Grant Thornton

The Audit Findings for Slough Borough Council

Year ended 31 March 2019

23 July 2020

Contents

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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Headlines

This table summarises the key findings and other matters arising from the statutory audit of Slough Borough Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2019 for those charged with governance.

Financial Statements	Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion, the Council's financial statements:
	• give a true and fair view of the financial position of the Council and its income and expenditure for the year; and
	• have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.
	We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
		Our findings are summarised on pages 5 to 24. At this stage of our audit work have identified a number of adjustments to the financial statements. Audit adjustments are detailed in Appendix C.
		We have also raised recommendations for management as a result of our audit work in Appendix A. Our work is ongoing and subject to the following outstanding matters;
		• Receipt of assurance from the Berkshire Pension Fund auditor;
		• Completion of audit procedures in relation to the following:
		    • Receipt of outstanding sample evidence for grant income testing
		    • Resolution of queries relating to the reconciliation of Collection Fund income;
		    • Group – receipt of final group confirmations from Slough Urban Renewal auditor and responses from officers to queries on group consolidation process;
		    • Resolution of outstanding queries on journals testing
		    • Receipt of outstanding sample evidence for debtors and creditors testing
		    • Bank balances - receipt of third party confirmation for school balances and three deposit balances
		    • Review of external asset valuation report for Thames Valley University site received 23 July 2020
		    • Resolution of queries on asset floor area checks to inform valuations
		    • Review of evidence for HRA beacon property review process to support the valuation of council dwellings
		    • Review of final Expenditure and Funding analysis, reserves note and cash flow statement following receipt of updated accounts
		• Review of updated financial statements with agreed adjustments and disclosure amendments processed
		• receipt of signed management representation letter – see appendix F;
		• Consistency check of the final Annual Governance Statement to the updated financial statements; and
		• Completion of internal review processes.
		We have concluded that the other information to be published with the financial statements is consistent with our knowledge of your organisation and the financial statements we have audited.
		Subject to the satisfactory conclusion of the outstanding areas, our anticipated audit report opinion will be unmodified.

Headlines

This table summarises the key findings and other matters arising from the statutory audit of Slough Borough Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2019 for those charged with governance.

Value for Money arrangements	Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report if, in our opinion, the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion').	We have completed our risk based review of the Council's value for money arrangements. We have concluded that Slough Borough Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources, except for: • Inadequate arrangements in place to understand and use appropriate and reliable financial and performance information to support informed decision making and performance management in relation to Slough Children's Services Trust • Weaknesses in processes for preparing the 2017-18 financial statements (which took place during 2018-19), and ongoing weaknesses in the quality of working papers supporting the 2018-19 financial statements We therefore anticipate issuing a qualified "except for" value for money conclusion. Our findings are summarised on pages 27 to 35.
Statutory duties	The Local Audit and Accountability Act 2014 ('the Act') also requires us to: • report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and • To certify the closure of the audit.	We have not exercised any of our additional statutory powers or duties. We are unable to certify our closure of the 2018-19 audit of Slough Borough Council in the audit opinion due to the following: • Completion of our review of the Council's Whole of Government Accounts return following the issue of our opinion on the Council's 2018/19 financial statements. • Resolution of an outstanding objection to the accounts relating to the acquisition of the Council's new offices at 25 Windsor Road which has yet to be formally concluded.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Summary

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the group and Council's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls; and
- An evaluation of the components of the group based on a measure of materiality considering each as a percentage of the group's gross revenue expenditure to assess the significance of the component and to determine the planned audit response.
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

We have made updates to our risk assessment from our audit plan, as communicated to you on 24 April 2019, to reflect an additional risk identified in respect of our work for our Value for Money conclusion. Further details of the additional risks identified are set out on page 28.

We have reported separately on the IT review undertaken. The report included a number of recommendations relating to security vulnerabilities, penetration testing and account management. This review was undertaken whilst IT services were provided by an external provider and we understand that the service has since been brought in-house.

Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Audit and Corporate Governance Committee meeting on 3 August 2020. These outstanding items are listed on page 3.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality calculations remain the same as reported in our audit plan. We detail in the table below our determination of materiality for Slough Borough Council.

	Council Amount (£)	Group Amount (£)	Qualitative factors considered
Materiality for the financial statements	5,980,000	5,982,000	This has been calculated based upon 1.5% of your prior year gross expenditure
Performance materiality	3,588,000	3,589,000	This has been calculated as 60% of headline materiality, based upon our assessment of the likelihood of a material misstatement in the financial statements
Trivial matters	299,000	299,000	This has been calculated based upon 5% of headline materiality.

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Improper revenue recognition Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. For Slough Borough Council, we have concluded that the greatest risk of material misstatement relates to Other Fees and Charges income. We have therefore identified the occurrence and accuracy of Other Fees and Charges, Grants, and Contract income as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter. We have rebutted this presumed risk for the other revenue streams of the group and Council because: • Other income streams are primarily derived from formula based income from central government and tax payers; and • opportunities to manipulate revenue recognition are very limited.	**Auditor commentary** We have: • evaluated the group's accounting policy for recognition of income from Other Fees and Charges, Grants, and Contracts for appropriateness; • gained an understanding of the Council's system for accounting for income from Other Fees and Charges, Grants, and Contracts and evaluate the design of the associated controls; • agreed, on a sample basis, amounts recognised as income from Other Fees and Charges, Grants and Contracts in the financial statements to supporting documents. **Our fees and charges testing is complete however we are still awaiting outstanding evidence in relation to our sample testing on grant income. Our audit work is still ongoing in this area and so we are not yet able to conclude on this risk.**
Management override of controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance. We therefore identified management over-ride of controls, in particular journals, management estimates and transactions outside the normal course of business as a significant risk requiring special audit consideration.	**Auditor commentary** We have performed the following work: • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions. **Our work to date has not identified any issues. We will conclude on this risk area once the remaining evidence for journals selected has been received from officers.**

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Valuation of investment property (Annual valuation) The group revalues its investment property on an annual basis to ensure that the carrying value is not materially different from the current value of fair value at the financial statements date. This valuation represents a significant estimate by management in the financial statements due to the size of the umbers involved and the sensitivity of this estimate to changes in key assumptions Management have engaged the services of a valuer to estimate the current value as at 31 March 2019. We therefore identified valuation of investment property, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Auditor commentary** We have completed the following work: • evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; • evaluated the competence, capabilities and objectivity of the valuation expert; • wrote to the valuer to confirm the basis on which the valuations were carried out; • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Council's asset register; • evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. Our audit work identified an error in the accounting for an asset purchased in 2017/18 which has resulted in a material prior period adjustment to the 2018-19 financial statements. The Council acquired land located at Thames Valley University campus on 5 April 2017 for a total purchase price of £24.2 million. The terms of the purchase were that this purchase would be paid for by the Council in the following three instalments: • £8.069 million on date of completion (5 April 2017) • £8.069 million one year after completion • £8.069 million two years after completion. At initial recognition in 2017-18, the asset should have been recorded in the fixed asset records of the Council at its full purchase price of £24.2 million, with a corresponding creditor, split between short term and long term, to reflect the outstanding payments due in future periods. Our work has identified that only the value of the initial payment instalment had been recognised in the 2017-18 financial statements, therefore resulting in the need for a prior year restatement to correct the assets values and creditor balances recorded in the prior year accounts and remove the second instalment payment from additions in the 2018-19 accounts. Furthermore, in accordance with LG Accounting Code, investment properties are held at fair value and should be reviewed on an annual basis to determine its fair value. Our work identified that the site acquired at Thames Valley University has been recorded in the fixed asset records of the Council at a fair value of £x. Upon further investigation and enquiries with the council and the valuer, this was due to the valuer only being notified of the initial £8.069 acquisition payment and consequently has resulted in a material misstatement of the fair value recorded in the financial statements. The Council received a revised valuation on 23 July 2020 and we are currently reviewing the outcomes of this exercise. **We have made a recommendation in relation to this risk. Further details can be found on page 42.**

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Valuation of property, plant and equipment (rolling revaluation) The group revalues its land and buildings on an rolling five year basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Authority and group financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used. We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Auditor commentary** We have completed the following work: • Reviewed management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • Evaluated the competence, expertise and objectivity of any management experts used. • Discussed with the valuer the basis on which the valuation is carried out and challenge the key assumptions. • Reviewed and challenged the information used by the valuer to ensure it is robust and consistent with our understanding. • Tested revaluations made during the year to ensure they are input correctly into the Council's asset register • Evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value **We have made a recommendation in relation to this risk. Further details can be found on page 42.**

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Property Plant and Equipment - Incomplete or inaccurate Financial information transferred to the general ledger In January 2019, the Council implemented an opening balances exercise on the Property, Plant and Equipment balances for the 2018/19 financial year. When implementing this exercise, it is important to ensure that sufficient controls have been designed and operate to ensure the integrity of the data. There is also a risk over the completeness and accuracy of any data transfer from the previous ledger system. We therefore identified the completeness and accuracy of the transfer of revised financial information to the general ledger system as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Auditor commentary** We have completed the following work: • complete an information technology (IT) environment review by our IT audit specialists to document, evaluate and test the IT controls operating within the general ledger system; and • map the closing balances from the 2017/18 general ledger to the opening balance position in the new ledger for 2018/19 to ensure accuracy and completeness of the financial information. During the audit the finance team notified us that a number of adjustments relating to 2018/19 had not been processed prior to the production of the year end financial statements. These included: • The removal of Arbour Vale School and associated land which became an academy in November 2018 • Reclassification of two tower blocks and a leisure centre which are scheduled for demolition to surplus assets • A leisure centre which became operational in year needed to be reclassified from assets under construction to operational assets Our audit work identified assets included in the fixed asset register which were fully depreciated and should be written out of the register and accounts. **Our audit work is ongoing in this area and we are not yet able to conclude on this risk.**

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Valuation of pension fund net liability The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements and group accounts. The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions. We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.	**Auditor commentary** We have completed the following work: • update our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; • assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; • agree any advance payment made to the pension fund during the year to the expected accounting treatment and relevant financial disclosures; • obtain assurances from the auditor of Berkshire Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. The net pension liability presented in the first draft of the financial statements did not include consideration of the impact of McCloud judgement. The McCloud judgement, during the year The Court of Appeal has ruled that there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members. The Government applied to the Supreme Court for permission to appeal this ruling, but this permission to appeal was unsuccessful. Additional detail can be found on page 17. The Council commissioned a revised actuary report to include the impact of McCloud and this will be updated in the final version of the financial statements. During the process of agreeing the disclosures to the information in the actuary's report it was noted that the disclosure was presenting some information on a net basis rather than the gross basis within the report. This was discussed with the finance team and the disclosure was agreed to be amended. In addition, non-trivial adjustments have been made within the 2018/19 movements which related to the final prior position but which were not processed in the 2017/18 accounts. We have assessed the value of these adjustments and considered if a prior period adjustment is required. As these below materiality this is not required and we are satisfied that adjustment in 2018/19 is appropriate. **We are awaiting receipt of the required assurances from the auditor of Berkshire Pension Fund to conclude our work for this risk area.**

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Valuation, classification and ownership of investments Lender Option, Borrower Option (LOBO) loans are complex with terms that can be non standard, including inverse floating interest rates. Management need to consider the terms of the loan agreements of these loans and make judgements as to the appropriate accounting treatment. Last year, clarification was issued by CIPFA in relation to the accounting for LOBO loans. The Council holds LOBO loans (PY: fair value of £13m in 2017/18) and has made a critical judgement regarding the accounting treatment and valuation of these loans during the year. We therefore identified the valuation and accounting for these LOBO loans as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Auditor commentary** We have completed the following work: • assessed management's processes and assumptions for identifying critical judgements; • gained an understanding of the processes and the controls put in place by management to ensure that the loans were not materially misstated and evaluate the design of the associated controls; • evaluated the competence, capabilities and objectivity of management experts used in the valuation of the loans; • discussed with management the basis on which the valuation was carried out, including advice received from treasury management advisers; • evaluated and challenged the reasonableness of the critical judgements and significant assumptions used by management and their expert in valuing and accounting for the loans. **Our audit work has not identified any issues in respect of the treatment and valuation of LOBOs**

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Private Financial Initiatives (PFI) Scheme The Council entered into a PFI contract for the design, build and operation of three schools in 2006/07. The PFI assets are recognised as Property, Plant and Equipment within the Council's balance sheet. Accounting for PFI is complex and the transactions are significant. In addition, the monitoring of the contract is a key requirement for the Authority. There is a risk that Property, Plant and Equipment may be misstated due to improper valuations and accounting of PFI schemes in year. We therefore identified the accounting transactions associated with the PFI model as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Auditor commentary** We have completed the following work: • review the Council's PFI model and assumptions therein to inform our audit approach; • agree the balances in the financial statements to these models; • review the basis of the Council's accounting treatment and valuation for the PFI schemes; • discuss with key group personnel, the underlying substance of the transactions and the judgements made. **Our audit work has not identified any issues in respect of the treatment and valuation of PFIs**

Significant findings – audit risks

Risks identified in our Audit Plan	Commentary
Presentation and Disclosure – Financial Statement Level Risk In 2017/18 a significant number of weaknesses and misstatements were identified in respect of the group's arrangements for preparing the financial statements and working papers. There is a financial statement level risk that the financial statements may be misstated due to weaknesses identified. We therefore identified the presentation and disclosure of the financial statements as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Auditor commentary** We have completed the following work: • considered the Council's arrangements for preparing the financial statements and working papers; • discussed with key group personnel, the underlying substance of the transactions and judgements made; • critically assessed the financial statements in accordance with the Code, International Financial Reporting Standards (IFRSs) and other relevant accounting guidance; • mapped the closing balances from the 2017/18 general ledger to the opening balance positions in the new ledger for 2018/19 to ensure accuracy and completeness of the financial information; • considered the action plan presented to Audit and Corporate Governance Committee and consider progress made by Officers against this plan in the preparation of the 2018-19 financial statements. Our audit work in 2018/19 has identified a number of control deficiencies and misstatement in similar areas that were identified in the prior year issues were identified with lack of an audit trail between the notes in the accounts and the underlying trial balance in part due to the use of the CIPFA accounts production process (Big Red Button). In addition, the cashflow statement did not balance and due to the accounts production process the audit trail of movements was not easily determined. There is still significant scope for improvement in the quality of the financial statements and in particular the underlying working papers. Our audit has identified a number of misstatements in the same areas that were materially misstated in the prior year, including a material understatement of income and expenditure as a result of income being misclassified as HRA grant income when it was related to expenditure and misstatements in the PPE balances which impact the prior year. The short term creditors listing was on a transactional basis which meant there is no year-end Short Term Creditor listing which can be reviewed for reasonableness. The capital commitments note has been produced based on the Council's approved capital programme. This is not in line with the Code which requires that the disclosure represents the contractual commitments the Council has entered into at the year end. We have requested that management add disclosure to this effect in the note and review the process for its production for future years. The Full Time Equivalent report requested had to be run more than once before it was accurate and complete. The draft accounts did not include the third balance sheet required due to the prior period adjustment and this was not included in the draft until the third version was provided in January 2020. **We have made a number of recommendations in relation to this risk. Further details can be found in the action plan in Appendix A.**

Significant findings arising from the group audit

Risks identified in our Audit Plan	Commentary
Group Accounts The Council is required to prepare group financial statements that consolidate the financial information of its wholly owned subsidiary undertaking, James Elliman Homes Limited (JEH). The Council has a 50% interest in Slough Urban Renewal (SUR), a Limited Liability Partnership. Activity increased significantly in 2017/18; the Council will need to consider whether the entity will be consolidated into Group Accounts in 2018/19. The Council has a wholly owned subsidiary, Development Initiative for Slough Housing Company Ltd. During 2017/18 the Council established Herschel Homes Limited which is currently dormant. In 2017/18 Slough Urban Renewal was not consolidated due to the quantitative and qualitative aspects were not considered to be material by the Council. The Council will need to consider whether the subsidiary should be consolidated in the 2018/19 financial statements. The consolidation of the subsidiary may give rise to a number of material accounting transactions in the financial statements for which the economic substance of the transactions needs to be considered. We therefore identified the accounting transactions associated with the consolidation of Slough Urban Renewal as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Auditor commentary** We have completed the following work: • reviewed the key agreements to gain an understanding of the agreements put in place on the establishment of the company; • discussed with key group personnel, the underlying substance of the transactions and the basis of the group's proposed accounting treatment of the arrangements; • critically assessed the economic substance of the transactions to assess the appropriateness of the accounting treatment adopted by the group in accordance with the Code, International Financial Reporting Standards (IFRSs) and other relevant accounting guidance; • reviewed the Group structure of the Council; • obtained an copy of the Group materiality assessment to be prepared by the Council; and • reviewed the qualitative and quantitative materiality of the Council's subsidiaries in relation to the Council's operations. We challenged management on the composition of the group and the basis for consolidation of the companies included in the group accounts and those omitted including the consideration of the impact of Slough Urban Renewal and James Elliman Homes' accounts being produced under different accounting frameworks. We requested that the disclosures relating to the group companies be amended to aid clarity to the user of the accounts. **Our audit work is ongoing in this area and we are not yet able to conclude on this risk. Work outstanding includes review of the final group financial statements and confirmation of the consolidation adjustments. We are waiting for assurances from the auditor of SUR.**

Significant findings – key judgements and estimates

	Summary of management's policy	Audit Comments	Assessment
Land and Buildings – Other	Other land and buildings comprises specialised assets such as schools and libraries, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. The remainder of other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. The Council has engaged Wilks Head and Eve to complete the valuation of properties as at 31 March 2019.	• We have assessed the Council's valuers, Wilks Head and Eve, to be competent, capable and objective. • We have carried out completeness and accuracy testing of the underlying information provided to the valuer used to determine the estimate . Our work is still ongoing in this area as we are awaiting evidence of indicated floor areas for a number of properties. • We have reviewed the consistency of the estimate against the report by the auditor's expert, Gerald Eve, and reasonableness of the increase in the estimate. • We have checked the General Fund valuation report to the Fixed Asset Register and to the Statement of Accounts with some differences being identified. In addition, in light of the valuation issues identified during the course of the 2017-18 audit, the Council commissioned a further review and revaluation of assets at 1 April 2018, and as a result, required a material restatement to the opening PPE balances in the financial statements. We will provide a further update to management once our work in this area has concluded.	TBC

Assessment
- We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Significant findings – key judgements and estimates

	Summary of management's policy	Audit Comments	Assessment
Net pension liability – £326.9m	The Council's total net pension liability at 31 March 2019 comprises £329.6m (PY £307.4m) in relation to the Local Government Pension Scheme as administered by Berkshire County Council. This encompasses the The Council uses Barnett Waddingham to provide actuarial valuations of the Council's assets and liabilities derived from these schemes. A full actuarial valuation is required every three years. The latest full actuarial valuation was completed in 2016. A roll forward approach is used in intervening periods, which utilises key assumptions such as life expectancy, discount rates, salary growth and investment returns. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.	Our assessment of the estimate has considered: • Assessment of management's expert • Use of PWC as auditors expert to assess actuary and assumptions made by actuary. The assumptions employed by the actuary have been assessed as reasonable. (see assumptions table below) • Completeness and accuracy of the underlying information used to determine the estimate • Reasonableness of increase/decrease in estimate • Adequacy of disclosure of estimate in the financial statements **Subject to receipt of the assurances from the auditor of the Berkshire Pension Fund, our work has not identified any significant issues in relation to the estimation process for the pension liability.**	TBC

Assumption	Actuary Value	Assessment
Discount rate	2.5%	●
Pension increase rate	2.5%	●
Salary growth	4%	●
Mortality assumptions – longevity at 65 for current male pensioners (years)	23.2	●
Mortality assumptions – longevity at 65 for future male pensioners (years)	25.4	●
Mortality assumptions – longevity at 65 for current female pensioners (years)	25.3	●
Mortality assumptions – longevity at 65 for future female pensioners (years)	27.6	●

Assessment
- ● We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- ● We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- ● We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- ● We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Significant findings – matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

Significant matter	Commentary	
Significant events or transactions that occurred during the year	**McCloud judgement** The Court of Appeal has ruled that there was age discrimination in the judges and firefighters pension schemes where transitional protections were given to scheme members. The Government applied to the Supreme Court for permission to appeal this ruling, but this permission to appeal was unsuccessful. The case will now be remitted back to employment tribunal for remedy. The legal ruling around age discrimination (McCloud - Court of Appeal) has implications not just for pension funds but also for other pension schemes where they have implemented transitional arrangements on changing benefits. The Council requested an updated net pension liability calculation from its actuary to include the impact of the McCloud ruling. This has been updated in the liability reflected in the final financial statements.	**Auditor view** We have reviewed the updated actuarial valuation and the assumptions underpinning it, and consider that the approach that has been taken to arrive at this estimate is reasonable.
Accounting for pooled investment funds	The new accounting standard, IFRS 9 Financial Instruments, was implemented from 1 April 2018. This required the Council to review the classifications and accounting treatment of its investments. The Council used its external advisor to provide support during this process. The review has resulted in the classification of pooled investment funds under IFRS 9 as ‘fair value through other comprehensive income’. In our opinion IFRS 9 does not permit for these type of investments to be designated under this classification.	**Auditor view** Following an internal review by our technical team and discussions with management and their investment advisors, it was agreed that the initial classification would be amended to FVPL and the required adjustments made to the accounts. These adjustments impact the Comprehensive Income and Expenditure Statement however due to the available statutory override these do not impact the General Fund.

Significant findings – matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

Significant matter	Commentary	
Dedicated Schools Grant earmarked reserve	The Council recognise a deficit reserve of £7,197k within their Earmarked General Fund Reserves balances in respect of their Dedicated Schools Grant deficit. From 2018/19, all local authorities with a cumulative Dedicated Schools Grant (DSG) deficit of 1% or more at the end of the financial year must submit a recovery plan to the Education and Skills Funding Agency, showing how they will bring the deficit into balance in a three year time frame. A joint Department for Education and CIPFA statement released in June 2019 confirms that both parties are committed to working with other stakeholders to clarify the legal basis for, and accounting treatment of, DSG deficits in time for the 2020/21 budget round and 2019/20 accounts closure. The Joint Statement also confirms that the CIPFA Local Authority Accounting Panel (LAAP) considered the issue for 2018/19 and noted concerns regarding the presentation of an earmarked deficit DSG reserve, particularly given that there is not a clearly identified legislative basis for the ring-fencing of DSG deficits. Our view is that where overspends arise against Dedicated Schools Grant and are to be carried forward as a call against the schools budget in future years, these should form part of the un-earmarked general fund.	**Auditor view** • We discussed the Council's current accounting treatment with management. Whilst the use of a negative earmarked reserve is not good practice, the net Usable Reserves position is appropriately stated. We concluded on that basis that the Council's Usable Reserves are properly stated and that as such a user of the financial statements will be able to take an informed view of the Council's overall level of balances and reserves based on the information within the statements. • We will discuss the accounting treatment with management in respect of future years once CIPFA confirm their expected treatment or any further guidance is issued by CIPFA or the Department of Education. • We also requested that management enhance the disclosure of the accounting treatment within their draft financial statements. • We have discussed with management a number of disclosure adjustments to reflect the nature of the balance within reserves

Significant findings – matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

Significant matter	Commentary	
Bank and cash	We have carried out a detailed review of the working papers provided to support the cash and cash equivalents balance in the financial statements, including analyses of all bank accounts and associated bank reconciliations. This involved a review of the process for inclusion and reconciliation of the school bank accounts as well as the main council accounts. The process for bank reconciliations applied by the Council is complex and utilises numerous account codes within the ledger. During our review of the reconciliations we identified a number of reconciling items which were several years old. The process makes oversight of the bank position and accurate and complete reconciling items. The use of balance sheet holding accounts which delay the posting process, weaken controls over cash and has inevitably led to the significant delays in clearing old items. The inconsistent use of ledger codes also adds to the confusion, e.g bank accounts that are not (Miscellaneous) and cash in transit which isn't cash in transit in the usual sense (Accounting Officers) but cash in transit through the ledger.	**Auditor view** • We have included a recommendation in relation to bank reconciliations on page 39.

Significant findings – matters discussed with management

This section provides commentary on the significant matters we discussed with management during the course of the audit.

Significant matter	Commentary	
Loans to James Elliman Homes – accounting treatment and valuation	The Council has made a drawdown facility available to the subsidiary, James Elliman Homes (JEH), to help fund their capital programme with interest charged on part of the balance and the remainder was provided interest free. As at 31 March 2019, £29.9m had been provided in loans. The interest free loan element had been accounted for as 'deemed equity' and held at fair value. However, under Code requirements this should be treated as a soft loan and valued as based on the discounted cashflows over the life of the loan. The Council reviewed the basis of the accounting and this resulted in the amendment to the valuation and accounting of the loan. The Council used its external advisor to provide support during this process. **The revised valuation for the JEH investment provided by management includes the adjusted value for the soft loans to JEH and an additional valuation for the holding at fair value which was not part of the original value in the draft accounts. This is subject to internal review by our valuation team.**	**Auditor view** • Following an internal review by our technical team and discussions with management and their investment advisors, it was agreed that the accounting treatment and basis of valuation would be amended and the required adjustments made to the accounts.

Significant findings - Going concern

Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Going concern commentary

Management's assessment process	Auditor commentary
The Council’s accounts have been prepared on the going concern basis. Public sector bodies are assumed to be going concerns where the continuation of the provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.	• As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570). • We have subjected the 2019/20 budget and high level revenue MTFP to 2020/21 to detailed scrutiny, and reviewed the planned savings proposals for 2019/20 and 2020/21 in our consideration of the appropriateness of management’s use of the going concern assumption. • Our work is still ongoing in this area in light of the impact of Covid 19 on the future financial of the Council. We will continue to progress this work over the coming week and will provide an update to the committee at its meeting.
Concluding comments	**Auditor commentary**
	• Whilst we are satisfied that the going concern assumption remains appropriate, our work is ongoing to determine whether any additional disclosures are required in the final financial statements.

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
1	**Matters in relation to fraud**	• We have previously discussed the risk of fraud with the Audit and Corporate Governance Committee. We have not been made aware of any other incidents affecting the financial statements in the period and no other issues have been identified during the course of our audit procedures.
2	**Matters in relation to related parties**	• We are not aware of any related parties or related party transactions which have not been disclosed
3	**Matters in relation to laws and regulations**	• You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4	**Written representations**	• A letter of representation will be requested from the Council, at the conclusion of our work • Specific representations will be sought requested from management in respect of the following: – Confirmation of accuracy and completeness of group relationships – Assumptions for key PPE valuation estimates – Assumptions for Pension valuation estimates – Confirmation of cash flow assumptions to support Fair Value calculations of investment in James Elliman Homes
5	**Confirmation requests from third parties**	• We requested from management permission to send confirmation requests to investment fund managers and the Council's banks and institutions they have borrowings from. This permission was granted and the requests were sent. The majority of these requests were returned with positive confirmation, however some requests are currently outstanding as detailed on page 3.
6	**Audit evidence and explanations/significant difficulties**	• Based on work carried out to date, all information and explanations requested from management has been provided.

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
7	**Disclosures**	• Our review identified a number of adjustments which were required. These included: • Group disclosures were amended to provide additional clarity to a reader of the accounts • Capital Commitments disclosures included in the accounts are not in line with the Code requirements and we requested disclosure to this extent to be added to the accounts • In Note 30, the interim Director of Place & Development has received remuneration exceeding £150k but initially wasn't named as required by the Code • A third balance sheet and related disclosures was required to reflect the prior period adjustment for property, plant and equipment • the group notes for PPE did not agree to the Group balance sheet due to the omission of the consolidated values • The disclosures in relation to the fair value of surplus assets were not sufficient to meet the requirements of the Code • IFRS 15 disclosures were not adequately included in the financial statements

Other responsibilities under the Code

	Issue	Commentary
1	**Other information**	• We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect.
2	**Matters on which we report by exception**	We are required to report on a number of matters by exception in a numbers of areas: • If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit • If we have applied any of our statutory powers or duties We have nothing to report on these matters however we have yet to complete our final consistency checks on the final Annual Governance Statement.
3	**Specified procedures for Whole of Government Accounts**	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. As the Council exceeds the specified group reporting threshold of £500m we examine and report on the consistency of the WGA consolidation pack with the Council's audited financial statements. • Note that work is not yet completed and the planned timescale for the work is for completion in August 2020, once the audit of the financial statements has concluded.
4	**Certification of the closure of the audit**	We are unable to certify the closure of the 2018/19 audit of Slough Borough Council in the audit opinion, due to the following: • Completion of our review of the Council's Whole of Government Accounts return following the issue of our opinion on the Council's 2018/19 financial statements. • Resolution of an outstanding objection to the accounts relating to the acquisition of the Council's new offices at 25 Windsor Road which has yet to be formally concluded.

Independence and ethics

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, we disclose the following to you:

- In this context, in writing our 2018-19 Audit Plan we needed to bring a specific issue to those charged with governance attention. Gray's Inn Trading (GIT) Ltd is a group of companies based in the Slough area. A separate special purpose vehicle, Ground Rent Estates (GRE) 5 Ltd, held by GIT Ltd, was acquired by Slough Borough Council on 8 March 2018. At the time of purchase, Grant Thornton were responsible for the audit and tax services for GIT Ltd. Audit and tax compliance services had been provided by Grant Thornton during the 2016-17 financial year, including tax compliance work which commenced in January 2018, nearly three months prior to the 8 March 2018 acquisition date. In addition to the tax compliance work, GT provided tax advice relating to the GRE 5 Ltd company transfer. No work was performed in respect of the 2017-18 year - the firm proposed to continue as the auditor of GRE5 Ltd for 2017/18 but, in view of the acquisition by the Council of GRE5 Ltd, the firm ceased its tax and accounts preparation services for audit year 2017/18. There is therefore no ongoing threat to independence as the firm will not be undertaking accounts preparation or tax work in future years.

- For the 2016-17 audit, all fees relating to the audit and tax computation work for the group (including that for GRE 5 Ltd) have been and will continue to be billed to the GIT Group. No fees were billed to either GRE 5 Ltd or Slough Borough Council. The work is inconsequential to the Council (and is not consolidated within the financial statements of the Council) and Grant Thornton had substantially completed, and billed, the majority of the work before Slough Borough Council acquired GRE 5 Ltd in March 2018. The only element of work outstanding at the date of acquisition was the final sign off procedures, including the filing of year end accounts.

- No members of the Slough Borough Council audit team had any involvement with the GIT Ltd or GRE 5 Ltd audit and tax services.

- Following the subsequent discussions with our Head of Ethics, it has been agreed that there is no ongoing conflict of interest and there is no impact upon our independence and objectivity of the audit of either the Council or the company as the firm ceased its tax and accounts preparation services for the audit year 2017-18. There is therefore no ongoing threat to independence as Grant Thornton will not be undertaking accounts preparation or tax work in 2018-19 or in future years. Grant Thornton has fully reported the circumstances to Slough Borough Council and consulted with PSAA on 12 July 2018. PSAA has confirmed that they support this conclusion.
- We are reporting this matter to those charged with governance as required under the Financial Reporting Council Ethical Standard to ensure that they are fully appraised of the situation.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D

Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The following non-audit services were identified, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

	Fees £	Threats identified	Safeguards
Audit related			
Teachers Pensions Return Certification work	5,000	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is not significant in comparison to the total fee for the audit and in particular is not significant relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Housing Benefit Subsidy certification work	95,000	Self-interest Self-review	This engagement is for the provision of a report of factual findings in respect of the local authority's form MPF720A. There is no direct impact on the Housing Benefit income and expenditure figures in the financial statements and there is a very low risk of the work leading to any need for future restatement of the accounts. The Housing Benefit subsidy engagement does not impact on our independence, objectivity or integrity in respect of the audit of the financial statements of the local authority.
Non Audit			
CFO insights subscription	10,000	Self interest	We have provided subscription services only; any decisions are made independently by the Council. The work is undertaken by a team independent to the audit team.

Commercial in confidence

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Value for Money

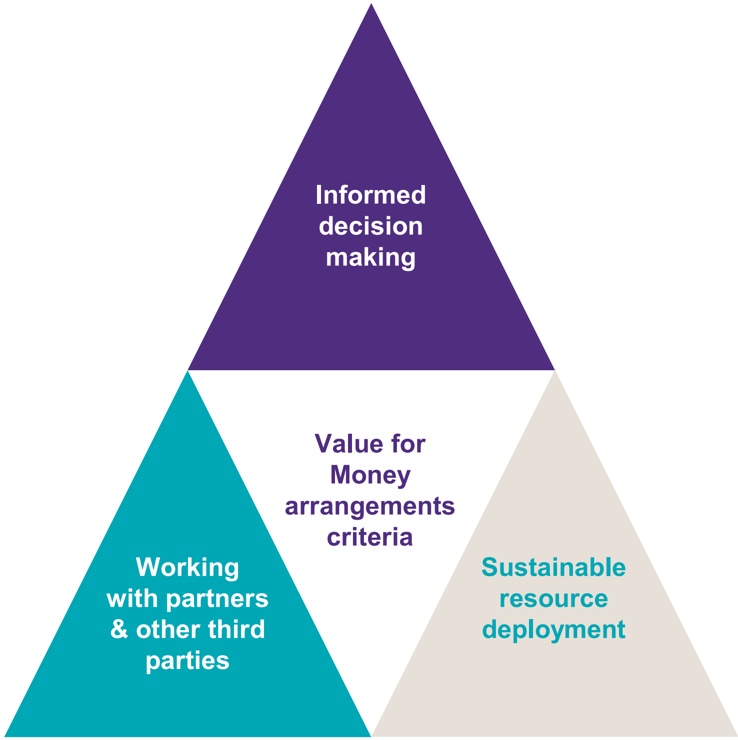
Background to our VFM approach

We are required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception where we are not satisfied. This is known as the Value for Money (VFM) conclusion.

We are required to carry out sufficient work to satisfy ourselves that proper arrangements are in place at the Council. In carrying out this work, we are required to follow the NAO's Auditor Guidance Note 3 (AGN 03) issued in November 2019. AGN 03 identifies one single criterion for auditors to evaluate:

"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people."

This is supported by three sub-criteria, as set out below:



Risk assessment

We carried out an initial risk assessment in January 2020 and identified a three significant risks in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated these risks to you in our Audit Plan dated January 2020.

Our risk assessment is a dynamic process and we have had regard to new information which emerged since we issued our Audit Plan, we identified the additional significant risk as a result:

- Slough Children's Services Trust (SCST) provides the Council's children's social care services. We identified the possible failure of SCST due to its deteriorating financial position and ability to manage demand as a significant risk.

We carried out further work only in respect of the significant risks we identified from our initial and ongoing risk assessment. Where our consideration of the significant risks determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

Value for Money

Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of the Council's arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in the Council's arrangements. In arriving at our conclusion, our main considerations were:

- The council has adequate arrangements in place to ensure financial sustainability, but arrangements could be strengthen to ensure robust and realistic savings plans are in place.
- The recent Ofsted inspection in January 2019 identified an improvement in the arrangements for Children's Social Care services, they were no longer rated as 'inadequate', but rated as 'require improvement to be good'.
- The Council did not have adequate arrangements in place to ensure reliable and timely financial reporting that supports the delivery of strategic priorities due to weaknesses in processes for preparing the 2017-18 financial statements (which took place during 2018-19), and ongoing weaknesses in the quality of working papers supporting the 2018-19 financial statements.
- Slough Children's Services Trust (SCST):-
  - inadequate arrangements were in place to deliver strategic priorities or understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management including where relevant, business cases supporting significant investment decisions.
  - during 2018/19 the Council did not demonstrate sound governance arrangements to ensure that elected members (Cabinet or the Education and Children's Scrutiny Committee) were updated on the progress of SCST through formal committee meetings.

We have set out more detail on the risks we identified, the results of the work we performed, and the conclusions we drew from this work on pages 29 to 35.

Overall conclusion

Based on the work we performed to address the significant risks, except for the matters we identified in respect of understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management including where relevant, business cases supporting significant investment decisions and ensuring reliable and timely financial reporting that supports the delivery of strategic priorities, the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We therefore propose to give a qualified 'except for' conclusion.

The text of our proposed report can be found at Appendix E.

Recommendations for improvement

We discussed findings arising from our work with management and have agreed recommendations for improvement.

Our recommendations and management's response to these can be found in the Action Plan at Appendix A

Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

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Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Financial Sustainability of the Council - Medium Term Financial Strategy (MFTS) The ongoing challenge of meeting the savings outlined by Central Government continue to put pressures on Local Government finances. Slough Borough Council currently has a budget gap of £1.291m over four years to 2022/23. The Council has set a balanced budget for 2019/20 to 2021/22. In the short term, the Authority has one off reserves that can be used to mitigate these pressures but the longer term implications are challenging. The Authority expects an estimated £9m reduction in central funding per annum to 2024/25 which further enforces the need to identify alternative methods of achieving the Authority's financial position for the future. We will review the Authority's arrangements to prepare robust savings plans and how these have been challenged and consider the plans to identify further savings to address the future funding gap. We will review monitoring arrangements, including the robustness of the Council's Medium Term Financial Strategy, the delivery of the 2018/19 budget, and the action taken when plans are not being delivered.	**Medium Term Financial Strategy** The Council has an agreed Medium-Term Financial Strategy which was presented to Cabinet in December 2017 and subsequently updated and reported in July and October 2018. Reasonable assumptions have been made for CT, retained business rates and RSG. The MTFS included the savings required across the three years, 2018/19 to 2020/21 of £11.012m. The budget and savings identified in the MTFS are updated and approved within the budget setting process which was completed in February 2019, savings of £6.3m were agreed for 2018/19. **Savings Plans** In 2018/19 the Directorates were not given specific savings targets but asked to offer up what savings they could deliver. Those savings that were identified it was the Directorates responsibility to risk assess the savings plans, ensure they are deliverable and have action plans/business cases in place to ensure delivery. The Directorates identified a range of different savings, 34 in total which included savings as well as additional income to the value of £6.262m. These were agreed by CMT and reported to Cabinet as part of the budget setting process in February 2019. The Council does not have a corporate assurance or project management process in place to assess the savings schemes or to check the robustness of the action plans.	**Auditor view** We consider that adequate arrangements are in place to ensure financial sustainability, but arrangements could be strengthen to ensure robust and realistic savings plans are in place.

Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Financial Sustainability of the Council - Medium Term Financial Strategy (MFTS) The ongoing challenge of meeting the savings outlined by Central Government continue to put pressures on Local Government finances. Slough Borough Council currently has a budget gap of £1.291m over four years to 2022/23. The Council has set a balanced budget for 2019/20 to 2021/22. In the short term, the Authority has one off reserves that can be used to mitigate these pressures but the longer term implications are challenging. The Authority expects an estimated £9m reduction in central funding per annum to 2024/25 which further enforces the need to identify alternative methods of achieving the Authority's financial position for the future. We will review the Authority's arrangements to prepare robust savings plans and how these have been challenged and consider the plans to identify further savings to address the future funding gap. We will review monitoring arrangements, including the robustness of the Council's Medium Term Financial Strategy, the delivery of the 2018/19 budget, and the action taken when plans are not being delivered.	**Savings Plans continued** Progress on delivery of the savings plans is reported quarterly to Cabinet in the Revenue Budget Monitor Reports. These reports include the financial position against budget for each Directorate. In 2018/19 the Council delivered a small overspend of £0.051m, although four of the five Directorates overspent, except for the Chief Executive Directorate, with £3m underspend in non-service areas. The Council reported achieving savings £6.42m, although these were not always as planned and included a high proportion of income. The savings plans were not supported with detailed savings plans and business cases. Arrangements could be strengthened by introducing corporate oversight and review of savings plans to ensure they are robust and realistic.	**See previous page**

Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Principles and values of sound governance and internal control In the prior year, the Authority's auditor identified significant weaknesses in arrangements to prepare the financial statements to support informed decision making, resulting in a modified opinion on the use of resources for the year ended 31 March 2018. We will consider the Council's system of internal control and governance procedures and its progress in addressing the previously identified recommendations.	There remained weaknesses and material misstatements in the preparation of the 2017-18 Statement of Accounts that took place during the 2018-19 financial year. The Council set out a detailed action plan at the conclusion of the 2017-18 audit and we recognise that many of these actions will take time to implement and embed into the Council's financial processes and procedures. Action has been taken by the Council to address capacity issues in the finance team and seek additional external advice and support on a number of areas of the financial statements, but there is still significant scope for improvement in the quality of the underlying working papers to ensure that the financial statements are free from material error. The Council has had difficulties producing supporting information for a number of areas in the financial statements resulting the 2018-19 audit not yet being completed. They have relied on the use of the CIPFA Big Red Button which has resulted in issues understanding the audit trail between the ledger and Trial Balance and how these reconcile to the Council's financial statements. Our 2018-19 audit work to date has identified a number of in year and prior period adjustments particularly in the area of PPE valuations and accounting for additions and disposals of assets. The valuation errors have resulted in the client commissioning external experts to produce a new valuation for the opening balances as at 1 April 2018, as well as the closing position at 31 March 2019. Our audit has identified a number of control deficiencies in internal controls in respect of: • Quality of working papers supporting the financial statements • Lack of critical review of the draft financial statements and supporting audit working papers prior to audit • Inadequacy of reconciliation and review of debtors and creditors • Lack of clarity around bank reconciliations, particularly in relation to School bank accounts • Inadequate maintenance of the fixed asset register, with examples identified where prior year transactions had not been correctly removed from the asset register or material transactions had been incorrectly accounted for during the year.	**Auditor view** We consider that adequate arrangements were not in place due to: weaknesses in processes for preparing the 2017-18 financial statements (which took place during 2018-19), and ongoing weaknesses in the quality of working papers supporting the 2018-19 financial statements

Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Principles and values of sound governance and internal control In the prior year, the Authority's auditor identified significant weaknesses in arrangements to prepare the financial statements to support informed decision making, resulting in a modified opinion on the use of resources for the year ended 31 March 2018. We will consider the Council's system of internal control and governance procedures and its progress in addressing the previously identified recommendations.	In addition as part of our overall VFM work we reviewed the draft Annual Governance Statement (AGS) as published on the Council's website. The draft AGS sets out how the Council complied with the seven principals of good governance, however this document could be clearer on how the governance arrangements have been reviewed. Priority outcomes are discussed, as defined in the Council's 5 Year Plan, with a summary of progress against these outcomes but not how the governance arrangements support their delivery. An update is provided on the LGA peer review. In addition, an update is provided on the issues reported in 2017/18, the action taken in 2018/19 and if this is still an issue in 2019/20. Arrangements could be improved by developing the AGS and introducing: • assessment of the effectiveness of the framework • how the Council is defining outcomes in terms of sustainable economic, social and environmental benefits • an action plan, that brings together and addresses all the significant issues faced by the Council • a formal mechanism that monitors and assesses the progress of the issues and recommendations raised in the AGS throughout the year.	**Auditor view** We consider there is scope to ensure that the Annual Governance Statement (AGS) more clearly sets out the processes and procedures to enable the Council to carry out its functions effectively.

Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Children's Social Care Services In the prior year, Ofsted identified weaknesses in Children's Social Care services, resulting in a modified opinion on the use of resources for the year ended 31 March 2018. We will consider the: • Council's progress against the previously identified recommendations • actions taken by the Authority to address the recommendations raised by Ofsted • Authority's processes for monitoring the progress against recommendations raised • results of any follow up inspections by external bodies.	The arrangements within Children's Social Care Services have been viewed as inadequate by Ofsted since 2011. In January 2019 Ofsted undertook a detailed inspection which concluded that services had improved, although the services 'require improvement to be good'. This change in rating occurred nine months into the year and the inspection report acknowledged that the pace of change had accelerated in the six months prior to the inspection. In addition, the monitoring report completed in May 2018 concluded that there continues to be positive improvement. Prior to this inspection Ofsted were making regular contact with the Council every two to three months. A Joint Improvement Board, a multi-agency non-public board was responsible for monitoring and ensuring progress. The Board met monthly during 2018/19. This Board was disbanded following the improved rating being awarded. Significant improvement is still required to improve the Ofsted rating in subsequent inspections and the Slough Children's Services Trust (SCST) has developed an action plan to address the recommendations raised by Ofsted. This is monitored by the Council through its Partnership Board meetings and in one to one meetings with the Director of Children's Services and the Chief Executive of SCST, as well as by the SCST Board.	**Auditor view** We consider that adequate arrangements are in place as indicated by the improvement in rating following the Ofsted inspection. Significant progress is still required to improve the Ofsted rating further.

Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Slough Children's Services Trust (SCST) SCST provides the Council's children's social care services. We identified the possible failure of SCST due to its deteriorating financial position and ability to manage demand as a significant risk. We will review the: • arrangements to monitor performance of SCST and action to address underperformance • the current financial position of SCST and what action the Council plans to undertake • understand the contract arrangements with regards to managing demand and if the Council is required provide additional funding.	In 2015 following two Ofsted judgements of 'inadequate' the Secretary of State exercised her powers under the Education Act 1996 to set up a separate organisation to carry out the Council's children's social care functions. In October 2015, SCST was established and took over the management of Council's children's social care services. The cost of establishing SCST was met by the DfE, whilst the Council provided a working capital loan to the value of £4.2m to be repaid after six years. The Council pay SCST in the region of £24m for the delivery of the children's social care services. SCST was the result of a Statutory Direction from the Secretary of State on the Council and to begin with this had a detrimental impact on the relationship between SCST and the Council. Following changes in personnel within both organisations this began to improve. The Council has a legally binding contract for the delivery of services with SCST and retains statutory responsibility. However, this is not a commercial contract, changes require agreement of the DfE and the Council does not have step in rights and cannot terminate the contract. In 2017 the contract was reviewed and all parties recognised the inadequacies of the contractual arrangements. However, due to a lack of capacity and so has not to detract from the improvement journey and the expected imminent Ofsted inspection a decision was made to complete a deed of variation (DoV). This decision included the Council, SCST and the DfE. The deed of variation DoV looked to improve governance and oversight of the contract by clarifying and strengthening the contract management arrangements. In 2018/19 the financial position of SCST began to deteriorate, SCST continued to report a deficit and growth monies were requested to reduce the risk of insolvency. As a result an LGA review of the financial situation facing SCST was commissioned by the Council. This review highlighted inadequacies in the governance arrangements and that SCST's position was not sustainable without additional funding.	**Auditor view** We consider that adequate arrangements were not in place: • to support informed decision making and performance management including where relevant, business cases supporting significant investment decisions.

Value for Money

Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

Significant risk	Findings	Conclusion
Slough Children's Services Trust (SCST) SCST provides the Council's children's social care services. We identified the possible failure of SCST due to its deteriorating financial position and ability to manage demand as a significant risk. We will review the: • arrangements to monitor performance of SCST and action to address underperformance • the current financial position of SCST and what action the Council plans to undertake • understand the contract arrangements with regards to managing demand and if the Council is required provide additional funding.	The Council agreed to provide additional growth funds in the region of £1.4m and the Council and SCST continued to work together to replay the working capital loan (£4.2m). Senior Officers of the Council maintained regular contact with SCST and elected members were informed through meeting with the Lead Member. However, neither Cabinet or the Education and Children's Scrutiny Committee received any formal updates. SCST's Annual Report was not received by the Council until August 2019. The 2019 LGA peer review also confirmed that governance arrangements were immature in both SCST and the Council and that line of accountability, contract monitoring and shared financial responsibility were unclear. Contract and performance monitoring were the responsibility of the Directorate and were predominately focused on the changes required to improve the Ofsted rating. Financial monitoring was limited and constrained by the quality of the financial information received by SCST. The Council did not fully recognise the dire financial position of SCST until August 2019 at which point the deficit had significantly increased. The Council and SCST then held additional discussions, information was requested and elected members were informed of the developing situation. The Council has devolved contract management arrangements and responsibility sits with the Directorates. It does not have a corporate commissioning/procurement function from which specialist knowledge or expertise can be sought. The Council has agreed contract procedure rules within its constitution for which each Directorate is responsible for ensuring compliance.	**Auditor view** We consider that adequate arrangements were not in place: • to support informed decision making and performance management including where relevant, business cases supporting significant investment decisions.

Action plan

We have identified recommendations for the Council's as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2020/21 audit. The matters reported here are limited to those issues that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
● Medium	Agreed savings are not supported by robust savings plans and as such are at risk of not delivering as anticipated.	The Council should: • ensure that savings are supported by robust savings plans and business cases • strengthen arrangements by introducing a corporate function, which could assess the likelihood of delivery, the robustness of proposed savings and their supporting plans as well as monitor delivery. **Management response** All savings plans are now regularly monitored throughout the year, in the Revenue Monitoring reports presented to Cabinet, to ensure if delivery is stalled or no longer possible alternatives are found. The Council has been able to find compensatory savings where it has been found an initial proposal has been unable to deliver. The Council has introduced a Star Chamber process, from 2019/20, where Service Areas submit detailed savings plans. Officers will continue to work to improve the robustness and detail of the Savings Business Cases.
● Medium	We consider there is scope to ensure that the Annual Governance Statement (AGS) more clearly sets out the processes and procedures to enable the Council to carry out its functions effectively.	The governance aarrangements could be improved by developing the AGS and introducing: • assessment of the effectiveness of the framework, it should be more than a description of what is in place • how the Council is defining outcomes in terms of sustainable economic, social and environmental benefits • an action plan, that brings together and addresses all the significant issues faced by the Council • a formal mechanism that monitors and assesses the progress of the issues and recommendations raised in the AGS throughout the year. **Management response** Agreed. We will seek to take forward these recommendations in future Annual Governance Statements and will ensure the Audit & Governance Committee has oversight of progress against the AGS Action Plan.

Controls

- ● High – Significant effect on control system
- ● Medium – Effect on control system
- ● Low – Best practice

Action plan

Assessment	Issue and risk	Recommendations
●	Effective governance arrangements are not in place to ensure those charge with governance are able to make decisions in an open and transparent way	Cabinet and scrutiny should be regularly updated on the performance of their key services and be able to challenge this performance and have the opportunity to make informed decisions in formal committee meetings. **Management response** Cabinet and Scrutiny are regularly updated regarding the financial performance of key services. Scrutiny officers have been working with the Chairs of the Overview & Scrutiny Committees to determine future work programmes. We will ensure key service performance is included as a regular agenda item.

●	Effective contract management arrangements are not in place to effectively manage statutory services that are delivered by third parties.	The Council should consider and ensure effective arrangements are in place in the following areas:
		• Role of elected members, including Members of the Board, as possible shareholder committees or monitoring committees such as the Commercial Sub-Committee, as well as the role of scrutiny committees
		    • Elected members who are Board Directors of the SCST need to understand their responsibilities and duties to SCST and ensure they effectively manage any conflicts of interest. All company directors have a duty to act in the best interests of the company rather than in the best interests of the body that has appointed the Director to the company (eg the Council)
		    • Elected members committee functions, this should include those charged with governance who would have oversight of the effectiveness of the SCST Board in line with Council's strategic objectives and statutory duties as well as scrutiny.
		    • The Council would benefit from applying consistent arrangements across the Council for dealing with all its third-party companies and ensure the role of the Commercial Sub-Committee is effective and understood
		
		• Those charged with Governance should receive updates and reports on a regular basis (quarterly as a minimum) to enable informed decision making.
		
		Management response
		
		Agreed. The Council has introduced a Commercial Committee, during 2019/20, however this is still in its infancy and its role has been developing over the past year. We will review its Terms of Reference at the first meeting in 2020/21.
		
		The Council has been in discussions with RSM to provide training to Members and Senior Officers regarding their responsibilities when representing the Council on the various Company Boards. This training will be delivered during 2020/21.

Action plan

Assessment	Issue and risk	Recommendations
● (red)	Effective governance arrangements are not in place to effectively manage statutory services that are delivered by third parties.	• The Council should introduce contract management to ensure services are delivered as planned and any mitigating actions can be taken in a timely manner. • The Council should consider using its internal audit service to gain assurance that its contract procedures are being effectively applied across all Directorates. **Management response** The Council is specifically building a new Contract Management function within the ongoing Our Futures Transformation Programme, with support from its internal audit services.
● (red)	**Quality of working papers and clarity of the audit trail** As noted on page 13, the audit process was hampered by issues with the clarity of the audit trail including: - insufficient audit trail to support the movements in the cashflow statement - Lack of supporting audit trail for key notes in the accounts such as analysis of the income and expenditure by nature	We recommend that the Council: • Review the process used to produce the year end accounts and identify areas where further improvement needs to be made • Ensure that all disclosure have supporting working papers and there is a clear mapping between the general ledger and the financial statements **Management response** The Council has been working on identifying areas for improvement, and these have included : • Training for all finance staff not just accountants • Review and sharing of unclear working papers with staff with explanations of why improvements required • Audit requirements and priorities around audit evidence shared with whole accountancy team during closure of accounts, and prior to commencement of external audit. • Focus on CIPFA code of practice and associated guidance, with training for staff on how to use these

Action plan

Assessment	Issue and risk	Recommendations
●	**Review of financial statements** A number of inconsistencies and disclosure omissions were identified during our review of the financial statements. This indicated a lack of internal critical review prior to the financial statements being presented for audit.	We recommend that the Council: • Develop a year end timetable for the production of the accounts which include sufficient time for management review • Utilises the CIPFA checklist to ensure that disclosures are complete and produced in line with code requirements **Management response** The Council will be refining its year end timetable to ensure that sufficient time is built in for senior management review, and that other areas have lead officers clearly allocated with support. This is seen as an area for staff development which will make the process more efficient and accurate. The Council are looking to use external advisors alongside the CIPFA checklist to ensure that the disclosures are complete and in line with code requirements.
●	**Bank reconciliation process** As noted on page 19, our review of the bank reconciliation process identified that the process in place in 2018/19 was overly complex and made identification of reconciling items and their clearance difficult. There were also issues identified with the descriptions of reconciling balances within the balance.	We recommend that the Council: • Perform a review of the bank reconciliation process to simplify the bank reconciliation process and remove all old and out of date reconciling items and ensure that amounts included in the reconciliation and the ledger are valid cash items. **Management response** The Council has already during 2019/20 commenced a review to streamline the ledger codes used and remove old and out of date reconciling items. This will continue during 2020/21 with a view to simplifying the overall reconciliation to aid clarity.

Action plan

Assessment	Issue and risk	Recommendations
●	**Accounting treatments** The loans made to JEH had not been accounted for in line with the Code requirements resulting in amendments to the valuation and disclosure in the final accounts. This was a new transaction in 2017/18 although it was not a material balance in the prior year and the accounting treatment had not been documented against Code requirements before inclusion in the financial statements.	We recommend that the Council • establish a process for significant transactions such as investments and loans, to be formally considered against the requirements of the Code and the consideration documented and reviewed before being applied.. **Management response** The Council will develop a review process to document the accounting treatment of any new significant transactions to ensure the treatment is in line with the CIPFA accounting code. This may include external advice if appropriate, in particular for complex transactions.
●	**Debtor and creditor reconciliations** During our testing of the debtor and creditor balance there were issues with the client producing reconciled balances which should represent the year end debtor and creditor positions excluding in year movements. Our sample testing of debtors and creditors has not identified any material balances that are not supported. We have discussed this with management and confirmed that a process has been undertaken in 2020 to review debtor and creditor codes and cleared down items which are no longer valid balances.	We recommend that the Council • Perform review of the debtor and creditor account codes to ensure that balances are appropriate and valid and clear those that are not. • Establish a reconciliation process for all debtors and creditor accounts to ensure the balances are fully supported and valid debtors or creditors **Management response** The Council will work with the External Auditors to improve this area, however one of the key areas referred to here relates to the process for recording debtor and creditor accruals. The Council has checked with other Local Authorities including some audited by Grant Thornton, and the process the Council follows is consistent with that used by other Local Authorities, and it is felt that to change this would not be an efficient use of staff time and would further increase unnecessary entries to the financial ledger. The Council has also undertaken a significant exercise during 2019/20 to review debtor and creditor balance sheet codes and cleared down those no longer appropriate. This will be continued during 2020/21 and then incorporated as part of an annual year end process.

Action plan

Assessment	Issue and risk	Recommendations
●	**Income and Debtors** There is no review process over invoices issued before they were sent out to clients. The Council relies on customers to identify and inform them of any errors noted. However there is risk that if the invoice is undercharged and the customers may not raise error, and the Council may suffer a loss from undercharging.	**We recommend that the Council** • Review the internal processes over invoice raising to ensure there is sufficient review of invoices before they are sent to clients **Management response** The Council took the decision on the implementation of the new Agresso Finance system that it would not look to implement a two stage authorisation of debtor invoice production as this was not seen to be a high risk area. However we will look for this to be reviewed by the Council's Internal Auditors during 2020/21.
●	**Declarations of interest** Councillor and Senior Officer declaration forms are not dated. There is a risk that the declaration record is incomplete or insufficient as a result. The most recent forms for three Councillor declaration forms were signed, but not dated. Signing / dating a declaration form should be standard practice, as it could lead to forms being misfiled, or new interests not being declared in a timely manner. Senior Officers that were working for SBC through a contracting company are not required to complete a Declaration of Interests form. Interim staff are not required to complete the Registers of Interests and Gifts and Hospitality.	We recommend that the Council: • ensure that all forms are signed and dated as part of their standard procedures • consider whether Officers, including interim staff, should complete declaration forms as they may be able to have a significant influence on the council's high level decisions. **Management response** The Council requires every entry to the members register of interests to be signed and dated, it is standard practice that this is always followed. In the past 12 months the Council have strengthened the process and a democratic services officer must always countersign each form received from a councillor to ensure completeness. Senior officers declaration forms are not part of this process, and are in fact part of the declaration process for all staff which uses an online HR process to gather the submissions. The Council will look to implement a process by September 2020 to ensure that any interim staff or those recruited through contracting companies are required to complete a declaration of interests form and where appropriate complete their Directorate gifts and hospitality register.

Action plan

Assessment	Issue and risk	Recommendations
●	**Fixed asset register** The client informed us of a number of properties which had not been removed / reclassified in the fixed asset register prior to the production of the year end financial statements. We also identified material assets which had been fully depreciated and were held at net nil valued in the fixed asset register and accounts.	We recommend that the Council: • establish a process to perform and annual review of assets to ensure that all disposals and reclassifications are amended • establish an in-year process for capital movements to be notified on a timely basis to the finance team to ensure the fixed asset register is maintained accurately. This should be reconciled to the accounts as part of the year end closed own procedures. **Management response** Agreed the Council will look to establish a more timely process for notifying the finance team of capital movements to enable updating the asset register during the year, rather than just at year end. This will also include a review at least annually of all assets to ensure all asset disposals and reclassifications during the year are amended within the asset register.
●	**Capital accounting process** The purchase of Thames Valley University had been accounted for using the stage payments as additions rather than the cost and a liability. This resulted in a material error in the current and prior year.	We recommend that the Council • establish a process for reviewing and documenting the accounting treatment of significant transactions to ensure they are accounted for in line with the Code. This should be subject to internal review **Management response** The Council will develop a review process to document the accounting treatment of any new significant transactions to ensure the treatment is in line with the CIPFA accounting code. This may include external advice if appropriate, in particular for complex transactions.

Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All proposed misstatements are set out in detail below. The impact of these adjustments on the key statements and the reported net expenditure for the year ending 31 March 2019 are in the process of being determined and we will update those charged with governance once these adjustments have been finalised by officers.

	Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000
1	The loan to JEH was accounted for as fair value equity investments when they were soft loans. Adjustment was required to the valuation which impacts the SOFP and valuation movements in the CIES			
2	The CCLA Property Fund does not meet the definition of equity due to being puttable and so this designation is inappropriate. It was agreed that this would be reclassified as FVPL and then the statutory override applied to remove the impact upon the general fund.			
3	Reanalysis of miscoded expenditure transactions (£9.8m)			
4	Adjustment to gross up the business rates and council tax debtors			
5	Adjustment to remove fully depreciated assets from property assets			
6	Adjustment for investment property accounted for based on staged payment when an asset and liability should have been included in the accounts. This will also impact prior year			
7	Accounting for prior period adjustment on PPE valuations			
8	Adjustment for income not reflected in Note 8 (£2.2m)			
9	Adjustments notified by the client: - Pension liability required to be amended for the updated actuary report incorporating the impact of the McCloud judgement - Adjustments to assets to remove the school that became an academy in 2018 - Reclassification of assets scheduled to be demolished to surplus assets - Reclassification of asset under construction which became operation in year			
	Overall impact			

Audit Adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Detail	Auditor recommendations

- Our review identified a number of adjustments which were required. These included:
  - Group disclosures were amended to provide additional clarity to a reader of the accounts
  - Capital Commitments disclosures included in the accounts are not in line with the Code requirements and we requested disclosure to this extent to be added to the accounts
  - In Note 30, the interim Director of Place & Development has received remuneration exceeding £150k but initially wasn't named as required by the Code
  - A third balance sheet and related disclosures was required to reflect the prior period adjustment for property, plant and equipment
  - the group notes for PPE did not agree to the Group balance sheet due to the omission of the consolidated values
  - The disclosures in relation to the fair value of surplus assets were not sufficient to meet the requirements of the Code
  - IFRS 15 disclosure were not adequately included in the financial statements
  - Leases disclosure required to be amended in line with working papers
  - Disclosure of the deficit Dedicated Schools Grant

Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Audit Fees

	Scale fee	Final fee
Council Audit	£98,193	TBC
Additional fees in relation to additional work required for the following issues in 2018-19		TBC
Total audit fees (excluding VAT)		**TBC**

- The proposed fees for the year were set in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)
- The fees reconcile to the financial statements.

Non Audit Fees

In addition to those listed below which have been billed in 2018/19, we have performed the following work:.

Fees for other services	Fees £
Audit related services:	
• Housing Benefit subsidy certification	95,000
• Teachers pension Certification	5,000
Non Audit CFO insights subscription	10,000

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