

GOVERNANCE & AUDIT COMMITTEE
27 MARCH 2013
7.30 - 8.15 PM



Bracknell Forest Borough Council:

Councillors Ward (Chairman), Wade (Vice-Chairman), Allen, Ms Brown, Thompson, Blatchford (Substitute) and Leake (Substitute)

Independent Member:

Gordon Anderson

In Attendance:

Alan Nash, Borough Treasurer
Sally Hendrick, Head of Audit and Risk Management
Michelle Woodhatch, Internal Audit Contract Manager
Catherine Morganti, Ernst & Young

Apologies for absence were received from:

Councillors Heydon, McCracken and Worrall.

38. Declarations of Interest

There were no declarations on interest.

39. Minutes from Previous Meeting

RESOLVED that the minutes of the meeting held on 29 January 2013 be approved as a correct record and signed by the Chairman.

40. Urgent Items of Business

There were no items of urgent business.

41. External Audit Matters

The Committee considered the External Audit Plan for 2012/13 and the Annual Audit Fee for 2013/14.

Catherine Morganti, Manager at Ernst and Young presented the report and made the following points:

- There would be two main strands to the External Audit Plan for 2012/13;
 - i) an audit opinion on whether the financial statements of Bracknell Forest Council gave a true and fair view of the financial position as at 31 March 2013 and of the income and expenditure for the year then ended.

- ii) and a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

Mrs Morganti reported that she could see improvements planned at the Council with regard to the valuation of land and buildings. External audit would also maintain a watching brief on the town centre redevelopment.

She reported that the fee for 2013/14 had been set by the Audit Commission as part of that procurement exercise and would not increase unless there was a change in the scope of the external auditor's work. The total Code audit fee for 2013/14 was £138,564.

It was **RESOLVED** that the Committee;

- i) noted the External Audit Plan for 2012/13 and
- ii) noted the Annual Audit Fee for 2013/14.

42. **Internal Audit Plan 2013/14**

The Committee considered a report that set out the underlying principles applied in the Internal Audit planning process and sought the Committee's approval of the Internal Audit Plan for 2013/14.

It was reported that:

- A rigorous approach was taken to risk assessing processes each year, a key element of this included consulting with senior officers across the Council on a one to one basis as well as consulting with IT. Provisional plans would then be set out and submitted to departmental management teams before being submitted to the Corporate Management Team.
- It was key that limited resources were directed to the areas of greatest risk.
- It was reported that new internal audit public sector standards applied as of the end of April 2013. CIPFA had produced a checklist which would help the Council ensure that they were compliant.

In response to members' queries, the following points were made:

- In relation to car parks as detailed on page 38 of the agenda papers, the Committee asked if further attention could be given to the risk of fraudulent activity around false parking tickets being used to fraudulently collect money. Officers agreed to include this in the terms of reference of the audit. The plan also included many other areas where the Council collected cash as this was considered to be high risk.
- In relation to the Council wide absence management audit, it was reported that this could be time consuming work as it required sample checking across the Council, this would include staff flexi cards and checking annual leave. Whilst Payroll could provide a range of information, they did not hold absence information.
- Members commented that there was not sufficient explanation of the process by which risks were being chosen to be audited. In addition, it was not clear whether new risks were being identified, there was a reliance on the information in the risk register. Members also commented that risks needed to be related to strategic objectives and that the Council wide audits and the IT audit did not appear to relate to strategic objectives.

- It was reported that risk management processes were reviewed on a regular basis and that the audit plan included items that were not necessarily included in the strategic risk register, but which were included in departmental risk registers.
- It was reported that the Committee had been presented with the 'end product' and that more detail of the process could be included.
- It was noted that the Community Infrastructure Levy needed to be included in the scope of the risk register, it was agreed that this would be added to the 'forward look'.

43. **Date of Next Meeting**

2 July 2013.

CHAIRMAN