

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

Continued Economic Instability and Turbulence at a national level.	<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>	Yes
Managing a mixed economy workforce.	<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>	Yes
Partnership and Governance arrangements	<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>	Yes
Procurement	<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>	Yes
Schools Environment	<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>	Yes

	<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 to 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