# Audit and Corporate Governance Committee

## Annual Report 2025/26

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# Chair's Introduction

## Foreword by Cllr Frank O'Kelly Chair of Audit and Corporate Governance Committee 2025/26

As outgoing Chair of the Audit and Corporate Governance Committee, I present our annual performance and assurance report covering the 2025/2026 municipal year. This report outlines the Committee's critical oversight role during a challenging and transitional period for Slough Borough Council.

## Committee performance and key achievements

Despite the corporate challenges, the Audit and Corporate Governance Committee has achieved some progress in enhancing internal control structures:

- Risk-Prioritised Audit Delivery: The Committee successfully steered the internal audit plan to focus strictly on the Council's highest risk priorities. Crucially, we have maintained flexibility within the plan to remain responsive to emerging structural issues.
- Increased attendance by directors to respond to issues of delay on audit recommendations, demonstrating ownership by directorates of improvements as opposed to internal audit.
- Recommendation Tracking & Procurement Compliance: We have systematically driven up the implementation rates of both internal and external audit recommendations. Furthermore, the Committee has championed the leverage of data analytics to enhance compliance monitoring within procurement.
- Preparation for the 2025/26 Statement of Accounts: The 2025/26 financial year represents the Council's first formal audit in six years - moving forward from a historically disclaimed 2018/19 baseline and subsequent backstop disclaimed accounts. The Committee has monitored the system and process improvements required to achieve the data consistency and accuracy necessary to support this upcoming audit.

## Critical governance and financial risks monitored

While management processes are incrementally improving, the Committee should remain vigilant regarding severe, compounding risks that threaten the Council's financial sustainability:

| Risk Area | Core Pressures Identified in 2025 | Governance Impact |
|---|---|---|
| **In-Year Budget Strains** | Rising costs in statutory social care, intensifying homelessness pressures, and SEND deficits exceeding Safety Valve limits. | Stretches available resources and risks creating an unmitigated, front-loaded medium-term budget gap. |
| **Diminishing Resilience** | Depleted financial reserves, lower capital receipts from asset sales, and rising debt-servicing costs. | Leaves the Council with limited resilience to withstand further operational or financial shocks |
| **Control Weaknesses** | A structural lack of recent completed historical audits. | Sustains an inherently elevated risk of control weaknesses and material financial misstatements. |
| **Transformation Pace** | Slow progress in fully articulating and embedding a credible, whole-council Transformation Plan and Target Operating Model (TOM). | Delays the implementation of cost-effective service delivery and necessary structural efficiencies. |

## Internal governance and member engagement

The Commissioners' assessment highlighted a persistent vulnerability within our wider democratic processes: council committees remain over-reliant on a relatively small number of active members, and there is an ongoing need to increase member engagement with training and development.

## Looking ahead to 2026 and beyond

To satisfy our Best Value duty and assist the Council to becoming financially sustainable without reliance on exceptional financial support, I recommend the Audit and Corporate Governance Committee focus on five critical areas:

1. **Ensuring Audit Readiness:** Securing adequate resourcing and data integrity to support the 2024/25 audit process and ensuring management acts promptly on its findings.
2. **Enforcing Spending Accountability:** Monitoring enhanced spending controls and pushing for a cultural transition away from budget growth toward strict efficiency and delivery.
3. **Transformation Oversight:** Providing robust governance and oversight for the newly procured third-party TOM development to accelerate financial savings and service transformation.
4. **MTFS Rigour:** Reviewing the Medium-Term Financial Strategy to ensure it incorporates a credible debt repayment strategy and reconstructs adequate reserves.
5. **Fostering Transparency:** Ensuring that both the Corporate Leadership Team (CLT) and the Cabinet operate transparently and remain jointly accountable for the delivery of governance improvements.

## Conclusion

The findings from the Best Value Commissioners make it clear that a "step change" in performance, leadership collaboration, and speed of delivery is urgently required if we are to rebuild long-term financial resilience.

I also want to thank officers across the Council for their support and the professionalism and candour they have shown both in the reports authored and in their responses to questions by committee members. I would particularly like to thank Ian Kirby, Head of internal Audit, Ian O'Donnell, Executive Director for Corporate Resources (S151) and Nick Penny, Director of Finance for their openness and professionalism in all their dealings with myself and the committee.

As ever, I could not have fulfilled my role without the support of democratic services, and particularly Shabana Kauser, without which nothing much would happen.

I am confident, under new leadership that the Audit and Corporate Governance Committee will continue to serve as an independent mechanism of good governance and ensure that strict financial accountability remain at the centre of Slough Borough Council's recovery path.

# Purpose of the Audit and Corporate Governance Committee

## Statement of Purpose

1. This Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of the Committee is to provide independent assurance to Members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

# Context: the need to improve governance in SBC

The Council has been under intervention of the Ministry for Housing, Communities and Local Government since 2021 and the Department for Education for many years before this.

In their seventh report, MHCLG appointed commissioners noted a plateauing with a significant in-year financial gap and limited progress in identifying mitigating savings. Under governance, commissioners noted that progress in committees remained over-reliant on a relatively small number of active members and a need for increased member engagement in training and development. Building resilience was seen as critical to withstand financial shocks, and this not only requires having reasonable financial reserves, but the ability for the Council's leadership, both officer and political, to work together. Success is seen to be influenced by the following:

- A strong, stable and effective corporate officer leadership team working collaboratively and at pace with the Council's administration.
- An MTFS that demonstrates how the Council will balance its future budget, with appropriate reserves and a credible debt repayment strategy.
- Improving and sustainable service delivery with some delivering a good standard and others moving in the right direction.
- Effective governance arrangements across the Council that ensure transparency and accountability.

These areas are directly related to the business of this committee.

# Committee Members

Members bring with them a range of knowledge and skills from their working life and elected representative roles to the work of the committee. The committee consists of a combination of very experienced elected members who bring historical knowledge of previous audit and finance activity within Slough and newer members. The skills and knowledge of the committee are further complemented by those of the co-opted members, however the committee now only has two co-opted members regularly attending, despite its terms of reference referring to it having up to four.

The committee has had members from opposition groups in the positions of Chair and Vice-Chair and as importantly group leaders have been asked to select committee members based on their skill set and ability to demonstrate independent mindset.

### 2025/26 Attendance and Training Summary

| Councillor | Meetings Expected At | Meetings Attended |
|---|---|---|
| **Anderson** | 7 | 4 |
| **Escott (Vice-Chair)** | 7 | 3 |
| **Instone** | 7 | 7 |
| **Mohindra** | 7 | 7 |
| **Nazir** | 7 | 6 |
| **O'Kelly (Chair)** | 7 | 7 |
| **Rana** | 7 | 5 |
| **Satti** | 7 | 5 |

## Training

- 29 May 2025 - Audit Committee Training (role and functions of the committee, questioning techniques/key lines of enquiry and statement of accounts) (Cllrs Mohindra, Nazir, O'Kelly, Rana)
- 14 July 2025 - Annual Governance Statement 24/25 Briefing (Cllrs Mohindra, O'Kelly)
- 4 September 2025 - Local Government Finance and the budget setting process (Cllrs Mohindra, O'Kelly, Rana, Tomar) (All Member Briefing)
- 27 October 2025 - Housing Fraud Risks briefing (Cllrs Escott, Nazir, O'Kelly, Tomar)
- 7 January 2026 - Local Government Finance and 26/27 Settlement (Cllrs O'Kelly, Tomar) (All Member Briefing)
- 21 January 2026 - Treasury Management Training (Delivered by David Blake, Council's Treasury Management Advisors, Arlingclose) (Cllrs Anderson, Escott, Instone, Mohindra, Nazir, O'Kelly, Satti, Tomar)
- 5 May 2026 - Audit Committee Self-Assessment workshop (Cllrs Mohindra, Nazir, O'Kelly, Rana)

# Self-assessment of good practice

Consolidation of committee members individual assessments against the key principles set out in CIPFA's position statement. A high degree of performance is an indicator that the committee is soundly based and has in place a knowledgeable membership.

| Good practice questions | Does not comply | Partially complies and extent of improvement needed* | | | Fully complies |
|---|---|---|---|---|---|
| | Major improvement | Significant improvement | Moderate improvement | Minor improvement | No further improvement |
| Weighting of answers | 0 | 1 | 2 | 3 | 5 |
| **Audit committee purpose and governance** | | | | | |
| 1 Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 3 Has the committee maintained its advisory role by not taking on any decision-making powers? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee? | ☐ | ☒ | ☐ | ☐ | ☐ |
| 6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles? | ☐ | ☐ | ☒ | ☐ | ☐ |
| 7 Does the governing body hold the audit committee to account for its performance at least annually? | ☐ | ☒ | ☐ | ☐ | ☐ |
| 8 Does the committee publish an annual report in accordance with the 2022 guidance, including: | | | | | |
| • compliance with the CIPFA Position Statement 2022 | ☐ | ☐ | ☐ | ☐ | ☒ |
| • results of the annual evaluation, development work undertaken and planned improvements | ☐ | ☐ | ☐ | ☐ | ☒ |
| • how it has fulfilled its terms of reference and the key issues escalated in the year? | ☐ | ☐ | ☐ | ☒ | ☐ |

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

| Good practice questions | | Does not comply | Partially complies and extent of improvement needed* | | | Fully complies |
|---|---|---|---|---|---|---|
| | | Major improvement | Significant improvement | Moderate improvement | Minor improvement | No further improvement |
| Weighting of answers | | 0 | 1 | 2 | 3 | 5 |
| **Functions of the committee** | | | | | | |
| 9 | Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows? | | | | | |
| | Governance arrangements | ☐ | ☐ | ☐ | ☐ | ☒ |
| | Risk management arrangements | ☐ | ☐ | ☐ | ☐ | ☒ |
| | Internal control arrangements, including:<br>• financial management<br>• value for money<br>• ethics and standards<br>• counter fraud and corruption | ☐ | ☐ | ☐ | ☐ | ☒ |
| | Annual governance statement | ☐ | ☐ | ☐ | ☐ | ☒ |
| | Financial reporting | ☐ | ☐ | ☐ | ☒ | ☐ |
| | Assurance framework | ☐ | ☐ | ☐ | ☐ | ☒ |
| | Internal audit | ☐ | ☐ | ☐ | ☐ | ☒ |
| | External audit | ☐ | ☐ | ☐ | ☐ | ☒ |
| 10 | Over the last year, has adequate consideration been given to all core areas? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 11 | Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 12 | Has the committee met privately with the external auditors and head of internal audit in the last year? | ☐ | ☐ | ☐ | ☐ | ☒ |

| Good practice questions | Does not comply | Partially complies and extent of improvement needed* | | | Fully complies |
|---|---|---|---|---|---|
| | Major improvement | Significant improvement | Moderate improvement | Minor improvement | No further improvement |
| Weighting of answers | 0 | 1 | 2 | 3 | 5 |
| **Membership and support** | | | | | |
| 13 Has the committee been established in accordance with the 2022 guidance as follows? | | | | | |
| • Separation from executive | ☐ | ☐ | ☐ | ☐ | ☒ |
| • A size that is not unwieldy and avoids use of substitutes | ☐ | ☐ | ☐ | ☐ | ☒ |
| • Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation | ☐ | ☐ | ☐ | ☐ | ☒ |
| 14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled? | ☐ | ☐ | ☒ | ☐ | ☐ |
| 15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance? | ☐ | ☒ | ☐ | ☐ | ☐ |
| 17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance? | ☐ | ☐ | ☒ | ☐ | ☐ |
| 18 Is adequate secretariat and administrative support provided to the committee? | ☐ | ☐ | ☐ | ☐ | ☒ |
| 19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO? | ☐ | ☐ | ☐ | ☒ | ☐ |
| **Effectiveness of the committee** | | | | | |
| 20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work? | ☐ | ☒ | ☐ | ☐ | ☐ |
| 21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement? | ☐ | ☐ | ☐ | ☒ | ☐ |
| 22 Are meetings effective with a good level of discussion and engagement from all the members? | ☐ | ☐ | ☒ | ☐ | ☐ |
| 23 Has the committee maintained a non-political approach to discussions throughout? | ☐ | ☐ | ☐ | ☒ | ☐ |

# Evaluating the impact and effectiveness of the audit committee

An audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'. The improvement tool below can be used to support a review of effectiveness. It identifies the broad areas where an effective audit committee will have impact.

The committee members conducted a self-assessment against the CIPFA evaluation framework. Four elected members and one co-opted member attended.

Figure 1: The influential audit committee

| Areas where the audit committee can have impact by supporting improvement | Examples of how the audit committee can demonstrate its impact | Key indicators of effective arrangements | Your evaluation: strengths, weaknesses and proposed actions |
|---|---|---|---|
| Promoting the principles of good governance and their application to decision making. | • Supporting the development of a local code of governance.<br>• Providing a robust review of the AGS and the assurances underpinning it.<br>• Supporting reviews/audits of governance arrangements.<br>• Participating in self-assessments of governance arrangements.<br>• Working with partner audit committees to review governance arrangements in partnerships. | • Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements.<br>• Local arrangements for governance have been clearly set out in an up-to-date local code.<br>• The authority's scrutiny arrangements are forward looking and constructive.<br>• Appropriate governance arrangements established for all collaborations and arm's-length arrangements.<br>• The head of internal audit's annual opinion on governance is satisfactory (or similar wording). | Strengths:<br>• Increased stability in membership of committee and members operating on a cross-party basis.<br>• Conducted annual assessment for 2024/25 against CIPFA Code and submitted this to Full Council.<br>• Received AGS promptly and quarterly updates on progress against AGS action plan.<br>• AGS updates now aligned to external audit recommendations, MHCLG Direction and best value themes approach reviewed against CIPFA addendum guidance.<br>• Senior officers in attendance at committees, including chief executive.<br>• Agreed risk-based audit plan and received head of internal audit's opinion, albeit providing no assurance.<br>• Had private briefing and public report on new risk around housing fraud.<br>Weaknesses:<br>• Leader and Cabinet members not in attendance at committee to show ownership of risks and issues and importance of assurance function.<br>• Lack of assurance data on arm's length arrangements and partnerships, with exception of one council owned entity.<br>• No current cross working with other entities audit committees.<br>• Council still reliant on interim resources in internal audit.<br>Proposed actions:<br>• Require annual assurance report from each wholly owned company.<br>• Request assurance reports from other entities where they deliver services on behalf of the Council eg. shared services, delegation of function, formal / statutory partnerships, joint committees. Assurance could be gained from public annual reports presented elsewhere.<br>• Invite Leader and Chief Executive to attend at least once annually to be questioned on assurance and governance.<br>• Receive report on proposals to stabilise internal audit and move to more permanent structure. |

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| Contributing to the development of an effective control environment. | • Encouraging ownership of the internal control framework by appropriate managers.<br>• Actively monitoring the implementation of recommendations from auditors.<br>• Raising significant concerns over controls with appropriate senior managers. | • The head of internal audit's annual opinion over internal control is that arrangements are satisfactory.<br>• Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified.<br>• Control frameworks are in place and operating effectively for key control areas - for example, information security or procurement. | Strengths:<br>• Senior officers from key services, including housing, finance and ICT, have reported and attended to respond to questions on outstanding internal audit actions.<br>• Received regular reports from internal audit demonstrating achievements against audit plan.<br>• Received comprehensive assessment against CIPFA FM Code and updated on purchase order compliance and issues.<br>• Risk reporting on corporate risks, including cyber-security, utilising part 2 papers where required.<br>Weaknesses:<br>• Not received sufficient assurance data regarding procurement, for example are waivers published.<br>• Delay and lack of auditing of accounts has meant the committee cannot rely on assurance from internal audit or external audit in these areas.<br>• Concern that reporting is too heavily reliant on retrospective audits instead of forward looking risks.<br>Proposed actions:<br>• Increased reporting on procurement - assessment and improvement plans, including assurance on compliance with Procurement Act.<br>• Council to implement reporting on use of waivers for procurement activity for example as part of annual/ bi-annual procurement plan reports. |
| Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks | • Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking.<br>• Monitoring improvements to risk management.<br>• Reviewing accountability of risk owners for major/strategic risks. | • A robust process for managing risk is evidenced by independent assurance from internal audit or external review. | Strengths:<br>• Interim risk manager is experienced and made positive difference.<br>• Regular risk reporting.<br>Weaknesses:<br>• High turnover of staff increases risk.<br>• Overly reliant on single interim officer.<br>• Less evidence that risk is being actively managed and mitigated.<br>Proposed actions:<br>• Need to hold directors to account on risks in same way as have done for internal audit recommendations.<br>• Consider deep dive on major/strategic risk, with lead member and senior officer in attendance. |

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| Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively. | • Reviewing the adequacy of the leadership team's assurance framework.<br>• Specifying the committee's assurance needs, identifying gaps or overlaps in assurance.<br>• Seeking to streamline assurance gathering and reporting.<br>• Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit. | • The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies. | Strengths:<br>• Receives quarterly reports on risk, internal audit and AGS actions.<br>• AGS action plan is aligned to external auditor recommendations, MHCLG directions and best value themes, providing a framework for assurance.<br>• Received update on fraud risks in housing in a timely manner.<br>• Senior officers have attended committee to answer questions and provide assurance. Chief Executive attended in response to the external auditor's value for money assessment.<br>Weaknesses:<br>• Committee does not have assurance data on adequacy of CLT and wider leadership assurance systems.<br>• Lack an assurance map to test against.<br>• Not received assurance information on collaborations or partnerships.<br>• Not received assurance reports for all council owned companies.<br>Proposed actions:<br>• Increased reporting on assurance on external arrangements, including collaborations and partnerships.<br>• Committee to receive report on leadership assurance systems tested against LGA Improvement and Assurance Framework. |

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| Supporting effective external audit, with a focus on high quality and timely audit work. | • Reviewing and supporting external audit arrangements with focus on independence and quality.<br>• Providing good engagement on external audit plans and reports.<br>• Supporting the implementation of audit recommendations. | • The quality of liaison between external audit and the authority is satisfactory.<br>• The auditors deliver in accordance with their audit plan and any amendments are well explained.<br>• An audit of high quality is delivered. | Strengths:<br>• Working well with external auditor, including private meetings.<br>• External audit represented at every meeting and has delivered training on role of external audit.<br>• External auditor reported on value for money assessment and Chief Executive attended to address the committee on this.<br>• AGS action plan aligned to external auditor recommendations.<br>• Progress on closing historic accounts, means focus can be on audit of 2025/26 accounts.<br>Weaknesses:<br>• Accounts have not been audited due to backlog dates not being met.<br>• Too early to test whether improvements in systems will lead to positive audit for 2025/26.<br>Proposed actions:<br>• Training for members on accounts, local government finance and questioning skills to be included in training programme.<br>• Update to be given from external auditor and finance on progress with audit and lessons learned following the process. |
| Supporting the quality of the internal audit activity, in particular underpinning its organisational independence. | • Reviewing the audit charter and functional reporting arrangements.<br>• Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.<br>• Actively supporting the quality assurance and improvement programme of internal audit. | • Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment).<br>• The head of internal audit and the organisation operate in accordance with the principles of the CIPFA Statement on the Role of the Head of Internal Audit (2019). | Strengths:<br>• Regular reporting on intenal audit activity, including transparently reporting full audits where these are limited or no assurance.<br>• Update on self-assessment against standards.<br>• Experienced interim head of internal audit.<br>• Audits delivered in accordance with approved plan and audit charter approved.<br>Weaknesses:<br>• Committee has a no assurance opinion for previous year due to lack of audit activity in previous year.<br>• No external assurance on internal audit.<br>Proposed actions:<br>• Updated self-assessment against standards and plan.<br>• External assurance to be received that service is conforming to new GSIAS. |

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| Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements. | • Reviewing how the governance arrangements support the achievement of sustainable outcomes.<br>• Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.<br>• Reviewing the effectiveness of performance management arrangements. | • Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives.<br>• The authority's arrangements to review and assess performance are satisfactory. | Strengths:<br>• AGS action plan updates and report on new CIPFA addendum guidance, with self-assessment.<br>• Code of Corporate Governance based on CIPFA/ SOLACE code.<br>• Addition of transformation programme actions to AGS action plan following receipt of Grant Thornton's recommendations.<br>Weaknesses:<br>• Concern that risk reporting may not be picking up risks on major projects.<br>• No assurance data provided on governance for major projects.<br>• No reporting or assurance on governance arrangements for new transformation programme, particularly bearing in mind criticisms of previous transformation programme.<br>• Limited assurance provided on capital programme.<br>• Limited assurance provided on use of grants.<br>Proposed actions:<br>• Report on governance arrangements for transformation programme.<br>• Report on assurance of capital and capital programme, particularly exploring reasons behind underspends and how performance is measured. |
| Supporting the development of robust arrangements for ensuring value for money. | • Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee.<br>• Considering how performance in value for money is evaluated as part of the AGS.<br>• Following up issues raised by external audit in their value-for-money work. | • External audit's assessments of arrangements to support best value are satisfactory. | Strengths:<br>• Received report from external auditors on value for money, including flagging lack of progress against previous recommendations, leading to improved reporting.<br>• There is commonality between the issues flagged in the AGS, external auditor reports and commissioner reports, providing some assurance that the Council's self-assessment is accurate, albeit flagging significant issues.<br>• Internal audit programme was risk based and appropriately focused on finance and financial controls.<br>Weaknesses:<br>• The external auditor's report raised issues of serious concern.<br>Proposed action:<br>• Review AGS assessment and action plan for 2025/26 to ensure value for money is addressed and suitable actions included to respond to any concerns.<br>• Consider reporting mechanisms to committee when significant financial risks emerge in-year. |

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| Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks. | • Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).<br>• Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.<br>• Assessing the effectiveness of ethical governance arrangements for both staff and governors. | • Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements. | Strengths:<br>• Counter fraud reports presented to the committee<br>• When housing fraud risk emerged, it was reported to the committee and a private briefing arranged.<br>Weaknesses:<br>• The committee has not received a formal assessment against the CIPFA 2014 Code.<br>• No annual fraud risk assessment, although the committee received an update against a 2023 CIPFA assessment.<br>• Unclear how risk of and identification of fraud is used to reduce the risks and improve internal controls.<br>Actions:<br>• Annual report to be presented on fraud risk assessment, including reference to any external assurance.<br>• Counter fraud strategies and policies to be subject to review and results reported to committee. |
| Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability. | • Working with key members/the PCC and chief constable to improve their understanding of the AGS and their contribution to it.<br>• Improving how the authority discharges its responsibilities for public reporting - for example, better targeting the audience and use of plain English.<br>• Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and | • The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality.<br>• The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion.<br>• The authority has published its financial statements and AGS in accordance with statutory guidelines. | Strengths:<br>• AGS action plan contains section on information governance and partnership governance, including need to increase transparency.<br>• Committee has carried out self-assessment and published an annual report.<br>Weaknesses:<br>• Accounts not published or audited on time and have previously resulted in disclaimer of opinion.<br>Proposed actions:<br>• Request assurance on transparent reporting on progress against transformation plan.<br>• Internal audit plan has resources to provide additional audit and assurance on transformation programme. |

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| | encourages greater transparency.<br>• Publishing an annual report from the committee. | • The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements. | |

# Training Programme for 2026/27

| Date | Topic | Lead Officer |
|---|---|---|
| June/July 2026 | Introduction to role of Audit and Corporate Governance Committee | Monitoring Officer/Finance/Internal Audit |
| June/July 2026 | AGS and Code of Corporate Governance | Monitoring Officer |
| June/July 2026 | CIPFA FM Code and statements of accounts | Finance |
| September/October 2026 | LGA Improvement and Assurance Framework | Legal/Finance |
| September/October 2026 | Local Government and Social Care Ombudsman and Housing Ombudsman | Legal/Housing/Resident Engagement |
| October/November 2026 | Role of external audit | External Audit |
| October/November 2026 | Local Government Finance, including revenue, ring-fenced budgets and capital | Finance |
| October/November 2026 | Role of internal audit, including global standards | Internal Audit |
| February 2027 | Treasury management | Finance/Arlingclose |
| April 2027 | Committee self-assessment | Legal/Finance/Internal Audit |

# Audit and Corporate Governance Committee: Annual Report 2025/26

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