Providers are only engaged with should they have a signed Compliance Statement in place; • These Compliance Statements are reviewed and signed annually.	High	Ian Blake	Patrick Hayes	Housing, Property and Planning	Housing	30/09/2022	Overdue	370	> 1 Year < 2 Years	This action is also included/repeated in the 22.22/23 Temporary Accommodation report therefore marked as complete.

21/22	21.21/22 Temporary Accommodation	In line with current plans, the Council will ensure that an up-to date Housing Strategy and Homelessness Strategy is created. Additionally, progress against the action plan will be periodically monitored by an appropriate forum.	High	Patrick Hayes	Patrick Hayes	Housing, Property and Planning	Housing	30/09/2022	Overdue	370	> 1 Year < 2 Years	This action is also included/repeated in the 22.22/23 Temporary Accommodation report therefore marked as complete.
21/22	29.21/22 Cyber Essentials	The Council will ensure that its IT estate is brought up to date in terms of patching as soon as possible	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/10/2022	Overdue	339	> Six Months < 1 Year	Additional resource being brought in to support the patching of the IT estate.
21/22	21.21/22 Temporary Accommodation	The Council will develop a strategy to identify households which are no longer owed a duty to be accommodated under the Housing Act 1996.	High	Ian Blake	Patrick Hayes	Housing, Property and Planning	Housing	31/03/2023	Overdue	188	> Six Months < 1 Year	This action is also included/repeated in the 22.22/23 Temporary Accommodation report therefore marked as complete.
21/22	22.21/22 Asset Register	The Finance Team will update the asset register to accurately document the date of last valuation. Where the incorrect valuation methodology (as per the CIPFA Code of Practice) is identified, appropriate action will be taken	High	Bankita Ashar	Alistair Rush (Adele Taylor)	Finance and Commercial	Corporate Finance team	30/06/2023	Overdue	97	Four Months	The Asset Management Team are currently procuring Valuation services of Wilks Head and a programme of work is being agreed regarding the timing and the methodology to be used for all assets classes as per the CIPFA guidance

Appendix B - Overdue High Risk Actions

N.B. Audit actions highlighted in green have been marked as closed since publication of main audit report, but for transparency have been included

Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 5 October 2023)	Age Analysis	Updates Received
22/23	7.22/23 Leavers Process	We will ascertain why a leavers report was not provided to IT for April 2022 and take any action to ensure reports are provided consistently. Where reports are not received in the first week of the month, the IT Team will confirm with HR whether there any leavers.	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	30/09/2022	Overdue	370	> 1 Year < 2 Years	None
22/23	7.22/23 Leavers Process	We will establish a system of identifying and assigning all IT equipment within Agresso to employees of the Council and Slough Children First. When equipment is returned, this will be marked as such on Agresso by line managers. IT will monitor leavers against Agresso to ensure equipment is returned and reallocated.	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/12/2022	Overdue	278	> Six Months < 1 Year	None
22/23	10.22/23 Council Tax	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off	High	Laverne Belle	Alistair Rush (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	5	One Month	We have made good progress in writing off debts that had previously been identified as uncollectable and had a circumstance code applied to prevent further recovery. Work continues of the preparation of the bulk write-off request and due to the sheer numbers of accounts involved this has taken significantly longer than originally envisaged.
22/23	12.22/23 Housing Benefits	We will implement a process whereby we will cleanse the data available on accumulated aged debt and look to maximise recovery potential and write off any debt that we consider cannot be recovered. This will include a periodic report on accumulated aged debt.	High	Baljit Nijjar	Alistair Rush (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	5	One Month	General write-off requests are being dealt with under the council's write-off policy <£1,000 Head of Transactions, >£1,000<£15,000 Executive Director of Finance & Commercial, >£15,000 Cabinet. Following the recent DWP improvement teams visit we are awaiting their support to review the collection of outstanding and new debt. Once that review has happened we will agree a bulk write-off of uncollectable debt.

22/23	9.22/23 General Ledger	An exercise will be completed to identify all tasks to be completed as part of the month end process. A full month end timetable will be prepared, and tasks will be assigned to appropriate staff members. The completion of tasks will be confirmed each month to a relevant manager responsible for overseeing the closedown process. (Restated from 2021/22, we noted that this High action was reported to the Audit & Corporate Governance Committee as overdue	High	Alistair Rush and Jasvinder Dalvair	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	A full month end timetable but there id no detailing/breakdown of tasks to be completed. There is a high level review of key milestones
22/23	9.22/23 General Ledger	The Council will review the password functions within Agresso to ensure that: • Password require changing on a periodic basis; and • Acceptable passwords will be subject to rules (certain lengths and unique characters to strengthen them and minimise the possibility of a security breach.	High	Alistair Rush	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	None
22/23	9.22/23 General Ledger	The Council will complete an exercise to identify those roles/positions requiring access to Agresso finance functions and the access/functions required. Based on this the Council will implement a training programme covering finance functions on Agresso. Training will be a requirement before system access is granted and will focus on the processes required as part of job roles. (Restated from 2021/22, we noted that this High action was reported to the Audit Committee as overdue)	High	Alistair Rush	Adele Taylor	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	None
22/23	14.22/23 Follow Up IT Business Continuity and Disaster Recovery	T DR Policy The Council will document a Disaster Recovery Policy, independent of the Disaster Recovery Plan	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/03/2023	Overdue	188	> Six Months < 1 Year	None
22/23	4.22.23 Workforce recruitment and retention	As part of reviewing and updating the recruitment process, the following will be incorporated into procedure documents:	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/06/2023	Overdue	97	Four Months	This action is delayed because of implementation of the Applicant Tracking System - likely to be completed at the end of Oct 2023. This action will be completed 31 March 2024 when recruitment processes will be updated to complement this system and training completed.
22/23	4.22.23 Workforce recruitment and retention	Following the completion of service delivery plans for each service, outcomes relating to recruitment (such as hiring additional staff and restructuring) will be identified and referred to HR. Implications from the outcomes will be assessed and used to define recruitment initiatives.	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/09/2023	Overdue	5	One Month	Ongoing subject to the completion of the overall Senior Management re-structure process
22/23	16.22.23 Rent Arrears Recovery – Full Follow Up	An action plan will be put in place and monitored in order to resolve the problems and known issues surrounding the new Housing System. This will set out clear activities, responsible officers, and deadlines. We will additionally consider escalation of risks to the corporate risk register.	High	Carol Maduka	Andy Jeffs (Adele Taylor)	Finance and Commercial	Revenues, Benefits and Charges	30/06/2023	Overdue	97	Four Months	An action plan is in place and some issues have been resolved but others remain outstanding. There is now an NEC programme board in place to monitor the position.

22/23	19.22/23 Creditors	We will undertake a review of all supplier accounts on Agresso and remove any duplicates.	High	Jasvinder Dalvair, Interim Finance Manager	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	5	One Month	We have reviewed 3,795 suppliers from an Agresso report. After this review, we have potentially closed down 857, which were duplicates. Upon further examination of the report, we still need to investigate another 105. Once this is complete, we will have a unique list of suppliers. Additionally, we are implementing a report that will be run at the end of every month to identify and address any duplicate suppliers.
22/23	22.22/23 Temporary Accommodation	The Council will take action to improve the Council's rent arrears profile for those housed in TA. Collection rates will be reviewed via KPI reporting.	High	Caroline Bartos, Group Manager - Accommodation	Patrick Hayes	Housing, Property and Planning	Housing	30/09/2023	Overdue	5	One Month	None
22/23	17.22/23 Health & Safety Full Follow Up	The CLT will determine further steps that can be taken to address training noncompletion. This may include directly contacting individual staff members or targeting directorates once breakdowns can be prepared.	High	Sarah Hayward, Executive Director Strategy & Improvement	Sarah Hayward	Strategy and Improvement	Strategy and improvement	30/06/2023	Overdue	97	Four Months	None
22/23	1.22/23 Governance – Council Subsidiary Companies	Management will review governance documentation required for the full year 2022/23 and put these in place to ensure clarity on levels of authority and on financial responsibilities and controls. Key documents will be standardised across the companies.	High	Ellen Little, Commercial Finance Lead	Hitesh Jolapara (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	None
22/23	15.22/23 Treasury Management	Monthly reconciliations relating to treasury functions and transactions will be prepared and checked in a timely manner. This will include retrospective reconciliations as well as for future months.	High	Jacqui Mundy, Finance Manager, Treasury and Pensions	Alistair Rush (Adele Taylor)	Finance and Commercial	Treasury	30/09/2023	Overdue	5	One Month	Monthly reconciliations relating to Treasury transactions are prepared and checked in a timely manner.
22/23	24.22/23 Housing Management – Health and Safety (Gas, Electrical and Legionella)	The Council will implement the flagging mechanism on the repairs system to identify properties without safety compliance checks. Repairs will only be scheduled once overdue checks are completed.	High	Ian Stone	Patrick Hayes	Housing, Property and Planning	Housing	31/07/2023	Overdue	66	Three Months	None
	25.22/23 Follow Up Part 2	The Council will ensure that all draft internal audit reports are responded to in a timely manner, in accordance with agreed timeframes of two weeks following issue of a draft internal audit report. Management will inform internal audit of any queries in a timely manner, to enable agreed management actions to be added to the management action tracker promptly.	High	Adele Taylor, Executive Director Finance & Commercial	Adele Taylor	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	5	One Month	This is marked as complete. The Council Tax report was responded to within 10 working days. The Travel and Expenses report is still within the 10 working days scenario.

Appendix B - Overdue High Risk Actions By Aged Analysis

N.B. Analysis does not include actions marked as closed in tabs FY2122 and FY2223

> 1 Year < 2 Years												
Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 5 Oct 23)	Age Analysis	Updates Received
21/22	24.21/22 GDPR Governance	The Data Flow Capture Spreadsheet will be updated to include the following areas: <ul style="list-style-type: none"> • name and contact details of joint controller (if applicable); • categories of individuals; • names of third countries or international organisations that personal data are transferred to (if applicable); • safeguards for exceptional transfers of personal data to third countries or international organisations (if applicable); • Data Protection Act 2018 Schedule 1 Condition for processing; • GDPR Article 6 lawful basis for processing; • link to retention and erasure policy document; and • whether personal data retained and erased in accordance with the retention policy document - reasons for not adhering to retention policy document (if applicable). 	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	30/09/2022	Overdue	370	> 1 Year < 2 Years	Reviewing data flow captures has commenced and additional categories identified are being included. Asset owners in each department will be contacted to fill in the gaps.
22/23	7.22/23 Leavers Process	We will ascertain why a leavers report was not provided to IT for April 2022 and take any action to ensure reports are provided consistently. Where reports are not received in the first week of the month, the IT Team will confirm with HR whether there any leavers.	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	30/09/2022	Overdue	370	> 1 Year < 2 Years	None

> Six Months < 1 Year												
Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 5 Oct 23)	Age Analysis	Updates Received
21/22	29.21/22 Cyber Essentials	The Council will ensure that its IT estate is brought up to date in terms of patching as soon as possible	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/10/2022	Overdue	339	> Six Months < 1 Year	Additional resource being brought in to support the patching of the IT estate.
22/23	7.22/23 Leavers Process	We will establish a system of identifying and assigning all IT equipment within Agresso to employees of the Council and Slough Children First. When equipment is returned, this will be marked as such on Agresso by line managers. IT will monitor leavers against Agresso to ensure equipment is returned and reallocated.	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/12/2022	Overdue	278	> Six Months < 1 Year	None

22/23	9.22/23 General Ledger	An exercise will be completed to identify all tasks to be completed as part of the month end process. A full month end timetable will be prepared, and tasks will be assigned to appropriate staff members. The completion of tasks will be confirmed each month to a relevant manager responsible for overseeing the closedown process. (Restated from 2021/22, we noted that this High action was reported to the Audit & Corporate Governance Committee as overdue)	High	Alistair Rush and Jasvinder Dalvair	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	A full month end timetable but there id no detailing/breakdown of tasks to be completed. There is a high level review of key milestones
22/23	9.22/23 General Ledger	The Council will review the password functions within Agresso to ensure that: • Password require changing on a periodic basis; and • Acceptable passwords will be subject to rules (certain lengths and unique characters to strengthen them and minimise the possibility of a security breach.	High	Alistair Rush	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	None
22/23	9.22/23 General Ledger	The Council will complete an exercise to identify those roles/positions requiring access to Agresso finance functions and the access/functions required. Based on this the Council will implement a training programme covering finance functions on Agresso. Training will be a requirement before system access is granted and will focus on the processes required as part of job roles. (Restated from 2021/22, we noted that this High action was reported to the Audit Committee as overdue)	High	Alistair Rush	Adele Taylor	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	None
22/23	14.22/23 Follow Up IT Business Continuity and Disaster Recovery	T DR Policy The Council will document a Disaster Recovery Policy, independent of the Disaster Recovery Plan	High	Simon Sharkey Woods	Sarah Hayward	Strategy and Improvement	ICT and Digital	31/03/2023	Overdue	188	> Six Months < 1 Year	None
22/23	1.22/23 Governance – Council Subsidiary Companies	Management will review governance documentation required for the full year 2022/23 and put these in place to ensure clarity on levels of authority and on financial responsibilities and controls. Key documents will be standardised across the companies.	High	Ellen Little, Commercial Finance Lead	Hitesh Jolapara (Adele Taylor)	Finance and Commercial	Finance and Commercial	31/03/2023	Overdue	188	> Six Months < 1 Year	None

< Six Months												
Year	Report Title	Recommendation	Rating	Action Owner	ED/AD	Directorate	Service	Implementation Date	Status	Days (as at 5 Oct 23)	Age Analysis	Updates Received
21/22	22.21/22 Asset Register	The Finance Team will update the asset register to accurately document the date of last valuation. Where the incorrect valuation methodology (as per the CIPFA Code of Practice) is identified, appropriate action will be taken	High	Atilla Pek	Adele Taylor	Finance and Commercial	Corporate Finance Team	30/06/2023	Overdue	97	Four Months	The Asset Management Team are currently procuring Valuation services of Wilks Head and a programme of work is being agreed regarding the timing and the methodology to be used for all assets classes as per the CIPFA guidance

22/23	10.22/23 Council Tax	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off	High	Laverne Belle	Alistair Rush (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	5	One Month	We have made good progress in writing off debts that had previously been identified as uncollectable and had a circumstance code applied to prevent further recovery. Work continues of the preparation of the bulk write-off request and due to the sheer numbers of accounts involved this has taken significantly longer than originally envisaged.
22/23	12.22/23 Housing Benefits	We will implement a process whereby we will cleanse the data available on accumulated aged debt and look to maximise recovery potential and write off any debt that we consider cannot be recovered. This will include a periodic report on accumulated aged debt.	High	Baljit Nijjar	Alistair Rush (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	5	One Month	General write-off requests are being dealt with under the council's write-off policy <£1,000 Head of Transactions, >£1,000<£15,000 Executive Director of Finance & Commercial, >£15,000 Cabinet. Following the recent DWP improvement teams visit we are awaiting their support to review the collection of outstanding and new debt. Once that review has happened we will agree a bulk write-off of uncollectable debt.
22/23	4.22.23 Workforce recruitment and retention	As part of reviewing and updating the recruitment process, the following will be incorporated into procedure documents:	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/06/2023	Overdue	97	Four Months	This action is delayed because of implementation of the Applicant Tracking System - likely to be completed at the end of Oct 2023. This action will be completed 31 March 2024 when recruitment processes will be updated to complement this system and training completed.
22/23	4.22.23 Workforce recruitment and retention	Following the completion of service delivery plans for each service, outcomes relating to recruitment (such as hiring additional staff and restructuring) will be identified and referred to HR. Implications from the outcomes will be assessed and used to define recruitment initiatives.	High	Adrian Thomson, Recruitment Lead	Sarah Hayward	Strategy and Improvement	HR	30/09/2023	Overdue	5	One Month	Ongoing subject to the completion of the overall Senior Management re-structure process
22/23	16.22.23 Rent Arrears Recovery – Full Follow Up	An action plan will be put in place and monitored in order to resolve the problems and known issues surrounding the new Housing System. This will set out clear activities, responsible officers, and deadlines. We will additionally consider escalation of risks to the corporate risk register.	High	Carol Maduka	Andy Jeffs (Adele Taylor)	Finance and Commercial	Revenues, Benefits and Charges	30/06/2023	Overdue	97	Four Months	An action plan is in place and some issues have been resolved but others remain outstanding. There is now an NEC programme board in place to monitor the position.

22/23	19.22/23 Creditors	We will undertake a review of all supplier accounts on Agresso and remove any duplicates.	High	Jasvinder Dalvair, Interim Finance Manager	Andy Jeffs (Adele Taylor)	Finance and Commercial	Finance and Commercial	30/09/2023	Overdue	5	One Month	We have reviewed 3,795 suppliers from an Agresso report. After this review, we have potentially closed down 857, which were duplicates. Upon further examination of the report, we still need to investigate another 105. Once this is complete, we will have a unique list of suppliers. Additionally, we are implementing a report that will be run at the end of every month to identify and address any duplicate suppliers.
22/23	22.22/23 Temporary Accommodation	The Council will take action to improve the Council's rent arrears profile for those housed in TA. Collection rates will be reviewed via KPI reporting.	High	Caroline Bartos, Group Manager - Accommodation	Patrick Hayes	Housing, Property and Planning	Housing	30/09/2023	Overdue	5	One Month	None
22/23	17.22/23 Health & Safety Full Follow Up	The CLT will determine further steps that can be taken to address training noncompletion. This may include directly contacting individual staff members or targeting directorates once breakdowns can be prepared.	High	Sarah Hayward, Executive Director Strategy & Improvement	Sarah Hayward	Strategy and Improvement	Strategy and improvement	30/06/2023	Overdue	97	Four Months	None
22/23	24.22/23 Housing Management – Health and Safety (Gas, Electrical and Legionella)	The Council will implement the flagging mechanism on the repairs system to identify properties without safety compliance checks. Repairs will only be scheduled once overdue checks are completed.	High	Ian Stone	Patrick Hayes	Housing, Property and Planning	Housing	31/07/2023	Overdue	66	Three Months	None

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Review of Admissions, School Places and Attendance

Reasonable

Opinion: Reasonable Assurance

Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Key findings

Slough Borough Council (SBC) co-ordinates admission arrangements for all schools in the borough including independent schools. The Council is the admissions authority for Community and Voluntary Controlled (VC) schools. Our overall opinion (Reasonable Assurance) reflects elements of adequate risk management and internal controls, but also areas of weakness that require management attention.

We identified the following areas of strength:

- SBC policies and procedures are in place and being implemented to ensure that all statutory requirements are met.
- A school places strategy (published in May 2023) covering the period 2023 to 2027 has been approved by Cabinet.
- Waiting Lists are held in Capita ONE Education and we confirmed that pupils were automatically added to the waiting lists of the schools which were a higher preference than the school they were allocated.
- Appeals are handled in accordance with the Appeals Procedure and there have not been any appeals raised as a result of admissions processing errors.
- Studybugs has recently been rolled out to all schools in Slough and will enable SBC to meet new government guidance on school attendance which came into effect in September 2022.

We found the following areas of weakness, where controls require strengthening:

- The Directorate risk register is not up-to-date or aligned to His Majesty's Treasury (Orange Book) guidelines.
- There are no defining KPIs as a means of measuring and monitoring the performance.
- Terms of Reference for the new Governance structure is not in place.
- Checks to ensure compliance to current GDPR legislation have not been undertaken.

	High	Medium	Low
Recommendation(s)	2	4	2

Reasonable

Opinion: Reasonable Assurance

Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Key findings

The purpose of the audit was to ensure that effective arrangements are in place for the Governance, Financial Management, Payments, Assets and Safeguarding arrangements within the School.

We identified the following controls that were designed adequately and complied within practice.

- Roles and responsibilities - we confirmed through testing of the Financial Regulations that the roles and responsibilities of the Governing Body, the Finance, Premises (H&S), Personnel Committee, and the Headteacher were approved by the Governing Body in February 2023.
- Scheme of Delegation - we confirmed that the Scheme of Delegation has been included within the Financial Regulations.
- Declarations of Interest was signed by staff as well as the Governors. The Governors had all filled out the form in September 2022 and the senior staff on 5 and 6 June 2023.
- Whistleblowing Policy was last updated in September 2021 and the next review date is September 2024. The author of the policy is the Headteacher, and the policy was published on the school’s intranet.
- Financial Planning - we confirmed through review of the Governing Body meeting minutes and the budget report provided that various factors are taken into account when calculating and agreeing the budgets, including the pupil numbers. The budget for 2022-23 was approved by the Governing Body on 30 June 2022 and a paper for the 2023-24 budget was taken and considered in May 2023.
- Budget Monitoring - we confirmed through review of three months Finance, Premises (H&S), Personnel Committee meeting minutes that budgetary information is provided to the committee, including the variance between the original and the actual spend.
- Purchasing and Payment - we selected a sample of three additional high value payments for the purchase of assets. We confirmed that the school had obtained three quotes for those invoices and the best value quote had been approved.
- Assets Register - we confirmed through review that the assets register had last been updated in May 2023, demonstrating that the asset register is regularly updated, which is usually when new assets are purchased or disposed of.
- Child Protection and Safeguarding Policy - we confirmed through our review of the Child Protection and Safeguarding Policy that it is reviewed each year.

We identified one weakness that has led to one medium priority management action being agreed:

- Authorised Signatories - our sample testing of 12 invoices approved for payment identified three instances totalling c£8.9k where the invoices were signed by members of staff not on the authorised signatory register.

	High	Medium	Low
Recommendation(s)	0	1	2

Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	22 November 2023
Subject:	Update on Annual Governance Statement
Chief Officer:	Stephen Brown – Chief Executive Adele Taylor – Executive Director Finance and Commercial Stephen Taylor – Director of Legal
Contact Officer:	Sarah Wilson – Assistant Director – Legal and Governance
Ward(s):	All
Exempt:	No
Appendices:	None

1. Summary and Recommendations

- 1.1 This report provides an update on progress against the Action Plan in the Annual Governance Statement 2022/23 (AGS).

Recommendations:

Committee is recommended to:

- (a) Review and comment on the progress made against the actions contained in the Annual Governance Statement 2022/23.

Reason:

The AGS is a critical part of the Council's corporate governance processes and reviewing action against previous year's AGS's provides a means to review whether appropriate focus is being applied to the improvement required.

Commissioner Review

This report sets out a summary of the progress that has been made to date in implementing the actions from the Annual Governance Statement and rather than simply updating the governance challenges on an annual basis the Council has established a process whereby updates are reported to the Committee.

This ensures there is a continual focus on how the Council is addressing its governance challenges and seeking improvement in how its functions are exercised. This Committee has the responsibility for considering the arrangements for Corporate Governance and this provides the opportunity for the Committee to note and comment on the progress made and collectively agree whether it requires further detail on any particular action for a future meeting.

The commissioners note the report, officer assessment of progress made and ongoing work to implement the Annual Governance Statement Action Plan.

2. Report

Introductory paragraph

2.1 Slough Borough Council is responsible for ensuring that its operations are conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. To achieve this the council has to ensure that they have a governance framework that supports a culture of transparent decision making. The AGS 2022/23 was prepared in advance of the statement of accounts being prepared, due to a delay in closing off historic years' accounts. Whilst progress is being made to close previous years' accounts, the Council is some way off being able to close its 2022/23 accounts. Despite this it was possible to conduct a review of the effectiveness of internal control and approve an AGS for 2022/23 which contained an action plan. It is this action plan which has been reviewed and an update provided.

Options considered

1. **Conduct a formal review of progress and update the Committee** – this is the **recommended option** as it provides a transparent account of progress. It also responds to criticism in the DLUHC commissioned Governance Review on the inadequacy of action planning in previous AGSs.
2. **Not report formally to Committee** – whilst committee members could seek assurance outside of the formal meetings and wait until the 2023/24 AGS is prepared to review progress, this is **not recommended**. The Council's governance processes should be subject to regular, ongoing review to ensure a continued focus on this important area. It is accepted that most councils who have been found to have failed to meet their best value duties have failed to have appropriate governance processes in place.

Background

2.2 The AGS is integral to the governance framework at the Council that supports the achievement of the outcomes set out in the Council's corporate plan priorities.

2.3 The Council must at least annually conduct a review of the effectiveness of its systems on internal control and report its findings in an AGS. The AGS was prepared in accordance with proper practices and the Council has followed the CIPFA/SOLACE Delivering Good Governance framework.

2.4 The AGS contained a list of issues identified for specific action and progress against these is set out below. In the next report a rating will be provided on whether satisfactory progress has been made to mark the action as complete. This will inform which actions may need to be included in the annual governance statement for this financial year.

Council Plan and compliance with DLUHC statutory direction

2.5 The Council approved a new Corporate Plan at Full Council in September 2023. This was subject to public consultation and reflected the new administration's priorities. The next step is to ensure there are affordable, delivery plans sitting beneath the Corporate Plan. The Corporate Plan is aligned to the DLUHC statutory directions and

there is a reporting mechanism on improvement and recovery progress to both Cabinet and Full Council. The Council's Corporate Improvement Scrutiny Committee utilises this information to inform its work programme.

Children's Social Care

2.6 The Council's Corporate Plan places a renewed focus on children and young people. Full Council has also passed a motion recognising the important role the Council has as corporate parent and the Corporate Parenting Panel terms of reference were refreshed and approved at May 2023 Full Council. Cabinet has made a number of important decisions in relation to children's services, including:

- (a) April 2023 – Remodelling of Children's Centres
- (b) July 2023 – Early Help Partnership Strategy
- (c) September 2023 – Approval of annual Business and Improvement Plan for Slough Children First (SCF)
- (d) November 2023 – reports presented to Cabinet for approval of Children and Young People Participation Strategy and Children's Placement Sufficiency Strategy, as well as update on the Family Hub Model following reconfiguration of the Children's Centres.

2.7 The refreshed strategies and plans are an important first step, however it will be important to ensure that action plans sitting beneath these are leading to improved service delivery. Partnership working across statutory partner agencies and with the VCS remain critical to ensuring improved service delivery and cost effective services.

SEND Services

2.8 Since approval of the AGS, the Council has been informed it is under formal statutory intervention of the Department for Education due to a lack of progress against its Written Statement of Action. In September Cabinet noted a SEND improvement action plan. The DLUHC commissioners commented that there is a need for a completed action plan and detailed financial implications. These were expected to be reported to November Cabinet, but will now be reported in December 2023. For the time being there is a need for quarterly reports to be produced to demonstrate focused attention at senior officer and member level on this area. The quarterly performance reports are being presented to Cabinet, with the first one presented in October and these contain performance indicators relating to SEND services. There are some early indicators of improvements, but it is fair to say this is from a low base.

Financial management / sustainability

2.9 Officers have changed the reporting format for budget and financial reporting to members. In September 2023, Cabinet received a refreshed finance improvement plan, the revenue and capital budget outturn for 2022/23 and the Quarter 1 Budget Monitoring report. A finance report was also presented to the Corporate Improvement Scrutiny Committee to help it understand the sometimes complex financial arrangements in place in local government. This was intended to help members identify areas of focus for budget scrutiny. Permanent appointments have been made in the finance team to assist the Council to produce a medium term financial model and an updated Capitalisation Direction, to allow a balanced 4 year medium term financial plan to be approved in March 2024. Both the outturn report and Quarter 2 budget monitoring report were delayed due to the assurance work required to provide accurate information. The budget setting process for 2024/25 will be a critical step in establishing whether satisfactory progress is being made against this action.

Asset Disposal Project

2.10 An update on the asset disposal programme was presented to Cabinet in September 2023. This included approval of a refreshed strategy. Some disposals have been delayed whilst the Council reviewed the best consideration evidence and ensures proper accounting practices for assets held in ring-fenced accounts. An update on progress on Quarter 2 budget monitoring was due to be presented to November Cabinet, but will now be presented in December. There is an internal audit planned for 2023 on the asset disposal programme. Whilst market conditions remain volatile, the Council has had considerable success in sales via auction, with many properties selling for considerably more than the reserve price.

2.11 The next phase of the programme will focus on operational assets and decisions need to be made in line with a new estates strategy (due to be approved in December 2023) to ensure that retained assets are utilised to improve service delivery.

Closing of statement of accounts

2.12 There is still a considerable amount of work to be undertaken both by officers and external auditors in relation to closure of previous years' statement of accounts. The latest position is subject to national guidance being issued around catch up arrangements for outstanding external audits across the country. External audit, the finance team and the DLUHC commissioners meet on a monthly basis to discuss financial governance and an update on the progress of how the national guidance will affect external audit work of the statement of accounts.

- 2018/19 Accounts awaiting final sign-off from the auditors, Grant Thornton.
- 2019/20 Accounts prepared and sent to external audit.
- 2020/21 Accounts partially prepared but yet to be fully completed, in light of 2019/20 waiting audit.
- 2021/22 to be completed (work has started).
- 2022/23 to be completed (work has started).

2.13 Due to historic poor record keeping, the accounts for financial years 2019/20 through to 2021/22 are likely to be qualified or disclaimed. Council officers are working closely with the auditors to show an improvement in supporting evidence and importantly to learn from historic weaknesses to ensure that record keeping adheres to best practice and standards of accounting practice.

2.14 In addition to the local issues with closure of accounts, there is a national issue with delays. The Public Accounts Committee published a report in June 2023 confirming that only 12% of local government bodies received audit opinions on their finances in time to publish accounts for 2021-22 within an already extended deadline. This increases the risk of significant financial and governance issues being detected too late. Recommendations have been made to Government and DLUHC published the letter dated 14 July 2023 from Minister Rowley to the Chair of the Levelling Up, Housing and Communities Committee setting out an initial proposition and commitment from agencies involved in the audit system. In relation to the role of local authority audit committees, the letter states:

20. Under these proposals, Section 151 Officers will be expected to work with Audit Committee members (or equivalent) to approve the final accounts by the statutory deadline in order for the audit opinion to be issued at the same time. In addition, Chief Executives, Section 151 Officers, local authority Leaders and Chairs of Audit Committees should alert the auditor to significant organisational risks, critical decisions and changes in financial sustainability, and also where they have identified concerns on systems of financial control, financial reporting and capacity and capability to produce high-quality

financial reporting on time. Where there are significant resilience risks, they should alert the auditor of the options, choices and alternatives that are being considered.

Housing Management

2.15 Cabinet received a report on the housing service improvement plan proposals in September 2023. It was agreed that 6 monthly updates would be received against progress. On implementation of the housing software system, a phased plan has been put in place with costs identified to complete all work in the first quarter of 2024. In relation to strategies, it is proposed that a new tenant and resident engagement strategy be presented for Cabinet approval in December 2023.

Company governance arrangements

2.16 The Council has four controlled companies: Slough Children First Ltd (SCF), James Elliman Homes Ltd (JEH), Development Initiative for Housing Slough Ltd (DISH) and Ground Rent Estates 5 Ltd (GRE5). Reports have been presented to Cabinet on SCF and GRE5 and these companies have had reviews of the board composition and skills, with replacements being made to fit the needs of the entity at a particular point in time. There is a review of the board of directors for JEH and progress on this and the company's business plan will be presented to Cabinet in December 2023. Further work is needed on ensuring the governance arrangements in place are suitable and effective.

2.17 The draft best value guidance states that a characteristic of a well-functioning authority is to ensure proper member oversight (as shareholder) or companies and partnership bodies, in accordance with the Local Partnerships Local Authority Company Review Guidance and that their existence is regularly and independently reviewed. The Local Partnerships framework has been utilised for the governance review of SCF and update reports are brought to this committee on a quarterly basis. In addition, Local Partnerships were commissioned to undertake a review of JEH.

Supporting new and inexperienced members

2.18 A report was presented to the Standards Committee in October 2023 updating members on the member induction and development programme and member survey. The induction program was adapted quickly in response to the high turnover and change of political administration in May 2023, for example providing significant additional support for new cabinet members and building their relationship with lead officers through informal and formal mechanisms such as away-days.

2.19 Details of third party training and development opportunities are publicised through the weekly member bulletin. This includes training offered by the Local Government Association and other bodies, plus training provided by council officers. The Centre for Governance and Scrutiny ran a scrutiny induction programme over a number of sessions, funded by the LGA, which included work programming support for the scrutiny committee, finance scrutiny training, and sessions for cabinet members and officers. Council officers co-presented throughout.

2.20 The Audit and Corporate Governance Committee contains a number of new members, including a new Chair. A training programme has commenced and members have been asked to complete skills audits to ensure the future programme is tailored to the skillset of members as a collective and individually. In addition there have been informal meetings with members to support them to undertake their role. Members of this committee are encouraged to confirm what further support can be provided by officers, including the level of information to be provided in reports, input into the work programme, mentoring opportunities, sharing of best practice and delivery of training.

2.21 Most other committees have had some degree of bespoke training, which in some cases was mandatory (such as Planning & Licensing). Because most committee chairs are inexperienced, they have been offered one-to-one support by the Monitoring Officer and Democratic Services, in addition to formal training.

2.22 Officers have encouraged members to give feedback on induction and support, including via a member survey in November 2023. Using the results of this survey, the next update of the member development programme is due to be completed in December 2023. The new plan will refresh the first round of training and provide new learning opportunities (particularly moving from skills sessions towards subject-matter sessions). Opportunities are being sought for members to learn from peers at other local authorities. For example, the council is making full use of the Local Government Association's mentoring service, with most members of cabinet and several other committee chairs accepting high-quality peer mentors from other local authorities.

2.23 The Ethical Audit Desktop Analysis presented to the Standards Committee recommended members exploring the use of skills audits to identify any training needs of individual members.

Organisation and culture

2.24 Full Council approved a new chief officer structure and a new director tier in September 2023. The new structure is now being implemented and will allow directors and heads of service to consider whether changes are needed to the structures within each directorate. A specialist external recruitment agency is being used to assist with permanent recruitment to director vacancies.

2.25 Governance learning sessions are run on a weekly basis for senior leaders, alongside governance being covered in the corporate induction. Newly appointed directors and heads of service will attend these, alongside other induction programme activity.

2.26 Regular staff engagement sessions, including in person roadshows, have been rolled out alongside enhanced internal communications. Staff networks, representing staff with specific protected characteristics, are being utilised to inform policy and the proposed new equality objectives include two focused on a diverse workforce. The equality objectives will be subject to public consultation and updates on the work of the staff networks and workforce data will be presented to and reviewed by the Employment Committee.

2.27 Performance appraisals are in place and regularly monitored and there is a plan for Executive Directors to have 360 degree appraisals, facilitated by the LGA. There is a system to monitor completion of performance appraisals. It is important to ensure that the quality of appraisals are monitored as well as the number. Progress on this will be monitored by the Employment Committee.

Resident engagement

2.28 The Council's Corporate Plan was approved in September and included a resident focused approach, which commits to ensuring residents are consulted on key decisions, improving response times and customer service and making it easier for residents to access advice and information.

2.29 As evidence of improved engagement, the Council consulted on its corporate plan and is planning to consult on its equality objectives. A new tenant and resident engagement strategy for housing services is to be approved later in 2023. The Council's adult social care directorate have presented a number of strategies to Cabinet for

approval, following a co-design approach. This has included the Slough Adult Carers Strategy approved in September 2023 and the Slough Older Persons' Strategy and Slough Learning Disabilities Strategy to be approved in November 2023. Finally, Cabinet is being asked to approve a Children and Young People's Participation Strategy in November 2023.

2.30 The Council utilises complaints data as a useful source of learning. This includes the corporate leadership team receiving quarterly updates on complaints data and the Audit and Corporate Governance Committee receiving an annual report, which includes statutory and corporate complaints data, themes and learning as well as information about ombudsman complaints. The complaints process was subject to a scrutiny task and finish group review, which reported in early 2023. This resulted in changes being made to the process to make it more effective and accessible to residents and service users.

Performance and risk management

2.31 The Council's risk management strategy has been reviewed and this committee will have an opportunity to comment on it before it is referred to Cabinet for approval. The Council is also procuring a system which will make it easier to capture and analyse risk across the organisation.

2.32 The Council has reviewed its performance reporting and presented a public performance update to Cabinet in October 2023. It was agreed that this should be reported to Full Council twice a year and scrutiny and audit committee members will have access to performance data to assist with their work programming.

2.33 Further work is being undertaken to ensure the performance measures are appropriate and members are likely to see this evolve over time. This includes ensuring that measures are appropriately outcome focused and frequently interrogated at an officer and member level.

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 There are no direct financial implications resulting from this report. However, a failure to respond to actions in the AGS is likely to result in a failure of financial governance and a risk that the Council makes decisions that are not in its financial interests.

3.2 Legal implications

3.2.1 There is a legal requirement to prepare an AGS, however there is no requirement to provide a quarterly update on progress against the action plan.

3.2.2 The Council has a best value duty under the Local Government Act 1999 and this includes making arrangements to secure continuous improvement in the way in which its functions are exercised. The draft best value guidance states that authorities should be transparent in their AGS about how they are delivering improvements over time against any recommendations, including those made by external parties. The AGS should be designed to stress-test both the governance framework and the health of the control environment and should be used as an improvement document.

3.3 *Risk management implications*

3.3.1 The AGS is a statutory document. Failure to respond to the action plan could increase the risk of financial exposure as a result of poor decision-making and lack of action to make improvements. The quarterly review allows members to question officers on progress and to consider whether focus and resource should be allocated differently. The Committee is permitted to report to other member bodies if it is concerned about lack of progress.

3.3.2 A number of the matters highlighted in the action plan also appear on the Council's corporate risk register. Members should review this document to establish whether appropriate mitigations are in place.

3.4 *Environmental implications*

3.4.1 There are no environmental implications as a result of this report.

3.5 *Equality implications*

3.5.1 Improvement the control environment will ensure that decisions are informed by evidence. This should include information on impact on residents and service users with protected characteristics. One of the actions relates to resident engagement and progress includes engagement on equality objectives and updates on engagement activities and strategies with key groups, including older persons, carers, people with learning disabilities, children and young people and housing tenants.

4. Background Papers

None