

Aim	RAG Rating					Actions recommended	Update as at September 2023	Lead person
	0 9	1 1	0 2	0 6	0 9			
C1 There should be evidence that the council and senior management recognise the importance of establishing appropriate and proportionate governance arrangements for the oversight of entities						<p>Clarify role of scrutiny committees/panels.</p> <p>Clarity over role of Audit &amp; Corporate Governance Committee</p> <p>Clarify extent to which SCF is subject to internal controls of the Council ie. expenditure control panel.</p> <p>Review of the Articles of Association to consider whether to recommend changes to the number of Council nominated NEDs and independent NEDs and the quorum rules.</p>	<p>Role of Council member bodies clarified and being utilised effectively.</p> <p>Extent to which SCF subject to internal controls – this has been clarified in relation to expenditure control panels, however still work to do to ensure that systems are used effectively whilst recognising that SCF is a separate entity. For example risk management and complaint data reporting could follow the same system as in the Council, but need to build in need to report formally to the board and in contract monitoring reports, including the annual report.</p> <p>Review of Articles of Association was put on hold as request of previous DLUHC lead commissioner. This will be discussed with new Chairman of Board.</p>	Assistant Director Legal and Governance
C2 There should be evidence of a culture of challenge and clarity relating to the purpose, efficiency, effectiveness, specific objectives, and freedoms of the entity						<p>SCF need to ensure that whoever is undertaking company secretariat functions is ensuring that the board of directors fully understand the contractual mechanisms and the requirements for contract sum re-negotiation and business plan submissions.</p> <p>SBC to review business plan to ensure it aligns with its own corporate plan and priorities.</p>	<p>Feedback from individual board members is that work is ongoing in relation to standardising reports to the board. These can then be utilised for reports to the Council as part of contract management arrangements.</p> <p>The lack of submission of an annual report for 202/23 may indicate that SCF officers do not have sufficient understanding of the contract arrangements.</p>	<p>SCF CE/Chairman / Director of Finance</p> <p>SCF officer undertaking company secretariat function</p>

The induction programme for new directors to include training/briefing on contractual requirements.

Annual timetable of deadlines for submission of documents to the Council for approval to be provided by SCF to the Council.

The annual business plan to be provided to the Council by 30 September each year to allow it to be taken through scrutiny and cabinet prior to approval of the contract sum as part of the Council's budget setting.

SBC Corporate Plan and SCF Business and Improvement Plan are aligned with a much clearer focus on children and young people.

Following approval of Business and Improvement Plan, Council has set a timetable for future reporting, including:

December 2023 – approval of 2024-27 Business and Improvement Plan, including updated KPIs and formally note SCF Annual Report for 2022/23

February 2024 – approve contract sum for 2024/25

June / July 2024 – note Annual Report for 2023/24 and receive update on progress against approved business plan.

SCF need to review the contractual requirements for submitting information to SBC, including annual report, business plan, in-year change requests and contractual monitoring data and confirm whether changes need to be made. In the absence of changes, SCF need to ensure compliance with this timetable.

Strategic commissioning meetings have been timetabled. Monthly contract monitoring meetings to be timetabled. Agenda has been provided for first contract meeting.

SCF officer undertaking company secretariat function

<p>C3 There should be a clearly designated council shareholder role or function which is both understood and recognised by the council and the entity (and documented in terms of reference)</p>					<p>A formal review of the KPIs and other performance indicators to be undertaken.</p> <p>Contract monitoring meetings to be set up and effective.</p>	<p>The equivalent of a shareholder role is established and officer is reporting to members and meeting key individuals, including council NED, NED leading on governance and SCF CE and Chairman. Officer has met DLUHC commissioner to discuss role.</p> <p>KPIs have still not been subject to a review. These need to be discussed at a contract meeting and recommended to members for a decision on amending the contract. These should be linked to business and improvement plan and wider than measuring children's social care performance. It is suggested that the measures cover children's social care, workforce, partnerships and financial performance.</p> <p>Strategic commissioning meetings have been timetabled. Monthly contract monitoring meetings to be timetabled. Agenda has been provided for first contract meeting.</p>	<p>AD Legal and Governance</p> <p>SCF CE/AD Legal and Governance</p>
<p>C4 There should be clarity regarding the role of shareholder, with reserved matters clearly documented and updated as required, reflecting any changes made as the entity has developed, in a shareholder's</p>					<p>A review of the articles of association be undertaken particularly in relation to number of independent NEDs and council nominated NEDs and quorum rules.</p>	<p>Review undertaken and no changes made. Replacement council NED to be nominated following skills audit of the board.</p> <p>Reserved matters are set out clearly in Articles and shareholder representative function established.</p>	<p>SCF Chair / AD Legal and Governance</p>

agreement (or as set out in the company's governing articles of association)							
C5 There should be evidence that the individual undertaking the shareholder role is provided with suitable training and support commensurate with the role					<p>The AD Legal and Governance to continue acting as equivalent of "shareholder rep" under delegation from chief executive.</p>	<p>Regular meetings with council finance officers to discuss company governance matters. CLT receive draft reports on SCF matters in advance of going to member body to ensure information informed by expertise across CLT.</p> <p>Regular reporting to cabinet and Audit and Corporate Governance Committee, permitting review and challenge by internal and external audit and elected members.</p> <p>ToR of Cabinet Committee amended to include company governance matters.</p> <p>Meetings set up with Council nominated NED and other NEDs and Chairman in regular contact with any concerns.</p>	AD Legal and Governance
C6 There should be evidence of formal periodic shareholder/ Chair/CEO meetings with effective supporting papers to inform subsequent company board meetings					<p>Regular strategic contract meetings should be arranged, with the Council having internal agenda planning meetings in advance. These should be chaired by the Council's chief executive.</p> <p>The role of the TSG should be reviewed to avoid duplication between this and the contract management meetings.</p>	<p>The regular contract meetings ceased due to change of personnel at SCF officer and board level and change of personnel in SBC finance team.</p> <p>Dates set for strategic commissioning meetings, but dates need to be set for contract monitoring meetings and agenda shared and owned by both entity. Draft agenda sent for first contract meeting.</p> <p>If board reports improve to capture right level of information, these can be utilised for contract monitoring meetings.</p>	SBC Chief Executive/officer leading on company secretariat role AD Legal and Governance

						Contractual KPIs need to be reviewed urgently to ensure performance reporting is aligned to improvement plans.	
C7 There should be documented evidence of transparent member and officer scrutiny, oversight, and approval of business plans					<p>SCF to provide copies of board minutes to demonstrate that the board of directors appropriately challenged the business plan, to understand how plans were submitted that were later identified as undeliverable.</p> <p>Consideration to be given to what support could be provided to the board from an independent Director of Children’s Services from another local authority or from external organisations such as the LGA or Institute of Directors. This should include how to scrutinise financial management and risks and hold executive officers to account for a statutory, demand led service and how to review and challenge performance data.</p>	<p>Feedback from board members is there is work being done to improve reports being presented to board to allow NEDs to constructively challenge executive leadership team.</p> <p>Reporting to SBC members is embedded, with governance updates being given to A&amp;CG Committee quarterly, reports on SCF business and improvement plan presented in September and timetable for future cabinet reports.</p> <p>Cabinet approved a significant increase in the contract sum for 2023/24 as well as approval of historic deficits. Attention needs to be given to reporting on progress against the business and improvement plan to ensure risks are being managed and progress is being made. This picks up on feedback from Mutual Ventures that there was a lack of programme management capacity leading to a lack of progress on medium term strategies to manage demand, risks and financial resilience.</p>	<p>SCF Director of Finance</p> <p>SCF Chair</p> <p>SCF Chair</p>
C8 There should be evidence of a clear set of KPIs that fall out of the business planning process					SCF to review KPIs and other performance indicators as set out in service delivery contract.	The new SCF CE and Director of Operations to formally review contractual KPIs and will make recommendations on any changes required. These should be linked to the improvement plans in the new draft business plan.	SCF CE/ Director of Operations SBC Head of Legal

						No further progress has been made on this and it is timetabled for discussion at next contract monitoring meeting and due to be reported to December Cabinet.	
C9 There should be evidence that senior company staff are performance managed against KPIs					<p>The RNAC to be responsible for reviewing effectiveness of the board and sub committees and to provide assurance evidence to SBC.</p> <p>The SCF CE is responsible for performance managing the executive leadership team.</p>	<p>SCF Chair has set 2023/24 objectives for new SCF CE. There is a clear short term improvement plan which provides a framework for performance management. In future the views of the Council need to be taken into account in objective setting and appraisals of SCF CE.</p> <p>SCF CE has appointed a new Director of Operations and has appointed a new Director of Finance. There has been a period of absence for one of these directors which has impacted on performance management, but there is evidence of improvement in budget management and service delivery to support that a performance culture is in place.</p>	<p>SCF chairman and chair of RNAC SCF CE</p>
C10 There should be evidence of ongoing assessment of value-for-money and quality offered by the entity through an adequately resourced monitoring function					<p>SBC to request sight of external reports and internal assessments of value for money and quality on a minimum of an annual basis, to be incorporated into the Annual Report submitted by SCF. The outcome of these should be included in reports to elected members.</p> <p>SCF to ensure it utilises the in-year change mechanism to deal with demand pressures and invest to save pressures and the information provided is in accordance with the contractual requirements and backed up by independent evidence where available.</p>	<p>New SCF Director of Finance, Council NED and Chairman.</p> <p>SBC agreed an increased contract sum for 2023/24 and SCF appears to be on track to keep within its budget according to Quarter 2 budget monitoring.</p> <p>There is increased evidence of challenge by SCF A&amp;CG Committee as part of closure of accounts. Further evidence to be supplied on value for money, to include contractual KPIs to measure financial performance.</p>	<p>SCF Director of Finance/SBC ED Finance and Commercial</p>

						<p>SCF to consider which of its committees should be responsible for assessing and monitoring value for money and performance and to provide minutes of meetings to SBC upon request, as well as provide the opportunity for Council officers to attend on at least an annual basis. If a finance committee is required, this should not be delayed pending a further council nominated director being appointed. The independent NEDs should have the capability to chair such a committee.</p>		
<p>C11 There should be ongoing assessment of risks relating to the entity, supported by processes to ensure that risks are managed as part of the council's overall risk management approach, with appropriate escalation and reporting</p>						<p>There should be a formal review of KPIs and agenda'd discussions on risk at contract monitoring group meetings, reported up to strategic commissioning group where appropriate.</p> <p>This should be in addition to risks being included in the Council's corporate risk register and reported to Audit and Corporate Governance Committee.</p>	<p>The Council is in process of reviewing its risk management strategy and information included in its risk registers. This has highlighted a lack of clarity between issues and risks and how the severity of the risk is measured as well as adequacy of the mitigations.</p> <p>SCF should provide evidence of an effective risk management strategy and reporting mechanism and should report to SBC on risk at contract monitoring meetings, as well as including a summary on risk in the annual report.</p>	<p>SBC ED Finance and Commercial</p> <p>SCF CE/Chairman</p>
<p>C12 There should be evidence of a consistent approach across the council when it comes to engaging with its entities</p>						<p>SCF is a company set up under direction of the Secretary of State for Education. It also manages statutory services. There is a rationale for it being managed differently to the Council's other entities. It is also of a size that it has a separate process for finalising and auditing its accounts.</p>	<p>No update required.</p>	
<p>C13 The council should have clear and unfettered access to audited</p>						<p>The Council should ensure that its internal auditors programme in audits relating to the functions of SCF, as well as the governance of the company.</p>	<p>An independent NED is leading on a review of the audit function within SCF. This has included clarity on the internal audit plan and meeting with the external auditors.</p>	<p>SBC ED Finance and Commercial</p>

accounts for its entities							
C14 A business case which assessed the risk involved in establishing the entity and recommended its establishment, taking account of other potential delivery models, should be available to review.					SCF is a company set up under direction of the Secretary of State for Education.	AD Legal and Governance met with DLUHC Commissioner to discuss SCF company governance and direction of travel. The services are under statutory intervention of the DfE and it is accepted that the DfE will wish to see sustained improvement before considering a timetable for the services returning to the Council. It is also accepted that any change in delivery model needs to be planned and consideration given to the need for adequate resources to effect the change.	SBC Chief Executive / DfE Commissioner / DLUHC Commissioners
C15 Objectives of the entity should be clearly defined and documented, and regularly reviewed to ensure that its operation continues to support council policy and strategy, including periodically reviewing the business case to ensure it is still valid					Future year's business plans should have clear objectives linked to the Articles of Association and service delivery contract as well as to the Council's priorities. These priorities must include value for money, as well as quality of practice.	Approved business and improvement plan aligns to the objects in the Articles of Association.	SCF CE/SCF Chair
C16 Agreements should be documented between the council and the entity for any support or services provided by either party to the other party					Ensure that relevant individuals understand the contractual and governance mechanisms and that these are adhered to and non-compliance is reported.	There are clear contractual provisions in place for service delivery and support services. SCF needs to ensure its officers are aware of the contractual provisions and requirements.	SCF CE/SCF officer undertaking company secretarial role

<p>C17 All agreements should be clear, up-to-date, and regularly monitored and reviewed, with any changes to agreements documented so that a clear audit trail exists</p>					<p>New agreements were put in place in 2021.</p>	<p>Deed of variations completed as required, including for pension arrangements.</p>	<p>AD Legal and Governance</p>
<p>C18 There should be evidence that a culture exists whereby actual or potential conflicts of interests are identified, declared, and acted upon, including evidence of appropriate training across the organisation</p>					<p>Evidence of induction and training for directors and senior managers in SCF to be provided.</p>	<p>The board has had a development day and a new Chair has been appointed. The new Chair has experience as a director of a company and as chief executive of a local authority.</p>	<p>SCF Chief Executive / Chairman</p>
<p>C19 The council should have clear and up-to-date policies and processes to consistently manage actual conflicts or potential conflicts of interest, including a clear process for investigations and procedures for appropriate disciplinary actions in the event of breaches</p>					<p>The Council will deliver training / support on management of conflicts of interest for its officers or elected members who are to be nominated or appointed to an outside body.</p>	<p>Code of Conduct for Employees covers management of conflicts of interest. Guidance given to new council nominated NED. No elected member appointed to board.</p> <p>SCF CE not invited to meetings to discuss risks around SCF governance where this would lead to a conflict of interest, but separate meetings held to ensure CE is aware of council's position. Clear separation of functions, with reports being presented to Cabinet not authored by SCF officers or joint officer.</p>	<p>SBC AD Legal and Governance</p>

						Conflict of interest protocol appended to secondment agreement for SCF CE and provided to post holder.	
C20 The roles, responsibilities and reporting lines of officers and members who are involved in council oversight of the entities, the provision of services between the entities or the running of the entities should be clearly defined and documented					No action required.	No update required.	
C21 There should be evidence that appointments to the board are subject to a documented formal, rigorous, and transparent procedure based on merit and published objective criteria which also promote diversity					<p>Declarations of interest to be provided by SCF to the Council as evidence of compliance</p> <p>A review of the board to be undertaken to identify which council officers or members should be nominated to the board and options for appointing an officer to a specific role to undertake council director duties.</p> <p>Evidence to be submitted by SCF of the annual evaluation process of the board and individual directors.</p> <p>Further information is required to provide assurance there is an effective system of evaluation and performance management of the whole board and individual executive directors.</p>	<p>The previous SCF chair completed appraisals and 2023 objective setting for the three independent NEDs and the council nominated NED in mid January 2023.</p> <p>The appointment of the new Chair was managed by the DfE. Elected members and board members were consulted prior to the appointment being made and feedback was provided to the DfE. Pre-employment checks were undertaken by the Council prior to appointment and a formal report was presented to the SBC CE for a decision to be made.</p> <p>In addition feedback on amendments to the process in the future was provided, including opportunities for board and elected member involvement in the recruitment process and consideration as</p>	<p>SCF Chair</p> <p>DfE/ SBC CE</p> <p>SCF Chairman</p>

						<p>to the use of a specialist recruitment agency. This will assist with increasing diversity at board level.</p> <p>There is a vacancy for a Council NED and the Council has requested that SCF undertake a skills audit and identify any skills they are looking for before the Council nominates a new NED.</p>	
E1 The entity's articles of association should be clear, up-to-date, and reflective of how the entity is run					No action required.	No update required.	SBC Principal Lawyer
E2 There should be evidence of an up-to-date business plan that is reflective of the current circumstances and environment in which the entity operates					<p>Business plan to be updated and approved by the Council.</p> <p>In future years, annual business plans must be submitted within the deadlines set out in the SDC and must have been subject to appropriate scrutiny by the board.</p>	<p>The 2023-26 Business and Improvement Plan was approved by Cabinet in September 2023. This is 12 later than the date the draft should have been submitted. Cabinet is timetabled to receive the draft business and improvement plan for 2024-27 in December 2023.</p> <p>The new business and improvement plan is a significant improvement on previous plans and sets out a high level improvement plan on a short and medium basis. The plan is appropriately aligned to the Council's corporate plan.</p> <p>A number of strategies are being presented to Cabinet for approval, providing further evidence that SCF is reviewing its strategies in accordance with its priorities.</p>	<p>SCF Chief Executive / SBC Chief Executive</p> <p>SCF CE / Chair</p>

<p>E3 There should be evidence that the board meets regularly to consider, review and record discussions and conclusions</p>					<p>Samples of minutes and dates of meetings to be provided to the Council for assurance.</p> <p>Whilst dates of meetings have been given, no documentary evidence has been supplied of agendas or extracts of minutes to demonstrate the quality of the discussion and conclusions. Further evidence is required to provide assurance on this.</p>	<p>Council officers have been invited to and attended board meetings on an as and when basis.</p> <p>Sample minutes will be requested and supplied to provide further assurance, plus there are regular meetings with Council NEDs to seek views on board discussion.</p> <p>Whilst there is evidence that the board meets regularly, and the SCF Chair has asked for 6 board meetings a year instead of 4, there is concern that the reporting to the board may not contain the right information at the right time. This is particularly of concern in relation to financial reporting, as board NEDs have stated they were not aware of the financial sustainability issues in-year for 2023/24.</p>	<p>SBC Head of Legal</p> <p>SCF CE / Chairman</p>
<p>E4 There should be evidence of delivery of strategies and plans, including scrutinising key operational and finance performance information</p>					<p>Evidence of board challenge to be provided to the Council.</p> <p>Internal scheme of delegation to be provided to the Council.</p> <p>Review best practice to consider whether 5 committees of the board are required and whether quality of practice and finance and business could be merged into an operational practice committee, to avoid financial performance and quality of practice being considered in isolation.</p>	<p>Council officers have attended board meetings and seen improved quality of reporting. Pre-board finance meetings will now be held with council finance officers to assist the board with financial scrutiny.</p> <p>No progress on internal scheme of delegation, although an example of SBC internal scheme has been sent through.</p> <p>The committee structure should be reviewed by the new SCF Chair.</p>	<p>SCF Director of Finance / Chairman</p> <p>SCF Chief Executive</p> <p>SCF Chair</p>
<p>E5 There should be evidence of the desired culture and behaviours</p>					<p>The SCF Board to consider its current set of values and behaviour as part of its annual review and put in place any required actions in response.</p>	<p>The board had a facilitated development day, with attendance from Council's CE and Head of Legal to ensure alignment of priorities. There is a new council NED with</p>	<p>SCF Chairman</p>

					<p>In accordance with good governance instituted recommendations, SCF will undertake a survey of key stakeholders on this.</p> <p>Working with the Council, SCF Chairman to review the make up of the board in relation to number of independent NEDs and council nominated NEDs to ensure appropriate skills, experience and knowledge.</p>	<p>board and finance experience. A number of the board are experienced board members.</p> <p>The SCF CE has worked with the interim Chair on ensuring the board is focused on strategic decision-making and that challenge is constructive.</p> <p>The new Chair has commenced in role and has regular meetings with SBC CE, SCF CE, DfE Commissioner and has met AD Legal and Governance. He has also met NEDs individually.</p>	<p>SCF Chair / SCF CE</p>
E6 The company structures should be regularly scrutinised in order to ensure they remain fit for purpose					<p>SCF to include its organisational structure in its annual business plan</p>	<p>The executive leadership team structure is being reviewed with the departure of the Director of Finance.</p> <p>The new Chair should consider whether the board structure meets the needs of SCF.</p>	<p>SCF Chief Executive</p> <p>SCF Chair</p>
E7 There should be evidence that the board has clear policies and procedures for its members to ensure that actual or potential conflicts of interests are identified, declared, and acted upon					<p>SCF to provide details of its codes of conduct for staff, terms of appointment for independent NEDs, declaration and registers of interests and policies for managing conflicts of interests in general.</p>	<p>Documentation yet to be provided.</p>	<p>SCF Chairman / SCF CE</p>
E8 There should be evidence that directors have sufficient skills and					<p>Evidence of induction and training to be supplied</p> <p>Evidence of process for evaluating effectiveness of board to be supplied</p>	<p>Individual performance evaluation meetings have taken place for board members. RNAC is considering independent support for a skills audit of the board. A new council director has been</p>	<p>SCF Chairman</p>

<p>experience to run the entity</p>					<p>SCF to undertake a review of the Board effectiveness and to evaluate the effectiveness of individual directors, including executive directors.</p>	<p>appointed who has experience as a NED for a children’s company.</p> <p>New Chair in role and appointment process including seeking references on previous governance experience.</p>	<p>SCF Chairman</p>
<p>E9 There should be evidence that directors’ behaviours are aligned with the requirements of the Companies Act 2006 and the Nolan Principles as well as Cabinet Office’s Code of Conduct for Board Members of Public Bodies</p>					<p>Evidence to be supplied.</p>	<p>Details of appraisal meetings by former SCF CE have been supplied. Board evaluation is a focus for RNAC and the development day. A number of board members are experienced company directors, with a range of skills including audit, financial management and HR.</p> <p>A new Chair has been appointed. A skills audit is required to ensure all board members are familiar with Companies Act requirements. This picks up on findings from an LGA Peer Review of SCF in March 2023.</p>	<p>SCF Chairman</p> <p>SCF Chairman / SCF CE</p>
<p>E10 The scope of directors' authorities should be documented and clear to all parties</p>					<p>Internal scheme of delegation to be supplied, including terms of reference for committees</p> <p>The ToR of each committee/sub-committee should be reviewed urgently by the board and on an ongoing basis at least every two years. Documentary evidence to be supplied that there is an effective scheme of delegation in place covering all operational functions to include, but not limited to, finance, HR and procurement.</p>	<p>The ToR of each committee have been reviewed and agreed at board level. Financial policies were reviewed at ACG Committee in February. More work is required on internal schemes of delegation to ensure staff at different levels understand their authority to make decisions that are not related to children’s casework.</p> <p>The board structure will be a focus for the new SCF Chair.</p>	<p>SCF Chief Executive / SCF Chairman</p>

<p>E11 There should be evidence that the board has a diverse membership with the collective skills and attributes needed to lead the entity effectively</p>					<p>Council to review who to nominate as council nominated directors.</p>	<p>The Council has appointed an individual as an officer who will also act as a council director and has finance experience and experience on a board of a children's company delivering statutory services.</p> <p>The Council has requested a skills audit of the board before nominating an individual to the vacant Council NED position.</p>	<p>SBC Chief Executive</p> <p>AD Legal and Governance / SCF Chair</p>
<p>E12 There should be evidence that board membership is reviewed regularly for composition and fitness for purpose</p>					<p>Evidence to be supplied of evaluation process</p>	<p>The SCF Chair was evaluated by the DfE Commissioner with input from independent NEDs. There needs to be more formal process for obtaining views of the Council and other stakeholders.</p> <p>A skills audit is to be commissioned by RNAC.</p> <p>This should be a focus of the new SCF Chair.</p>	<p>SCF Chairman</p>
<p>E13 There should be evidence that the board understands the organisation's risk profile and the effectiveness of key controls and regularly reviews risks and risk appetite</p>					<p>Risk management procedures to be supplied</p> <p>Sample of minutes to be supplied to demonstrate consideration of risk, in particular financial risk</p> <p>Risk management strategy to be formally reviewed and agreed at the board and a copy of strategy and the minutes of discussion to be supplied to the Council.</p> <p>The lead member for children's services to be removed as risk owner and her role in attending board meetings to be clarified and a protocol to be drawn up if the lead member continues to attend board meetings.</p>	<p>The ACGC has responsibility for risk management and at its meeting in February 2023 review the risk register. This will be a standing agenda item.</p> <p>Risk log in place however, further review of documents relating to risk management required to provide further assurance, particularly around financial risk management.</p>	<p>Chair of SCF A&amp;CGC</p> <p>SCF Chief Executive</p>

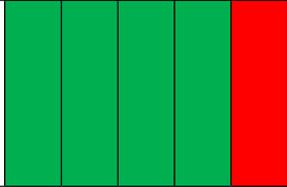
					SCF to consider commissioning support from SBC or an external provider on reviewing its risk management procedures and delivering training on risk management.		
E14 There should be documented evidence that the board regularly undertakes a skills audit to ensure that it has an appropriate balance of skills and experience					Details of last skills audit to be supplied	Skills audit supplied and informed council nominated director appointment.  A new council director has been appointed.  RNAC is considering commissioning external support for a skills audit.	SCF Chairman
E15 There should be evidence of ongoing professional training provided to ensure that all board members are up-to-date in their understanding and supported in their roles					Training records to be supplied.	The board has held a development day and RNAC is responsible for ensuring board evaluation and a development programme.  Further information on training programme to be supplied as further assurance.	SCF Chief Executive  SCF Chairman
E16 There is evidence that the role of executive directors is clearly defined and documented					Role profiles for all executive directors to be supplied	The SCF CE was appointed following a competitive process and has a role profile and the secondment agreement sets out the separation of functions between SBC and SCF roles and a protocol for managing conflicts of interest.  SCF has a permanent Director of Operations. SCF had recently reviewed its executive leadership team and has appointed a Director of Finance. Role profiles in place for these roles.	SCF Chief Executive  SCF Chief Executive
E17 Non-executive directors are in place					Further evidence to be supplied by SCF	Head of Legal and finance lead attended board meetings. The reports supplied and	SCF Chairman

<p>to bring an independent judgement to bear on issues of subject matter expertise, strategy, performance, resources including key appointments, and standards of conduct</p>					<p>Despite good evidence being supplied to demonstrate the value that NEDs are adding, this is reliant on the right information being provided at the right time and that requires a culture and governance arrangements that are receptive to constructive challenge and the need for assurance. This needs to be kept under review over the next 12 months and considered as part of the review of board effectiveness.</p>	<p>debate and constructive challenge was evidenced.</p> <p>Meeting with Council NEDs on an ongoing basis to provide further assurance.</p> <p>Concerns still being raised that right information at right time reporting is not always happening. Director of Finance is working with NED on standardised reports to assist with this.</p> <p>Good evidence of challenge at board level, with engagement and requirements for additions to the updated draft business and improvement plan.</p>	<p>SCF Chairman</p>
<p>E18 There is documented evidence that the board values the role of non executive directors, and their views are influential in the board's decisions</p>					<p>Sample of minutes of meetings to be provided for assurance purposes</p> <p>The review of the effectiveness of the board should consider the culture of SCF in terms of valuing the role of NEDs and of the right information being provided at the right time.</p>	<p>The meetings in February indicated there is a greater understanding of the legitimate role of NEDs. The board development day is a positive way of ensuring that the board and executive leadership team work together closely and understand each other's roles.</p> <p>Feedback from Chair of Board is that NEDs are able to constructively challenge executive team, evidenced by requiring amendments to the business and improvement plan before being submitted to the Council for approval.</p>	<p>SCF Chairman</p> <p>SCF Chairman</p>
<p>E19 There is evidence that the chair provides clear board leadership, supporting the</p>					<p>Evidence to be supplied</p> <p>The Council to formally request information and evidence to demonstrate the appraisal</p>	<p>The SCF Chair is new in the role. He has met with NEDs, SCF CE, SBC CE and AD Legal and Governance. He is increasing number of board meetings from 4 to 6.</p>	<p>SCF Chairman /</p>

<p>directors and chief executive and taking account of the shareholders views</p>						<p>process in place to assess the effectiveness of the Chair.</p>	<p>A skills audit is planned to inform any gaps in skills and knowledge at board level.</p> <p>Changes are being made to agenda setting and attendance at board meetings to allow the chief executive and executive directors to present and answer questions and reduce the number of non directors presenting at board meetings. This will allow the board to have constructive, confidential discussions about progress, risks and issues.</p> <p>The Chair has flagged a desire to seek opportunities for the lead member and Cabinet to meet and work with the board on wider improvement plans for children and young people.</p>	<p>DfE Commissioner</p>
<p>E20 There should be a fully documented and approved business plan that is consistent with and no more than 12 months older than the previous business plan. The changes within the updated business plan should accord with the trajectories that are apparent from monthly financial and non-financial performance reports</p>						<p>Evidence to be supplied and evaluation of performance of the board in terms of monitoring and management of financial performance.</p> <p>Whilst there is evidence of challenge on the business plan by NEDs, the business plan process has been convoluted and the historic issues with overspend have been replicated in the first year of trading, with the in-year change mechanisms not being utilised until July 2022. More evidence is required to demonstrate that the business plan is effective and focused on the right priorities. This will be informed by the Mutual Ventures report.</p>	<p>The new Business and Improvement Plan was approved by Cabinet in September. It is a considerable improvement on previous versions. A draft plan for 2024-27 is expected to be approved by Cabinet in December.</p> <p>It is too early to say whether the plan accords with monthly financial and non-financial performance reports, as these reports need to be embedded and provided to the board and at Council contract monitoring meetings.</p>	<p>SCF Chairman</p> <p>SCF Chairman/ SCF CE</p>

<p>E21 The financial transactions and values attributable to the company within the council's medium term financial plan should agree with the projections in the business plan</p>					<p>To be addressed in future business plans</p> <p>The board should be able to effectively scrutinise and challenge financial information and agreed and monitor budgets. A training and development plan should be supplied to the Council to demonstrate that appropriate support is being given to the board to undertake its functions.</p> <p>Whilst SCF can review whether further financial expertise is required on the Board, the reliance on one individual to address this issue fails to recognise the role of NEDs and the board as a collective.</p>	<p>SCF has been given an increased contract sum to reflect agreed in-year funding increases and the MV review. Its draft business plan requests a considerable increase in funding for 2023/24 as well as payment of historic deficits. This is placing considerable financial pressure on the Council and impacts on its MTFS.</p> <p>Pre Board finance meetings between SBC 151 officer, the NEDs representing the Council and SCF to consider financial issues to ensure SCF Board and the Council are financially better aligned.</p> <p>Extraordinary board meeting on 31 October 2023 to discuss business and improvement plan, with appropriate challenge from the board on lack of detail on efficiencies.</p>	<p>SCF Chairman and SCF Chief Executive</p> <p>SCF Chief Executive/SBC 151 Director of Finance</p>
<p>E22 Board reports should include clear presentation of the monthly income and expenditure position of the company as well as a cash flow statement and balance sheet</p>					<p>There is insufficient information supplied to demonstrate the board is receiving appropriate financial information on a regular basis and managing the risks appropriately. An action plan to address this should be provided.</p> <p>SCF Board should consider whether reports should have a financial implications section as standard.</p>	<p>Two in-year change requests submitted in 2022/23 and further requests submitted to cover historic deficits.</p> <p>In Sept 2022 the Mutual Ventures report analysed assumptions and identified concerns about optimism bias.</p> <p>This is a focus of the newly appointed council director and the ACG Committee and will need to be a focus of the new Chair.</p> <p>A new Financial Director was appointed on 29<sup>th</sup> June.</p>	<p>SCF Director of Finance</p> <p>SCF Chairman</p>

							There has been positive progress on agreement to provide financial monitoring information in a standard format and to simplify board meetings to have reports presented by the Chief Executive and Director of Finance.	
E23 There should be evidence of an annual audit letter from the council's external auditors, confirming the degree of confidence they hold in respect of consolidation or treatment of financial instruments entered by the company						Assurance processes in place regarding treatment of financial instruments and consolidation.	<p>SCF accounts process has highlighted some errors, which will need to be subject to scrutiny by the board and external auditors. This is a focus of the ACG committee and SCF auditors have been held to account.</p> <p>New finance audit currently taking place June/July 2023. Consideration being given to changing auditors next year due to concerns about progress. Discussion ongoing as to whether to use a separate team from the Council's auditors.</p>	SBC s.151 Officer
E24 Documented financial policies and procedures should be available						Financial policies to be reviewed, updated and approved by board. It is not appropriate to wait for the set up of a new finance committee, unless this is happening imminently.	Financial policies have been reviewed and a number of policies were being considered at February meeting of ACG Committee. Further work is being done on a financial scheme of delegation and a travel expenses policy.	<p>SCF Director of Finance</p> <p>SCF Director of Finance</p>
E25 There should be evidence of an effective annual internal audit programme						SBC to consider the effectiveness of the internal audit programme for SCF and the quality of internal audits undertaken in 2022/23.	<p>To be reviewed as part of in-sourcing internal audit.</p> <p>Independent NED leading on governance is reviewing this as part of review of committee ToR.</p> <p>There is dialogue with the Council's internal audit team to ensure an effective internal audit plan to provide assurance</p>	SBC s.151 officer / SCF Chair of Audit Committee



over internal controls and financial governance.  
Review of historic internal audit plans indicate the historic rating of green was inaccurate.

**Slough Children First Governance review – Progress update to September 2023**