

**GOVERNANCE & AUDIT COMMITTEE
21 SEPTEMBER 2010
7.30 - 9.12 PM**



Bracknell Forest Borough Council:

Councillors Ward (Chairman), Blatchford, Edger, McCracken, Mrs McCracken, Birch (Substitute) and Worrall (Substitute)

Apologies for absence were received from:

Councillors Thompson, Beadsley and Leake and Mr G S Anderson

12. Apologies for Absence and Substitute members

The Committee noted the attendance of the following substitute Members:

Councillor Birch for Councillor Thompson
Councillor Worrall for Councillor Leake.

13. Declarations of Interest

There were no declarations of interest.

14. Minutes - 29 June 2010

RESOLVED that the minutes of the meeting held on 29 June 2010 be approved as a correct record and signed by the Chairman.

15. Property Management Delegations

The Committee noted that Councillor Ward did not participate during consideration of item 5, Property Management Delegations as property fell within the remit of his Executive portfolio.

The Committee received a report from the Borough Solicitor on the provisions in the Council's Constitution relating to powers exercisable in relation to property management.

The Committee were advised that the current wording of the delegations to the Chief Officer: Property, were not as clear or comprehensive as they could be. The proposed clarified delegation set out a more coherent and rationalised framework for property management.

Under the amended property management powers the Chief Executive and Directors would be delegated power to submit or authorise the submission of planning applications to Council. It was noted that Directors would be able to delegate these powers onwards in writing.

It was noted that surplus property would need to be released by the relevant Executive Member to the Chief Officer: Property, before the powers to dispose of the

land were delegated to a single Executive Member in the event that the Leader and the Chief Executive certify the matter to be one of overriding urgency.

RECOMMENDED to Council that:

- i) The delegations to the Chief Officer: Property be as shown as Annexe A of the report
- ii) Section 5 Part 2 of the Constitution (Responsibility for Executive Functions) be amended to provide that:-
 - a. acquisition of land and buildings between £100,000 and £500,000 may be delegated to a single Executive Member,
 - b. acquisition of land and buildings over £500,000 require the approval of the full Executive, save that in the event of the Leader and the Chief Executive certifying the matter to be one of overriding urgency it may be delegated by the Leader to a single Executive Member,
 - c. the provision that disposal of land and buildings less than 0.5 hectares and not exceeding £500,000 require the approval of the Executive be deleted,
 - d. the disposal of land and buildings over 0.5 hectares or above £500,000 may be delegated by the Leader to a single Executive member in the event that the Leader and the Chief Executive certify the matter to be one of overriding urgency.
- iii) That the Chief Executive and all Directors be delegated power to submit or authorise the submission of planning applications to the Council.

16. **Audit and Risk Management Update**

The Committee received an update on progress made on risk management at the Council and on general internal audit matters from the Head of Audit and Risk Management.

It was reported that the Council had strengthened its risk management arrangements over the last two and a half years. A fundamental refresh of the risk register had been undertaken from March 2010. The Strategic Risk Register's format had been revised to include actions to address risks identified and a revised scoring risk methodology of 5 by 5 had been developed. It was noted that individual risks within the register were the responsibility of the relevant portfolio holder.

Directorate Risk Registers would be developed to ensure that Directors and Departmental Management Teams identified their major risks for all aspects of the service. It was intended that these would be reviewed and updated quarterly and would inform the Strategic Risk Register.

It was suggested that the financial implications of risks should be included in Directorate Risk Registers where appropriate.

The Committee considered the Risk Management Strategy 2010/11 and noted that the toolkit had been updated inline with the Strategy.

It was reported that the outstanding contracts identified from the internal audit report had been located and presented to Internal Audit for inspection.

The Committee's attention was drawn to a case of misuse of the Memorandum of Understanding with the Department for Works and Pensions by one member of staff accessing their own records. The situation had been fully investigated by Internal Audit and before completion of the investigation, the individual had resigned. The Department for Works and Pensions were happy with the way in which the Council had dealt with the matter and were taking no further action.

The Committee considered the Bracknell Forest Council Counter Fraud and Corruption Strategy which had been developed to draw together the framework for countering the risk of fraud and responding to cases of suspected fraud and irregularity. The Strategy set policy frameworks and the responsibilities of key officers and Members.

The Committee noted that school governors should be made aware of their legal duty to declare any interest likely to lead to questions of bias when considering any item of business, as set out in the Strategy.

RESOLVED that:

- i) the Risk Management Strategy for 2010/11 be agreed;
- ii) the developments on risk management be noted;
- iii) the update on internal audit be noted; and
- iv) the Counter Fraud and Corruption Strategy be agreed.

17. External Audit: Annual Governance Report and Audit Commission Update

The Chief Officer: Financial Services introduced the report of the Council's external auditor which summarised the work undertaken to discharge their statutory audit responsibilities.

Phil Sharman, the District Auditor presented the report which included financial statements, audit opinion and value for money conclusion and letter of representation. It was reported that the financial statements gave a true and fair view of the financial position and it was proposed that an unqualified opinion on the financial statements be issued.

It was reported that the audit had proceeded more smoothly than in 2008/09 with fewer audit adjustments required. Key officers in finance had co-operated fully and it was proposed that an unqualified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources be issued.

Two issues were raised for schools. Firstly that part of the old Garth Hill College site is being decommissioned and should be written off in 2009/10 and 2010/11. Secondly that the Council held two sets of records measuring floor areas which had unexplained differences between them. Until the records were reconciled there remained a potential non-material misstatement in the reported value of fixed assets.

An error had been found during initial testing of 2009/10 Housing benefit claim. The estimated impact was not considered material therefore was not included within the adjusted errors. The Council had agreed to perform testing to ascertain the extent of the errors.

It was highlighted that there would be additional demands associated with reporting under international financial reporting standards in 2010/11. The Council would need to ensure that standards of financial reporting were maintained through IRFS transition.

The Committee received an update in respect of the proposed abolition of the Audit Commission. External audit would continue over the next two years leading up to the proposed abolition of the Audit Commission from 2012.

RESOLVED that:

- i) the financial statements be approved
- ii) the adjustments to the financial statements set out in the 2009/10 Annual Governance Report be noted
- iii) adjustments the identified errors in the financial statements be agreed and
- iv) the letter of representation on behalf of the Council be approved.

18. Statement of Accounts 2009/10

Chief Officer: Financial Services introduced the revised Statement of Accounts 2009/10 and the Draft Letter of Representation.

RESOLVED that:

- i) the statement of accounts 2009/10 be approved;
- ii) the Chairman of the meeting be authorised to sign and date the revised Statement of Accounts on behalf of the Committee; and
- iii) the Draft letter of Representation set out in Appendix 4 of the District Auditor's Annual Governance Report be approved.

CHAIRMAN