

Date of issue: Tuesday, 20 September 2022

MEETING:	AUDIT AND CORPORATE GOVERNANCE COMMITTEE (Councillors Kelly (Chair), Brooker (Vice Chair), Ali, Carter, J. Davis, Grewal and Gill) CO-OPTED INDEPENDENT MEMBERS: Naira Bukhari and Stefana Moldovan
DATE AND TIME:	WEDNESDAY, 28TH SEPTEMBER, 2022 AT 6.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 07821 811 259

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



GAVIN JONES
Chief Executive

AGENDA

PART I

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.		
1.	Declarations of Interest	-	-

All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
2.	Minutes of the Last Meeting held on 28th July 2022	1 - 6	All
3.	Action Progress Report	7 - 12	All
4.	Risk Management Update - Quarter 2 2022/23	13 - 76	All
5.	Internal Audit Action Tracking Report - Quarter 2 2022/23	77 - 92	All
6.	Local Government and Social Care Ombudsman Upheld Complaints and Statutory and Corporate Complaints Summary 2021/22	93 - 126	All
7.	Internal Audit Quarterly Progress Report	127 - 156	All
8.	External Audit Progress Report	157 - 170	All
9.	2018/19 Updated Audit Plan and Revised Risk Assessment	171 - 198	All
10.	Forward Work Programme	199 - 200	All
11.	Exception Reporting to Overview & Scrutiny Committee	-	All
12.	Members Attendance Record	201 - 202	All
13.	Date of Next Meeting - 15th December 2022	-	-

Press and Public

Attendance and accessibility: You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

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Audit and Corporate Governance Committee – Meeting held on Thursday, 28th July, 2022.

Present:- Councillors Brooker (Vice-Chair in the Chair), Ali, Carter and Grewal

Co-Opted Members:- Naira Bukhari and Stefana Moldovan

Apologies for Absence:- Councillors Kelly and J. Davis

PART 1

1. Declarations of Interest

Councillor Brooker declared that he was Chair of the Finance Committee at Ryvers Primary School. He also declared that he had Special Educational Needs.

Councillor Carter declared that he was Chair of the Planning Committee. Both Councillors remained and participated in the meeting.

2. Minutes of the Meetings held on 1st March 2022 and 21st April 2022

Resolved – That the minutes of the meeting held on 1 March 2022 be approved as a correct record.

Resolved - That the minutes of the extraordinary meeting held on 21st April 2022 be approved, subject to an amendment to Minute 60 – Chair’s Remarks; the final sentence to include the Chair’s thanks to Internal Audit colleagues too.

3. Action Progress Report

The Committee received an update on the delivery of the Adult Social Care (ASC) Transformation Programme as requested at the last meeting. The Acting Executive Director, People, outlined the proposed savings and stated that the programme was on course to deliver a balanced budget by the end of the financial year. Monthly meetings were held to monitor the financial programme against each of the workstreams.

A number of points were raised in the ensuing discussion including whether suitable alternatives were offered to individuals following the closure of day care centres, parked invoices and which workstream was at most risk on delivering financial efficiencies. Referring to the closure of day care centres, the Committee was informed that there were sufficient alternatives available on the market to meet individual’s needs. It was explained that there were no parked invoices and the service worked closely with families to ensure, where applicable, payments were made. A Member stated that often families, not just the person receiving the service, required support and it was explained that a carers assessment was made for all individuals undertaking a carers role. The Acting Executive Director, People stated that procurement of

services was challenging as it was difficult to quantify the scale of impact of cost of living costs on individual care packages. Projected savings had been written pre cost of living increases and that these costs would need to be explicit the final care packages to individuals.

It was noted that the presentation slides would be circulated to Committee Members after the meeting.

Resolved – That details of the Action Progress Report be noted.

4. Audit and Corporate Governance Committee Terms of Reference

The Monitoring Officer outlined the Committee's terms of reference, which currently stated that the Chair and Vice-Chair of Planning and Licensing Committee could not serve as members of the Audit Committee. However, Members were informed that the Chief Executive had delegated authority to make minor changes and this restriction had been removed.

Committee Member and Chair of the Planning Committee, Councillor Carter, sought clarification as to whether it was appropriate for him to remain on the Committee. It was explained that there was no conflict of interest as Planning was a regulatory committee but that in any event the terms of reference had been amended to remove the restriction on membership.

Resolved – That the terms of reference be noted, including the amendment to membership removing the restriction of Chairs/Vice-Chairs of Licensing and Planning serving on the Committee.

5. Risk Management Update Quarter 1 2022/23

The Executive Director Finance outlined details of the risk management update and revisions made to the corporate risk register. Three new risks had been added, namely

- Risk 17: Cost of living/inflation – impact on residents and the local authority
- Risk 18: Failure to meet statutory service levels/new legislation requirements
- Risk 19: Slough Children First – added in response to the action from the March committee.

Responding to concerns regarding progress made on recruitment and retention, the Committee were informed that temporary staff had been engaged to fulfil specialist roles. Management and finance structures had also recently been agreed and it was anticipated that permanent recruitment to roles within those structures would be in place by September. Whilst it was accepted that vacancies be recruited to with permanent staff as soon as possible, it was essential that the right calibre of individuals be appointed.

A Member referred to the additional income from client contributions as stated within the Adult Social Care Transformation Programme and queried why the

value had decreased from £889k last year to a target of £560k for the current year. The Acting Executive Director, People (Adults) explained that £889k related to backdated invoices. It was noted that £130k had already been collected from the £530k target set for the current financial year.

Details relating to the number of Ukrainian families housed in temporary accommodation and associated cost implications were requested and it was noted that these would be available at the next committee meeting.

A Member asked about the timescales involved in getting the overall risk management implications from an amber to green status and was informed that the next committee report would be updated to reflect this.

In response to whether borrowing was still taking place it was reported that no borrowing was taking place for any major capital projects. An update on progress of completion of the 2018/19 accounts was sought. The Committee was informed that these had been submitted to External Auditors and it was anticipated that these would be finalised by December 2022. External Auditor, Ms Masci concurred with the timeline set out, stating that an assessment would be made as to what impact potential incomplete records, would have on the overall formal opinion issued.

A Member sought an update on issues relating to Nova House and Slough Urban Renewal and was informed that the current number of council companies was 11, 6 of which would be closed down by end of August and a major review taking place of the remaining companies.

Concern was expressed with regards to Risk 19 Slough Children First (SCF) which noted an in year overspend of £4m and request for a further £1.1m to invest in Early Help to reduce costs in future years. The Director of Finance reported that work was on going to address the issue which included discussions with the Department for Education (DfE). It was also brought to Members attention that the DfE had notified SCF that it would be substantially reducing the grant it provided for annual running costs of £2.2m to in the region of £0.8m in 2023/24 and that the Council would need to give serious consideration to allocation of its limited resources.

A question was asked about whether an assessment had been made about the impact of rising costs of energy prices both on savings targets and the council's ability to provide services to residents. The Executive Director of Finance informed Members that the Council had recently entered a revised energy contract which would provide certainty in costs but inevitably there would be an impact on services.

Resolved – That details of the report, including revisions to the risk register, be noted.

6. Internal Audit Action Tracking Report Quarter 1 2022/23

Members considered a report which set out details of progress made on the implementation of internal audit management actions. The Director of Finance

highlighted the overall position as at 7th July 2022 with 291 actions (65%) completed from a total of 441 recommendations due for completion. This represented an increase in completed actions since the last meeting from 257 to 291.

A Member asked about Council Tax Reconciliations and was informed that this high rated management action had been completed. The Committee placed on record its acknowledgement regarding the amount of work that had taken place to complete/close off a significant number of recommendations.

Resolved – That details of the report be noted, including the ongoing improvements to the outstanding actions.

7. Risk Management Strategy

The Executive Director Finance and Commercial outlined details of the proposed new Risk Management Strategy. The document set out the Council's approach to the management of risk and demonstrated its intention to continue to develop the maturity of Enterprise Risk Management (ERM) across the organisation during 2022/23 and beyond to support the delivery of the Council's Strategic Priorities and Outcomes. Members were reminded that there had been an increase in resources in the recent finance team restructure to support work associated with risk management.

It was noted that the strategy was considered and approved at the Cabinet meeting held on 18th July 2022.

A Member commented that it was important to be able to identify individuals, not to proportion blame but in order to establish those responsible for decision making, how the Council had got into its current financial situation and lessons learnt. It was explained that there needed to be an appropriate balance of risks in place and the proposed strategy clearly set out the roles and responsibilities of those involved with risk management.

Resolved - That the Risk Management Strategy for 2022/23 be endorsed and key development activities to be undertaken during 2022/23, including risk management workshops with key stakeholders following the approval of the revised Corporate Plan, be noted.

8. Internal Audit Quarterly Progress Report

The Committee considered details of the Internal Audit Quarterly progress report. The Head of Internal Audit highlighted key messages from the 2021/22 Internal Audit Plan, reporting that 7 final reports had been issued since the previous committee meeting in March 2022 resulting in 2 minimal (negative) assurance opinions, 2 partial (negative) assurance opinions and 3 advisory reports. A further 15 draft reports had been issued which would be presented to Committee following receipt of management responses.

In the ensuing discussion, Members raised the issue of duplicate supplier payments and were informed that two thirds of duplicated payments had been recovered. The Committee were informed that measures would be implemented to link to the agresso system to minimise the risk of duplicate payments were made. An update on the latest position regarding monies recovered would be provided to Members. The Head of Internal Audit reminded the Committee that a Creditors Payment review had been completed and specific management actions to control the framework had been recommended, details of which were as set out in the report.

Referring specifically to the temporary accommodation audit and absence of evidence provided it was noted that further details would be provided as to why this was the case. Information outlining the reasons for rent arrears and lengthy periods of duration individuals were housed in temporary accommodation to also be provided to the Committee.

A Member also requested that information relating to shared bank details – supplier and payroll records - and how and why these accounts had been set up/payments made be provided.

Resolved – That details of the report be noted.

9. Internal Audit Annual Report 21/22

The Head of Internal Audit introduced the Internal Audit Annual Report 2021/22 which concluded that the Council did not have an adequate framework of risk management, governance or internal control. A summary of key points that had contributed to this opinion were highlighted as set out in the report. It was acknowledged that it had been a challenging year for the authority with a number of reviews taking place and a high level of staff turnover.

Committee Members stressed the importance of a work culture where all staff were aware of and took responsibility regarding risk management. Following risk assessments ownership of issues should be taken by the top tier of management and filter through to all staff.

A Member expressed disappointment in reference to the partial assurance given to Whistleblowing given previous discussions the Committee had had on the issue. The Monitoring Officer stated that the Standards Committee had recently reviewed the Whistleblowing Code and amendments to the Code would be considered at a forthcoming meeting of Council. It was noted that the Code had been reviewed against national guidance and whilst the code and systems in place were sufficient a culture shift was required. It was highlighted that the Council required staff to complete mandatory whistleblowing training and was one of only a few local authorities to do so.

Resolved - That details of the report be noted.

10. Internal Audit Strategy 2022/23

The Head of Internal Audit introduced details of the Internal Audit Strategy 2022/23. The draft plan was presented for consideration by the Committee in March 2022 and was further updated following feedback at that meeting. The reviews proposed were highlighted and it was explained that the plan was developed taking into account the Council's corporate objectives, risk profile, and assurance framework. It was noted that although specific areas had been identified, the plan would be flexible to ensure it met with the Council's changing circumstances.

Resolved - That the Internal Audit Strategy 2022/23 and specifically the proposed audit reviews as set out in the report, be approved.

11. External Audit Progress Report

External Auditor, Ms Masci, provided the Committee with an update regarding the Value for Money (VfM) arrangements for the period covering 2019/20 and 2020/21. Members were informed that the 2018/19 accounts had been received and although a written report regarding these would be submitted to the September Committee meeting; based on the audit findings reported to the Committee in May 2021, an overall adverse conclusion on value for money was likely to be issued.

It was brought to the Committees' attention that in April 2020, the National Audit Office introduced a new Code of Practice which introduced a revised approach to the audit of VfM. Details of criteria and reporting arrangements were highlighted and Members welcomed the new reporting arrangements.

Resolved - That the External Audit Progress report be noted.

12. Exception Reporting to Overview & Scrutiny Committee

No items were referred to the Overview and Scrutiny Committee.

13. Date of Next Meeting - 29th September 2022

The date of the next meeting was confirmed as 29th September 2022.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.54 pm)

SLOUGH BOROUGH COUNCIL
AUDIT & CORPORATE GOVERNANCE COMMITTEE
ACTION PROGRESS REPORT

Actions Arising from Meetings

28 July 2022

Minute Reference	Agenda Item and Action Required	Lead Officer	Status / Comment
3	<p>Action Progress Report</p> <p>Adult Social Care Transformation Programme Update - presentation slides to be emailed to Committee.</p>	Democratic Services	Completed. Slides emailed on 15.08.22.
5	<p>Risk Management Update Quarter 1 2022/23</p> <p>Risk 3 - Temporary Accommodation: Cost implications of housing Ukrainian refugees</p>	Executive Director Place & Community	<p><u>Risk 3 - Temporary Accommodation: Cost implications of housing Ukrainian refugees</u></p> <p>The current arrangement for people arriving from Ukraine is as follows:</p> <p>Families Scheme – This is where guests from Ukraine are supported by family members who already reside in the UK. This scheme is run directly by the Home Office and does not run through Local Authorities. Like all Local Authorities we do not have statistics about how many people from Ukraine are staying with their families in Slough, but believe the number to be small.</p> <p>Homes for Ukraine Scheme – This scheme is where UK residents have</p>

			<p>volunteered to open up their homes to support guests from Ukraine. The Person offering the home is known as a Sponsor and the people arriving from Ukraine are known as guests. Sponsors are entitled to a £350</p> <p>Currently we have 58 guests matched to 33 properties. Of these 30 guests have arrived in Slough. Slough has by far, fewer sponsors and guests than any of the other authorities in Berkshire.</p> <p>Like with all local authorities, there is a risk of relationship breakdowns from both schemes leaving Local Authorities with the potential of guests from Ukraine becoming at risk of homelessness and requiring housing support from Local Authorities. We are lining up other potential sponsors. This is in addition to the normal conflict resolution we and partners support to resolve.</p> <p>We currently deem risk of homelessness to be low and are managing the risk. Our current intelligence shows that most sponsors will continue to support guests as long as payments are being made. In addition we are supporting guests from Ukraine to secure employment, ESOL and other Adult Education which better places their chances of becoming independent.</p> <p>Local Authorities are currently awaiting Government guidance about the future of</p>
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	Risk Management Implications - details in next committee report on timescale to get risk to green	Director of Finance.	<p>the schemes. The initial scheme was for Sponsors to support guests for a minimum of 6 months. Should Government stop or reduce payments to Sponsors, then this would significantly increase risk for all local authorities of families presenting themselves as homeless. This has been raised by local authorities with Government. Berkshire Local Authorities meet at Senior Level every two weeks to share practice and information about the Ukraine initiative and utilise this as an opportunity to escalate any concerns nationally.</p> <p><u>Risk management implications</u> Please see agenda item 4 – Risk management update, details are in section 3.3 of the report</p>
8	<p>Internal Audit Quarterly Progress Report</p> <p>Duplicate supplier payments – check latest status on monies recovered</p>	Director of Finance.	<p><u>Supplier duplicate payments</u> Previously there was no analysis or monitoring of potential duplicate payments. An exercise using specialist software has identified potentially 68 payments that had a potential likelihood of being duplicates of £425k going back over six years. Those with a strong likelihood totalled £194k. To date £251k has been collected with other suppliers being chased for further information. This exercise will be completed on a regular basis going forward. Some of the</p>

	<p>Temporary Accommodation Audit - running theme is lack of evidence - details to be provided for this.</p> <p>Temporary accommodation - further details why rent arrears happening, reasons why residents in TA for so long –to be included in report to next meeting & relevant Officers to attend the next meeting.</p>	<p>Executive Director Place & Community</p> <p>Executive Director Place & Community</p>	<p>potential overpayments go back as far as 2016 which means it is harder to get responses from companies so although progress is being made no new repayments have been made over the past two months. These include various logistical issues to contend with suppliers having to retrieve the records from archived records. Some supplier systems have also changed. Additionally, some are reluctant to respond due to the age of the debt; there is also some continuity issues as some of their staff have left. Legal action will be taken if it becomes clear that the amounts identified are true overpayments and suppliers do not respond to enquiries. To date total £80k outstanding.</p> <p><u>Temporary Accommodation Audit</u> The team of 5 officers have left the authority. We are recruiting a new team. In the interim 1 temporary resource and 1 secondee are in place. Work has begun to re-build systems and processes.</p> <p><u>Temporary Accommodation</u> TA stock records will be in one place – Northgate Housing Management System after 13 October 2022 go live – this will improve charging and also rent recovery including integration with the housing benefits system</p>
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	Shared Bank Details – Supplier and Payroll records – further details how and why these accounts had been set up/payments made.	Director of Finance	<p><u>Shared bank details</u> These accounts were set up to pay employee expenses which with best practice should be processed via Payroll.</p> <p>SBC's ERP (Agresso) now has an Expenses module through which all expenses are captured and approved via workflows and paid via payroll.</p> <p>Supplier accounts identified will be deleted by the end of October</p>
9	<p>Internal Audit Annual Report 2021/22</p> <p>Finalised report to be scheduled for September meeting.</p>	Head of Internal Audit	Draft reports outstanding - to be scheduled for December 2022 Committee meeting.

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Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	28 th September 2022
Subject:	Risk Management Update – Quarter 2 2022/23
Chief Officer:	Steven Mair – Director of Finance and Commercial (S151)
Contact Officer:	Clare Priest – Group Manager – Commercial
Ward(s):	All
Exempt:	No
Appendices:	Appendix ‘A’ – Corporate Risk Register

1. Summary and Recommendations

- 1.1 This report is to update the Audit and Corporate Governance committee on the corporate risk register with an opportunity to comment and amend it as shown in appendix A.
- 1.2 This is the fifth revision of the risk register which is being reviewed monthly. This is to ensure the Council maintains a proper strategic risk register.

Recommendations:

- 1.3 The Audit and Corporate Governance Committee is recommended to:
- Note the revision to the risk register and comment on the report

Reason:

- 1.4 Risk is inherent in all activities across the Council and risk management is an integral part of the Council’s corporate governance arrangements. Managing risk improves the way we do business. It plays a key role in helping achieve our strategic objectives. It helps ensure decision making is better informed, precious resources are used efficiently and effectively and helps avoid unwelcome surprises. Good risk management is a key part of our everyday business.
- 1.5 It is good practice to review and update the Council’s corporate risk register on a regular basis.

Commissioner Review

“The Directions imposed on the Council require specific actions plans to be prepared to the satisfaction of the Commissioners and then implemented. Not all plans are in place to the satisfaction of Commissioners and the monitoring and reporting on progress still has to be established in a comprehensive and effective way. Until these issues are resolved the Council is at significant risk of further action.”

2. Report

Introductory paragraph

- 2.1 Risk management is a critical part of good governance and it is needed to effectively deliver the priorities in the council's corporate plan.
- 2.2 As part of the risk and audit board's continuing work to routinely review all strategic level risks, further improvements have been made to the corporate risk register.

Options considered

- 2.3 Risk management is a continual activity that needs to be embedded into the culture of the council. Options considered were:
- a) Keep the previous version of risk register – this is not recommended because:
 - there were too many risks for a corporate register and some risks are more appropriate for directorate registers e.g. elections and electoral registration, GDPR
 - the register was organised as an incoherent list rather than coherent grouping of themes
 - the register did not include feedback from Corporate Leadership Team (CLT)
 - b) Devise a revised register based on feedback from Audit and Corporate Governance Committee and Corporate Leadership Team which will be reviewed on a regular basis. **This is the recommended option.**

Background

- 2.4 Since the last Audit and Corporate Governance Committee further actions have been taken to strengthen risk management process and procedures and improve the Corporate Risk register.
- 2.5 Corporate Leadership Team review the risk register monthly, and on a quarterly basis, hold a risk management workshop to ensure that the key strategic risks the council faces is properly reviewed. As a result, the register is now more focused on the risks to delivering the corporate priorities, and indicates four main risk themes:
- council spend and budgetary pressures
 - keeping children and young people safe
 - investment in the town centre
 - recruitment and retention of staff, and staff capacity
- 2.6 CLT refined the number of risks on the register to 14 and these now better reflect the strategic risks facing the authority. In addition, the following improvements have been made and the register now:
- reflects the organisational restructure of the council, in particular the responsible owner at Executive Director level
 - is organised into thematic groupings: people; staff; statutory responsibilities; financial sustainability; and recovery

- better reflects the nature of some of the risks as the title has been changed to make them more meaningful.
- includes the health and safety of staff risk to ensure it makes reference to the impact of stress on staff

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 There are no direct financial implications relating to the updates to the corporate risk register and the mitigating actions, but completion of the actions will improve the council's processes including those that underpin sound financial management, for example the council's accounts and budget.

3.2 Legal implications

3.2.1 Failure to address those risks associated with the Directions from the Department for Levelling Up, Housing and Communities will impact the ability to secure the Authority's compliance with the requirements of Part I of Local Government Act 1999.

3.3 Risk management implications

3.3.1 Failure to operate an adequate strategic risk register exposes the Council to risk across a wide variety of services because:

- Risks are not identified
- Actions are not planned and progress reported
- Members are not made aware of the serious risks facing the Council

3.3.2 There are a number of mitigations in place that currently rates the risk Amber and reflects the continuing work to develop management of strategic risk including:

- a pro active officer risk and audit board
- pro active management of the risk register
- a risk register that encompasses strategic risks with actions, milestones
- reporting that shows trends, update on actions and impact of actions

3.3.3 The council is working to rate the risk Green in the 2023/24 financial year by implementing the following actions:

- recruit to an in house Risk and Insurance Team to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisation to take control of the risks that threaten delivery.
- implement an Enterprise Risk Management Framework and if necessary, an associated IT system to manage risk

3.4 Environmental implications

3.4.1 There are no direct environmental implications in this report

3.5 Equality implications

3.5.1 There is no identified need for an Equality Impact Assessment.

4. Background Papers

None

Corporate Risk Register
Updated August 2022

Risk	Inherent Risk	Current Risk	Target Risk	Direction of Travel
Risk 1: Safety of Children and Young People	24	20	9	↓
Risk 2: Delivery of the Adult Social Care (ASC) Transformation Programme	18	15	8	↔
Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection	24	20	4	↓
Risk 4: Impact of the cost of living crisis on Slough's residents	24	18	6	↔
Risk 5: Risk of the failure of statutory duty for provision of temporary accommodation	18	12	6	↔
Risk 6: Service delivery risk due to workforce recruitment and retention issues	24	20	6	↓
Risk 7: The Council does not take adequate mitigation to reduce the risk of injury or death from incidents within the Council	20	12	6	↔
Risk 8: Business Continuity and Emergency Planning	24	8	6	↔
Risk 9: Cyber Security	15	9	6	↑
Risk 10: Financial sustainability	24	20	4	↔
Risk 11: Pace and evaluation of the disposal of assets	24	12	8	↑
Risk 12: Governance and financial implications of the council companies	20	9	2	↑
Risk 13: Recovery and Renewal Plan	24	15	6	↔
Risk 14: Risk that the lack of an agreed council-wide vision, principles and governance for building digital access for residents continues to lead to incoherent and poor quality digital services	16	12	8	↔

Risk 1: Safety of Children and Young People
Risk Owner: Chief Executive/ Executive Director Children
Direction of Travel: ↓

Description:

Children and Young people are not kept safe through failure to meet our statutory and regulatory obligations

Context

If Slough Children First becomes financially unviable then the Council will need to divert resources to continue essential services for children and their families

- Slough Children First (SCF) are a wholly owned council company that provide children's safeguarding through a service contract. A business plan and budget is agreed by cabinet each year and managed via a strategic commissioning board. There is risk that the company fails to deliver safeguarding services to children within the approved budget due to additional demands.
- The company is reporting an in year overspend of £4m and has requested a further £1.3m to invest in Early Help to reduce costs in future years. There is a risk that the company could go into liquidation if it does not mitigate the loss or receive financial support from the council.
- The Department for Education (DfE) have notified the company that it will be substantially reducing the grant it provides for annual running costs of £2.2m pa to in the region of £0.8m in 2023/24 and potentially less in future years. This loss of grant will either need to be filled from additional savings or support from the council.

Consequence:

The risk that children's lives are being placed at greater risk due to the rising demands and not having sufficient resources to meet that demand, which could lead to risk of harm being missed.

- Inability to spend within budget
- Reputational damage to the council and the company if unable to meet its statutory duties
- If improvements to service delivery are not made in line with the Directions issued by the Department for Education there is a risk of further intervention

Current Controls:

- The performance and financial position of the company is monitored on a monthly basis through the contract monitoring process and strategic commissioning board chaired by the Chief Executive.
- The financial position is reported to cabinet through the council's budget monitoring process.
- The business plan is reviewed by scrutiny and approved by strategic commission group who monitor the plan.
- The DfE have commissioned Mutual Ventures to review the SCF business plan to assess its effectiveness as a model for invest to save.

Actions Required:

- Resolve the in-year financial position and establish medium term position
 - Actionee: Andrew Fraser/Matt Marsden
 - Target date: 31st October 2022
 - Latest update: Report to October Cabinet

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	5	3
Impact	4	4	3
Score	24	20	9

Date last updated: 15th September 2022

Risk 2: Delivery of the Adult Social Care (ASC) Transformation Programme

Risk Owner: Executive Director of People (Adults)

Direction of Travel: ⇔

Description:

- **If the adult social care transformation programme does not deliver changes in a timely and effective way there will be a negative impact on quality of service with residents directly affected, savings will not be achieved and a balanced budget will not be delivered.**

Context

There are pressures across the adult social care service with regard to provider stability, increasing demand, partnership working and provider costs.

Consequence:

- Increasing number of people waiting for assessment, service or review.
- Increasing number of safeguarding cases.
- Provider failures and reduced quality.
- Demand increasing.
- Use of agency staffing increasing.
- Budget not balanced, savings not delivered, cost and price increasing.
- Health funding to support the changes may be withdrawn

Current Controls:

- Adult Social Care business case and implementation plans
- Adult Social Care Transformation Board – reporting into Recovery and Renewal board
- Tracking of actions and savings
- Support and challenge from People Too consultant partners
- 22/23 Funding for Transformation partner agreed at 21/03/22 Cabinet

Actions Required:

- Manage additional income from client contributions. Based on the Financial Assessment and Charging Workstream,:
 - Backdated invoices raised to the value of **£889k last financial year**
 - Target for this year £560k - £130k already achieved
 - This is considered additional income over and above that budgeted
 - Actionee: Marc Gadsby
 - Target Date: 31/03/2023
 - Latest Update: Progress continues to be made – Provider Services now closed - monthly reporting of progress to ASC transformation programme board, monthly project report to Exec Board and weekly financial tracking progress to lead members and directors.

- Deliver the workstream actions in the adult social care transformation programme. Good progress is being made – monthly reporting of progress to ASC transformation programme board, monthly project report to Exec Board and weekly financial tracking progress to lead members and directors. Cashable savings delivered for provider services, client contributions and virtual review team in 2022/23 of £1.5m.
 - Actionee: Marc Gadsby / Jane Senior
 - Target date: 31/03/2023
 - Latest update: Progress continues to be made – Provider Services now closed - monthly reporting of progress to ASC transformation programme board, monthly project report to Exec Board and weekly financial tracking progress to lead members and directors.

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	5	4
Impact	3	3	2
Score	18	15	8

Date last updated: 11th August 2022

Risk 3: Special Educational Needs and Disability (SEND) Local Area Inspection

Risk Owner: Executive Director People (Children)

Direction of Travel: ⇔

Description:

If we fail to provide a fit for purpose SEND service then it puts service users at risk and provides poor value for money.

Context

- The SEND Local Area Inspection took place in September/October 2021. The report highlighted significant areas of weakness.
- The local area includes the local authority SEND services, Children's Social Care and Health partners.
- The area was required to produce a Written Statement of Action (WSOA), which highlights how we will address the areas of concern. This was produced and sent to Ofsted/CQC on 18th February. It was approved by Ofsted and CQC as fit for purpose but with a letter of recommendations to add to the WSOA.
- There is an approximate timeline of 12-18 months for improvements to be demonstrated in which Ofsted are likely to be back for inspection again.
- Staff turnover and absence is impacting significantly on delivery of SEND services
- Current SEND service is not fit for purpose and additional resources are required.
- The High Needs Block is significantly overspent with a deficit of approximately £26 million.
- The LA is required to have a DSG (Dedicated School Grant) management programme to address this and reduce in-year spend to 0 within 4-5 years.

Consequence:

- Reputational risk
- Failure to carry out statutory duties
- Vulnerable children not getting the full support they are entitled.
- Failure to reduce High Needs Block overspend
- Potential DfE intervention

- Negative Ofsted re-inspection outcome
- Deterioration of relationship with stakeholders/resident and partners
- Financial risk

Current Controls:

- Current controls are limited as the LA team lacks capacity. Update: Extra funding has been agreed to increase the SEND team by up to 6 FTE which will enable a redesign of the service.
- Monthly SEND strategic board meetings
- DSG recovery plan is in place to reduce costs over 4-5 years.
- Interim Project Manager to coordinate the WSOA is in place
- Monthly SEND strategic board meetings
- Monthly DSG management plan meetings
- Slough Children First and the Clinical Commissioning Group have put in additional resources to address the areas highlighted in the Ofsted inspection
- Regular meetings are being held with the DfE – there are Slough specific advisors – monitoring and challenge the implementation of the WSOA

Actions Required:

- Exploring specific resources to implement the WSOA. Additional SEND staffing resources are needed to improve functioning of the team and secure improvement. Update: The new roles have been graded and will be going out to advert to recruit in September 2022
 - Actionee: Johnny Kyriacou
 - Target date: 30th November 2022
 - Latest update: Business case has been developed for the recruitment of SEND officers and to expand resources in the SEND team to implement the improvement plan and get the service to good. Chief Executive has agreed additional resources for the service

- Implement the WSOA with all relevant partners, the WSOA
 - Actionee: Johnny Kyriacou
 - Target date: 31st October 2023
 - Latest Update: Implementation of the WSOA is predicated on securing resources as described above

- Implement Dedicated Schools Grant (DSG) recovery plan in partnership with the Department for Education (DfE). This is also known as the Safety Valve programme. Meetings are taking place with the DfE with two workshops in August 2022
 - Actionee: Johnny Kyriacou
 - Target date: 31st October 2023
 - Latest Update: Progress is being made with regular meetings with the DfE

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	4	3
Impact	4	4	3
Score	20	16	9

Date last updated: 11th August 2022

Risk 4: Impact of the cost-of-living crisis on Slough's residents

Risk Owner: Corporate Leadership Team

Direction of Travel: ⇔

Description:

Rising inflation will impact the Council and residents ability to meet day to day essential needs.

Context

- UK inflation has increased to 9.1% - the highest since 1992, the bank of England is predicting further rises
- Energy price cap has increased by 54%, and is expected to increase further when it is revised in October 2022
- Increase in food and energy prices has led to a rise in food and fuel poverty
- This has led to an increase in residents and local businesses needing council support and services
- Need is likely to continue increasing
- Further price increases expected in the autumn
- Benefits increased in April 2022 by less than the current level – or expected level – of inflation, which will put pressure on households relying on these payments.
- Failure to obtain energy at competitive prices will significantly impact savings targets and ability to provide services to residents.
- The estimate cost of energy supply contracts is £5.13m in 22/23 against the (21/22 outturn of £2.1m). The budget for energy was set at £3.1m for 22/23. There is now an estimated £2million revenue pressure overall on energy costs across the Council corporate assets, street lighting, PFI school and housing.

Consequence:

- Financial difficulties impact on other areas of residents' lives (e.g., health) which could further increase pressure on services including social care services due to increase stress/mental health issues
- The council and its services will also be directly affected by an increase in its own costs, including contractors increasing prices for services provided to the council

- This will further increase pressure on SBC's limited finance and resources and affect the council's recovery process and response to policy changes
- Delivery of budget at greater risk due to costs rising faster than commercial income, grant income, council tax and business rates
- Capital budget estimates may prove to be understated, SBC cannot afford to put more money in and so there may need to be decisions about the quality/quantity/scale of what is being built/acquired
- Interest rates, impacting on borrowing costs, could rise beyond the level assumed in the budget
- Residents are forced out of the private rented sector due to rent increases and into homelessness
- Inability of residents to pay council tax
- Instability of business effects collection of business rates
- Residents fall into absolute poverty and have to make difficult decisions related to personal finances and may affect their ability to pay priority debt e.g. council tax
- Greater demand on welfare teams
- Schools, already facing constrained budgets and rising deficits, will also be hit with rising energy costs and have to make decisions around energy usage and how to prioritise spend
- Unions arguing for higher pay increases for staff, increase in cost of filling essential temporary posts
- Consequences for energy price rises include:
 - Cost of street lighting has more than doubled
 - Cost of corporate assets have nearly tripled
 - Cost to tenants and leaseholder energy cost has tripled
 - Cost of PFI school energy costs has tripled
 - Overall revenue pressure of energy costs is £2m+

Current Controls:

- Government support:
 - £500m new funding for the Household Support Fund (HSF), with £421 million to be distributed by local authorities in England
 - Tranche 2 of the HSF the Council received £1,177m in funding and spent £40k on administration of schemes
 - To date we have paid the following:

- Support for food for families in receipt of Free School Meals - £681k for 6,488 children over May half term and Summer holidays
 - Support for residents have requested support - £49.3k for 251 claims
- The guidance for latest batch of HSF funding for Oct 2022 – March 23 has been announced but not the value , once this is known we will make recommendations for the best utilisation of this funding.
- A £150 non-repayable rebate for households in England in council tax bands A to D. The Core scheme has been completed, the final 13.7k rebates were paid onto council tax accounts on 2nd September
- Rise in the National Insurance threshold and changes in personal taxation will help those at the bottom end of the earnings scale – those under £25k will pay less in direct taxes on income
- Monitoring of monthly trends/indicators of social poverty to demonstrate the extent to which Slough residents are affected e.g. households in receipt of council tax relief, free school meals, temporary accommodation etc. This is done through the Local Insight tool to monitor trends and reporting monthly to CLT, which includes service demand indicators such as temporary accommodation.
- Council website updated to help people understand what benefits they are entitled to
- Internal Energy group set up to monitor energy spend and consumption. Beond provide billing and metering services to ensure accurate billing. Claw back overpayments. Remove unused meters, add new/existing meters under corporate contract.
- Risk management strategy developed to determine when purchase energy volume under new flexi Gas and Energy (HH) contracts. Energy brokers Beond will advise on opportunistic purchasing (markets retrace). Assume future gas and energy volume at lower market rate during Q2, Q3 and Q4 – provisional estimate **£100k** saving but entirely dependent on market rates at time of purchase
- Housing recharge energy costs for communal heating and lighting to residents – needs a paper to determine the level of recharge and whether HRA reserve picks up some of this cost. **(currently estimated at £1.1m)**
- PFI School recharge energy costs to be negotiated and agreed **(currently estimated at £1.2m)**.

Actions Required:

- Implement government relief e.g., Household Support Fund, maximise use of the fund
 - Actionee: Group manager – revenues, benefits and charges

- Target date: September 2022
- Latest update: Approach agreed for current tranche

- Implement an inflation policy for procuring new contracts and use a maximum of the Consumer Price Index to track inflation (rather an RPI which is higher)
 - Actionee: Group manager – Commercial
 - Target date: October 2022
 - Latest update: Policy has been agreed and will be communicated through staff training and communications in September/October 2022

- Review of contracts to challenge and seek to verify if procurement is necessary and to identify opportunities to maximise value for money through contract rationalisation and consolidation, identification of contracts which fulfil statutory responsibilities
 - Actionee: Group Manager Commercial
 - Target date: 31st October 2022
 - Latest update: Review meetings with finance commissioner, executive directors and management team throughout May, June, July and August 2022. Data is now being validated with finance.

- Change/amend heating/lighting/ventilation controls – for each 1% reduction in consumption across the portfolio of Corporate/community Buildings we would save approximately **est. £25k saving**
 - Actionee: Jonathan Tewson
 - Target date: 31st March 2023
 - Latest update: Working with the building management as well the FM service provider with an agreed action plan to deliver reductions in power usage (Electricity, Gas & Water), this includes removing unnecessary lighting, fine tuning programmable lighting (OH) using PIR switching systems, updating lighting LED (as & when required), constantly lowering power consumption by the way of regularly checking timeclocks on boilers & other time monitored plant, also checking correct functionality & consumption during in regular PPMs across the SBC estate.

- Asset disposal program will see a reducing number of buildings provided with SBC funded heat, light and power – provisionally **est. £100k saving** in 2022/23 but entirely dependent on sales programme yet to be determined
 - Actionee: Fin Garvey
 - Target date: 31st March 2023
 - Latest Update: Corporate assets are not yet included in the assets identified for disposal, within the 22/23 financial year

- Temporary or part closure of existing assets to reduced consumption (changing rooms, other community buildings, SMP, Priors Close) **est. £50k saving**
 - Actionee: Jason Newman
 - Target date: 31st March 2023
 - Latest Update: Pending a cabinet report to approve closure, in autumn 2022
- Re-Fit Programme Energy efficiency measures for remaining buildings will prove effective in reducing energy costs but requires capital investment and a longer return on investment. A business case will be developed.
 - Actionee: Jason Newman
 - Target date: 30th September 2022
 - Latest Update: In progress, future savings to be identified, contingent on assets disposal programme
- Paper on HRA recharge costs will be required on agreed rates to recharge tenants for energy costs for communal heating and lighting.
 - Actionee: Jason Newman/Trevor Costello
 - Target date: 30th September 2022
 - Latest Update: Being scoped
- Street Lighting timer controls to reduce lux levels require investigating to determine the consumption reduction and potential reduction of costs
 - Actionee: Jason Newman

- Target date: 1st April 2024
- Latest Update: Feasibility study being undertaken, included in 22/23 savings tracker

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	6	3
Impact	4	3	2
Score	24	18	6

Date last updated: 1st September 2022

Risk 5: Risk of the failure of statutory duty for provision of temporary accommodation

Risk Owner: Executive Director - Housing and Property

Direction of Travel: ⇔

Description:

- **If we fail to manage the increasing demand for temporary accommodation it will cost us financially and damage our reputation.**

Context

- There are financial and reputational risks arising from the increasing demand for temporary accommodation. We have increasing numbers of UK nationals presenting as homeless now that evictions are being allowed. We have pressure to receive asylum seekers – currently 300 asylum seekers are in the borough awaiting immigration status and further to this the UK has specific commitments to Hong Kong and to Afghanistan and has “bridge head” infrastructure in place in Slough as a result of our existing cohort of asylum seekers
- The conflict in Ukraine is also likely to impact the demand for housing, particularly after scheme to host families ends after 6 months

Consequence:

- Budget pressure
- People do not have a safe and secure home

Current Controls:

- Housing Needs officers are being supported in taking an appropriate approach when assessing eligibility for temporary accommodation (number of units)
- Temporary Accommodation officers are being supported in negotiating better rates (cost/unit) with landlords and other housing providers
- DLUHC review being undertaken

Actions Required:

- Address staffing shortages in the Temporary Accommodation team – temporary staffing
 - Actionee: Ian Blake
 - Target date: 31st July 2022
 - Latest update: Temporary staff are starting in mid July
- Address staffing shortages in the Temporary Accommodation team – permanent staffing
 - Actionee: Ian Blake
 - Target date: 31st October 2022
 - Latest Update: Advertising for permanent staff from September 2022 with a view to having permanent resources in place by end of October

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	4	3
Impact	3	3	2
Score	18	12	6

Date last updated: 11th August 2022

Risk 6: Service delivery risk due to workforce recruitment and retention issues

Risk Owner: Chief Operating Officer

Direction of Travel: ↓

Description:

The Council is challenged in delivering high quality services in all areas for residents because of the inability to recruit and retain staff, including the right calibre of staff in specialist roles. This is also applicable to Slough Children First.

Context

- The Council does not have appropriately qualified, skilled and experienced people to deliver necessary service levels and identify budget savings to allow the Council to live within its means.
- There are currently significant numbers of vacancies within the Council in key support professions such as Finance, IT, HR and Legal services. This is exacerbated by significant vacancies in key service areas such as Social Workers, planners and engineers.
- The Council has massive competition for employees within Berkshire and the Greater London area. It is located on the M25 and has excellent links into London offering greater choice of employer for its own and residents within its travel to work area.
- The reputational damage caused by the section 114 notice and the appointment of Commissioners will potentially impact recruitment and retention.
- The Directions include the requirement to implement a suitable officer structure and scheme of delegation for the Authority which provides sufficient resources to deliver the Authority's functions in an effective way, including the Improvement Plan and its monitoring and reporting, prioritising permanent recruitment and/or longer-term contract status of interim positions.
- Recruitment into posts to assist with the council's recovery has not happened quickly enough and as a result, an additional Direction came into effect on 1 September 2022. The Direction permits the Commissioners to define the structure for and to recruit staff to senior positions for the period of the Directions.

Consequence:

- A higher reliance on agency staff has a direct impact on budgetary pressures
- Significant numbers of interims in leadership roles leads to staff uncertainty about future sustainability and continuity of management
- Higher costs due to cost of recruitment to replace staff who have left
- Loss of corporate memory leads to inefficiencies and additional costs
- Staff turnover includes hard to fill posts which has an impact on workloads in teams and increases staff absences, wellbeing and resilience
- Employee disengagement leading to reduced productivity
- Failure to maintain required levels of service delivery affecting our residents, especially statutory obligations
- Reduced staffing levels will impact the quality of service being provided
- Statutory roles are not permanently filled e.g. Returning Officer, Monitoring Officer
- Council is unable to delivery key improvement projects
- Fines for non-delivery of statutory services
- Judicial review and associated financial and reputational costs.
- Civil unrest due to inadequate / inappropriate response.
- Local and national media interest
- Reduced quality of service delivery
- Increase in safeguarding issues, impact on quality of life
- Securing qualified staff in the national context where resources are hard to recruit and retain

Current Controls:

- Engagement with the workforce through regular communications and briefings to provide reassurance to staff of the development and then progress of the recovery process, including trade union colleagues.
- Process in place to fill vacancies in transitional structure where risk areas have been identified
- Slough Children First continue to invest to recruit a permanent workforce including overseas recruitment and apprenticeships
- Functional capability assessments to identify Workforce profile gap analysis to understand where gaps exist, and consider the affordability of the future operating model.

- Development of functional capability action plans
- Development of communications plan for staff briefings
- Implementation of Adults social care transformation programme to drive service improvements and efficiencies
- Appointment of chief information officer to drive forward digitisation of services
- Review of Performance Indicators to identify areas of concern
- Business plans for all services to identify service issues and drive services forward

Actions Required:

- Development of a recruitment and retention strategy, to align with the future operating model
 - Actionee: Surjit Nagra
 - Target date: 30th November 2022
 - Latest Update: Data is being collated to support the introduction of a strategy i.e. analysing current recruitment episodes to ascertain the response rates, reviewing recruitment documentation; assessing the social media platforms to analysing the leaver information. HRBP Team reviewing monthly agency spend with Directorates; Request for DLT's to review monthly agency spend. Discussions with departments delayed due to restructures and HR capacity
- Tracking of staff turnover rates to Corporate Leadership Team and to workforce committee and Board within Slough Children First - monthly
 - Actionee: Surjit Nagra
 - Target date: July 2022
 - Latest Update: Working on producing this data on a regular basis and review existing process from the Agresso system to ensure data accuracy. Staff turnover rates are being published monthly via the performance team
- Appraisals and performance management of staff – put in place revised processes and procedures
 - Actionee: Surjit Nagra
 - Target date: 1st October 2022
 - Latest Update: A new performance management framework has been drafted and is scheduled to go to CLT for sign off at the end of September
- Review of current pay and reward structure of the council

- Actionee: Surjit Nagra
- Target date: Ongoing from June 2022
- Latest Update: Council has legal requirement to comply, on equal pay and the National Minimum Wage, as well as reporting on the organisation's gender pay gap and including chief executive pay ratio. The pay policy statement for 22/23 has been approved and updated on the website which includes an update on the annual pay increase – this included the CX Pay ratio. The Gender Pay Gap 2021 reporting has also been approved and uploaded onto our external website with an action plan. Currently working on the 2022 figures. Payroll compliance deadlines with HMRC have all been met. The council has recently reported on gender pay gap and senior officer pay for 2021 – 2022, currently preparing a report on 2022 to 2023. The Council has begun review of pay as part of recent structure reviews.
- Tracking of specific issues through analysis of exit interviews
 - Actionee: Surjit Nagra
 - Target date: 31st October 2022
 - Latest Update: Putting in place a system to capture this information. Working with Agresso HR reports are being updated to review analysis of exit interviews, reported to EAC committee on an annual basis
- Slough Children First are implementing a recruitment and retention measures as per the business plan
 - Actionee: Kate McCorrison
 - Target date: TBC – dependent on business plan sign off
 - Latest Update: In the process of writing the business plan and all supporting business cases for approval. Once these have been submitted and approved then SCF will be able to move forward with the recruitment and retention initiatives.
- Review of contracts to challenge and seek to verify if procurement is necessary and to identify opportunities to maximise value for money through contract rationalisation and consolidation, identification of contracts which fulfil statutory responsibilities
 - Actionee: Group Manager Commercial
 - Target date: 30 September 2022
 - Latest update: Review meetings with finance commissioner, executive directors and management team throughout May, June July and August 2022

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	5	2
Impact	4	4	3
Score	24	20	6

Date last updated: 15th September 2022

Risk 7: The Council does not take adequate mitigation to reduce the risk of injury or death from incidents within the Council

Risk Owner: Chief Operating Officer

Direction of Travel: ⇄

Description:

If the Council does not meet its wide range of Health & Safety requirements, then there could be a risk to the safety of **staff and citizens**

Context

The profile of health and safety matters has not been given sufficient prominence in recent years.

Key potential causes are:

- Lack of understanding of roles and responsibilities
- Insufficient staff numbers to carry out work plans in a safe way.
- Budget pressures resulting in inability to provide correct equipment
- Lack of appropriate training.
- Lack of oversight and control by local management.
- Lack of information on the potential or known risks i.e. through lack of reporting
- Lack of learning from previous lessons
- Inadequate contract management arrangements. H&S legislation states you are still liable even if contractors undertake work.
- Lack of effective processes and systems consistently being applied.
- Health and Safety Policies are not kept up to date.
- Lack of accountability and governance arrangements

The risk of injury or death is from high-risk activities:

- lone working and violence
- use of machinery
- inadequately managed buildings
- inadequate contract management

Consequence:

- Death/injury to individuals and/or non-compliance with relevant legislation resulting in prosecution and civil claims.
- Staff sickness through stress

Current Controls:

- Health & Safety (H&S) professional and advisers in post
- A health and safety management system (policy and codes of practice) in place. These are regularly reviewed and updated, clearly communicated and placed on SBC insite
- Corporate health & safety strategy (2018-2021) in place with directorate plans dovetailing
- Accident reporting system and procedure in place and communicated. Investigations occur and are reported.
- Health & safety training programs in place, available face to face and online. Mandatory training identified and in place.
- Lone worker In-check and personal safety devices in place
- Monitoring of health & safety indicators at Health & Safety Committees (bi-monthly) and Health & Safety Board (bi-monthly).
- Trade Union consultation with health and safety trained representatives present (Corporate Consultative Forum)
- Compliance monitoring 'Building Compliance Group' (monthly)
- Audit program for 2022-2023

Actions Required:

- Online accident reporting for accurate monitoring and tracking.
 - Actionee: Surjit Nagra
 - Target date: 31st March 2023

- Latest update: Options appraisal underway to determine if an existing in-house system can be used.
- Monitoring of actions from accidents and audits to ensure lessons are learnt and actions are implemented through an online system.
 - Actionee: Surjit Nagra
 - Target date: 31st March 2023
 - Latest Update: Options appraisal underway to determine if an in-house system can be used which will include monitoring of actions
- Health & safety team will be auditing high risk areas of the council: asset management, environmental services, strategy and infrastructure and lone workers. Lower risk areas to conduct self-audits. Responsibility of AD/GM's. Corporate Leadership Team approved new audit format in November 21 following report from Health & Safety Board. Self-audits approved by Corporate Consultative Forum meeting on March 7th 2022.
 - Actionee: Surjit Nagra
 - Target date: 31st March 2023
 - Latest Update: Health & safety team auditing high risk areas of the council. Lower risk areas to self-audit post Transformation. Executive Board approved new audit format in November 2021 following report from Health & Safety Board. Self-audits were issued in January 2022 –and are being undertaken by service areas in conjunction with Health & Safety. CLT have been requested to issue the self-audit to their relevant areas. Deadline for submission of self-audits to Health and Safety is end of September 2022. H&S will monitor and chase remaining services. A high-risk audit has been scheduled for July and August to be undertaken at the DSO over 2 days. A draft high risk audit schedule is being devised for 2022-2023 and once live, will be communicated via H&S Board and Directorate Committee Meetings. **Note:** There is an extensive list of high-risk areas as identified by Directorates therefore the schedule will be devised on a risk-based approach. Services that are not audited this financial year will form part of the schedule for next year. There has been a delay to finalise the schedule due to workload pressures.

- Gap analysis of training needs, provision and uptake. Work commenced with Workforce Development in identifying risk assessment and accident investigation training. All managers and staff encouraged to complete mandatory H&S online training via communications issued to all staff and managers. All managers have been provided with instructions on how to determine the compliance status of staff.
 - Actionee: Surjit Nagra
 - Target date: 31st March 2023
 - Latest Update: Training: Training sessions took place throughout 2021/22 and a draft Training schedule is being devised for 2022-2023. Risk Assessment and Accident Investigation Training sessions will form part of the schedule. Training take up is being monitored by managers to ensure staff complete mandatory courses.
- New corporate strategy to be developed for 2023 onwards and directorate plans to be developed H & S Board has requested a new strategy and this will be presented to Corporate Leadership Team (CLT) in March 2023
 - Actionee: Surjit Nagra
 - Target date: 31st March 2023
 - Latest Update: New corporate strategy to be developed for 2023, to be approved by Corporate Leadership Team.

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	3	3
Impact	4	4	2
Score	20	12	6

Date last updated: 1st September 2022

Risk 8: Business Continuity and Emergency Planning

Risk Owner: Chief Operating Officer

Direction of Travel: ↑

Description:

Failure to deliver and maintain emergency planning and business continuity response arrangements will lead to the Council at risk of being unable to continue its business should a serious event cause disruption or an emergency occurs.

Context

The Council has not had in place a permanent qualified and experienced Emergency Planning Team in order to enable it to respond to incidents and disruption, as a result the Council is losing some of its resilience to respond to these situations. Some of the current challenges include:

- Failure to have an adequate response and co-ordination during an incident or disruption
- No link to the Thames Valley Local Resilience Forum, failure for the council to respond to regional incidents or disruption
- Failure to have a Major Incident Plan (MIP) in place
- Failure to have a Business Continuity Plan in place
- Lack of Exercising Emergency Response Arrangements & Plans -the lack of Exercising (Testing) the Arrangements (Actions, Process and Protocols) and the Plans (MIP) means we do not reveal gaps, or points of failure.
- Lack of Exercising Business Continuity Plan the lack of Exercising (Testing) the Arrangements (Actions, Process and Protocols) and the Plans (MIP) means we do not reveal gaps, or points of failure.

Consequence:

- No response to operational emergencies due to severe weather conditions, fire, or any other major incident.
- Council not be prepared to respond as directorate and service areas do not have an adequate or co-ordinated response in place

- Availability of staff to deliver key services if trained volunteers are taken away to deal with a major incident (the Council is a Category 1 responder under the Civil Contingencies Act).

Current Controls:

- Developing Business Continuity (BC) Plans
- Developing Emergency Planning procedures
- Emergency planning and business continuity lead in place on an acting up arrangement
- A secondee in place to backfill the above acting up arrangement
- Sufficient Response Officers (Local Authority Liaison Officer (LALO) & Rest Centre Managers (RCM)) who can be utilised in the event of an emergency.
- Officers on duty silver supplement the LALO duty roster
- Arrangements and links in place with TVLRF & Partner Organisations
- Utilising lessons learnt from Covid.
- Local and regional response arrangements in place

Actions Required:

- Currently reviewing the Major Incident Plan & Emergency Arrangements
 - Actionee: Anthony-Mario Montana
 - Target date: 31st December 2022
 - Update:
 - The Major Incident Plan & Emergency Response Arrangements have been reviewed and rewritten. This Action is now complete.
 - The Major Incident Plan has been submitted to CLT for approval and sign off.

- Once the sign off process is complete implementation of the plans will commence.
- Both the Emergency Planning Policy and the Business Continuity Policy have been completed
- Policies are being reviewed and are awaiting approval and sign off from CLT
- Currently reviewing the Business Continuity Plans & Business Continuity Management in response to the organisation restructure and the availability of the IT disaster Recovery will assist and support this process.
 - Actionee: Anthony-Mario Montana
 - Target date: 31st December 2022
 - Latest Update:
 - The review of the Business Continuity Plans & Business Continuity Management have been completed and the Business Continuity Plan has been rewritten. This action has been completed
 - The Business Continuity Plan has be sent for CLT's approval and sign off
- Exercising of Emergency Response Arrangements & Plans
 - Actionee: Anthony-Mario Montana
 - Target date: 31st October 2022
 - Latest Update:
 - The Exercising of the Major Incident Plan and Emergency Response Arrangements will be undertaken after the approval and sign off the plans.
 - Once the Major Incident Plan is approved and signed as part of the implementation, the design of the exercise will be drafted.
- Exercising of Business Continuity management & Plan
 - Actionee: Anthony-Mario Montana
 - Target date: 31st December 2022
 - Latest Update:
 - The Exercising of the Business Continuity Plan and Business Continuity Response will be undertaken after the approval and sign off the plans

- Once the Business Continuity Plan is approved and as part of the implementation, the design of the exercise will be drafted..

- In person, one to one and online training to be completed for Gold, Duty Gold Officers, Duty Sliver Officer/EOC Managers, LALOs & RCMs
 - Actionee: Anthony-Mario Montana
 - Target date: 31st December 2022
 - Latest Update:
 - Directors have all been scheduled to take the Strategic Coordination Group (Gold) Training
 - The LALOs & RCMs have taken the JESIP Bronze Commander Training, only two Officers left to undertake the training which is scheduled for the 22 of October 2022
 - The LALOs & RCMs has commenced the Risk Management Training on Cornerstone
 - Other training course will be arranged, scheduled and/or designed at later stage.

- Securing more RCMs from Adults and Children's services
 - Actionee: Anthony-Mario Montana
 - Target date: 31st December 2022
 - Latest Update: Work on this will not start until after both plans are completed and embedded – individuals are being identified

- A crucial necessity recruit Volunteer Response Support Staff to staff and run the Emergency Rest Centres and the Emergency Operation Centre.
 - Actionee: Anthony-Mario Montana
 - Target date: 31st December 2022
 - Latest Update: Work on this will not start until after both plans are completed and embedded

- A robust prevention programme within the council supported by emergency planning
 - Actionee: Anthony-Mario Montana
 - Target date: 31st March 2023
 - Latest Update: Working with service areas to understand what prevention plans are in place, to reduce impact of risks identified

Note:

Emergency Planning (The Council) has a dynamic framework that can be utilised by the emergency planning team to respond to both a major incidents and business continuity interruption while the Major Incident Plan (MIP) & BC plans undergo the current review.

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	4	3
Impact	4	2	2
Score	24	8	6

Date last updated: 5th September 2022

Risk 9: Cyber Security
Risk Owner: Chief Operating Officer
Direction of Travel: ↑

Description:

- **Failure to adequately protect our information and technology assets against an attack specifically and deliberately (targeted), collectively as part of a wider attack or inadvertently by an internal actor breaching policy and procedures.**

Context

- There is a continual risk of cyber-attack from a wide range of sources which if enacted could cause significant financial, service delivery and reputational damage to the Council and its partners – recent attacks on local authorities and NHS bodies have caused significant disruption and expense in rectifying the impact.
- Heightened risk of cyber-attacks in relation to the Ukraine conflict.
- The Council has continued to invest resources in strengthening its controls in this area.
- An action plan to achieve improvements in relation to the proper functioning of the Authority's IT is in the Directions from DLUHC.

Consequence:

- *Worst case:* Temporary or permanent loss of access to some or all of SBC data and / or IT systems leading to not being able to deliver business critical or statutory functions e.g. elections
- *Likely case:* (some of) loss of reputation in handling personal data, removal of access to PSN and DWP direct data connections, removal or penalties for bank payment handling and processing. Short term loss of access to data or systems.
- *Best case:* Isolated incident with minimal or no data loss and no loss of access to IT systems.

Current Controls:

- Procured membership of SEGWARP and other government alert agencies. This provides regional alerting on vulnerabilities that SBC needs to be aware of intelligence sharing / threats / policy development . SBC have also registered with the Cyber Resilience Service for the southeast to enable a regional approach to cyber alerting.
- Ensure security patching is up to date and continues regularly. An interim resource has been engaged to check and apply security patching.
- Periodic and regular 3rd party penetration testing. ICT are commissioning a test to be undertaken in summer 2022
- Cyber Security support from market leading 3rd party.
Softcat are contracted to provide additional cyber security support. This covers the following
 - Quarterly Security Controls Assessment
 - Breach Assessment annually
 - Security Improvement Programme Leadership

Organisation and Execution of cyber essentials audit action plan. Actions to complete before the end of 2022

- Communications to staff has been increased through councils Newsround and subject specific emails in particular awareness on cyber security issues, including phishing emails, scam calls & data protection responsibilities.
- Documented and detailed security procedures have now been put in place for patching, testing and incident handling & testing of these is in progress
- DLUCH Funding obtained following application and workshops - £200k
- Cabinet approval for a continuous improvement programme for IT security hardware and software, for 3 years.
- Remedial / Modernisation programme has targeted security improvements under emergency funding and agreed

Actions Required:

- Compliance - fortnightly monitoring audit actions
 - Actionee: Alex Cowen
 - Target date: 31st March 2023
 - Latest update: Newly appointed infrastructure manager and Data Protection officer are supporting on finalising Cyber 2022 audit and monitoring of actions
- Implement security solutions as per the IT modernisation programme
 - Actionee: Alex Cowen

- Target date: 30th June 2023
- Latest Update: Programme established and recruitment to programme manager, two project managers and three business analysts. Programme board established and highlight reporting being finalised

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	3	2
Impact	3	3	3
Score	15	9	6

Date last updated: 15th September 2022

Risk 10: Financial management and sustainability
Risk Owner: Executive Director – Finance and Commercial (S151)
Direction of Travel: ⇔

Description:

If the Council fails to significantly improve its financial planning and management, its internal control and financial reporting in the medium to longer-term the Council will not become a financially self-sustaining council.

Context

- **Financial Management, Planning and control** - The S151 officer issued a statutory S114 notice in July 2021. Expenditure controls have been in place since in order to limit the Councils spend to the minimum. Following reports by CIPFA and DLUHC in October 2021 and further investigation of historical accounting issues it was determined that the Council will need an unprecedented level of support through a capitalisation direction of a base case of circa £223m to 31 March 2022, with a further £84m for 2022/23. A capitalisation direction was approved in principle by DLUHC in March 2022 in order to enable the Council to set a balanced budget for 2022/23. Cabinet approved the budget on 9 March 2022. Initial forward planning indicates that a further £172m will be needed for the period to 2028/29. These figures assume that the Council can deliver circa £20m per annum of recurrent incremental savings and significant assets sales.
- The DLUHC Directions include the requirement to put in place an outline action plan to achieve financial sustainability and to close the long term budget gap identified by the Authority across the period of its Medium Term Financial Strategy (MTFS).

The seriousness of the financial situation and how the Council found itself in this position remain of significant concern. This has been acknowledged and a financial recovery plan agreed. The availability of significant future support is a key assumption underpinning the 2022/23 budget and will be for several future years.

- **Financial Control** - Many of the Councils financial processes are not fit for purpose. These include by way of example:
 - financial systems – the Agresso system is not fully used or documented

- financial capacity and skills – the number and skills of permanent staff in the team have in some cases considerable room for improvement
- financial processes – basic processes such as reconciliations are not documented or up to date
- insurance and other provisions were inadequate
- **Financial Reporting** - The accounts originally provided for audit in 2019 were inadequate and contained significant errors. The 2018/19 were finally completed in June 2022. Those for 2019/20, 2020/21 and 2021/22 accounts will be completed during 2022/23 in order to meet statutory responsibilities. The audit may identify further issues that the Council needs to consider.

The key actions for 2022/23 are the delivery of each of the outstanding sets of accounts following the completion of the audit of the 2018/19 accounts. The Council has now completed its 2018/19 accounts and submitted them to the auditors for them to complete their audit. As a result of the investigations by the new Finance team there have been significant amendments made to the 2018/19 accounts plus many working papers, figures and narrative statements have had to be fundamentally corrected. In total there have been 24 material errors made that have affected over 60 per cent of the figures in the core statements and 80 per cent of the disclosure notes. The changes made have impacted the General Fund balances available to the Council and the Balance Sheet. The changes have decreased the net value of the balance sheet by nearly 40 per cent.

Consequence:

- The Council will be unable to set a legal budget with a consequential impact on the Council's ability to provide services to residents.
- The Section 151 officer will be required to consider issuing further s 114 notices
- If the Council continues to fail to produce its annual accounts then the Council and s151 will be in breach of their responsibilities to provide proper financial stewardship and control.
- The Council has no properly prepared or audited financial base line since 1 April 2018 and thus has challenges preparing its budgets and financial planning going forward.
- It has also not fulfilled its requirements to properly account for its stewardship of public monies.
- It will face increased external audit fees and is having to have its staff spend a great deal of time "looking backwards" rather than planning forwards.

- The Council faces significant reputational damage which may impact its ability to borrow money and secure adequate insurance
- The Directions include the potential for Commissioners to impose their own budget in total or detail if they consider it necessary

Current Controls:

➤ **Financial Management and Planning**

The Council approved a series of budget reports at its meeting on the 10th March including:

- Revenue budget
- Capital programme
- Treasury management
- S25
- DSG
- Council Tax Support

These reports included a wide range of proposals that will set a new start for the Council moving forward on its ambition for financial sustainability.

Expenditure controls in place throughout 2022/23 financial year.

Commissioners' approval for all budget changes.

➤ **Financial Control**

- Specialist resources have been brought in to understand the nature and scale of the problems and to address them
- Finance action plan reported to full Council for each meeting (with the exception of March when the budget papers will be tabled)
- Finance and Commercial service business plan has been developed to ensure future sustainability of the service.

➤ **Financial Reporting**

- The Council has implemented a structured and well tested method for preparing its accounts using a whole team approach involving as many of the existing finance team as possible in order to upskill permanent members of staff and to spread the workload. This reflects that a number of key finance staff are likely to be heavily involved in other tasks such as the expenditure control panels. The 2018/19 accounts have now been completed and are in the process of being presented to the auditors for completion of the audit during June and July 2022. The remaining accounts for 2019/20,2020/21 and 2021/22 will be completed during 2022 with the audits following thereafter.
- The standard approach is that individual officers have been assigned a disclosure note to prepare (the preparer) and that each disclosure note will be subject to first line QA review by a reviewer.
- For the 2019/20 and 2020/21 accounts standard closing folders for both years have been set up with folders for each core statement and disclosure note
- All working papers are being filed on these folders so that there is a clear trail back from the accounts to centrally filed working papers rather than information filed on personal folders which seems to have been the experience in the past
- For each core statement and disclosure note standard template workbooks are being used to collate information and produce the relevant disclosure. The purpose of using the standard template workbooks is to ensure there is a clear audit trail between the information reported in the accounts back to source documentation, and to provide clear evidence of quality assurance in the accounts preparation process

Actions Required: The immediate actions include:

- Continue to manage 21/22 budget and outturn position
 - Actionees: Steve Mair, Liton Rahman, Steve Muldoon
 - Target date: 31st March 2023
 - Latest update: Indicative outturn not yet estimated, year-end closedown process is currently ongoing. Accounts will not be produced until March 2023
- Ensure 22/23 budget savings can be delivered – a detailed review of all savings options is being undertaken
 - Actionee: Steve Mair, Steve Muldoon, Liton Rahman
 - Target date: 30th September 2022
 - Latest update: A list of potential savings risks and budget pressures (energy costs, lack of rent income re OH, scf placements) relating to the delivery of the 22/23 budget has been drafted and regularly reported to Lead Members and Executive Directors. This will subsequently form part of the monthly monitoring pack from July 2022 onwards

- Work up options for 23/24 savings – a schedule of savings options has been identified and further work is required to meet the overall target. Ensuring that budget savings can be delivered for each Directorate
 - Actionee: Exec Directors, Steve Mair, Steve Muldoon
 - Target date: 30th September 2022
 - Latest update: 22/23 savings shortfall £8.257m 23/24 £8.036m shortfall - overspend £4.4m and savings target not achieved £3.6m

Training:

- Programme of officer training has commenced
 - Actionee: Peter Worth
 - Target date: 31st March 2022 and on-going per schedule of matters
 - Latest update: First session took place in mid April and two further sessions to be arranged including one for the role of the audit committee by 28th July facilitated by SBC or LGA
- Development of member training programme and support on financial matters – first training session is scheduled for 14th April
 - Actionee: Peter Worth
 - Target date: 31 March 2022 and on-going per needs identified
 - Latest update: Finance training delivered in late March 2022, other sessions timetabled during 2022
- Regular communications to officers and members continue on the financial situation
 - Actionee: Steve Mair
 - Target date: ongoing
 - Latest update: Weekly reports have been provided during 2021/22, moving to monthly from July 2023. Links to Culture change needed for the organisation to live within budgets.
- The 2018/19 accounts have been completed and made available for audit as at the end of June 2022, Further sets of accounts for the following years will then become available on a quarterly basis during the rest of the year.
 - Actionee: Liton Rahman

- Target date: 31st March 2023
 - Latest update: 2018/19 accounts completed and available for audit from June 2022. Others to follow
- To feed the outcome of these accounts into the Council's forward financial planning
 - Actionee: Liton Rahman
 - Target date: Post audit completion estimated as December 2022
 - Latest Update: Awaiting audit completion
 - To design a structure for the permanent Slough finance team. A restructure proposal has been developed which includes a core financial reporting team reporting to a Chief Accountant.
 - Actionee: Steve Mair, Mike Thomas
 - Target date: Restructure to be completed by November 2022
 - Latest update: A new staffing structure has been designed and agreed by 8 August 2022. This was subject to consultation with staff and the Trade Unions from the 28 June 2022. An internal and external recruitment campaign will take place during August and September to recruit to all vacant posts. The team are currently securing external support to assist with the recruitment and assessment process.
 - The finance action plan which is reported to Council as noted above sets out in detail the current position at each meeting on these issues and the actions being taken. This has been updated on a monthly basis and reported to Cabinet. The report shows the significant progress that has been made in all areas during 2021/22.
 - Actionee: Steve Mair, Mike Thomas
 - Target date: Bi-monthly update
 - Latest update: Last update provided in revised format for May Council
 - A business plan has been developed for the service for 2022-23 which includes a range of key performance indicators and targets for delivery of key change initiatives.
 - Actionee: Steve Mair, Mike Thomas
 - Target date: Business Plan completed and now being implemented
 - Latest update: Formal launch needed once departmental restructure has taken place in November 2022

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	5	1
Impact	4	4	4
Score	24	20	4

Date last updated: 15th September 2022

Risk 11: Pace and valuation of the disposal of assets

Risk Owner: Executive Director - Housing and Property and Executive Director – Finance and Commercial (S151)

Direction of Travel: ↑

Description:

If the Council does not dispose of sufficient assets to realise capital receipts we will be unable to set a balanced budget or deliver long-term financial sustainability.

Context

- The council's long-term sustainability is dependent on the sale of between £400 and £600m of assets. In September 2021 the Cabinet agreed to assess the options during 2022/23 and to begin asset disposals as soon as prudently possible, given the Council's responsibility to obtain best value.
- Consultants have been working alongside the Place Directorate and Finance colleagues to determine a strategy to enable the disposal to take place.

Consequence:

- Without a programme of asset disposals to finance reduction of external debt, the Council's external borrowing per head of population will remain one of the highest in the UK and debt charges will increase to a significant proportion of the net revenue budget.
- If Cabinet either delay or do not accept the disposal programme this will lead to failure to meet the budget targets and risk more intervention
- Without significant asset disposals the Council's long-term financial position is not sustainable and will compromise the Council's ability to:
 - finance the anticipated capitalisation direction and
 - to allow the Council's external borrowings and debt charges to be reduced
 - provide existing levels of services in the future.

Current Controls:

- Appointment of external support to advise and manage the programme of asset disposals as approved by the Cabinet report on 20 September 2021.
- Cabinet report 20 September 2021 sought permission to (1) progress with an orderly asset disposal programme (2) use receipts generated from these disposals to minimise new external borrowing and where possible repay existing short-term loans (3) obtain external support in terms of capacity and expertise to manage the programme of asset disposals.
- Avison Young have been selected as the preferred supplier and being appointed for the Phase I (Development of Asset Disposals Strategy) to be completed by early July.
- Further cleansing of the asset management data is continuing and unregistered properties are being processed by HB Law.
- Report to Cabinet on 18th July recommending disposal of three SUR opted sites which will bring in capital receipts
- An Asset Disposals Sub-Committee has been established and are scheduled to meet on a regular basis to review asset disposal proposals and updates
- A strategic overview of the council's asset portfolio to identify assets suitable for disposal, whilst maintaining the council's ability to deliver services. This report has been completed and recommends packaging of assets into disposal lots so the council can obtain best consideration and will be brought to Sub-Committee as soon as possible
- A total of seven assets are being marketed for sale.

Actions Required:

- A report recommending disposal of the Wickes in Wolverhampton and Euroway in Bradford is being brought to Cabinet on 19th September.
 - Actionee: Report by officers with supporting reports from Avison Young
 - Target date: 19th September 2022
- Asset Management Strategy with supporting strategic overview from Avison Young to be brought to Sub-Committee

- Actionee: Report by officers with presentation from Avison Young
- Target date: 4th October 2022
- Latest update: Project Work on track. Expected capital receipts for 22/23 are on target.

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	3	2
Impact	4	4	4
Score	24	12	8

Date last updated: 15th September 2022

Risk 12: Governance and financial implications of the council companies

Risk Owner: Executive Director – Finance and Commercial (S151)

Direction of Travel: ↑

Description:

If we fail to review the relevance and rationale for each of the Council's Companies, we open the Council up to potential financial losses, reputational damage and legal challenge.

Context

- The Council has a number of subsidiaries and a joint venture that deliver a range of services or address specific issues. Given the Council's current financial and operational circumstances, and issues that have been identified to date, the rationale for continuing to have these companies needs to be reviewed. This was highlighted by both CIPFA and DLUHC in their reports in October 2021 and the Council started to consider this in summer 2021.
- In addition, a wide range of governance, management, operational and financial issues have been identified over a number of years and had not been addressed. These need to be (a) reassessed to reflect the latest available information relevant to the companies and (b) revised actions implemented. There is a risk of poor service delivery, ineffective decision making, poor oversight, poor value for money and additional reputational and financial risk for the Council (e.g. additional costs, non-repayment of loans, grant clawback)
- There is a direction in place regarding the Commercial Companies including consideration of the roles and case for continuing with each subsidiary company of the Authority (except Slough Children First).

Consequence:

- Additional financial pressure on existing Council budgets that are not within plan
- Inefficient service delivery by the Council, especially in relation to housing, due to poor contract management and controls
- Potential grant clawback across a range of companies which may have implications for the Council. e.g. James Elliman Homes, Ground Rents Estates 5

- Reputational damage to the Council as a result of the failure of a number of high profile initiatives with a national interest. e.g. Nova House
- Key strategic sites are not developed – failure to achieve the Council’s strategic objectives and key outcomes. e.g. Slough Urban Renewal

Current Controls:

- Establishment of a new corporate oversight board for Slough Urban Renewal
- Development of role profiles for Directors and appointment of new directors and senior responsible owners with clarity on roles and reporting
- Regular Board meeting cycle to be established at all active companies
- Establishment of shareholder oversight group for GRE5
- Improved board reporting including performance reporting across all company Boards
- Establishment of monthly financial reporting from key companies into the Council
- Internal audit tracker for key issues to monitor progress through to issues getting closed down

Actions Required: A wide range of workstreams are underway with the immediate actions focused on:

- Closing down all dormant companies to simplify the corporate structure and reduce corporate administration.
 - Actionee: Carmel Booth
 - Target date: 31st August 2022
 - Latest update: Dormant companies closed down in compliance with Companies House requirements by 31st August 2022
- Establish appropriate governance and reporting arrangements for GRE5 and JEH
 - Actionee: Carmel Booth
 - Target date: 31st August 2022
 - Latest update: Directors have been appointed, inducted and have contractual arrangements in place based upon the specific requirements of the role (done by 31st August). Board meetings have been reintroduced on a monthly basis together with revised board and shareholder reporting, including strengthened financial, risk and performance

reporting (done by 31st August). A Companies Performance Report will be provided to Cabinet on at least an annual basis, starting in March 2022 (this was approved by Cabinet). Other ad hoc progress reporting will take place at other times as required.

- Ground Rent Estates 5 – execution of Council loan; continue to support litigation proceedings; further strengthen performance, risk and financial reporting, development of exit strategy.
 - Actionee: Carmel Booth
 - Target date: 31 December 2022
 - Latest Update:
 - Loan is now fully approved by all parties and has been fully executed (done by 31st August). Cash flow requirements continue to be monitored and an updated GRE5 progress report will be provided to Cabinet in November 22.
 - A new finance manager has been recruited with responsibility across all Companies with continued development of tailored reporting (done by 31st August).
 - Litigation proceedings continue to take place and have pushed back due to additional structural issues identified. Following scope and cost confirmation, a date will be agreed for revised POC and mitigation. Expected to be late 22 / early 23.
 - It is expected that the Council will exit from GRE5 following the completion of the works programme to Nova House (early 2024). Legal advice will be taken to consider the mechanism for achieving this and the timing for action. This work is expected to take place in Q4 2022 to enable an exit plan and timetable to be approved in early FY 23/24.

- Slough Urban Renewal – in principle agreement obtained for the restructuring of the Council’s commercial relationship with Muse. Progression with negotiations and Heads of Terms for the SUR key sites (Montem, Wexham, Haymills and Stoke Wharf). Due diligence completed re NWQ for potential disposal/partnership change – transaction negotiations and heads of terms in development. Agree changes to the Partnership Agreement including revised business plan (all FY 22/23).
 - Actionee: Carmel Booth
 - Target date: 31 December 2022
 - Latest Update:

- Cabinet agreement to phased exit from SUR and the disposals of a number of key sites that are currently opted to SUR (done by 31st July). This is initially focused on NWQ, Montem and Stoke Wharf.
 - NWQ: agreed Heads of Terms. Best consideration and disposal report to be provided to Cabinet for approval Oct/Nov 22. Legal and financial planning across Sept – Dec 22.
 - Montem: BAFO stage. Anticipating exchange /completion in Nov/Dec subject to Cabinet approval of best consideration case/disposal report. Legal planning Sept – Dec 22.
 - Other disposals: to be considered following conclusion of NWQ/Montem with target dates in early FY 23/24 and FY 24/25. Further due diligence and legal planning required throughout 2023.
 - Agreed a revised SUR operating model and cost base. Costs significantly reduced reflecting winding up following final site disposal.
 - All Directors replaced. New Directors recruited, inducted and engaged regularly in SUR governance.
 - Corporate Oversight Board continues to meet on a biweekly basis reflecting the status of key developments and required for effective oversight and decision making.

- James Elliman Homes – undertake further work/analysis as recommended in the the Options Review (led by Local Partnerships); approve revised Service Level Agreement between the Council and JEH; undertake review of rental levels/tenants across the portfolio; strengthen financial reporting and related board reports; service improvements plan to be developed by the Council (to be underpinned by the SLA), continued improvements to governance and performance reporting and oversight.
 - Actionee: Carmel Booth
 - Target date: 31 December 2022
 - Latest Update:
 - SLA has been fully updated, approved and signed by all parties (done by 31st August). Arrangements to be put into place by the Council to provide regular SLA performance reporting to JEH to be done by (31st March 2023). This will inform the development of the Council’s service improvement plans for key services provided to JEH).
 - Board meeting continue to take place on a monthly basis (as reinstated from January 2022). This includes the development of new Board Packs including performance reporting. Board reporting will remain in review at each Board meeting.

- Rental level and tenant data is now available and presented to the Board on a monthly basis (done by 31st August)
 - New finance manager appointed with responsibility across all companies (done by 31st August) . They will be responsible for aligning accounting treatment across the Council companies where it is relevant. E.g. treatment of rental income and bad debt provisions (accounting treatment alignment of key areas for FY 22/23 accounts).
 - The Options Review recommended the potential phased exit from JEH however it recommended that further analysis and data should be undertaken before exit plans can be developed for (a) street properties and (b) temporary accommodation. The approach to both sets of properties is likely to be different due to landlord responsibilities and tenant rights . It is highly likely that some properties may be transferred to the Council and some may be sold (to be done by 31st March 2023 with an exit strategy agreed in early 2023).
- DISH – establish regular performance reporting to the Board, commence high level options review to explore the potential to transfer DISH properties into the HRA, commercial review of DISH lease, preparation of a service level agreement to reflect the services the Council is providing (action plan programmed for the end of FY 2022/23).
- Actionee: Carmel Booth
 - Target date: 31 March 2023
 - Latest Update: Local Partnerships were commissioned to undertake a high level assessment of governance and reporting arrangements of DISH to establish the level of risk and requirement for immediate action. This is considered to be low risk although it is recognised that further consideration should be given to the ability to transfer these properties to the Council. Given the risk profile, scale of DISH and opportunities presented by the other companies, it is proposed that DISH will not be considered further until early FY 23/24.

	Inherent Risk	Current Risk	Target Risk
Likelihood	5	3	1
Impact	4	3	2
Score	20	9	2

Date last updated: 15th September 2022

Risk 13: Recovery and Renewal Plan

Risk Owner: Corporate Leadership Team

Direction of Travel: ⇔

Description:

The Council has a wide range of recovery and renewal actions to undertake arising from the various reports it received. The council must **carefully** consider the timing and delivery of recovery and renewal actions so they are **completed** in line with **Government** directions.

Context

- The requirement was in the first three months to prepare and agree an Improvement Plan to the satisfaction of the Commissioners (which may include or draw upon improvement or action plans prepared before the date of these Directions), with resource allocated accordingly and, as a minimum, the following components:
- An outline action plan to achieve deliver financial sustainability and to close the long-term budget gap identified by the Authority across the period of its medium-term financial strategy (MTFS) – this is dealt with the capitalisation direction, the completion of the first and subsequent set of accounts and the ongoing work on the budget
- An action plan to achieve improvements in relation to the proper functioning of democratic services has been developed. A restructure of the democratic services function has been agreed and costed and staff are soon to be recruited. This will include rapid training for council officers, A revised term of reference for the Audit and Corporate Governance Committee was approved at its meeting on 19 January 2022. A template for the Annual Governance Statement for 2020-21 and earlier years has been approved by the Corporate Leadership Team and will be re-visited and finalised once the 2021/22 financial statements are ready for approval.
- An action plan to achieve improvements in relation to the proper functioning of the scrutiny function will be implemented once recruitment has taken place. In the interim and in the absence of a Corporate Scrutiny Officer the Monitoring Officer and the Executive Director Finance and Commercial are providing support and capacity to ensure the Council statutory

responsibilities are implemented. A review of the Council's strategic risk register has been undertaken to make it fit for purpose alongside the broader development and agreement of a revised risk management strategy.

- An action plan to achieve improvements in relation to the proper functioning of internal audit, which addresses outstanding management actions and includes the commissioning of an independent review of the internal audit contract and a fully costed plan for establishing an internal audit function that reflects best practice – completed through the finance restructure and through a separate report to the Audit and Corporate Governance Committee
- An action plan to achieve improvements in relation to the proper functioning of the procurement and contract management function, which includes an independent review is now in place. A functional capability assessment and plan is also in place and recommended sizing of in-house team has been built into the finance and commercial restructure.
- An action plan to achieve improvements in relation to the proper functioning of the Authority's IT – initially reported to Cabinet in December, restructure at Cabinet on the 18/7/22
- A restructure of the senior management team was announced in early July. A number of departments are also in the process of restructuring most notably Finance and Commercial, IT, Libraries and Public Health. Once the various changes have been finalised this will be reflected in the scheme of delegation for the Authority and revised Financial Procedure Rules. Additional senior resource has been employed to ensure that the recently developed Improvement and Recovery Plan can be managed and monitored in an effective manner. The aim of the various restructure exercises is to move to a more permanent workforce with significantly less reliance on interim staff. Plans are being developed to stabilise the current position of the Council and then to transition to a more sustainable and cost-effective future position.
- A major focus at that time across the Council was the completion of functional assessments by all services identifying gaps in capacity and capability to inform the construction of then costed plan action plans
- Services produced costed action plans to address gaps in capacity and capability identified in the Functional Capability Assessments that were previously undertaken.

Cabinet received a report on 29th March outlining an initial structure for a Recovery Plan, to replace the Corporate Plan. Graeme McDonald, Chief Executive, Solace has been brought in to draft the plan, and the Chief Executive has established a working group to support this process. The working group has been developing new strategic priorities for the council, based on data and insight, internal and external reviews, and known political priorities. The group has also been further developing a set of seven key themes, which will provide the framework for the council's recovery

Full Council received and approved the revised Corporate Plan 2022-25 on 19 May 2022. The Plan 'Doing Right by Slough' also acts as the Councils Improvement and Recovery Plan. Systems are being set up to manage, monitor and report on progress in implementing the plan.

The senior management restructure has been implemented, with interviews for all executive posts having taken place and offers are being made. Associate Director vacant roles are currently being advertised internally and externally. This expanded leadership capacity will provide the council with greater grip and drive in the implementation of the corporate plan.

Services have now produced their first drafts of service delivery plans which will collectively outline how the council will implement the plan. These are now being finalised and the Corporate Plan Delivery group are reviewing the draft plans to ensure alignment and provide an opportunity for constructive challenge.

The Commissioners' Improvement and Recovery Board now receives monthly updates on progress in delivering the plan, alongside other reports on the council's finances and performance, which includes detail on any risks and issues that have been identified against delivery of the plan's four strategic priorities and seven recovery themes.

It is intended that board receive the finalised service delivery plans in September, with the actions identified feeding into an overall action plan for each recovery them. The new Associate Director for Transformation will ensure the necessary programme structure and governance are in place to ensure delivery.

Consequence:

The recovery plan has been reviewed and accepted subject to the under-pinning delivery plans by the lead commissioner to DHLUC to provide assurance that the council is addressing the government direction.

Preparing these plans will enable the Council to set its strategic direction and set the Council on its way to recovery.

Failure to put in place a programme management function risks being unable to deliver the plan to the satisfaction of the Commissioners as required by Directions.

Current Controls:

A master document has been produced to track all improvement actions arising from the costed action plans corporately. Services have been asked to liaise with the IT, HR and Comms teams to identify co-dependencies. This will be updated following the conclusion of service planning.

A Recovery Programme Team lead by the Associate Director for Transformation is being formed to provide programme management assurance for the Recovery Plan. The PMO was agreed as part of the review of the senior management structure approved by Cabinet in July 2022.

Actions Required:

- Finalise delivery plans
 - Actionee: All EDs
 - Target date: 14/09/22

- Latest Update: First drafts have been completed, Plans are now being reviewed to ensure alignment and provide an opportunity for constructive challenge.

	Inherent Risk	Current Risk	Target Risk
Likelihood	6	4	3
Impact	4	3	2
Score	24	12	6

Date last updated: 5th September 2022

Risk 14: Risk that the lack of an agreed council-wide vision, principles and governance for building digital access for residents continues to lead to incoherent and poor quality digital services

Risk Owner: Chief Operating Officer

Direction of Travel: ⇔

Description:

- **There is a risk that the Council is unable to met its ambition for more efficient digital services due to insufficient resources, poor governance and engagement across services, and poor understanding of the tools in place and the work done to-date.**

Context

- The Council has not had an integrated Digital and Customer service strategy that is focused on delivery of more efficient and effective customer service.
- The Council has not transferred enough of its services to a digital platform instead it has provide on line forms as an alternative resulting in significant capacity and customer service issues in many frontline services.

Consequence:

- The Council cannot switch to lower cost transactions that are easier for residents, leading to an inability to make savings and poorer quality of interactions for the public

Current Controls:

- A paper proposing a reset to the approach to Digital Customer engagement has been written and has been shared with Cllr Ajaib (lead member for ICT & Digital), COO, and Director of Finance. This will be shared with the CEO and Members.
- The ICT & Digital Team restructure is being finalised and should help capacity for delivering digital services.

- Remaining contract resources have been extended to the end of the financial year to provide continuity.

Actions Required:

- Seek approval on approach to future Digital Customer Engagement
 - Actionee: Simon Sharkey Woods, Interim CDIO
 - Target date: 31/07/2022
 - Latest update: Paper shared with Cllr Ajaib (lead member for ICT & Digital), COO, and Director of Finance. Positive feedback so far.

- Complete ICT & Digital Team Restructure
 - Actionee: Simon Sharkey Woods, Interim CDIO
 - Target date: 31/10/2022
 - Latest Update: Consultation period has ended and roles to assigned for the 19 permanent members of the team. Recruitment for vacant roles in the Digital group to commence end Sep/early Oct.

- Agree contract extension for remaining Digital Development Analyst
 - Actionee: Simon Sharkey Woods
 - Target date: 30/06/2022
 - Latest Update: Complete – extended to the end of the financial year.

	Inherent Risk	Current Risk	Target Risk
Likelihood	4	3	2
Impact	4	4	4
Score	16	12	8

Date last updated: 2nd September 2022

6X4 Matrix Guidance

Likelihood	Negligible Impact	Marginal Impact	Critical Impact	Catastrophic Impact
Very High	6	12	18	24
High	5	10	15	20
Significant	4	8	12	16
Low	3	6	9	12
Very Low	2	4	6	8
Almost impossible	1	2	3	4

Assessing the SEVERITY/ IMPACT of a risk

Severity is assessed on a scale of Negligible to Catastrophic indicating increasing seriousness. The impact is assessed looking at credible scenarios (taking prevailing circumstances into consideration) and looking forward to the risks that arise from these scenarios.

The **examples** against each category are for your guidance and should be thought of as the consequences that would be likely to occur if things were left to go out of control.

The **examples** detailed below will help ensure a consistent approach.

	Negligible 1	Marginal 2	Critical 3	Catastrophic 4
Economic /Financial	Financial impact up to £50,000 requiring virement or additional funds	Financial impact between £50,000 and £500,00 requiring virement or additional funds	Financial impact between £500,000 and £1,000,000 requiring virement or additional funds	Financial impact in excess of £1m requiring virement or additional funds
Political	Could have a major impact one departmental objective but no impact on a Council strategic objective	Could have a major impact on a Departments objective with some impact on a Council strategic objective	Council severely impact the delivery of a Council strategic objective	Council would not be able to meet multiple strategic objectives.
Health & Safety	Reduced safety regime which if left unresolved may result in minor injury	Minor injuries	1 death or multiple serious injuries	Multiple deaths
Environment	Minimal short-term/temporary environmental damage	Borough-wide environmental damage	Major long term environmental damage	Very severe long term environmental damage.

	Negligible 1	Marginal 2	Critical 3	Catastrophic 4
Legal/Regulatory	Minor breach resulting in small fines and minor disruption for an short period	Regulatory breach resulting in small fines and short term disruption for an short period	Minimal CMT but major departmental management effort required	Very severe regulatory impact that threatens the strategic objectives of the Council
Management inc Contractual	Minimal contract management required	Minimal departmental but major contract management required	Minimal CMT but major departmental management effort required	Major CMT management effort would be required

Assessing the LIKELIHOOD of a risk occurring

The LIKELIHOOD of the risk occurring is estimated on the basis of historic evidence or experience that such situations have materialised or are likely to.

The table gives example details of how the likelihood is assessed.

The likelihood needs to be assessed in terms of has it happened before and is it expected to happen in the near future

Almost Impossible 1	Very Low 2	Low 3	Significant 4	High 5	Very High 6
Less than 10%	10 – 30%	30 -50%	50-70%	70 – 90%	More than 90%
Event may occur only in exceptional circumstances	Event will occur in exception circumstances	Event should occur at sometime	Event will occur at sometime	Event may occur only in most circumstances	Event will occur only in most circumstances

Risk Template

Direction of Travel: ⇄

Description:



Context



Consequence



Current Controls:



Actions Required:



- Actionee:
- Target date:
- Latest update:

Page 76

	Inherent Risk	Current Risk	Target Risk
Likelihood			
Impact			
Score			

Date last updated: [Date]

Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	28 th September 2022
Subject:	Internal Audit Action Tracking Report – End of Quarter 2 2022/23
Chief Officer:	Steven Mair – Director of Finance and Resources (S151)
Contact Officer:	Clare Priest – Group Manager Commercial
Ward(s):	All
Exempt:	No
Appendices:	Appendix 'A' - Details of all high outstanding agreed management actions by directorate

1. Summary and Recommendations

- 1.1 This report sets out the progress of the implementation of internal audit management actions

Recommendations:

The Audit and Corporate Governance Committee is recommended to note the ongoing improvements to the outstanding actions and comment on the report

Reason:

The Council's response to agreed internal audit actions should lead to the strengthening of internal controls and the control environment.

Commissioner Review

The report was reviewed by Commissioners who had no specific observations to make.

2. Report**Introductory paragraph**

- 2.1 The Council's response to agreed internal audit actions should contribute to the achievement of the organisation's objectives and assist the Council in managing its risks. Officers have strengthened the arrangements for monitoring and verifying completion of audit actions.

Background

- 2.2 Since the last committee meeting progress has been made in the following areas:
- 2.2.1 **Internal Audit Plan 2022/23**
The internal audit plan 22/23 was presented to the July committee. It is agile to reflect changes in circumstances, including plans develop an in-house internal audit function. There seven audits currently underway according to the plan.

2.2.2 Finalising 2021/22 Audits

There were 34 internal audit projects planned for 2021/22.

- To date 22 internal audit reports have been finalised the last financial year (including follow up audits).
- 230 new recommendations have been made in 2021/22 reports, 44 are High, 117 are medium and 69 are low. 93 have been completed, 76 actions are not yet due and 61 are overdue.
- Officers continue to have regular dialogue with Internal Audit regarding the content and scope of these audits. Any changes to the plan will be shared with the Committee.

2.2.3 Completion of Internal Audit actions

- All internal audit actions have been reviewed by actions owners and executive directors, including actions that a deemed not relevant due to changes in circumstances. Actions from previous year's audits are also reviewed to ensure they are more relevant to the service area.
- The action tracker has been reviewed and updated to reflect the senior management restructure and the change in directorates.
- Progress is being made closing actions on the tracker. Evidence of actions completed is obtained and quality assured by group manager commercial, and, retained for use in follow up audits.
- High rated actions are being given priority and are reviewed monthly by the council's finance board.

2.2.4 The status of audits for the previous financial years is as follows:

Totals	Total	High	Medium	Low
Not Due	2	0	2	0
Overdue	39	0	26	13
Complete*	235	28	99	108
Total	276	28	127	121

*includes actions that are no longer relevant or closed as duplicates

- Progress has been made in closing down management actions from previous financial years. There are now 235 actions or 85 per cent completed from a total of 276 actions.
- There has been an improvement in this position since the last report to the committee, completed actions have increased from 213 to 235 actions.
- No high rated actions are outstanding.

2.2.5 The status of audits for the last financial year 2021/22 is as follows:

Totals	Total	High	Medium	Low
Not Due	76	14	47	15
Overdue	60	14	30	16
Complete	94*	16	40	38*
Total	230	44	117	69

*includes actions that are no longer relevant or closed as duplicates

- There are now 94 actions or 40 per cent completed from a total of 230 actions, note 33 per cent of actions are not yet due for completion.
- The number of management actions has increased from 165 to 230 in the last financial year as audits are finalised.
- There has been an improvement in this position since the last report to the committee, completed actions have increased from 78 to 94 actions.

2.2.6 The overall position as at 12th September 2022 is as follows:

Totals	Total	High	Medium	Low
Not Due	78	14	49	15
Overdue	99	14	56	29
Complete*	329	44	139	146
Total	506	72	244	190

*includes actions that are no longer relevant or closed as duplicates

- There are now 329 actions or 65 per cent (including 28 actions deemed to be no longer relevant or duplicated) completed from a total of 506 recommendations due for completion.
- The number of completed actions has increased since the last meeting from 291 to 329.
- 61 per cent of high risk actions due have been completed and 56 per cent of medium risk actions due have been completed. In addition, 76 per cent of low risk actions due have also been completed.

2.2.7 Governance and monitoring of management actions

- Outstanding internal audit actions are being actively monitored on a regular basis including reporting into corporate leadership team.
- Attached at Appendix A is a list of all high rated outstanding management actions broken down by directorate and service area.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 There are no direct financial implications of the updates on the actions but resolution of the queries/issues will improve the Council's processes which underpins sound financial management, by way of example the Council's accounts and budget.

3.2 Legal implications

- 3.2.1 There are no direct legal implications resulting from this report.

3.3 Risk management implications

- 3.3.1 Failure to follow up on internal audit recommendation indicates poor governance and potentially exposes the Council to a wide variety of risks. The risk is currently rated as Amber with the following mitigations in place.
- pro active officer risk and audit board meets monthly.
 - pro active management of internal audit

- pro active management of responses to audit recommendations
- additional short term support being engaged to strengthen the process even further.

3.3.2 Actions to turn the risk to Green in the 2023/24 financial year are as follows:

- recruitment of an in house internal audit team
- continued pro-active monitoring and closure of management actions
- review of processes associated with the monitoring and management of actions with the newly recruited in house team

3.4 Environmental implications

3.4.1 There are no direct environmental implications resulting from this report

3.5 Equality implications

3.5.1 There is no identified need for an equality impact assessment

4. Background Papers

None

Appendix A – High rated outstanding management actions

Finance and Commercial

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
21/22	13.21/22 Council Tax	Council Tax Arrears Recovery	The Council will restrict the ability of staff to place markers on accounts. This may include limiting such action only to relevant managers or requiring all markers to be approved by a relevant manager before being placed. As part of this, guidance and instructions will be prepared and shared with all staff with access to place markers on council tax accounts. This may form part of an existing or new procedure note and will include why, how and when markers should be used.	High	Chris Boylett	Finance	21/12/2021 Revised target date: 31 st December 2022	Overdue	Processes currently being reviewed and instructions on codes being used will be issued but cannot closedown or restrict codes until review below completed. Progress is being made with dealing with priority cases first, authorisation to recruit resources is in place to move the actions on but the council has been unable to find suitably qualified staff. Work is ongoing but demands of energy rebates have delayed work on this, expected to be completed by end of December
21/22	13.21/22 Council Tax	Reconciliations	The Council will resume the preparation of council tax reconciliations. This will include investigating and resolving the £2,516,195 variance identified in 2019/20 and retrospectively completing	High	Ade Adewumi	Finance	31/03/2022	Overdue	A full cash account reconciliation between Agresso & Academy has been completed for 21/22 and there are no major concerns with the process. Revenues are reviewing the 21/22 reconciling items. The £2.5m entry on the reconciliation that was presented to Internal Audit was a hard cased carry forward figure with no

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
			reconciliations for 2020/21 and 2021/22.						backup on an incomplete reconciliation; cumulative variance as at end of 21/22 is £177k 22/23 reconciliations have been completed from periods 1 – 4, the prior year balance will now be transferred to revenue as the work to unravel what is an immaterial balance is not justifiable
21/22	13.21/22 Council Tax	Aged Council Tax Arrears and Write Offs	The Revenues Manager will undertake a review of current Council Tax arrears cases in order to identify cases where debts are not considered economically viable to be chased. These cases will be recommended for write off.	High	Chris Boylett	Finance	31/03/2022 Revised target date: 31 st March 2023	Overdue	The service is currently trying to recruit the required resource. This is proving challenging as demand for this type of resource is very high, we have recruited 2 of the 4 resources. Work continues but it is proving more challenging than expected, further resource is being sourced to address this. It is now expected to take a further 6 months to complete
21/22	17.21/22 Rent Accounts	Rental Income Reconciliation	The Council will assign responsibility within Finance for uploading the rental, council tax, business rates and benefits postings to Agresso. This will then be uploaded to the reconciliations documents on a daily basis for June to September 2021 and then each month thereafter, allowing the reconciliations to be completed.	High	Ade Adewumi	Finance	31/03/2022 Revised target date: 30 th September 2022	Overdue	All postings have been made and a cumulative year end reconciliation for 21/22 has been completed. Once the new team is in place the process will be fully documented. Council Tax & NNDR is complete, Housing Benefits Payments will be finalised by the end of September 2022.

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
21/22	18.21/22 Debtors Management	Reconciliations	An appropriate member of the Finance Team will be assigned to complete monthly accounts receivable reconciliations, as well as a second staff member to check and sign these off. The preparation of the accounts receivable reconciliations will resume, including retrospectively completing all for 2021/22.	High	Ade Adewumi	Finance	31/03/2022 Revised target date: 31 st March 2023	Overdue	The Monthly AP & AR Control Accounts are being prepared by the Principal Systems Office and signed off by a Finance Technical Adviser. The outstanding piece of work in relation to the above is the aligning of the detailed feeder systems to the GL balances which requires liaison with Agresso Systems experts to redefine the report parameters. This will be completed as part of the overall review of the Finance module of Agresso which will commence in June 2022, with a view to overall completion by end of the financial year (31st March 2023)
21/22	16.21/22 General Ledger	Reconciliations	The Finance Team will assign an appropriate individual to complete the monthly reconciliations of control accounts, as well as a second individual to check these. The preparation of the reconciliations will resume, including retrospectively completing all for 2021/22.	High	Ade Adewumi	Finance	30/04/2022 Revised target date: 31 st March 2023	Overdue	The Monthly AP & AR Control Accounts are being prepared by the Principal Systems Office and signed off by a Finance Technical Adviser. The outstanding piece of work in relation to the above is the aligning of the detailed feeder systems to the GL balances which requires liaison with Agresso Systems experts to redefine the report parameters. This will be completed as part of the overall review of the Finance module of Agresso which will commence in June 2022, with a view to overall completion by end of the financial year (31st March 2023)
21/22	16.21/22 General Ledger	Suspense Accounts	The Finance Team will assign an appropriate individual to review and manage all suspense accounts, including	High	Ade Adewumi	Finance	30/04/2022 Revised target date: 31 st	Overdue	There are 3 Suspense Accounts that require the intervention of a Civica Specialist to provide a link between the debits and credits that are all processed via the IKON platform.

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
			identifying those entries that can be cleared and action this. The clearing of suspense accounts will resume.				December 2022		Suspense Accounts will be transferred to Service Accountants & the process will be complete by December 2022.
21/22	16.21/22 General Ledger	Month End Timetable	An exercise will be completed to identify all tasks to be completed as part of the month end process. A full month end timetable will be prepared and tasks will be assigned to appropriate staff members. The completion of tasks will be confirmed each month to a relevant manager responsible for overseeing the closedown process.	High	Ade Adewumi	Finance	30/04/2022 Revised target date: 31 st March 2023	Overdue	This will be reviewed as part of the revision of the Finance Function which is planned to commence in June 2022 to be completed by the end of the financial year - 31st March 2023.
21/22	16.21/22 General Ledger	Unposted Journals (Batch Input Maintenance)	The Council will review and clear the 73,629 unposted journals currently in batch input maintenance. This approach will account for transaction dates and values.	High	Ade Adewumi	Finance	30/04/2022 Revised target date: 30 th September 2022	Overdue	The resource required to complete this exercise had to deal with other higher priority items in August so this has been rescheduled to be addressed by 30th September 2022
21/22	16.21/22 General Ledger	Unposted Journals (Batch Input Maintenance)	A periodic checking mechanism will be introduced for unposted journals in batch input maintenance. This will include identifying those that need to be corrected (and communicating this	High	Ade Adewumi	Finance	30/04/2022 Revised target date: 30 th September 2022	Overdue	This process is now in place, it will be fully documented by 30 th September 2022 so it becomes a standard period end systems function

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
			to relevant staff) and those that can be deleted.						
21/22	16.21/22 General Ledger	Agresso Training	The Council will complete an exercise to identify those roles/positions requiring access to Agresso finance functions and the access/functions required. Based on this the Council will implement a training programme covering finance functions on Agresso. Training will be a requirement before system access is granted and will focus on the processes required as part of job roles.	High	Ade Adewumi	Finance	30/04/2022 Revised target date: 31 st March 2023	Overdue	This process is underway and the current ERP Support consultants are building a training plan in conjunction with HR based on all relevant functions which will be followed by a rollout plan which will be incorporated in the agresso finance review which will be completed by the end of the financial year 31st March 2023.
21/22	18.21/22 Debtors Management	Parked Invoices	The ability to park invoices will be restricted to the AR Team and the Finance Manager. Following this new control, the Finance Manager will review parked invoices on a quarterly basis and report outcomes to an appropriate finance manager.	High	Ade Adewumi	Finance	30/04/2022 Revised target date: 31 st March 2023	Overdue	This has been discussed and will be implemented as part of the overall review of the Finance Module of Agresso that will now start in June 2022 which will be incorporated in the agresso finance review which will be completed by the end of the financial year 31st March 2023
21/22	18.21/22 Debtors Management	Debt Recovery	The Interim Group Manager Revenues Benefits and Charges will	High	Peter Robinson	Finance	31/05/2022 Revised target date	Overdue	A new debt recovery policy is being worked on with the intention of it being taken to Cabinet for approval in Q3 of the new financial year.

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
			prepare a debt recovery policy which will be subject to formal review and approval. Once approved, the policy will be shared with and made available to all relevant staff, including the AR Team				31 st December 2022		
21/22	18.21/22 Debtors Management	AR Agresso Training	The Council will implement a training programme covering accounts receivable functions on Agresso. Training will be a requirement before system access is granted.	High	Ade Adewumi	Finance	30/06/2022 Revised target date: 31 st December 2022	Overdue	This will be reviewed as part of the revision of the Finance Function which commencing in June 2022, due to be completed by December 2022
21/22	23.21/22 Capital Expenditure	Business Case Preparation and Approval	The Council will agree the arrangements for approving business cases and adding projects to the capital programme. This will include defined approval thresholds (based on project cost), escalation procedures (to ensure oversight of approvals/additions) and clarity regarding the evidence to be provided before projects are formally added onto the programme.	High	Ade Solanke	Finance	30/09/2022 Revised target date: 30 th November 2022	Not due	This work is in progress and it is anticipated that it will be completed on or before 30 th November 2022. A draft is almost complete but there is the need to consult stakeholders to ensure they support the proposed process

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
21/22	23.21/22 Capital Expenditure	Project Monitoring and Reporting	Monitoring and reporting arrangements for all capital projects included on the capital programme will be agreed and adhered to. These arrangements will cover 'on' and 'off portfolio' projects and will include ensuring progress updates are received.	High	Ade Solanke	Finance	30/09/2022 Revised target date: 30 th November 2022	Not due	This work is in progress and it is anticipated that it will be completed on or before 30 th November 2022.
21/22	20.21/22 Creditors		The Council will prepare an exceptions list detailing those instances where it is acceptable for requisitions to be raised after invoices are received.	High	Jasvinder Dalvair	Finance	30/09/2022	Not due	The exceptions list has been prepared and is being worked through
21/22	25.21/22 Business Rates		The Council will continue the ongoing work to reconcile Academy and Agresso for 2021/22 to date, ensuring that all reconciling items are identified and required adjustments are made on both systems	High	Ade Adewumi	Finance	30/10/2022	Not due	Reconciliations have been completed to the end of 21/22, the minor reconciling items are being reviewed by the revenues team, on track to be completed by end of October
21/22	25.21/22 Business Rates		The Council will ensure that business rates income is being posted to the appropriate accounts in a timely manner. The ongoing discrepancies between ICON and the other two systems will be reviewed	High	Ade Adewumi	Finance	30/10/2022	Not due	Reconciliations are complete and the final reconciling items will be complete by the end of October

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
			to identify the reasoning for this, with periodic monitoring implemented as required to ensure that all income from ICON is being reflected in Agresso and Academy						

Chief Operating Officer

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
21/22	24.21/22 GDPR Governance	Data Flow Mapping	The Data Flow Capture Spreadsheet will be updated to include the following areas: • name and contact details of joint controller (if applicable); • categories of individuals; • names of third countries or international organisations that personal data are transferred to (if applicable); • safeguards for exceptional transfers of personal data to third countries or international organisations (if applicable); • Data Protection Act 2018 Schedule 1 Condition for processing; • GDPR Article 6 lawful basis for processing; • link to retention and erasure policy document; and • whether personal data retained and erased in accordance with the retention policy document - reasons for not adhering to retention policy document (if applicable).	High	Alexander Cowen	Chief Digital and Information Officer	30/09/2022	Not due	Reviewing data flow captures has commenced and additional categories identified are being included. Asset owners in each department will be contacted to fill in the gaps. On track to be completed by target date
21/22	29.21/22 Cyber Essentials		The Council will ensure that the host-based firewall (as part of Trend Apex One and Trend Deep Security)	High	Alex Cowen / Steven Wall	Chief Digital and Information Officer	30/11/2022	Not due	Remaining devices to be updated with latest trend anti-virus software is in progress, firewall activation

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
			is rolled out to all end user devices and servers as soon as possible						still to be actioned and a review of the windows firewall service status to be undertaken on device builds.
21/22	29.21/22 Cyber Essentials		As part of the application audit discovery exercise, the Council will ensure that all legacy operating systems (OS) and applications across the IT estate are replaced as soon as possible	High	Alex Cowen / Steven Wall / Colin Power	Chief Digital and Information Officer	30/09/2022	Not due	Audit application discovery is completed; council modernisation programme is underway for replacement of legacy infrastructure
21/22	29.21/22 Cyber Essentials		The Council will ensure that its IT estate is brought up to date in terms of patching as soon as possible	High	Alex Cowen / Steven Wall	Chief Digital and Information Officer	31/10/2022	Not due	Additional resource being brought in to support the patching of the IT estate.
21/22	29.21/22 Cyber Essentials		The IS&T Removal of User Form will be updated to require staff to submit the form prior to the employee leaving	High	Alex Cowen / Steven Wall	Chief Digital and Information Officer	30/09/2022	Not due	Leaver form is now published in Agresso and a review of the leavers process is currently being undertaken by RSM.

Housing and Property

Year	Issue	Issue	Way Forward	Rating	Who	Service	When	Status	Latest Status update
21/22	21.21/22 Temporary Accommodation	Housing Strategy	In line with current plans, the Council will ensure that an up-to date Housing Strategy and Homelessness Strategy is created. Additionally, progress against the action plan will be periodically monitored by an appropriate forum.	High	Richard West	Housing	30/09/2022 Revised target date: 31 st December 2022	Not due	Required as part of the Local Plan. Currently being drafted. Key reference point for the authority. New Housing Act being developed which will make Private Rented Properties licensable. The strategy will be written by the end of December, we are currently going out to market to demonstrate best value through the procurement process with an appointment to be made week commencing 12 September for 20 days work - revised target date 31st December 2022.
21/22	21.21/22 Temporary Accommodation	Safety Assurances – Private Providers	The Annual Compliance Statement issued to Private Providers will be reviewed to assess whether the terms and conditions satisfies the Council's legislative duties as a housing provider. Following this, the Council will introduce a monitoring mechanism to ensure: • Providers are only engaged with should they have a signed Compliance Statement in place; • These Compliance Statements are reviewed and signed annually.	High	Ian Blake	Housing	30/09/2022 Revised target date: 31 st December 2022	Not due	TA Compliance Assurance of private suppliers proforma has been designed and is ready for issue - capacity within the team needs to increase for this exercise to be carried out - Targeting 31st December 2022
21/22	21.21/22 Temporary Accommodation	Housing Stock	The Council will develop a strategy to identify households which are no longer owed a duty to be accommodated under the Housing Act 1996.	High	Ian Blake	Housing	31/03/2023	Not due	Outstanding and will remain so until TA Team is established.

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Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	28 th September 2022
Subject:	Local Government & Social Care Ombudsman (LGSCO) upheld complaints. Statutory & corporate complaints summary of 2021-2022
Chief Officer:	Stephen Brown – Corporate Operations Officer Sarah Wilson – Monitoring Officer
Contact Officer:	Finbar McSweeney - Complaints, Casework & FOI Lead
Ward(s):	All
Exempt:	NO
Appendices:	Appendix A – Summary of upheld LGSCO complaints received 1 April 2020- 31 March 2022 Appendix B – LGSCO Annual Review Letter July 2021 Appendix C – LGSCO Annual Review Letter July 2022 Appendix D – Statutory and Corporate Complaints Report 2021-22

1. Summary and Recommendations

This report sets out a summary of the upheld complaints determined by the LGSCO in 2020-22 and a summary of statutory & corporate complaints during 2021- 2022.

Recommendations:

Committee is recommended to:

- (a) Note the summary of upheld decisions by the Local Government and Social Care Ombudsman during 1st April 2020 - 31 March 2022 (Appendix A).
- (b) Note the summary of statutory and corporate complaints during 1st April 2021 – 31 March 2022.
- (c) Note the themes identified and the actions being taken to respond to these themes.

Reason:

1.1 Complaints are a free and valuable source of information and insight to enable the Council to focus on improvements to our processes and service delivery. This reports provides the Committee with information on complaints received in the past two years. In future the Council will report to the Committee at least annually.

1.2 Where complaints are upheld by the LGSCO, they recommend ways for authorities to put things right when faults have caused injustice. Their recommendations try to put individuals back in the position they were in before the fault. The LGSCO also monitor

authorities to ensure compliance with their recommendations. Appendix A includes LGSCO recommendations for each upheld complaint.

1.3 In 2020-21, the LGSCO were satisfied that the council had successfully implemented agreed recommendations.

1.4 In 2021-2022, the LGSCO were again satisfied that the council had implemented agreed recommendations.

1.5 During the reporting period 2021-22, the LGSCO determined three cases of injustice regarding Slough Children First not investigating complaints on behalf of 3 young persons which were more than a year old from a 3rd party.

2 Alternative options considered and not recommended

2.1 The council could report individual findings of maladministration on a case by case basis. This is not recommended as it does not provide an opportunity to identify themes and learn from complaints, even when they are not upheld by the LGSCO.

2.3 By publicly reporting on complaints data and learning, the Committee has an opportunity to scrutinise how this data is used to inform the Council's risk management procedures and to ensure continuous improvement. This option is recommended as it allows the council to learn from complaints to continuously improve its services and increase resident satisfaction.

Commissioner Review

The report was reviewed by Commissioners who had no observations to make.

3 Background

LGSCO data

3.1 The Council currently operates a three-stage corporate complaints procedure:

- At Stage 1 the departmental manager deals with the complaint with the aim of resolving the complaint.
- At Stage 2 complaints which are not resolved at Stage 1 are reviewed by the relevant Head of Service or above.
- At Stage 3 complaints which are not resolved at Stage 2 are reviewed by the chief executive. This is the final stage of the corporate complaints process.

3.2 If the complainant remains dissatisfied after going through the Council's corporate complaints procedure, they may escalate the matter to the Local Government and Social Care Ombudsman (LGSCO). Where the matter relates to complaints about social housing then it falls under the jurisdiction of the Housing Ombudsman rather than LGSCO.

3.3 There are separate statutory processes in relation to social care complaints for Adult's and Children's services (termed 'statutory social care complaints'). Once the statutory procedure is exhausted the complainant has the right of recourse to the LGSCO.

3.4 The LGSCO reserves the right to accept and investigate a complaint even if it has not been through either our corporate or the statutory complaints procedures. This can occur when there are urgent issues (such as imminent homelessness), vulnerability, or if the complainant shows that they have complained to the council but have not received a response. However, in general the LGSCO expects complainants to utilise the internal complaints process first to give local authorities the opportunity to resolve the matter directly.

3.5 This report covers two reporting periods:

- 1 April 2020 - 31 March 2021; and
- 1 April 2021 - 31 March 2022

3.6 Every July the LGSCO writes an annual review letter to every local authority which outlines the complaints and enquiries they have dealt with during the previous financial year. The annual letters received by Slough Borough Council for 2020-21 and 2021-22 can be found in Appendix B and C.

3.7 Officers have reviewed the annual letters from the LGSCO and noted that;

- In 2020-21, 1 of 2 investigations conducted by the LGSCO were upheld. Whilst the letters refer to percentages, the figures are based on a very small number of cases and therefore using percentages is potentially misleading. The figure compares well against the average figure of 63% (see appendix B) for similar authorities, but again the small number of cases makes this comparison potentially misleading.
- In 2021-22, 4 of 5 investigations conducted by the LGSCO were upheld. This compares to an average of 64% in similar organisations. Three of the investigations related to one complaint concerning three individuals. The complaint related to services delivered by Slough Children First.
- In all 5 cases over the two year period the LGSCO was satisfied that the council had successfully implemented agreed recommendations.
- Since 2021-22 the LGSCO noted general concerns across all local authorities regarding the erosion of effective complaint functions. The Ombudsman noted that they are working to develop a new programme of work that will utilise complaints to drive improvements in both local complaints systems and services. This is something Slough Borough Council will be concentrating on starting with a review of the complaint process with a view of changing from a 3 stage to a 2 stage corporate complaint process as well as improving the internal reporting to CLT to ensure corporate leadership of complaints.

3.8 The table below shows the full breakdown of the outcomes of LGCSO complaints received during these two reporting periods (2020-21 and 2021-22) and comparison against the previously reported year (2019-20). Note: this includes cases where the LGSCO determined there was no further action and they chose not to progress the complaint to an investigation as, for example, the complaint has not been through the corporate or statutory process, or the matter is outside the jurisdiction of the LGSCO.

LGSCO decision	Number of Complaints (% of total)							
	2019-20		2020-21		2021-22			
Investigated - Upheld	5	9%		1	4%		4	8%
Investigated –Not upheld	5	9%		1	4%		1	2%
No further action	45	82%		25	92%		46	90%
Total number of LGSCO complaints reported	55	100%		27	100%		51	100%

3.9 There was a significant increase in the number of Ombudsman cases received from 2021-22 compared to 2020-21. In March 2020 the LGSCO suspended casework for approximately three months due to the pandemic. This is likely to have impacted the number of cases and decisions they were able to reach and cases that they were able to fully investigate, and the data should be interpreted with this in mind.

Of the upheld complaints received by the LGSCO in 2021-22, three were in relation to Children’s Services (1 complaint in relation to 3 individuals) and the other a Planning matter. Further detail is provided in Appendix A.

3.10 This trend appears in-line with the national picture; the LGSCO’s [Review of Local Government Complaints 2020-21](#) the LGSCOs Review of Local Government Complaints 2020-21 noted that there was an increase in the uphold rate of all categories of complaint, other than environmental services and protection, which typically include complaints about refuse and recycling, noise, pollution and licensing.

Internal complaints data

3.11 In the period 1st April 2021- 31st March 2022 the council received and investigated 898 complaints at stage 1, 74 at stage 2 and 3 at stage 3. Of the stage 1 complaints received 44 were investigated under the statutory adult social care complaints process. The table below shows a breakdown of the number of complaints received by stages over the last 2 financial years. (Please refer to Appendix D for a detailed analysis of the Council’s Statutory and Corporate Complaints 2021-22).

	2020/21	2021/22
Stage 1	701	898
Stage 2	62	74
Stage 3	7	3
Total Complaints handled	770	975

3.12 42% of the complaints received were in relation to Osbornes our Housing Repairs Management partners, 15% were for Revenues and Benefits, 7% for Customer Services, 5% for Adult Social Care and 4% for Environmental services, the remaining were widely varied.

3.13 The main root causes for complaints were largely related to capacity and broadly centred on;

- **Delays & Timeliness-** This category relates to the time taken to carry out a service. The Council always seeks to avoid delays in service delivery however as many of the services we undertake are demand led, this is not always possible. Although each service would seek to prioritise more urgent areas or ensure the most urgent cases and people with the highest levels of need are prioritised, this can understandably still be dissatisfying for members of the public whose concerns are not prioritised.
- **Communication- Lack of communication-** these are generally between officers, teams or departments within the Council. Where it is established, the council accepts fault and both acknowledge and apologise for any inconvenience caused.
- **Quality-** These complaints relate to services provided directly by Council staff or relate to the quality or conduct of staff employed by service partners. Quality issues within any area services are addressed through the relevant line managements. Quality issues with provider services are addressed through the Council's contract management procedures.

3.14 65 % of all complaints were partially or fully upheld, this is in line with the percentage of upheld cases investigated by the LGSCO countrywide for 2020-21, and their report for 2021-22 has not yet been published. Where time delays or lack of communication were established these were mostly upheld.

3.15 Some of the learnings we derived from complaints resulted in; changes to processes and procedures, additional training where a need was identified, feedback to staff individually and in team meetings, reminders to staff and partners (Enforcement agents, Osbornes, e.g.) of Standard Operation Procedures, adjustments to working practices, improvements to contract management, and more transparency and management of customer expectations around service delivery and capacity.

Learning and improvements

Complaints operate a 3 stage process and will be looking at reducing this to 2 stage. The LGSCO complaints highlight the need for quality of complaints instead of time being spent on various stages. Officers are liaising with scrutiny members in relation to setting up a task & finish group to look at best practice guidance and the LGSCO's training programme to enable recommendations to be made to cabinet on improving the complaints process.

Whilst data has been reported previously, this has sometimes focused on the number of complaints and timeliness of responding as opposed to focusing on capturing learning and trends. The Monitoring Officer is responsible for reporting maladministration to members and the post holder has taken a lead on reviewing all cases which have been referred to the LGSCO to ensure the Council responds in an open and transparent manner and that options for early resolution is explored.

4. Implications of the Recommendation

4.1 *Financial implications*

Payment of compensation is made on individual cases as directed by the LGSCO. Below shows the compensations awarded by the LGSCO.

2020-21 Planning - £2,150

2021-22 Planning - £2,000

4.2 *Legal implications*

4.2.1 The LGSCO is the independent body responsible for investigating complaints made against local authorities where it is alleged that there has been maladministration causing injustice. Under the Local Government Act 1974, the LGSCO is responsible for investigating complaints against council and some other authorities, investigating complaints about adult social care providers from people who arrange or fund their own adult social care and for providing advice and guidance on good administrative practice.

4.2.2 The expectation is that a complainant will utilise a local authority's complaints process prior to referring the matter to the LGSCO, although the LGSCO can dispense with this requirement in specific cases. Complaints can be made by a member of the public, their authorised representative, a personal representative of a deceased person or a person deemed suitable to act on behalf of a member of the public if that person is unable to authorise them.

4.2.3 The LGSCO has the power to make recommendations to a local authority following a complaint on how to improve its services and to put things right for the complainant. The recommendations are not mandatory and the local authority does not have to accept or follow them. Remedies recommended by the LGSCO can include an apology, financial compensation, a review of procedures, staff training, and reconsideration of a decision and payment of money where this should have been paid.

4.2.4 Maladministration is not defined in the legislation, however case law has held that it includes bias, neglect, inattention, delay, incompetence, ineptitude, perversity, turpitude and arbitrariness. Examples of maladministration include excessive or unreasonable delay, making misleading or inaccurate statements, failing to follow a specified procedure, failing to consult or liaise, failing to provide information when requested to do so, not keeping adequate records and failing to investigate or reply to a query from a member of the public. The LGSCO is concerned with the manner in which the decision was reached, as opposed to the actual decision.

4.2.5 Personal injustice can include the time and trouble involving in pursuing a complaint against a public body, the loss of a right or service, costs associated with pursuing the complaint and inconvenience, worry, distress and hurt feelings.

4.2.6 Certain matters are outside the remit of the LGSCO. These include decisions where there is a statutory right of appeal, situations where the complainant has had a remedy by way of court proceedings and where the complainant has failed to make a complaint within 12 months of the matter complained of (although there is discretion to extend this time limit).

4.2.7 The LGSCO regularly publishes good practice guides both on complaints handling and on suggested remedies for specific complaints. These include guidance relating to council housing repairs, neighbour nuisance, council housing management, benefits,

school admissions, special educational needs, environmental health, planning and social care.

4.3 *Risk management implications*

4.3.1 Complaints can be an essential means by which the Council assures the quality of council service. By listening to complaints and looking at learning, taking improvement action where necessary, the Council minimises the risk of non-compliance with legal requirements as well as financial loss and ensures improved customer satisfaction.

4.4 *Environmental implications*

4.4.1 None

4.5 *Equality implications*

4.5.1 Learning from complaints also assists the Council in fulfilling its statutory duty under s149 of the Equality Act.

4.5.2 Section 149 of the Equality Act 2010 sets out the Public-Sector Equality Duty which requires a public authority (or those exercising public functions) to have due regard to the need to:

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

5. Background Papers

None.

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Appendix A – Summary of upheld decisions by the Local Government and Social Care Ombudsman (LGSCO) during 2020-21 and 2021- 2022.

Reporting period – 1st April 2020-31st March 2021					
Reference	Decision date	Service area	Complaint Description and finding	Response and Remedy	Compensation
19008017	30.01.20	Planning	<p>The Council did not properly consider the impact a development close to Ms C’s home would have on Ms C’s amenity. It has agreed to consider a suitable remedy, once a live application has been decided. Upheld: maladministration and injustice.</p> <p><i>The decision showed on the LGSCO’s records in 2019-20 and the Council’s in 2020-21 when the remedy was carried out and accepted by the LGSCO.</i></p>	<p>The Council agreed to carry out an assessment of the impact that its fault has had on Ms C’s amenity, within three months of the date of its planning application decision. It will then offer a suitable remedy to Ms C, in accordance with the Ombudsman’s guidance.</p>	£2,150

Reporting period – 1st April 2021-31st March 2022					
Reference	Decision date	Service area	Complaint Description and finding	Response and Remedy	Compensation
20 003 779	26.08.21	Planning	<p>Ms X complains about how the Council has dealt with her neighbour’s planning applications and its offer of £2000 to remedy its faults in the consideration of an earlier planning application. There is no fault in how the Council reached its</p>	<p>Send a written apology to Ms X for failing to provide sufficient information for her to understand why it</p>	£2000

			<p>decisions not to take enforcement action when it refused a retrospective planning application and no fault in its decision to consider a further planning application. There is also no evidence of fault in how the Council reached its decision that planning permission for the development is valid. The payment of £2000 is sufficient to remedy the injustice caused by the Council's fault in the consideration of the earlier planning application. However, the Council is at fault for failing to explain the basis for its payment and for failing to manage Ms X's expectations. The Council has agreed to apologise to Ms X for this fault. Upheld: maladministration and injustice.</p>	<p>considered a remedy of £2000 to be sufficient and for raising her expectations by not explaining the developer could have built extensions under the permitted development rules.</p>	
<p>20013809 20013810 20014040</p> <p><i>1 complainant on behalf of 3 individuals.</i></p>	24.09.21	Slough Children Trust	<p>Slough Children First refused to consider Mr D's complaint through the children's complaints procedure on the basis he made the complaint late. This has caused upset, time and trouble. The Council will now consider the complaint and apologise for failing to do so.</p>	<p>The Council will accept Mr D's complaint and consider it though its statutory children's complaints procedure. The Council will apologise for failing to accept the complaint following grounds arising in 2020 and for not giving a good reason for the rejection.</p>	

21 July 2021

By email

Ms Wragg
Chief Executive
Slough Borough Council

Dear Ms Wragg

Annual Review letter 2021

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2021. At the end of a challenging year, we maintain that good public administration is more important than ever and I hope this feedback provides you with both the opportunity to reflect on your Council's performance and plan for the future.

You will be aware that, at the end of March 2020 we took the unprecedented step of temporarily stopping our casework, in the wider public interest, to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. We restarted casework in late June 2020, after a three month pause.

We listened to your feedback and decided it was unnecessary to pause our casework again during further waves of the pandemic. Instead, we have encouraged authorities to talk to us on an individual basis about difficulties responding to any stage of an investigation, including implementing our recommendations. We continue this approach and urge you to maintain clear communication with us.

Complaint statistics

This year, we continue to focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have focused statistics on three key areas:

Complaints upheld - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated.

Compliance with recommendations - We recommend ways for authorities to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the authority upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit authorities that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 28 July 2021. This useful tool places all our data and information about councils in one place. You can find the decisions we have made about your Council, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the resource with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

As you would expect, data has been impacted by the pause to casework in the first quarter of the year. This should be considered when making comparisons with previous year's data.

Supporting complaint and service improvement

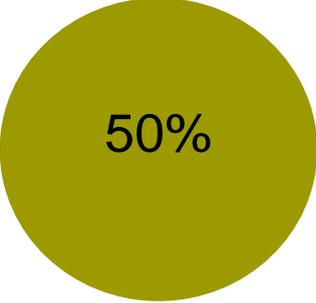
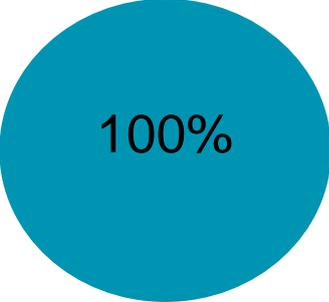
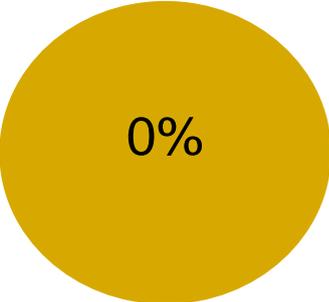
I am increasingly concerned about the evidence I see of the erosion of effective complaint functions in local authorities. While no doubt the result of considerable and prolonged budget and demand pressures, the Covid-19 pandemic appears to have amplified the problems and my concerns. With much greater frequency, we find poor local complaint handling practices when investigating substantive service issues and see evidence of reductions in the overall capacity, status and visibility of local redress systems.

With this context in mind, we are developing a new programme of work that will utilise complaints to drive improvements in both local complaint systems and services. We want to use the rich evidence of our casework to better identify authorities that need support to improve their complaint handling and target specific support to them. We are at the start of this ambitious work and there will be opportunities for local authorities to shape it over the coming months and years.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. During the year, we successfully adapted our face-to-face courses for online delivery. We provided 79 online workshops during the year, reaching more than 1,100 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,

Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld		
	<p>50% of complaints we investigated were upheld.</p> <p>This compares to an average of 63% in similar authorities.</p>	<p>1 upheld decision</p> <p>Statistics are based on a total of 2 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>
Compliance with Ombudsman recommendations		
	<p>In 100% of cases we were satisfied the authority had successfully implemented our recommendations.</p> <p>This compares to an average of 99% in similar authorities.</p>	<p>Statistics are based on a total of 1 compliance outcome for the period between 1 April 2020 to 31 March 2021</p>
<ul style="list-style-type: none">• Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.		
Satisfactory remedy provided by the authority		
	<p>In 0% of upheld cases we found the authority had provided a satisfactory remedy before the complaint reached the Ombudsman.</p> <p>This compares to an average of 10% in similar authorities.</p>	<p>0 satisfactory remedy decisions</p> <p>Statistics are based on a total of 2 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>

NOTE: To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year. Please consider this when comparing data from previous years.

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20 July 2022

By email

Mr Jones
Chief Executive
Slough Borough Council

Dear Mr Jones

Annual Review letter 2022

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

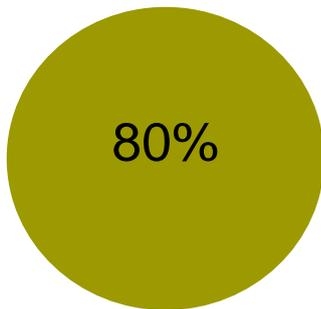
I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,

Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld



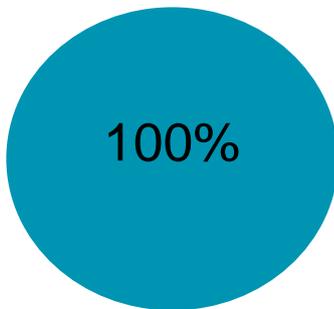
80% of complaints we investigated were upheld.

This compares to an average of **64%** in similar organisations.

4
upheld decisions

Statistics are based on a total of **5** investigations for the period between 1 April 2021 to 31 March 2022

Compliance with Ombudsman recommendations



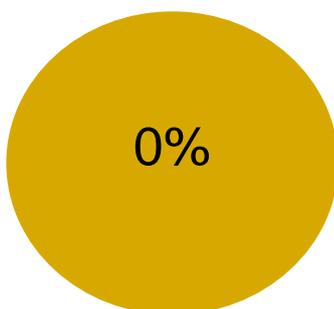
In **100%** of cases we were satisfied the organisation had successfully implemented our recommendations.

This compares to an average of **99%** in similar organisations.

Statistics are based on a total of **4** compliance outcomes for the period between 1 April 2021 to 31 March 2022

- Failure to comply with our recommendations is rare. An organisation with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

Satisfactory remedy provided by the organisation



In **0%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **12%** in similar organisations.

0
satisfactory remedy decisions

Statistics are based on a total of **4** upheld decisions for the period between 1 April 2021 to 31 March 2022

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STATUTORY AND CORPORATE COMPLAINTS REPORT

SLOUGH BOROUGH COUNCIL

2021-2022

CONTENTS

Executive summary	3
What is a complaint?	3
1. Introduction	3
2. Adult Social Care Statutory Complaints Procedure	4
3. Accessing the complaints procedure	4
4. Overview	5
Provider complaints	7
Complaint outcomes	8
Local Government & Social Care Ombudsman complaints	8
5. Corporate Complaints	9
Complaints processes	9
Corporate process:.....	9
Headline Figures – Complaints received	9
6. Learning from complaints	13
What have we learnt?	14
7. Conclusion	15
Appendix	16

EXECUTIVE SUMMARY

This annual report details the level of complaints received in relation to services delivered by Slough Borough Council for the last year 1st April 2021 to 31st March 2022. This is inclusive of both statutory functions (Adult and Children's Social Care) as well as Corporate Complaints. Slough Children's First produces a yearly complaints report which will be made publicly available via their website, [Slough Children's First Complaints](#) the annual report for 2021-22 is currently awaiting senior management sign-off.

The council received 854 stage 1 complaints and 44 Adults Social Care complaints in this period.

The Local Government and Social Care Ombudsman investigated 5 complaints against Slough Borough Council and upheld 4 of these complaints within this timeframe, with the other not upheld.

The Housing Ombudsman investigated 5 Complaints against Slough Borough Council and upheld/ partially upheld 3 and no fault with 2.

WHAT IS A COMPLAINT?

A complaint is defined as a written or verbal expression of dissatisfaction about the service provided by the Council.

We aim to log and acknowledge all complaints within two working days and to send a full written response within 10 working days for Corporate Complaints. Updates to Adult Social Care complaints are provided every 10 working days, for the duration of the complaint. Should the investigation proceed beyond this timescale, we will advise the complainant of any delay.

1. INTRODUCTION

The production of a complaints report is a statutory complaints requirement for adult social care to provide an overview of the complaints received and handled through the Council's statutory complaints procedure. This summary for Slough Borough Council Adult Social Care is designed to meet this requirement of adult social care and is a public document. This report provides information about adult social care complaints for the period 1 April 2021 to 31 March 2022.

The Local Authority has a duty to ensure that any individual (or appropriate person acting on their behalf) who wishes to make a complaint about the actions, decisions or apparent failings of a local authority's social care provision have access to the Adults statutory complaints procedure.

2. ADULT SOCIAL CARE STATUTORY COMPLAINTS PROCEDURE

The Council is required to operate a separate Statutory Complaints and Representations procedure, in accordance with the Local Authority Social Services and National Health Services Complaints (England) Regulations 2009 and the Local Authority Social Services and National Health Service Complaints (England) (Amendment) Regulations 2009 (hereby referred to as 'the Regulations'). Any complaint which does not fall under these requirements is considered under the Council's Corporate Complaints Procedure. All complainants that have exhausted the Council's Statutory Complaints Procedure retain the right to approach the Local Government and Social Care Ombudsman (LGSCO).

The LGSCO are impartial and independent and act as the final stage for complaints about the Council, Social Care Providers, Care Homes and Home Care Agencies.

3. ACCESSING THE COMPLAINTS PROCEDURE

The complaints process aims to be as accessible as possible. Complaints can be made by telephone, in writing, by email or using our online complaints form on the Slough Borough Council website. [Adult social care feedback and complaints – Slough Borough Council](#)

All complaints received are aimed to be acknowledged within 2 working days and we aim respond or send an update within 10 working days. More complex complaints may be responded to within 20 working days, with the complainant being kept informed during the process.

Our principles for responding to complaints in adult social care are that all complaints are dealt with efficiently.

- Complaints are properly investigated.
- Complainants receive a timely and appropriate response.
- Complainants are told the outcome regarding the investigation of the complaint.
- An apology is given if required.
- Appropriate response is taken where necessary.

The Adults Social Care statutory procedure starts with an internal investigation. A response will be sent from the manager within the service area. In the majority of cases, if a complaint is upheld or partially upheld, an apology will be offered and information will be given to the complainant outlining actions the service will take to ensure the situation does not arise again for the complainant or individuals in the future. The apology would be given by the manager on behalf of the service area complained about.

If the complainant is not happy with the outcome of their complaint, they can refer the matter to the Local Government and Social Care Ombudsman for consideration. Representations may be made to the LGSCO at any time and any member of the public is able to complain to the Ombudsman if they feel there has been maladministration or injustice, however, the LGSCO will not normally accept the complaint until the Council has had a chance to complete the investigation internally first.

4. OVERVIEW

Between 1 April 2021 and 31 March 2022, the Social Care Direct Team received: 12,018 contacts. In addition, Slough adult social care:

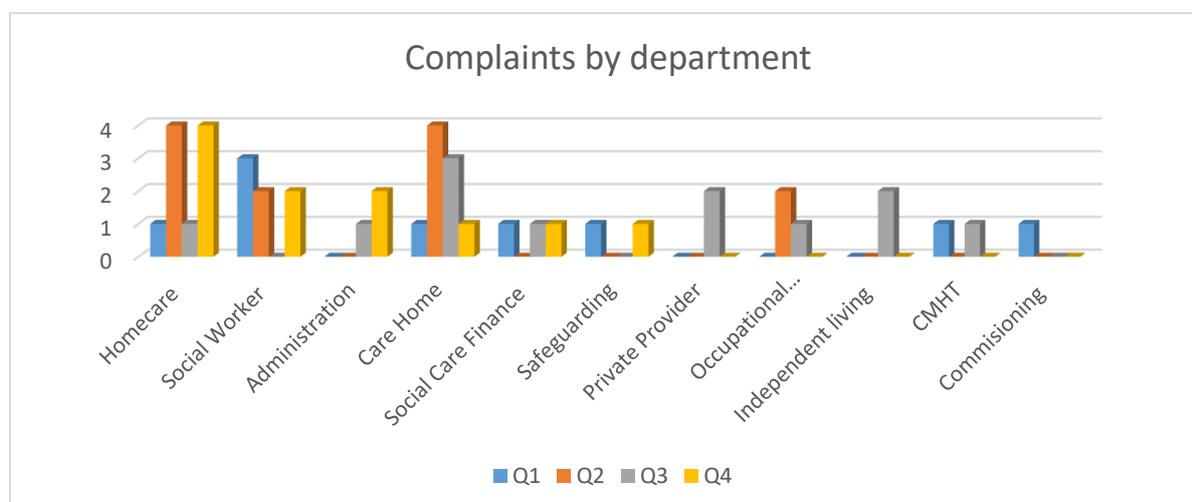
- carried out approximately 3,763 new statutory care and support assessments and approximately 721 reviews;
- investigated 251 safeguarding concerns and completed 269 safeguarding enquiries;
- supported 75 adults in residential care; 94 adults in nursing care; and 64 adults in supported living
- provided enablement to 314 people and homecare to 499 people through 758 care packages.
- supported over 1400 adults with a total of 2,501 care packages, including over 160 adults through direct payments, and 209 family carers.

The following adult social care complaints were received by the Council from service users, carers and/or their representatives. There were 44 statutory Adult Social Care complaints investigated from 1st April 2021- 31st March 2022. This represents an increase from previous years by over 50%. Table 1.below shows a representation of the statutory Adult Social Care Complaints investigated over the last 3 financial years.

Table 1. Adult Social Care complaints by tax year (2019-2022)

Year	Number of complaints	Percentage change (year on year)
2019-20	28	+ 7% (Previous year recorded 26 complaints)
2020-21	28	0
2021-22	44	+ 57%

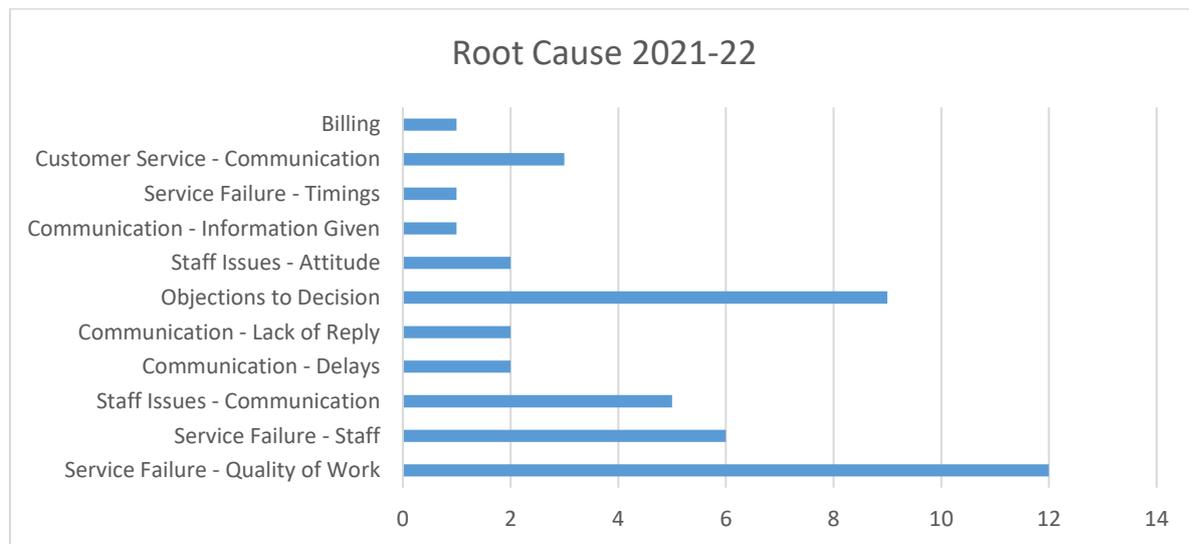
Fig 4.1 Adult Social Care Quarterly Complaints by department Apr 21- Mar 22



Breaking with the noticeable trend of the previous years where most complaints received and investigated were in the latter half of the year. The last financial year saw a more evenly spread of complaints with an average of 11 per quarter received. The most complained about departments/areas were Home Care (10), Care Home (9) and Social Worker (7). This is somewhat reflective of the previous years, as Homecare continues to be the leading source for complaints to the service. A notable change from previous year is that complaints relating to staff has increased once more with 7 of the 44 (16%) being with reference to social workers.

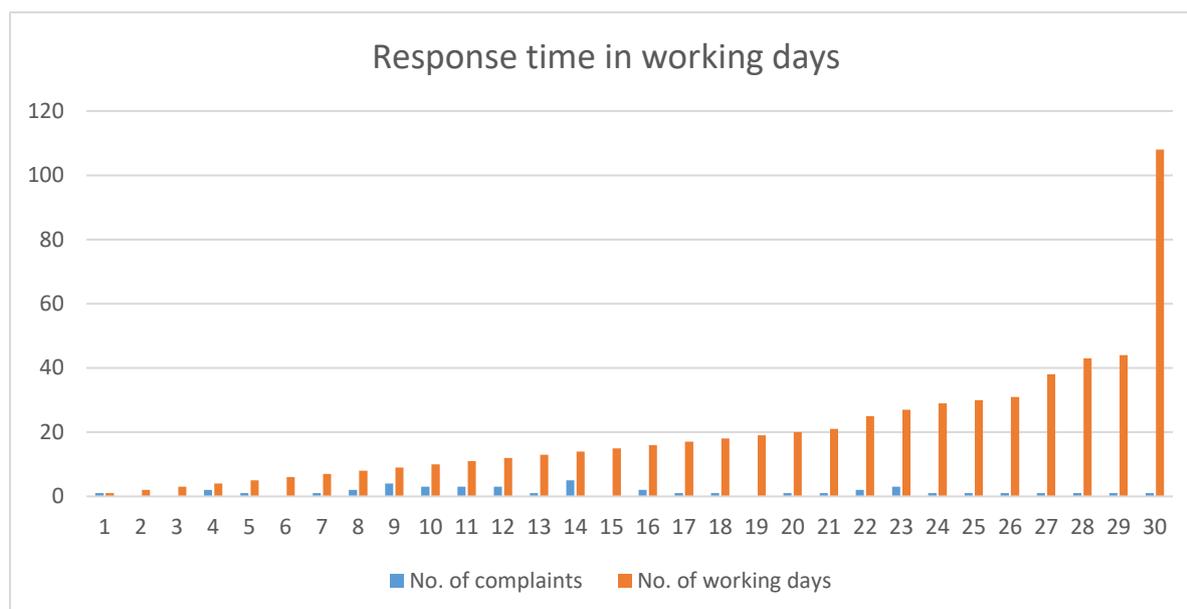
Fig 4.2 represents the trends of the complaints received over the 2021-22 period.

Fig 4.2 Complaints by Root Cause



To better understand and implement learnings to complaints it is helpful to know what triggers them being received in the first instance and thus we consider the causal factors. Although the root cause of the complaints received were varied, the main trend for complaints in 2021-2022 was Service Failure – Quality of Work 27% (12). A total of 19 (43%) of the 44 investigated complaints were attributed to service factors. A further, 20% (9) were attributed to an objection to decisions made and also notable is that 23% (10) were attributed to staff related factors (attitude, customer service and communication). The remaining 14% (6) were related to communication (5) or billing (1).

Fig 4.3 Response time by working days (Adult Social Care Complaints)



Of the 44 complaints investigated in 2021-22, 31% (14) were responded to on or after 20 working days. This timing was necessary as there were complex investigations required. 5 of these in particular exceeded 30 working days with 1 taking more than 100 days to be satisfactorily resolved.

31% (14) were responded to by the 10th working day, with 11 of these (25% of the total) being responded to in under 10 working days- the council's internal timescale for a response. Over 60% of the complaints were responded to after 10 working days, and whilst there isn't a specified timing for these to be responded the council's aims for responses within 10 working days was not met on most occasion and is reflective of the current challenges being faced by the Local Authority in recent years.

There are an increasing number of complaints which deal with integrated care; these are joint Adult Social Care/NHS complaints, and therefore require a multi-agency approach. This can have a detrimental impact on the Council's performance against its internal response target as the co-ordination of responses means that the Council may be obliged to work to the Statutory Social Care and National Health Service timescales, which allow a six-month timeframe for complaints to be investigated and responded to.

It is however standard practice to send holding replies prior to the target response date, to inform complainants of any anticipated delays and to advise of any revised deadlines. Investigating managers maintain communication with complainants (with their agreement), informing them of progress throughout the investigation of their complaint and offering support, guidance and advice prior to formal complaint resolution.

PROVIDER COMPLAINTS

Complaints regarding a commissioned service received directly by the council, are logged and processed in accordance with the statutory complaints procedure and referred to the Adult Social Care management. These are then either signposted to the provider's internal complaints process or managed through our complaints procedures on behalf of the

complainant. We do ask partner organisations to work within our timeframes; however, the Council has limited power to enforce this.

These do not include complaints by 'self-funders' who are able to complain directly to the care provider and/or Local Government & Social Care Ombudsman.

There were two complaints in relation to the service and communication of care providers.

COMPLAINT OUTCOMES

Fig 4.4 Outcome of complaints (Adult Social Care)

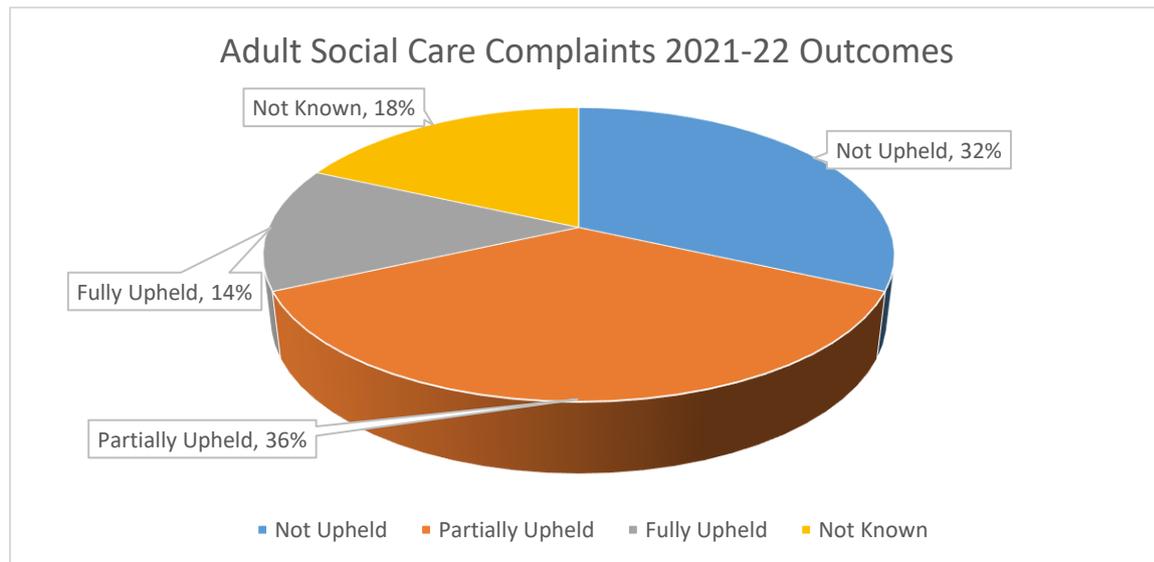


Fig 4.4 shows that 50% of the complaints received in 2021-22 were fully/ partially upheld, this represents a 15% drop on the previous year where 65% were fully/partially upheld. It also indicates that despite an increase by more than fifty percent in the number of complaints received, the authority's actions pertaining to these complaint in several instances was appropriate, thus being unable to accept fault. 32% were not upheld and 18% closed with no defined indication as to whether upheld or not.

LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN COMPLAINTS

A complainant reserves the right to refer their complaint to the Local Government and Social Care Ombudsman at any time. However, in most instances, the Ombudsman will seek to ensure that the Local Authority has been provided with the opportunity to respond to the complaint in accordance with the Council's statutory complaints process.

Slough Borough Council received 3 Adult Social Care enquiries & complaints from the Local Government & Social Care Ombudsman in 2021-22; 1 was classed as a premature and 2 were closed by the Ombudsman after their initial enquiries.

5. CORPORATE COMPLAINTS

COMPLAINTS PROCESSES

Slough Borough Council have 3 complaints procedures they work under. These are Corporate, Social Care and Neighbourhood Services. Children's Services complaints fall under the responsibility of Slough Children's Services Trust.

CORPORATE PROCESS:

Stage One: The complaint will be sent to the manager of the service that is being complained about.

Stage Two: The stage two complaint needs to be in writing, stating which aspects of the previous response they are not happy with and what more they think we should do. This will then be sent to the relevant service lead or director for a response.

Stage Three: If the customer remains unhappy with their stage 2 response, they can ask for the chief executive to review and respond to their complaint.

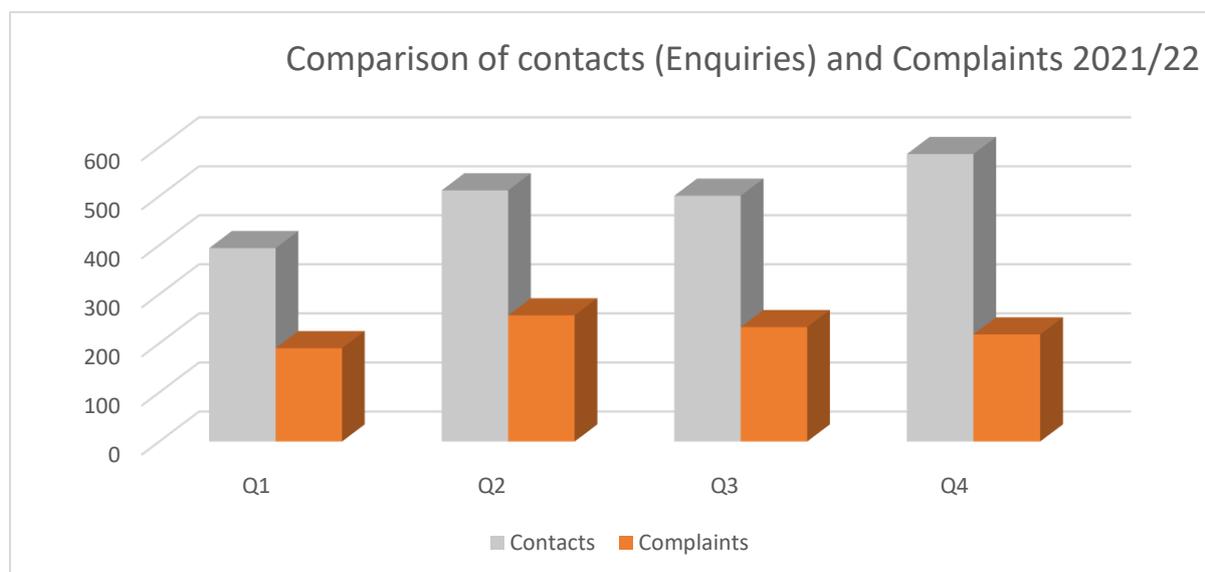
- Complainants who are unhappy with the internal complaints process are entitled to seek a further review by contacting the Local Government and Social Care Ombudsman (LGSCO) or the Housing Ombudsman.
- During 2021/22, the council had recently concluded an organisational wide restructure which commenced in the 2nd half of 2020 and culminated in Q1 of 2021, resulting in a reduction in overall resourcing, and a recruitment freeze.

HEADLINE FIGURES – COMPLAINTS RECEIVED

In the period 2021/22, 1993 contacts/enquiries were received via the Complaints team from the public; to express dissatisfaction with the services they had been provided. Of these, 898 were formally investigated via the complaints process, with the remaining 1095 being handled as service requests (enquires) through early resolution. This equated to 55% of all contacts received.

The substantial increase in contacts received from the end of quarter. We are continuing to see a variation in the number of contacts being resolved informally to the customer's satisfaction, with 317 (28 %) of these being related to the Place & Community Directorate which handles all housing and neighbourhoods related matters. This high volume of contact/enquiries being resolved informally confirms that there needs to be a continued focus placed on early resolution of cases. The following graph Fig 5.1, shows the total number of complaints received in 21/22, the number of contacts received in 21/22 and the number of those contacts entering the formal complaints process.

Fig 5.1 Contacts/enquiries and complaints by quarter 2021/22



Tables 2 and 3 below shows a three year “like for like” comparison of complaints received by the Council but excludes complaints relating to Slough Children’s First. Complaints usually have to go through each stage of the councils complaints process, though in some cases may, be dealt with at a later stage, usually at the direction of the Local Government & Social Care Ombudsman.

Table 2. Complaints by Tax year (2019-2022)

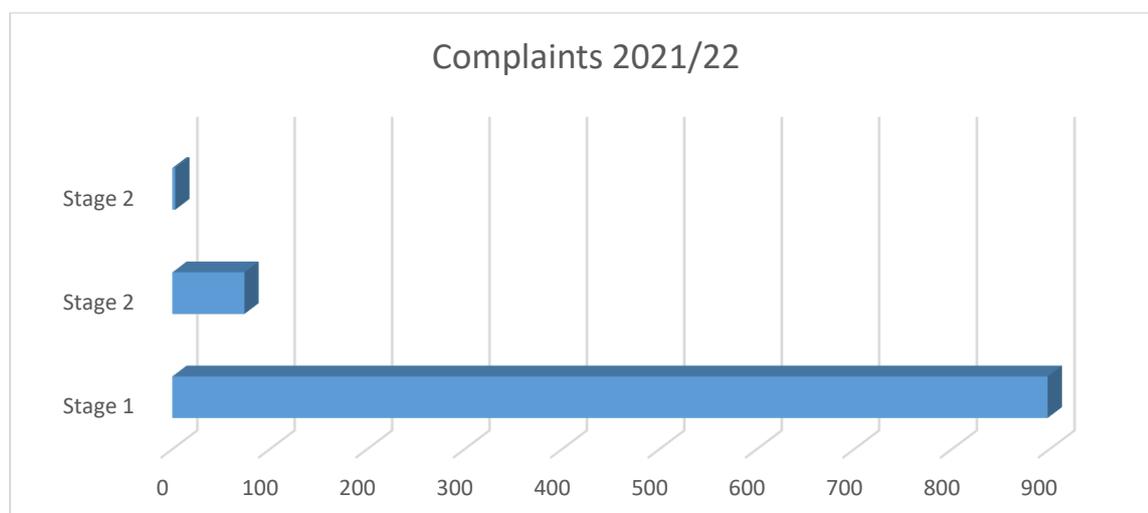
Year	Number of complaints	Percentage change (year on year)
2019-20	663	+ 18% (Previous year recorded 561complaints)
2020-21	701	+5.7%
2021-22	898	+ 28%

Table 3. Complaints by stages (2019-2022)

	2019/20	2020/21	2021/22
Stage 1	663	701	898
Stage 2	75	62	74
Stage 3	14	7	3
Total Complaints handled	752	770	975

The number of complaints handled has increased significantly from the previous year by over 28%, this is likely as a result of limited resourcing in some areas. Of the 898 Complaints investigated, 74 progressed to a stage 2 and only 3 of these progressing to a stage 3, a notable reduction from previous years.

Fig 5.2 Complaints by stages 1st April 2021-31st March 22



For all services, complaints which have been found to be either fully or partially upheld, have been analysed further to determine if there are any common factors which can be improved for future service provision. It is these cases that are now being used to make recommendations to services, on areas which require work and improvement. Appendix A shows a breakdown of complaints received by departments and highlights the areas which received the most complaints within the period 1st April 2021- 31st March 2022.

Fig 5.2 shows that more than 40% (375) of the complaints received in the period 1st April 2021- 31st March 2022 were relating to Osborne’s, our Housing Repairs Management partners. Of these, 191 of the 375 (50%) complaints received for this area, had a causal factor which centred on delays to either communication or service, and a further 15% (55) were attributed to the quality of work completed. 72% (271) of all complaints received for this area were fully or partially upheld.

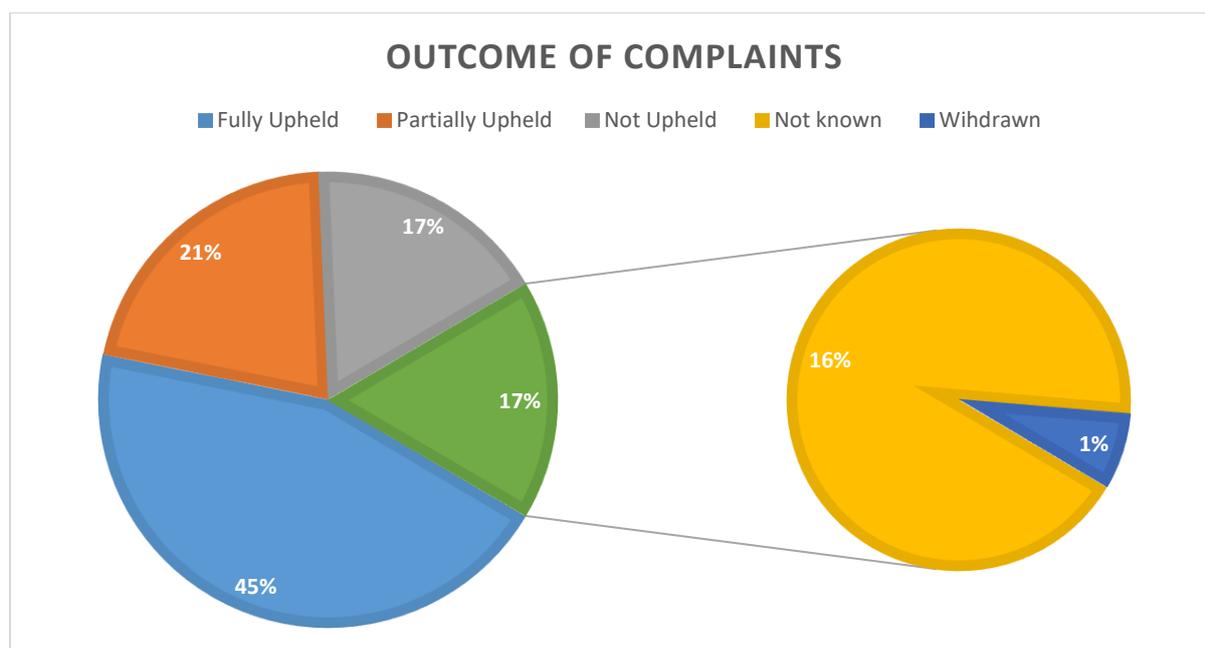
Revenues and Benefits- the second highest area to have received complaints saw 65%. 88 of the 136 complaints being fully or partially upheld, again the root causes centred on communication or service delays, although some 20% were in objection to the decisions made.

Environmental Services- Having received 7% of complaints over the last year. As anticipated the main causal factors unlike other areas mentioned were with reference to the quality of service being received with 40% of their complaints being as a result of this.

Within Customer Services the causal factors were once more with reference to delays. This is largely related to the Call Centre element of the service. Customer’s complaints were as a result of the long wait times being experienced. Whilst much was done to inform the public of the delays in this area through social media platforms and the council’s website.

The following shows the overall outcomes of all formal complaints in 21/22.

Fig 5.3 Outcome of complaints (1st April 2021- 31st March 2022)



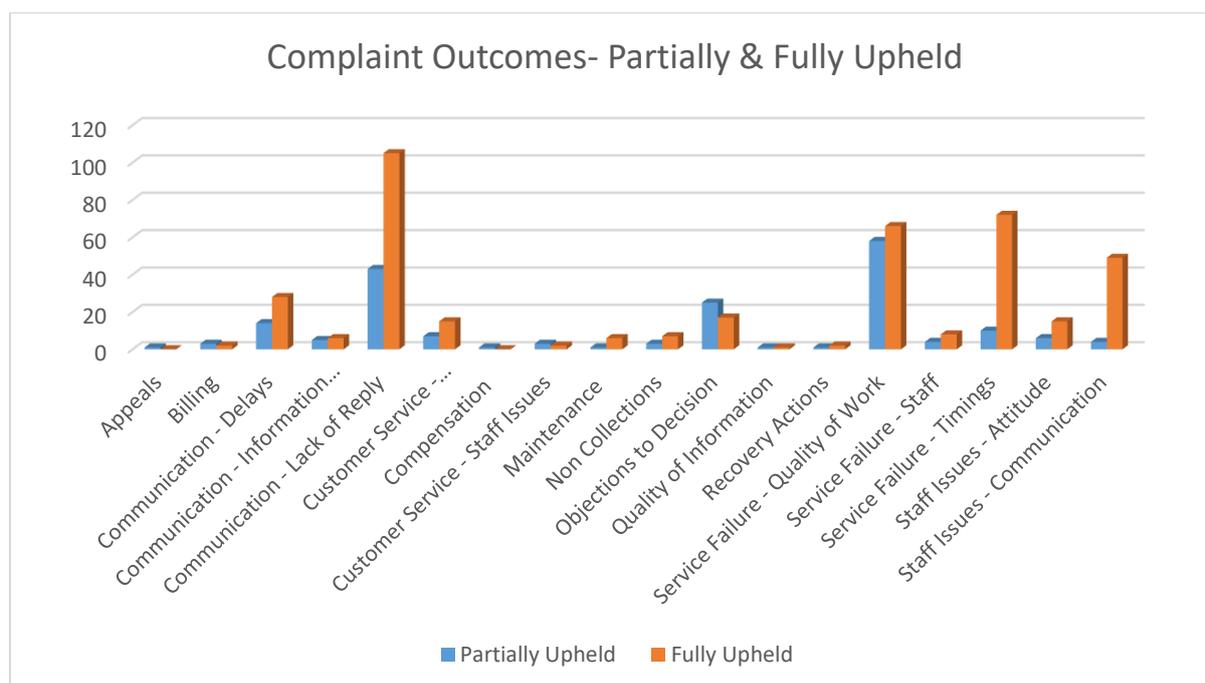
There were more complaints upheld this year than in previous years reported, with 45% of the complaints investigated in the period that this report covers being fully upheld compared to just 17% being not upheld. A further 21% were partially upheld and 1% withdrawn.

Table 4. Root Cause of Complaints

Root Cause/ Reasons for Complains	Number of Complaints
Appeals	1
Billing	12
Communication - Delays	59
Communication - Information Given	25
Communication - Lack of Reply	192
Customer Service - Communication	36
Compensation	2
Customer Service - Staff Issues	11
Maintenance	9
Non Collections	14
Objections to Decision	86
Quality of Information	5
Recovery Actions	6
Service Failure - Quality of Work	169
Service Failure - Staff	34
Service Failure - Timings	112
Staff Issues - Attitude	39
Staff Issues - Communication	86

The causal factor of the complaints received highlighted above, demonstrates that greater work needs to be done to address the lack of, and delays to communications, as well as delays to service delivery. Another outlier and area for improvement is with the quality of work. The following shows where fault was found in complaints that were upheld and the founded aspects of those complaints partially upheld and reflected the established trend noted above.

Fig 5.4. Complaint Outcomes- Partially and Fully Upheld (2021-22)



- **Delays & Timeliness-** Most complaints relating to timeliness have been Upheld. This category relates to the time taken to carry out a service. The Council always seeks to avoid delays in service delivery however as many of the services we undertake are demand led, this is not always possible. Although each service would seek to prioritise more urgent areas or ensure the most urgent cases and people with the highest levels of need are prioritised, this can understandably still be dissatisfying for members of the public whose concerns are not prioritised.
- **Communication-** A high number of complaints due to lack of communication have been Upheld or Partially Upheld. These are generally between officers, teams or departments within the Council. Where it is established, the council accepts fault and both acknowledge and apologise for any inconvenience caused.
- **Quality-** These complaints relate to services provided directly by Council staff or relate to the quality or conduct of staff employed by service partners. Quality issues within any area services are addressed through the relevant line managements. Quality issues with provider services are addressed through the Council’s contract management procedures.

6. LEARNING FROM COMPLAINTS

Slough Borough Council welcome and recognise the importance of complaints and all customer feedback. Learning from the complaints we have received provides us with an opportunity to ensure that improvements are made.

We seek to capture lessons learnt from complaints which are partially or fully upheld. Any learning or training needs identified are followed through with relevant actions to be

implemented to prevent further occurrences. Below are some identified themes, where learning was drawn.

Table 5. Identified themes from learning.

	Theme	Actions
People	Issues relating to the behaviour or conduct of a member of staff	Formal reflections completed with staff, conducted additional training where a need was identified. Provided staff with reminders both individually and in team meetings, Reminded staff of Standard Operation Procedures (SOP) and expectations when communicating with members of the public.
Procedures	Changes to current procedures and working practice as a preventative measure	Changed working practice, Amended procedures, Cultural changes made (see next section; What have we Learnt below)
Process and Performance	Issues relating to performance and processes	Accepted/Acknowledged when fault was found with any of our processes and remedial steps taken to ensure that this isn't repeated, with an established learning shared departmentally. Monetary compensation in some instances where multiple failings were noted.
Provider	Work with providers/ partners to review working practices, policies and contract compliance where applicable	Reported findings to providers (e.g. Enforcement Agents, Care Providers), reminded them of expected SOPs Improvement to Contract management through increased communication and engagement, (Osbornes)

WHAT HAVE WE LEARNT?

Some specific examples of these learnings in action as it pertains to individual departments are listed below;

Osbornes- As a result of the high number of complaints received within this area, it was noted that there were concerns around staff capacity. This has resulted in steps being taken by Osbornes to improve complaint response through the hiring of 2 additional complaint handlers as well as a specific multi-skilled operative to respond to complaints quicker. The Key Performance Indicators measure has been review with new targets aimed to measure quicker responses. The team have also implemented weekly team meetings to discuss outstanding cases, and have feedback issues from all complaints through operative tool box talk sessions.

Revenues & Benefits - Where administrative delays were established, fault was acknowledged and the teams reminded of the need to ensure issues are fully investigated and resolved when identified and to escalate these, where unable to resolve individually.

In instances where complaints were raised as result of enforcement actions, these were investigated and if there was any doubt or an established fault, steps were taken to remind them of their responsibilities to ensure that standard operating procedures are complied with.

There has been a change of culture in relation to how we view debt recovery within council tax, with staff being encouraged to improve the customer journey through engagement and an emphasis on conversations that will result in a win-win scenario outcome.

Environmental Services- Where several complaints were received regarding bins not being correctly replaced, the management created a quick reference refresher training guide referred to as a 'toolbox talk' which included - good and bad examples that can be referred to in the course of completing their work.

Customer Services – Having received complaints regarding the premature closure of enquiries reported, it was established that an incorrect status was being used on Jadu CRM (Customer Relationship Management). The system was updated to include a new status that could be used in instances where a query was being passed to a new department and a script communicated to staff that can be used to inform residents of the next course of action which will be taken.

Several departments (Highways, Transport, Customer Services, and Environmental Services) were suffering from a lack of capacity and greater effort has been made to increase resourcing through recruitment. They also sought to place a greater effort on transparency in communication and managing resident expectations in their interactions with residents. This has meant that these key departments had to be clear on the significance of resource prioritisation in addressing the most problematic areas or concerns.

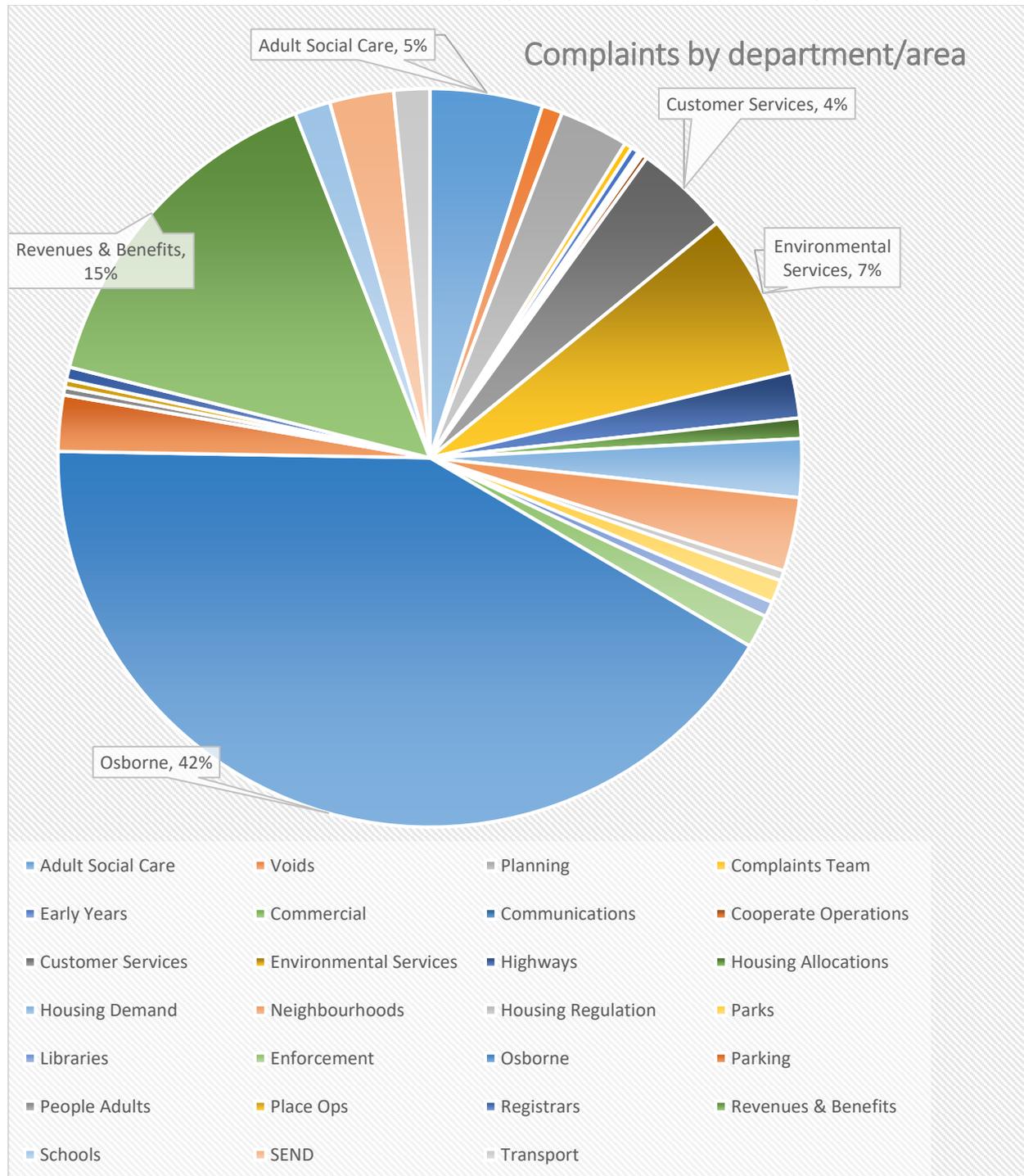
As a result of the learnings, departments are looking at the way forward and how they can improve or do better to engage and resolve concerns promptly. As an example, the Planning department has advised that they are considering changes to the way they communicate, which will include updating the website with more information to allow for a greater level of automation and transparency to the planning process.

7. CONCLUSION

It is of note that there is an increased focus in respect of the provision of public services. Whilst we strive to bring down the dissatisfaction with services being delivered, the increase provides additional data from which we are able to learn and improve as an organisation. As a result of the figures, and as mentioned earlier in this report, it is vital that a renewed focus be placed on early resolution of concerns. Whilst historically not included within reports an area currently being monitored is timescales in responding to complaints being met. This has not been an area of concern previously as compliance rates have been extremely positive. However, with difficulties faced this year, this compliance has seen a steady decline and is being monitored closely, with a drive to improve this figure. Currently this data is being shared with relevant heads of service in order to achieve this. Should this area continue to see a decline in figures information will be provided in future reporting, given this is an area where the LGSCO or Housing Ombudsman are able to find fault with the council.

APPENDIX

APPENDIX A- COMPLAINTS BY AREA/DEPARTMENT (1ST APRIL 2021- 31ST MARCH 22)





SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

For the Audit and Corporate Governance
Committee meeting on 28 September 2022

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.

1 KEY MESSAGES

The revised internal audit plan for 2021/22 was approved by the Audit and Corporate Governance Committee (ACGC) at the July 2021 meeting. The 2022/23 draft internal audit plan was discussed at the March 2022 ACGC and it was agreed that some further amendments to that plan would be agreed with the Director of Finance. These discussions were held immediately after the March meeting, amendments agreed and the revised 2022/23 plan was presented and agreed at the July 2022 ACGC meeting.

This section provides an update on the key messages relating to the progress of the 2020/21, 2021/22 and 2022/23 plans.



2020/21 Internal Audit Plan

The final report from the 2021/22 plan (Quarter 4 follow up) has been issued as final. This resulted in a 'poor progress' opinion being issued in May 2021. We note five of the seven outstanding actions are now listed as 'closed' on the Councils internal audit action tracker. [\[To note\]](#)

2021/22 Internal Audit Plan

We have issued a further nine final reports since the July 2022 Audit and Corporate Governance Committee meeting. Of these, four have resulted in a 'Partial' (negative) assurance opinion, one was a follow up resulting in a 'Reasonable' (positive) assurance opinion, one was a follow up resulting in a 'Poor' (negative) assurance opinion, and the remaining three were Advisory reports. A number of these final reports have impacted and contributed to our negative 2021/22 year end opinion that was presented at the July meeting. Further details on these reports are documented below at Appendix A. [\[To note\]](#)

Six reports from 2021/22 remain in draft and we are waiting for management responses before they are finalised.



2022/23 Internal Audit Plan

The 2022/23 Internal Audit Plan is underway with four reviews currently issued in draft. We are waiting for management responses to these before they are finalised and presented to the Committee – although we appreciate management has been working to finalise the 2021/22 reports ahead of these. Six further reviews are currently in progress. [\[To note\]](#)

2021/22 Head of Internal Audit Opinion



We advised the Committee at the March 2022 meeting that we would be issuing a negative Head of Internal Audit opinion for 2021/22, and the Internal Audit Annual Report including the Head of Internal Audit Opinion was presented to the July 2022 meeting in draft. We have issued a number of additional reports in draft with negative opinions where we have found weaknesses to still be present and these impacted our opinion. We have provided further updates to the S151 officer and monitoring Officer at our regular meetings. The 2021/22 final opinion will be on the agenda at the December meeting when all 2021/22 reports have been issued in final. [\[To note\]](#)

The Committee will need to continue carefully monitor the progress made by Officers to implement the management actions agreed from the 2021/22 and previous years Internal Audit reviews. [\[To note\]](#)



2 INTRODUCTION

This report provides a summary update on progress against the remaining audits from the 2020/21 internal audit plan and progress against the 2021/22 and 2022/23 plans. The report is based on the position as at the 14th September 2022.

2020/21 Internal Audit Plan

Since the last audit committee in July 2022, the final report relating to the 2020/21 audit plan has been finalised:

- Follow Up Q4 – Little Progress

2021/22 Internal Audit Plan

The Internal Audit Plan for 2021/22 was approved by the Audit and Corporate Governance Committee on 29th July 2021. Since the last update provided in July 2022, the following nine reports have been finalised:

- Payroll – Partial
- Leasehold Service Charges – Partial
- Business Rates – Partial
- Slough Children First – Governance – Advisory
- Slough Children First – Value for Money – Advisory
- Follow Up of Previous Management Actions Quarter 4 – Reasonable Progress
- RMI Contract Management – Osborne – Partial
- Follow Up of Previous Management Actions Quarter 2 – Poor Progress
- IDEA – Supplier Duplicate Payments – Phase 2 - Advisory

In addition, we have issued the following six reports in draft from the Internal Audit Plan for 2021/22. It should be noted that these reviews are still in draft and are with management for comment:

- Assets – Issued 31 January 2022
- Follow Up of Previous Management Actions Quarter 3 – Issued 7 March 2022
- Schools Audit – Priory School – Issued 24 March 2022
- Health and Safety – Issued 28 April 2022
- Matrix – Management of Agency Staff – Issued 28 April 2022
- Capital Projects – Britwell Expansion – Issued 13 May 2022

2022/23 Internal Audit Plan

The Internal Audit Plan for 2022/23 was presented to the Audit and Corporate Governance Committee initially on the 1st March 2022, and a revised plan was subsequently approved on the 28th July 2022.



Since the last update provided in July 2022, the following four reports have been issued in draft. These reviews are still in draft and are with management for comment:

- Governance – Council Subsidiary Companies – Issued 20 July 2022
- Medium Term Financial Strategy – Issued 23 August 2022
- Budget Setting and Budgetary Control – Issued 26 August 2022
- Workforce Recruitment and Retention – Issued 1 September 2022

A further six reviews have fieldwork in progress. No final reports have been issued for 2022/23.

3 OTHER MATTERS

3.1 Changes to the plan

The following changes were agreed since the last meeting:

Note	Auditable area	Reason for change
1	Leavers Processes	Extra piece of work requested by the commissioners in August 2022. Work commenced end of August and is ongoing.
2	Multiple Audits	We have at the request of various officers within the Council, pushed back the timing of some audits, to aid the Council in dealing with the impacts of the S114 notice and the restructure.

Page 131

3.2 Impact of findings to date on the 2022/23 year end opinion

The Committee should note that the assurances given in our audit assignments are included within our Annual Assurance Report. In particular, the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion (this includes follow up reviews, assurance opinions and advisory reviews with any significant weaknesses).

The Committee will recall our overall negative opinions issued in 2020/21 and 2021/22, including a substantial number of individual negative opinions which are due to be re-audited in 2022/23. We have not issued any 2022/23 final reports to date. We will provide further updates to the S151 officer at our monthly meetings and provide a further update to the Committee in future meetings as more reports are issued and finalised.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams. The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.



External reviews of quality

One of the key measures of quality is an independent third-party assessment and, as a firm we are required to conform to the requirements of the International Professional Practices Framework (IPPF) published by the Global IIA. Under the Standards, internal audit services are required to have an external quality assessment (EQA) every five years. The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements.

The external review concluded that RSM 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

APPENDIX A - KEY FINDINGS FROM FINALISED 2021/22 INTERNAL AUDIT REPORTS

Detailed below are the High and Medium Priority Management Actions from negative opinion reports i.e. **Partial or Minimal Assurance reports** (or **Poor or Little progress** for follow up reports) and any **advisory reviews where significant issues were identified** (in the exception format previously agreed by the Committee):

<p>Leasehold Service Charges (36.21/22)</p>		<p>0 High 5 Medium 2 Low</p>
<p>Conclusion</p> <p>Our review identified that the Council had controls in place in relation to the calculation of estimated and actual costs, with information on service charges made available to leaseholders through the Council's website. Our review also identified accurate input of information between various sets of working papers in the development of the master spreadsheets for the 2020/21 actual service charge costs and 2022/23 estimates.</p> <p>However, we identified a number of issues resulting in the agreement of five 'medium' priority management actions. These include the update and development of relevant procedural documentation in light of significant changes around the delivery of the function, costs relating to grounds maintenance and management fees not being supported by verifiable data, the absence of mechanisms to ensure all costs incurred are charged as appropriate, potential losses through the lack of section 20 notices being issued to leaseholders and the absence of specific reporting around the recovery of service charges.</p> <p>The Council are also subject to continuity associated risks where the function is administered by a single individual (Project Manager) whilst there is an absence of comprehensive procedural guidance.</p>		
<p>Procedural Guidance</p> <p> We identified that the procedural guidance in place has not been updated since the date of our previous review. Owing to changes in the processes undertaken when calculating estimates and actual costs following the Leaseholder Services Team having been disbanded, the current procedural guidance is not reflective of current practice.</p> <p>Failure to periodically review procedural documentation can result in processes / responsibilities not being reflective of current practice. Where this is the case, it can result in inconsistent practices being adopted. This risk is further exacerbated where the previous Leasehold Service Team has disbanded, and the current process is completed by a single individual. This thereby presents a continuity threat to processes should the Project Manager leave. (Medium)</p>		

Source Data – Management Fees and Ground Maintenance

We identified that management fees recharged to leaseholders were not based on actual costs for the previous financial year (ie 2020/21), rather the 2019/20 actual costs. Similarly, we identified that ground maintenance charged as part of the annual 'actual' billing process were not based on actual costs from the previous year, rather block costs allocated in 2015/16, which have been uplifted in 2017/18 by 3.4% and then rolled over for subsequent years. As such, actual costs relating to management fees and ground maintenance have not been allocated, rather estimates.



Discussion with the Project Manager identified that a project to re-map all HRA blocks and land to ensure the accurate allocation of rates for various levels of service is ongoing, with this task being delayed to due to resourcing issues. As such, actual costs relating to ground maintenance for the September 2021 billing were also based on estimates, rather than actual costs incurred.

Whilst the Council have identified the above issue, if service charges are not supported by actual costs incurred, there is a risk that the Council are unable to supply tenants with justifiable reasoning to support the calculation of service charges. **(Medium)**

Reconciliation



Discussion with the Revenues Team Leader identified that there is currently no reconciliation performed between total costs incurred relating to leaseholders and total amount billed. As such, the Revenues Team are unable to assure themselves that all costs incurred are expected to be recovered. In the absence of any reconciliation performed, there is a risk that omitted costs incurred which can be recharged to the leaseholder may not be identified which may result in all income due not being received. This issue was identified in the previous audit but not addressed and we have therefore restated the action. **(Medium)**

Capital Recharges



Where capital works are undertaken, the Council are required to issue a section 20 notice to leaseholders to establish the cause of the work. Where these notices are issued, the work itself is capped to a maximum of £100 per leaseholder per year for a long-term contract, or £250 per leaseholder for work to the building. We were however advised by the Project Manager that section 20 notices have not been consistently issued since September 2021, due to the officer responsible for issuing notices having left the Council.

If costs associated with major works are not recharged to the leaseholder, there is a risk that these costs are not being recovered, this could lead to financial losses where costs incurred are not recouped. This could also present a reputational risk where leaseholders do not feel they are being adequately consulted before being charged. **(Medium)**

Reporting



As part of the 2020/21 Leasehold Service Charges audit we identified that there was no specific reporting around levels of recovery in relation to service charges. At the date of this audit, we identified that this is still the case. Failure to report and monitor recovery levels of service charges increases the risk that issues in relation to recovery are not identified and remedied in a timely manner. **(Medium)**

1	The procedures relating to calculating estimated and actual leasehold charges will be updated to reflect the current corporate structure and current practice, as well as including information around version control, when the document had been last reviewed and the date of next review. The procedures will also be updated to establish the apportionment methodologies applied for new leaseholders (individuals and groups). <i>Management Update August 2022: There is a proposal to put this as part of a Task and Finish Group to Customer & Community Scrutiny Committee to be part of a project to harmonise and refresh service charging processes. That will be in their workplan for 2022/23.</i>	Medium	31 March 2023	Trevor Costello
2	The Council will establish an accurate and reliable means of identifying costs associated with grounds maintenance and management fees.	Medium	31 December 2022	Trevor Costello
3	As part of the annual billing process an exercise will be performed to ensure that all costs incurred relating to leaseholders are billed through service charges	Medium	31 March 2023	Trevor Costello
4	The Council will establish a mechanism to ensure that the section 20 consultation process, including issuance of section 20 notices, is undertaken prior to capital works being started.	Medium	30 September 2022	Trevor Costello / RMI Contract Management Team
5	The Council will agree a means of monitoring levels of service charge recovery. This will include periodic review of recovery levels, with action taken as appropriate to rectify any issues identified.	Medium	31 December 2022	Chris Boylett

Business Rates (25.21/22)		2 High 3 Medium 2 Low
Conclusion <p>Overall, our audit has identified several weaknesses in business rates processes resulting in the agreement of two high and three medium priority actions. Whilst we noted that the Council had retrospectively posted its business rates income in the year to date, we identified discrepancies between income posted to Agresso, Academy, and the Council's cash management system. In addition, whilst we noted that business rates reconciliations were being completed, we noted that work was still ongoing to identify reconciling items due to the previous backlog of unposted business rates income, whilst these were also not subject to independent review and approval. Further issues were identified including vacant properties not being inspected at appropriate frequencies, staff having inappropriate and unrequired levels of access to Academy and the outcomes of the annual review of eligibility for mandatory and discretionary relief not being recorded for all</p>		

properties. We noted that some of the reasons which may have affected the operation of controls in this area including changes in Council staff as a result of the restructure, particularly in the Finance and Revenues and Benefits departments.

We did note that a number of key processes were well designed and complied with on a sample basis, including processes relating to the input of annual billing parameters, the creation and issuing of business rate bills, request and approval of new business rates relief and business rates refunds. We also confirmed that debt chasing was being performed in line with the agreed timetable, and that VOA list adjustments were being processed accurately and in a timely manner. In addition, we noted that the Council had policies in place outlining its approach to providing key business rates reliefs. Furthermore, we confirmed that the Council had calculated updated appeals and irrecoverable debt provisions for business rates for its 2018/19 accounts, as well as calculating or establishing a provision methodology for 2019/20 and 2020/21, utilising advice received from RatesPlus, an independent specialist. We noted that the method used to calculate the revised losses appeal had taken into account all appeals currently outstanding.

Income Posting



We undertook sample testing of 20 days between 1 July 2021 and 7 January 2022 and noted that business rates income had been retrospectively posted to Agresso in December 2021, to correct the backlog of income. However, through comparison of the amount of business rates income posted to Agresso for each of these days to the amounts posted to Academy for the same day, we identified four instances where the amounts posted to the two systems did not agree, with a total difference of approximately £850,000. We were advised by the team responsible for income posting that this was likely due to retrospective adjustments being made in Academy which they had not been informed of. In addition, we noted that the amount of income posted to these two systems did not match the total business rates income uploaded to the ICON cash management system for any of the days tested, with the income posting team uncertain of the cause of this.

If business rates income posted to these three systems do not reconcile, there is a risk of inaccuracies in the Council's financial data. **(High)**

Agresso to Academy Reconciliations



We confirmed that business rates reconciliations had been performed between Academy and Agresso for September, October and November 2021, with these commenced in a timely manner each month, however, we were advised by the external team supporting the Council with the reconciliations that they required further adjustments to identify reconciling items now that income posting was up to date for business rates. They advised us that this process was ongoing, with unexplained variances collated and provided to the Council to identify the reason for these. As these reconciliations were a work in progress during the audit, we were unable to identify the value of the variances between Academy and Agresso. If the two systems are not reconciled to zero, there is a risk that financial data involving business rates may be inaccurate.

We also noted that these reconciliations had not been independently reviewed or approved. If reconciliations are not subject to independent review, there is a risk that errors or inappropriately completed reconciliations may not be identified. **(High)**

Access to Academy



We selected a sample of 10 users with access to the business rates module on Academy and identified four of these users had access to Academy beyond the level of access required for their role, such as the Benefits Visiting Officer, who had been assigned both 'inspector' and 'billing supervisor' access rights on Academy. We also noted that the Council does not have a process in place to periodically review access to Academy to ensure that

access is restricted to current and appropriate staff. If staff have inappropriate access rights to Academy, this could lead to staff performing key functions which they are not authorised to perform, as well as a potential loss of segregation of duties. **(Medium)**

Annual Review of Reliefs

We confirmed through review of the report of approved continuing reliefs for 2021/22 that Liberata had reviewed properties granted ongoing mandatory or discretionary relief prior to April 2020 to ensure that they still were still eligible, by obtaining written confirmation of eligibility. However, of the 151 properties detailed on this report, we identified 36 properties where the report did not indicate whether the ratepayer had provided confirmation of eligibility, or a response to Liberata’s recommendation regarding whether these reliefs should continue.



Via comparison to a report of current properties receiving mandatory and discretionary relief, we noted that 31 of the 36 properties were receiving relief despite the report not stating if this relief should continue, including seven properties receiving discretionary relief. These 31 properties currently receive total mandatory and discretionary relief of approximately £1.1m , including approximately £138,000 of discretionary relief. As such, there is a risk that the Council may be providing ratepayers with discretionary relief where they are no longer eligible or where this is not recommended by Liberata.

Furthermore, we noted that the report from the 2021/22 review of annual reliefs was only approved in July 2021, four months after the annual billing process for 2021/22 and three months after the first payment of business rates was due. As such there is a risk that ratepayers could continue to receive discretionary relief which the Council no longer wishes to grant. **(Medium)**

Vacant Property Inspections



Through sample testing of ten properties, comprised of nine vacant and one property receiving section 44a relief (for being part vacant), we identified three vacant properties which had not been inspected at least every six months, which is not compliant with the Council’s expectation for properties to be inspected at least every six months. Evidence also could not be provided to demonstrate that the property receiving section 44a relief had been inspected after applying for this relief, and it was unclear whether a process was in place to inspect properties claiming this relief. Furthermore, we noted that spot checks were not being completed to ensure that inspections were being appropriately completed and recorded via Academy.

As such, there is risk that the Council may not identify vacant and part-vacant properties which are not being inspected in a timely manner, and a lack of timely inspections could lead to the Council granting ratepayers relief which they are not eligible for, reducing income received. **(Medium)**

1	<p>The process by which access to the business rates module on Academy is granted to new staff and granted/amended for current staff will be reviewed to ensure that appropriate controls are in place to restrict assigned access levels based on role.</p> <p>In addition, the report of users with access to the business rates module on Academy will be reviewed periodically, to ensure that all users are current staff and that their access level is appropriate for their role.</p>	Medium	30 October 2022	Chris Boylett
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2	<p>The Council will liaise with Liberata to ensure that as part of the annual review of reliefs granted in previous years, it is clearly indicated on the report received by the Council whether each ratepayer provided a response confirming their continued eligibility, and Liberata's recommended action in each case (i.e. whether relief should continue or be cancelled).</p> <p>In addition, the Council will ensure that the report from this annual review is appropriately signed off in a timely manner during the annual billing process, with any deviations from Liberata's recommendations clearly recorded.</p>	Medium	31 January 2023	Chris Boylett
3	<p>We will ensure that vacant properties are being inspected at least twice per year, with a periodic spot check process implemented to ensure that inspection cards are being appropriately completed and properties are being inspected at the expected frequency on a sample basis.</p> <p>Where issues are identified, appropriate action will be taken including providing staff with guidance on how to use the inspection module correctly. In addition, a clear process will be implemented to inspect any properties where section 44a relief has been requested, with this clearly evidenced through Academy.</p>	Medium	31 December 2022	Chris Boylett
4	<p>The Council will continue the ongoing work to reconcile Academy and Agresso for 2021/22 to date, ensuring that all reconciling items are identified and required adjustments are made on both systems.</p> <p>Moving forwards, reconciling items and required adjustments will be identified in a timely manner as part of each monthly reconciliation, with monthly reconciliations subject to independent review and approval to ensure that this is the case.</p>	High	31 October 2022	Ade Adewumi
5	<p>The Council will ensure that business rates income is being posted to the appropriate accounts in a timely manner.</p> <p>The ongoing discrepancies between ICON and the other two systems will be reviewed to identify the reasoning for this, with periodic monitoring implemented as required to ensure that all income from ICON is being reflected in Agresso and Academy.</p> <p>In addition, work will continue to identify any systematic causes of the discrepancies between amounts posted to Agresso and Academy, and to address these appropriately. This will include implementing a process for retrospective changes on Academy to be communicated to the Income Posting Team and for these changes to then be reflected in Agresso.</p>	High	31 October 2022	Ade Adewumi



RMI Contract Management - Osborne (28.21/22)		0 High 5 Medium 7 Low
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Conclusion

Overall, our review has identified a number of weaknesses and improvements required with regards to the arrangements in place to manage the RMI contract and the performance of Osborne. The positive findings relate to the process for reviewing invoices (and so reviewing completed works), emergency and urgent repair work, compliance works/reporting, and operational meetings between the Council and Osborne. However, there were also a number of weaknesses identified.

Specifically, we found that target dates for routine repairs were not being set in line with the expected 20 working day timeframe, whilst also noting that routine repairs were not being completed in a timely manner (based on both the set and expected target dates). We identified that complaints were not being managed in an effective manner, with resolutions often not issued within ten working days as per the contract requirement. The SMB was not meeting quarterly as expected with no meetings since February 2021, and internal reporting requirements had not been agreed.

Page 139

 **Repairs - Routine**

Repairs are completed by Osborne based on the urgency of work required, with timeframes defined within the contract for emergency (24 hours), urgent (3 working days) and routine repairs (20 working days). The RMI contract includes payment deductions based on Osborne’s failure to achieve KPIs (including for repairs), however these were undergoing review at the time of our testing and had not been applied. Using a report from Osborne of repairs completed since August 2021, we identified that that the target completion dates set for 31 per cent of routine repairs were not within the expected 20 working day timeframe. We were advised by the Asset Programme Manager that it was unclear why this had not been picked up. Without ensuring target dates are set in line with defined timeframes, there is a risk that repairs are not completed in a timely manner and reporting on this may result in inflated positive performance. **(Medium)**

We also identified that whilst emergency and urgent repairs were completed in line with expected timeframes (90-99 per cent of such repairs), 36 per cent of routine repairs had not been completed within 20 working days. Issues with Osborne completing routine repairs were known to the Council, with explanations including staff absences, deferred appointments and material costs reported to the Customer & Community Scrutiny Panel in December 2021. Due to the significant underperformance in this area, there is a need to agree and monitor an improvement plan with Osborne for routine repairs. Without this, there is a risk that issues with such repairs continue, which may increase complaints, leave residents in homes that require repair and have a reputational impact. **(Medium)**

 **Complaints Handling**

Stage one complaints are to be resolved by Osborne within ten working days, and if not are escalated to stage two. Stage two complaints are to be resolved by the Council within ten days of escalation. As part of our review, we identified issues with the logs used to record complaints (inconsistencies across records maintained by the Council, the RMI team and Osborne) and found that complaints were not being resolved in line with expected timeframes (ranging from 50-77 per cent not resolved in a timely manner based on the three sources).

Without a robust process for logging and resolving complaints, there is a risk that these are not being managed effectively. This may lead to reputational damage or further escalation to the Housing Ombudsman. **(Medium)**

Strategic Management Board



The SMB had not meet since February 2021 at the time of our review, with an attempt to resume these meetings in March 2022 cancelled. We were advised by the Contract Governance & Service Monitoring Officer that the meetings had been impacted by the Council restructure and absence/departure of both Council and Osborne staff. There is a risk that without these meetings strategic issues and outcomes relating to the RMI contract are not suitably discussed and agreed. **(Medium)**

Internal RMI Contract Reporting



There are no formal reporting arrangements relating to the RMI contract internally within the Council. We noted that an update was presented to the Customer & Community Scrutiny Panel in December 2021, with plans to provide a further update in April 2022, however there had been no arrangements agreed for this to become formal reporting. The lack of internal reporting (and as such review and scrutiny) was in part caused by the Council's restructure. Without internal reporting, there is a risk that contract performance is suitably scrutinised, which may have financial and reputational impacts. **(Medium)**

1	The Council will implement a checking mechanism to confirm repair target dates set by Osborne align to the timeframes defined within the RMI contract.	Medium	2 June 2022	Ian Stone
2	The Council will request that Osborne develop an improvement plan for clearing the backlog of routine repairs and ensuring these are completed in a timely manner going forward. Progress against this plan will be reported and monitored at the OMB (or a relevant sub-group).	Medium	30 September 2022	Ian Stone
3	Consideration will be given for how best to revise the complaints handling process for cases relating to the RMI contract. This may include regular trend analysis of received complaints to identify specific areas for improvement, amending the timeframes for resolutions, issuing automatic acknowledgements or considering the roles/responsibilities of SBC and Osborne in the process.	Medium	30 September 2022	Vikki Swan
4	Invitations will be sent to save dates/times for all quarterly Strategic Management Board meetings for 2022. For future years, invitations for all meetings will be sent at the beginning of the year to ensure staff are aware of dates/times.	Medium	30 June 2022	Vikki Swan
5	The internal governance arrangements for the reporting of RMI contract performance will be agreed and include an appropriate level of scrutiny.	Medium	2 June 2022	Ian Stone



Payroll (12.21/22)		<p>1 High</p> <p>3 Medium</p> <p>3 Low</p>
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Conclusion

Overall, our audit has identified a number of weaknesses with the controls linked to payroll functions. It should be noted that a number of the processes used by the Payroll team were found to be well designed and operating effectively, including the guidance within the payroll manual, system access (a previous issue), payment run processing and inputting of payroll rates. Sample testing also confirmed that suitable controls were in place and complied with for staff leavers, payroll amendments and voluntary deductions.

However, we found that issues with regards to raising invoices by line managers for payroll overpayments and supporting evidence had not been consistently submitted on Agresso with expense claims. Furthermore, reconciliations were not being reviewed by a member of the finance team and regular meetings were not always occurring with budget holders to review, amongst other areas, payroll information in relation to staff in post and associated costs. This was evidenced by a recent overpayment (£6k), where a line manager did not recognise a staff member was being fully paid when on maternity leave. Other issues were also noted relating to the content of the Financial Procedure Rules and the timeliness of notifying the Payroll team of new starters. We have agreed one high, three medium and three low priority management actions that have informed our opinion.

Page 141



Temporary Variations - Expenses

In line with the Council's Financial Procedure Rules and Reimbursement of Travel and Expenses Scheme, receipts should be provided with claims and reviewed by manager's when approving. Expense claims and associated receipts are submitted via the self-service function on Agresso for approval by managers. Three of our sample of ten temporary variations were expenses claims and we selected an additional five claims for testing (total of eight). Through review of Agresso workflows, we were unable to confirm appropriate supporting evidence had been submitted on Agresso with the claims in four instances, totalling £994.08. We contacted the claimants and approvers and were provided the correct supporting evidence in three instances. It was unclear why this evidence had not been submitted with the approved claims.

For the remaining claim, the approving manager informed us that receipts had not been submitted at the time as the claimant was unaware of how to download these from the retailer (for an online purchase). We were provided with the receipts and identified that these did not amount to the £176.36 claim. Further investigation found the claim was made up of two lines, one of which had been duplicated resulting in an overpayment of £62.30. The Council cannot be assured that expenses are appropriate where receipts are not submitted and checked by approvers. **(Medium)**



Overpayments – Invoices and Recovery

Overpayments are recorded within the Adjustment Register, with methods of recovery including payroll deductions (for current staff) and invoicing (for former staff). There had been three overpayments made since April 2021 (totalling £9,643), one to a current staff member which we confirmed was

being recovered through monthly payroll deductions. The remaining two overpayments were to former staff members and we confirmed that the Payroll team had requested line managers/accountants to raise invoices. However, a review of the Agresso system found this had not occurred.

Whilst both invoices were raised during our review (when we highlighted the issue), we noted that there was currently no checking process in place to ensure these requests had been actioned. Without ensuring checks are completed to ensure invoices for payroll overpayments are raised, there is a risk that overpayments may not be recovered. **(Medium)**

Payroll Budget Information Monitoring



Payroll information (including staff paid and payment amounts) is included within the budget monitoring reports, prepared by Group Accountants and discussed with budget holders on a monthly basis. For a sample of five budget holders, we found that monthly budget monitoring meetings were not always occurring, with one budget holder having one meeting in the past three months and another having none since March 2020. Without regular budget monitoring of payroll expenditure, inaccuracies may not be identified and resolved. This was evidenced by a recent overpayment (£6,009.91), where a line manager did not recognise a staff member was being fully paid when on maternity leave. **(High)**

Payroll Reconciliations



The Reconciliations Officer prepares a monthly payroll reconciliation, using trial balance figures to reconcile payroll payment runs. We confirmed that reconciliations had been prepared for the most recent three months (June to August 2021). However, we noted that these had not been reviewed, checked and approved by a suitable member of the Finance team. We were informed that the former Group Accountant (Financial Reporting) had previously resolved queries and made adjustments to the reconciliations, however this responsibility had not been reassigned following their departure, partly as it was unclear how these were used/updated. It was highlighted that the Group Accountant had used the reconciliations to open/close accounts, move historic balances, reallocate pension monies and complete journal write offs, however these had not happened for the sample reviewed. Without complete reconciliations, there is a risk payroll errors and discrepancies are not identified and therefore not resolved. **(Medium)**

1	<p>The Agresso system will be set up to require the following:</p> <ul style="list-style-type: none"> • Receipts to be submitted with all claims; • Managers to confirm the claim amount when approving (separately input this based on review of receipts). 	Medium	31 January 2022	Surjit Nagra
2	<p>The Payroll team will include the Revenues and Accounts Receivable Team in emails sent to line managers requesting invoices to be raised for overpayments.</p> <p>The Revenues and Accounts Receivable Team will check to ensure invoices are raised and paid as appropriate. Line managers will be reminded of their responsibilities to raise invoices for overpayments in a timely manner as it is this failure that has caused the control weakness</p>	Medium	31 August 2022	Nicky Dear (Payroll) / Jasvinder Dalvair (Accounts Receivable)/ Line Managers
3	<p>The Council will agree its approach towards budget monitoring reports/meetings, ensuring budget holders are afforded the opportunity to regularly scrutinise expenditure (including salaries). Where regular budget reports are not being received and meetings taking place, budget holders will raise this with their accountants.</p>	High	Monthly	Finance Business Partners

	<i>Management update July 2022 - Following the recruitment of a number of Finance Business Partners and supporting staff during q1 2022/23 the approach to budget monitoring and review has been strengthened to respond to this recommendation.</i>			
4	The Council will designate an appropriate member of the Finance team to review and approve the monthly payroll reconciliations. This will involve retrospectively approving those reconciliations prepared but not yet reviewed following the departure of the Group Accountant (Financial Reporting).	Medium	30 September 2022	Liton Rahman

Follow Up of Previous Management Actions – Quarter 2	Poor Progress	5 High 3 Medium 0 Low
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Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion Slough Borough Council has demonstrated **poor progress** in implementing the agreed management actions.

All of our sampled actions were recorded as closed by SBC on 4 action, although our review has found only three actions (23 per cent of all actions covered) have been fully implemented. We found that at the time of our review one action had been superseded as the Council had gone 'cashless', with a further 9 actions (69 per cent) had not been completed, with 3/9 of these (23 per cent) not implemented, and 6/9 of these (46 per cent) still in the process of being implemented.

These findings reflect issues around the action tracking process, with actions being closed prematurely without evidence and appropriate confirmation that the risk has been addressed. We note that due to restructuring and changes in the relevant teams there have been ownership issues which explain some of the incorrect closures.

1	The contents within the Money Laundering presentation training will be added to Cornerstone. All new starters, and those who have not yet completed the training, within the following departments will be required to undertake the training: <ul style="list-style-type: none"> • Finance; • Recycling department; • Licensing department; and • Registrars. 	Medium	31 January 2022	Hansa Benawra – Financial Investigator
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2	<p>As part of the overarching review of the reporting arrangements of the Council's commercial subsidiaries, the Council will consider the reporting requirements expected of James Elliman Homes.</p> <p>Management response August 2022:</p> <p><i>Towards the end of 2021, a review of the JEH reporting was undertaken, and the capability of Board members was assessed. As a result of this, new directors were put in post and it was agreed that Board meetings would take place monthly rather than quarterly whilst the operational changes are embedded. This has been in place since January 2022. There is now SBC oversight via a Treasury Commercial/Financial Director, including attendance at Board meetings.</i></p> <p><i>At each Board meeting, detailed financial information is presented, including monthly management accounts and year to date rental income vs budget. Any financial issues are highlighted in the accompanying Finance Report and discussed at the Board meeting. The Board has also requested a range of operational information on a per-property basis – previously reported at a ward level – including rental gross income, actual income, arrears, tenancy type etc with an operational report highlighting any key variances and issues. Financial reporting and information will continue to evolve as the Board matures and the business issues change.</i></p> <p><i>In addition, all subsidiary companies, including JEH, fed into the 2022/23 Budget Report in terms of 2022/23 budgets and risks and issues.</i></p> <p><i>There will be ongoing annual reporting via the relevant committees.</i></p> <p>As this information was provided post review we have not undertaken testing to confirm compliance.</p>	High	Complete	Carmel Booth
3	<p>The ASB Enforcement & Transition Lead will produce monthly reports to monitor the timeliness of responses to cases on the Flare system, with the required response time noted depending on case categorisation.</p> <p>Any noncompliance with the required timeframes will be investigated and reasons documented.</p>	High	30 September 2021	Michelle Isabelle – ASB Enforcement Lead
4	<p>A clear control framework will be put in place to ensure that, in line with government guidance, income received from the serving of fixed penalty notices is spent on related functions.</p>	High	30 September 2021	Linda Corcoran – Resilience Lead
5	<p>The council will develop a formal process to systematically track income due through to collection, receipting and banking.</p> <p>This will include guidance for undertaking regular, formal reconciliations between income received and records maintained.</p>	High	30 September 2021	Linda Corcoran – Resilience Lead

6	<p>The Voids policy will be updated to reflect current practice, including the changes as a result of moving to Osborne Property Services, COVID-19 changes and Void Coordinator roles with regards to void inspections.</p> <p>The Council will develop a framework for approving and reviewing all Neighbourhood Services policies and procedures. Once developed the relevant policies and procedures will be appropriately approved including:</p> <ul style="list-style-type: none"> • Neighbourhood Services Void Property Management Policy. • Rechargeable Repairs Policy and Procedures. 	Medium	30 September 2021 / Complete	Liz Jones – Neighbourhood Manager
7	<p>The Council will update the Recharges Policy and Procedure document to reflect current practice. The document will then be formally approved by an agreed authority.</p> <p>Once approved, the document will be reviewed on an annual basis.</p>	Medium	30 September 2021	Liz Jones – Neighbourhood Manager
8	<p>The voids procedure factsheets will be reviewed, amended and updated and will include the following:</p> <ul style="list-style-type: none"> • Reviewed and formally signed off on periodic basis. <p>Version control.</p>	High	30 September 2021 / Complete	Liz Jones – Neighbourhood Manager

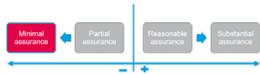


IDEA – Supplier Duplicate Payments – Phase 2	Advisory	NA
<p>Conclusion</p> <p>Based on the findings from the Supplier Duplicate Payments - Phase 1 review, we selected judgemental samples and investigated to ascertain whether there was a strong likelihood these were likely to be genuine duplicate payments. Investigations included reviewing monetary and supplier transactions on the Agresso system in collaboration with the P2P Team to determine whether there was evidence of corrections (credit notes, reversals or refunded amounts).</p> <p>Based on our investigations in this part 2 review, we have identified a total of 77 payments (based on 152 individual transactions), valued at £194,024 where there is a ‘strong likelihood’ duplicate payments have been made by the Council.</p> <p>As such, there is a total value of £388,491 identified across both reviews (Phase 1 and 2) where there is a strong likelihood of duplicate payments.</p> <p>Given the possibility that duplicate payments may have been returned by suppliers outside of the Agresso accounts payable system (payments not journaled to accounts payable and creditors control accounts), we have not been able to confirm that these are definitive duplicate payments.</p> <p>A further eight of our sample of potential duplicate payments could not be fully investigated given that supporting documents on Agresso (such as invoices) were limited. The total value of these eight payments was £21,654.</p> <p>The management actions from the Phase 1 review have been extended to cover the likely duplicate payments identified within this review.</p> <p>We have not included the detail of the weaknesses due to the sensitive nature of this work, but this has been shared internally with relevant Council staff.</p>		

APPENDIX B - SUMMARY OF PROGRESS TO DATE

The table below provides a status update on the summary of progress with the 2021/22 internal audit plan to date. Those seven reports finalised since the last meeting are shown in bold.

2021/22 Internal Audit Plan

Assignment area	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
					L	M	H
IT Business Continuity	Final Report	15 July 2021	17 September 2021	Advisory (significant weaknesses)	2	6	1
General Ledger	Final Report	23 November 2021	5 January 2022		1	4	6
Business Continuity and Disaster Recovery	Final Report	8 September 2021	22 October 2021		3	7	1
Children Missing Education (CME)	Final Report	1 July 2021	25 August 2021		3	5	3
Debtors Management	Final Report	11 January 2022	1 February 2022		3	5	4
Follow Up Q1	Final Report	8 September 2021	20 January 2022	Little Progress	7	2	0

Council Tax	Final Report	10 November 2021	16 December 2021		4	1	3
Rent Arrears Recovery	Final Report	14 July 2021	10 August 2021		5	3	0
School Reviews - Pippins	Final Report	23 July 2021	8 October 2021		8	6	0
Rent Accounts	Final Report	8 December 2021	21 December 2021		6	2	2
Whistleblowing	Final Report	16 November 2021	10 December 2021		2	3	1
School Reviews - Cippenham	Final Report	5 July 2021	20 August 2021		3	1	0
Schools Review – Claycots School	Final Report	29 September 2021	20 October 2021		3	3	0
Housing Benefit	Final Report	19 November 2021	16 December 2021		3	2	0



Travel Demand Management Grant	Final Report	14 May 2021	14 May 2021	Advisory	0	1	0
Follow Up Q2	Final Report	24 September 2021	12 September 2022	Poor Progress	0	3	5
Supplier Duplicate Payments - (Part 1)	Final Report	9 November 2021	5 April 2022	Advisory (Significant Weaknesses)	0	0	2
Payroll	Final Report	10 November 2021	2 August 2022		3	3	1
Risk Management	Final Report	11 January 2022	5 July 2022		3	6	2
Temporary Accommodation Strategy	Final Report	18 January 2022	16 March 2022		3	7	7
Creditors	Final Report	18 January 2022	18 July 2022		3	9	3
Assets	Draft Report	31 January 2022					
Capital Expenditure	Final Report	15 February 2022	17 May 2022		3	7	2
GDPR	Final Report	15 February 2022	25 April 2022	Advisory (significant weaknesses)	1	12	3

Business Rates	Final Report	21 February 2022	23 August 2022		2	3	2
Follow Up Q3	Draft Report	7 March 2022					
Supplier Duplicate Payments - (Part 2)	Final Report	3 May 2022	14 September 2022	Advisory	0	0	0
Cyber Essentials	Final Report	12 April 2022	18 July 2022	Advisory (significant weaknesses)	1	15	4
Schools Audit – Priory	Draft Report	24 March 2022					
Matrix	Draft Report	28 April 2022					
RMI Contract Management	Final Report	11 April 2022	5 September 2022		7	5	0
Leasehold Service Charges	Final Report	18 May 2022	8 August 2022		2	5	0
Slough Children First – Governance	Final Report	16 May 2022	5 September 2022	Advisory (significant weaknesses)	6	3	0
Corporate Health and Safety	Draft Report	28 April 2022					
Follow Up Q4	Final Report	12 May 2022	5 September 2022	Reasonable Progress	2	1	0

Capital Projects – Britwell GP Hub	Draft Report	13 May 2022						
Treasury Management	Defer to 22/23	NA	NA	NA	NA	NA	NA	NA
Slough Children First – VFM	Final Report	14 June 2022	5 September 2022	Advisory (significant weaknesses)	1	5	0	
Subsidiary Company Governance	Defer to 22/23	NA	NA	NA	NA	NA	NA	NA
Medium Term Financial Planning	Defer to 22/23	NA	NA	NA	NA	NA	NA	NA
Budget Setting and Control	Defer to 22/23	NA	NA	NA	NA	NA	NA	NA
Our Futures	Replaced with Supplier duplicate payments pt 2	NA	NA	NA	NA	NA	NA	NA

The table below provides a status update on the summary of progress with the 2022/23 internal audit plan to date.

2022/23 Internal Audit Plan

Assignment area	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
					L	M	H
Treasury Management	In progress						
Subsidiary Company Governance	Draft Report	20 July 2022					
Medium Term Financial Strategy	Draft Report	23 August 2022					



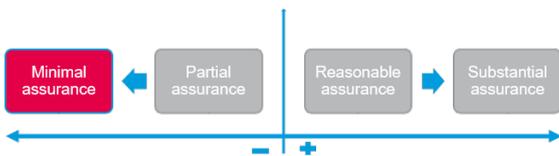
Budget Setting and Control	Draft Report	26 August 2022
Workforce - Recruitment and Retention	Draft Report	1 September 2022
Children Missing Education	In QA	
Adult Social Care Transformation	In progress	
Follow up Q2	In QA	
IT Business Continuity	In progress	
Risk Management	In QA	
Payroll (inc Data Analytics)	In progress	
Rent Accounts	21 September 2022	
Council Tax	26 September 2022	
General Ledger	4 October 2022	
Creditors	14 October 2022	
Temporary Accommodation	25 October 2022	
Housing Benefits	1 November 2022	



Payroll and HR Interface	21 November 2022
Whistleblowing	5 December 2022
Rent Accounts Recovery	12 December 2022
Corporate Health and Safety	3 January 2023
Business Rates	16 January 2023
Debtors	19 January 2023
Capital Expenditure	30 January 2023
Cyber Essentials	1 February 2023
Assets	2 February 2023
Treasury Management	27 February 2023
Follow up Q4	13 March 2023
Strategic Housing Management	16 March 2023
Leavers Processes	In progress

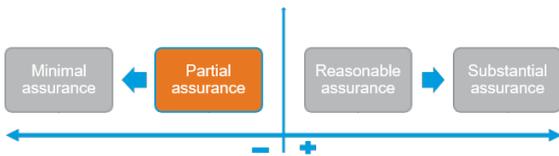
APPENDIX C: ASSURANCE OPINIONS

We are constantly developing and evolving the methods used to provide assurance to our clients. As part of this, we have refreshed our opinion levels in line with the graphics below. We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



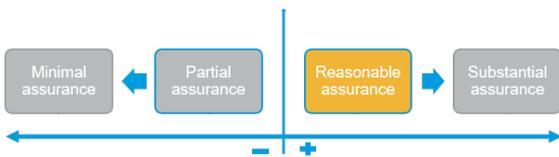
Taking account of the issues identified, the Council can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



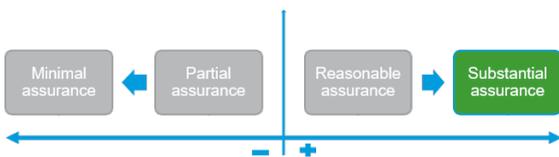
Taking account of the issues identified, the Council can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

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



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

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



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

FOR FURTHER INFORMATION CONTACT

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Slough Borough Council Audit Progress Report and Sector Update

Year ending 31 March 2019

September 2022

Page 157



Contents

Section	Page
Introduction	3
Progress at September 2022	5
Sector Update	7
Value for Money 21/22 Delay Letter	12

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Introduction

Your key Grant Thornton team members are:

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Ginette Beal

Value for Money Lead

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This paper provides the Audit & Corporate Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit & Corporate Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications

<https://www.grantthornton.co.uk/en/services/public-sector-services/>

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Engagement Team



Julie Masci, Key Audit Partner

Julie will have ultimate responsibility for the delivery of your audit service. Specifics of the role include:

- leading our relationship with the Trust, ensuring you have access to Grant Thornton's full service offering,
- being a key contact for the Chief Executive, the Chief Finance Officer, Commissioners and the Audit & Corporate Governance Committee, meeting frequently with key members of management, taking overall responsibility for delivering a high quality audit which meets professional standards, agreeing with you the annual audit plan, and a timetable for delivering the work,
- reviewing the audit file, giving particular focus to any key areas of risk or critical judgements exercised during the audit,
- reviewing and signing off all audit reports,
- attending Audit & Corporate Governance Committee to discuss key issues arising from our work and any recommendations,
- acting as a 'sounding board' on key decisions relevant to our responsibilities as your auditors, and
- sharing good practice identified at other organisations.

Other Members of the Engagement Team

Paul Dossett, Support Partner

Paul will support Julie Masci and the audit team with the financial statement audit and value for money work. Paul brings more than 25 years of local government and public sector experience.



Keith Mungadzi, Senior Manager

Keith will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of clients and engagement lead.

As the key contact he will be responsible for building and maintaining good working relationships with all colleagues and clients.

To support delivery of the testing strategy he will:

- assist the engagement lead in establishing audit objectives and overall scope,
- ensure key matters which arise during the audit which were not identified at the planning stage are properly assessed and dealt with,
- review the work of in-charge auditor and the wider fieldwork team,
- finalise our draft report to management.
- manage, motivate and coach team members, and
- control the audit in relation to timescales, budgets and risk management procedures.

Ginette Beal, Value for Money Lead

Ginette Beal will be the lead contact for the value for money work on the Slough Borough Council audit. She will review the council's arrangements in place for securing value for money. Ginette will liaise with senior council staff, draft progress and value for money reports.



Hal Parke, Assistant Manger

Hal will work as part of the team, leading the on site audit team, providing a service which meets or exceeds client expectations and supports the engagement lead / manager team. Specifics of the role include:

- taking an active part in the audit planning discussions to identify audit risks and appropriate audit strategy,
- communicating any issues relating to the audit with the engagement manager or engagement lead,
- overseeing all aspects of audit fieldwork and completion,
- addressing and discussing queries in respect of technical and audit issues identified during the course of the audit,
- maintaining good working relationships with client staff, and
- delegating work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

Engagement Quality Review Partner (EQCR)

As part of the firm's quality control of the audit, we have an appointed review partner. The independent quality reviewer responsible for evaluating the significant judgements made by the engagement team and related conclusions.

Progress at September 2022

Financial Statements year ended 31st March 2019

In July 2019 we began the process of completing our audit of the Council's 2018/19 financial statements and our review of the value for money arrangements in early 2020. Unfortunately this process did not complete as planned due to a number of significant matters arising from the audit of the financial statements.

Since the 2018/19 Statement of Accounts was initially prepared, errors identified by both the Council's external auditors and the new Finance team have required a substantial re-write of the financial statement accounts.

On 15 June 2022, we received the revised draft financial statements for the period ending 31st March 2019 for audit from the new Finance Team. The revised financial statements included revised accounting policies, disclosures, notes and 16 Prior Period Adjustments (all subject to audit). We commenced the audit of the revised 2018/19 accounts, in early July 2022.

As result of the scale and number of errors, we have had to revisit our risk assessment and planning work for 2018/19. To date we have completed the following :

- Updated our review of the Authority's control environment
- Revisited the suitability of the Council's and Group's materiality thresholds
- Revisited and updated our significant risks of the audit and other risks
- Reviewed and re-assessed the group audit scope and risk assessment, including engaging with component auditors
- Reviewed our cumulative audit knowledge of the council by updating council committee and sub-committee minutes
- Reviewing latest internal audit reports
- Understanding how the Authority makes material estimates for the financial statements
- Engaging with our audit expert for Property Plant and Equipment

Further details of the audit work currently in progress on the 2018/19 accounts at the time of writing this report is detailed on Page 6.

We have re-issued a revised Audit Plan (in agenda papers) for 2018/19. The revised audit plan sets out our proposed approach to the audit of the Council's 2018/19 financial statements. We will report our work in the Audit Findings Report at the conclusion of our audit work.

Subsequent Financial Statements

Management have agreed to complete subsequent draft financial statements for the council under the following timelines

- 31st March 2020 (to be produced by 30 Sept 2022)
- 31st March 2021 (to be produced by 31 December 2022)
- 31st March 2022 (to be produced by 31 March 2023)

Value for Money Update

As a result of the delay in the 2018/19 financial statements and the series of actions that have followed, we have not yet been able to issue our final Value for Money conclusion in relation to the 2018-19 year. Our audit findings report presented to the Council's Audit and Corporate Governance committee on 18 May 2021 proposed an adverse conclusion on our value for money work. Whilst some further work is required to bring this to its final conclusion following the issue of further outcomes from external reviews, our overall proposed conclusion for 2018-19 will remain unchanged.

A planning memorandum was provided to the Audit & Corporate Governance committee on 28th July 2022 which combines the two financial years 2019/20 and 2020/21 including changes to the scope of the value for money work. A letter detailing the delay in concluding the 2021/22 value for money has been included on page 12 of this report.

Certification of claims and returns

We certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). The certification work for the 2020/21 claim was complete on 30 March 2022. The 2021/22 certification work has not commenced yet.

The Council has requested Grant Thornton to certify the Council's annual Teachers' Pensions return in accordance with procedures agreed with Teachers' Pensions for the period ending 2020/21 and 2021/22. This certification work has not commenced and is subject to independence and ethical consideration by our Ethics Function.

The Council has requested Grant Thornton to undertake work to certify the Council's annual Pooling of Housing Capital Receipts return for the following years 2019/20, 2020/21, 2021/22 in accordance with procedures agreed with the Department for Levelling Up, Housing and Communities ("DLUHC"). This certification work has not commenced and is subject to independence and ethical consideration by our Ethics Function.

Meetings

We have on-going regular meetings with the new Finance Team as part of the 2018/19 financial statement audit. As part of the meetings we are in regular discussions regarding emerging developments at the Council and in the local government sector to ensure the audit process is smooth and effective. We also meet with your Commissioners monthly to discuss the Council's strategic priorities and plans.

2018/19 Progress Report

Below is a summary list highlighting the key areas of the 2018/19 audit (at time of writing this progress report) that were either in progress or not yet started as at September 2022.

Area	Description of work	Status
Trial Balance Reconciliation	Requested updated workings to support the revised Comprehensive Income and Expenditure Statement, Balance Sheet Expenditure and Funding Analysis notes, ensuring this information reconciles back to the Trial Balance, and other notes within the financial statements. Reviewing management's updated extended trial balance reconciliation to the original draft version of the accounts financial statements (Big Red Button version of the accounts) and subsequent versions (i.e. May 2021 second version of the draft accounts) and latest revised set of the draft accounts (June 2022 revised restated accounts).	In Progress (under Audit Review)
Opening Balance Reconciliation	Detailed review of the opening balances for the restated 2016/17, 2017/18 and 2018/19 and agreeing these to updated working papers and adjustment journals processed within Agresso and those that were processed incorrectly as part of the closedown process (i.e. as part of the Big Red Button).	In Progress (with Management)
Prior Period Adjustment	Documenting our understanding of the Prior Period Adjustments (errors) identified by the new Finance Team and ensuring these amendments meet the requirements of International Accounting Standard (IAS) 8 and other relevant IAS/International Financial Reporting Standards accounting standards (IFRS). Obtaining and reviewing the supporting evidence for the prior period adjustments.	In Progress (under Audit Review)
Financial Statement Review	Reviewing the presentation and disclosure of the revised financial statements for potential misstatement through error or omission <ul style="list-style-type: none"> Engagement Lead, Manager, Engagement Quality Review Partner review of the financial statements. Financial Reporting Team Technical Review of the revised financial statements. 	In Progress (with Management)
Cash Review	Obtaining an understanding of the council's bank reconciliation processes and controls for the year end 31 March 2019. Understanding the work completed Ernst and Young for the period 2021/22 and the impact of this work on the 2018/19 cash balances. Reviewing the councils cash balance working papers and supporting evidence.	In Progress (with Management)
Re-visiting initial work.	Reviewing the audit work completed by the previous engagement team in the first phase of the audit and where relevant, we will: <ul style="list-style-type: none"> roll forward assurance level obtained were no changes to amounts, disclosures and notes, or undertake further top up testing where this work is insufficient or new substantive testing where no assurance. 	In Progress (with Management)
Group Consolidation	Reviewing the council's group consolidation processes and controls for year end preparation of the Group Accounts Acknowledgement of our group instructions sent to the Group's component auditors.	In Progress (under Audit Review)
Misstatements	Performing substantive testing of the misstatements identified by the new Finance Team and considering the completeness of the adjustments and potential for further unidentified misstatement within the financial statements. Where applicable requested management to demonstrate their assessment of the misstatement.	Not Yet Started

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local
government

Response to local audit consultation – Department for Levelling Up, Housing and Communities (“DLUHC”)

The Department for Levelling Up, Housing and Communities (“DLUHC”) has published its response to the local audit consultation. This follows the “Redmond Review”, which reported in September 2020.

The response confirms plans to establish a new regulator, the Audit Reporting and Governance Authority (ARGA), as the system leader for local audit within a new, simplified local audit framework.

Ahead of ARGA’s establishment, a shadow system leader arrangement will start at the Financial Reporting Council (FRC) from September 2022.

The consultation response also announces:

- Plans to make audit committees compulsory for all councils, with each audit committee required to include at least one independent member. This will create greater transparency and consistency across local bodies.
- ARGA will take over statutory responsibility for preparing and issuing the Code of Audit Practice (from the National Audit Office).
- A post-implementation review of the new Value for Money arrangements. The Code is a key part of the local audit system, and it is important to ensure that it helps to facilitate effective local audit. To allow time for the new arrangements to bed in the response proposes this is completed within three years.

The full response can be found here:

[Government response to local audit framework: technical consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/government-response-to-local-audit-framework-technical-consultation)



Prudential Code and Treasury Management Code – CIPFA

On 20 December CIPFA published the new Prudential Code for Capital Finance in Local Authorities (Prudential Code) and Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (the Treasury Management Code).

CIPFA commented “These two statutory and professional codes are important regulatory elements of the capital finance framework in which local authorities operate. Local authorities are required by regulation to ‘have regard to’ their provisions. These two codes have been published a principles-based consultation from February to April, which was followed by a second consultation on the detailed changes to the code from September to mid-November.

The updated Prudential Code includes some substantive changes. Most notably, the provisions in Code which present the approach to borrowing in advance of need in order to profit from additional sums borrowed have been strengthened. Additionally, the relevant parts of Code have augmented to be clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code. This recognises that commercial activity is part of regeneration but underlines that such transactions do not include debt-for-yield as the primary purpose of the investment or represent an unnecessary risk to public funds.”

The updated Prudential Code removes the "advance of need" terminology and emphasises the legislative basis for borrowing, namely that a local authority can borrow and invest for any legislative function and/or for the prudent management of their financial affairs.

The examples listed in the Code of legitimate prudential borrowing are:

- Financing capital expenditure primarily related to the delivery of a local authority’s functions;
- Temporary management of cash flow within the context of a balanced budget;
- Securing affordability by removing exposure to future interest rate rises; or
- Refinancing current borrowing, including replacing internal borrowing, to manage risk or reflect changing cash flow circumstances.



The Value of Internal Audit – CIPFA

One of the key elements of good governance is an independent and objective internal audit service. Some organisations engage fully and reap significant benefits from the assurance, insight and expertise they bring whilst others pay lip-service to them and see their work as an administrative burden.

CIPFA's recent report, [Internal Audit: Untapped Potential](#), lifts the lid on internal audit in public services. For some chief financial officers and chief executives, this report confirms the value and contribution of internal audit teams with 87% of respondents recognising the contribution internal audit makes to their organisation. However, some leadership teams saw internal audit as providing a basic service at minimal cost.

Getting the most out of the function requires honest conversations and long-term planning. Maintaining appropriate skills and knowledge within the function is necessary to ensure high quality internal audit in public services are retained.

Culture and governance

The Audit Committee should monitor the delivery of internal audit and their output will be a key part of the annual work-plan. However, internal audit is not a substitute for risk management and should enhance the overall assurances received by management. Executives and Officers should engage with internal audit recommendations to ensure the organisation gains maximum value from reviews.

Capacity

Reducing internal audit days can lead to a lack of 'corporate grip' and not identifying issues at an early stage. This report raises concerns over the capacity of internal audit across the public sector. The profession needs to be valued and invested in to make it more attractive to new blood and for bodies to be able to attract the best candidates to their service.

Expectations

To maximise the impact of internal audit, a clear and aligned strategic audit plan and annual audit plan should be in place. This should be agreed with all stakeholders.

Future plans

Internal audit needs to adapt to the changing landscape, including risks such as climate change, digital and technological developments, cyber-security and ongoing financial and service pressures within their planning processes. For financial resilience and medium- and long-term financial strategies internal audit can provide vital independent assurance to decision makers to allow them to take on more risk and be more ambitious. Leadership teams need to be clear on what assurances they will require going forward.

For more information, [Rob Whiteman](#) share his views on this report.



Audit and Risk Assurance Committee effectiveness tool – NAO

The National Audit Office (NAO) has published this tool which supports Audit Committees in assessing their effectiveness.

The NAO comment “Audit and Risk Assurance Committees (ARACs) play a crucial role in supporting the effective governance of central government departments, their agencies and arm’s-length bodies.

ARACs are operating in a highly challenging context. Government organisations are managing many short- and long-term risks and are required to be resilient to a number of pressures. This has created an environment where ARACs need to be dynamic and responsive to the changing risk profiles and demands of their organisations. ARACs can see this as an opportunity to work out how they can most proactively work with the Board and accounting officer.

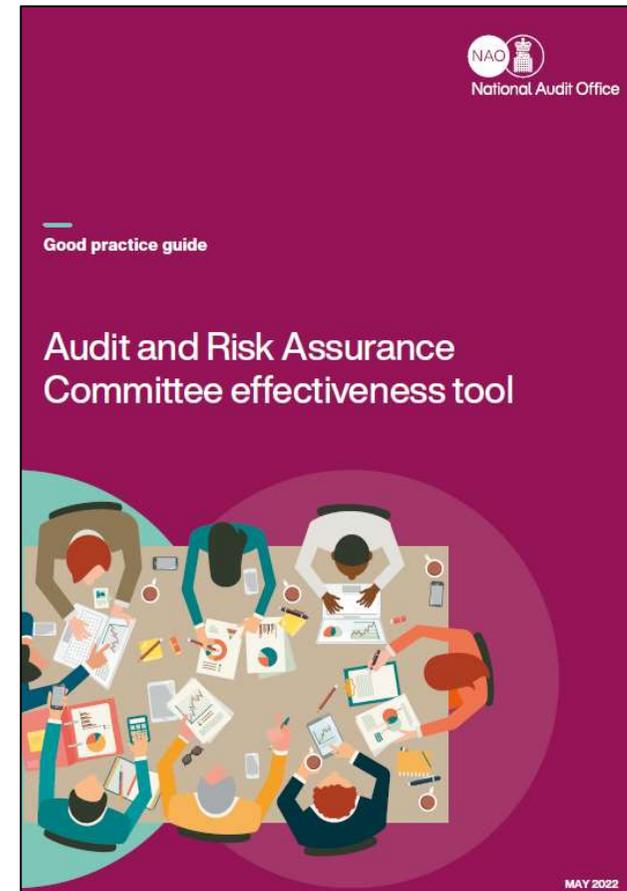
Against this background, the NAO’s effectiveness tool provides a way for ARACs to assess their effectiveness against more than just the basic requirements. It provides aspects of good practice to give ARACs greater confidence and the opportunity to meet the requirements of their role.

The NAO’s effectiveness tool is a comprehensive way for ARACs to assess their effectiveness on a regular basis.”

The tool covers:

- Membership, independence, objectivity and understanding
- Skills and experience
- Roles and responsibilities
- Scope
- Communication and reporting

Although the tool is designed for central government Audit Committees it is also relevant to local government.



The guide can be found here:

[Audit and Risk Assurance Committee effectiveness tool - National Audit Office \(NAO\) Report](#)

Value for Money Extension Letter

Paul Kelly
Chair of Audit & Corporate Governance Committee
Observatory House,
25 Windsor Road
Sough
SL1 2EL

28 September 2022

Dear Paul ,

The original expectation under the approach to VFM arrangements work set out in the 2020 Code of Audit Practice was that auditors would follow an annual cycle of work, with more timely reporting on VFM arrangements, including issuing their commentary on VFM arrangements for local government by 30 September each year at the latest. Unfortunately, due to on-going financial statement audit for 2018/19 including the completion of the value for money work for subsequent audits, including the need to meet regulatory and other professional requirements, we have been unable to complete our work as quickly as would normally be expected. The National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

We now expect to publish our report once we have completed the value for money work for the following years 2018/19, 2019/20 and 2020/21 which we estimate to be completed by March 2023.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours faithfully

Julie Masci
Director



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Audit Plan Slough Borough Council

Year ending 31 March 2019

September 2022



Contents



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Section	Page
Key matters	3
Introduction and headlines	4
Group audit scope and risk assessment	6
Significant risks identified	8
Accounting estimates and related disclosures	14
Other matters	17
Materiality	18
Value for Money Arrangements	19
Risks of significant VFM weaknesses	21
Audit logistics and team	22
Audit fees	23
Independence and non-audit services	24
Digital Audit	25
Appendix 1: Progress against prior year recommendations	27

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Key matters

Factors

2018/19 Financial Statement Audit

In July 2019 we began the process of completing our audit of the Council's 2018/19 financial statements and our review of the value for money arrangements in early 2020. Unfortunately this process did not complete as planned due to a number of significant matters arising from the audit of the financial statements. Since the 2018/19 Statement of Accounts was initially prepared, errors identified by both the Council's external auditors and the new Finance team have required a substantial re-write of the financial statement accounts.

On 15 June 2022, we received the revised draft financial statements for the period ending 31st March 2019 for audit from the new Finance Team. The revised financial statements included 16 Prior Period Adjustments as well amendments to the 2018/19 balances. Grant Thornton and the new Finance Team agreed to commence the audit of the revised accounts in July 2022. We have revisited our original planning and risk assessment based on the revised accounts and updated our audit risks and re-issued our audit plan (significant risks are included in this report pages 8 to 13 of this report).

The new Finance Team have faced significant challenges in retrieving accounting records and working papers from previous officers and reviewing the financial information held within and outside the Council's General Ledger which has increased the complexity and delivery of the audit. This inevitably will impact the conclusion of the 2018/19 audit. Grant Thornton has been in communication on a regular basis with the new Finance Team, throughout the accounts production of the revised financial accounts and fieldwork to understand the emerging issues and impact on the audit process.

Government Intervention

The government intervention on 30 June 2021 under the direction of the Secretary of State Levelling Up, Housing and Communities announced an external assurance review of Slough Borough Council's financial position and the strength of the Council's wider governance arrangements. The two elements of the external assurance review were published on 25 October 2021. They provided evidence that Slough Borough Council had failed in numerous ways to comply with its Best Value Duty. As result of the reviews, the Secretary of State put in place an intervention package with a focus on the areas of weakness identified for improvement intended to make the Council make sufficient improvements over the next 3 years and be compliant with best value duty. The government also put in place Commissioners who will be responsible for overseeing the implementation of the report's recommendation at the Council over a 3 year period. The Commissioners are also required to report to the Secretary of State on progress the Council is making.

Capitalisation Direction

In July 2021, the Council's S151 Officer issued a Section 114 to the Council, highlighting the Council faced significant unfunded deficit as a result of financial challenges over a number of years and this required the Council to take action to address these issues urgently. The Section 114 notice led to the invention from the Secretary of State for Levelling Up, Housing and Communities who subsequently issued an "in principle" Capitalisation Direction in March 2022 totalling £307 million.

The capitalisation direction allows the Council to charge to capital, expenditure which would otherwise be revenue expenditure and then to finance the capital revenue expenditure from capital resources, i.e. through application of usable capital receipts. The Council has applied this capitalisation direction to transactions and balances preceding 1st April 2017 to March 2023.

Our response

- We will continue to liaise with you to understand the challenges faced by the Finance Team.
- We will alter or tailor our audit approach to address the risks and emerging issues from the revised financial statements.
- We will report to you our findings from the audit process on a regular basis via Progress Reports and our Final Audit Report.
- We will consider your arrangements for managing and reporting your resources as part of our work in completing our Value for Money work.
- We will review the accounting treatment of the capitalisation direction as well as consider the impact of this on the council's financial sustainability arrangements as part of the value for money work.

Key matters

Factors

Infrastructure Assets

The Council has a significant balance of infrastructure assets (£64.5 million net book value) which is part of its Property Plant and Equipment. Infrastructure assets includes roads, highways, bridges and streetlighting. The CIPFA Code of Practice of Local Authority Accounting prescribes the accounting treatment and disclosure requirements for infrastructure assets. In accordance with the LG Code, Infrastructure assets are measured using the historical cost basis, and carried at depreciated historical cost.

The Code requires a reconciliation of gross carrying amounts and accumulated depreciation and impairment from the beginning to the end of the reporting period. There carrying value of infrastructure assets disclosed on the Council's balance sheet, could be potentially overstated due to accumulated depreciation not being written out and the infrastructure asset lives not being calculated correctly. This issue is currently impacting on going audits with in the local government sector and CIPFA are aware of this issue and will issue further guidance on how to resolve the matter.

Our response

- Document our understanding of management's process for derecognising Infrastructure assets on replacement and obtain assurances that the disclosure in the Property Plant Equipment note is not materially misstated
- We will review the outcome of the CIPFA consultation. The work we will perform will be in line with the Financial Reporting Advisory Board approval.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Slough Borough Council ('the Council') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Slough Borough Council. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Corporate Governance Committee); and we consider whether there are sufficient arrangements in place at the Council and group for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Audit and Corporate Governance Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

Group Audit

The Council is required to prepare group financial statements that consolidate the financial information of its subsidiary undertaking, James Elliman Homes Limited and its joint venture Slough Urban Renewal.

Significant risks

The following risks requiring special audit consideration and procedures to address the likelihood of material financial statement error have been identified as:

- The risk of management override of controls
- The risk of income from other fees and charges, grants and contract income is misstated
- The risk that the valuation of land and buildings in the accounts is materially misstated.
- The risk that the valuation of investment properties in the accounts is materially misstated.
- The risk that the valuation of the net pension fund liability in the accounts is materially misstated.
- The risk of valuation and accounting for Lender Option Borrower Option (LOBO) Loans
- The risk of Property Plant and Equipment - Incomplete or inaccurate financial information transferred to the general ledger
- The risk of Group accounts - preparation and accounting of the group's components
- The risk of presentation and disclosure - financial statement level risk.
- The risk of accounting for the authority's Private Finance Initiatives (PFIs)
- The risk of incomplete records at the council relating to lack of personnel with sufficient knowledge of transactions in 2018/19 and prior years
- The risk of the minimum revenue provision being understated
- The risk of cash balance and the bank reconciliation process

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have revisited and reviewed our planning and risk assessment and determined planning materiality to be £5.9m for the Council and £6m for the Group (PY £6.8m Council and £6.8m Group), which equates to approximately 1.5% of your prior year gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.3m (PY £0.1m).

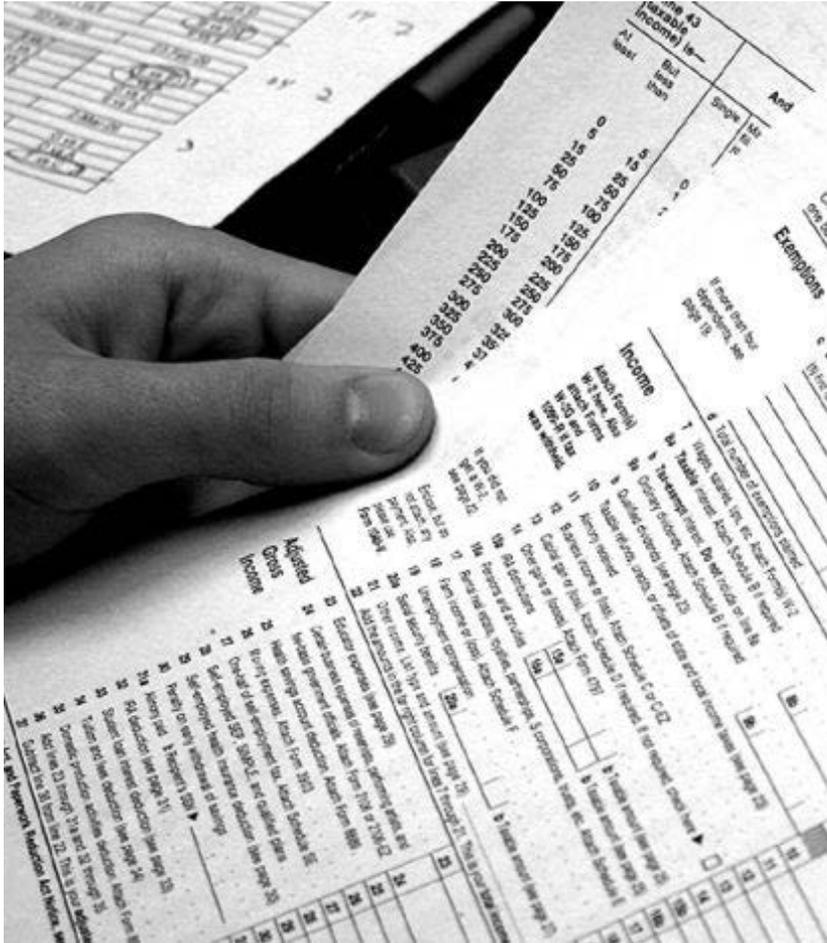
Introduction and headlines cont.

Audit logistics

Our interim visit first took place in March 2019 with subsequent phases of fieldwork taking place between July and August 2019, October to December 2019 and July to May 2020. Due to the scale and number of errors and issued identified by both external audit and the new Finance team, it was agreed that management would revisit the accounts and revised set of accounts would be presented for audit. We received the revised financial statements for year ended 31 March 2019 on 15 June 2022. As part our audit work requirements, we have revisited our risk assessment and planning in July and August 2022. We will undertake the final accounts audit on the revised set between September and November 2022. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Given the extensive amount of work required on the audit of the 2018-19 financial statements since early 2019, our audit fees are currently estimated at £561,195. This will be monitored throughout the completion of this next phase of the audit on the revised 2018-19 financial statements and may require further variation should any further matters arise in our work. All fee variations over and above the Council's scale fee will require prior approval with the Authority and PSAA.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) 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.



Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
Slough Borough Council	Yes		Further risks identified as set out in following slides (8-13).	Full scope audit performed by Grant Thornton UK LLP.
James Elliman Homes Limited	Yes		<ul style="list-style-type: none"> Management override of controls Valuation of property, plant and equipment 	<p>Full scope UK statutory audit performed by component auditor</p> <p>The nature, time and extent of our involvement in the work of the component auditor will begin with a discussion on risks, guidance on designing procedures, participation in meetings, followed by the review of relevant aspects of the component auditor's audit documentation and meeting with appropriate members of management.</p>
Slough Urban Renewal LLP	Yes		<ul style="list-style-type: none"> Management override of controls Valuation of Investment Property 	<p>Full scope UK statutory audit performed by component auditor</p> <p>The nature, time and extent of our involvement in the work of the component auditor will begin with a discussion on risks, guidance on designing procedures, participation in meetings, followed by the review of relevant aspects of the component auditor's audit documentation and meeting with appropriate members of management.</p>

Audit scope

- Audit of the financial information of the component using component materiality
- Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements
- Review of component's financial information
- Specified audit procedures relating to risks of material misstatement of the group financial statements
- Analytical procedures at group level

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood.

Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Income from Other Fees and Charges, Grants, and Contracts	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>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.</p> <p>We have rebutted this presumed risk for the other revenue streams of the group and Authority because:</p> <ul style="list-style-type: none"> • 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. 	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the group's accounting policy for recognition of income from Other Fees and Charges, Grants, and Contracts for appropriateness; • gain an understanding of the Authority's system for accounting for income from Other Fees and Charges, Grants, and Contracts and evaluate the design of the associated controls; • agree, on a sample basis, amounts recognised as income from Other Fees and Charges, Grants and Contracts in the financial statements to supporting documents.
Management override of controls ISA (UK) 240	<p>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 Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • 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.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of investment property (Annual revaluation) (£69m)	<p>The group re-values its investment property on an annual basis to ensure that the carrying value is not materially different from the current value or 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 numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management has 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.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuations were carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register • evaluate 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. • engage our own valuer to assess the instructions to the Council's valuer, the Council's valuer's report and the assumptions that underpin the valuation.
Valuation of land and buildings (Rolling revaluation) (£773m)	<p>The group re-values its land and buildings on a rolling five-yearly 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.</p> <p>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.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuation was carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test revaluations made during the year to see if they had been input correctly into the group's asset register • evaluating 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 at year end. • engage our own valuer to assess the instructions to the Council's valuer, the Council's valuer's report and the assumptions that underpin the valuation.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Valuation of the Pension Fund net liability (£312m)</p>	<p>The Council's net liability, as reflected in the balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£312million in the Council's balance sheet at 31 March 2019) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the 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.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the 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 experts (the 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 pension fund valuation; • assess the accuracy and completeness of the information provided by the group to the actuary to estimate the liabilities; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports 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; and • obtain assurances from our pension fund testing as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the Fund and the fund assets valuation in the Fund's financial statements. • agree any advance payment made to the pension fund during the year to the expected accounting treatment and relevant financial disclosures.
<p>Valuation and accounting for Lender Option Borrower Option (LOBO) loans (£13m)</p>	<p>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.</p> <p>The Authority 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.</p> <p>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.</p>	<p>We will:</p> <ul style="list-style-type: none"> • assess management's processes and assumptions for identifying critical judgements; • gain 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; • evaluate the competence, capabilities and objectivity of management experts used in the valuation of the loans; • discuss with management the basis on which the valuation was carried out, including advice received from treasury management advisers; • evaluate and challenge the reasonableness of the critical judgements and significant assumptions used by management and their expert in valuing and accounting for the loans.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Property Plant and Equipment - Incomplete or inaccurate financial information transferred to the general ledger	<p>In January 2019, the Authority 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.</p> <p>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.</p>	<p>We will:</p> <ul style="list-style-type: none"> 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.
Group Accounts Consolidation process	<p>The Authority is required to prepare group financial statements that consolidate the financial information of its wholly owned subsidiary undertaking, James Elliman Homes Limited.</p> <p>The Authority has a 50% interest in Slough Urban Renewal, 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>We will:</p> <ul style="list-style-type: none"> review the key agreements to gain an understanding of the agreements put in place on the establishment of the company; discuss with key group personnel, the underlying substance of the transactions and the basis of the group's proposed accounting treatment of the arrangements; critically assess 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; review the Group structure of the Council; obtain an copy of the Group materiality assessment to be prepared by the Council; review the qualitative and quantitative materiality of the Council's subsidiaries in relation to the Council's operations.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Private Finance Initiatives (PFI) Scheme	<p>The Council entered into a PFI contract for the design, build and operation of three schools in 2006/07.</p> <p>The PFI assets are recognised as Property, Plant and Equipment within the Authority's balance sheet.</p> <p>Accounting for PFI is complex and the transactions are significant. In addition, the monitoring of the contract is a key requirement for the Authority.</p> <p>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.</p>	<p>We will:</p> <ul style="list-style-type: none"> review the Authority'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 Authority's accounting treatment and valuation for the PFI schemes; discuss with key group personnel, the underlying substance of the transactions and the judgements made.
Presentation and Disclosure – Financial Statement Level Risk	<p>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.</p> <p>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.</p>	<p>We will:</p> <ul style="list-style-type: none"> consider the Authority's arrangements for preparing the financial statements and working papers; discuss with key group personnel, the underlying substance of the transactions and judgements made; critically assess the financial statements in accordance with the Code, International Financial Reporting Standards (IFRSs) and other relevant accounting guidance; map 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; consider the action plan presented to Audit Committee and consider progress made by Officers against this plan in the preparation of the 2018-19 financial statements.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Incomplete records at the council</p>	<p>We have identified the risk of incomplete records at the council, as a result of the number of issues identified during the first phase of the 2018/19 accounts audit.</p> <p>There have been number of changes in council staff (mainly those in the finance function) since the first draft of the accounts was prepared. In addition, the new Finance team has also identified a number of misstatements that has required prior period adjustments within the 2018/19 accounts.</p> <p>There is a risk of records are not supported by appropriate and adequate evidence due to changes in client personal or inadequate record keeping.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Obtain an understanding the incomplete information and document its impact to the audit. • Consider alternative audit procedures to obtain the assurance level required • Consider and document the potential limitation of scope of the audit engagement and impact on the audit report. • Obtain representation from management that the original information/records are not available for audit. • Consider and document the potential limitation of scope of the audit engagement and impact on the audit report.
<p>Minimum Revenue Provision</p>	<p>The Council is responsible on an annual basis for determining the amount charged for the repayment of debt known as its Minimum Revenue Provision (MRP). The basis for the charge is set out in regulations and statutory guidance.</p> <p>MRP is required to be charged with respect to borrowing obtained as part of acquiring assets to be held in the General Fund (GF). No MRP charge is made in respect of borrowing for the acquisition of assets held in the Housing Revenue Account (HRA). According to regulations, this is on the basis that HRA assets should be self-financing, with local authorities being required to make an annual charge from the HRA to their Major Repairs Reserve in place of MRP, to maintain functionality of housing assets.</p> <p>According to regulations, the duty to make MRP extends to Investment Property where their acquisition has been partially or fully funded by an increase in borrowing or credit arrangements.</p>	<p>We will:</p> <ul style="list-style-type: none"> • test that the council has appropriately calculated its Capital Financing Requirement (CFR). • test that the Council is correctly identifying capital expenditure subject to MRP charge in line with the guidance. • review and check that the Council's policy on MRP complies with statutory guidance • review Council Committee and sub-Committee papers to check that full council has approved the annual Minimum Revenue Provision statement • check that MRP has been calculated in line with the authority's policy on MRP • assess whether any changes to the authority's policy on MRP: <ol style="list-style-type: none"> a. have been discussed and agreed with those charged with governance b. have been approved by full council c. are adequately explained and evidenced d. comply with statutory guidance e. are in accordance with any legal or other professional advice obtained by the authority
<p>Cash balance and bank reconciliation process</p>	<p>The Council is required to disclose its cash balance (positive or negative) on the balance sheet (which forms part of the primary statements). As part of the review of the year end reconciliation in the first phase of the audit, we identified a number of weaknesses in the council's arrangements in terms of how the bank/cash reconciliation to the general ledger was completed. There is a risk that cash is misstated and transactions are not being appropriately accounted for that could lead to material misstatements in debtors/income and creditors/expenditure. There is a risk over the management of cash due to lack of appropriate controls being in place at the council.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the process includes obtaining an understanding of the Council's controls (including the receipting and payment processes) and assessing their design effectiveness • Obtain a list of the Council's Bank Accounts operated during the year and request counterparty confirmation (obtained directly from the bank). • Obtain the year end bank/cash reconciliation of the council's cash balance to support the balance disclosed within the financial statements. • Test on a sample basis, significant reconciling items on the Council's bank reconciliations. • Review the completeness of the cash balance reported at year end

Accounting estimates and related disclosures

The Financial Reporting Council issued an updated ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* which includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

Introduction

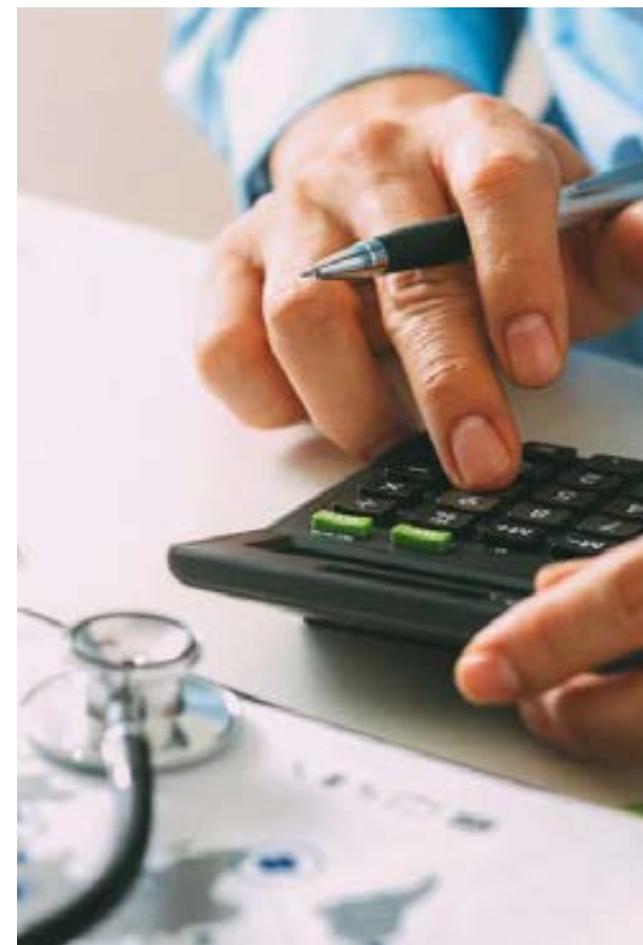
Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit & Corporate Governance Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?



Accounting estimates and related disclosures

Additional information that will be required

To ensure our consideration of this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2019.

Based on our knowledge of the Council we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings, council dwellings and investment properties
- Depreciation
- Year end provisions and accruals,
- Credit loss and impairment allowances
- Valuation of defined benefit net pension fund liabilities
- PFI liability
- Fair value estimates

The Council's Information systems

In respect of the Council's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Council uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Council (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.



Estimation uncertainty

Under ISA (UK) 540 we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and
- How management address this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to detail:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

Planning enquiries

As part of our planning risk assessment procedures we have shared a questionnaire with Management to obtain their responses over these Accounting Estimates. This document will be presented to the Committee for consideration and approval by those charged with governance once we have received these responses.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540_Revised-December-2018_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2018/19 financial statements, consider and decide upon any objections received in relation to the 2018/19 financial statements;
 - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act).
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
 - issuing an advisory notice under section 29 of the Act
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

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 group's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

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. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

Council and Group

We have determined financial statement materiality based on a proportion of the gross expenditure of the Council for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £5.9m for Council and £6m for the group (PY £6.8m for Council and £6.8m for Group), which equates to approximately 1.5% of the Council's prior year gross expenditure for the year.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

Matters we will report to the Audit & Corporate Governance Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Panel any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.3m (PY £0.1m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Panel to assist it in fulfilling its governance responsibilities.

Council prior year gross expenditure

£6.8m Council and
£6.8m Group



Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office (NAO) issued updated guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

As a result of the delay in the 2018/19 financial statements and the series of actions that have followed, we have not yet been able to issue our final Value for Money conclusion in relation to the 2018-19 year. Our audit findings report presented to the Council's audit and corporate governance committee on 18 May 2021 proposed an adverse conclusion on our value for money work. Whilst some further work is required to bring this to its final conclusion following the issue of further outcomes from external reviews, our overall proposed conclusion for 2018-19 will remain unchanged.

A planning memorandum was provided to the Audit & Corporate Governance committee 28th July 2022 which combines the two financial years 2019/20 and 2020/21 including changes to the scope of the value for money work.

Audit logistics and team

Review of Planning and risk assessment

Audit of Revised Draft Accounts
March 2022

Audit & Corporate Governance Committee
September 2022

Audit Plan

Field work on revised financial statements
August to November 2022

Audit & Corporate Governance Committee
tbc

Audit Findings Report

Audit & Corporate Governance Committee
tbc

Audit opinion

Auditor's Annual Report

Julie Masci, Key Audit Partner

Julie is responsible for overall quality control; accounts opinions; final authorisation of reports; liaison with the Audit & Corporate Governance Committee, and senior officers. She will share her wealth of knowledge and experience across the sector providing challenge and sharing good practice. Julie will ensure our audit is tailored specifically to you, and she is responsible for the overall quality of our audit work.

Keith Mungadzi, Senior Manager

Keith is responsible for overall audit management, quality assurance of audit work and output, and liaison with the Audit & Corporate and Governance Committee, and finance team. He will undertake reviews of the team's work and draft reports, ensuring they remain clear, concise and understandable.

Hal Parke, Assistant Manager

Hal will support Keith in his work to ensure the early delivery of audit testing and lead on a number of complex accounting issues. Hal will perform first reviews of the team's work. In addition, Hal will also liaise with key members of the finance team to ensure audit testing and reviews are conducted on a timely basis.

Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- Produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement.
- Ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- Ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing. These reports should be cleansed so that reversing transactions are removed.
- Provide debtor and creditor listings that are the balances outstanding at the year end
- Ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- The Council's experts provide clarity and detail over their work to enable auditors to challenge the accounting and valuation judgements used.
- Respond promptly and adequately to audit queries.

Audit fees

In 2018, PSAA awarded a contract of audit for Slough Borough Council to begin with effect from 2018/19. Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as detailed on pages 16-18 in relation to the updated ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. We have engaged an audit expert to improve the level of assurance we require for property valuations estimates, which has been included in the audit fee. Our proposed work and fee for 2018/19 is set out below. Given the extended period of audit work required for the Council's financial statements, additional fee variations have been sought through PSAA to reflect the additional time input. The latest position is set out below, along with the status of approval from PSAA.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Page 191

	Estimated fees 2018/19
Council Audit - Scale fee	£98,193
Interim variation 1 - period to Sept 2020 – PSAA Approved	£223,002
Interim variation 2 – period of work Oct 2020 – June 2022 – Awaiting PSAA approval	£125,000
Estimated remaining costs of audit on revised 2018-19 accounts received July 2022	£115,000
Total estimated audit fees (excluding VAT)	£561,195

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

In this context, in writing our 2018-19 Audit Plan we need 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 apprised 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 May 2020 and PSAA's Terms of Appointment which set out supplementary guidance on ethical requirements for auditors of local public bodies.

Independence & non-audit services

Other services provided by Grant Thornton

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority. The following other services were identified and reflects all services provided since 1 April 2018 to the conclusion of our 2018-19 audit.

Service	Financial year	£	Threats	Safeguards
Audit related				
Certification of Housing Benefit return	2018-19	95,000	For these three audit-related services, we consider that the following perceived threats may apply:	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 compared to the total fee for the audit and in particular 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.
	2019-20	110,000		
	2020-21	110,000		
Certification of Teacher's Pensions return	2018-19	7,500	<ul style="list-style-type: none"> • Self-Interest (because these are recurring fees) • Self Review • Management 	The council has requested Grant Thornton to certify the Council's annual Teachers' Pensions return in accordance with procedures agreed with Teachers' Pensions for the period ending 2020/21 and 2021/22. This certification work has not commenced and is subject to independence and ethical consideration by our Ethics Function.
	2019-20	7,500		
	2020-21	7,500		
Certification of Pooling of Housing Capital Receipts	2018-19	6,000		The Council has requested Grant Thornton to undertake work to certify the Council's annual Pooling of Housing Capital Receipts return for the following years 2018/19, 2019/20, and 2020/21, in accordance with procedures agreed with the Department for Levelling Up, Housing and Communities ("DLUHC"). This certification work has not commenced and is subject to independence and ethical consideration by our Ethics Function.
	2019-20	6,000		
	2020-21	6,000		
Non-audit related				
CFO insights		£37,500	Self-Interest (because this is a recurring fee)	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.
TOTAL NON AUDIT FEES		£391,500		

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the group's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit & Corporate Governance Committee. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Independence & non-audit services

Non-audit services provided prior to appointment

Ethical Standards require us to draw your attention to relevant information on recent non-audit / additional services before we were appointed as auditor. In the table below we have set out the previous services we have provided to the Authority.

Service	Date of service	Fees £	Would the service have been prohibited if we had been auditor?	Has the outcome of the service been audited or reviewed by another firm?	Commentary
Services in respect of Ground Rent and Estates (GRE 5 Ltd)	September 2017	N/a – fees billed to the GIT group, with no fees billed to either GRE5 Ltd or Slough Borough Council as disclosed on page 22	Yes	No	See page 22 for commentary

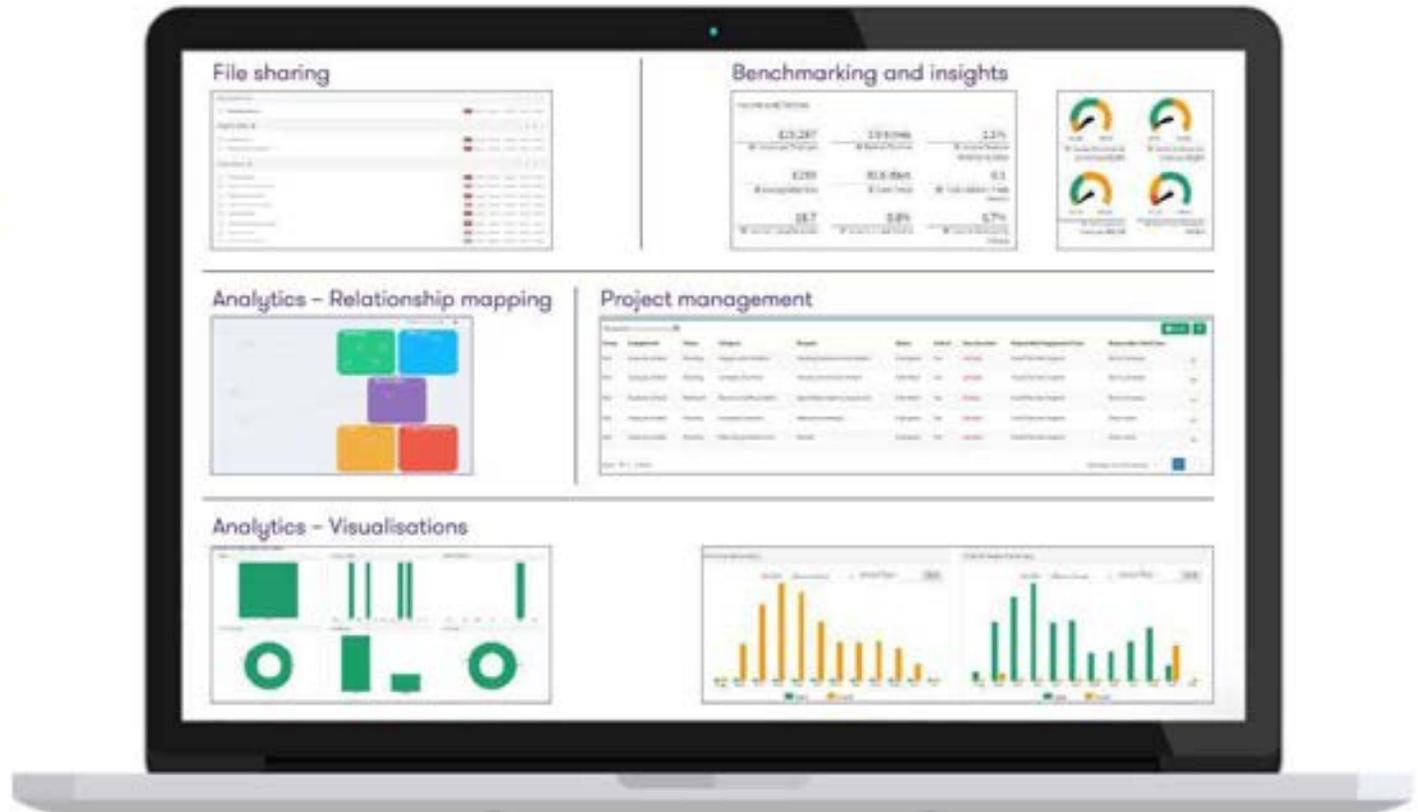
We do not believe that the previous services detailed above will impact our independence as auditors

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:

Function	Benefits for you
Data extraction	Providing us with your financial information is made easier
File sharing	An easy-to-use, ISO 27001 certified, purpose-built file sharing tool
Project management	Effective management and oversight of requests and responsibilities
Data analytics	Enhanced assurance from access to complete data populations

Page 195



Grant Thornton's Analytics solution is supported by Inflo Software technology

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:



Data extraction

- Real-time access to data
- Easy step-by-step guides to support you upload your data



File sharing

- Task-based ISO 27001 certified file sharing space, ensuring requests for each task are easy to follow
- Ability to communicate in the tool, ensuring all team members have visibility on discussions about your audit, reducing duplication of work



Project management

- Facilitates oversight of requests
- Access to a live request list at all times



Data analytics

- Relationship mapping, allowing understanding of whole cycles to be obtained quickly
- Visualisation of transactions, allowing easy identification of trends and anomalies

Page 196

How will analytics add value to your audit?

Analytics will add value to your audit in a number of ways. We see the key benefits of extensive use of data analytics within the audit process to be the following:

Improved fraud procedures using powerful anomaly detection

Being able to analyse every accounting transaction across your business enhances our fraud procedures. We can immediately identify high risk transactions, focusing our work on these to provide greater assurance to you, and other stakeholders.

Examples of anomaly detection include analysis of user activity, which may highlight inappropriate access permissions, and reviewing seldom used accounts, which could identify efficiencies through reducing unnecessary codes and therefore unnecessary internal maintenance.

Another product of this is identification of issues that are not specific to individual postings, such as training requirements being identified for members of staff with high error rates, or who are relying on use of suspense accounts.

More time for you to perform the day job

Providing all this additional value does not require additional input from you or your team. In fact, less of your time is required to prepare information for the audit and to provide supporting information to us.

Complete extracts from your general ledger will be obtained from the data provided to us and requests will therefore be reduced.

We provide transparent project management, allowing us to seamlessly collaborate with each other to complete the audit on time and around other commitments.

We will both have access to a dashboard which provides a real-time overview of audit progress, down to individual information items we need from each other. Tasks can easily be allocated across your team to ensure roles and responsibilities are well defined.

Using filters, you and your team will quickly be able to identify actions required, meaning any delays can be flagged earlier in the process. Accessible through any browser, the audit status is always available on any device providing you with the information to work flexibly around your other commitments.



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AUDIT AND CORPORATE GOVERNANCE COMMITTEE

WORK PROGRAMME 2022/2023

Meeting Date
15 December 2022
<ul style="list-style-type: none">• Internal Audit Action Tracking Report - Q3 2022/23• Risk Management Update – Q3 2022/23• Internal Audit Quarterly Progress Report• Internal Audit Annual Report 2021/22• External Audit Progress Report• Exception Reporting to Overview & Scrutiny Committee
14 March 2023
<ul style="list-style-type: none">• Internal Audit Action Tracking Report – Q4 2022/23• Risk Management Update – Q4 2022/23• Internal Audit Quarterly Progress Report• Internal Audit Plan 2023/24• External Audit Progress Report• Audit & Corporate Governance Annual Report 22/23• Exception Reporting to Overview & Scrutiny Committee

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MEMBERS' ATTENDANCE RECORD 2022/23

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

COUNCILLOR	28/07/22	28/09/22	15/12/22	14/03/23
Ali	P			
Brooker	P			
Carter	P			
J Davis	Ap			
Grewal	P			
Gill	Ab			
Kelly	Ap			
CO-OPTED INDEPENDENT MEMBERS				
Naira Bukhair	P			
Stefana Moldovan	P			

P = Present for whole meeting
Ap = Apologies given

P* = Present for part of meeting
Ab = Absent, no apologies given

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