

Audit and Corporate Governance Committee – Meeting held on Wednesday, 13th September, 2023.

Present:- Councillors O’Kelly (Chair), E. Ahmed (Vice-Chair), Akram (until 8.50pm), Anderson (until 8.52pm), Rana, W. Sabah (until 8.50pm), and Shaik.

Co-opted Member - Naira Bukhari

Apologies for Absence:- Councillor Zarait

PART 1

15. Declarations of Interest

Councillor O’Kelly declared that he was chair of governors at St Mary’s Church of England Primary School. He stayed and participated in the meeting.

16. Minutes of the Last Meeting held on 19th July 2023

Further to the discussion at the July meeting in relation to the terms of reference of the committee, a Member reiterated a number of the queries raised including about whether committee should be chaired by a member of the opposition as was said to have been required by the previous lead commissioner, and the progress on completion of the CIPFA self-assessment by members of the committee. On the latter point, it was responded that the self-assessment forms had been circulated to members and those who had not yet completed it were encouraged to do so.

Other Members highlighted the importance of continuity of membership of the committee in future years to ensure that knowledge and skills built up over time was retained in future years.

At the conclusion of a discussion on these issues it was agreed that a meeting with Monitoring Officer, Group Leaders, Chair and Commissioners be arranged to discuss compliance with the terms of reference and to seek to ensure the operation of the committee was following best practice. Councillor Anderson stated that as he did not believe the terms of reference were being fully adhered to his abstention from all resolutions made by the committee later in the meeting should be noted.

Resolved – That the minutes of the meeting held on 19th July 2023 be approved as a correct record.

17. Action Progress Report

Further to the action agreed under Minute 4 of the meeting held on 19th July 2023 the Committee received an update from the Associate Director of

Housing on the progress made in relation to homelessness. The work to improve the service was summarised and whilst good progress was being made it was recognised that it would take time to deliver the necessary improvements. It was noted that the Homelessness Strategy would be reviewed, with consultation expected in January 2024 and expected completion by July 2024.

Members highlighted that homelessness was a complex issue and addressing the issues would require the engagement of a range of local authority and other public services. In response to a question about ensuring access to homelessness services for those who may not have digital equipment, the Associate Director stated that a range of communication methods were used included visits and events as well as telephone and online communication. Questions were also asked about the Council's statutory duties and the impacts of out-of-borough placements in Slough by other local authorities.

The homelessness update and Action Progress Report were noted.

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

18. Internal Audit Progress Report - Quarter 2 2023/24

The Executive Director, Finance & Commercial and the Internal Audit Manager summarised the Internal Audit progress report for the second quarter of 2023/24. The report detailed progress on the implementation of internal audit reports and actions for 2021/22 and 2022/23; and action being taken by the Corporate Leadership Team and other senior managers to respond to the internal audit reports and outstanding actions.

In relation to the 2021/22 internal audit reports, there had been 327 recommendations of which 65% of action had been completed. This was an improvement from 59% reported in the previous quarter and work continued with management to complete the remaining overdue actions, ten of which were 'high' rated actions. For 2022/23, 22 reports had been finalised and a further 6 issued in draft. There were 220 actions arising from these audits of which 28% had been completed and 28% overdue as at 3rd August 2023.

Members welcome the progress in increasing the number of completed actions, but expressed concern that there were still a significant number of overdue and uncompleted actions, including high risk actions from 2021/22. The Executive Director explained the systemic work taken place to continue to reduce the outstanding actions and stated that the number of high rated overdue actions had been reduced since the report had been prepared. Directorate Leadership Team meetings were regularly reviewing internal audit actions and further updates would be provided to the committee on progress.

A full list of the overdue high risk actions was detailed in Appendix B to the report and the committee asked a number of questions about specific audits including the General Ledger and the reason why the action on Fixed Penalty Notices was rated 'high'. A written answer would be provided outside of the

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meeting. Several comments were made on the format of the report and Members requested that the Appendix be updated for the next meeting to include a column with the expected completion date, ensuring all high outstanding actions were assigned and summary on all actions over a year old explaining why they had not been completed.

The committee also asked questions about the benefits of the new internal audit software, AuditBoard, and compliance with the Directions issued by the Department for Levelling Up, Housing & Communities (DLUHC). The Executive Director highlighted that progress on internal audit was reported to the Finance Board on a monthly basis. Progress was being made and an update was provided in a report to Cabinet on 18th September on the Financial Action Plan, but it was recognised there was work still to do.

At the conclusion of the discussion the report was noted.

Resolved – That details of the report be noted, specifically:

- the progress on completing responses to the outstanding 2022/23 internal audit reports.
- that a detailed review of all outstanding recommendations continued to be carried out to further cleanse the data, the output from which had been shared with the new Departmental Leadership Teams for actioning overdue and other outstanding actions. Updated analysis had been provided as of 3rd August 2023.

(Councillor Anderson abstained from voting on the above)

19. Risk Management Update Quarter 2 2023/24

The Head of Internal Audit summarised a report that updated Members on risk management issues, including the corporate risk scores and corporate risk register (CRR).

It was noted that the risk register had been updated and was included at Appendix B to the report. A new Risk & Insurance Manager had been successfully recruited and progress had been made with Directorates in adopting a new risk register template.

The Committee raised a number of queries about the individual risks in the register. These included issues relating to recruitment and retention for the Council and the financial viability of Slough Children First and the Executive Director highlighted that a report on the business plan for the company had been approved by Cabinet on 18th September 2023. A question was asked about whether there were any risks in relation to the nationally reported problems with Reinforced Autoclaved Aerated Concrete (RAAC) in schools and other public buildings. It was responded that the forthcoming Assurance

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Corporate Leadership Team (CLT) would assess this, and other, risks based on the information on the scale and implications of the issue to the Council.

A Member commented on the emerging risks arising from accommodating asylum seekers and refugees and it was agreed this feedback would be provided to CLT Assurance meeting to consider whether it should be added to the CRR. It was noted that these risks were already reflected in the CRR in individual risks such as Risk 1: Children's Safeguarding and Risk 5: Temporary Accommodation.

In relation to Risk 11: Pace and valuation of the disposal of assets, it was asked whether there had been any delays. In response it was noted that a progress report had been provided to the Cabinet Committee on Asset Disposals and Cabinet earlier in September which updated Members on the current position.

Risk 5: Temporary Accommodation referred to a review of the Council's wider Housing Strategy and the current position of this review was queried. Further questions were asked about temporary accommodation numbers and it was agreed that information would be circulated to the committee outside of the meeting on the current status of the Housing Strategy review and on the number of temporary accommodation dwellings in the borough. Councillor Akram commented that the remit of the committee was not to involve itself in the day to day running of any service area but rather take a holistic overview of the governance and financial framework processes in place. It was highlighted that a number of the questions asked in relation to temporary accommodation had been discussed at recent Cabinet meetings and information in relation to questions being asked by a number of Members was already included within the report being considered. Councillor Akram stated that further training, to include appropriately reviewing information provided in reports, asking pertinent questions and avoiding repetition, was vital for Members to enable them to undertake their role effectively on the Committee. The Vice-Chair stated that he would continue to ask questions that he deemed relevant in regard to agenda items and would not be advised whether what he was asking was appropriate or repetition. Councillor Akram stated that she was leaving the meeting due to the discourteous manner in which the Vice-Chair had spoken to her.

(Councillors Akram and W Sabah left the meeting)

Councillor Anderson placed on record that the conduct of the Vice-Chair, including the manner in which he had spoken to Members, was unacceptable and that he would also leave the meeting.

(Councillor Anderson left the meeting)

Resolved –

- (a) That details of the Council's corporate risk register (CRR) at Appendix B be noted.

- (b) That the recruitment of the Risk and Insurance Manager who together with the Internal Audit Manager will be responsible for developing and taking forward the risk management strategy be noted.
- (c) That the progress of Directorates adopting a new Risk Register template and the efforts to explore software solutions that may further enhance the visual presentation of risk management reporting as well as facilitate the analysis, collation, and reporting of information be noted.

20. Local Government & Social Care Ombudsman (LGSCO) Upheld Complaints and Statutory & Corporate Complaints 2022-2023

The Committee considered a report that set out a summary of the upheld complaints determined by the Local Government & Social Care Ombudsman (LGSCO) in 2022/23 and a summary of statutory and corporate complaints during 2022/23.

It was noted that in 2022/23 a total of 72 complaints had been made to the LGSCO of which no further action had been deemed to be required for 59 (82%); 13 complaints were investigated and in 11 of these cases the complaint was upheld. 85% of complaints the LGSCO investigated were upheld compared to an average of 72% in similar organisations. Details of all the upheld decisions by LGSCO and their annual review letter to the Council were provided in appendices A and B which were noted.

In relation to complaints dealt with under the Council's process, there had been a total of 921 complaints handled in 2022/23, which was a reduction from 975 in 2021/22. There had been a 3-stage process for complaints during the reporting year, however it was noted a new 2-stage process had been adopted from August 2023. 41% of complaints received related to housing repairs with 11% for revenues and benefits and 8% for environmental services.

The Committee asked about the approach to learning from complaints and the Complaints, Casework and FOI Lead highlighted that a process was in place to enable departments to learn lessons and deliver improvements from upheld complaints. Members attention was drawn to section 6 of the Statutory and Corporate Complaints Report as at Appendix 3 to the report which described the process and some of the key themes and action derived from the learning.

At the conclusion of the discussion the report was noted.

Resolved –

- (a) That the summary of upheld decisions by the Local Government and Social Care Ombudsman during 1st April 2022 - 31 March 2023 (Appendix A) be noted.

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(b) That the summary of statutory and corporate complaints during 1st April 2022 – 31 March 2023 be noted.

(c) That the themes identified and the actions being taken to respond to these themes be noted.

21. External Audit - Progress Report and Sector Update

Julie Masci of Grant Thornton introduced a progress report on external audit matters, particularly the position regarding the audit of the Council's financial statements and Value for Money work.

The background to the significant problems and delay of the audit of the 2018/19 financial statements was summarised. The historic problems included inadequate processes, controls and record keeping. A revised set of 2018/19 accounts had been presented to the Committee and full Council in February 2023. However, the scale and size of the issues identified meant that the auditors would be issuing a disclaimer of opinion. Since February 2023, the audit team had been undertaken further work and it was now expected the final opinion would be issued in September 2023. Alongside this work, Grant Thornton had conducted further investigative work to better understand the problems and root causes of the significant problems. A report of the findings had been prepared and provided to management and Commissioners. It was anticipated the report would be brought to the next meeting of the committee.

An update was provided on the progress of the audit of financial statements for 2019/20 and beyond. Regular discussions had been held with the Executive Director, Finance & Commercial and with Commissioners to establish a clear timetable to clear the backlog of accounts. Ms Masci highlighted the work done nationally led by DLUHC and involving a range of local audit partners to address the wider problem of the significant backlog of local government audits in England. The report set out the position in detail.

A draft report had been prepared on the external audit plan and it was expected to come to the committee for consideration in November 2023.

The Committee noted the report.

Resolved – That details of the update be noted.

22. Work Programme 2023/24

The Committee noted details of the work programme agreed to add reports on the 2022/23 Treasury Management Outturn and the Treasury Management 2023/24 update for Quarter 1.

Resolved – That details of the work programme to noted and amended to include the following matters to the November meeting:

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- Treasury Management Outturn 2022/23
- Treasury Management Quarter 1 2023/24

23. Members Attendance Record

Resolved – That the Members' Attendance Record be noted.

24. Date of Next Meeting - 22 November 2023

The date of the next meeting was noted as 22nd November 2023.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 9.22 pm)