Internal Audit Advisory Report - Framework and Governance of Finance Improvement Plan (FIP)

Final Internal Audit Advisory Report

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Status of Finance Improvement Plan (FIP) Framework and Governance

1. Executive Summary

Context

This report presents the results of our Critical Friend review of Slough Borough Council's Finance Improvement Plan (FIP) framework and Governance, combining findings from targeted reviews with constructive feedback on programme delivery.

The review is not a formal assurance audit but a supportive, challenge-based assessment intended to help strengthen implementation. No opinion is therefore expressed.

The Finance Improvement Plan, adopted in September 2023, is a key strategic initiative aimed at improving the Council's financial health, compliance with the national Financial Management Code (FM Code), and the resilience of its financial systems. The plan's early phase relied on a very large, detailed tracker. While thorough, its sheer scale (over 2,000 lines) made it difficult to manage effectively. This risk was recognised, and in Q1 2024 the programme team initiated a reset to:

a)   Shift to PID-based governance. (Project Initiation Document - PIDs)

b)   Focus on project-level clarity for objectives, deliverables, and milestones.

c)   Improve progress tracking through a standardised dashboard.

Delivery in late 2024/25 was affected by statutory demands, such as the Statement of Accounts and budget setting. However, governance and programme management arrangements have improved, and the FIP is now better placed to deliver tangible results.

Key Strengths Identified

- **Improved Governance:** A dedicated Finance Improvement Board is in place, with clear responsibilities, a RAG-rating progress system, and strong senior leadership oversight.

- **Structured Programme Management:** Transitioning from an unwieldy 2,000-line tracker to clear PIDs and a central project workbook/dashboard has simplified monitoring and improved focus.

- **Transparency and Engagement:** The FIP lead communicates openly about challenges, resource constraints, and progress, fostering trust and collaboration.

- **Integration with FM Code:** There is stronger alignment between FIP actions and the FM Code requirements, ensuring the programme remains compliant and relevant.

Areas for Further Development

- **Finalise All PIDs:** Completing and signing off the remaining PIDs will provide a stable baseline for tracking delivery.

- **Address Resource Bottlenecks**: Consider temporary capacity increases during peak statutory periods to maintain FIP momentum.

- **Accelerate Dashboard Implementation:** Moving fully to the new dashboard will improve visibility and decision-making for senior leaders and the Audit Committee.

- **Maintain Strategic Integration:** Continue aligning FIP work with other Council strategies to avoid duplication and ensure cohesive planning.

Audit Testing – Assurance Observations

Our targeted audit tests confirmed that:

- Objectives are mapped to statutory duties.

- Policies are reviewed regularly and updated as needed.

- Stakeholder engagement is recorded and appropriately managed.

- Decision-making uses reliable, validated data.

- The FIP is reviewed in line with other strategic plans for consistency.

Overall Assessment

The Finance Improvement Plan is progressing in the right direction. Much of the early work has been about laying the foundations — building governance, structure, and alignment. These steps are critical to achieving sustainable improvements in the medium to long term.

The Council should now focus on turning structure into delivery, ensuring that actions translate into measurable financial and operational benefits. With continued commitment, the FIP has the potential to make a lasting, positive impact on the Council's financial stability and service delivery.

2. Introduction

This review brings together our advisory work and targeted testing on the Finance Improvement Plan. Our review approach has been that of a critical friend — acknowledging progress, recognising good practice, and identifying practical opportunities for improvement.

The scope of our review was to assess:

1. Alignment between the FIP approved by cabinet in September 2023 and current direction.

2. Adequacy of governance and reporting framework.

3. Identification of opportunities for improvement.

The purpose of this report is to:

- Provide a clear, non-technical overview of FIP progress.

- Highlight strengths and achievements to date.

- Suggest targeted actions to accelerate delivery.

- Ensure alignment with the FM Code and wider Council strategies.

Context

Between 2021 and 2023, a range of improvement tasks were initiated in response to external audit recommendations, commissioner directions, and requirements of the CIPFA FM Code. These actions were maintained in spreadsheets and task lists but not coordinated as a single programme.

The FIP was approved in September 2023 as part of the Council's response to financial challenges and in line with statutory expectations under the FM Code.

The plan's early phase still relied on a detailed spreadsheet tracker. While thorough, it quickly grew and its sheer scale (over 2,000 lines) made it difficult to manage effectively. This risk was recognised, and in Q1 FY 2024/25 the programme team initiated a reset to:

- Shift to PID-based governance approach.

- Focus on project-level clarity for objectives, deliverables, and milestones.

- Improve progress tracking through a standardised dashboard.

Delivery paused temporarily in Q4 2024/25 due to focus on closure of accounts activity, but governance structures have since matured, and the programme is ready for its next phase.

3. Major Developments in FIP

Positive Developments

The Finance Improvement Plan (FIP) has already demonstrated substantial progress in several key areas, despite facing challenges such as competing priorities, limited resources, and the scale of transformation required. This progress is important to acknowledge, as it shows the programme is building the right foundations to deliver lasting improvements in the Council's financial management and governance.

Governance Improvements

The introduction of a dedicated Finance Improvement Board, chaired by senior leaders, has created a formal structure for oversight and decision-making. This board operates under clear terms of reference, setting out its remit, responsibilities, and membership. Such governance structures are crucial to ensure that accountability is clear, decisions are timely, and risks are managed proactively.

Senior Responsible Officers (SROs) have now been appointed to oversee each project within the FIP. These officers are tasked with monitoring progress, providing updates, and ensuring that project objectives are met. The use of a RAG rating system (Red, Amber, Green) to report on each project's status has improved visibility for leaders and has helped identify at a glance where corrective action is needed.

Programme Management Enhancements

The transition from an unwieldy task list—originally containing over 2,000-line items—to a structured project management approach, aligned with PRINCE2 methodology, including the drafting of 34 Project Initiation Documents (PIDs) has been a major step forward. This change allows for each project to have clearly defined objectives, deliverables, timelines, and measurable success criteria. In turn, this makes it easier to monitor delivery and assess whether intended benefits are being realised.

Work is also underway to implement a project workbook and dashboard reporting system. Once fully embedded, this will replace the inconsistent legacy trackers and provide a single, streamlined platform for reporting. This will not only improve efficiency but also allow decision-makers to quickly assess programme performance.

Engagement and Transparency

The FIP lead has shown a strong commitment to keeping stakeholders informed. This includes sharing both progress updates and challenges candidly. For example, the programme has openly acknowledged the impact of statutory finance work—such as closing the Statement of Accounts and setting the annual budget—on FIP delivery capacity. This openness fosters trust and encourages collaborative problem-solving.

4. Opportunities to Strengthen FIP Delivery

While the FIP governance framework has matured since its inception and there have been clear successes, the review also identified areas where the programme could strengthen its delivery and resilience. Addressing these areas will help the FIP maintain momentum and achieve its intended outcomes within the agreed timeframes. This can be summarised as follows:

What Is Working Well	Opportunities for Strengthening	Actions
Leadership is fully engaged in the reset of the FIP.	Prioritise completion and approval of PIDs for all 34 projects.	Focus is now on completion of remaining PIDs. Agreed that Internal Audit involvement would add no value at this stage.
Governance forums and processes are in place, including the Finance Improvement Board.	Formalise a live, regularly updated dashboard to replace the static tracker.	CIPFA FM code quarterly updates already going to CLT and FIB.
A structured, project-managed approach is being developed to replace legacy tracking.	Develop a phased approach to project delivery to account for capacity limits.	Access given to SORs for finalised PID documentation as projects are signed off.
The programme team is transparent about gaps and areas needing development.	Strengthening FM Code Integration	All PIDs now cross refer to CIPFA FM code action plan.

Completing Outstanding Project Initiation Documents (PIDs)

At the time of our review, 9 PIDs were fully signed off and 25 drafts were in progress. Several remain in draft form and have yet to be signed off. Until these are approved, the projects lack a formal baseline against which progress can be measured. This makes it harder to assess whether work is on track or to take corrective action when needed. Completing and approving these PIDs should therefore be a near-term priority.

Accelerating the Transition to New Reporting Formats

The new project workbook and dashboard system promises to greatly improve efficiency and clarity. However, the longer the programme continues to use legacy trackers alongside the new system, the greater the risk of duplication and inconsistency. Accelerating the rollout and full adoption of the new reporting format will remove these inefficiencies.

Managing Resourcing Pressures

One of the most significant risks to delivery is the availability of skilled staff during peak business-as-usual (BAU) periods. For example, finance officers are heavily committed during year-end closure and budget preparation. Without additional support during these periods, progress on the FIP implementation can stall. Options such as short-term

secondments, temporary staff, or outsourcing certain low-risk activities could help to maintain delivery momentum.

Strengthening FM Code Integration

The Financial Management (FM) Code provides a national benchmark for sound financial management practices. The FIP is already aligned to the FM Code, but there is an opportunity to make this connection more visible by mapping each FIP project directly to FM Code requirements. This would provide a clear demonstration of compliance progress to both internal stakeholders and external regulators. At the time of finalising this report, alignment is already being implemented and tracked via CIPFA FM code tracker.

Next Steps:

In order to build on the progress made so far, it is recommended that the following steps are taken in the coming months:

- **Finalise and Approve All PIDs** – This will give every project a clear baseline for delivery and allow progress to be measured meaningfully.

- **Test Early Delivery Against Milestones** – As the programme matures, it will be important to assess whether early deliverables are being met and whether they are having the intended impact.

- **Plan for Resourcing Peaks** – Proactive planning for high-demand periods will help maintain programme momentum.

Should these steps be completed by Q3/Q4 2025/26, a fuller review can be conducted. This would allow the Audit Committee to receive a more detailed opinion on the programme's effectiveness and impact.

Collaborative Actions to Support the FIP Lead

To further enhance delivery and provide targeted support to the FIP lead, the following collaborative actions are recommended:

- **Joint Planning Sessions** – Involving the FIP lead, Senior Responsible Officers, and relevant service managers to collectively agree delivery priorities for the next quarter. *Management feedback: This already happens monthly and through the FIPWG meetings.*

- **Knowledge-Sharing Workshops** – Facilitating sessions where project teams can share lessons learned, successful approaches, and potential risks.

- **Peer Review of PIDs** – Allowing colleagues not directly involved in a project to review PIDs before sign-off to ensure clarity and completeness.

  Management Feedback: This is already happening. PIDs are either approved via DLT or thought FIPWG which is peer review

- **Cross-Team Resource Pooling** – Identifying staff from other departments who can provide temporary support during peak periods.

- **Live FM Code Tracker** – Creating an online dashboard mapping FIP projects to FM Code requirements, updated in real time.

  Management Feedback: This is already in place through the CIPFA FM code tracker and action plan.

5. Summary

The Finance Improvement Plan is moving in a positive direction. The early investment in governance, project structure, and FM Code alignment is beginning to pay off. The shift to a structured, PID-based approach means that the programme now has the tools needed to track progress, hold people to account, and demonstrate results.

It is important to recognise that much of the work so far has been "behind the scenes" — focusing on building systems, processes, and governance. While these changes may not immediately produce visible results for all stakeholders, they are essential for creating a sustainable improvement in the Council's financial management. As delivery milestones are reached, the benefits of these foundational changes will become more tangible.

6. Audit Opinion

The review adopted a critical friend approach and was not a formal assurance audit. Its objective is to provide supportive, challenge-based assessment intended to help strengthen implementation. No opinion is therefore expressed.

Appendix 1: Distribution

- Will Tuckley, Chief Executive
- Ian O'Donnell, Executive Director Corporate Resources and S151 Officer
- Vicki Palazon, Finance Consultant (FIP and companies)
- Ian Kirby, Head of Internal Audit and Counter-Fraud.