

Slough Borough Council

Report To:	Audit and Corporate Governance Committee
Date:	10 September 2025
Subject:	Finance and Commercial Internal Audit Recommendations – Update
Chief Officer:	Chris Holme – Interim Executive Director Finance and Commercial (S151 Officer)
Contact Officer:	Vicki Palazon – Finance Consultant (FIP and Companies)
Ward(s):	All
Exempt:	NO
Appendices:	Appendix 1 – Action plan update

1. Summary and Recommendations

- 1.1 This report sets out an update on the progress made on closing out finance and commercial internal audit recommendations since the previous report to Audit and Corporate Governance Committee on 30 April 2025.

Recommendation:

Committee is recommended to note and comment on the contents of this report

Commissioner Review

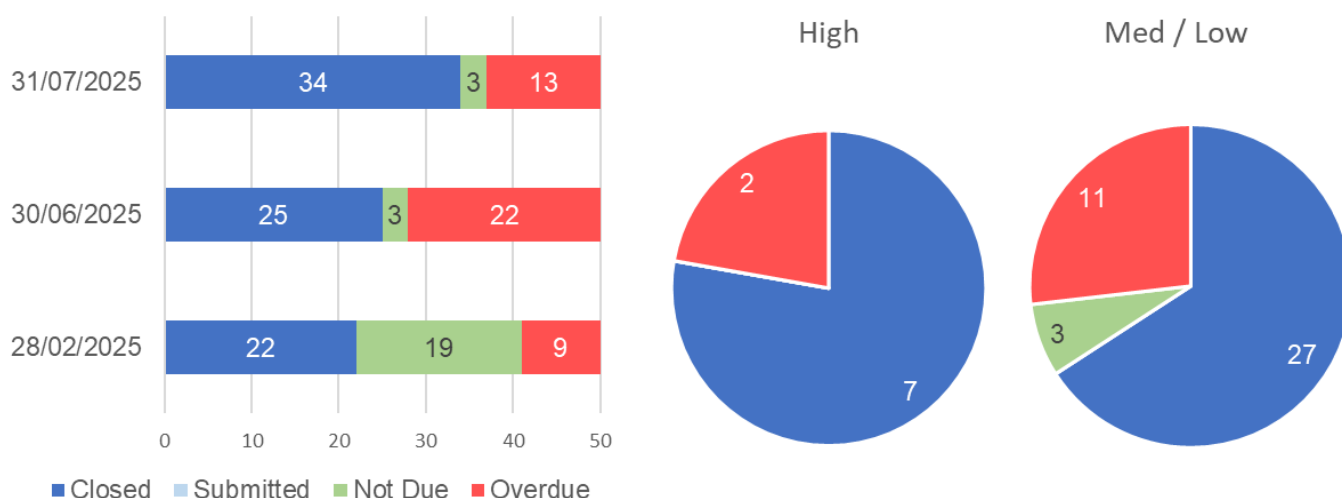
This report is outside the scope for pre-publication commissioner review; please check the [Commissioners' instruction 5 to CLT to sign off papers](#) for further details.

2. Report

Background

- 2.1 This report provides an update as at 31 July 2025 on the action taken since the previous update report to Audit and Corporate Governance Committee regarding the 50 internal audit recommendations (9 high risk and 41 medium / low risk) that remained outstanding covering the period 2021/22 to 2023/24.
- 2.2 Revised target dates for completion were presented and approved by Audit and Corporate Governance Committee in their meeting 13 November 2024. Good progress was being made since this date, having closed 23 (46%) recommendations by 31 March 2025, however, there has been a deterioration during Q1 2025/26, requiring refocus and improvement to catch up to close the audit recommendations. Revised focus during July has seen 9 of the 22 overdue recommendations closed during July with further recommendations nearing evidence submission stage. By 31 July 2025, 34 (68%) recommendations have been closed.

2.3 The next chart shows the progress since the previous position reported to the Committee. The pie charts highlight the recommendation category as at 31 July 2025.



2.4 The next table outlines the audit area with overdue recommendations and current position. Appendix 1 provides an update on all recommendations.

Audit / Area	High Risk	Medium and Low Risk	Summary Overview
Asset Register (IA003 2021/22)		1	Evidence on periodic in year reconciliations being collated for submission
Budget Setting and Budgetary Control (IA048 2022/23)		1	Relates to budget holder training. Revised guidance issued for P1 2025/26. Training programme being developed during September 2025
Cash Collection and Management (IA100 2023/24)		1	Original audit related to parking and library cash collection. Finance to follow up on specific recommendation to provide evidence
Council Tax Review (IA098/IA099/1102/IA 104 2023/24)		4	Linked to restructure of service to enable resources to complete these actions and procurement of new enforcement agency contract.
Creditors (IA054 2022/23)		1	Recommendation closure taken longer to complete than it was originally anticipated due to the complexity of the system functionality and the task that the manual needs to cover. Expecting to submit evidence August 2025
General Ledger (IA060 2022/23)	1		Roles and responsibilities on the finance system. Immediate action taken March 2025 to revoke superuser access on 15 users following GT IT audit recommendation. Prioritisation on moving system (completed ahead of schedule). Resources now working on roles and responsibilities to resolve by 30 September 2025
Q1 Follow Up (IA105/IA106 2023/24)	1	1	Outstanding relates to companies governance. Dependency – workshop 22 July to confirm requirements. Submitted request to close recommendation on timetable
Rent Accounts (IA065/IA066 2022/23)		2	Evidence due to be submitted. The remaining recommendation on reconciliation is currently in testing stage within NEC
Total	2	11	As at 31 July 2025

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 There are no direct financial implications, however failure to close down recommendations in a timely manner, continues to expose the council to financial risks and an internal control framework which is not robust and fully effective.

3.2 Legal implications

- 3.2.1 There are no direct legal implications arising from this report. Failure to address those risks associated with the Directions from the Department for Levelling Up, Housing and Communities will impact the ability to secure the Authority's compliance with the requirements of Part I of Local Government Act 1999. The Council has specific legal duties in relation to certain areas, such as managing health and safety risks and civil contingency. Effective internal audit is a key part of providing assurance on the adequacy of governance, risk management and internal control.

3.3 Risk management implications

- 3.3.1 The internal audit recommendations have been evaluated by Internal Audit as either high, medium, or low risk. Management is aware of their responsibilities in ensuring that action is taken to respond and close out the recommendations.

3.4 Environmental implications

- 3.4.1 There are no direct environmental implications from this report.

3.5 Equality implications

- 3.5.1 There are no direct equality implications arising from this report.

4. Background Papers

None

Appendix 1 – Action plan update

Position statement as at 31 July 2025 – Outstanding recommendations

Ref for FIP	Year	Audit / Area	Recommendation	SRO Lead	Revised Target Date (FIP)	Risk Level	Update and action plan to discharge recommendation
IA003	2021/22	Asset Register	Following completion of the ongoing reconciliation between Asset Management, Finance and Legal Records, the Council will introduce a periodic reconciliation process to account for in-year transactions.	Chris Holme	31/03/2025	Medium and Low Risk	<p>Update Each year finance will liaise with property and legal to ensure that any disposals or acquisitions are accurately reflected in the statement of accounts.</p> <p>Action Plan 1. Submit evidence to Internal Audit on completion of all prior year accounts to assure that ongoing reconciliation is completed. 2. Incorporate into the FAR procedures and process</p> <p>Evidence of the liaison with property and legal will be shared with internal audit shortly.</p>
IA048	2022/23	Budget Setting and Budgetary Control	The Council will review the skills required of budget managers and holders in light of the agreed processes for budget setting and monitoring, and introduce training as required.	Annabel Scholes	31/03/2025	Medium and Low Risk	<p>Update This recommendation relates to 2022/23; however, it is recognised there is a need to develop core skills and competencies for budget holders and has been incorporated within the FIP.</p> <p>Progress Made 1. Following the launch of the new budget holder reports, a questionnaire was sent to all budget holders in May, and this will form the scope for future training needs and will feed into actions below.</p> <p>Action Plan - Work ongoing to be deliver a programme for September 2025 1. Identify the core skills required for budget holders and those with budget management accountability 2. Create and issue a questionnaire to budget holders to baseline current understanding of core skills 3. Develop a training programme and delivery options to ensure all budget holders has core skills required. Deliver the training programme</p>

Ref for FIP	Year	Audit / Area	Recommendation	SRO Lead	Revised Target Date (FIP)	Risk Level	Update and action plan to discharge recommendation
IA054	2022/23	Creditors	We will consolidate the Aged Creditors Manual and new Agresso AP guidance to ensure it includes current processes, systems and staff responsibilities and made available to staff via the AP shared drive.	Andy Jeffs	31/08/2025	Medium and Low Risk	<p>Action Plan</p> <ol style="list-style-type: none"> 1. Obtain the latest Aged Creditors Manual and new Agresso AP guidance 2. Review existing processes, systems, and staff responsibilities 3. Consolidate the manual and guidance into one document based on existing processes 4. Communicate to staff <p>The above actions will discharge the existing recommendation, however, the FIP incorporates moving to best practice. We have commenced a re-write of the Aged Creditors Manual following a review of existing processes, systems and staff responsibilities. The document requires a significant re-write and there is a requirement for additional time to complete this work. A revised completion date for this action is the end of June 2025.</p> <p>This work has taken longer to complete than it was originally anticipated due to the complexity of the system functionality and the task that the manual needs to cover. The revised completion date is the 31 August 2025</p>

Ref for FIP	Year	Audit / Area	Recommendation	SRO Lead	Revised Target Date (FIP)	Risk Level	Update and action plan to discharge recommendation
IA060	2022/23	General Ledger	The Council will complete an exercise to identify those roles/positions requiring access to Agresso finance functions and the access/functions required.	Vicki Palazon	01/03/2025	High Risk	<p>Update</p> <p>It is noted that this remains a high risk recommendation. The council as part of its FIP have set up a new project – 37 Internal Controls to ensure that an appropriate internal control environment is in place. This risk has been incorporated into the FIP project to enable corrective action is undertaken promptly and that this activity is proceeding. Each role responsibility will require testing to provide full assurance and enable an internal control document to be created for maintaining.</p> <p>Action Plan</p> <ol style="list-style-type: none"> 1. Review / identify existing roles and responsibilities set up in the finance system (30/11/2024) 2. Confirm appropriate internal controls are assigned to these roles (31/01/2025) 3. Identify all staff with access to the finance system to confirm roles and responsibilities appropriately assigned (31/03/2025) <p>A Grant Thornton audit on IT controls took place during Q3 and Q4 2024/25 which identified a significant risk on roles and responsibilities. The immediate risk of 15 users having super role access was immediately actioned. All other remaining roles and responsibilities continue to be managed on a risk basis with a date of completion of 30 September 2025.</p> <p>Work has now commenced on roles and responsibilities following the move of the finance system to a Cloud environment. A PID and project plan has been developed. The first tranche includes roles that are a higher risk exposure to fraud and corruption (e.g. bank reconciliation, accounts payable / receivable and payroll) and remains in track to be completed by 30 September 2025.</p>
IA065	2022/23	Rent Accounts	The Council will evidence the checks performed in order to ensure the new rent increases have been correctly applied on an annual basis	Andy Jeffs	31/03/2025	Medium and Low Risk	Since September 2023, the date of this audit, the council has successfully uplifted the charge for 2024/25 and 2025/26. Evidence of this will be submitted and a request made for this action to be closed.

Ref for FIP	Year	Audit / Area	Recommendation	SRO Lead	Revised Target Date (FIP)	Risk Level	Update and action plan to discharge recommendation
IA066	2022/23	Rent Accounts	Carry out daily reconciliations to ensure that any discrepancies are reviewed and resolved promptly.	Andy Jeffs	31/03/2025	Medium and Low Risk	<p>Housing rents is currently being reviewed as part of the PWC reconciliation project. An action plan will be developed following the conclusion of this work.</p> <p>Action Plan</p> <p>1. Included within the separate project 'NEC Implementation Project'</p> <p>As part of the NEC project they are currently testing the housing rent reconciliation module. Once implemented work will commence on the reconciliations required. Daily Reconciliations are now part of BAU. Some historical issues are currently being fixed, this work should be complete by end of July.</p>
IA098	2023/24	Council Tax Review	A review all current Standard Operating Procedures should be completed annually to ensure they comprehensively cover all relevant tasks within a function. Additional SOPs should be prepared to cover gaps in missed processes to holistically capture all Council Tax functions and meet required standards.	Andy Jeffs	31/12/2025	Medium and Low Risk	<p>Action Plan</p> <p>1. Identify and review all current Standard Operating Procedures</p> <p>2. Perform a gap analysis</p> <p>3. Update / refresh / create Standard Operating Procedures</p> <p>4. Approve, communicate, and implement Standard Operating Procedures</p> <p>This forms part of the organisational restructure of the Revenues and Welfare Service. This is due to be completed by the end of June 2025.</p> <p>The restructure will now not be completed until the 1 October 2025. Once the new structure is live this work will be completed. The revised target date for completion is the 31 December 2025.</p>
IA099	2023/24	Council Tax Review	Internal Council Tax team communication protocols should be agreed and documented to guide how information/knowledge will be efficiently shared and documented with different teams.	Andy Jeffs	31/12/2025	Medium and Low Risk	<p>This action links to the previous audit recommendation.</p> <p>Action Plan</p> <p>1. Identify, draft, and implement communication protocols. This forms part of the organisational restructure of the Revenues and Welfare Service. This is due to be completed by the end of June 2025.</p> <p>The restructure will now not be completed until the 1 October 2025. Once the new structure is live this work will be completed. The revised target date for completion is the 31 December 2025.</p>

Ref for FIP	Year	Audit / Area	Recommendation	SRO Lead	Revised Target Date (FIP)	Risk Level	Update and action plan to discharge recommendation
IA100	2023/24	Cash Collection and Management	The Financial Procedure Rules (FPRs) will be formally approved with evidence of this approval retained, the FPRs will then be shared with staff.	Chris Holme	28/02/2025	Medium and Low Risk	<p>Cash collection options to be reviewed. The management and reconciliation of cash collection is part of the closure of prior year accounts.</p> <p>Action Plan</p> <ol style="list-style-type: none"> 1. Identify the issues and remedial action required for cash collection reconciliation 2. Review current cash collection processes and opportunity to collect cash including invoicing for services 3. Ensure that ICON and other relevant feeder systems and the finance system reconcile, and internal control framework is robust 4. Remedy issues identified with cash collection and management 5. Update the Financial Procedure Rules <p>23/05/25 - There is a need to review the recommendation to clarify what the requirement was and who will be leading on this one. Audit was specific to car parks and libraries cash collection. To follow up with finance business partner and services.</p>

Ref for FIP	Year	Audit / Area	Recommendation	SRO Lead	Revised Target Date (FIP)	Risk Level	Update and action plan to discharge recommendation
IA102	2023/24	Council Tax Review	The Council Tax team should prepare a comprehensive roles and responsibilities document for Council Tax related functions and shared with all relevant staff.	Andy Jeffs	31/12/2025	Medium and Low Risk	<p>Update This will be completed as part of the implementation of the target operating model.</p> <p>Action Plan 1. Define future requirements 2. Define service delivery offer 3. Benchmark and Metrics 4. Review delivery options 5. Define roles and responsibilities 6. Write a scope and test the market 7. Consultation and Union engagement 8. Implementation</p> <p>This forms part of the organisational restructure of the Revenues and Welfare Service.</p> <p>The restructure will now not be completed until the 1st of October 2025. Once the new structure is live this work will be completed. The revised target date for completion is the 31st of December 2025.</p>
IA104	2023/24	Council Tax Review	Key Performance Indicators should be formulated for evaluating Enforcement Agents performance. Minutes/ actions agreed of meetings with Enforcement Agents should be documented	Andy Jeffs	31/12/2025	Medium and Low Risk	<p>Action Plan 1. Appoint head of service 2. Review existing contract 3. Consider options for enforcement 4. Implement</p> <p>A new interim Head of Revenues has been appointed. This action will be delivered, and evidence submitted to enable closure.</p> <p>We are currently seeking approval to procure a new Enforcement Agent contract. The new contract will cover the points included in this audit action. The revised target date for completion is the 31 December 2025.</p>

Ref for FIP	Year	Audit / Area	Recommendation	SRO Lead	Revised Target Date (FIP)	Risk Level	Update and action plan to discharge recommendation
IA105	2023/24	Q1 Follow Up	Management will review governance documentation required for the full year 2023/24 and put these in place to ensure clarity on levels of authority and on financial responsibilities and controls.	Vicki Palazon	28/02/2025	High Risk	<p>Companies' governance, oversight and financial matters have been assessed by a desk top exercise which has led to a project plan and actions to be implemented. This has been captured within the FIP for completion.</p> <p>Whilst it is recognised as high risk, this is being managed through the project to manage risks appropriately until the review has concluded. Governance documentation for JEH and GRE5 has been obtained and being reviewed. JEH options appraisal is underway which will determine the future strategic direction of the company. Separately, the terms of reference for a Shareholder Unit – officer led has been drafted for sign off which will feed into future governance arrangements.</p> <p>Action Plan</p> <ol style="list-style-type: none"> 1. Review of governance documentation (JEH and GRE 5 existing documents identified including those that need to be put in place) 2. Update / create governance documentation for financial roles and accountabilities <p>Following a workshop held 22 July 2025, documents are being refreshed</p>
IA106	2023/24	Q1 Follow Up	We will document an annual company reporting timetable that sets out annual activities, deadlines and responsible officers, including expectations for reporting back into the Council.	Vicki Palazon	28/02/2025	Medium and Low Risk	<p>Companies' governance, oversight and financial matters have been assessed by a desk top exercise which has led to a project plan and actions to be implemented. This has been captured within the FIP for completion.</p> <p>The 2024/25 closedown guidance has been issued to companies relating to company matters.</p> <p>Action Plan</p> <ol style="list-style-type: none"> 1. Review of governance documentation 2. Align reporting timetable with council's reporting requirements 3. Ensure governance aligns to Company governance <p>Evidence submitted to Internal Audit August 2025</p>