



Royal Borough of Windsor and Maidenhead Council

Final Auditor's Annual Report
Year ending 31 March 2025

25 February 2026



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for the Royal Borough of Windsor and Maidenhead during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Local government – context

Local government has remained under significant pressure in 2024/25

National

Past



Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

Present



Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

Future



Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Local

The Royal Borough of Windsor and Maidenhead (the Council) is a unitary council with a population of 155,000 residents. The Council operates under an Executive decision-making model, which oversees the formation of all major policies, strategies and plans and as such the Council’s formal decision making and governance structure constitutes the Full Council and an Executive (the Cabinet). Full Council and Cabinet are supported by three Overview and Scrutiny Panels. The Council has 41 councillors, and the Council is elected every four years. The most recent elections were in May 2023 when the Liberal Democrats secured a majority with 22 elected councillors.

It is within this context that we set out our commentary on the Council’s value for money arrangements in 2024/25.

02 Executive Summary

Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Five significant weakness in arrangements identified and five key recommendations made. One improvement recommendation made.	Five risks of significant weakness identified in relation to financial sustainability.	R Two continuing significant weakness in arrangements identified and we replace two key recommendations made in our 2023/24 AAR (Auditor’s Annual Report) with two revised key recommendations on pages 19-20. We also raise one improvement recommendation on page 21.
Governance	R Three significant weaknesses and three key recommendations made. Six improvement recommendations raised.	Three risks of significant weakness identified in relation to governance.	R Three continuing significant weaknesses from 2023/24 identified for which we make three revised key recommendations on pages 25-27. We have raised one improvement recommendation on page 28.
Improving economy, efficiency and effectiveness	R One significant weakness identified and one key recommendation made. One improvement recommendation made.	Two risks of significant weakness identified in relation to improving economy, efficiency and effectiveness.	R One continuing significant weaknesses in arrangements identified and our key recommendation in our 2023/24 AAR relating to contract management and procurement remains in place on page 31. Three improvement recommendations raised on pages 32-34.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money. Since we reported on 2023/24, the Council has made rapid progress to establish corporate grip and align the organisation behind its improvement and recovery. The significant weaknesses which we identify in this report should be viewed in the context of this substantial progress.

In 2023/24 (our first year as the Council's external auditor), following our initial VFM planning, we wrote a letter of concern that was presented to Audit and Governance Committee in September 2024. This letter put on record our serious concerns in Council arrangements for delivering value for money prior to issuing our interim 2023/24 AAR which was considered by the Audit and Governance Committee in December 2024. That report identified nine significant weaknesses in the Council's arrangements and made nine key recommendations, reflecting significant concerns over arrangements in place at the Council to deliver value for money and the extent of the challenges the council was facing. Those challenges included a significant structural budget deficit, a relatively high level of debt, low levels of reserves, unresolved historic accounting anomalies, weaknesses in the Council's capacity, and rising demand pressures. Whilst the scale of these challenges was significant, our 2023/24 interim AAR recognized some initial positive changes that the Council was making to secure improvement.

Our 2024/25 AAR affirms the positive direction of travel in terms of organizational improvement and capacity building. The Council took effective action to resolve historical accounting errors and clarify its financial position (subject to the conclusion of the 2024/25 post-statements audit) using external support to present a credible case for Exceptional Financial Support (EFS) from Government. The Council's view is that the structural deficit cannot be eliminated through deliverable savings in expenditure alone. We recognize the rapid progress the Council has made to re-build its capacity, support effective financial management and put in place a Financial Improvement and Sustainability Plan (FISP) and a Financial Improvement and Sustainability Board (FISB).

The Council's officer and political leadership has been open and transparent about the challenges it faces. A relatively new political administration is realistic about the scale of the change that is now required. This is likely to require stamina and focus for some years to come. Stronger financial leadership has helped to increase the pace of improvement and we note that the Council continues to engage with the Ministry of Housing, Communities and Local Government which is encouraged by the progress being made and has not decided to intervene more formally, although that remains an option.

In this AAR we report six significant weaknesses. This is a positive change in terms of the direction of travel compared to the nine significant weaknesses we reported in December 2024 but continues to reflect the substantial improvements which are still required.

...continued on page 9

Executive Summary (continued)



Financial sustainability

During 2024/25 the Council discovered historical accounting errors which, together with in-year overspending on services, fully depleted the Council's reserves and resulted in a situation where the Council would be unable to balance its revenue budget. A credible and successful case was made to secure a commitment that the government is minded to approve EFS. A FISP was put in place with independent oversight. Rapid improvements were made to the budget planning process for 2025/26. The progress which was made enables us to lift one of the key recommendations we made in 2023/24. However, the Council's future financial sustainability remains at significant risk. We have retained and revised two key recommendations from our 2023/24 AAR.



Governance

In our 2023/24 AAR we made a key recommendation about establishing corporate grip. There is clear evidence that this has been achieved and the Council has made progress in re-building capacity in essential functions including financial management. Asset management resources were re-focused on asset sales. We are therefore able to lift two key recommendations we made in 2023/24. There are still significant weaknesses in assurance over internal controls, the production of timely accounts and asset development. We have retained and revised three key recommendations we made in 2023/24 and made one improvement recommendation



Improving economy, efficiency and effectiveness

There is a culture of using benchmarking data to understand comparative performance across the council. There is scope to improve performance management by strengthening assurance over data quality, taking a proactive approach with complaints and formalising the review of the Council's significant service delivery through partnership arrangements. We have made three Improvement Recommendations about these issues. The Council is making progress in improving its approach to contract management. However, our 2023/24 recommendation has not yet been fully addressed and we have retained this key recommendation.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility

2024/25 outcome

Opinion on the Financial Statements

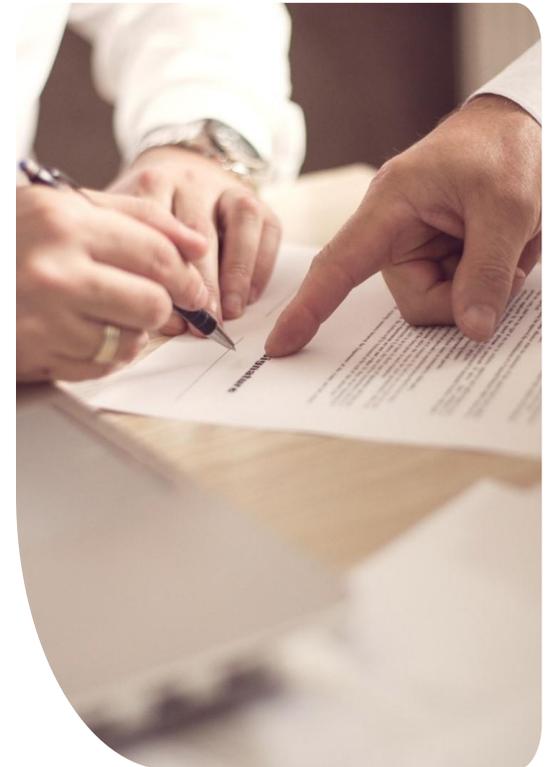
The Council published its draft 2024/25 financial statements including the Berkshire Pension Fund statements ahead of the 30 June 2025 deadline. However, the version published did not include several key statements, and pension fund figures were not all final values.

A revised version of the accounts was provided in October 2025, which incorporated further progress, although the Group CIES and Group MIRS remained outstanding. We commenced our post-statements audit of the Council’s statements in October 2025. The Council was not able to fully support the audit process, and as a result, these accounts were backstopped on 25 February 2026. Further detail can be found on page 12.

We commended our post-statements of the Pension Fund’s financial statements in October 2025 with an updated set of statements provided with final draft values included. We issued an emphasis of matter opinion on 25 February 2026. Further detail can be found on page 13.

Use of auditor’s powers

We did not exercise our statutory powers



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

The Council published its draft 2024/25 financial statements including the Berkshire Pension Fund statements ahead of the 30 June 2025 deadline. However, the version published did not include several key statements - specifically the Movement in Reserves Statement (MIRS), the Group MIRS, the Group Comprehensive Income and Expenditure Statement (CIES), and updated asset valuations. The statements also excluded consideration of the impact of the IFRS 16 leases standard effective from 1 April 2024.

A revised version of the accounts was provided in October 2025, which incorporated further progress, although the Group CIES and Group MIRS remained outstanding.

We commenced our post-statements audit of these statements in October 2025.

Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We will conduct our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

Whilst there has been a clear commitment to firstly produce timely financial statements and then in turn support the challenging audit process, despite finance officers' best efforts this has not enabled a full in-year audit. Nonetheless, we recognise the efforts made by the Council's finance team to respond to audit requests and to strengthen arrangements for producing complete, accurate and timely financial statements.

As a result of not being able to fully conclude our audit work in 2024/25 and also due to the prior years backstops we were unable to form an opinion on the financial statements for 2024/25 and issued a modified, disclaimer opinion on the 2024/25 financial statements on 25 February 2026.

Opinion on the Berkshire Pension Fund statements

These pages set out the key findings from our audit of the Berkshire Pension Fund financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

The Pension Fund is required to publish its Annual Report by 1 December 2025. We issue an auditor's consistency report which includes our opinion that the 2024/25 Berkshire Pension Fund financial statements within the Pension Fund Annual Report are consistent, in all material aspects, with those within the audited administering authority's Financial Statements.

Our opinion on the financial statements was be modified due to the effects of the unresolved matter on the comparability of the current period's figures and corresponding figures.

Grant Thornton provides an independent opinion on whether the Berkshire Pension Fund financial statements:

- give a true and fair view of the financial position of the Pension Fund as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the Berkshire Pension Fund financial statements

Our findings were reported in our Audit Findings report in February 2026.

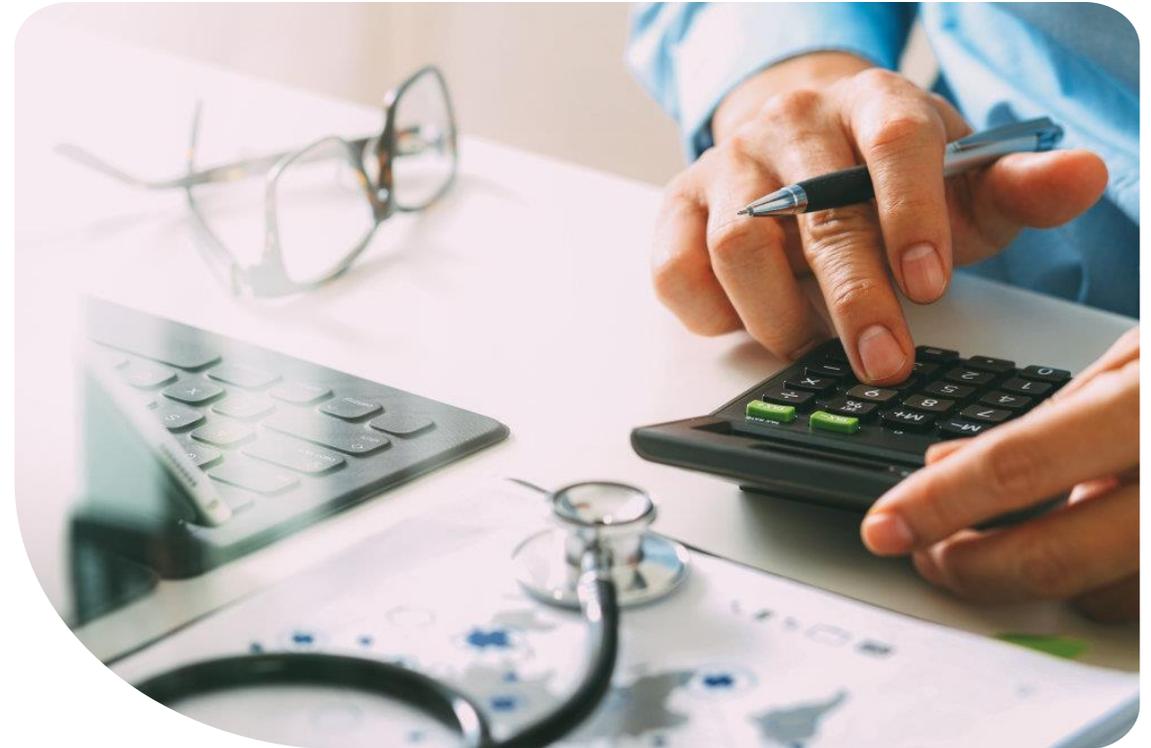
Other reporting requirements

Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our work is now complete in this area and there are no issues that we have identified in respect of compliance with the Code.



04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Council's report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The overspend of £20 million on the planned general fund revenue budget for 2024/25 was, in part, attributable to significant weaknesses in the budget setting process for 2024/25 and prior years. The 2025/26 budget setting process was improved and strengthened, including identifying all key pressures, and we have therefore lifted the key recommendation we made in our 2023/24 AAR. Adjustments were made following the discovery of historical accounting errors and, as a result, the Council had negative reserves of £31 million at the end of 2023/24. By securing Exceptional Financial Support, the Council has been able to balance its 2024/25 budget and set a balanced budget for 2025/26. However, it is not able to demonstrate how it could maintain a balanced position for future years and maintain sufficient financial reserves in its Medium-Term Financial Strategy (MTFS) and this continues to be a significant weakness in arrangements. Reserves will need to be replenished in the medium-term in order to be able to withstand future financial shocks. A revised key recommendation (KR1) has been made on page 19.</p>	<p>R</p>
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>The Council has improved its approach to identifying and delivering savings and transformation through the FISP. The Council’s assessment is that the scale of its structural deficit is too great to be addressed through savings alone but that it should do all it can to address the gap through tough decisions on savings across the medium-term. Active consideration of any additional scope for reducing or ceasing non-statutory provision is needed, as identified in the Council’s FISP. The requirement to fully develop and maximise plans to address funding gaps in the medium-term continues to be a significant weakness and we have made a revised the key recommendation (KR2) on page 20.</p>	<p>R</p>
<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>2024/25 was a year of transition for the Council in which the full discovery of, and response to, major financial challenges took place. The Council improved the way it planned its response to the financial challenge, including reviewing corporate priorities, developing a FISP, and maintaining a dialogue with government to secure EFS. Substantial progress was made by putting in place a FISB. There is recognition that significant change is required.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The Council took some important steps to develop the effectiveness of its plans during the year. Using external advice, the Council was able to develop a clear picture to resolve the consequences of historical accounting errors. Capital and asset plans began to be realigned to reflect the financial challenges and the arrangements to transform services were pursued through the Future Shape Programme. The FISP is a single coherent programme with independent oversight. Further improvements should include the development of a clear and detailed workforce strategy which aligns all recruitment, development and retention plans and ensures that the organisation has the resources to deliver its aspirations. We have made an Improvement Recommendation (IR1) on page 21.</p>	<p>A</p>
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The Council was aware of significant financial risks at the beginning of 2024/25 and undertook a process of discovery to identify and correct historical accounting errors and weaknesses in financial management. The emerging financial risks included the level of reserves, the projected overspend, the impact of correcting accounting errors, and capacity and governance weaknesses. The Council assessed these risks and secured an external review of financial resilience to ensure that it was able to seek government assistance, stabilise its financial position and set a balanced budget for 2025/26.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability (continued)

Significant weakness identified in relation to financial sustainability

Key Finding: We identified a significant weakness in our 2023/24 Auditor's Annual Report in relation to reserves (KR4 in 2023/24). The Council made rapid progress to secure exceptional financial support which enabled it to resolve its historic deficit, set a balanced budget for 2025/26 and retain an adequate level of reserves. However, the Council is clear that there is no way it can become sustainable over the medium-term without further support from the government and that successive capitalisation directions will make the financial position worse and potentially unsustainable. The Council has re-established an adequate level of reserves in 2025/26 but will not be in a position to maintain or replenish reserves and its financial resilience in future years until a sustainable way to address its structural deficit is found. We have therefore concluded that the significant weakness in relation to reserves continued in 2024/25 and have made a revised recommendation (KR1) which replaces our recommendation in 2023/24.

Evidence: The Council has corrected the historical position and approved a balanced budget for 2025/26. The Medium-Term Financial Plan (MTFP) includes future targets for reserve levels. However, the Council cannot currently identify in its MTFP how it can achieve a balanced position beyond 2025/26 without further EFS and it has not yet been able to rebuild its reserves to a position where it could withstand economic shocks in the future. The Council is using significant capital resources approved through EFS to sustain itself to the end of 2025/26 and there is currently no clarity about the further availability of support beyond 2025/26 or how that support will be manifested.

Impact: If the Council is not able to maintain an adequate minimum level of general fund reserves or build strategic contingency reserves to manage future economic shocks, it will remain dependent on government support with the risk that the Council's debt burden will be unsustainable.

Key recommendation 1

KR1: The Council should further develop its MTFP to set out how it intends to replenish its reserves, taking into account the minimum level of general reserve it proposes to maintain and specific reserves it considers necessary to provide for strategic contingencies over the next four years; and how it takes account of scenarios where it is unable to secure the level of EFS or council tax rises implied in its current MTFP and identify the detailed implications in terms of specific reductions in expenditure.

Financial sustainability (continued)

Significant weakness identified in relation to financial sustainability

Key Finding: The Council's performance in delivering savings has improved, reflecting improvements in monitoring and reporting on progress. The savings target set for 2025/26 was lower than the previous year. There is scope for the Council to set out clearer plans for achieving savings by reducing or ceasing some activities. Longer term savings plans are required to strengthen the MTFs.

Evidence: The Financial Improvement and Sustainability Plan (FISP) was approved in November 2024 and brought together the Council's savings and transformation plans in a single reporting framework. The FISP is realistic about the financial challenge and states "The scale of the challenge means that the council will not be able to do everything it has done before, and this is likely to mean a visible reduction in services to residents and businesses in some areas." The Transformation Programme - Future Shape - consists of fifty transformation projects which are funded by capital investment of £1.9 million and aim to yield £738,000 in revenue savings on completion. Savings performance is monitored and reported and the independent FISB began to provide additional challenge in the last quarter of 2024/25. The 2025/26 target of £5.68m in efficiency and income savings was 3.5% of the net revenue budget compared to £7.5m (6.3%) in 2024/25. £13.5m savings are identified in the first two years of the MTFP (2025/26 and 2026/27). Savings in the following three years total only £1.5 million.

Impact: Savings will continue to be an important element of the Council's strategy to do all it can towards reducing the structural deficit and build its future financial resilience. Early consideration of the scope for additional savings will help the Council to secure more control over its finances.

Key recommendation 2

KR2: The Council should continue to strengthen its focus on the rigour and ambition with which savings are planned, approved and achieved in directorates and should put in place plans to bring forward additional alternative savings in-year if it is projecting that savings targets will not be met. Service savings plans should be under-pinned by robust business cases. The Council should develop more ambitious savings plans in the medium-term and set out in its FISP the approach it is taking to reducing or ceasing services including the timescales, processes and savings to be secured.

Financial sustainability (continued)

Area for Improvement identified: re-aligning workforce plans

Key Finding: The Council has a high-level people strategy in place and has made changes to recruit and re-integrate staff and address some retention issues. However, the people strategy is not yet underpinned by a detailed workforce strategy for the whole organisation which aligns human resource policies and principles with the Council's future operating model.

Evidence: The Council has a high-level people strategy which sets out the values of the organisation and how they shape the behaviour of staff. It also addresses skills, entry-level opportunities and the commitment to staff development. Significant progress was made in 2024/25 in re-aligning workforce policies at service level including strengthening finance capacity, transferring-in adult social care staff and introducing a staff retention bonus. This progress now needs to be reflected in a detailed workforce plan for the whole organisation which looks further ahead and aligns policies with the Council's future operating model.

Impact: Alignment of workforce plans with the Council's future operating model will be critical for the continuing delivery of transformation plans.

Improvement Recommendation 1

IR1: We recommend that the Council should develop a detailed workforce strategy which aligns with its corporate priorities and future operating model and set out its requirements in terms of staffing establishment, skills and competences, recruitment and retention, pay and rewards, use of freelance, agency and interim appointments.



Governance – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Council has appropriate arrangements in place to identify, assess and report strategic risks. Arrangements to prevent and detect fraud were improved. The Council has had a limited assurance internal audit opinion for two years which reflects poor historical coverage and slow responses to internal audit recommendations. The slow response to Internal Audit recommendations and the level of historical coverage in Internal Audit are a significant weakness in arrangements. We made a key recommendation in 2023/24 (KR7) and we have revised this key recommendation which is (KR3) in this report on page 25.	R
approaches and carries out its annual budget setting process	The annual budget setting process was improved for the 2025/26 budget which was prepared on the basis of known demand pressures and by utilising appropriate sector expertise to inform the process. There was effective internal and external engagement in the budget. The Council recognises that further improvement in ensuring the budget process is effective is needed and is implementing improvements for the 2026/27 budget.	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	The Council made substantial progress in 2024/25 by establishing effective corporate grip in response to significant financial challenges. The utilisation of external expertise, the establishment of an independent FISB, the appointment of an experienced interim S151 Officer and coherent political and managerial leadership are helping to drive cultural change and improvement. The Council’s dialogue with Government will continue to be important in its financial recovery. We have therefore concluded that the significant weakness we identified in our 2023/24 AAR (KR6) can be lifted, although the Council will need to increase or maintain the pace of improvement and change for the foreseeable future. (continued on next page)	R

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>(continued from previous page)</p> <p>We have revised our 2023/24 key recommendation (KR3) to reflect the outcome of the 2024/25 financial statements audit and this is now a key recommendation (KR4) on page 26 of this report. The Council has made improvements in its financial monitoring reports since 2023/24. However, there were gaps in reporting during 2024/25 and there is scope to improve the frequency of scrutiny of financial performance through the Corporate Overview and Scrutiny Panel. We have made an Improvement Recommendation (IR2) on page 28 and in doing so acknowledge that there is evidence that the Council is taking steps to address this weakness in 2025/26.</p>	<p>R</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>There is a strong understanding across the organisation about the significance of the financial challenges faced by the council, reinforced by the tone from the top from senior management and members. The process of discovery of historical accounting errors has helped to galvanise commitment and the organisation's senior political and officer leaders are aligned around transparency and improvement. Steps were taken to address the governance and performance weaknesses in arrangements to manage and develop property assets. We have therefore lifted the recommendation we made in our 2023/24 AAR (KR5) to reflect progress made in focussing on asset disposal. The Council reviewed PropCo in response to our key recommendation in 2023/24 (KR8) and decided in 2025/26 to transfer the company staff into the council. Good progress is being made and the Council now has the capacity to focus on development priorities including the Maidenhead Golf Course development. Our revised key recommendation is on page 27 (KR5). We will review further progress as part of our 2025/26 Value for Money work.</p>	<p>R</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour</p>	<p>The Council's arrangements to guide decision-making are clearly set out in the constitution and include codes of conduct and requirements for the declaration of interests. An Annual Governance Statement published with the draft financial statements for 2024/25 includes an action plan for governance improvements. The Council has made good progress in strengthening its approach to contract management, particularly in the Place directorate.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance (continued)

Significant weakness identified in relation to governance

Key Finding: The Council only has limited assurance over the effectiveness of its internal control environment. Inadequacies in historical coverage and slow responses to internal audit recommendations need to be addressed.

Evidence: The Council received a Limited Assurance Opinion from its Internal Auditor in 2023/24 and 2024/25. The Council has strengthened its focus on Internal Audit recommendations and progress reports are made to Audit and Governance Committee on a quarterly basis which include progress reports on actions and follow-up work. These reports are sufficient for the Committee to assess whether internal controls are working where they have been subject to audit reviews. Progress in responding to recommendations is tracked and an Audit Board was introduced during 2024/25 to take a more systematic approach to monitoring progress on addressing audit recommendations. However, the speed and response to Internal Audit recommendations continues to be a significant weakness which is reflected in the Limited Assurance Opinion and the historical coverage of key areas of risk through Internal Audit.

On 4 June 2024 the Audit and Governance Committee approved the Annual Internal Audit Plan. The Council took the view that external inspections would provide additional assurance. However, there continued to be limited assurance because of inadequate controls and delays to implementing recommendations. For example, contract management remains a 'high risk' area because there is limited evidence that work on recommendations has been progressed sufficiently since a 2022/23 internal audit review.

Impact: Assurance about the effectiveness of internal controls is an essential part of the Council's aim to become financially sustainable.

Key recommendation 3

KR3: The Council should review its internal audit plan and resourcing to deliver an appropriate level of assurance in relation to internal controls, recognising the limited coverage of internal audit work prior to the appointment of its current internal audit provider.

Governance (continued)

Significant weakness identified in relation to governance

Key Finding: There is a significant weakness in the arrangements to production of timely and accurate accounts. There are residual risks arising from three years of backstopped and disclaimed accounts. The Council made progress by producing timely financial statements for 2024/25 but as set out on page 12, the statements were not complete and ultimately we were not able to conclude our audit again this year before the backstop deadline of 27 February 2026.

Evidence: The 2024/25 draft financial statements were published ahead of the 30 June 2025 deadline. However, the version published did not include several key statements - specifically the Movement in Reserves Statement (MIRS), the Group MIRS, the Group Comprehensive Income and Expenditure Statement (CIES), and updated asset valuations. The statements also excluded consideration of the impact of the IFRS 16 leases standard effective from 1 April 2024.

A revised version of the accounts was provided in October 2025, which incorporated further progress, although the Group CIES and Group MIRS remained outstanding.

We commenced our post-statements audit of these statements in October 2025.

Whilst there has been a clear commitment to firstly produce timely financial statements and then in turn support the challenging audit process, despite finance officers' best efforts this has not enabled a full in-year audit. Nonetheless, we recognise the efforts made by the Council's finance team to respond to audit requests and to strengthen arrangements for producing complete, accurate and timely financial statements.

Impact: Re-establishing a good track record for timely and accurate audited financial statements will be a key element in securing future financial sustainability.

Key recommendation 4

KR5: The Council must ensure that historical financial accounting errors and weaknesses have been resolved and that it has the systems and capacity in place to ensure that it is able to produce accurate and timely statements of account in future and the ability to respond to external audit queries.

Governance (continued)

Significant weakness identified in relation to governance

Key Finding: The Council has taken effective steps to enable it to re-focus property development capacity by integrating former PropCo staff into the Council. This will enable this capacity to be aligned more closely to the Council's objectives, particularly in relation to key development projects including the Maidstone Golf Course development which is critically important to the Council's future financial sustainability.

Evidence: We made a Key Recommendation in 2023/24 about the need to decide on the future of PropCo and assess the risks relating to development projects, consider the relationship with the council's future operating model and put arrangements in place to monitor future company structures. The Council made progress in addressing this key recommendation resulting in a formal decision taken by Cabinet on 2nd April 2025 followed by the transfer of company staff into the council. We acknowledge the good progress being made in the early part of 2025/26 and have revised our key recommendation to reflect the focus required now on the Council's key development aspirations and risks. We will consider further progress as part of our 2025/26 value for money work.

Impact: The internal capacity the Council now has will be critical in securing its future financial sustainability.

Key recommendation 5

KR6: The Council should:

- assess and monitor the financial risks and anticipated outcomes from key development projects, including the development of Maidenhead Golf Course
- consider the lessons learned in terms of performance, outcomes and governance from the PropCo arrangements which were in place during 2024/25 to inform the Council's future operating model
- ensure that it monitors future performance, costs and risks in relation to its development objectives.

Governance (continued)

Area for Improvement identified: financial reporting

Key Finding: There were gaps in the Council’s financial performance reporting processes in 2024/25. Some monthly reports did not go to Cabinet and the majority of monthly reports were not scrutinised by the Corporate Overview and Scrutiny Panel. A mid-year treasury management report was not considered. We recognise that the Council is improving its reporting processes, for example in relation to reporting on savings.

Evidence: : The Council has improved financial performance reporting since 2023/24 through the introduction of monthly financial monitoring reports. However, a cancelled meeting for the General Election, the normal August scheduling arrangements and prioritising the work to address its financial challenges meant that three monthly reports were not considered by Cabinet in 2024/25. A mid-year Treasury Management statement was not reported to Cabinet. The Corporate Overview and Scrutiny Panel only considered financial monitoring reports for months three and eight and relied on Quarterly Assurance reports for a general overview of the financial position. We recognise that 2024/25 was a challenging year and that there was limited finance capacity available which impacted on the reporting schedule.

Impact: Gaps in financial reporting undermine the scrutiny of financial performance. Arrangements should ensure that reporting is timely and effective.

Improvement Recommendation 2

IR2: The Council should improve its reporting processes to ensure that, from month two of the financial year, monthly financial monitoring reports are made to Cabinet and to the Corporate Overview and Scrutiny Panel; and to ensure Treasury Management reporting meets the requirements in the CIPFA Financial Management Code and compliance with Treasury Management policy.



Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	The Council used performance data to drive improvement in services and in a corporate context and there is a culture of seeking and using benchmarking data to understand comparative performance. Quarterly Assurance reports are detailed and include cross-cutting as well as service-specific data. There is scope to improve assurance about data quality and we have made an Improvement Recommendation (IR3) on page 32.	A
evaluates the services it provides to assess performance and identify areas for improvement	An OFSTED report on Children's Services in October 2024 gave an overall Good rating with the experience of care leavers graded as outstanding. A Care Quality Commission (CQC) inspection found that arrangements require improvement and the Council has implemented changes in terms of technology and in-housing social work staff which address many of the issues raised. The rate of Local Government Ombudsman upheld complaints are 8.4 per 100,000 population which is higher than the average for similar authorities and there is scope for the council to improve its responsiveness and approach to dealing with LGO complaints. We have made an Improvement Recommendation (IR4) on page 33.	A
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	A Partnership Protocol is included in the Council's constitution which sets out the principles of partnership working, and governance requirements. The Council has significant partnership arrangements for Adults and Children's services. For example, it owns 20% of Achieving for Children (AfC), a community interest company, and is responsible for making reserved matters decisions alongside the two other councils. Arrangements to consider partnership reports at Overview and Scrutiny Panels are effective but accountability could be improved by reporting key partnership performance to Cabinet. We have made an Improvement Recommendation (IR5) on page 34.	A

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the Council:	Commentary on arrangements	Rating
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Council has made some progress in addressing weaknesses in procurement and contract management. Higher level training on contract management has been carried out and training is now being brought in at a more granular level. A gateway process has been put in place to improve senior officer and member oversight of key contracts. The procurement team has been expanded although there are recruitment challenges. The Council has improved contract management in Neighbourhood Services which oversee a substantial area of contracting (outside social care contracts). This includes better planning of re-procurement, market and stakeholder engagement, and engagement with existing contractors around performance and efficiencies.</p> <p>However, responses to Internal Audit recommendations made in 2022/23 have not been completed, leaving weaknesses in controls in place and uncertainty about compliance with the Council's contract procedure rules. We have therefore repeated the key recommendation we made in 2023/24 (KR9) on page 31 of this report (KR6).</p>	<p>R</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness (continued)

Significant weakness identified in relation to improving economy, efficiency and effectiveness

Key finding: There are weaknesses in the contracts register, contract procedure rules and contract management processes. Responses to Internal Audit recommendations made in 2022/23 have not been completed, leaving weaknesses in controls in place and uncertainty about compliance with the Council's contract procedure rules. Whilst progress has been made in improving contract management, notably in the Place directorate, we have concluded that the significant weakness we identified in our 2023/24 AAR was still in place in 2024/25 and our key recommendation remains in place and is repeated in this report.

Evidence: In the recent past there have been examples of extensions and contract variations being made without complying with the rules or proper consideration of value for money. There has also been limited capacity in the central procurement team. Six priority one actions and five priority two actions remain outstanding from the 2022/23 internal audit review.

Impact: Weaknesses in procurement and contract management can result in poor value for money.

Key recommendation 6

KR6: The Council should produce a Contract Management Framework and guidance which sets out standardised processes and responsibilities. Steps should be taken to reinforce the understanding of contract management responsibilities across the Council's services. Effective procurement should be supported by training across the organisation which should include contract management training. The contract standing orders and procurement regulations should be updated. The contracts register published on the Council's website should be complete and kept up to date.

Improving economy, efficiency and effectiveness (continued)

Area for Improvement identified: how performance information has been used to assess and improve performance

Key Finding: The Council does not have sufficient assurance about the data quality relating to its performance management and reporting arrangements.

Evidence: The Council has data protection and document retention policies in place but there is not a data quality framework in place. Internal Audit recommendations about data quality should be implemented to provide greater assurance about data quality.

Impact: Assurance about data quality supports effective performance reporting and supports appropriate and timely actions to address under-performance.

Improvement Recommendation 3

IR3: We recommend that the Council develops its performance management and reporting arrangements to provide assurance about data quality and ensure that formal reporting takes place more frequently and in a timely way to enable effective scrutiny and transparency.



Grant Thornton insight

Improving data quality

- Assess and understand your needs, including business use cases, IT infrastructure and data characteristics.
- Start standardising your data processes and create council-wide data policies
- Establish key responsibilities and accountable individuals to improve governance and oversight
- Deliver training to all teams on how to maintain data quality

Improving economy, efficiency and effectiveness (continued)

Area for Improvement identified: how the council evaluates the services it provides to assess performance

Key Finding: The council has a higher rate of Local Government Ombudsman (LGO) upheld complaints compared to similar authorities. There is scope to improve responsiveness to LGO including providing satisfactory remedies in advance of an LGO determination where appropriate.

Evidence: The Local Government Ombudsman upheld 8.4 complaints per 100,000 population against the council. The average in similar authorities is 5.3 per 100,000 population. The Council did not provide any satisfactory remedies before the Ombudsman determination whereas the average for similar authorities is 10%.

Impact: Responsiveness to complaints can provide valuable insights into service delivery.

Improvement Recommendation 4

IR4: We recommend that the Council should ensure that it learns from its experience of Local Government Ombudsman complaints, for example by considering options for satisfactory remedies when it becomes aware of complaints made to the Local Government Ombudsman and takes action on lessons to be learned from such complaints.



Improving economy, efficiency and effectiveness (continued)

Area for Improvement identified: how the council engages with significant partners to assess whether it's meeting its objectives

Key Finding: The Council's Partnership Protocol sets out the principles of partnership working, defines what a partnership is, and sets out the protocol by which partnerships should be governed including arrangements for scrutiny oversight, and appropriate governance arrangements. These arrangements should include an annual report on key partnerships to the Cabinet.

Evidence: The Council provides a significant range of services through a number of key partnership arrangements including Achieving for Children (AfC) and Optalis as well as key health partnership arrangements through the Integrated Care System and a range of partners in the voluntary and community sector. Performance data relating to these partnerships is included within Quarterly Assurance Reports. The Cabinet does not currently receive an annual report about the effectiveness of these partnership arrangements.

Impact: The Cabinet should review its key partnerships on an annual basis, taking into account feedback from the relevant overview and scrutiny panels.

Improvement Recommendation 5

IR5: We recommend that the performance of the Council's key partnerships including Optalis and Achieving for Children should be considered in formal Cabinet reports as well as at Scrutiny Panels.



Pension Fund

The Council is the administering authority for the Berkshire Pension Fund. As part of our VfM work we are required to consider the Council’s arrangements in respect of the Pension Fund.

We considered the Pension Fund’s: **Commentary on arrangements**

Rating

<p>Financial Sustainability: sufficiency of funds to meet liabilities</p>	<p>The Berkshire Pension Fund had assets of sufficient value to cover 86% of accrued liabilities at the last triennial valuation at 31 March 2022. This increased from 78% in the 2019 valuation. The latest triennial valuation is currently being undertaken but is not available at the time of preparing this report. The pension fund is identified as one of the least well-funded funds on a local basis by the Government Actuaries Department (GAD) in its review of LGPS fund valuations published on 14 August 2024. The fund is continuing to make progress with its deficit recovery.</p>	<p>G</p>
<p>Governance: appropriateness of governance arrangements</p>	<p>The governance arrangements for the Berkshire Pension Fund are appropriate. A compliance statement is published detailing the Fund’s compliance with guidance. The scheme’s governance structure is published setting out the Advisory Panel, Local Pension Board arrangements to assist the Administering Authority. The Board and the Pension Fund Committee met four times during 2024/25, receiving updates on the scheme administration and performance, regulatory issues, risks, policy and governance. An annual Business Plan is considered by the Pension Board.</p>	
<p>Improving Economy, Efficiency and Effectiveness: annual report findings</p>	<p>Quarterly reports on the Berkshire Pension Fund cover key performance indicators (kpi’s) including membership, processing times, communication and complaints together with narrative reports on special projects including the implementation of remedies in relation to the McCloud judgement and the Pension Dashboard Programme. Kpi’s are monitored against CIPFA benchmarks where appropriate.</p>	

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

05 Summary of Value for Money Recommendations raised in 2024/25

Key recommendations raised in 2024/25

	Recommendation	Relates to	Whether new, revised or repeated	Management Actions
KR1	<p>The Council should further develop its Medium-Term Financial Plan to set out how it intends to replenish its reserves, taking into account the minimum level of general reserve it proposes to maintain and specific reserves it considers necessary to provide for strategic contingencies over the next four years; and take account of scenarios where it is unable to secure the level of EFS or council tax rises implied in its current MTFP and identify the detailed implications in terms of specific reductions in expenditure.</p>	<p>Financial sustainability (pages 17 - 21)</p>	<p>Significant weakness originally identified 2023/24 - revised Key Recommendation</p>	<p>Actions: The council updated its MTFP in July 2025 and this fully explains the council's financial planning options. The General Fund reserve has been increased to £15m and contingency increased to £5m. As is the usual practice in all councils, RBWM will consider its reserves position on an annual basis through the budget setting process and it will be for the S151 officer to consider what a prudent level of reserves should be.</p> <p>Responsible Officer: Ian O'Donnell</p> <p>Due Date: Completed</p>

Key recommendations raised in 2024/25

Recommendation	Relates to	Whether new, revised or repeated	Management Actions
<p data-bbox="104 811 173 839">KR2</p> <p data-bbox="206 668 1192 1039">The Council should continue to strengthen its focus on the rigour and ambition with which savings are planned, approved and achieved in directorates and should put in place plans to bring forward additional alternative savings in-year if it is projecting that savings targets will not be met. Service savings plans should be underpinned by robust business cases. The Council should develop more ambitious savings plans in the medium term and set out in its Financial Sustainability and Improvement Plan the approach it is taking to reducing or ceasing services including the timescales, processes and savings to be secured.</p>	<p data-bbox="1192 782 1396 925">Financial sustainability (pages 17 - 21)</p>	<p data-bbox="1396 753 1727 896">Significant weakness originally identified 2023/24 - revised Key Recommendation</p>	<p data-bbox="1735 425 2440 1182">Actions: The council has introduced a new budget setting process for budget 2026/27 that aims to maximise the contribution the council can make towards closing the budget gap, and engaged external consultants Newton to identify and maximise the savings in social care. The level of savings the council is including in annual budgets is also closely scrutinised by MHCLG as part of discussions relating to EFS support as government requires assurance that councils in receipt of EFS have done as much as they can to achieve appropriate savings. A new activity focused savings tracker has already been implemented in 2025/26 which is regularly scrutinised by ELT via the Future Shape RBWM transformation board. Savings trackers are also shared with Cabinet portfolio holders. Business case templates have been developed and are cleared through the Future Shape RBWM transformation board.</p> <p data-bbox="1735 1200 2237 1229">Responsible Officer: Ian O'Donnell</p> <p data-bbox="1735 1253 2117 1282">Due Date: November 2025</p>

Key recommendations raised in 2024/25

	Recommendation	Relates to	Whether new, revised or repeated	Management Actions
KR3	The Council should review its internal audit plan and resourcing to deliver an appropriate level of assurance in relation to internal controls, recognising the limited coverage of internal audit work prior to the appointment of its current internal audit provider.	Governance (pages 22 - 28)	Significant weakness originally identified 2023/24 - revised Key Recommendation	<p>Actions: The historical weakness in coverage has already been addressed in the plan agreed with the internal audit provider, SWAP. Work is in hand to address outstanding audit recommendations, with a new Audit Board set up – Chaired by the S151 officer – to maintain progress. ELT has also recently been through the outstanding recommendations in detail and will continue to scrutinise progress to close outstanding recommendations.</p> <p>Responsible Officer: Ian O’Donnel</p> <p>Due Date: March 2026</p>

Key recommendations raised in 2024/25

	Recommendation	Relates to	Whether new, revised or repeated	Management Actions
KR4	<p>The Council must ensure that historical financial accounting errors and weaknesses have been resolved and that it has the systems and capacity in place to ensure that it is able to produce accurate and timely statements of account in future and the ability to respond to external audit queries.</p>	<p>Governance (pages 22 - 28)</p>	<p>Significant weakness originally identified 2023/24 - revised Key Recommendation</p>	<p>Actions: The council has appointed appropriately skilled permanent staff. It corrected the historical financial accounting errors in the 2023/24 accounts and has improved processes to ensure that future balance sheet reconciliations are done regularly and in a timely way going forward. It has produced more timely accounts for 2024/25 financial year and will work to improve quality of the financial statements and timeliness of responses to audit queries in relation to the 2025/26 accounts.</p> <p>Responsible Officer: Nichola Stretton</p> <p>Due Date: December 2026</p>
KR5	<p>The Council should:</p> <ul style="list-style-type: none"> - assess and monitor the financial risks and anticipated outcomes from key development projects, including the development of Maidenhead Gold Course - consider the lessons learned in terms of performance, outcomes and governance from the PropCo arrangements which were in place during 2024/25 to inform the Council's future operating model - ensure that it monitors future performance, costs and risks in relation to its development objectives. 	<p>Governance (pages 22 - 28)</p>	<p>Significant weakness originally identified 2023/24 - revised Key Recommendation</p>	<p>Actions: The council has completed the insourcing of Propco and established appropriate in-house management arrangements for key development projects and property management. Regular meetings are held between RBWM officers and senior representatives from Cala regarding the status and delivery of the Maidenhead golf course development.</p> <p>Responsible Officer: Andrew Durrant</p> <p>Due Date: Completed</p>

Key recommendations raised in 2024/25

	Recommendation	Relates to	Whether new, revised or repeated	Management Actions
KR6	<p>The Council should produce a Contract Management Framework and Guidance which sets out standardised processes and responsibilities. Steps should be taken to reinforce the understanding of contract management responsibilities across the Council’s services. Effective procurement should be supported by training across the organisation which should include contract management training. The contract standing orders and procurement regulations should be updated. The Contracts Register published on the Council’s website should be complete and kept up to date</p>	<p>Improving economy, efficiency and effectiveness (pages 29 - 34)</p>	<p>Significant weakness originally identified 2023/24 - repeated Key Recommendation</p>	<p>Actions: The council is in the process of implementing the contract management framework, and this includes training for contract managers which will be mandatory. Contract governance has been updated. The contracts register has been updated and is complete.</p> <p>Responsible Officer: Lyn Hitchinson</p> <p>Due Date: November 2025</p>

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

Prior Recommendation	Raised	Progress	Current status	Further action
<p>KR1 The Council should strengthen its budget planning and preparation arrangements by:</p> <ul style="list-style-type: none"> developing guidance for budget preparation which ensures that service budget estimates are prepared accurately and reflect an evidenced analysis of demand, particularly where this relates to statutory responsibilities, and ensure that each service area takes responsibility for effective budget planning; reviewing and strengthening arrangements in service departments to forecast budget income including the use of scenario planning and sensitivity analysis to consider the potential fluctuations in income streams, and strengthen its understanding of the impact of planned changes in relation to commercial and car park income; and improve its checks and controls over forecasts of council tax and business rates income. 	2023/24	Completed	Implemented in full	Not applicable

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR2	<p>The Council should strengthen its focus on the rigour with which savings are planned, approved and achieved in directorates and should put in place alternative plans to bring forward additional alternative savings in-year if it is projecting that savings targets will not be met. Improved monitoring and reporting processes introduced in 2024/25 should be maintained. Service savings plans should be under-pinned by robust business cases.</p>	2023/24	<p>We have set out our findings and made a revised recommendation on page 20</p>	<p>Partially implemented</p>	<p>See page 20</p>

Follow up of 2023/24 Key recommendations

Prior Recommendation	Raised	Progress	Current status	Further action
<p>KR3 The Council must take urgent steps to complete its work to identify and correct historical financial accounting errors and weaknesses including: resolving the backlog of balance sheet reconciliations; quantifying and correcting revenue spending which has incorrectly been classified as capital spending; strengthening the debt and credit control processes; resolving inconsistencies in the collection fund and National Non-Domestic Rates (NNDR) income; ensuring its approach to calculating Minimum Revenue Provision (MRP) is appropriate.</p> <p>The Council should produce an accurate assessment of the financial impact of this work on its reserves and its request for Exceptional Financial Support and set out how it intends to make any necessary accounting adjustments.</p> <p>The Council should ensure that it is able to produce accurate and timely statements of account in future and ensure that it has the capacity to respond to external audit queries.</p>	2023/24	The Council has identified and resolved historic accounting errors but the audit of financial statements is not yet complete. We have made a revised recommendation – See Key Recommendation 4 on page 26	Partially implemented	See page 26

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR4	When the Council has clarified the specific level of Exceptional Financial Support (EFS) available it should produce a strategy for correcting its current low or negative reserves position. This should set out how the Council will replenish its reserves, timescales, and target level of general reserves. The approach to addressing the Dedicated Schools Grant (DSG) deficit should be included.	2023/24	We have made a revised recommendation – See Key Recommendation 1 on page 19	Partially implemented	See page 19
KR5	The Council should re-focus the capacity it has in the RBWM Property Company to support the development and implementation of an asset disposal plan and should defer or avoid further capital commitments which require borrowing until the current high level of debt has been reduced significantly.	2023/24	Completed	Implemented in full	Not applicable

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR6	<p>The Council should establish corporate grip to address the significant challenges it faces by urgently addressing the significant weaknesses in its organisational capacity and capability. This should include sufficient capacity to effectively manage its finances, ensure that its decisions are in line with its own rules and procedures and are under-pinned by professional expertise. A specification should be developed and resourced in 2025/26 budget plans for a strengthened finance team, and for increased capacity and capability in other areas, which ensures the organisation operates effectively and professionally. The Council should review and strengthen other core areas of professional oversight including legal, asset management, contracting and procurement. This will be essential for the delivery of key milestones in the Council’s Financial Improvement and Sustainability Plan.</p>	2023/24	Completed	Implemented in full	Not applicable

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR7	<p>The Council should accelerate its action plan to address the significant weaknesses in its Internal Controls which were evident in 2023/24. Priority should be given across the organisation to engagement with Internal Audit reviews and addressing review recommendations within a reasonable timescale so that the Council's exposure to risk is reduced. The Council's Audit and Governance Committee should include anti-fraud and anti-corruption priorities in its work programme and the Committee should receive regular reports which provide it with assurance about the effectiveness of arrangements to prevent, detect and take action on fraud.</p>	2023/24	<p>We have made a revised recommendation – See Key Recommendation 3 on page 25</p>	<p>Partially implemented</p>	<p>See page 25</p>

Follow up of 2023/24 Key recommendations

Prior Recommendation	Raised	Progress	Current status	Further action
<p>KR8 The Council should decide on its future approach in relation to its wholly-owned property company and ensure that its preferred approach, whether through a company or in-house structure:</p> <ul style="list-style-type: none"> - has a clearly specified purpose and objectives - assesses and monitors financial risk and anticipated outcomes from development projects - considers the relationship with the Council’s future operating model - ensures that it has benchmarking information to inform the cost base and planned outcomes of new arrangements and monitor future performance and that cost implications and obligations in any arrangement with companies or partnerships are clearly set out in an agreement. 	<p>2023/24</p>	<p>We have made a revised recommendation – See Key Recommendation 5 on page 27</p>	<p>Partially implemented</p>	<p>See page 27</p>

Follow up of 2023/24 Key recommendations

Prior Recommendation	Raised	Progress	Current status	Further action
<p>KR9 The Council should produce a Contract Management Framework and Guidance which sets out standardised processes and responsibilities. Steps should be taken to reinforce the understanding of contract management responsibilities across the Council’s services. Effective procurement should be supported by training across the organisation which should include contract management training. The contract standing orders and procurement regulations should be updated. The Contracts Register published on the Council’s website should be complete and kept up to date.</p>	2023/24	We have repeated our 2023/24 key recommendation – See Key Recommendation 6 on page 31	Partially implemented	See page 31

07 Appendices

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

 **A range of different recommendations can be raised by the Council’s auditors as follows:**

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
IR1	The Council should develop its approach to forecasting, monitoring and maximising income generation in areas for activities of high income generation, including car parking.	2023/24	Completed	Implemented in full	Not applicable
IR2	In implementing the Financial Improvement and Sustainability Plan, the Council should prioritise ensuring that it has effective processes to scrutinise the business cases of further transformation plans and detailed tracking and reporting of performance in achieving savings and transformation plans among its immediate priorities.	2023/24	Completed	Implemented in full	Not applicable
IR3	The Council should develop a clear vision and plan about its future operating model which takes into account its constrained resource base, the breadth and quality of its service offer (particularly in relation to discretionary services), its potential for income growth and its scope for collaboration and partnership. The plan should include a roadmap and timescales for achieving a future operating model.	2023/24	Completed	Implemented in full	Not applicable

Follow up of 2023/24 Improvement recommendations (continued)

	Prior Recommendation	Raised	Progress	Current status	Further action
IR4	The Council should consider developing a protocol which covers the circumstances in which a cancelled Cabinet meeting might be reinstated or rearranged urgently to deal with situations which have arisen at short notice and to ensure that the Council's governance operates in an effective and transparent way.	2023/24	The Council is keeping this recommendation under consideration	Not yet implemented	
IR5	The Council should consider options for introducing a central register of officer declarations of interest and officer declarations of gifts and hospitality so that they are visible to appropriate levels of management and to obtain assurance around compliance with the requirements of the Code.	2023/24	The Council is keeping this recommendation under consideration	Not yet implemented	
IR6	Training for the Audit and Governance Committee should mirror the arrangements for Regulatory Committees and should be mandatory for all Committee Members before taking up their roles. Refresher training should be organised at least annually and should also be mandatory.	2023/24	The Council will consider the recommendation when reviewing the terms of reference for the Audit and Governance committee through the appropriate governance process.	In progress	

Follow up of 2023/24 Improvement recommendations (continued)

	Prior Recommendation	Raised	Progress	Current status	Further action
IR7	The Audit and Governance Committee should review its arrangements and consider adding independent members to its membership to strengthen the range of skills and experience available to it and to align with recommended practice by CIPFA.	2023/24	The Council will consider the recommendation when reviewing the terms of reference for the Audit and Governance committee through the appropriate governance process.	In progress	
IR8	The Council should develop a framework setting out the role, aims and governance framework for partnerships it is engaged with.	2023/24	Agreed but not yet progressed. See our related Improvement Recommendation on page 33.	In progress	



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