HILLINGDON
LONDON

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Audit Committee

Date: **THURSDAY, 24 JULY 2025**

Time: **5.00 PM**

Venue: **COMMITTEE ROOM 5 - CIVIC CENTRE**

Meeting Details: The public and press are welcome to attend and observe the meeting.

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Members of the Committee

John Chesshire (Chair)
Councillor Nick Denys (Vice-Chair)
Councillor Douglas Mills
Councillor Henry Higgins
Councillor Tony Burles
Councillor June Nelson

Published: Wednesday, 16 July 2025

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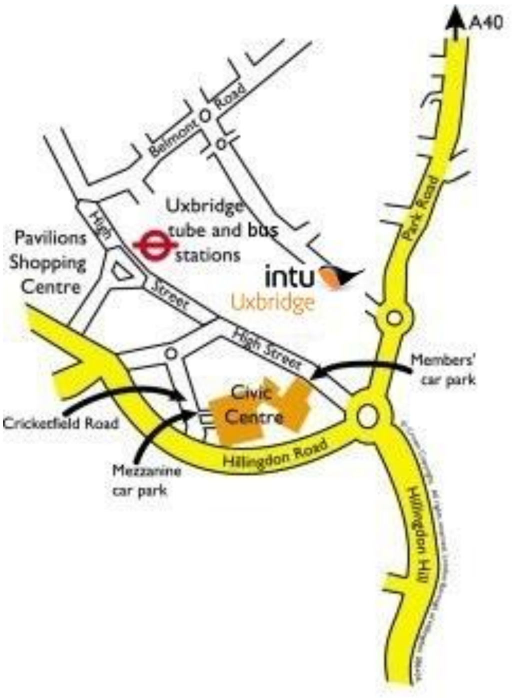
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Terms of Reference

The Constitution defines the terms of reference for the Audit Committee as:

Introduction

The Audit Committee’s role will be to:

- Review and monitor the Council’s audit, governance, risk management framework and the associated control environment, as an independent assurance mechanism;
- Review and monitor the Council’s financial and non-financial performance to the extent that it affects the Council’s exposure to risk and/or weakens the control environment;
- Oversee the financial reporting process of the Statement of Accounts.

Decisions in respect of strategy, policy and service delivery or improvement are reserved to the Cabinet or delegated to Officers.

Internal Audit

1. Review and approve (but not direct) the Internal Audit Strategy to ensure that it meets the Council's overall strategic direction.

2. Review, approve and monitor (but not direct) Internal Audit’s planned programme of work, paying particular attention to whether there is sufficient and appropriate coverage.

3. Through quarterly Internal Audit summary reports of work done, monitor progress against the Internal Audit Plan and assess whether adequate skills and resources are available to provide an effective Internal Audit function. Monitor the main Internal Audit recommendations and consider whether management responses to the recommendations raised are appropriate, with due regard to risk, materiality and coverage.

4 Make recommendations to the Leader of the Council or Cabinet Member for Finance, Property and Business Services on any changes to the Council’s Internal Audit Strategy and Internal Audit Plans.

5. Review the Annual Internal Audit Report and Opinion Statement and the level of assurance this provides over the Council’s corporate governance arrangements, risk management framework and system of internal controls.

6. Consider reports dealing with the activity, management and performance of Internal Audit.

7. Following a request to the Corporate Director of Finance, and in consultation with the Leader of the Council or Cabinet Member for Finance, Property and Business Services, to request work from Internal Audit.

External Audit

8. Receive and consider the External Auditor’s annual letter, relevant reports and the report to those charged with governance.

9. Monitor management action in response to issues raised by External Audit.

10. Receive and consider specific reports as agreed with the External Auditor.

11. Comment on the scope and depth of External Audit work and ensure that it gives value for money, making any recommendations to the Corporate Director of Finance.

12. Be consulted by the Corporate Director of Finance over the appointment of the Council’s External Auditor.

13. Following a request to the Corporate Director of Finance, and in consultation with the Leader of the Council or Cabinet Member for Finance, Property and Business Services, to commission work from External Audit.

14. Monitor arrangements for ensuring effective liaison between Internal Audit and External Audit, in consultation with the Corporate Director of Finance.

Governance Framework

15. Maintain an overview of the Council’s Constitution in respect of contract procedure rules and financial regulations and where necessary bring proposals to the Leader of the Council or the Cabinet for their development.

16. Review any issue referred to it by the Chief Executive, Deputy Chief Executive, Corporate Director, any Council body or external assurance providers including Inspection agencies.

17. Monitor and review, but not direct, the authority’s risk management arrangements, including regularly reviewing the Corporate Risk Register and seeking assurances that appropriate action is being taken on managing risks.

18. Review and monitor Council strategy and policies on anti-fraud and anti-corruption including the ‘Raising Concerns at Work’ policy, making any recommendations on changes to the relevant Corporate Director in consultation with the Leader of the Council.

19. Oversee the production of the authority’s Annual Governance Statement and recommend its adoption.

20. Review the Council’s arrangements for corporate governance and make recommendations to the Corporate Director of Finance on suggested actions to improve alignment with best practice.

21. Where requested by the Leader of the Council or Cabinet Member for Finance, Property and Business Services or Corporate Director of Finance, provide recommendations on the Council’s compliance with its own and other published standards and controls.

Accounts

22. Review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from financial statements or from the external auditor that need to be brought to the attention of the Council.

23. Consider the External Auditor’s report to those charged with governance on issues arising from the external audit of the accounts.

Review and reporting

24. Undertake an annual independent review of the Audit Committee’s effectiveness and submit an annual report to Council on the activity of the Audit Committee.

Formal duty of senior officers to attend

Whilst Council officers will invariably attend meetings voluntarily, in fulfilling its role, and should it be required, the Committee may require the Head of Paid Service and/or any senior officer (third tier and above) to attend before it to explain in relation to matters within its remit and it shall be the duty of those persons to attend if so required.

Where any senior officer is required to attend the Committee under this provision, the Chairman will inform the Head of Democratic Services. The Head of Democratic Services shall inform the officer in writing or by email giving at least 10 working days’ notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the Committee. Where the account to be given to the Committee will require the production of a report, then the officer concerned will be given sufficient notice to allow for preparation of that documentation.

Where, in exceptional circumstances, the officer is unable to attend on the required date, then the Committee shall, in consultation with the officer, arrange an alternative date for attendance.

When calling senior officers under this provision, the Committee will remain bound by the Code of Conduct for Members and Co-opted Members, ensure questioning is conducted in a fair and balanced manner and not of a personal critical nature.

Agenda

PART I

1	Apologies for absence	
2	Declarations of interest	
3	To confirm that all items marked Part I will be considered in Public and that any items marked Part II will be considered in Private	
4	Minutes of the Meeting held on 14 May 2025	1 - 8
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7	Work Programme	39 - 42

Agenda Item 4

Minutes

AUDIT COMMITTEE

14 May 2025

**Meeting held at Committee Room 5 - Civic Centre,
High Street, Uxbridge UB8 1UW**

Committee Members Present:
Councillor Nick Denys,
Councillor Tony Burles,
Councillor Douglas Mills,
Councillor Henry Higgins, and
Councillor June Nelson

Officers Present:
Claire Baker – Head of Internal Audit and Risk Assurance,
Alex Brown – Head of Counter Fraud,
Andrew Macleod – Chief Accountant
Andy Goodwin – Head of Strategic Finance (interim Chief Finance Officer/ S151 Officer)
Pete Carpenter – Director – Pensions, Treasury & Statutory Accounts
Tony Zaman – Chief Executive Officer
Ryan Dell – Democratic Services Officer

Also Present:
Debbie Hanson, Ernst & Young (virtual)
Stephen Reid, Ernst & Young
Mark Rutter, Ernst & Young

1. **APPOINTMENT OF CHAIR** *(Agenda Item 1)*

Democratic Services opened the meeting by asking for nominations for Chair.

A nomination was received for John Chesshire, which was seconded and agreed.

RESOLVED: That the Audit Committee appointed Mr John Chesshire as Chair of the Audit Committee for the 2025-26 municipal year.

2. **APPOINTMENT OF VICE-CHAIR** *(Agenda Item 2)*

Democratic Services asked for nominations for Vice-Chair.

A nomination was received for Councillor Nick Denys, which was seconded and agreed.

RESOLVED: That the Audit Committee appointed Councillor Nick Denys as Vice-Chair of the Audit Committee for the 2025-26 municipal year.

3. **APOLOGIES FOR ABSENCE** *(Agenda Item 3)*

Apologies had been received from John Chesshire.

4. **DECLARATIONS OF INTEREST** *(Agenda Item 4)*

None.

5. **TO CONFIRM THAT ALL ITEMS MARKED IN PART I WILL BE CONSIDERED IN PUBLIC AND THAT ANY ITEMS MARKED PART II WILL BE CONSIDERED IN PRIVATE** *(Agenda Item 5)*

6. **MINUTES OF THE MEETING HELD ON 11 FEBRUARY 2025** *(Agenda Item 6)*

RESOLVED: That the minutes of the previous meeting be agreed as a correct record

7. **EXTERNAL AUDIT UPDATE** *(Agenda Item 7)*

The Chair opened the item by thanking EY and officers for their reports and moved straight to questions.

The Chair referred to the Independent Auditor’s Report, which noted that there was a significant weakness in the authority’s arrangements to identify and manage risks to its financial resilience and asked what had led EY to that conclusion. The DSG deficit was larger than the Council’s available reserves and this was a factual concern. Budget deterioration had occurred during the year, with a significant overspend. Weaknesses in baseline budgeting and demand forecasting had contributed to the overspend. The Medium-Term Financial Plan (MTFP) for 2024/25 included a steep increase in required savings. EY clarified that external auditors reporting a significant weakness in financial sustainability was a serious matter. EY would present an interim report at the next meeting to update on progress.

Members asked officers how this had happened and how it can be avoided in future. The Medium-Term Financial Strategy was based on four key elements: funding, demand-led growth, savings, and corporate items. Root causes identified included: demographic pressures in adult social care, children’s services, and temporary accommodation; inaccuracies in demand modelling; and delays in housing stock expansion which had reduced expected savings. Mitigation measures included: the launch of a Financial Improvement Programme; collaboration with external partners for benchmarking and process review; and increased focus on worst-case scenario planning.

The Committee requested a report from officers at the next meeting to update on financial risk assessment procedures and budget-setting methodology.

The Chair referred to the Independent Auditor’s Report, which also noted that there was a significant weakness in the authority’ arrangements with regards to the way the authority records, processes and reports on the information it holds, which undermines the ability of the authority to take proper informed decisions, manage its risks and meet its statutory deadlines, and asked how EY came to this conclusion.

Evidence for this included the delay in the production of the draft accounts and the inspection period not taking place in line with statutory requirements; Internal Audit’s limited assurance opinion citing poor data quality and reliance on manual records; and difficulties experienced by EY in completing the 2023/24 audit.

Officers acknowledged that routine officer-level governance was increasingly focused on financial recovery. Democratic governance processes (such as delegated authority sign-offs) remained intact. A comprehensive governance improvement programme was underway, including a “Five Pillars” review by Grant Thornton, and integration of Oracle systems to streamline data and improve transparency.

Officers presented that ‘governance’ had been used as a general point, though the main governance challenges were related to finance structures, systems and processes, including processes for budget monitoring. Officers explained there was a finance improvement programme underway, supported by Grant Thornton, who will implement best practice. Officers also explained the wider non-finance related governance work underway across the Council and proposed a training session for the Audit Committee on financial governance and all other governance. It was suggested that this training be conducted before the next meeting. Inviting Grant Thornton to be part of the training would be considered.

Members referenced the reduction of reserves and suggested three contributory factors: a delay in adjusting the Council Tax Reduction Scheme post-pandemic; differences of opinion between finance and service teams on income generation (e.g. parking charges); and inconsistent data reporting, especially in SEND forecasting. Officers did set out the significant improvements across the SEND data and forecasting.

On the Council Tax Reduction Scheme, officers noted that there had been a big impact on this of COVID which saw a 16% increase in demand.

Officers acknowledged the poor condition of data and work was ongoing to streamline data sources. This included the implementation of Oracle EPM, a budget monitoring platform, by month two of the financial year. It was reiterated that there needed to be accountability for budgets but that the right tools were needed to assist this.

EY clarified that their report covered 2023/24 and that they were not able to complete sufficient procedures to be able to give an opinion on the financial statements as a whole. What they had done, within the appendix of their report, was provide the Committee with a summary of the work they had been able to complete.

Members asked about the frequency of no assurance items and asked if this was due to data quality or a lack of resource within the finance directorate. EY noted that it was a combination of factors. There was a weakness in data quality which contributed to EY not being able to complete all of the necessary procedures. It was an acknowledged factor that capacity was one element that had led to quality challenges.

Journal entry testing was incomplete due to late data provision. The Oracle transition had some data issues that had caused delays for the 2024/25 audit.

Members asked about the position of the Council relative to other authorities. EY noted that while a number of councils had deficits on their DSG, Hillingdon was towards one end of the spectrum. It was reiterated that EY had found a significant weakness in financial sustainability.

Officers added that they had set a budget and a course of action to address the scale of the challenge, which was acknowledged. Officers were working through the closing of the accounts which would inform the first periods of the new financial year. Shortcomings were being addressed.

Members referred to the failure to complete procedures to check if there were had been inappropriate capitalisation of revenue expenditure. EY reiterated the overall conclusion around not being able to complete procedures within the timeframes. There was a need to rebuild assurances after several years of disclaimed opinions. Most beneficial to this was assurance over the balance sheet at the reporting date of 31 March 2024.

On plans for the current audit, EY noted that they would have expected to have an audit plan for 2024/25 to present to the Committee. They were not in this position because there had been delays in receiving ledger data from the Council. These delays were linked to the Oracle transition. EY would bring a full plan that sets out the risk to the financial statements. On the value for money side, EY intended to being an interim commentary to the next Committee. Officers noted draft accounts for 2024/25 were targeted for completion by the end of June. There would be an emphasis on accuracy over speed to ensure public consultation readiness.

RESOLVED: That the Audit Committee:

1. **Noted the final position regarding the Statement of Accounts and Audit Results Report for 2023/24 for ratification;**

2. **Noted the high-level process that will be followed regarding the delivery and audit of the 2024/25 Accounts; and**

3. **Noted the draft plan for the Audit of the 2024/25 Pension Fund Accounts.**

8. **INTERNAL AUDIT ANNUAL REPORT** *(Agenda Item 8)*

Members highlighted that the report referred to limited capacity at a senior level. Officers clarified that this was in relation to governance arrangements. A significant amount of time in 2024/25 was dedicated to Zero-Based Budgeting and star chambers. This focus impacted senior-level capacity but was necessary for financial recovery and service efficiency.

Members highlighted that there were fewer assurance reviews and asked if this related to available resources. Officers noted that the shift to advisory work was intentional, supporting transformation rather than reiterating known issues.

Members asked about steps taken to address issues. It was important to note that 2024/25 was a big year of change, with lots of reviews, and looking at new ways of working across services and directorates. This included the Zero-Based Budgeting and star chamber sessions. There had been developments made during the year on performance data. The Chief Operating Officer had presented to the Committee previously and there were now approximately 130 performance dashboards developed to improve data visibility.

The next step was around implementation of these new ways of working, and this was underway. In relation to performance data, this included pulling out key indicators and building these into a cross cutting strategic level dashboard. A draft of this was due to go to Cabinet. Members asked if this could be shared with the Audit Committee too, officers would look into this.

Officers further advised that just because there was a no assurance opinion did not mean that work was not underway. During 2024/25 officers looked at lots of data and went into lots of detail on the finances. A Governance Rapid Improvement Plan had been launched.

The internal audit opinion of ‘no assurance’ was noted. This referred to the formal structure of governance. Officers expressed optimism for future improvement but stressed the need for evidence before changing the opinion.

Zero-Based Budgeting was a discovery exercise to understand service operations, effectiveness and inefficiencies. Members asked if the Zero-Based Budgeting process was complete. Officers clarified that this had been a starting point. Next stages would involve fixing issues and developing new ways of working. Emphasis was placed on collaboration and cross-service improvements.

Members asked if Internal Audit had sufficient resources. Officers confirmed that they did and noted that the focus shifted to advisory work aligned with transformation.

The Internal Audit plan remained flexible to accommodate emerging risks and external assurance sources. Some reviews had been deferred or replaced with higher-priority items.

Members asked if removed reviews would be revisited. Officers clarified that this would be based on priority and availability of other assurance sources to avoid duplication.

Members also asked about the alternative assurance on utilisation of housing stock. Officers noted a review by the housing regulator.

EY noted that they viewed Internal Audit’s opinion of ‘No assurance’ as very significant. It was a serious matter when no assurance can be provided over the internal control risk management and governance frameworks. It was reiterated that a detailed report on risk assessment and budget control will be prepared for the next meeting.

RESOLVED: That the Audit Committee noted the IA Annual Report for 2024/25.

9. RISK MANAGEMENT ANNUAL REPORT *(Agenda Item 9)*

The Chair referenced the previous minutes suggesting a letter be sent to colleagues with overdue or red risks without actions. It was confirmed that this had been raised with CMT. By year-end, overdue risks had significantly reduced from 61 to 34, with most remaining risks being low risk. One red risk was reviewed shortly after the responsible officer returned from leave.

The new system has shifted accountability for risk management to individual services and directorates. Previously, risk management was centralised under a risk officer, which created a conflict of interest when the role was merged with internal audit. The system was introduced as a cost-effective alternative to reinstating a dedicated risk officer.

Members commended the arrival of the Head of Internal Audit for the improvements they had overseen.

Members highlighted the importance of departments maintaining ownership of risk management. A new Corporate Governance Group had been established to oversee governance arrangements and risk register KPIs. Risk data was being integrated into performance dashboards to enable directorates to monitor and act on risks more effectively.

Members asked about any progress on the insurance valuations risk. This was being addressed by the Asset Governance Group. Officers would email an update to Members.

The Housing Landlord Service risk remained high due to an ongoing inspection by the housing regulator. Compliance was strong in areas like health and safety (e.g. fire doors, gas checks). Weaknesses were in resident engagement and communication, which were being addressed through a detailed action plan.

Members asked what had caused overdue and red risks. This included timing issues and officer leave.

Members asked how to ensure continuous risk management. This would include oversight by the Corporate Governance Group and performance dashboards.

RESOLVED: That the Audit Committee noted the Risk Management Annual Report and progress to improve the risk management arrangements.

10. **STRATEGIC RISK REPORT** (Agenda Item 10)

Members asked if the review of the risk regarding the ability to deliver a balanced budget in the short and medium term had been completed. CMT had reviewed this risk as part of the strategic risk update. Strategic risks were maintained within the Council's risk management system and were owned by members of CMT. CMT conducted a full review and update of all strategic risks at the end of the reporting period. Strategic risks were being integrated into a new cabinet performance dashboard. This integration will enable more frequent and proactive monitoring of risks. The dashboard will allow CMT members to engage with risk data on a continuous basis, improving responsiveness and accountability.

RESOLVED: That the Audit Committee noted the Strategic Risk Report and provided feedback on the content and level of assurance received.

11. **COUNTER FRAUD ANNUAL REPORT** *(Agenda Item 11)*

The Chair commended the Counter Fraud team for delivering nearly £11 million in savings over the past year. The Committee expressed appreciation for the team's continued impact and effectiveness.

Members asked if there were any areas to expand into. Officers confirmed plans to expand counter fraud efforts in adult social care, particularly around direct payments and commissioned care. The team also intended to expand further into children's services (e.g. Section 17 and UASC), which had been deprioritised due to housing pressures. The structure now allowed for broader coverage across both areas.

Data projects in adult social care were expected to begin in Q2. Early results may be available by the end of Q2, with more complex investigations taking longer to complete.

Members asked about providing services to other authorities as a means of raising revenue, and whether this had been considered. Officers noted that this had been considered, however other authorities often preferred doing things internally. Members commended the Counter Fraud team's performance compared to other authorities and suggested this this could be a good time for any such opportunities. It was noted that officers were also exploring internal applications of their skillset, such as debt recovery.

Members raised concerns about the low number of identified ‘beds in sheds’ cases. Officers clarified that the Counter Fraud team’s remit was limited to identifying properties for Council Tax and Business Rates purposes. Some related issues fell under planning and private sector housing teams. The Counter Fraud team did not have right of entry. Plans were in place to increase focus on this area without compromising other high-value activities.

RESOLVED: That the Audit Committee:

1. **Noted the Counter Fraud Annual Report for 2024/25; and**
2. **Suggested any comments/ amendments**

12. **WORK PROGRAMME** *(Agenda Item 12)*

Members considered the Work Programme.

The Chair noted that he had requested an addition for the next meeting.

RESOLVED: That the Audit Committee:

1. **Noted the dates for Audit Committee meetings; and**
2. **Added an update item on financial risk assessment procedures and budget-setting methodology for the next meeting**

The meeting, which commenced at 5.10 pm, closed at 6:35 pm.

These are the minutes of the above meeting. For more information on any of the resolutions please contact Democratic Services on 01895 250636 or email: democratic@hillingdon.gov.uk. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

The public part of this meeting was filmed live on the Council's YouTube Channel to increase transparency in decision-making, however these minutes remain the official and definitive record of proceedings.

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FINANCE MODERNISATION PROGRAMME

Committee name	Audit Committee
Officers reporting	Matthew Wallbridge – Chief Operating Officer Andy Goodwin – Chief Finance Officer
Papers with report	None
Ward	N/A

HEADLINES

The Finance Modernisation Programme is a significant transformation initiative by the London Borough of Hillingdon to review and strengthen the Council's financial systems, processes, and structures. The Committee will receive an update on this important work.

RECOMMENDATION: That the work undertaken to date on the Finance Modernisation Programme be noted and the Committee seek any clarifications and assurances and provide comments to officers.

SUPPORTING INFORMATION

The programme was initiated to address budget challenges and to modernise the Council's financial infrastructure. With the appointment of Grant Thornton in April 2025 to support this work, it's aim is to assist the Council in modernising its financial processes, strengthen its financial management, develop a modern finance function, and embed processes and controls in the Council's financial system, Oracle.

Whilst this programme is closely aligned with the Council's wider Governance Review Implementation Plan (GRIP) to be considered later on the agenda, it is recognised as a distinct and equally critical stream of work that needs to be undertaken as a priority.

Relevant officers will give an update on progress, along with a representative from Grant Thornton attending providing a presentation.

BACKGROUND PAPERS: Nil

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Finance Modernisation Programme

Audit Committee, 24th July 2025

Matthew Wallbridge – Chief Operating Officer

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Executive summary

- From September 2024 Hillingdon Council have been working on an Oracle Improvement Plan with the support of Grant Thornton
- In February 2025 Cabinet approved the request from the Corporate Director of Finance to bring in capacity and capability to create and deliver a Financial Improvement Plan with CIPFA.
- The Finance Modernisation Programme combined these and was launched in April 2025, and its initial focus has been:
  - To support understanding of the financial outturn for 2024/25, reviewing areas of risk and subjective accounting on behalf of the Council's Finance team.
  - To improve budget monitoring and forecasting processes for the new financial year 2025/26.
  - Address issues with the use of the Council's finance system, Oracle.
- Further work, has been put in place on the structure and processes of a modern finance function, embedding good practice processes and controls into the Council's finance system.

Executive summary

Key Observations

- **Accounting and Control**
  - The review of accounting, supporting the 2024/25 outturn, has identified a number of adjustments to the Council's financial position which have been reviewed and agreed with the Finance team.
  - Work is ongoing but to date these adjustments have an adverse impact on the 2024/25 financial position, including a movement of £14.1m due to writing out a negative reserve, updates to the Council's Treasury and Minimum Revenue Provision calculations and changes to the Council's Bad Debt Provision policy.
  - The review has identified issues in accounting treatment, data and assumptions used and supporting processes and procedures. These include both long standing matters and issues in the understanding of the new finance system.

Executive summary

Key Observations

- **Finance System**
  - The Council’s finance system went live in April 2024, upgrading to the latest cloud-based version of Oracle.
  - Inadequate training and knowledge transfer has led to poor understanding of changes to business processes and the routine maintenance requirements of the system.
  - The solution designed and implemented is overly complex, having been adapted to meet existing Council processes and data structures.
  - Documentation of the system is incomplete and not always up to date, making routine maintenance and fixing issues more complex.
  - The Council does not have the in-house capacity or capability to effectively support and maintain the solution.

Executive summary

Key Observations

- **Budget Monitoring**
  - The planning and budgeting functionality, in Oracle, has been a significant weakness leading to off system processes being implemented.
  - Documented processes and procedures, for Budget Monitoring, lack detail and do not provide the level of regular guidance and communication required.
  - Budget Holders do not have confidence in their budgets or adequate access to information e.g. actual costs.

Executive summary

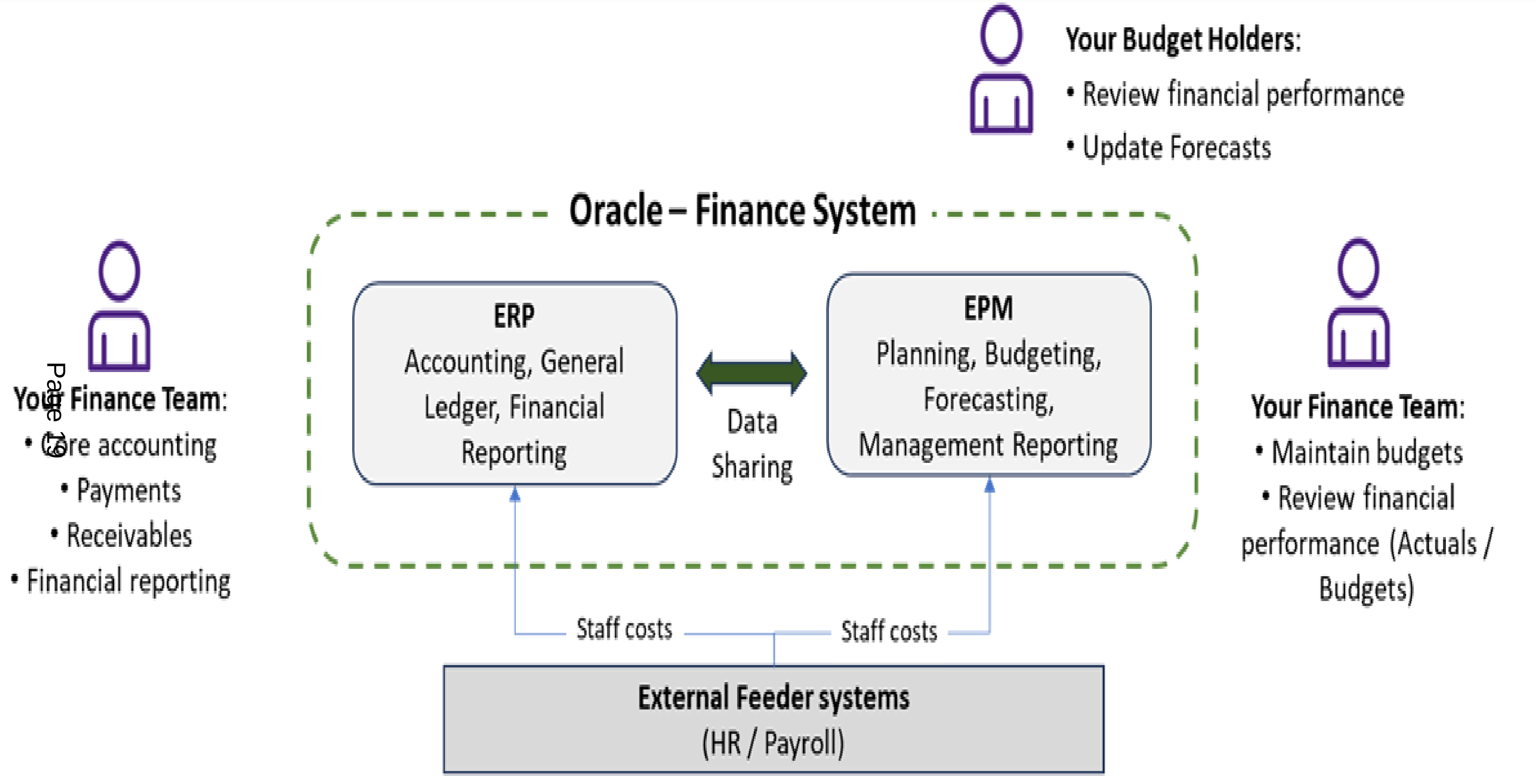
Key Observations

- **Finance Structure**
- The Council’s Finance team is a large and high-cost function for an organisation of its size.
- Efficiency benefits from the new finance system have not been realised and the Council has a high level of manual intervention in basic finance processes (e.g. Forecasting, Reporting, Bank Reconciliations).
- The current structure sees a great deal of accountability for the delivery of Finance’s services rest with a small number of senior officers. This is in part a consequence of how change at senior level has been managed, with responsibility being consolidated to a few individuals.

The Council’s Finance System

- The Council implemented its current finance system, Oracle Fusion, in April 2024. This version of Oracle is a cloud-based solution, meaning that the software is hosted remotely rather than on the Council’s premises.
- This allows the Council to access standard functionality, based upon recognised good practice processes, with regular software updates and enhancements provided automatically.
- As a finance system the Council’s product has two main components:
- Enterprise Resource Planning (ERP): This is the core finance system which includes the General Ledger, through which accounting transactions are processed to produce the Council’s financial statements, as well as Accounts Payable and Accounts Receivable sub ledgers.
- Enterprise Performance Management (EPM): This is the Planning and Budgeting tool, used by both Finance and Budget Holders to manage and monitor performance against Budgets and to update forecasts.
- EPM supports tailored reporting and analysis, including real time dashboards, and enables users to interrogate transactions to monitor performance in detail.

The Council's Finance System



Your Budget Holders:
- Review financial performance
- Update Forecasts

Oracle – Finance System

ERP
Accounting, General Ledger, Financial Reporting

Data Sharing

EPM
Planning, Budgeting, Forecasting, Management Reporting

Your Finance Team:
- Core accounting
- Payments
- Receivables
- Financial reporting

Your Finance Team:
- Maintain budgets
- Review financial performance (Actuals / Budgets)

Staff costs

Staff costs

External Feeder systems
(HR / Payroll)

Phase one Deliverables

- The initial stage of the Finance Modernisation Programme is organised into six workstreams to address immediate priorities:
  - Supporting a robust understanding of 24/25 outturn and financial targets for 25/26, and
  - Improving resilience in core finance processes and systems.
- Work in this phase has also validated critical areas of improvement to strengthen the Council's financial management capability.

Phase one Deliverables

Prioritised Deliverables

Workstream	Description
Accounting & Control	Identification and assessment of areas of risk in the Council's Accounting processes and Controls and 24/25 Year End preparations.
Budget Monitoring	Implementation of good practice Budget Management and Capital Monitoring processes and supporting tools (excluding Oracle)
Oracle EPM (Planning System)	Implementation of key functionality to support Budget Management and Capital Monitoring through Oracle Fusion.
Finance Systems Support (ERP)	Support to develop the capacity and capability of the Council's Finance Systems team, to deliver improvement in the basic operation of Oracle, reduce manual intervention and risks related to access control and routine updates.
Finance Operating Model	Establish a new delivery model for a modern finance service to the Council.
Supplier Contract Review	Expert review of the current managed service and supplier performance and options / recommendations to continue, exit or migrate to a model that better supports the Council's needs and drives innovation.

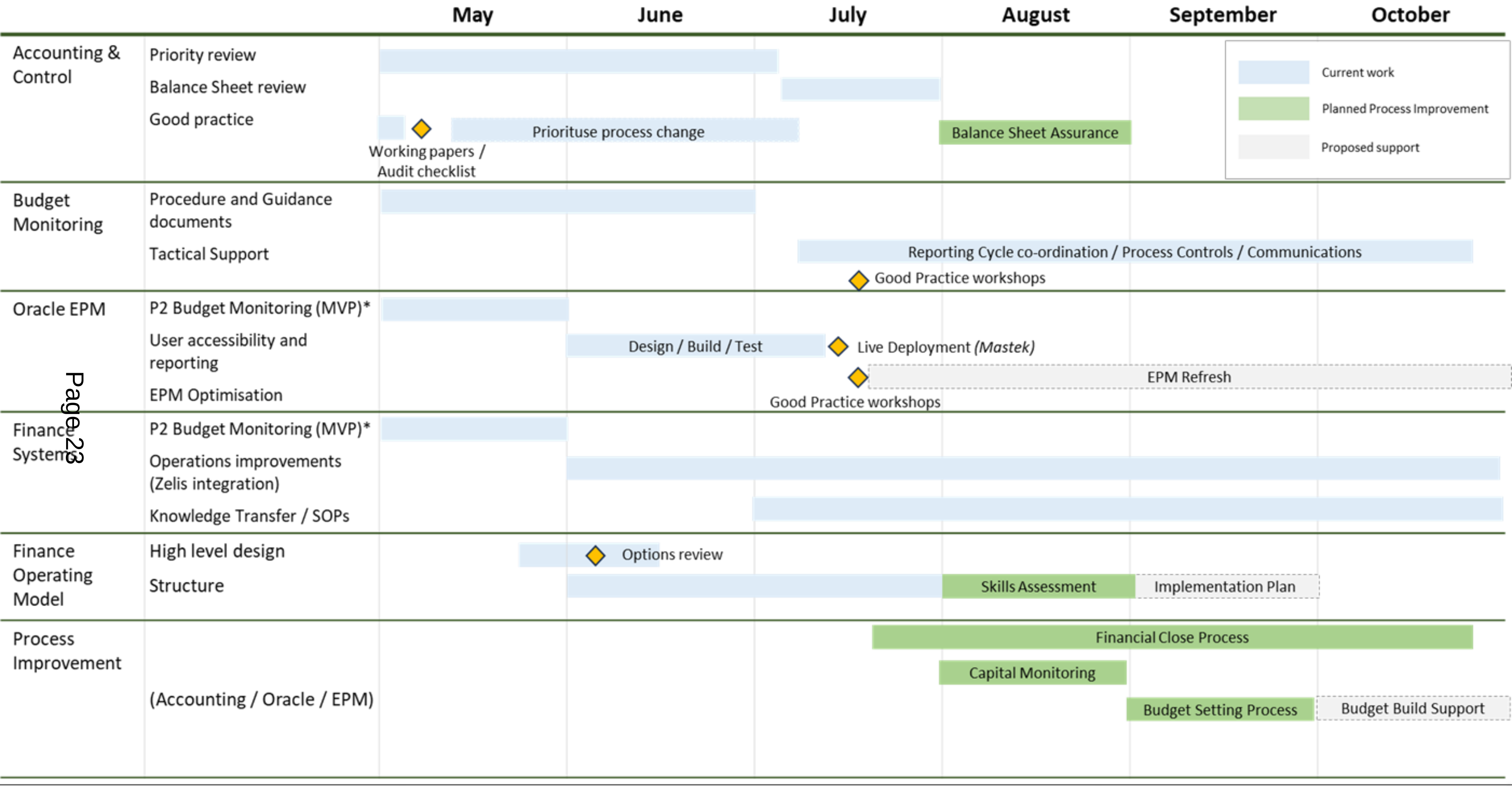
Further Planned Deliverables

A range of further improvement actions to deliver sustainable change, embedding efficient and effective processes and controls have been identified and are currently being planned.

Planned Improvements

Workstream	Description
Balance Sheet Assurance Process	Documentation of best practice process, procedures and reporting to ensure the ongoing integrity of the Council's Balance Sheet.
Financial Close Process	Documentation of good practice processes and procedures to enable the Council to close its ledgers and report on its financial position (Monthly/ Quarterly/ Annually). Support for planning and implementation of revised processes and procedures.
Budget Setting Process	Documentation of processes and procedures for Budget Setting based upon recognised good practice.
Capital Governance	Documentation of processes and procedures for Capital monitoring and Governance based upon recognised good practice.
Oracle EPM Refresh	Simplification of EPM structures and reporting: • Use of core functionality, removing duplication and complex configuration • Update of existing reports
Oracle ERP Enhancement	A range of improvements to functionality and operational efficiency, including: • Improved integration with feeder systems • Implementation of Risk Management Module

Plan On a Page



May June July August September October

🟦 Current work
🟩 Planned Process Improvement
⬜ Proposed support

Accounting & Control
- Priority review
- Balance Sheet review
- Good practice

Working papers / Audit checklist
Prioritise process change
Balance Sheet Assurance

Budget Monitoring
- Procedure and Guidance documents
- Tactical Support

Reporting Cycle co-ordination / Process Controls / Communications
Good Practice workshops

Oracle EPM
- P2 Budget Monitoring (MVP)*
- User accessibility and reporting
- EPM Optimisation

Design / Build / Test
Live Deployment *(Mastek)*
EPM Refresh
Good Practice workshops

Finance Systems
- P2 Budget Monitoring (MVP)*
- Operations improvements (Zelis integration)
- Knowledge Transfer / SOPs

Finance Operating Model
- High level design
- Structure

Options review
Skills Assessment
Implementation Plan

Process Improvement
- (Accounting / Oracle / EPM)

Financial Close Process
Capital Monitoring
Budget Setting Process
Budget Build Support

HILLINGDON
LONDON

Appendix One: Workstream Status Report

Workstream: Accounting and Control

Purpose of the workstream

This workstream aims to carry out procedures related to the Council's financial reporting, including a review of current approaches and treatments. The objective is to assess whether these align with the principles set out in The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, issued by CIPFA.

Deliverables

Phase one Deliverable	Description	Status
Collection Fund – Usable Reserve Review	Completion of a review into the controls and accounting treatments used to calculate the Council's 2024/25 usable collection fund.	Complete
Collection Fund – Review of provision for bad debt methodology	Completion of a review into the Council's approach to calculating its bad debt provision and subsequent guidance on updating its calculation methodology including provision of an MS Excel template for future calculations.	Complete
Collection Fund – reconciliation of system reports to the ledger and working papers.	A review was carried out to provide assurance that the 2024/25 amounts (£) from the Council Tax and NDR system were being correctly reflected in the Council's financial ledger and supporting working papers.	Complete
Collection fund – Review of NNDR appeals methodology/ approach	Update the success rate percentages (based on past history of success rates) and include forecast for appeals not yet lodged (which were previously excluded from the methodology).	Complete
Collection Fund Account – Estimate the declared surplus/deficit as at 31/03/2026 that impacts on 2026/27	Re calculating this estimate using various sources of information within the Council. Development of a new MS excel template was developed for the council to use going forward.	Complete
Capital Financing Requirements (CFR)	Review of calculation of the CFR and reconciliation Minimum Revenue Provision (MRP).	Complete
HRA Item 8 Debits / Credits	Review of accounting treatment and assumptions against Item 8 Debit and Credit determination requirements.	Complete
Goods Received Note Invoice (GRNI) review	This review is to provide assurance on the balances generated in the financial ledger by the GRNI process are correct in terms of identifying where purchase orders have been goods receipted but there has been no subsequent payment of an invoice.	Complete

Workstream: Accounting and Control

Deliverables

Phase one Deliverable	Description	Status
Additional Work Completed		
Balance Sheet Review	Review of other Balance Sheet items – Other Debtors and Creditors, Other Provisions, Grants in Advance.	In Progress
Good Practice Guidance	Guidance documents detailing the key elements (format, content, supporting evidence, governance/sign-off etc) of a year end working paper.	Complete
Oracle Fusion opening balances	A reconciliation of Oracle R12 balances (31 March 2024) to opening Oracle Fusion balances (1 April 2024) and reconciliation of closing Oracle R12 balances to 2023/24 SOA to check the correct starting position for 2024/25 in Fusion. Identify/ quantify differences.	Complete

Workstream: Budget Monitoring

Purpose of the workstream

This workstream is focused on preparing updated budget monitoring processes, based upon recognised good practice. As part of this initiative, three key documents have been produced: (guidance documents, forecasting accuracy analysis and a good practice framework).

Deliverables

Phase one Deliverable	Description	Status
Budget and capital monitoring guidance documents	Development of comprehensive budget and capital monitoring guidance documents. Resources have been designed to clarify roles and responsibilities, standardise procedures, strengthen current processes and support decision making at the Council.	Complete
Budget and capital monitoring procedure manual	Development of a manual that provides a clear and structured framework to ensure consistency, transparency, and accountability across service lines.	Complete
Forecasting accuracy analysis (Historic data) to improve forecasting quality	Undertaking of forecast accuracy analysis using historic budget and outturn data to assess past forecast reliability, identify patterns and variances and strengthen future forecasts. Identified areas of improvement from both a subjective and objective perspective.	Complete
Good practice inputs and outputs framework	Development of input and output templates, which follow industry best practice on monitoring and forecasting.	Complete
Training materials and train the trainer sessions	Tailored training content is being designed and delivered to the Council's trainer groups and process leads. The aim is to equip them with the knowledge and tools needed to effectively provide training to budget holders and senior managers. This training will be aligned with the recently developed budget and capital monitoring manuals and guidance documentation.	In Progress
Capital Governance	Development of Governance arrangements and supporting procedures for Capital programme monitoring and reporting	In progress

Workstream: Oracle EPM

Purpose of the workstream

This workstream is focused on the implementation of key Oracle EPM functionality to enhance the Council's approach to budget and capital monitoring.

Deliverables

Phase one Deliverable	Description	Status
Amend Planning Forms to improve Usability	Amendments to forms to improve useability for budget holders: bring Cost Centre into the rows rather than Page to allow multiple cost Centres to be planned simultaneously.	Complete
Amend Planning Reports and allow drill down within EPM to lower levels	Amend existing reports to include additional content and improves flexibility of use	In Progress
Drill down from EPM to a custom OTBI Report to be sent to Budget Holders	Creation of the link between EPM and the Oracle Transactional Business Intelligence (OTBI) report to allow users to drill drown to the transaction level in the General and Chart of Accounts.	Complete
Amend Employee Planning to be based upon Employee Budgeted figures or an annualised one rather than Actual	Moving of the existing logic to not utilise the current month actuals for forecasting but the budgeted or annualised view (currently it is using the left-hand column but should use the right-hand column – names to be confirmed).	On Hold
Drill down from EPM to Oracle GL	Enable the drill down between EPM and ERP through the data exchange integration	On Hold
Update the use of Tasks and Workflow to Task Manager	Creation of Task Manager and relevant reporting supporting both the monitoring of the process and the managing of the process	On Hold

Workstream: Oracle EPM

Deliverables

Phase one Deliverable	Description	Status
Report of Access to EPM by Budget Holders	• EPM Audit: switching on of relevant audit functionality of EPM to monitor access and changes (Not Workflow) • EPM User Access: a report can be generated from the security layer or by Oracle to allow monitoring of access.	In Progress
Alignment of ERP and EPM hierarchies	Integration of Primary Metadata between ERP & EPM created (Database tables, Objects, Views) to improves interaction between ERP and EPM. Integration of alternate hierarchies between ERP and EPM to ensure consistency of data flows. Integration setup to run each night (time to be determined) to maintain commonality on relevant Segments.	On Hold
Update of Cross Validation rules to reflect New ERP Hierarchies	Validation rules in EPM are set up ensure data entry at appropriate combinations is set up and in alignment with ERP.	On Hold

Workstream: Finance systems - ERP

Purpose of the workstream

Support to build capacity and capability in your inhouse team and deliver improvement in the basic operation of Oracle ERP.

Deliverables

Phase one Deliverable	Description	Status
GL Encumbrance Accounting Carry Forward Rules to be configured	Encumbrance Carry forward process configured Encumbrance balances transferred from prior year to current year Release Note written	Complete
Review & Guidance on budgets write back from EPM to ERP	Review the status of write back process, ensure write back works from EPM to ERP Provide Mechanism to view/extract Control Budgets in ERP	Complete
Update Custom Report for ERP Budget Monitoring	Columns on the report to be reduced to only include relevant columns Report to display output on UI instead of an Excel download Some parameters are defaulted and need no user input	In Progress
Extract Payroll from Oracle ERP GL (and remove Payroll/EPM integration)	Creation of the integration through data exchange to include Employee level information into the employee planning Validate FTE or headcount information to be pulled into Planning also and if not ensure that the input of this and calculations remain	Complete
CIS / VAT Accounting	Update of General Ledger posting rules to post CIS transactions to correct account.	Awaiting Deployment
Update Custom Report for ERP Budget Monitoring	Columns on the report to be reduced to only include relevant columns Report to display output on UI instead of an Excel download Some parameters are defaulted and need no user input	Awaiting Deployment
Segmental Security	Develop options to improve data security / visibility in Budge Holder reporting from ERP / EPM	In Progress
Interim Data Validation and Control	The Council processes approximately 100 personnel changes per month, which currently need to be manually updated in Oracle. Poor quality input data takes 1 to 2 days per month to cleanse and delays monthly Budget Monitoring. As an interim solution, while automation is prepared, we are: • Adding data validation and controls to the input files to reduce errors • Providing resource to review errors, addressing the with originators and documenting future improvement actions and user guidance.	In Progress

Workstream: Finance structure

Purpose of the workstream

Establish a new delivery model for a modern finance service to the Council.

Deliverables

Phase one Deliverable	Description	Status
High level structure	Develop a high-level target structure for the future finance organisation, to be agreed with programme leadership.	Complete
Benchmarking	Benchmarking comparison to support sizing of the future finance organisation.	Complete
Detailed organisational structure	Develop a detailed organisational structure (all roles) for the future finance organisation	Complete
Transition plan	Develop a high-level transition plan aligned to change levers / enablers	In Progress

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GOVERNANCE REVIEW IMPROVEMENT PLAN

Committee name	Audit Committee
Officers reporting	Matthew Wallbridge, Chief Operating Officer Lloyd White, Monitoring Officer and Head of Democratic Services Daniel Toohey, Head of Legal Services
Papers with report	Governance Review Improvement Plan
Ward	N/A

HEADLINES

The Governance Review Improvement Plan (GRIP) is Hillingdon Council's strategic response to identified governance areas for improvement. It aims to strengthen internal controls, clarify internal decision-making, and improve accountability -ensuring the Council is well-governed corporately, financially resilient, and transparent. The Audit Committee will receive an update on progress.

RECOMMENDATION: That the work on the Governance Review Improvement Plan be noted and the Committee seek any clarifications and assurances and provide comments to officers.

SUPPORTING INFORMATION

The Governance Review Improvement Plan (GRIP) is a strategic programme launched by the London Borough of Hillingdon in March 2025 to address key governance weaknesses identified in several reviews, including the CIPFA review (March 2025), Directorate Governance Internal Audit (September 2025) and the Provisional Audit Results Report (February 2025).

Led by the Corporate Governance Group, the GRIP is structured around three workstreams - financial governance, directorate governance, and constitutional/democratic governance - each with defined actions and leadership. Its aim is to embed a tiered governance model, improve business planning, and strengthen internal arrangements and protocols.

The GRIP is a public-facing initiative, with progress updates presented at this Audit Committee and to future meetings, demonstrating the Council's commitment to reform and accountability.

Relevant officers will provide an update on delivery.

BACKGROUND PAPERS: Nil

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Governance Review Improvement Plan (GRIP)

Executive Summary and Purpose

The accountability and governance arrangements in the Council are established but need to be reset, developed and improved further to manage the increasingly complex and high value projects being undertaken to deliver the challenging MTFS savings targets as approved by Council on the 27th February 2025.

The Governance Review Improvement Plan **(GRIP)** was therefore commissioned and sponsored by Tony Zaman, as Chief Executive and Head of Paid Service, in early March 2025. It will focus on three (3) workstreams, and be overseen by the Corporate Governance Group, which will take regular reports from the individual workstream leads. It is intended that the use of workstreams will bring focus and rigour to the financial and governance management process.

GRIP Programme and Workstreams

The GRIP will consist of the following three (3) workstreams:

1. Financial Governance - lead by the Council's s151 Officer
2. Directorate (Officer Decision-making) Governance - lead by the Council's Chief Operating Officer, on behalf of the Council's Head of Paid Service
3. Remaining Areas - i.e. Constitutional/ Democratic Governance - lead by the Monitoring Officer

Each Workstream will have two stages:

1. Governance Review Improvement Plan - a review phase, whereby the Council takes stock of recommendations provided by an independent review, or auditor
2. Governance Recommendations Implementation Plan - an implementation phase, where the Council will set out its plan of action and detail for implementing the GRIP recommendations, providing updates on progress

The workstream leads will report on progress with the delivery of their associated actions on the Governance Recommendations Implementation Plan to the Corporate Governance Group. The Corporate Governance Group via the Corporate Business Manager will manage and oversee the delivery of the Governance Recommendations Implementation Plan.

Project Drivers and High-Level Issues

The workstreams will be responsible for delivering the recommendations as referenced in the following reviews that have been undertaken.

- Directorate Governance Int Audit report (Sept 2024)
- LBH Final Audit Results Report (5 February 2025)
- Note - recommendations to follow an Independent Review of Constitutional and Democratic Governance

The workstreams will also link to the Council Strategy Commitments of a well-run, sustainable council with sound financial management, achieving positive outcomes for residents.
By establishing and delivering the outcomes from the three reviews through the creation of the three workstreams will provide a robust oversight that the Council it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.

Finance Modernisation Programme (FMP) and Engagement with Grant Thornton

Workstream 1 (Finance Governance) actions and improvements will be delivered in conjunction with the work being carried out by the Council via its Finance Modernisation Programme (FMP). The Council has engaged Grant Thornton in order to review areas including Oracle improvement work, and to provide further capacity and capability to enable financial improvements to be delivered at pace. This will be looked at going forward so as to dovetail with this work and also to explore if further assistance from Grant Thornton team may be required in relation to the broader FMP actions.

Governance Review Improvement Plan (Finance Governance)

Theme	Title of Review	Recommendation	Actions	Detailed Delivery Actions	Senior Responsible Officer	Lead	Action Delivery Lead	Start Date	End Date	RAG Status	Quarterly Progress Update (April - June 2025)	Quarterly Progress Update (July - September 2025)	Quarterly Progress Update (Oct - Dec 2025)
Finance Governance Recommendations and Actions													
1.1 Financial Sustainability	London Borough of Hillingdon Final Audit Results Report Year ended 31 March 2024	The Council to build upon the steps already taken to control its expenditure to identify specific deliverable savings over the short term and medium term (next 12-24 months) to protect its limited remaining reserves in the context of the forecast levels of funding.	1. Agree a savings programme to deliver a balanced budget . 2. Deliver a mechanism for the regular review of savings progress and governance to change/add to savings depending on the levels of reserves. 3. Agree and implement spend control measures. 4. Review of the level of service provision across its services to ensure that the Council is striking an affordable balance between the monies it receives to fund services and the cost of those services. 5. Devise and roll out the updated Directorate Business and Financial Plan Template.(see ref: Directorate Governance workstream recommendation 2.1)	Through CMT and all SMTs: 1. Monitor delivery of agreed savings programmes - M2 2. Monitor use of MTFS savings app to ensure tight control - M3 & M4. 3. Enforce spend control measures across the Council. 4. Ensure compliance of Business and Financial Plan Template across Corporate Directors	Matthew Wallbridge	Andy Goodwin	Matt Davis	01/04/25	31/03/26	A	1. The Council held a Star Chamber process starting in September 2024, which built on the ZBB exercise earlier that year, with this process setting out the saving proposals that ultimately Cabinet and Council approved, with Service Proposal Forms being completed for many of the savings setting out delivery and calculation methodologies. 2. Since the budget went live, the Council has launched a MTFS App to capture the full details of the savings project, with the app feeding into the Council's monthly monitoring process that will be fed back to Cabinet in line with the monitoring timetable. 3. Further challenge sessions were held in May and June to deliver additional savings that are currently being developed and reflected in the Month 2 monitoring. The impact of the review of the saving programme for Month 2 along with the initial estimate of these new measures will be included in the Month 2 budget monitoring report to Cabinet and refined as proposals are further developed. 4. Spend Control Measures have been introduced as part of the Spend Control Process and Governance that has been in place before the start of the financial year. This has been widened out from just recruitment, agency workers, additional hours, and additional responsibilities, to P card (purchasing cards) expenditure, expenses, overtime and procurement 5. The Council has established a Finance Modernisation Programme, this programme includes an Accounting & Control workstream which has been supporting the Council to establish a better understanding of its balance sheet and financial out turn for 2024/25. The workstream has reviewed the accounting treatment and controls across a range of balances, prioritised by the Council, including: - Collection Fund - Housing Revenue Account - Good Received Not Invoiced - Minimum Revenue Provision 6. The workstream has also provided best practice guidance for working papers and Audit preparation Work is ongoing to establish: - a thorough Balance Sheet Assurance process, ensuring the Council applies good practice processes in assurance of the Balance Sheet as part of routine financial closing. - a robust and effectively governed financial closing process with clearly defined processes and roles and responsibilities in the closing and reporting cycle.		
1.2 Service Delivery	London Borough of Hillingdon Final Audit Results Report Year ended 31 March 2024	The Council to review its service delivery models to ensure that they are efficient, represent value for money and achieve the outcomes required for the resources invested. Where opportunities to improve service delivery models are identified, the Council should develop detailed plans for implementation of service delivery transformation and how the up-front transformation costs will be funded.	• Review of the level of service provision across its services to ensure that the Council is striking an affordable balance between the monies it receives to fund services and the cost of those services. • Devise and roll out the updated Directorate Business and Financial Plan Template (note ref Directorate Governance workstream - recommendation 2.1)	The impact of the review of the saving programme for Month 2 along with the initial estimate of these new measures to be included in the Month 2 budget monitoring report to Cabinet and refined as proposals are further developed. In parallel to the M2 monitoring position, the Cabinet to also receive the 2024/25 Outturn position. This will enable the complete Council final position to be reviewed and consolidated in one meeting.	Matthew Wallbridge	Andy Goodwin	Matt Davis	01/04/25	31/03/26	A	1. This work commenced with the Star Chamber process in September 2024 which built on the ZBB exercise earlier in the year with the proposals for savings/service delivery models that were deemed viable being approved by Cabinet and Council in February 2025. The investment to deliver the savings/service delivery models were part of this process through transformation capitalisation which was also approved by Cabinet and Council in February 2025 2. Since the budget went live, CMT have met regularly to discuss cost control measures and the need to identify savings that can contribute towards the TOM saving or can deliver a one-off benefit for the Council to support the delivery of the 2025/26 budget strategy. 3.Capital transformation programme review and monitoring set up 4. See also the updates on the rollout of the Directorate Business and Financial Plans - (Directorate Governance workstream - recommendation 2.1)		
1.3 Schools Budget	London Borough of Hillingdon Final Audit Results Report Year ended 31 March 2024	The Council to seek to balance its schools budget to prevent further growth in its Dedicated Schools Grant (DSG) deficit. In the absence of confirmed alternative arrangements, the Council should also perform scenario planning for how it would manage the impact of the current deficit on its financial position when the current statutory override ends in March 2026.	1. The Council to seek to balance its school's budget to prevent further growth in its Dedicated Schools Grant (DSG) deficit. 2. Council to consider performing scenario planning for how it would manage the impact of the current deficit on its financial position when the current statutory override ends in March 2026.	1. Officers to review existing and likely positions and outcomes 2. The Council to continue to monitor the national picture on this issue - Note - This is a known national issue with many councils unable to fully fund their DSG deficits within General Fund reserves and resources.	Andy Goodwin	Andy Goodwin	Andy Goodwin	01/04/25	31/03/26	A	**1. Since this recommendation was written, the Govt have recognised this as a national issue and have confirmed the continuation of the statutory override for another 2 years to March 2028.** 2. The current DSG modelling suggests an in-year balanced budget by 2027/28, with the Council currently re-negotiating the Safety Valve Agreement with the Department for Education (DfE). DfE advisor commended the council on the evidenced delivery and forward plan 3. Based on the Council's current approach, without further DfE and/or Council contributions to the DSG deficit, the Council will continue to have a DSG deficit beyond March 2028.		
1.4 Financial Forecasting	London Borough of Hillingdon Final Audit Results Report Year ended 31 March 2024	The Council review its financial forecasting processes to understand why significant financial pressures, over and above those anticipated and reflected in the Council's annual budget, emerge and ensure future forecasting reflects the lessons learned.	1. Deliver detailed finance procedures manual as described in the Constitution. To assist with clearly defining the responsibilities of budget holders and other individuals with finance responsibilities. Will assist in holding individuals to account and to promote the ownership of budgets. 2. Existing Financial Regulations to be updated as part of the Oracle Roll Out. (e.g. in regard to setting policies for budget setting, income, journals etc). 3. Current spreadsheet-based systems being used pending full EPM implementation, also need to be fully documented and communicated. 4. Training to be delivered on the financial responsibilities and wider financial regulations to ensure effective governance and organisational financial management. The responsibility of all officers but should be well understood and supported by finance officers and business partners. They have a key role in promoting good practice and identifying areas of weakness and non-compliance, working to support colleagues across the Council to help them discharge their responsibilities.	1. Progress with the process underway under the banner of the Finance Modernisation Programme (FMP) that the Council is embarking on with partners Grant Thornton. 2. The Council to report on the expected financial position for 2025/26 will take place for the first time this year when the Month 2 monitoring cycle is completed and reported to Cabinet on 24th July, and the forecasting processes and underlying assumptions (as well as the 24/25 closure of accounts) will ensure this is a more robust and transparent process than last year. 3. Scrutiny finance training for Members to take place in September '25. 4. EPM to be refreshed over this period.	Andy Goodwin	Matt Davis	Andy Goodwin	01/04/25	31/03/26	A	1. All Select committees now receive budget scrutiny reports in 2025/26, on a regular basis, to monitor spend and delivery of savings and to enable them to hold Corporate Directors and (if required) Cabinet Members to account. 2. Additionally specialist training is being arranged on financial scrutiny for Select committee members in September 2025, with a view to regular training as part of the Member Training Programme. 3. EPM to be improved and used for M2 4. The Finance Modernisation Programme includes a Budget and Capital monitoring workstream to implement recognised good practice and support the Council with enabling these processes through its Oracle finance system. The workstream has: - Issued best practise budget monitoring guidance documents to finance and budget holders - Performed historic forecasting accuracy analysis to A) understand the accuracy and drivers of variances, and B) advise on development of automated forecasting techniques to support and inform the Council's forecasting processes. 5. Workshops on best practice budget monitoring processes and how the can be enabled by Oracle are being run with Budget Holders and senior finance staff. These workshops are re informing the Council's new process and the role and responsibilities of all stakeholders, and informing the design of Budgeting and Forecasting functionality with Oracle as part of a refresh of that solution.		
1.5 - Financial Information	London Borough of Hillingdon Final Audit Results Report Year ended 31 March 2024	1.5.1 The Council perform data quality assessments, using the Government Data Quality Framework or another suitable framework, of its key activities to enable it to better understand what its key data sources are, how it uses such data, the maturity of its data quality processes and any limitations in the data it uses; 1.5.2 That having completed the data quality assessments, the Council should develop action plans to address any areas of weakness identified and ensure that implementation of those action plans is monitored and remedial action taken where necessary	1. Ensure that key data in the organisation that informs decision making are available and accessible to senior managers 2. Prepare Power BI dashboards that relate to the Council's performance and expenditure across all service areas, with a process for assessing data content and data quality in each.	1. The Finance Modernisation Programme to include workstream to improve processes and controls and improve Oracle functionality to enable moder processes and drive compliance with process and data standards. The Finance Systems workstream is to support a range of improvement actions including: - Integrations - Improving existing integrations with feeder systems and developing additional interfaces to significantly reduce the level of manual intervention in the transfer and validation of data into Oracle. This work will support and be informed by the Council's wider initiative to improve the data management. 2. The FMP/FS workstream to work on short term actions to improve data validation prior to transfer into Oracle and sustainable processes changes to reduce the high level of changes required to master data and ensure more robust management of cut off procedures to support Oracle maintenance and financial reporting processes. 3. End of year performance report to the Cabinet and also select committees. 4. End of year performance report to the select committees. 5. Performance reports to be taken to SMTs and CMT on a monthly basis to review progress, actions and data quality	Matthew Wallbridge	Darren P	Ian Kavanagh/ Darren Everden/ Matt Davis	01/04/25	31/03/26	A	1. A key action in the FMP is the foresic review of the balance sheet, GT are more than three quarters through this work, elements of which have informed the changes in the council's financial outturn position 2. There are now over 100 Power BI dashboards that relate to the Council's performance and expenditure. As part of the process data quality is assessed for each, and plans are put in place to improve the data quality of each dashboard. Detailed data quality work has taken place in areas like SEN with end to end process reviews and management plans to improve critical areas. There is a pipeline of a further 90 Power BI dashboards in this financial year. 3. Performance reports taken to SMTs regularly to review progress, actions and data quality 4. Performance reports taken to CMT on a monthly basis 5. Individual indicators to have action plans to improve data quality 6. FMP Finance systems workstream actions all underway with update on completed actions to follow		
1.6 Capacity and Capability	London Borough of Hillingdon Final Audit Results Report Year ended 31 March 2024	The Council to review the capacity and skill mix within the Council's finance team to ensure that the Council is able to support the production and audit of its financial statements within statutory timeframes, as this is a key enabler for supporting appropriate scrutiny of the Council's financial performance by stakeholders.	1. Recruit to a permanent s151 officer role. 2. Commission and fund specialist capacity and capability to extra support to deliver the audit recommendations and the improvements in the CIPFA report. This is to align with the improvements needed in the Oracle programme 3. Restructure the Finance directorate, and review the additional areas within finance	1. Deliver restructure and recruitment campaign to deliver the right skills and capacity to deliver the outputs from the FMP. 2. In the interim bring in extra capacity and capability to deliver the FMP through consultants who have the experience, tools and techniques to accelerate the improvements. 3. The Finance Moderation Programme is to support key actions to improve capacity and capability with the Council's finance team, these include: - Advice into the designing of senior finance roles including S151 Officer - Design of a new finance operating model, including finance team structure - Mapping of detailed tasks and roles and responsibilities across the new finance structure - Advising on the transition approach to move from the As Is to Be structure aligned to achievement of process and technology based improvements. 4. Further transition planning actives include: - development of a full competency model for all finance roles - detailed skill assessment across all finance roles	Matthew Wallbridge	Andy Goo	Andy Good	01/04/25	31/03/26	A	1. GT engaged to deliver the FMP. 2. Recruitment of new Corporate Director of Finance and S151 Officer complete - Council confirmed S151 appointment on 10 July '25. 3. The Finance Modernisation Programme has undertaken a high level review of the Council's finance function operating model to understand how the Council can improve processes through finding efficiencies. This review has involved benchmarking analysis around resourcing and costs for core finance function processes. 4. Draft finance structure being reviewed 5. Recruitment process for the S151 reports underway	1. New Corporate Director of Finance (s151) to commence work	

Governance Review Improvement Plan (Directorate Governance)

Theme	Title of Review	Recommendation	Actions	Detailed Delivery Actions	Senior Responsible Officer	Lead	Action Delivery Lead	Start Date	End Date	RAG Status	Quarterly Progress Update (April - June 2025)	Quarterly Progress Update (July - September 2025)	Quarterly Progress Update (Oct - Dec 2025)
Non Finance Recommendations and Actions													
2.1 - Directorate Business and Financial Plan Template	Internal Audit Report on Governance September 2024	1. The Directorate Business and Financial Plan template should be updated to require directorates to set clear objectives aligned to the Council's corporate/strategic objectives. 2. These objectives should then be taken into consideration when allocating resources, developing directorate action plans and setting key performance indicators for the 2025/26 year. 3. The Directorate Business and Financial Plans should be reviewed and approved through CMT to ensure there are no cross-directorate impacts, and they are consistent with the wider corporate/strategic objectives.	1. Complete a review and update of the business and financial planning requirements, including corporate objectives and business plan template. 2. Ensure Directorate Annual Plans are in place for all areas. 3. Template to be reviewed Annually and brought to CMT for approval. 4. Directorate Business and financial plans to be completed annually by CMT. 5. CMT to monitor Directorate Business and financial plans quarterly.	1. Updated Directorate Business and Financial Plan Template to be approved by COO. 2. Circulate the Directorate Business and Financial Plan Template to all Corporate Director's to complete with a deadline date. Directorate Business and Financial Plans to be sent to Corporate Business Manager. 3. Schedule all Directorate Business and Financial Plans to be approved by CMT. 4. Circulate final Directorate Business and Financial Plans to CMT. 5. Save all final Directorate Business and Financial Plans in the SMT SharePoint folder. 6. Template will be reviewed by CMT on an annual basis. 7. Directorate Business and financial plans will be completed annually for approval at CMT. 8. CMT will monitor Directorate Business and financial plans quarterly. 9. The updated Directorate Business and Financial Plans, once underway and having been in place for a time, will be the subject of an internal audit exercise to consider areas for improvement (what has worked well vs. what has not etc)	Matthew Wallbridge	Darren Persaud	Michelle Smith	31/03/25	30/07/25	A	1. Business and Financial Plan Template draft settled by COO then discussed at CMT and sent to all Corporate Directors 2. The Directorate Business and Financial Plan Template has been circulated to all Corporate Director's to complete with a deadline date and a copy sent to the Corporate Business Manager.	3. All scheduled Directorate Business and Financial Plans have been approved by CMT. 4. Final Directorate Business and Financial Plans have been circulated to CMT. 5. Directorate Business and Financial Plans are to be uploaded into the CMT SharePoint folder. 6. The Directorate Business and Financial Plans internal audit exercise (to consider areas for improvement) will commence in Sept with a view to a report being prepared for end of Oct.	
2.2 - SMT Standardisation and Reporting	Internal Audit Report on Governance September 2024	1. CMT to agree a standard agenda template and reporting schedule for all SMT meetings covering the following key areas of governance as a minimum: 1.Workforce 2.Service delivery & performance against set objectives 3.Financial performance 4.Risk management 5.Key Projects 2. The SMT reporting schedule should also be aligned to the CMT reporting schedule to ensure any issues identified within the Directorates are appropriately escalated to CMT. System to ensure Directors are held to account for maintaining these SMT meetings in line with the agreed expectations and format.	1. As part of the review of governance and corporate working across the Council, a new standardised meetings structure and agenda for management and governance arrangements to be implemented. Standard Agenda/Minutes template to be produced for CMT & SMT meetings 2. Minutes should be recorded for all Directorates, which should be including the topics of discussion, and any decisions or actions agreed. Actions should be followed up at the next meeting to ensure they are completed. 3. A formal Corporate Governance Group (CCG) (formerly an informal statutory officers governance group) to be set up and will regularly (and annually) undertake a review of the effectiveness of Directorate Governance arrangements including how actions have been implemented and make recommendations for governance improvements for the ensuing year to be included in the GRIP.	1. Set up the SharePoint folder for CMT's, following a similar design to the CMT SharePoint Folder. 2. Email Executive PA's to inform them of the CMT SharePoint folder, and ask them to save all papers in that folder. 3. Standard Agenda/Minutes template to be produced for CMT & SMT meetings. Circulate the template agenda for Directorate SMT's, to Corporate Director's and their Executive PA's advising that this is the template to be used for all CMT & SMT meetings going forward. 4. Set up a Corporate Governance Group (CCG)	Matthew Wallbridge	Mark Braddock/ Lloyd White	Michelle Smith	31/03/25	28/02/26	A	1. Shared folder created for CMT, Internal Groups and SMTs. 2. Communications with PAs awaited pending security access. 3. New standard agenda and minute templates created and agreed for CMT, SDB, Groups and SMTs. Roll out across all internal bodies ongoing. Templates agreed by CMT on 29 May. 4. Additional delivery action to enhance internal governance: - New Corporate Tracker App, aligned with Cabinet Forward Plan now assists CMT/SDB by tracking key executive business through internal bodies before final decision democratic. This will ensure stronger internal governance and accountability, better coordination and robust decision-making. The Cabinet Forward Plan is discussed at CMT monthly, whilst the aligned Corporate Tracker, weekly at SBD. 5. Corporate Governance Group (CCG) first meeting on 19 March 2025. Further meetings were held monthly - on 25 March, 1 May, 3 June, reviewing the GRIP progress, and governance related issues generally.	1. PAs/Eas and Corporate Directors advised of new templates to use going forward. SDB using new templates, CMT using new templates w/e 16 July 2025, SMTs usage being rolled-out. 2. New internal briefing "business proposal" template prepared aligned to new Cabinet/Cabinet report template under review to simplify reporting requirements. 3. CCG meeting held 8 July 2025, reviewing the GRIP progress, and governance related issues generally	
2.3 - Review of Governance Arrangements (Senior Management Meetings)	Internal Audit Report on Governance September 2024	1. The scope and frequency of the Senior Management Meetings should be reviewed to ensure it facilitates cross-directorate collaboration and information sharing. CMT should agree formal reporting arrangements to escalate issues and decisions from individual Directorates to ensure the wider impacts on other services can be considered. Where key issues impact on more than one directorate, separate project boards should be established providing a forum for collaboration between the relevant services.	1. Complete a review of the reporting/governance arrangements and implement changes at all management levels, including working with Elected Members, to deliver the Council priorities. 2 A review will be carried out on the officer decision-making structure and tiers of management meetings, with a schematic prepared showing key officer groups, their terms of reference and their relationship between SMTs and reporting lines into CMT. This to be agreed at CMT and rolled out with training/briefings for managers.	1. Review the frequency of the SMM, and then agree frequency with the COO. 2. Create a forward plan of topics to be covered at SMM meetings. 3. Schedule the SMM forward plan at CMT for approval. 4. Share forward plan with SMM.	Tony Zaman	Matthew Wallbridge	Angela Laws	31/03/25	28/02/26	A	1. SMM meetings diarised for 25/26 2. Future agenda items discussed at CMT 3. Draft schedule for SMM 2 Completed the review on the officer decision-making structure and tiers of management meetings. Completed schematic showing key officer groups, their terms of reference and their relationship between SMTs and reporting lines into CMT. This has been agreed at CMT and rolled out with training/briefings for managers. 3. Since the budget went live, the Council has launched a MTFS App to capture the full details of the savings project, with the app feeding into the Council's monthly monitoring process that will be fed back to Cabinet in line with the monitoring timetable.	1. SMM schedule and plan agreed for 25/26 2. Further training provided to managers on the officer decision-making structure and tiers of management meetings, i.e. schematic showing key officer groups, their terms of reference and their relationship between SMTs and reporting lines into CMT. NB follow-up training provided at SMM on 17 July 2025.	
2.4 - Corporate Governance Arrangements Training	Internal Audit Report on Governance September 2024	1. Training should be provided to Corporate Directors and Senior Managers on a yearly basis, and during the induction of newly onboarded Directors/Senior Managers. 2. The training should cover the core principles of governance, and link to wider sessions on budget monitoring/financial performance, workforce planning, service delivery and risk management. This will provide the Directors with a uniformed approach to the expected levels of governance within the Council. 3. CMT should collectively review their governance arrangements on an annual basis and agree actions to address any areas of improvement.	1. Briefings and training on Corporate Governance arrangements will be delivered to all managers. Link to wider sessions on workforce planning, service delivery and risk management. This will provide the Directors with a uniformed approach to the expected levels of governance within the Council. 2. Training to be delivered on the financial responsibilities and wider financial regulations to ensure effective governance and organisational financial management. The delivery of financial governance set out in the Constitution is the responsibility of all officers but should be well understood and supported by finance officers and business partners. They have a key role in promoting good practice and identifying areas of weakness and non-compliance, working to support colleagues across the Council to help them discharge their responsibilities. 3. Establish and communicate to Directors and Budget Managers, accountability and ownership for their respective roles. 4. Division of responsibility between the budget holder and finance business partners needs to be reviewed and clarified. Due to a high degree of reliance being placed on finance business partners in the services to be the custodians of financial data rather than the budget holders themselves.	1.Roll out the annual training programme for leaders/managers 2.Democracy / Governance Master Class to made mandatory for new Team Managers and above. 3.CMT to review annually its effectiveness and ToR 4. NB: annual review to be undertaken by CMT via the AGS	Matthew Wallbridge	Mark Braddock	Angela Laws	31/03/25	31/03/26	A	1. Paper going to CMT 23 July to update mandatory training programmes, which will be open to all staff and include annual, bi-annual and 3 yearly mandatory training programmes. Additional report going to CMT on proposed senior manager training overing coming month. 2. The well-established Democracy and Governance Master Class is mandatory for all new Team Managers and above. Additionally, all new Corporate and key Directors receive political and Democratic Governance briefings from the Head of DS or Democratic Services Manager as part of their induction.	1. Governance masterclass session at SMM in July 2025 2. Creating a wider "governance toolkit" intranet site, aligned/linked to the Cabinet toolkit intranet site. Cabinet toolkit has been simplified and made clearer for staff in terms of knowing who makes decisions and process for preparing executive reports for decision. 3. Key governance areas included in performance appraisals i.e. mandatory training, risk management, budget management	
2.5 - Minute taking and action planning	Internal Audit Report on Governance September 2024	1. Minutes should be recorded for all Directorates, which should be including the topics of discussion, and any decisions or actions agreed. 2. Actions should be followed up at the next meeting to ensure they are completed.	1. Minutes of Directorate meetings to be recorded and retained 2. Action items lists to be maintained and monitored	1.To ensure minutes / action lists are maintained on shared folders 2. This to be reviewed as part of GRIP monitoring by CCG	Matthew Wallbridge	All Corporate Directors	Michelle Smith	31/03/25	31/03/26	G	1. Minutes for CMT, SDB and SMT meetings are kept and recorded and are kept on shared folders	Action trackers being monitored	

Governance Review Improvement Plan (Constitution & Democratic)

Theme	Title of Review	Recommendation	Actions	Detailed Delivery Actions	Senior Responsible Officer	Lead	Action Delivery Lead	Start Date	End Date	Status	Quarterly Progress Update (April - June 2025)	Quarterly Progress Update (July - September 2025)	Quarterly Progress Update (Oct - Dec 2025)
Non Finance Recommendations and Actions													
Constitutional and Democratic Governance	**Constitution**	**To be delivered**											
3.1 - Constitutional and Democratic Governance	Healthcheck', Independent Review of Constitution and related Democratic processes - Lawyers in Local Government (LLG)	As part of the Stage 1 exercise, an external review ('healthcheck') of the Council Constitution will be carried out by LLG with recommendations to be forthcoming from that exercise. Following that, as part of Stage 2, those recommendations will be reported to Members for consideration and populated into this section of the GRIP document. An action plan will be prepared for implementation of those changes agreed by Members.	1. LLG to be engaged as external expert consultants to review key areas of Council constitution to ensure it provides modern, efficient, effective and lawful governance for the Council. Key areas to be reviewed: * Member and Co-opted Member Code of Conduct * Scheme of Delegation to Officers * Procurement Standing Orders * Exempt Information Protocols. * A review of Member / officer roles and relations - in particular with reference to financial governance.	To be populated from the outcome of the LLG review	Lloyd White (as MO)	Daniel Toohey	Mark Braddock	01/06/25	01/11/25	G	LLG contacted and a brief has been prepared and costed. Under consideration.	LLG to have been appointed. Review expected to be carried out over the summer holiday period.	

WORK PROGRAMME 2024/25

Committee name	Audit Committee
Officer reporting	Ryan Dell, Democratic Services
Papers with report	None
Ward	All

HEADLINES

This report is to enable the Audit Committee to review planned meeting dates and the forward programme.

RECOMMENDATIONS

That the Audit Committee:

1. **Notes the dates for Audit Committee meetings; and**
2. **Makes suggestions for future agenda items, working practices and/ or reviews.**

SUPPORTING INFORMATION

The meeting on 28 August 2025 will start at 17:10.

Meetings	**Room**
28 August 2025	CR5
18 November 2025	CR5
10 February 2026	CR5
28 May 2026	CR5

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	WORK PROGRAMME	2025/2026					2026/2027
Service area	Audit Committee					2026	
		May	Jul	Aug	Nov	Feb	May
		14	28	28	18	10	28
	Member training						
	Pre-meet (17:00-17:10)	Head of Counter Fraud	-	EY	Head of Internal Audit	Corp. Dir. of Finance	Head of Counter Fraud
Democratic Serviecs	Appointment of Chair	X					
	Appointment of Vice-Chair	X					
-	Interviews for Independent Chair of the Audit Committee						
-	Financial Modernisation Programme		X				
-	Governance Review Implementation Plan		X				
External Audit	External Audit item	Update on Accounts		Update on Accounts	Update on Accounts	Update on Accounts	Update on Accounts
Accounts	Statement of Accounts & Annual Governance Statement	**2023/2024** STATEMENT OF ACCOUNTS & ANNUAL GOVERNANCE STATEMENT		**DRAFT 2024/2025** STATEMENT OF ACCOUNTS & ANNUAL GOVERNANCE STATEMENT			
	Update on risk assessment procedures/ budget-setting methodology			X			
Internal Audit	Audit Committee Annual Report			24/25			
	Risk Management Annual Report	24/25					X
	Risk Management Report			25/26 Q1	25/26 Q2	25/26 Q3	
	Corporate Risk Register						
	Strategic Risk Report	24/25 Q4		25/26 Q1	25/26 Q2	25/26 Q3	25/26 Q4
	Internal Audit Annual Report	24/25					25/26
	Internal Audit Progress Report			25/26 Q1	25/26 Q2	25/26 Q3	
	Internal Audit Charter					X	
	Internal Audit Plan						
	Internal Audit Strategy						
Counter Fraud	Counter Fraud Annual Report	24/25					25/26
	Counter Fraud Operational Plan						
	Counter Fraud Progress Report			25/26 Q1	25/26 Q2	25/26 Q3	
	Counter Fraud Strategy 2025-2028						
Procurement	IA Assurance Review of Contract Management Oversight			X			
Transformation	REQUEST BY CTTEE: Transformation, Digital & Technology Risk					X	

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