



NOTICE OF MEETING

Governance & Audit Committee

Tuesday 31 July 2012, 7.30 pm

Council Chamber, Fourth Floor, Easthampstead House, Bracknell

To: Governance & Audit Committee

Councillor Ward (Chairman), Councillor Wade (Vice-Chairman), Councillors Allen, Ms Brown, Heydon, McCracken, Thompson and Worrall

Independent Member

Gordon Anderson

cc: Substitute Members of the Committee

Councillors Mrs Ballin, Blatchford, Mrs Hayes, Leake, Mrs McCracken and Mrs Temperton

ALISON SANDERS
Director of Corporate Services

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Governance & Audit Committee
Tuesday 31 July 2012, 7.30 pm
Council Chamber, Fourth Floor, Easthampstead House,
Bracknell

AGENDA

Page No

1. **Apologies for Absence**

To receive apologies for absence and to note the attendance of any substitute members.

2. **Declarations of Interest**

Members are requested to declare any Personal Interests. Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer In attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.

3. **Minutes**

To approve as a correct record the minutes of the meetings of the Committee held on 27 March 2012 and 16 May 2012.

1 - 6

4. **Urgent Items of Business**

Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent.

5. **Internal Audit Annual Assurance Report 2011/12**

The Governance and Audit Committee are asked to note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2011/12.

7 - 28

6. **Annual Governance Statement Report**

To consider the Annual Governance Statement (AGS) 2011/12 and the Action Plan to address weaknesses identified in the AGS.

29 - 54

7. **Strategic Risk Register**

The Governance and Audit Committee are asked to provide feedback on the Strategic Risk Register to inform the next quarterly update of the Register.

55 - 66

8. **External Audit Report**

67 - 80

This report provides the Committee with an update on the external auditor's progress with delivering their external audit responsibilities. The report also includes an update on the externalisation of the audit practice.

9. **Amendment to the Overview & Scrutiny Procedure Rules**

81 - 84

This report seeks approval to an amendment to the Overview and Scrutiny Procedure Rules to secure compliance with the legislation relating to Overview and Scrutiny Committees (in this Council, the Overview and Scrutiny Commission and the Overview and Scrutiny Panels).

10. **Amendment to the Scheme of Delegation**

85 - 86

This report proposes an amendment to the Council's Scheme of Delegation to provide that confirmation of decisions to remove Permitted Development rights should **not** be delegated to the Chief Officer: Planning and Transport.

11. **Date of Next Meeting**

Tuesday 25 September 2012.

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GOVERNANCE & AUDIT COMMITTEE
27 MARCH 2012
7.30 - 9.25 PM

Bracknell Forest Borough Council:

Councillors Ward (Chairman), Allen, Ms Brown, Heydon, McCracken, Thompson, Worrall and Blatchford (Substitute)

Independent Members:

Gordon Anderson

Apologies for absence were received from:

Councillor Wade

72. Declarations of Interest

Councillors Ms Brown and Thompson and Mr G Anderson declared a personal interest in item 11 - Future Standards Committee Arrangements as they were members of the Standards Committee.

73. Minutes - 24 January 2012

RESOLVED that the minutes of the meeting held on 24 January 2012 be approved as a correct record and signed by the Chairman.

74. External Audit Matters

Helen Thompson, District Auditor and Catherine Morganti, Audit Manager attended the meeting to present the certification of claims and returns report for 2010/11 and to advise on developments with regard to the appointment of external auditors.

The Audit Manager presented the key messages from the certification of claims and returns annual report which were that the council had performed well, there had been improvements in housing and council tax benefits with fewer errors than in 2009/10 but that there was still some improvements to be achieved. Of the five claims and returns submitted for certification three were amended due to errors and two qualification letters were issued. There had been a reduction in the number of claims subject to audit and this would be further reduced with the removal of the Sure Start grant. The Audit Manager's team were working with council officers to improve the audit process and had already begun work towards the 2011-12 review to help make the process quicker.

The District Auditor advised the meeting that Ernst & Young had successfully tendered for the Audit Practice covering the council's area. The Audit Commission was working towards a handover date of 1 November 2012. Existing audit team personnel would be delivering the audit for 2011-12 and work was underway to look at Ernst & Young's audit approach to establish work practices that could be retained to reduce the impact of change of provider. As discussed at the previous meeting it had been anticipated that there would be a 10% reduction in fees but there had been

a 40% reduction in costs in the new contract value so further reductions were expected.

RESOLVED that

- i) the District Auditor's annual report on the certification of claims and returns for 2010/11 be received; and
- ii) the developments with regard to the appointment of external auditors be noted.

75. Internal Audit Plan

The Head of Audit and Risk Management presented the Internal Audit Plan for 2012/13. The Internal Audit sought to satisfy the legal requirements of the local authority internal audit services, examine and evaluate management's arrangements to secure proper use of resources and ensure external audit could continue to place reliance on internal audit's work.

Given the finite resources available for internal audit, a robust process was in place to ensure that limited resources were directed to the areas of greatest risk, with a risk based methodology in place to assess the Council's activities.

The summary of the Internal Audit Plan 2012/13 showed that a total of 600 days would be spent across all departments and included contingency to ensure delivery of the plan. It was noted that consultation had been undertaken with officers before the plan had been presented to the Committee. It was noted that the proposed number of days was relatively low for an authority of the council's size. This was possible due to past audits demonstrating how effective control environments were and a low number of 'limited' assurance reports. The Committee noted that if either of these factors were to change it may be necessary to increase the scope of the internal audit plan.

It was clarified that internal audit had been provided by external providers for a long time as this built the Council's capacity to deliver the full plan. The Head of Audit and Risk Management acted as Client Manager. It was not effective to manage the programme in-house and having multiple providers meant that the audit team could be selected on their expertise and knowledge whilst also remaining independent.

The Committee discussed the rationale behind the number of days assigned to particular reviews and it was explained that the length of a review was related to the services' profile, risk level and how recently it had been audited. The Committee were advised that key financial systems were audited during quarter three which resulted in a spike of activity and the high number of audit days within quarter one for Children, Young People & Learning related to audits within schools. Schools were audited on a cyclical basis with an average of 12 being audited per year. This meant a three year cycle for each school although any receiving a limited assurance report would be revisited the following year. Schools considered to be at high risk due to being a new school or a school with a new Head Teacher or Bursar would also be prioritised.

RESOLVED that the Internal Audit Plan for 2012/13 attached at Appendix 1 of the agenda report be agreed.

76. **Contract Standing Orders - Category Management**

The Assistant Borough Solicitor presented the report which recommended to Council the approval of changes to the Council's Contract Standing Orders to give effect to Category Management.

Whilst the Committee noted that the amendments appeared relatively minor it was felt that the report did not fully explain all the suggested changes and required further clarification.

The Committee discussed the meaning of 'Category Management' and how the role of Category Manager related to the role of Procurement Officers. It was clarified that each key spending area such as 'food' would have one Category Manager, an existing Chief Officer within the Council, which was a strategic and coordinating role in procuring the best value contracts for the Council in relation to that product or service. Spending outside of that contract would be prohibited, reported by the Borough Treasurer and potentially a disciplinary offence unless prior approval had been sought. It was explained that Procurement Officers would continue to provide advice and support whilst the Category Manager would provide leadership. Seven categories of products or services had been identified so far. The Committee requested that a Procurement Officer attend a future meeting to explain their role within the Category Manager approach.

The Committee discussed why only contracts over £100,000 had a named officer with responsibility for it as they felt every contract was important. The Committee also debated the value of converting existing EU regulation limits into pounds given that the limits were fluctuating and suggested that the limits should be indicated in euros with the sterling amounts in brackets.

RECOMMENDED to Council that the revisions to Contract Standing Orders highlighted in the attachment to the agenda report be approved.

77. **Annual Governance Preparation Statement**

The Assistant Borough Solicitor sought the nomination of a Member of the Committee to attend the meeting of the Governance Working Group which formulates the Annual Governance Statement and the AGS Action Plan. Previous Member input had been valuable and Councillor Thompson had attended on behalf of the Committee for the past two years.

RESOLVED that Councillor Cliff Thompson be appointed to attend the meeting of the Governance Working Group which formulates the Annual Governance Statement and the resulting Action Plan, for submission to the Committee.

78. **Scheme of delegation amendment**

The Assistant Borough Solicitor presented the report regarding two sets of amendments to the Scheme of Delegation to Officers contained in the Council's Constitution.

The Committee noted that the amendments to the delegations to the Director of Environment Culture and Communities were proposed to ensure the effective discharge of the Council's functions under the Flood and Water Management Act 2010.

The Committee noted that amendments to the delegations of the Chief Officer: Planning and Transport were proposed to allow the Council to effectively determine applications under Sections 73 and 96A of the Town & Country Planning Act 1990.

RECOMMENDED to Council that the Scheme of Delegation to officers be amended as proposed in Paragraphs 5.3 and 5.10 of the agenda report.

79. Proposed abolition of Petition Scheme

The Assistant Borough Solicitor presented the report proposing the abolition of the Petition Scheme due to the Localism Act repealing complex provisions under which the scheme was put in place. It was suggested to revert to the simpler provision for petitions to the Council which was in place before the implementation of the provisions of the Local Democracy, Economic Development and Construction Act 2009 relating to Petition Schemes.

RECOMMENDED to Council that

- (i) the Council's Petition Scheme set out in the Annexe to the Council's Procedure Rules be rescinded, and
- (ii) the scheme for Public Participation at Meetings of the Council be amended to include provisions for petitions as included in the scheme prior to the Local Democracy, Economic Development and Construction Act 2009.

80. Future Standards Committee Arrangements

The Assistant Borough Solicitor presented the report which asked the Committee to consider whether, under the new framework for dealing with Member's conduct, the Standards Committee should make recommendations to the Committee or to full Council.

The Chairman invited the three members of the Standards Committee to contribute to the debate as they had been present at its meeting on 19 March 2012. The Standards Committee meeting had considered the future composition of the Committee and had indicated a preference to be an advisory committee to Governance and Audit Committee on the understanding that the receiving body would accept its recommendations.

The Committee discussed at length the shortcomings of the current Standards Framework and sought clarification of the details of how allegations that a Member had contravened the Code would be dealt with. Members of the Committee debated whether all future reports regarding the Standards Committee should be considered by the Committee prior to submission to Council and as the Committee were not able to be advised of all the details of the future procedures for the proposed Standards Committee a motion was proposed to defer the item.

RESOLVED to defer the item.

CHAIRMAN

**GOVERNANCE & AUDIT COMMITTEE
16 MAY 2012
8.49 - 8.52 PM**



Present:

Councillors Ward (Chairman), Wade (Vice-Chairman), Allen, Ms Brown, Heydon, McCracken, Thompson and Mr G S Anderson (Independent Members)

Apologies for Absence were received from:

Councillors Worrall

1. Election of Chairman

RESOLVED that Councillor Ward be appointed Chairman of the for the Governance and Audit Committee for the Municipal Year 2012/13.

COUNCILLOR WARD IN THE CHAIR

2. Appointment of Vice-Chairman

RESOLVED that Councillor Wade be appointed Vice-Chairman of the Governance and Audit Committee for the Municipal Year 2012/13.

3. Appointment of Advisory Group

RESOLVED that the following be appointed:

Standards Committee

(To come into effect when Chapter 7 of the Localism Act 2011 is brought into force)

Conservative

Finnie
Thompson

Labour

Ms Brown

Non Council Members

Mr G Anderson (Chairman elect)
Mr D St. John Jones
Mrs H Quillish
Mr M Squire

Independent Person

To be confirmed

Reserve Independent Person

To be confirmed

Parish / Town Council Member

To be confirmed

CHAIRMAN

TO: GOVERNANCE AND AUDIT COMMITTEE
DATE: 31 JULY 2012

INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2011/12

(Head of Audit and Risk Management)

1. PURPOSE OF REPORT

- 1.1 Under the CIPFA Code of Practice for Internal Audit in Local Government, the Head of Audit is required to provide an annual assurance report timed to support the Annual Governance Statement (AGS).

2. RECOMMENDATION

- 2.1 **The Governance and Audit Committee note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2011/12.**

3. REASONS FOR RECOMMENDATION

- 3.1 To support assurances set out in the Annual Governance Statement and ensure compliance with the CIPFA Code of Practice for Internal Auditors.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Committee could choose not to receive the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion but would then not be aware of the relevant assurances from Internal Audit supporting the Annual Governance Statement and would not be complying with the CIPFA Code of Practice for Internal Auditors.

5. SUPPORTING INFORMATION

- 5.1 The Council is required under the Accounts and Audit (England) Regulations 2011 to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".
- 5.2 The CIPFA Code of Practice for Internal Auditors requires the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement. This report should include an overall opinion on the adequacy of the control environment.
- 5.3 The attached report sets out the Head of Internal Audit's Opinion for 2011/12 summarising the results and conclusions of Internal Audit's work for 2011/12 and taking assurance from other independent sources of assurance such as from the Council's External Auditors. No system of control can provide absolute assurance

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against material misstatement or loss, nor can Internal Audit give that assurance. This opinion can, therefore, only provide reasonable and not absolute assurance based on the work undertaken and areas audited.

6. ADVICE FROM STATUTORY OFFICERS

6.1 Borough Treasurer
Nothing to add to the report.

6.2 Borough Solicitor
Nothing to add to the report.

6.3 Equalities Impact Assessment
Not applicable

6.4 Strategic Risk Management Issues

The Head of Internal Audit's Annual Report provides her opinion on the control environment in place at the Council. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether.

7 CONSULTATION

7.1 Not applicable.

Contact for further information

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Contact for further information

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Doc. Ref
HOIAO 1112



BRACKNELL FOREST COUNCIL

**ANNUAL REPORT OF THE HEAD OF AUDIT AND RISK
MANAGEMENT:**

HEAD OF INTERNAL AUDIT OPINION 2011/12

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1. BACKGROUND

The Council is required under the Accounts and Audit (Amendment) (England) Regulations to “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.”

The CIPFA Code of Practice for Internal Auditors requires the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement.

2. PURPOSE OF THE HEAD OF INTERNAL AUDIT’S ANNUAL REPORT

The Head of Internal Audit’s annual report to the organisation must:

- Include an opinion on the overall adequacy and effectiveness of the organisation’s control environment;
- Disclose any qualifications to that opinion together with the reasons for that qualification;
- Present a summary of the audit work from which the opinion is derived , including reliance placed on work by other assurance bodies;
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets; and
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement and opinion can, therefore, only provide reasonable and not absolute assurance. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise.

3. OPINION ON THE CONTROL ENVIRONMENT IN PLACE DURING 2011/12

Based on the work of Internal Audit during the year, the Head of Audit and Risk Management has given the following opinion:

- From the internal audit work carried out during the year which resulted in a significant or satisfactory assurance opinion in 72 out of 76 cases, a limited assurance opinion in only 4 cases and no cases where no assurance was given,

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the Head of Audit and Risk Management is able to provide reasonable assurance that for most areas the Authority has sound systems of internal control in place in accordance with proper practices with only 4 areas found to have significant weaknesses as set out in Section 4.3;

- key systems of control are operating satisfactorily except for the areas referred to above ; and
- there are adequate arrangements in place for risk management and corporate governance.

4. INTERNAL CONTROL

4.1 Internal Audit Performance

The resources available for internal audit are finite and not all areas can be covered every year. Therefore internal audit resources are allocated using a risk based approach. The Internal Audit Plan for 2011/12 was considered and approved by the Governance and Audit Committee on 22nd March 2011. The delivery of the individual audits in the Internal Audit Plan for 2011/12 was mainly undertaken by H W Controls and Assurance although 4 audits were delivered in house and 19 audits were undertaken by Reading or Wokingham Borough Councils Internal Audit teams under an agreement under S113 of the Local Government Act 1972 which permits local authorities to provide staffing resources to other authorities. In addition specialist auditors were brought in to undertake 2 spot visits for housing benefits.

Some alterations were made to the original plan during the year in response to information gained during the year combined with known changes in risk. At the time of writing this report, memos, grant certifications or reports for 84 audits had been finalised, 1 was in draft awaiting final agreement and 1 audit was still in progress. In my Annual Report last year I reported that 2 audits were still in progress in June 2011 and 10 were in draft awaiting finalisation.

4.2 Summary of the Results of 2011/12 Audits

ASSURANCE	2011/12	2010/11
Significant	8	9
Satisfactory	64	61
Limited	4	4
No Assurance	-	-
Total for Audits Including an Opinion	76	74
Grant Claim Certifications	2	1
Memos issued	7	-
Total	85	75

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2010/11 AUDIT REPORTS ISSUED DURING 2011/12

* Draft report issued within 15 working days of the exit meeting to discuss audit findings and recommendations

Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
CORPORATE SERVICES											
Mobile devices	28/3/11	24/6/11	Y		X				1		Final
ENVIRONMENT CULTURE AND COMMUNITIES											
Purchasing and ordering	15/12/10	1/7/10	Y		X				1		Final
ADULT SOCIAL CARE AND HEALTH											
Emergency Duty Team	26/4/11	23/8/11	Y			X		5	8	5	Final

2011/12 AUDIT PLAN

Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
CHIEF EXECUTIVE'S OFFICE											
Officer delegations	30/8/11	27/03/12	Y		X				1		Final
Officer expenses	1/8/11	17/10/11	Y		X					4	Final
Data Quality	13/7/11	12/9/11	Y	X				-	-	-	Final
CORPORATE SERVICES											
Bus Service Operators Grant BSOG	23/5/11	9/6/11	Y	N/A – Grant certification							Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Change Management --IT audit	22/6/11	27/6/11	Y		X					1	Final
Officer Delegations	27/7/11	16/03/12	Y	X				-	-	-	Final
Officer Expenses	1/8/11	17/10/11	Y		X				1	3	Final
IP Telephony (IPT) Platform –IT audit	1/11/11	20/12/12	Y	X				-	-	-	Final
Follow up of compliance with PCI standards	15/12/11	24/01/12	Y	X				-	-	-	Final
Treasury Management	21/11/11	19/12/11	Y		X					1	Final
Creditors	9/01/12	7/03/12	Y		X				3	3	Final
Debtors	24/01/12	12/03/12	Y	X				-	-	-	Final
Main Accounting inc. Reconciliations	3/10/11	08/05/12	N	X				-	-	-	Final
Payroll	3/10/11	22/11/12	Y		X				1		Final
Cash Management	17/10/11	22/11/11	Y		X				2		Final
Council Tax	31/10/11	12/03/12	N		X					2	Final
NNDR	24/10/11	12/04/12	N		X				1		Final
Procurement Cards (Pilot at Edgbarrow School)	7/02/12	21/02/12	Y		X				2		Final
Council Wide Procurement	20/02/12	05/04/12	Y		X				10	2	In draft awaiting management response
Purchasing & Ordering											Replaced by a Council Wide Procurement Audit
Agresso Upgrade – IT audit											Scheduled for Qtr 4 but deferred to

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
											2012/13 plan to enable new audit contractors to complete this audit
Desktop Virtualisation Thin Client Project –IT audit											Removed from Plan due re-assessment of audit resources
CHILDREN, YOUNG PEOPLE AND LEARNING											
Ascot Heath Junior	16/5/11	1/6/11	Y		X				8	5	Final
College Town Infant & Nursery	13/6/11	14/7/11	N		X				6	2	Final
College Town Junior	8/6/11	22/6/11	Y		X				8	3	Final
Fox Hill Primary	12/9/11	16/9/11	Y		X				5	4	Final
Holly Spring Junior	9/5/11	10/6/11	N		X				4		Final
New Scotland Hill Primary	15/6/11	22/6/11	Y		X				3	3	Final
Owlsmoor Primary	14/9/11	26/1/11	Y		X				10	3	Final
St. Joseph's Catholic	25/5/11	24/6/11	N		X				11		Final
St. Michael's CE - Sandhurst	8/6/11	12/7/11	N		X				10	4	Final
Warfield Primary	19/9/11	13/10/11	N		X				6	7	Final
Binfield C E	18/5/11	6/7/11	N			X		1	16	9	Final
Harmanswater Primary	23/5/11	6/6/11	Y		X				7	3	Final
Crown Wood Primary School (in house)	28/6/11	19/7/11	Y		X				8	5	Final
Wildmoor Heath	18/10/11	21/11/11	Y		X				7		Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
School Follow up (in house)											
Education Library Service	20/6/11	18/8/11	N		X				1	2	Final
Larchwood	28/6/11	9/9/11	N		X				4	1	Final
Officer Expenses	1/6/11	28/6/11	Y		X					1	Final
Youth Offending Service	12/9/11	14/10/11	Y		X				2	1	Final
Sandhurst Youth Centre Follow Up (in house)	20/9/11	4/10/11	Y		X				6	2	Final
Youth Centre 1The Zone @ Great Hollands	22/9/11	11/11/11	Y			X		1	4	4	Final
Youth Centre 2 - Cooper's Hill	1/8/11	8/12/11	Y		X				3	2	Final
Planned Maintenance & Capital Project	8/8/11	14/9/11	Y		X				3	5	Final
Playbuilder Grant (in house)	15/8/11	15/8/11	Y	N/A – Grant certification							Final
Purchasing & Ordering	8/8/11	14/12/11	Y		X				5		Final
Officer Delegations	9/8/11	03/04/12	Y	X				-	-	-	Final
Easthampstead Park School	12/12/11	9/1/12	Y		X				4	8	Final
St. Michael's School Easthampstead	9/1/12	19/1/12	Y		X				7	2	Final
Capita ONE (EMS)	14/12/11	20/12/11	Y		X				1		Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Changes _IT audit											
Free School Meals New Central System	21/2/12	28/3/12	Y		X					5	Final
Off Site Activities F/Up Limited 2010/11											Audit deferred to 2012/13 so that this can take place after new contract and new IT system has bedded in
Birch Hill Primary	5/3/12	27/3/12	Y		X				2	2	Final
CYP&L Capital	20/2/12	12/4/12	Y		X				4	4	Final
Jennet's Park											Audit deferred to 2012/13 so that this can take place after new bursar was in post
ENVIRONMENT, CULTURE AND COMMUNITIES											
Benefits Spot Testing Visit 1	5/5/11	1/6/11	Y	Not Applicable – Memo							Final
Benefits Spot Testing Visit 2	14/6/11	24/6/11	Y	Not Applicable – Memo							Final
Benefits Parameters Testing Memo	20/6/11	7/7/11	Y	Not Applicable – Memo							Final
F/up Benefits Grant Claim Report + CIS Action Plan + f/up previous recs	18/7/11	21/9/11	Y	Not Applicable – Memo							Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
Benefits Results memo - reconciliations f/up - see above	18/7/11	2/8/11	Y	Not Applicable – Memo							Final
Housing Applications etc. RBC	6/6/11	8/8/11	Y		X				1	3	Final
Building Control & Land Charges	1/6/11	24/6/11	Y		X				4		Final
Development Management - Planning	4/7/11	16/8/11	Y		X					3	Final
Easthampstead Park Centre	9/5/11	10/6/11	Y		X				8	5	Final
Officer Expenses	31/5/11	24/11/11	Y		X					1	Final
Housing Incentives	7/9/11	11/10/11	Y		X				2	4	Final
South Hill Park - Grounds Scheme	21/11/11	24/11/12	Y		X				1		Final
Downshire Golf	25/8/11	17/10/11	Y		X				4	2	Final
S106 Agreements (Corporate Wide)	3/11/11	10/2/12	Y		X				3	2	Final
Officer Delegations	5/9/11	16/3/12	Y	X				-	-	-	Final
Benefits Testing – Spot visit 3	15/8/11	14/9/11	Y	Not Applicable - Memo							Final
Benefits Testing – Spot visit 4	16/1/12	14/2/12	Y	Not Applicable - Memo							Final
Bracknell Sports & Leisure Centre	21/11/11	20/12/11	Y		X				3	4	Final
Bracknell Central Library - Probity	24/10/11	30/1/12	Y		X				1	3	Final
BACAS Application	21/11/11	20/12/11	Y		X				5		Final

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Audit	Start Date	Date Draft Report Issued	Key Indicator Met*	Assurance Level				Recommendations			Status
				Significant	Satisfactory	Limited	None	Priority			
								1	2	3	
(Cem & Crem)											
Housing & C Tax Benefits	28/11/11		Y		X				1	10	Final
Waste Collection	20/2/12	16/3/12	Y		X					4	Final
Cash Spot Checks	8/3/12	13/3/12	Y		X			-	-	-	Final
Purchasing & ordering											Replaced by a Council Wide Procurement Audit
Adult Social Care and Health											
Officer Delegations	22/6/11	21/10/11	Y		X				1	2	Final
Heathlands residential + day centre	25/5/11	24/6/11	Y		X				4	10	Final
Ladybank & Bridgewell	18/5/11	24/6/11	Y		X				5	4	Final
LD Waymead & Eastern Road	6/6/11	22/7/11	Y		X				3	2	Final
LD Headspace	16/6/11	28/7/11	Y			X		5	2		Final
LD Breakthrough RBC	16/6/11	28/7/11	Y		X				3		Final
Drug & Alcohol Team	5/9/11	24/10/11	Y		X				3	1	Final
Officer Expenses	16/8/11	17/10/11	Y		X					3	Final
Shared Budgets	28/11/11	19/12/11	Y		X				3	4	Final
Personal Budgets	20/2/12										WIP
Controccc- IT audit											Scheduled for Qtr 4 but deferred to 2012/13 plan to enable new audit contractors to complete this audit

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Assurance Opinion Classifications

Assurance Level	Definition
Significant	There is a sound system of internal controls to meet the system objectives and testing performed indicates that controls are being consistently applied
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses in controls and/or there is evidence that the level of non-compliance may put some minor systems objectives at risk.
Limited	There are some weaknesses in the adequacy of the internal control system which put the systems objectives at risk and/or the level of compliance or non-compliance puts some of the systems objectives at risk.
No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

4.3 Significant Control Weaknesses

In forming its opinion, Internal Audit is required to comment on the quality of the internal control environment, which includes consideration of any significant risk or governance issues and control failures which arise. During 2011/12, there were no audits where no assurance was given. Audits on the following areas resulted in limited assurance opinions: -

DIRECTORATE	AUDITS WITH LIMITED ASSURANCE CONCLUSION
Children, Young People and Learning	<p><u>Binfield CE Primary School</u> Limited assurance was concluded overall for this audit due to one priority 1 recommendation being raised to address concerns that there were limited documented financial procedures in place and also because of the high number of recommendations (26) including 16 priority 2 recommendations. Following the 2011/12 audit, senior officers from the local authority undertook a series of visits to the school to provide support and advice and ensure that action was being taken to implement the agreed recommendations. The school was re-audited in May 2012 and the final report has now been issued with a satisfactory assurance opinion.</p>
	<p><u>The Zone at Great Hollands Youth Centre</u> The conclusion on this audit was limited assurance due to one priority 1 recommendation being raised. Youth services are currently being restructured and new financial processes, procedures and controls are being putting in place. The restructured service is scheduled for audit during quarter 2.</p>

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DIRECTORATE	AUDITS WITH LIMITED ASSURANCE CONCLUSION
Adult Social Care, Housing and Health	<p><u>Headspace</u> Headspace is a studio facility organised in conjunction with a number of organisations to provide local artists, with or without a disability to display their work. Expenditure for 2010/11 amounted to approximately £57k. The audit of Headspace resulted in a limited assurance conclusion as 5 priority 1 recommendations were raised. The Development Manager has advised Internal Audit that agreed actions to address these issues have been implemented. Given that it is proposed that the Council seeks expressions of interest from suitably experienced organisations to take responsibility for management of the Headspace Community Arts Project, no further audit work is scheduled at this stage although there is provision for a follow up audit in the Internal Audit Plan should this transfer not take place.</p>
	<p><u>Emergency Duty Team</u> The 5 priority 1 recommendations raised in this audit resulted in an overall conclusion of limited assurance. A detailed follow up audit is scheduled for Quarter 2 of 2012/13.</p>

Directors have responsibility for ensuring that recommendations are actioned. Internal Audit have already followed up the audit of Binfield school, as set out above and the Emergency Duty Team and Youth Services will be audited in quarter 2. The position on Headspace will be monitored to assess if a follow up audit should take place.

4.4 Internal Audit Work on Housing and Council Tax Benefits

The External Auditors identified significant level of weaknesses in the 2009/10 Housing Benefit and Council Tax Subsidy and an action plan including 9 recommendations for improvement was agreed with officers. During 2011/12, the Chief Officer: Housing provided updates on progress against the action plan to the Governance and Audit Committee. In response to the weaknesses identified by the External Auditors, the Chief Executive agreed with the Head of Audit and Risk Management that Internal Audit would carry out 4 unannounced spot check visits during 2011/12. In addition to the spot visits and the main audit of the control environment carried out every year, further audit reviews were included in the 2011/12 Internal Audit Plan. These were to follow up the recommendations raised by the External Auditors and the priority 1 recommendations raised by the previous year's internal audit report, substantively check the input of parameters to the Northgate system and check compliance with the Department of Works and Pensions requirements for Benefits officers' access to the CIS system.

The first two spot checks were limited in scope and focussed only on reviewing documentary evidence supporting benefit assessments. Only minor errors were noted in the memos issued. Specialist auditors were brought in to carry out the remaining 2 spot checks in August 2011 and January 2012 and perform sample testing on benefit assessment in accordance with the methodology used for checking the Housing Subsidy claim. Whilst a number of errors and weaknesses were identified and set out in the

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memos for these 2 spot checks, results overall were positive and indicated a reduction in the level of errors.

The overall conclusion on the main Housing and Council Tax Benefit audit was satisfactory assurance. The findings set out in the memos issued on the follow up of the External Auditors recommendations, implementation of priority 1 recommendations, input of parameters and access to CIS were also favourable with no significant issues noted.

4.5 Feedback from Client Quality Questionnaires

The overall response from client questionnaires for 2011/12 was positive with only 5 responses returned where the auditee did not find the audit satisfactory. This was consistent with 2010/11 when 5 unsatisfactory responses were also received. All unsatisfactory responses are followed up to identify any lessons to be learned for future reviews and any necessary action required, which can include the relevant fieldwork auditor not being used on any further Bracknell Forest Council audits.

4.6 H W Controls and Assurance Quarterly Assurance Reports

Each quarter during the year, the internal audit service provider is required by the terms of the contract to produce a quarterly internal audit assurance report, which includes an overall assurance opinion. All quarterly reports for 2011/12 gave a satisfactory assurance opinion over the system of internal controls within the authority.

4.7 Review of the Effectiveness of the System of Internal Audit

The Audit Commission concluded in May 2010 that Internal Audit at Bracknell Forest provides a good standard of service and that the Authority complied with all eleven standards of the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. The Head of Audit and Risk Management revisited the Code in July 2012 and confirmed that we continue to comply with the Code. Completed client questionnaires indicate that auditees were satisfied in 93% of cases.

8. OTHER INTERNAL AUDIT ACTIVITIES

8.1 Re-tendering of Internal Audit Services

The contract with the main provider for internal audit services, HW Controls and Assurance was for an initial three year period ending on 31st March 2012 with an option to extend for 1 further year. It was decided that the option to extend for 1 further year should not be exercised. Given the value of the contract, a full tendering exercise had to be completed in accordance with EU Procurement Regulations and the services were re-tendered using a one-stage "Open Procedure". The new contract was awarded to Deloitte and Touche Public Sector Internal Audit limited commencing on 1st April 2012.

It is anticipated that approximately two thirds of the planned audit days for 2012/13 will be delivered by the new contractor. A small number of planned audits will be completed in-house and the remainder will be delivered by the Reading and Wokingham Borough Council's internal audit teams through a formal agreement between our three Councils under S113 of the Local Government Act 1972. This allows Reading and Wokingham

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Borough Council's to place their internal audit staff, with their consent, at the disposal of Bracknell Forest Council to undertake internal audit reviews.

8.2 Schools Financial Value Standard

The Financial Value Standard in Schools (FMSiS) was withdrawn in November 2010 and has been replaced by the Schools Financial Value Standard (SFVS) which will "provide a clear and consistent standard for financial management which schools are required to complete, providing a meaningful benchmark to encourage self-improvement. It ensures that money is spent wisely and properly allowing schools to optimise their resources to provide high quality teaching and learning and so raise standards and attainment for pupils".

The new standard consists of 23 questions which schools will be required to self-assess themselves against and hence is considerably less resource intense than FMSiS which was over 100 questions. Unlike FMSiS, SFVS is not a pass/fail standard that schools are required to meet and are assessed against but will instead be used to inform local authorities programme of audit. The governing body may delegate the consideration of the questions to a finance or other relevant committee but a detailed report should be provided to the full governing body and the chair of governors must sign the completed form.

Maintained schools will be required to complete the SFVS once a year from 2012/13 but those schools that never attained FMSiS were expected to complete the SFVS to their local authority by 31st March 2012. The Department for Education will expect local authorities to confirm each year how many schools have completed the SFVS self-assessment before the 31st March deadline and to give assurance that the contents are being taken into account in planning the future audit programme.

For 2011/12 only, local authorities are expected to make a supplementary statement about SFVS returns on those schools that never attained FMSiS to confirm if they have completed their SFVS standard. In Bracknell one primary school, Wildmoor Heath had not attained FMSiS. The school returned their completed SFVS for 2011/12 by the due date as required by the new standard. This included an action plan to address areas for improvement. Prior to completion of the SFVS the school was subject to an internal audit follow up in November 2011. The completed standard has been reviewed and it is not intended at this stage that any further audit will be completed during 2012/13.

8.3 Experian Data Matching

During 2011/12, the Department for Works and Pensions rolled out a new Credit Reference Agency data-matching initiative. This provides benefit fraud investigators with access to Experian's data-matching facility "Investigator on Line " (IOL) to gather intelligence and investigate referrals highlighted by Experian as high risk data matches based on credit reference information indicating that people claiming to be single are living with a partner.

Given the sensitivity of this data, Internal Audit is required to independently check that the benefit fraud investigators' traces and searches on IOL are appropriate. To achieve this, reports on benefit fraud investigators' access to IOL will be provided to Internal Audit who will test check that access to IOL has been for the purpose of investigating an Experian data-match. The first access report was received in quarter 4. Internal Audit

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completed sample testing on access in March 2012 and confirmed that access had been used solely for the purposes of investigating Experian data matches. Two comments were noted which were to retain documentation on searches made even where no evidence of fraud was found until after the next audit had been completed and to follow up the updating of notices on sharing information to reflect the introduction of the involvement of the Credit Reference Agencies.

8.4 Other Internal Audit Investigations

Housing Rents and Deposits

In July 2010, the S151 Officer requested that Internal Audit carry out a review to clarify the procedures in place over the payment, recording and recovery of deposits relating to Housing Options and over the collection and recording of rents directly payable to the Council for housing accommodation.

At the time of the initial audit fieldwork in July 2010, only 2 out of the 594 deposit loans had been fully input on ABRITAS and limited action was being taken on debt recovery. A follow up audit was completed in September 2011. This established progress had been made on most areas of weakness identified by the original review. Further action was still needed to write off irrecoverable debts and refer debts where appropriate to the debt collecting agency and to ensure that full details are obtained from landlords for new deposits provided. Suggested actions for consideration were raised with the Chief Officer:Housing. These are being followed up as part of the 2012/13 audit of homeless housing rents and deposits which is currently ongoing.

Procurement Cards in Schools

During 2010/11 and 2011/12 the use of procurement cards had been piloted at one of Authority's secondary schools. The Borough Treasurer asked that internal audit review the effectiveness of the controls and procedures in place over the piloted use of procurement cards at the school with a view to extending this facility to other Bracknell schools.

The review was carried out in February and the findings were reported back to the Borough Treasurer in March 2012. The results of the review at the pilot site were positive. Some points were raised to take on board before considering roll out. These included the need to ensure procedures and controls are reflected in school's written procedures and to revise the existing Corporate Finance documents and guidance notes to take account of procurement cards. It was also suggested that consideration might be given to limit the scheme to schools' bank accounts being charged directly rather than giving the option of the bill being paid by Corporate Finance. It was also felt that consideration needed to be given to what was the acceptable minimal level of governor involvement on key aspects of the issue of cards, their limits and use.

9. RISK MANAGEMENT

The Risk Management Strategy was updated by the Head of Audit and Risk Management and approved by the Governance and Audit Committee on 29th September 2011. The priorities identified for risk management identified in the Strategy were

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- to maintain quarterly review of the Strategic Risk Register by SRMG and implement twice yearly review of the Register by CMT;
- for the Strategic Risk Management Group (SRMG) to review the arrangements for business continuity;
- to consult DMTs on their risk management training requirements and review Members risk management training needs; and
- attendance of the Information Security Officer at SRMG to raise awareness of information governance risks.

During 2011/12, the Strategic Risk Register was reviewed quarterly by SRMG and twice by the Corporate Management Team as agreed in the Strategy. Actions to address strategic risks have been monitored throughout 2011/12 and were last updated in March 2012. The format of the Register was refreshed by the Head of Audit and Risk Management during the last quarter to reduce the level of detail in the Register to produce a more meaningful strategic document for managing risks. Following agreement to the Register at CMT on 2nd May, the Executive reviewed and approved the Register on 22nd May but requested that the Register be presented to the Governance and Audit Committee. The Register will be presented to the Committee on 31st July 2012.

Directorate Risk Registers are in place and were generally reviewed and updated quarterly by Departmental Management Teams during 2011/12. These record the significant operational risks for each directorate and inform the update of the Strategic Risk Register. In addition, risk registers are maintained for all major projects. In particular, during 2011/12, risk registers were developed for the town centre regeneration project and for the Times Square Works. In June 2011 the Bracknell Forest Partnership agreed a new partnership strategic risk register. This has been reviewed quarterly during 2011/12 with the last review taking place in January 2012.

Directorates reviewed and updated their Business Continuity Plans during 2011/12 and following this the Council-wide Business Continuity Plan was updated and reviewed at CMT. As part of this process, ICT identified the critical IT systems for the organisation. A testing exercise for the Council-wide Plan has been scheduled with senior management for October 2012. No further training needs have been identified for risk management.

As set out in the Strategy, the Information Security officer now attends all SRMG meetings and provides an update on significant information security breaches which informs the Group's assessment of information risks.

10. CORPORATE GOVERNANCE

The Borough Solicitor chairs the Governance Working Group and membership includes the Borough Treasurer and Head of Audit and Risk Management as well as representatives from the service directorates. During 2011/12, the Group

- oversaw the drafting of the Annual Governance Statement for 2011/12. The meeting to discuss the draft Statement was attended by a Member who sits on the Governance and Audit Committee to ensure there was Member representation during the drafting process. The draft Statement was subsequently reviewed by the Corporate Management Team;

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- oversaw the development of action plans to address governance weaknesses identified by the review of effectiveness of governance arrangements;
- met regularly to monitor progress on the actions plans; and
- reviewed the updated Anti-Fraud and Corruption Policy before it was presented to the Governance and Audit Committee for approval.

11. EXTERNAL INSPECTIONS

11.1 Consideration of the Outcome of External Inspections

The Head of Audit and Risk Management considers the outcome of the external auditors' inspections and assessments to inform the development and ongoing review of the Internal Audit Plan for the current and future years and assess if there are any issues relating to the control environment which need to be taken into account in drawing up the annual Head of Internal Audit Opinion. The findings of the various external auditors' assessments considered when finalising the Head of Internal Audit Opinion for 2011/12 are as follows:

11.2 External Auditors' Annual Audit Letter 2010/11

The Annual Audit Letter 2010/11 was presented to the Governance and Audit Committee by the District Auditor, Phil Sharman on 8 November 2011.

The Letter identified few weaknesses. The following recommendations were raised to: -

- monitor implementation of recommendations made on procedures for accounting for fixed assets and processing of journals;
- maintain an emphasis on identifying policy options and planning and delivering savings programmes which achieve long run financial stability for the Council; and
- in the context of broader changes to the Local Government financial regime, demonstrate the Council's continuing financial resilience by updating the Medium term Financial strategy to reflect the impact of strategic policy changes and longer-run savings programmes.

11.3 External Auditors' Annual Governance Report 2010/11

The Code of Audit Practice requires the Council's External Auditors to report on the work they carried out to discharge their statutory responsibilities to those charged with governance prior to the publication of the financial statements. This report was presented to the Governance and Audit Committee on 29 September 2011 by the District Auditor, Phil Sharman.

The Audit Commission's work on the financial statements resulted in them concluding that the statements were free from material error and issuing an unqualified audit opinion for the year ended 31 March 2011. They concluded that there was an adequate internal control environment and that they were satisfied that the Council had put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. They also concluded that the Annual Governance Statement was not misleading or

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inconsistent with other information they were aware of from their audit of the financial statements.

11.4 External Auditors' Certification of Claims and Returns Annual Report 2010/11

This report was presented to the Governance and Audit Committee by the new District Auditor, Helen Thompson on 27th March 2012. The report summarised the findings from the external auditors' certification of 2010/11 grant claims and included the key messages arising from the external auditors' assessment of the Council's arrangements for preparing claims and returns. The Commission certified 5 claims for 2010/11. In three cases the claims were unqualified. Amendments were made to the claims and qualification letters issued for the Housing Benefit and Council Tax Subsidy and the Sure Start, Early Years and Childcare and Aiming High for Disabled Children Grant. No recommendations were raised for Sure Start as 2010/11 was the last year of the claim.

Whilst a number of recommendations were raised to address the weaknesses found in the 2010/11 Housing Benefit and Council Tax Subsidy claim, it was noted that improvements had been made in the preparation of the claim and testing had identified fewer errors than in 2009/10.

12 FRAUD AND IRREGULARITY

12.1 Anti-Fraud and Corruption Policy

The Anti-Fraud and Corruption Policy was updated by the Head of Audit and Risk Management during the autumn of 2011. This was subsequently reviewed by the Governance Working Group before being approved by the Governance and Audit Committee on 24th January 2012. Following this, staff were made aware of the updated Policy and also reminded about the Whistle Blowing Policy and Anti-Money Laundering Policy through notices in Corporate Messages sent out to staff by email and via staff news on the Council's intranet.

12.2 National Fraud Initiative (NFI)

The NFI is a biennial data matching exercise to assist in the prevention and detection of fraud and error in public bodies. Bracknell Forest Council is obliged to participate in this exercise. During 2010/11 Internal Audit coordinated submission of the mandatory data and the resulting matches were returned during 2011. The majority of the work for the 2010/11 exercise has now been completed. The results were as follows:

- 3 cases of undeclared pay resulted in £56,544 overpayment of housing and council tax benefits; one person received a formal caution and the other two were passed to the legal section for prosecution;
- 2 cases of overpayments to residential homes relating to deceased residents resulting in recovery of £19,685 and
- Duplicate payments to suppliers totalling £9,045 were recovered.

In addition the exercise identified several instances where the National Insurance numbers provided and recorded in the payroll and benefits systems appeared to be incorrect and these have been checked and corrected.

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One employee was identified who had been awarded a substantial pension from another authority on the grounds of ill health but had failed to declare this condition to Bracknell Forest Council and had not informed the pension paying authority that she was now fit for work. The person in question was using two different names and has since resigned. There was no financial loss to the Council from this incident.

The only outstanding part of the 2010/11 exercise is the follow up of matches for single person discount on Council Tax. These matches are based on the December 2011 electoral roll hence the matches to be followed up were not received until February 2012 and work is still in progress.

The 2012/13 exercise will commence in October 2012 with the collection and submission of data to be matched the following year.

12.3 Benefits Investigation and Compliance Team

The Benefits Investigation and Compliance Team is located within the Benefits section of Housing and is therefore outside of the management of the Internal Audit Team. The Investigation and Compliance Team consists of a Senior Investigations Officer, one Investigation Officer and a Compliance Officer and is responsible for the investigation of potentially fraudulent claims for benefits. During the investigation of claims, Officers interview witnesses, take statements, carry out surveillance and interview under caution with a view to taking prosecution action. The Compliance Officer undertakes proactive visits to claimants to verify their details and confirm continuing entitlement to benefits.

During 2011/12 the Team received 1,090 main stream referrals. The Team also received 862 referrals for applications to the housing register and these were checked for potential housing benefit fraud. A total of 202 full investigations were carried out and 120 interviews under caution were undertaken. Overpayments identified and investigated totalled approximately £414k. During the year 620 compliance visits were undertaken of which 152 resulted in a referral for further investigation for unreported changes in circumstances.

As a result of work undertaken by the Investigation and Compliance Team 89 sanctions were applied during 2011/12 (2010/11: 59). These comprised 31 Prosecutions (2010/11 : 17), 51 Formal Cautions (2010/12 : 28) and 7 Ad-Pens (2010/11: 14), (a 30% penalty on top of overpaid benefit). These arose as follows:

- 29 from proactive visits;
- 22 matches from the housing benefit matching service;
- 20 referrals from the Benefits Team;
- 14 from joint working with Job Centre Plus; and
- 1 from the Council Tax department.
- 1 NFI
- 1 Royal Mail do not redirect
- 1 Anon

These can be categorised as set out below:

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- 20 were income related e.g. where the claimant had not disclosed an increase in income;
- 2 arose because the claimant had failed to notify the benefits Department that they had ceased to be entitled to Job Seekers Allowance;
- 28 was unreported working whilst claiming benefit;
- 21 were unreported changes or failure to report awards of tax credits;
- 3 was unreported non dependent income;
- 7 was failure to report a resident partner
- 2 was undisclosed capital.
- 1 Child care costs
- 5 Not resident

12.4 Other Irregularities

During 2011/12, there were two cases where investigations undertaken within Departments into financial irregularities concluded that officers had committed gross misconduct and the officers concerned were dismissed.

TO: GOVERNANCE AND AUDIT COMMITTEE
31 JULY 2012

ANNUAL GOVERNANCE STATEMENT
Director of Corporate Services

1 PURPOSE OF DECISION

- 1.1 To consider the Annual Governance Statement (AGS) 2011/12 and the Action Plan to address weaknesses identified in the AGS.

2 RECOMMENDATION

- 2.1 **That the draft Annual Governance Statement shown as Annex A to this report be approved.**
- 2.2 **That the Action Plan shown as Annex B to this report be approved.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure the Council complies with the statutory requirements to produce an Annual Governance Statement.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 This is a statutory requirement and therefore there is no alternative option.

5 SUPPORTING INFORMATION

- 5.1 The CIPFA/SOLACE publication "Delivering Good Governance in Local Government: Framework" identifies six core principles of good governance and recommends that authorities produce an Annual Governance Statement (AGS) to report publicly on the extent to which the Authority complies with its own Local Code of Governance including how it has monitored the effectiveness of its governance arrangements in the year and any planned changes in the coming period.
- 5.2 In England, the preparation and publication of an AGS is necessary to meet the statutory obligation set out in Regulation 4(3) of the Accounts and Audit Regulations 2011. This requires authorities to prepare a statement in accordance with "proper practices" and the guidance in the Framework recommending an AGS constitutes "proper practice". The AGS is signed by the Chief Executive and the Leader of the Council.
- 5.3 The Action Plan attached to the 2010/11 AGS identified a number of areas for improvement, in particular in relation to procurement, the Constitution, ethics training for officers and business continuity plans. Considerable progress has been made during 2011/12 on implementing those actions (see Annex C).
- 5.4 The draft AGS for 2011/12 on the effectiveness of the Council's governance arrangements was reviewed by the officer Governance Working Group on 11 May 2012. The AGS has been amended to include comments made by the Group (Annex A). The primary source of assurance for the AGS, as advised in CIPFA's Rough Guide on the AGS, is the assurance statements completed by

- the Assistant Chief Executive and each Director on compliance with internal controls and governance arrangements across their departments;
- the Monitoring Officer in respect of legal and regulatory functions;
- the Borough Treasurer in respect of financial controls; and
- the Borough Treasurer and Head of Audit and Risk Management in respect of risk management.

5.5 The draft AGS attached at Annex A is based on the declarations in the assurance statements. The issues referred to in paragraph 5 are those weaknesses highlighted in the assurance statements. In addition, in drafting the AGS, progress on actions to address significant issues included in the 2010/11 AGS has been taken into account. Where these issues are still ongoing they have been included again in the Action Plan attached to the 2011/12 AGS.

5.6 A draft Action Plan has been drawn up to address the issues highlighted in the 2011/12 AGS and this is attached at Annex B.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The Borough Solicitor is the author of this report.

Borough Treasurer

6.2 The Annual Governance Statement is a statutory requirement under the Accounts and Audit Regulations 2011 and will be incorporated within the Council annual Statement of Accounts.

Equalities Impact Assessment

6.3 Not applicable.

Strategic Risk Management Issues

6.4 Risk management is a key part of good governance. Progress made on risk management during 2011/12 is included in the AGS in Annex A.

Workforce Implications

6.5 No additional resource implications are anticipated from the actions set out in Appendix 2.

Contact for further information

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Doc. Ref IKEN 0000814 – Annual Governance Statement; document 027349

ANNUAL GOVERNANCE STATEMENT 2011/12

1 Scope of Responsibilities

- 1.1 Bracknell Forest Council ("The Council") is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government published in 2007. [A copy of this code is on our website at <http://www.bracknell-forest.gov.uk/local-code-of-governance.pdf>.] This Statement explains how the Council has complied with the code and also meets the requirements of regulation 4(3) of the Accounts and Audit Regulations 2011 in relation to the publication of a statement on internal control.

2 The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled. It underpins its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of the strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable assurance rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Bracknell Forest Council for the year ended 31 March 2012 and up to the date of approval of the Annual Report and statement of accounts.

3. The Governance Framework

The CIPFA/SOLACE Framework Delivering Good Governance in Local Government published in 2007 identified 6 principles of good governance. These are set out below and followed by details of how the Council meets the principle.

3.1 Principle 1

“Focusing on the purpose of the authority, on outcomes for the community and creating and implementing a vision for the local area”

3.1.1 Strategic Direction

3.1.2 The Council's identified strategic direction is set out in its Vision. "To make Bracknell Forest a place where all people can thrive; living, learning and working in a clean, safe and healthy environment." This vision provides the focus for identifying key priorities and the medium term objectives.

3.1.3 The Council's overarching key priorities and Medium Term objectives are identified after each election and reviewed yearly by the Executive and approved by full Council to ensure they remain focused and relevant.

3.1.4 In 2011/12, the Council's six overarching key priorities which enable it to address both national and local priorities over the period 2011-2015 were confirmed :

- A town centre fit for the 21st century
- Protecting and enhancing our environment
- Promoting health and achievement:
- Create a Borough where people are safe, and feel, safe:
- Provide value for money
- Sustain economic prosperity

3.1.5 These key priorities are underpinned by 11 medium term objectives and supported by 7.2 actions to be delivered over the period.

3.1.6 The Council's Vision, priorities and medium term objectives were developed after extensive consultation with the community, residents, employees, strategic partners and local businesses. They are consistent with their needs and aspirations. They also reflect the Council's aim of maintaining effective service delivery as well as ensuring the achievement of statutory requirements and national targets.

3.1.7 The Vision, priorities and medium term objectives are communicated through the Council's public website and intranet and Chief Executive briefings to staff. In addition, the medium term objectives feed into the staff appraisal process via departmental Service Plans.

3.1.8 The Council's values set out the manner in which it will behave while delivering it's Vision. The Council exists to serve and lead the local community therefore residents are at the heart of everything we do. While serving residents it will be:

- **Friendly and approachable** - we will be open, listening and straightforward. We will be clear about what we do and how well we do it.
- **Accountable** – as a democratic organisation and as individuals we will be accountable to Bracknell Forest residents and take responsibility for our actions.
- **Efficient** – we will provide value for money, quality services and use resources sensibly.
- **Fair** – we will act in a fair and equitable manner towards all residents and staff and ensure we meet individual needs appropriately.
- **Innovative and forward thinking** – we will have the freedom to come up with new ideas and are not afraid of leading the way.

Performance Management

3.1.9 The Council has a robust and transparent performance management process in place.

3.1.10 The Quarterly Service Reports are reviewed by the Executive Members, Chief Executive and the Corporate Management Team. The quarterly Corporate Performance Overview Report is considered by the Executive. The quarterly reports for Corporate Services and the Chief Executive's Office together with the quarterly Corporate Performance Overview Report are then taken to the Overview and Scrutiny Commission. Quarterly Service Reports for the other directorates are reviewed by the relevant Overview and Scrutiny Panel for their area. All these reports are available on the Council's website and intranet.

The Overview and Scrutiny Panels are:

- the Environment, Culture and Communities Panel
- the Adult Social Care and Housing Panel
- the Children Young People and Learning Panel
- the Health Overview and Scrutiny Panel

3.1.11 The Commission and the Panels focus on specific service areas. They consider the quarterly service reports for their relevant directorates and any external inspection reports. The work programme of both the Overview and Scrutiny Commission and Panels is agreed by the Commission at the start of each municipal year but is flexible allowing for further reviews as the need arises. The Overview and Scrutiny Commission has the role of the Council's Crime and Disorder Overview and Scrutiny Committee.

3.1.12 The Annual Report reviews performance against local performance targets set against each medium term objectives. It also summarises the Council's plans for the following year which are subsequently reflected in departmental service plans. The Annual Report is published at the end of October each year and is available on the website.

3.1.13 Adult Social Care also produce an Annual Report referred to as the Local Account. The Local Account reviews performance against targets and sets out a plan for the subsequent year.

3.1.14 Through the Council's performance reporting process the Council measures the quality of services for users, ensuring they are delivered in accordance with our objectives and represent the best use of resources.

3.1.15 Performance reports setting out progress against the joint targets agreed by the Partnership is reviewed by the Bracknell Forest Partnership Board on a quarterly basis.

3.1.16 The Governance and Audit Committee are made aware of the outcome of internal audit reports through detailed progress reports submitted twice a year by the Head of Audit and Risk Management. In addition, the Head of Audit and Risk Management informs the Governance and Audit Committee of any audits where a limited or no assurance conclusion has been determined since the date of the previous meeting.

3.2 Principle 2

“Members and officers working together to achieve a common purpose with clearly defined functions and roles”

- 3.2.1** As set out in 3.1, the Council clearly identifies a core purpose. The Council ensures effective leadership throughout the Authority. In May 2011 Councillors appointed their Leader for a term of four years. The Leader has the power to appoint Executive Members and designate responsibilities for Executive Members.
- 3.2.2** The roles and responsibilities of the Executive, the full Council and its committees and sub-committees along with Overview and Scrutiny arrangements, the role and functions of Champions and officer functions (set out in the Scheme of Delegation) are defined and can be found in the Council’s Constitution. The Council’s Constitution is regularly reviewed and updated with substantive changes highlighted to all staff and members. The Constitution is available on the public website.
- 3.2.3** The Member/officer protocol establishes a clear framework for Member/officer relations and the Leader/Chief Executive Protocol supports the already effective working relationship between the Leader and the Chief Executive.
- 3.2.4** The Monitoring Officer advises the Governance and Audit Committee on the development of proposals to update the Council's Constitution, its Executive Arrangements and Procedure Rules to ensure that they are fit for purpose and the Committee subsequently makes recommendations on those matters to full Council.
- 3.2.5** Arrangements between officers and members are regularly reviewed to ensure they are clear and effective. In April 2012 full Council agreed, on the recommendation of the Governance and Audit Committee to make various amendments to the Council’s Constitution, Standing Orders and Scheme of Delegation.

3.3 Principle 3

“The Council will promote values for the authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour”

- 3.3.1** As alluded to in section 3.1, the Council has identified and published on its public website its core values setting out the manner in which it will behave whilst delivering its Vision, priorities and medium term objectives.
- 3.3.2** Members, officers and partners are expected to maintain high standards of behaviour. These are set out in:
- The Council’s Constitution which includes the Code of Conduct for Members, Code of Conduct for Employees, Member and Officer Protocols, Contract Standing Orders and Financial Regulations.
 - Anti-Fraud and Corruption Policy
 - Employee Handbook
 - Regular performance appraisals of our partners
 - Service standards that define the behaviour of officers

These are communicated to all staff and available on the Intranet and website.

- 3.3.3** The Localism Act 2011 has removed the former legislative framework relating to Members Conduct and replaced it with a new structure. The Act provides that each Council must have a Code of Conduct but does not prescribe a form of the Code of Conduct. At its meeting on 16 May 2012 the Council adopted a temporary Code in anticipation of the relevant part of the Localism Act coming into force in July 2012. A fully revised Code will be put in place following further consideration by Members.
- 3.3.4** The Code of Conduct for Employees was amended during 2011/12 in order to clarify the position regarding disclosure of information received during the tendering process.
- 3.3.5** During 2011/12 the Council took steps to contact all staff and raise awareness of the requirements of the hospitality register. The expenses policy and guidance is under review and will be updated during the next year.
- 3.3.6** A Planning Protocol provides specific guidance for Members in relation to planning applications and Guidance for Members serving on external bodies. The Localism Act amends the law relating to the issue of pre-determination in local authority decision making. As a consequence of those amendments and as a result of significant developments in the law since the Protocol was adopted it will require review.
- 3.3.7** During 2011/12 the Borough Treasurer presented, and the Governance and Audit Committee approved the Anti-Fraud and Corruption Policy which was updated to ensure it was fit for purpose and consistent with the latest Financial Regulations. This included the subject being incorporated into the corporate message which is cascaded to all staff and updates on the home page of the Council's intranet. Awareness raising will be a continuing activity.

Standards Committee

- 3.3.8** The Council's Standards Committee has responsibility for:
- Promoting and maintaining high standards of conduct by Members and co-opted Members.
 - Advising the Council on the adoption and revision of its Codes of Conduct and the adoption of appropriate protocols governing the ethical standards of the Members and officers of the Council.
 - Monitoring the operation of the Council's Codes of Conduct including advice to Members and co-opted Members on matters relating to their Codes of Conduct.
 - Considering and determining any allegation that a Member has been in breach of the Code of Conduct for Members or failed to observe a locally adopted protocol.
- 3.3.9** In 2011/12 the Standards Committee considered 2 complaints. In respect of one of the complaints it was decided that no action shall be taken and the other was referred for other action by the Monitoring Officer.
- 3.3.10** The workings of the Committee are reported in its Annual Report to full Council.
- 3.3.11** The Localism Act abolished the obligation under the previous legislation to have a Standards Committee but requires the Council to put in place arrangements for the consideration and determination of complaints. However, the Council has decided to retain a Standards Committee with revised membership, comprising four non-Councillors, two majority group Councillors, one minority group Councillor and one Parish Councillor. The Standards Committee will formulate recommendations for adoption by the Governance and Audit Committee.

Whistle Blowing Policy and Complaints Procedure

- 3.3.12** The Whistle Blowing Policy sets out the procedures to be followed when receiving and investigating allegations made by employees, agency staff and contractors. The processes for receiving and investigating other allegations (excepting those alleging a breach of the Code of Conduct for Members in respect of which there are separate procedures) are covered by the Corporate Complaints Procedure or dealt with under the Disciplinary Procedure. Complaints may be submitted electronically or on a standard form. The Council provides leaflets on the Corporate Complaints Procedure and the Complaints Section on the Council's website clearly sets out whom to contact with complaints and also explains the informal and formal stages of the complaints process and how these can be pursued should the claimant not be satisfied with the response provided. In addition, where required by legislation there are complaints procedures for specific service areas in Children and Adults Social Care and Education.
- 3.3.13** During 2011/12 the Council took steps to raise the profile of the Whistleblowing Policy and incorporate it into the Council's systems.
- 3.3.14** For employees within the Council the Grievance Procedure is available for a grievance relating to their own employment.

Information Management and Governance

- 3.3.15** The Information Management Group consists of senior officers and ensures that the Council has in place a co-ordinated and coherent framework for management of information which includes appropriate accountability arrangements for information governance.
- 3.3.16** The Council has a central repository for staff and members to access policies and guidance relevant to information management. This was kept up to date and includes policies approved during 2011/12. The communication of new and existing information management policies to all staff will be progressed further during the next year.
- 3.3.17** The Council takes information security very seriously. During 2011/12 the Council agreed a centralised system of reporting and handling information security incidents in order for the organisation to take appropriate action and learning points. It also approved an Information Classification Policy and Safe Transfer of Information Policy to ensure information is kept and handled appropriately. It also continued to provide training and briefings for all staff, and included additional sessions focused on Adult Social Care staff. Further, it met the Code of Compliance standards and completed the N3 Toolkit.
- 3.3.18** The Council continued to implement its three year Information Management Strategy to improve information handling within the organisation, the actions were reviewed during 2011/12 and senior officers appraised of progress.
- 3.3.19** Non-compliance with information management policies is a risk to the Council given the potential damage or distress this could cause service users or members of the public and the Information Commissioner's power to issue a monetary penalty.

Assurance on compliance

- 3.3.20** Assurance on compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful is sought through internal audit reviews and the work of external audit.

- 3.3.21** The Governance and Audit Committee provides oversight of governance arrangements and acts in the capacity of a committee with delegated authority for the function of “Those Charged with Governance” as required for the purposes of receiving external auditor’s reports in accordance with the definition in International Standards on Auditing.
- 3.3.22** The Governance and Audit Committee considers the reports from internal and external auditors, monitors the adequacy of procedures and processes in place to manage risk and governance (includes Anti-Fraud and Corruption Policy) and approves the financial statements, internal and external audit plans and the Annual Governance Statement.
- 3.3.23** During 2011/12 the Governance and Audit Committee received updates on the performance against the 2011/12 Internal Audit Plan together with a summary of assurances provided by individual audit reports and approved the 2012/13 Internal Audit Plan. It also considered the Annual Audit Letter from the External Auditors.
- 3.3.24** The Audit of Housing and Council Tax Benefit Subsidy 2009/10 identified issues requiring a management response. During 2011/12 the Governance and Audit Committee were provided with updates on progress. Further, the District Auditor completed an audit and noted improvements. This illustrates the Council’s continual commitment to upholding high standards of conduct and governance.
- 3.3.25** Major external inspections which assess performance in specific services are considered by the relevant Overview and Scrutiny Panels and by external organisations.

3.4 Principle 4

“The Council will take informed and transparent decisions which are subject to effective scrutiny and risk management”

Member decisions

- 3.4.1** The Leader and the Executive (including committees of the Executive and individual Executive Members) are responsible for all Executive decision-making within the policy and budgetary framework established by full Council. The Leader allocates portfolios to each of the Executive Members. Portfolio holders have executive powers to make decisions on matters within their portfolio. The Localism Act permits the Council to change to a non-Executive, Committee system of governance should it choose to do so and Members will consider that matter during 2012/13.
- 3.4.2** The Council has appointed a number of committees to exercise its regulatory functions and other functions which are not exercisable by the Executive.
- Appeals Committee
 - Education Employment Sub Committee
 - Employment Committee
 - Governance and Audit Committee
 - Licensing and Safety Committee
 - Licensing Panels
 - Planning Committee
- 3.4.3** The procedures for decision making set out in the Council’s Constitution ensure that decisions made by collective groups exercising powers of the Council are made at meetings open to the public unless under statutory provisions it is appropriate for the

public to be excluded (see paragraph 3.4.16 – 3.4.18 for further details about decision making in Partnerships). There is a requirement to declare interests at these meetings and these declarations are clearly recorded in the minutes. Members and senior officers are also required to complete an annual declaration of Related Party Transactions.

3.4.4 The Constitution sets out those occasions which require formal decision and when written reports supporting decisions are required. Written reports requiring decision contain the following:

- financial advice from the Borough Treasurer
- legal advice from the Borough Solicitor to ensure that the decision is not unlawful and employs the Council's legal powers to full effect
- a strategic risk assessment (if appropriate)
- an equalities impact assessment (if appropriate).

3.4.5 The Council has appointed committees comprised of non-Executive Members to review or scrutinise both Executive and non-Executive decisions. Such committees encourage effective challenge to the decision making process. The Committee with overarching responsibility for those matters is the Overview and Scrutiny Commission (see paragraph 3.1.10 - 11 for further details).

3.4.6 The Council is a constituent authority (along with Slough Borough Council and the Royal Borough of Windsor and Maidenhead) of the Joint East Berkshire Health Overview and Scrutiny Committee which discharges the functions of the participating authorities under the National Health Service Act 2006.

Risk Management

3.4.7 Decisions made by the Council are subject to risk assessments which are made in accordance with the organisation's risk management processes.

3.4.8 The Risk Management Strategy was updated during 2011/12 and agreed by the Governance and Audit Committee. Changes made to the Strategy reflected development in risk management at the Council and identified the priorities for risk management for the forthcoming year.

3.4.9 The Strategic Risk Management Group (SRMG) chaired by the Borough Treasurer meets quarterly and oversees all aspects of risk management at the Council including health and safety and business continuity. As of 2011 the Group also includes the Information Security Officer to ensure that information risks are included. In line with the Risk Management Strategy, the Strategic Risk Register is updated and considered by SRMG on a quarterly basis and reviewed and approved by the Corporate Management Team twice a year and by the Executive on an annual basis. During 2011/12 actions to address strategic risks were monitored on a quarterly basis. Key changes and developments on strategic risks are summarised in the quarterly Corporate Performance Overview Report.

3.4.10 Processes introduced in 2010/11 for recording and monitoring significant operational risks through directorate risk registers were fully embedded during 2011/12 and directorate risk registers are now generally reviewed quarterly and used to inform the Strategic Risk Register.

3.4.11 Members are engaged in the risk management process through the Executive's review of the Strategic Risk Register, Member review of the Corporate Performance Overview

Report and regular risk management updates presented to the Governance and Audit Committee by the Head of Audit and Risk Management.

Overview and Scrutiny Committee

3.4.12 During 2011/12 full Council agreed, on the recommendation of the Governance and Audit Committee to amend the Council's Constitution in order to incorporate changes requested by the Overview and Scrutiny Commission; firstly a Public Participation Scheme for Overview & Scrutiny, and secondly to extend to the Overview & Scrutiny Panels the Commission's power to adopt scrutiny reports, the making of recommendations to the Executive, Full Council and other organisations.

Officer Decisions

3.4.13 The Council has an up-to-date Scheme of Delegation. In addition to this there is a written scheme of internal delegation within each department which is reviewed each year.

3.4.14 Appropriate officers are required to declare hospitality received and personal interests in accordance with the Employee Code of Conduct.

Partnerships

3.4.15 The Council's Partnership Governance Framework and Toolkit ensures that sound governance arrangements are in place for its key partnerships. It also provides guidance on accountability, decision making and risk management. A strategic risk register and associated action plans were developed for the Local Strategic Partnership and during 2011/12 the Council implemented its action plans to mitigate the key risks.

3.4.16 The minutes and agendas of the monthly Partnership Board and the following Theme Partnership meetings within Bracknell Forest Partnership are publically available; Children and Young People's Partnership, Community Safety Partnership, Older People's Partnership and Climate Change Partnership are publically available.

3.4.17 During 2010/11 the Partnership Overview & Scrutiny Group which consists of representatives from the Council, Bracknell Forest Voluntary Action, NHS Berkshire East, Royal Berkshire Fire and Rescue Service and Thames Valley Police Authority scrutinised Partnership arrangements.

Transparency

3.4.18 All Council decisions are taken in an open manner, unless there are sound reasons for doing so as permitted by legislation. The Council has a clear process in place for responding to Freedom of Information Act requests and also publishes information on the website.

3.4.19 The Coalition government has a commitment to enhancing transparency in the workings of local government. During 2011/12 the Council published senior salaries, spend over £500 and contracts and tenders (in accordance with the Guides issued by the Local Government Association in collaboration with the Local Public Data Panel and other organisations). Further, it agreed to adhere to the Code of Recommended Practice of Data Transparency in Local Government issued in September 2011. This includes publishing additional information and taking steps to ensure public data is accessible in re-useable formats.

3.4.20 In accordance with the Localism Act 2011, during 2011/12 full Council approved the Pay Policy Statement which reports on the remuneration for each director and chief officer –

specifically including remuneration on recruitment, increases and additions to remuneration including any bonuses, if paid, termination payments, allowances, benefits in kind, pension entitlements. It also contains the Council's policy on the remuneration of the lowest paid employee and the relationship between the remuneration of the Chief Executive and other employees.

3.4.21 During 2011/12 the Council kept its Publication Scheme up-to-date and published additional information on its website such as officer expenses and the Hospitality Register.

Equalities

3.4.22 In the exercise of its functions, the Council is obliged to adhere to the general equality duty. This means that they must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

3.4.23 During 2011/12 the Council developed and published a new single equality scheme which lays out the Council's equality objectives for the period 2012-16. The Scheme replaces the Council's race, gender and disability equality schemes and the 'All of Us' Community Cohesion Strategy. The Council also completed an audit of its equality monitoring processes and published comprehensive equality monitoring information reports for its services and workforce in January 2012. The Council has a legal duty as part of the Equality Act 2010's public sector equality duty to publish equality objectives at least every four years and equality information annually.

3.4.24 Following its successful accreditation at the Achieving Level, the Council also implemented its Equality Framework peer review action plan and delivered a number of equality impact assessment and equality and diversity awareness training sessions.

3.5 Principle 5

“Developing the capacity and capability of members and officers to be effective”

3.5.1 The Council has a comprehensive induction and training process in place for both Members and officers joining the Council. During 2011/12 all new officers received personalised inductions. In addition, both Members and officers attend external training courses where training needs cannot be met internally.

Members

3.5.2 Personal Development Plans are offered to Members. The Council has a Members Development Programme which takes the form of internal training workshops and Member briefing seminars on specific topics. It has been awarded the Charter Plus Standard for Member Development. The charter provides a robust framework which ensures members are supported during their time on the council. Member development is now an embedded part of the Council's culture.

Officers

- 3.5.3** A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by regular lunchtime manager training sessions.
- 3.5.4** Compliance with Continuing Professional Development requirements is monitored by individual officers; the Council provides sufficient resources to fund this. As part of the performance appraisal process, each officer is required to complete their own Personal Development Plans which form the basis for the Council's internal training course programme.
- 3.5.5** The Council has in place an ongoing Management Assessment and Development Programme and Diversity training for its senior and middle level managers. During 2011/12 the Borough Solicitor provided training on ethics.
- 3.5.6** The Corporate Services Directorate has Investors in People Bronze status.

3.6 Principle 6

“Engaging with local people and other stakeholders to ensure robust public accountability”

- 3.6.1** The Council works closely with its local partners. It is a key member of the Bracknell Forest Partnership which brings together agencies that deliver public services (the Councils, Police, Fire and Rescue Service, and Primary Care Trust) with businesses and people that represent voluntary organisations and the community. Bracknell Forest Partnership is underpinned by a Governance Protocol and Memorandum of Agreement between the organisations and has a single purpose; to improve quality of life for local people. During 2011/12 the Council continued to implement its Partnership Community Engagement Strategy.
- 3.6.2** The Council recognises that during the forthcoming year it is required to prepare and accommodate for changes relating to its partners in the health service and police.
- 3.6.3** During 2011/12 the Council undertook a number of planning consultations which sought the views of local people and stakeholders; this included the Site Allocations Development Plan Consultation, Site Allocations Development Plan Preferred Options Consultation and Warfield Supplementary Planning Document Consultation. These identify the Council's preferred approach to dealing with the Borough's development needs up to 2026. Other major consultations include the Thames Basin Heaths Special Protected Area Avoidance and Mitigation Supplementary Planning Document Consultation.
- 3.6.4** A wide range of other service based consultations were also conducted during 2011/12 to gain residents input to shaping services.
- 3.6.5** During 2009/10 the Council approved a proportionate strategy for Community Cohesion for the next three years, implementation of which continued 2011/12. This Community Cohesion Strategy provides a framework with which to promote positive relationships and to ensure that we do not disrespect, neglect, or disadvantage any member of our community.

3.6.6 There are a number of channels of communication which provide the Council with a means of engaging with residents and other stakeholders on its strategies and policies and providing information to them, this includes;

- The public website (which underwent a major redevelopment in 2011/12, resulting in better accessibility and more focussed content for the general public).
- Town and Country Newsletter delivered to all households in the Borough
- consultation exercises based on focus groups, user groups or publicised on the website
- Town and Parish Councillors liaison group which meets four times a year.
- Community television.
- Facebook, Flickr, Twitter, YouTube, Mobile Service and Digital Television.
- The Local Account; the views of the public are collected by Adult Social Care Department to inform their plans.

3.6.7 During 2011/12 the Council approved the Public Participation Scheme for Overview & Scrutiny. The scheme is aimed at improving public engagement with Overview and Scrutiny and offers residents a further opportunity to tell Councillors directly about the things that concern them.

4 Review of Effectiveness of internal control

4.1 Bracknell Forest Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 During 2011/12, the review of effectiveness of internal control was informed by the following key elements:

Internal Audit

4.3 Internal Audit provides an independent and objective opinion to the organisation on the control environment by objectively examining, evaluating and reporting on its adequacy. The Head of Audit and Risk Management provides an annual opinion to the Governance and Audit Committee to support the Annual Governance Statement.

4.4 The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by an external contractor and by Reading and Wokingham Borough Council's' internal audit teams under a agreement under section 113 of the Local Government Act 1972.

4.5 During 2011/12, 76 audits were completed with an opinion given. Internal Audit concluded that they could give limited assurance in only 4 cases. Where limited assurances have been concluded, the Head of Audit and Risk Management reports the detailed findings to the Governance and Audit Committee and follow-up audits are carried out within the following year to ensure that actions have been implemented. In addition, the Chief Executive meets with the Head of Audit and Risk Management on a quarterly basis and the Corporate Management Team receive six monthly progress reports on Internal Audit.

4.6 Based on the work of Internal Audit during the year, the Head of Audit and Risk Management has given the following opinion:

- From the internal audit work carried out during the year which resulted in a significant or satisfactory assurance opinion in 72 out of 76 cases where an opinion was given, the Head of Audit and Risk Management is able to provide reasonable assurance that for most areas the Authority has sound systems of internal control in place in accordance with proper practices but some areas with significant weaknesses were identified;
- key systems of control are operating satisfactorily except for the areas referred to above ; and
- there are adequate arrangements in place for risk management and corporate governance.

Standards Committee

- 4.7** During 2011/12 the Standards Committee met twice, for further details of its workings see paragraph 3.3.9. Their Annual Report was considered by full Council.

The Governance and Audit Committee

- 4.8** The Governance and Audit Committee is responsible for reinforcing effective governance, particularly through reviewing the activities of the internal auditors and the Council's risk management arrangements. During 2011/12, the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work. The Internal Audit Plan for 2012/13 was approved by the Committee.

The Governance Working Group

- 4.9** The Corporate Management Team has established a Governance Working Group, chaired by the Borough Solicitor. During 2011/12 the Group met regularly to review progress on actions to address the significant issues included in the Annual Governance Statement for 2010/11.

The Constitution

- 4.10** The Constitution is maintained via continual review throughout the year. The Monitoring Officer advises the Governance and Audit Committee which reports to the full Council.

Annual Assurance Statements

- 4.11** Assurance Statements assess the adequacy of governance arrangements. Each Director provides assurances about their department along with the Assistant Chief Executive in relation to the Chief Executives department. The Borough Treasurer provides assurances in relation to financial services and risk management. This includes confirming that the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government: Framework. Assurance Statements are also completed by the Head of Audit and Risk Management who provides assurances in relation to risk management and the Borough Solicitor in relation to Legal and Regulation.

External Audit

- 4.12** External Audit comments on corporate governance and performance management in their Annual Audit Letter and other reports. The Annual Audit Letter for 2010/11 was presented to Governance and Audit Committee in 8 November 2011. It did not identify

any significant weaknesses in the internal control arrangements and concluded that there was an adequate control environment in place.

We have been advised on the implications of the result of the assessment of the effectiveness of the governance framework by the Governance Working Group and a plan has been put in place to address any governance issues arising from the assessment.

5 Significant Governance Issues for consideration in 2012/13

5.1 Governance

The Localism Act 2011 permits the Council to change to a non-Executive, Committee system of governance should it choose to do so.

5.2 Members Code of Conduct and Planning Protocol for Members

The Localism Act 2011 has removed the former legislative framework relating to Members Conduct and replaced it with a new structure. The Act provides that each Council must have a Code of Conduct but does not prescribe a form of the Code of Conduct. The Act also amends the law relating to pre-determination which is a key issue covered by the Planning Protocol for Members.

5.3 Procurement

The Council recognises the importance of procurement in achieving reductions in public spending and the efficient delivery of services. Significant improvements have been made in the last four years to internal arrangements, with progress closely monitored by CMT and members.

In a period of great pressure upon Council resources procurement arrangements should continue to be reviewed in order to provide the optimum structure for effective procurement to secure value for money.

5.4 Financial Regulations

To ensure the Council's processes continue to be up-to-date and effective it should review its Financial Regulations.

5.5 Anti-Fraud and Corruption Policy, Whistleblowing Policy, Anti-Money Laundering Policy, Hospitality Register and Expenses Policy

Awareness raising on these topics should continue during 2012/13.

5.6 Information Management Policies

During 2011/12 the Council approved new information management policies which should be effectively communicated to staff in 2012/13.

5.7 Business Continuity Plans

The Council's business continuity processes are due for review and testing to ensure they are still appropriate for ensuring continuity of operations for the Council's current structure and objectives and that they adequately address the business continuity risks identified in the Strategic Risk Register.

6 Action Plan

An action plan has been developed to address governance issues identified.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

The Governance and Audit Committee considered and discussed the results of the review of effectiveness of internal control at its meeting on 31 July 2012.

Signed:

Cllr P.D. Bettison
Leader of the Council
September 2012

T.R. Wheadon
Chief Executive
September 2012

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ANNUAL GOVERNANCE STATEMENT 2012-13 ACTION PLAN

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
1	<p><u>Governance</u></p> <p>The Localism Act 2011 permits the Council to change to a non-Executive, Committee system of governance should it choose to do so.</p>	<p>Review whether or not the Council should retain the Executive model of governance.</p>	<p>Chief Executive</p>	<p>1 January 2013</p>
2	<p><u>Members Code of Conduct</u></p> <p>The Localism Act 2011 has removed the former legislative framework relating to Members Conduct and replaced it with a new structure. The Act provides that each Council must have a Code of Conduct but does not prescribe a form of the Code of Conduct.</p>	<p>Review and adopt a Code of Conduct.</p> <p>Raise awareness of new Code of Conduct</p>	<p>Borough Solicitor</p>	<p>1 November 2012</p>

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
3	<p><u>Planning Protocol for Members</u></p> <p>The existing Planning Protocol for Members was put in place shortly after the Local Government reorganisation. Since then, case law has significantly developed on the key issue of pre-determination. Also, the Localism Act 2011 includes a section on Pre-determination.</p>	<p>Prepare a revised Planning Protocol for Members</p>	<p>Borough Solicitor/Chief Officer; Planning and Transportation</p>	<p>1 November 2012</p>
4	<p><u>Procurement</u></p> <p>The Council recognises the importance of procurement in achieving reductions in public spending and the efficient delivery of services. Significant improvements have been made in the last four years to internal arrangements, with progress closely monitored by CMT and members.</p> <p>In a period of great pressure upon Council resources procurement arrangements should continue to be reviewed in order to provide the optimum structure for effective procurement to secure value for money.</p>	<p>The Council will continue to monitor procurement within the Council closely over the coming year.</p>	<p>CMT</p>	<p>Ongoing 31 March 2013</p>

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
5	<u>Financial Regulations</u> To ensure the Council's processes continue to be up-to-date and effective it should review its Financial Regulations.	Review Financial Regulations	Borough Treasurer	1 October 2012
6	<u>Anti-Fraud and Corruption Policy</u> , <u>Whistleblowing Policy</u> and <u>Anti-Money Laundering Policy</u> Awareness raising on these topics should continue during 2012/13.	Continue awareness raising of these Policies.	Head of Audit and Risk Management	Ongoing 31 March 2013
7	<u>Expenses Policy</u> and <u>Hospitality Register</u> The Expenses Policy should be reviewed to ensure it is up to date and effective, subsequently, awareness raising on these topics should continue during 2012/13.	Review Expenses Policy. Raise awareness of Expenses Policy and Hospitality Register.	Borough Treasurer	31 October 2012 Ongoing 31 March 2013
8	<u>Information Management Policies</u> During 2011/12 the Council approved new information management policies which should be effectively communicated to staff.	To communicate and raise staff awareness of information management policies.	Information Management Group	Ongoing 31 March 2013

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
9	<p><u>Business Continuity Plans</u></p> <p>The Council's business continuity processes are due for review and testing to ensure they are still appropriate for ensuring continuity of operations for the Council's current structure and objectives and that they adequately address the business continuity risks identified in the Strategic Risk Register.</p>	<p>Update and Council wide business continuity plan.</p> <p>To test Council wide business continuity Plan</p>	Emergency Planning Officer	<p>31 March 2013</p> <p>31 November 2012</p>

ANNUAL GOVERNANCE STATEMENT 2011-12 ACTION PLAN

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	
1	<p><u>Procurement</u></p> <p>The Council recognises the importance of procurement in achieving reductions in public spending and the efficient delivery of services. Significant improvements have been made in the last three years to internal arrangements, with progress closely monitored by CMT and members.</p> <p>In a period of great pressure upon Council resources procurement arrangements should continue to be reviewed in order to provide the optimum structure for effective procurement to secure value for money. This should be done in light of the IESE (Improvement and Efficiency South East) Report.</p>	<p>The Council will continue to monitor procurement within the Council closely over the coming year.</p> <p>Review the Council's Contract Standing Orders and Procurement Manual in light of the Localism Bill (once enacted) and the IESE Report.</p>	<p>CMT</p> <p>Assistant Borough Solicitor; Non-contentious team and Borough Treasurer</p>	<p>31/3/2012</p> <p>31/03/2012</p>	<p>Complete</p> <p>5.12.11 – Borough Treasurer is satisfied this occurs, he reports annually.</p> <p>Should continue so take forward to 2012/13 Action Plan.</p> <p>Complete</p> <p>11.5.2012 – Report on Category Management to be considered at March's Governance and Audit Committee.</p> <p>Borough Solicitor; no amendments are required in light of the Localism Act.</p>

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	
2	<p><u>Council Constitution and Local Code of Governance</u></p> <p>Amendments to the Local Code of Governance was approved by Council in January 2011. However, the Localism Bill, when enacted will make significant changes to a number of governance topics and the Code should be updated accordingly.</p>	<p>1) Review the Constitution (to include executive arrangements and ethical framework for councillors) and Local Code of Governance in light of the Localism Bill once enacted.</p> <p>2) Implement a strategy for communicating the updated Code to appropriate staff (and Members).</p> <p>3) Review Council's procurement procedures in light of counter fraud considerations; eg review Procurement Manual and Contract Standing Orders.</p>	<p>Borough Solicitor</p> <p>Chief Finance Officer & Assistant Borough Solicitor non-contentious</p>	<p>31/3/2012</p> <p>31/3/2012</p> <p>31/10/2011</p>	<p>13.2.12 – Update: Members working group set up.</p> <p>11.5.12- Amendments regarding Standards Committee completed. Further amendments may be necessary regarding Executive arrangements; Add to 2012/13 Action Plan.</p> <p>Complete</p> <p>5.12.11 – Borough Treasurer, Head of Audit and Risk Management, Head of Procurement agree that no amendments are necessary.</p>

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	
3	<p><u>Ethics Training for Officers</u></p> <p>During 2010/11 the Council provided a session of ethics training for Officers. Training on this topic should continue during 2011/12.</p>	<p>Continue delivery of ethics training for officers.</p>	<p>Borough Solicitor</p>	<p>31/3/2012</p>	<p>Complete</p> <p>5.12.11 – Chief Executives received training. All departments have now received training.</p>
4	<p><u>Business Continuity Plans</u></p> <p>The Council's business continuity processes are due for review to ensure they are still appropriate for ensuring continuity of operations for the Council's current structure and objectives and that they adequately address the business continuity risks identified in the Strategic Risk Register.</p>	<p>1) Complete business impact assessments for critical areas and update directorate plans.</p> <p>2) Update council wide business continuity plan</p>	<p>Directors</p> <p>Emergency Planning Officer</p>	<p>31/12/2011</p> <p>31/3/2012</p>	<p>Complete</p> <p>Part complete</p> <p>Including testing and implementation into 2012/13 Action Plan.</p>

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TO: GOVERNANCE AND AUDIT COMMITTEE
31 JULY 2012

STRATEGIC RISK REGISTER
Head of Audit and Risk Management

1 PURPOSE OF REPORT

1.1 To seek feedback on the Strategic Risk Register.

2 RECOMMENDATION

2.1 **That the Governance and Audit Committee provide feedback on the Strategic Risk Register to inform the next quarterly update of the Register.**

3 REASONS FOR RECOMMENDATION

3.1 To inform the update of the Strategic Risk Register.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 None.

5 SUPPORTING INFORMATION

5.1 In line with the Risk Management Strategy approved by the Governance and Audit Committee on 29th September 2011, the Strategic Risk Register has been reviewed quarterly by the Strategic Risk Management Group (SRMG) and every six months by the Corporate Management Team (CMT). CMT last reviewed the Register on 2nd May 2012. The Strategy requires the Register to be reviewed annually by the Executive and following CMT, the Executive reviewed and approved the Register on 22nd May 2012 but requested that this also be brought to the Governance and Audit Committee.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 Nothing to add.

Borough Treasurer

6.2 Nothing to add.

Equalities Impact Assessment

6.3 Not applicable

Strategic Risk Management Issues

- 6.4 A robust Strategic Risk Register that is a complete and up to date record of the significant corporate risks is essential for effective risk management, enabling the Council to prioritise resources to identify and implement actions to address the threats to the achievement of the Council's objectives.

Other Officers

- 6.5 N/A

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Strategic Risk Register was reviewed by SRMG, CMT and the Executive.

Method of Consultation

- 7.2 SRMG considered the Strategic Risk Register when the Group met on 7th March, CMT reviewed the Register on 2nd May 2012 and the Register was considered and approved at the meeting of the Executive on 22nd May 2012.

Representations Received

- 7.3 N/A

Background Papers

Risk Management Strategy 2011/12

Contact for further information

Sally Hendrick –Head of Audit and Risk Management - 01344 352092

Sally.hendrick@bracknell-forest.gov.uk

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	STRATEGIC RISKS	Links to Medium Term Objectives /Directorate Risk Registers	Residual risk			Risk Owner	Key Actions to Mitigate Risk
			L'hood	Impact	Score		
1	<p>FINANCIAL AND ECONOMIC Following the announcement of the Comprehensive Spending Review (CSR), local authorities will have to make significant savings over the Spending Review period (up to 2014-15). The full impact of this is remains uncertain beyond 2012/13 as a consequence of the Local Government Resource Review. This will put significant pressures on the Council's ability to balance its finances whilst maintaining satisfactory service standards. The current economic downturn will continue to present budget challenges to the Council in a variety of ways including falls in income, increased unemployment, increased demands for benefits, greater social pressures, and difficulties in collecting debts. In addition, significant areas of financial risk at the moment relate to some of the major national policy initiatives that impact on local government services. Changes in non-domestic rates will increase uncertainty and volatility of funding through business rates in the future. Poor information on spending at a local level from the Primary Care Trust is causing some concern for the adequacy of future funding allocations for public health functions to be transferred from Primary Care Trusts under the Health Bill reforms. The Government plans for elected Police and Crime Commissioners to take over from Police Authorities from November are also causing some concern at present for the future of some service initiatives currently funded from central government funding streams due to transfer to the new Police bodies.</p>	<p>ALL MTOs Corporate Services Risk Register – risk 3 ASCHH Directorate Risk Register – risks 4 and 10 ECC Risk Register – risk 1</p>	5	4	20	<p>Chief Executive/ Borough Treasurer</p>	<ul style="list-style-type: none"> • Medium term financial strategy regularly reviewed and updated. • Regular budget monitoring reporting to Corporate Management Team and through PMR's to Members • Detailed analysis by Service Accountants on high risk areas identified in annual budget report to Executive • Monitoring Government statements on future of local government funding. The Chancellor's Autumn Statement provided the context for local government spending beyond 2014/15. • The Council has responded to a range of consultation papers including the re-localisation of the business rate • Budget and performance monitoring information being shared with health has reduced the risks in year of any loss of income from the PCT in respect of Health money for Social Care • Recent budget monitoring does not suggest that the transfer of expenditure liabilities is currently having a significant impact on the Council's overall financial position and an underspend is forecast for 2011/12. • Government proposals including the transfer of public health responsibilities and academies funding continue to be monitored for their impact as details emerge. (AN) • Reserves are regularly reviewed and the structural changes reserve, insurance fund general fund balances etc. are currently considered to be adequate to cover any unforeseen one off costs.

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	STRATEGIC RISKS	Links to Medium Term Objectives /Directorate Risk Registers	Residual risk			Risk Owner	Key Actions to Mitigate Risk
			L'hood	Impact	Score		
2	<p>DEMANDS FOR SERVICES Changes in the size and composition of Bracknell's population will require the Council to be able to forecast changes and reshape its service delivery to meet changing needs. This will include the impact of both natural growth and any future inward or outward migration and changes in the age, socio-economic and ethnic profile of the area.</p>	<p>MTOs 4,5,6 and 7</p> <p>ASCHH Directorate Risk Register – risk 6</p> <p>CYPL Risk Register – risk 3</p>	4	3	12	<p>Director of Children Young People and Learning/ Director of Adult Social Care, Housing and Health</p>	<ul style="list-style-type: none"> The review of school sufficiency planning is informing the School Places Plan and the SADPD. Monitoring data on SEN/LDD and mapping trends and changing needs. Analysis and review of service provision against data profile and report at least annually to SEN/LDD joint health and CYPL group. Mapped the SEN/LDD data and focused particularly on those aged 16+ as part of the post 156 transition plans Use of JSNA, Commissioning Plans to monitor demographic changes. Stats share assists with translating JSNA into meaningful information locally Weekly referral panel is held, and chaired by the Head of Service (LAC) to monitor changes within the care system and children on the edge of care. Monthly monitoring of data in relation to safeguarding is undertaken, and monitored by Children's Social Care Management Team on a monthly basis. To review and compare data for the South East Statistical Neighbours and nationally to better understand the reasons for changes.
3	<p>STAFFING The Council employs staff and uses agency and contractors to deliver its services to the community. Failure to ensure that individuals with the right skills and expertise are recruited, proper training is provided and staff are well motivated will impact on the effectiveness of services and the Council's ability to retain high calibre staff.</p>	<p>All MTOs</p> <p>Corporate Services Risk Register – risks 1 and 2</p> <p>ASCHH Directorate Risk Register – risk 2</p> <p>ACX Risk Register – risk 4</p> <p>ECC Risk Register – risk 10</p> <p>CYPL Risk Register – risk 4</p>	4	3	12	<p>Director of Corporate Services</p>	<ul style="list-style-type: none"> Monitoring staff vacancies, strategically and operationally to ensure early actions are taken as necessary. Ensuring salary levels are appropriate and competitive Ensuring skill requirements are properly identified. Person and job specifications checked by HR Systems, policies and procedures are in place to meet statutory employment and right to work requirements Ensuring training regimes are in place are in place for re-skilling and up-skilling staff The Adult Social Care, Housing & Health department also works with service providers who also require individuals with the right skills. ASC&H provide training to providers on Safer Recruitment, Safeguarding and the Mental Capacity Act and also work with Berkshire Care Association to raise awareness of care quality Clear communications with staff e.g. Chief Executive's briefings Organisational Change Protocol in place. Action plan being developed to address matters raised in the Staff Survey
4	<p>INFORMATION MANAGEMENT AND INFORMATION TECHNOLOGY As the Council is increasingly dependent on ICT systems, there are risks to service delivery and management</p>	<p>All MTOs</p> <p>Corporate Services Risk Register – risk 4</p>	4	4	16	<p>Director of Corporate Services</p>	<ul style="list-style-type: none"> Departments have departmental Business Continuity Plans to ensure services can continue in the event of disruption to IT In some areas applications are web-based or web based solutions could be considered. Disaster Recovery Plan in place , a Disaster Recovery contract with a provider that will supply kit required to get systems up and running and an Action Plan for the systematic recovery of systems. Helping Forest Care to develop disaster recovery system

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	STRATEGIC RISKS	Links to Medium Term Objectives /Directorate Risk Registers	Residual risk			Risk Owner	Key Actions to Mitigate Risk
			L'hood	Impact	Score		
	information/performance data gathering in the event of IT infrastructure being unavailable or IT suppliers being unable to deliver systems that meet service requirements. Of particular concern at the moment is that given that the Government does not currently plan to issue guidance on changes to Council Tax benefits until the Autumn, there is a significant risk that IT systems will not be modified in time for implementation in April 2013. The Council and its contractors hold sensitive data in electronic and manual form such as personal data on staff, residents, vulnerable individuals such as children and adults with social care needs and suppliers which could potentially be misused or stolen if not secure. Failure to maintain accurate data can affect the validity of data for effective management and decisions.	ASCHH Directorate Risk Register – risk 8					<ul style="list-style-type: none"> • Back up batteries allow time to bring the systems down safely. • Considering putting in an Invest to Save bid for system replication • Alternative sites for a back-up data centre, albeit with reduced capacity, are being investigated. This would provide basic services such as e-mail, • An initial capital bid has been put forward to carry out preparatory work for the installation of a generator. Work would be completed next year. • The Adult Social Care, Housing & Health department has instigated mandatory information security training for all staff. • Information classification policy agreed by CMT. ICT Security policy agreed by CMT • Action plans for Information Management Strategy are underway • GCSX being superseded by GCF. Work in hand to meet the standards for this new service. • Also involved in a regional PSN bid with Surrey authorities to create a regional network of networks . This would open up greater opportunities for shared services including DR and BC. • Work underway to communicate to all staff the importance of information security. Training programme underway for key staff in this area.
5	<p><u>OTHER MAJOR PROGRAMMES AND PROJECTS</u> Failure to design, monitor and control major projects and their implementation effectively could lead to cost overruns/ pressure on the capital budget, late delivery and result in core objectives of projects not being achieved.</p> <p>a) - Capital funding for school places and backlog maintenance.</p> <p>b) - Office Accommodation (including the Times Square refurbishment and office moves). Dependency on Development Agreement funding.</p> <p>-c) Implementation of the responsibilities under the proposed new Health and Social Care Bill</p>	<p>MTOs 1,5,7 and10</p> <p>CYPL Risk Register – risk 5</p> <p>ASCHH Directorate Risk Register – risks 4 and 10</p>	4	4	16	Chief Executive	<ul style="list-style-type: none"> • a) Risk register in place and reviewed at each Education Capital Programme Board (ECPB) meeting • b) Office Accommodation Strategy approved by the Executive • Time Square tender and works planning underway. • Significant programme of work streams underway to facilitate the move to a smaller working environment for staff – flexible working, storage , ICT • c) Working with PCT on the proposed new Health and Social Care Bill effect smooth transition and agreeing transition plan for the Council • Evaluating responsibilities and resource impact once public health white paper is published • Evaluate the Public Health resources allocation • Seek collaboration/co-operation from other Berkshire local authorities • d) Programme Board in place for Universal Credit and Council Tax Benefit changes

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	STRATEGIC RISKS	Links to Medium Term Objectives /Directorate Risk Registers	Residual risk			Risk Owner	Key Actions to Mitigate Risk
			L'hood	Impact	Score		
	d) –Transition to Universal Credit including changes to Council Tax Benefits						
6	<p><u>BUSINESS INTERRUPTION/ CONTINUITY</u> Serious incident or disaster adversely impacts the Council's ability to deliver services without interruption or fluctuation in standards. Failure of contractors resulting in disruption to services. Business Continuity plans/Disaster recovery plans may potentially not be sufficiently robust or not properly implemented limiting the Council ability to respond effectively.</p>	<p>MTOs 4,5,6 and 7</p> <p>Corporate Services Risk Register – risk 6</p> <p>ASCHH Directorate Risk Register – risks 5 and 9</p> <p>ECC Risk Register – risks 2,5 and 9</p>	3	4	12	Borough Treasurer	<ul style="list-style-type: none"> Corporate and Directorate Business Continuity Plans have been updated and will be tested in early 2012/13. Testing of the Corporate Business Continuity Plan and responses to future incidents will determine whether further clarification is required. Identified capital works have been undertaken to reduce the risk of the loss of use of one of our Elderly Persons Homes Key contracts are monitored on a regular basis as part of the contract performance mechanisms in place for all contractors. This should address any capacity or performance issues that might indicate that there may be issues with financial/general viability Financial assessments of tenderers are undertaken for all major contracts let by the Council. Annual financial assessment checks where appropriate for major contractors
7	<p><u>SAFEGUARDING OF CHILDREN AND VULNERABLE ADULTS</u> The Council does not identify and discharge all its responsibilities for safeguarding vulnerable children and adults in the community resulting in injury or death.</p>	<p>MTOs 4,5,6 and 7</p> <p>ASCHH Directorate Risk Register – risk 3</p> <p>CYPL Risk Register – risk 1</p>	3	4	12	Director of Children Young People and Learning/ Director of Adult Social Care, Housing and Health	<ul style="list-style-type: none"> Safeguarding training programmes in ASCHH and CYPL reviewed regularly and updated to take account of new requirements and best practice. ASC&H also provide training to providers on Safer Recruitment, Safeguarding and the Mental Capacity Act and also work with Berkshire Care (ASCHH) Training numbers reviewed and presented annually to the Local Safeguarding Children's Board. Common induction programme being investigated for the Children's Workforce. The C&YP Partnership and the LSCB and their sub groups are key for progressing sharing information and the establishment of protocols Quality assurance process in place in CYPL Establishment of a senior level officer/member group on Health Transition in ASCHH Ensure contractors are quality assured and part of Council approved contractors. Contractors are all monitored via Care Governance Board and appropriate action undertaken Review complaints about contractors and actively seek users views on services. Formal processes to investigate concerns and take action through for example, the Whistleblowers procedure if concerns are not taken seriously. Ensure compliance with Independent Safeguarding Authority requirements. S11 Audit

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	STRATEGIC RISKS	Links to Medium Term Objectives /Directorate Risk Registers	Residual risk			Risk Owner	Key Actions to Mitigate Risk
			L'hood	Impact	Score		
8	<p><u>INFRASTRUCTURE AND MAINTENANCE OF ASSETS</u> Failure to maintain highways/buildings to meet health and safety standards resulting in injury, loss or damage to individuals or property and costs from potential liability claims. In addition, where highways/buildings, etc are not properly maintained or where adequate infrastructure is not put in place, there is a risk that they are not fit for purpose this impacting on the Council reputation and having a negative impact on service delivery and productivity.</p>	<p>MTO 1 Corporate Services Risk Register – risk 7 ECC Risk Register – risk 8</p>	4	4	16	Director of Corporate Services/ Director of Environ'm't, Culture and Comm.	<ul style="list-style-type: none"> Backlog maintenance for buildings has been identified, risk assessed and prioritised. Regular review of maintenance backlog at Asset Management Group. Condition Surveys have been undertaken for all buildings and the results have been considered and taken into account when developing the Council 2012/2013 budget proposals. Inspection and Insurance Loss control Survey reports to be copied to the Chief Officer: Property to ensure recommendations are actioned. Health and Safety Reporting to CMT on fire risk assessments, legionella and asbestos. Consultation on SADPD ended March and analysis being undertaken to seek an agreed way forward; Publication stage in Autumn 2011; IDP being regularly reviewed to ensure complete infrastructure requirements for new communities is robust; Community Infrastructure Levy (CIL) work progressing which will be used to secure key infrastructure from new development. Work now underway to test the viability of a potential CIL tariff against value of development locally – will aid in infrastructure delivery once implemented in 2013/14 Pre-Submission Site Allocation Development Plan Document approved by Council November 2011 (includes up to date Infrastructure Delivery Plan – IDP) Seeking funding support from Local Enterprise Partnership (LEP) under Growing Places Fund to support early infrastructure delivery in town centre
9	<p><u>WORKING EFFECTIVELY WITH PARTNERS, RESIDENTS, SERVICE USERS, THE VOLUNTARY SECTOR AND LOCAL BUSINESSES</u> Failure to work effectively with key partners or involve residents in the development of our services may result in services that do not meet the needs of the community or deliver better outcomes for their area. Furthermore, if we do not fully engage partners, residents, service users and local businesses, we are less likely to achieve community cohesion resulting in elements of the community feeling excluded which could potentially</p>	<p>All MTOs Corporate Services Risk Register – risk 9 ASCHH Directorate Risk Register – risk 4 ACX Risk Register – risk 3</p>	3	3	9	Assistant Chief Executive/ Director of Corporate Services	<ul style="list-style-type: none"> Targeted work has taken place through Connexions to both identify the most at risk of becoming NEET early and to provide programmes to help them to get back into education, employment of training. The Wick Hill Centre is now fully operational and is offering a range of vocational courses for young people aged 14 – 16 thus increasing their prospects of employment. A multi-agency Participation Group has been established and has met to discuss the needs of each NEET young person Regular contact with Bracknell Forest Voluntary Action Equality Scheme for Bracknell Forest Council in place from March 2012 Community Engagement Strategy and Action Plan in place The Partnership's Neighbourhood Engagement Review consultation completed; from April 2012 a new model of community engagement will be implemented with the parish and town councils and elected members at its heart. A consultation log continues to be regularly published on the Council's website and a new web based consultation software package is to be procured in April 2012 to increase the effectiveness and accessibility of the Council's consultations

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	STRATEGIC RISKS	Links to Medium Term Objectives /Directorate Risk Registers	Residual risk			Risk Owner	Key Actions to Mitigate Risk
			L'hood	Impact	Score		
	lead to extremism.						<ul style="list-style-type: none"> Partners engaged through a range of Bracknell Forest Partnership events and new work plan agreed underway to scope the future role of the Partnership. Regular engagement with minority groups and development work taking place to increase engagement, empowerment and awareness of the needs of communities; e.g. research with faith communities and personalisation programme in ASC&H. A programme of equality and diversity training completed for managers and members. Hate crime reporting project launched for people with learning disabilities Working with the RMA on resettling army service personnel Disabled Go access guide launched Completion of religious minority faith mapping by Experian Completion of detailed narrative and profile of Bracknell Forest's changing population by faith and ethnicity by the Institute of Community Cohesion so that the local faith, public and voluntary sectors may be better informed of the communities they serve.
63 10	<p><u>LITIGATION AND LEGISLATION</u> Failure to implement legislative changes such as localised Council tax benefits or Health reforms or comply with legislation such as the Equality Act 2010 may lead to sanction, litigation or prosecution. Failure to comply with EU procurement requirements could now result in contract cancellation under the Remedies Directive. Non compliance with other legislation may also lead to legal action against the Council.</p>	<p>All MTOs</p> <p>Corporate Services Risk Register – risks 5</p> <p>ASCHH Directorate Risk Register – risks 4 and 10</p> <p>ECC Risk Register – risks 3 and 7</p> <p>CYPL Risk Register – risk 2</p>	4	3	12	Director of Corporate Services	<ul style="list-style-type: none"> Monitoring of new legislation and providing guidance The Legal Services Section receives updates through its on-law legal database “Westlaw” Processes agreed with Directors for ASCHH and ECC as to tracking of new legislation Ensure pay systems are demonstrably fair Ensure any new job evaluation scheme is legally compliant Completion of Equalities Impact Assessments Commentary on equalities impact in reports for decision Guidance in place on equalities in planning, recruitment, etc Information Management hub has been established Compliance with information security requirements for sharing information e.g. Government Connect, N3 Oversight by Information Management Group Information Security Officer in post The Information Management Group has approved an incident reporting procedure for identifying any breaches of information security and weaknesses in systems which could lead to such a breach. Monitoring negotiations quarterly to identify what might go to land Tribunal Programme Board in place for Universal Credit and Council Tax Benefit changes

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	STRATEGIC RISKS	Links to Medium Term Objectives /Directorate Risk Registers	Residual risk			Risk Owner	Key Actions to Mitigate Risk
			L'hood	Impact	Score		
11	<p><u>TOWN CENTRE REGENERATION</u></p> <p>Failure to monitor and control key elements of the project could lead to cost overruns/ pressure on the capital budget, late delivery and result in core benefits of the regeneration not being realised.</p>	<p>MTOs 1,6 and 10</p> <p>ACX Risk Register – risk 1</p>	3	4	12	Assistant Chief Executive	<ul style="list-style-type: none"> • Project risk register in place and monitored by Strategic Overview Group. • To date, the phased approach is being monitored continuously. • A Time Square Refurbishment risk register is in place for the works element of the project. The risk scores will be reassessed after the procurement of the works contractor • The CPO and contracted out leases have successfully been used to mitigate risk.

RISK SCORING MATRIX

LIKELIHOOD

5				Finance	
4			Staffing Litigation Demand	Info/IT Projects Assets	
3			Partnerships	Bus Cont Town Centre Safeguarding	
2					
1					
	1	2	3	4	5

IMPACT

Likelihood:

- 5 Very High
- 4 High
- 3 Significant
- 2 Low
- 1 Almost Impossible

Impact:

- 5 Catastrophic
- 4 Critical
- 3 Major
- 2 Marginal
- 1 Negligible

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TO: GOVERNANCE AND AUDIT COMMITTEE
31 JULY 2012

EXTERNAL AUDIT UPDATE Borough Treasurer

1 PURPOSE OF REPORT

- 1.1 To provide the Committee with an update on the external auditor's progress with delivering their external audit responsibilities. The report also includes an update on the externalisation of the audit practice.

2 RECOMMENDATION

- 2.1 That the Committee note the update report attached at Annex A.

3 REASONS FOR RECOMMENDATION

- 3.1 To provide the Committee with an update on progress with the work of external audit.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

- 5.1 As the district auditor, Helen Thompson, and the audit manager, Catherine Morganti, are unable to attend this meeting of the Committee they have provided a written update on progress with external audit matters, including the externalisation of the audit practice. This is attached at Annex A. The Committee are asked to note the contents of this update report. Any questions can be raised via the Borough Treasurer or directly with the district auditor or audit manager whose contact details are set out on page 8 of the report.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add to the report.

Borough Treasurer

- 6.2 Nothing to add to the report.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

6.4 None.

Other Officers

6.5 Not applicable.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation

7.2 Not applicable.

Representations Received

7.3 None.

Background Papers

None

Contact for further information

Alan Nash, Corporate Services Department - 01344 352180

Alan.nash@bracknell-forest.gov.uk

Governance **and Audit** **Committee** **update**

Bracknell Forest Council

Audit 2011/12

The Audit Commission is a public corporation set up in 1983 to protect the public purse.

The Commission appoints auditors to councils, NHS bodies (excluding NHS foundation trusts), police authorities and other local public services in England, and oversees their work. The auditors we appoint are either Audit Commission employees (our in-house Audit Practice) or one of the private audit firms. Our Audit Practice also audits NHS foundation trusts under separate arrangements.

We also help public bodies manage the financial challenges they face by providing authoritative, unbiased, evidence-based analysis and advice.

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Introduction

1 The purpose of this paper is to provide the Governance and Audit Committee with a report on progress in delivering our responsibilities as your external auditors. It includes an update on the externalisation of the Audit Practice.

2 Due to the date of this meeting of the committee being altered neither I or your Audit Manager are able to attend. If you require any additional information regarding the issues included within this briefing, please contact me or Catherine Morganti using the contact details at the end of this update and we will respond to you as soon as possible.

3 Finally, please also remember to visit our website (www.audit-commission.gov.uk) which now enables you to sign up to be notified of any new content that is relevant to your type of organisation.

Helen Thompson

District Auditor / Engagement Lead

18 July 2012

Progress report

Financial statements

4 I set out the work I plan to do in the Audit Plan presented to the Governance and Audit Committee in January 2012.

5 No significant issues arose from our interim audit work that I need to report to you

6 My team has now started the audit of the financial statements. The work is at an early stage and I therefore have no issues to report to date. I will present my annual governance report at the Committee's meeting on 25 September 2012.

VFM conclusion

7 Work on this is substantially complete. At this stage I anticipate issuing an unqualified conclusion.

Other areas of work

8 My team has started early work on the Housing Benefit and Council Tax Benefit claim. So far we have found fewer issues in our initial samples than in previous years, but we are required to carry out further testing to confirm this improving position.

Update on outsourcing the work of the Audit Practice

9 Following the award of geographical contracts for the audit of principal local authorities and NHS bodies, the Audit Commission has held meetings in each contract area to introduce the winning firms to audited bodies. Your Borough Treasurer attended the event held by Ernst & Young in May.

10 It has in parallel commenced consultation on the appointment of auditors to individual bodies with a view to making those appointments at its Board meeting on 26 July 2012. Firms will take up audit appointments for the 2012/13 audit year from 1 September 2012.

11 I remain the Audit Commission appointed auditor for the 2011/12 audit until 31 October 2012. Following consultation with audit suppliers, the Audit Commission has put in place arrangements to facilitate the smooth transfer of any part-completed 2011/12 work from the Audit Practice to incoming audit firms so that they can maximise reliance on the work of the Audit Practice and complete the work expeditiously. At this stage, although I hope to complete as much work as possible on the Housing Benefit and Council Tax Benefit claim, it is possible there will be some work to complete post 1 November 2012. I will keep the Borough Treasurer informed about this.

Other matters of interest

2012/13 audit fees

Fee scales for 2012/13 audits of local government and NHS bodies

12 Following a consultation exercise, the Audit Commission has agreed the work programme and fee scales for 2012/13 audits of local government and NHS bodies. It sent out letters notifying organisations of the new fees on Wednesday 11 April 2012.

13 The fee for Bracknell Forest Council in 2012/13 will be £138,564 (£230,940 in 2011/12).

14 As previously advised, the outsourcing of the Audit Commission's in-house Audit Practice means that these fees will be fixed for a five-year period, irrespective of the rate of inflation.

15 The indicative fee for certification of claims and returns for 2012/13 is £48,600 (the estimated fee for 2011/12 is £60,000).

Fee scales for 2012/13 National Fraud Initiative

16 The Audit Commission's consultation on its proposals for the 2012/13 National Fraud Initiative (NFI) work programme and scale of fees ended in March 2012 and the results of this exercise were published on 30 May 2012.

17 The Commission did not propose to introduce any new mandatory data matches in the NFI for 2012/13, so the main work programme will remain unchanged from 2010/11.

18 In recognition of the financial pressures that public bodies are facing in the current economic climate, the scale of fees for mandatory participants will also remain the same as for NFI 2010/11. The fee for Bracknell Forest Council is £3,650.

2010/11 National Fraud Initiative

19 In May 2012 the Audit Commission published the results of the NFI for 2010/11.

20 The NFI is a data matching exercise which is hosted on a secure website. It compares information held by around 1,300 organisations including councils, the police, hospitals and 77 private companies. This helps to identify potentially fraudulent claims, errors and overpayments.

21 When there is a 'match', there may be something that warrants investigation and examples of the data matches the NFI undertakes are set out in the Table below.

Table 1: **Examples of data matches covered by the NFI**

Data Match	Possible fraud or error
Pension payments to records of deceased people.	Obtaining the pension payments of a deceased person.
Housing benefit payments to payroll records.	Claiming housing benefit by failing to declare an income.
Council tax records to electoral register.	A council taxpayer gets single person discount whilst living with other countable adults and thus being ineligible.
Payroll records to other payroll records.	An employee is working for one organisation while being on long-term sick leave at another.

22 The latest NFI in England identified almost £229 million of fraud, overpayments and errors. This is made up of £139 million for 2010/11 plus £90 million not previously reported from earlier exercises. Over the same period, £47 million was identified in Scotland, Wales and Northern Ireland, raising the UK-wide total to £275 million.

23 The highest value categories identified in England continue to be pensions (£98 million), council tax single person discount (£50 million) and housing benefit (£31 million).

24 The latest report is accompanied by a series of case studies from the private and public sectors and a briefing for elected members. The briefing includes a series of questions that members can put to officers.

25 Since the initiative's start in 1996, the programme has helped detect £939 million, taking it a step closer to achieving a £1 billion payback to the public purse.

Public Sector Internal Audit Standards

26 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (IIA) announced a formal collaboration in May 2011.

27 This collaboration has recently led to the formation of the UK Internal Audit Standards Advisory Board, which will provide oversight and challenge to the development of UK-wide Public Sector Internal Audit Standards.

28 The new unified set of internal audit standards will be based on the mandatory elements of the IIA's International Professional Practices Framework and it is proposed that they will apply across the UK to central and local government and the NHS (excluding foundation trusts).

NAO role in local VFM studies

29 The NAO currently carries out around 60 VFM studies on central government initiatives and programmes each year. From next year, it will produce an increasing number of studies focusing on the local government sector.

30 A new Local Government Reference Panel has been set up to give councils an input to the NAO's programme of local government value for money studies. The panel, which will meet twice a year, includes representatives from nine local authorities as well as from CIPFA, Community Service Volunteers and the University of Birmingham.

31 The programme comprises three studies in 2012/13, the first being communication between central and local government, rising to four in 2013/14 and six in 2014/15.

32 Subject to Parliamentary approval, the NAO eventually expects to assume the Audit Commission's role in setting the framework for local audit, through a code of audit practice.

Contact details

33 If you would like further information on any items in this briefing, please contact either me or Catherine Morganti.

34 Alternatively, all Audit Commission reports - and a wealth of other material - can be found on our website: www.audit-commission.gov.uk.

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July 2012

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TO: GOVERNANCE AND AUDIT COMMITTEE
31 JULY 2012

AMENDMENT TO THE OVERVIEW AND SCRUTINY PROCEDURE RULES Director of Corporate Services – Legal

1 PURPOSE OF REPORT

- 1.1 This report seeks approval to an amendment to the Overview and Scrutiny Procedure Rules to secure compliance with the legislation relating to Overview and Scrutiny Committees (in this Council, the Overview and Scrutiny Commission and the Overview and Scrutiny Panels).

2 RECOMMENDATION

- 2.1 **That paragraph 9 of the Overview and Scrutiny Procedure Rules in Section 9 Part 4 of the Council’s Procedure Rules be amended to provide that any Member may refer to the Overview and Scrutiny Commission or to an Overview and Scrutiny Panel any matter which is relevant to the functions of the Commission or Panel and which is not an “excluded matter”.**

3 REASONS FOR RECOMMENDATION

- 3.1 To secure compliance with Section 9FC of the Local Government Act 2000 (inserted by the Localism Act 2011)

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

- 5.1 The Council’s Overview and Scrutiny Procedure Rules currently stipulate (paragraph 9) that “Any Member of the Commission or of an Overview and Scrutiny Panel shall be entitled to give notice to the proper officer that he/she wishes an item relevant to its functions to be included on the next agenda for the next available meeting of the Commission or the Panel (as the case may be).....”. The Localism Act amended the legislation relating to Overview and Scrutiny Committees by providing that any Member of the Council (not just a Member of the Commission or the Panel) may refer a matter to such a Committee provided that it is not an “excluded matter”.

- 5.2 “Excluded Matter” is defined to mean:-

- a local crime and disorder matter, or
- a matter specified in regulations

The Overview and Scrutiny (Reference by Councillors) (Excluded Matters) (England) Order 2012 specifies that the following categories of matters are excluded:-

Unrestricted

- any matter relating to a planning decision
- any matter relating to a licensing decision
- any matter relating to a person in respect of which that person has a statutory right of recourse to a review or right of appeal
- any matter which is vexatious, discriminatory or not reasonable to be included in the agenda.

However, in respect of the first three categories a complete failure or failure on a systemic basis in performance of a function is **not** excluded.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The Borough Solicitor is the author of this report

Borough Treasurer

6.2 There are no financial implications directly arising.

Equalities Impact Assessment

6.3 Not required.

Strategic Risk Management Issues

6.4 None.

Other Officers

6.5 None.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation

7.2 None.

Representations Received

7.3 None.

Background Papers

None.

Contact for further information

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Alex.jack@bracknell-forest.gov.uk

Doc Ref:

Ai/f/reports/Governance and Audit – 31st July – Amendment to Overview

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TO: GOVERNANCE AND AUDIT COMMITTEE
31 JULY 2012

AMENDMENT TO THE SCHEME OF DELEGATION Director of Corporate Services – Legal

1 PURPOSE OF REPORT

- 1.1 This report proposes an amendment to the Council's Scheme of Delegation to provide that confirmation of decisions to remove Permitted Development rights should **not** be delegated to the Chief Officer: Planning and Transport.

2 RECOMMENDATION

- 2.1 **That the Scheme of Delegation to Officers in Table 1 Part 2 of the Council's Constitution be amended by including in the "Exceptions and Limitations" to the delegated powers of the Chief Officer: Planning and Transport confirmation of decisions to remove or restrict Permitted Development rights.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure a separation of decision making responsibility for the making and confirmation of decisions to remove or restrict Permitted Development rights.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To retain the status quo but that would entail the Chief Officer: Planning and Transport being responsible for both making and confirming decisions to restrict or remove Permitted Development rights.

5 SUPPORTING INFORMATION

- 5.1 The Town and Country Planning (General Permitted Development) Order 1995 grants Permitted Development rights (i.e. in effect advance planning permission without the need to make an application for planning permission) for specified categories of development. However, the Order permits the Council in certain circumstances to remove, by Direction, Permitted Development rights, such that an application for planning permission is required. The process for such a Direction is in two stages. The first is to make the Direction and the second is (following consideration of any objections or representations) a decision to confirm the making of the Direction.
- 5.2 Under the Scheme of Delegation as currently drafted the Chief Officer: Planning and Transport is responsible for both making and confirming a Direction. Though theoretically not unlawful the making and confirmation of a decision by the same person is undesirable. Accordingly, it is proposed that confirmation of a Direction should be removed from the delegated powers of the Chief Officer: Planning and Transport. As the power to confirm a Direction is not specified as a non-Executive

function by the legislation relating to Executive Arrangements the power to confirm a Direction will be an Executive responsibility.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The Borough Solicitor is the author of this report

Borough Treasurer

6.2 There are no financial implications directly arising.

Equalities Impact Assessment

6.3 Not required.

Strategic Risk Management Issues

6.4 None.

Other Officers

6.5 None.

7 CONSULTATION

Principal Groups Consulted

7.1 None.

Method of Consultation

7.2 None.

Representations Received

7.3 None.

Background Papers

None.

Contact for further information

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Doc Ref:

Ai/f/reports/Governance and Audit – 31st July – Amendment to Scheme of Delegation