

**GOVERNANCE & AUDIT COMMITTEE**  
**1 APRIL 2014**  
**7.30 - 9.05 PM**



**Bracknell Forest Borough Council:**

Councillors Heydon (Vice-Chairman), Allen, Blatchford, Ms Brown, McCracken, Mrs McCracken, Thompson and Worrall

**Independent Members:**

Gordon Anderson

**Apologies for absence were received from:**

Councillor Ward

**In Attendance:**

Sally Hendrick, Head of Audit and Risk Management  
Alex Jack, Borough Solicitor  
Catherine Morganti, Ernst and Young  
Alan Nash, Borough Treasurer  
Alison Sanders, Director of Corporate Service  
Helen Thompson, Ernst and Young

**30. Apologies for Absence**

The Committee noted the presence of the following substitute member:

Councillor Mrs McCracken for Councillor Ward

**31. Declarations of Interest**

There were no declarations of interest.

**32. Minutes - 28 January 2014**

**RESOLVED** that the minutes of the Governance and Audit Committee meeting held on 28 January 2014 be approved as a correct record and signed by the Chairman.

**33. Urgent Items of Business**

There were no urgent items of business.

**34. External Audit Plan 2013/14**

Helen Thompson, Ernst and Young and Catherine Morganti, Ernst and Young attended the meeting to present the External Audit Plan for 2013/14.

In accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Standing Guidance, auditing standards and other professional requirements, the External Audit Plan set out how Ernst and Young intended to fulfil

its responsibilities as the Council's auditor including details of the proposed audit approach and scope for the 2013-14 audit. The report also summarised the key risks which drove the development of an effective audit for the Council and outlined the audit strategy planned to respond to these risks. Arising from the Committee's questions the following points were noted:

- It was clarified that allowances had been made in the Business Rate calculations to allow for loss of income during the regeneration of Bracknell Town Centre
- It was expected that following the disbandment of the Audit Commission the Council would receive a rebate of approximately 13.7% of last year's fees
- External confirmation of accounts, investments and borrowing was sought to ensure that the finances being reported were the correct figures

The Committee noted the External Audit Plan for 2013/14.

### 35. **Internal Audit Plan 2014/15**

The Committee received a report setting out the underlying principles applied in the Internal Audit planning process and seeking approval of the Internal Audit Plan for 2014/15.

Arising from the Committee's questions and comments the following points were noted:

- Two large crosscutting audits had been carried out in the Children, Young People and Learning Department in 2013/14; consequently the number of days allocated to audit activity in the Department in 2014/15 was significantly lower than in 2013/14
- The Council used three providers to carry out audit activity. A situation which ensured there was sufficient flexibility to achieve the timetable set and respond to any changes in the timetable
- The 20 days allocated for contingencies covered all departments
- The Council's Leisure facilities were generally audited every other year
- Audits of leisure facilities tested the completeness of income and underlying booking systems were looked at during these audits
- 15 days had been allocated to an audit of Section 106 and the Community Infrastructure Levy because it was a time consuming audit covering two departments
- An audit of the Looked After Children service had been completed during 2013/14
- The 12 days allocated to an audit of the E+ card and system would be a combined audit of both the IT and information security systems. Additionally the E+ card was now used for a wide range of matters including direct payments. If the allocation was found to be excessive once the audit was underway then the timescales would be revised

**RESOLVED** that the Internal Audit Plan for 2014/15 be approved.

### 36. **Risk Management Strategy**

The Committee received a report presenting the updated Risk Management Strategy for approval.

The Strategy had been originally approved by the Committee on 25 September 2012 and had been updated to reflect current best practice and the Council's priorities for embedding risk management. The updated Strategy placed greater emphasis on risk appetite and risk tolerance and included the need to identify the Council's risk appetite and tolerance levels as a new priority. The implementation of an effective risk management strategy would help ensure that Council resources were directed towards the provision of front line services rather than held in reserve to deal with the potential consequences of unmitigated risks.

It was noted that the risk management of communications was considered as part of the Council's risk registers and that it was considered good practice for Governance and Audit Committees to have the opportunity to examine risk registers on a regular basis. It was agreed that these would be brought to the Committee's July meeting.

**RESOLVED** that the Risk Management Strategy for 2014/15 be approved.

**37. Members Telephone Usage**

The Committee received a report providing an update on the progress being made to implement the recommendations made following an independent review into the use of the Leader's mobile phone.

Five of the six recommendations made by the review all had been fully implemented. The sixth, Recommendation 2, had to date only been partially implemented; the Telephony Standards had been reviewed and circulated to members. Once signed declarations had been received from those members with mobile phones to confirm their receipt and understanding of the Standards this recommendation would be complete.

Analysis of mobile phone usage across the Council had found that mobile phones were being predominantly used to receive calls with relatively few calls being made using Council mobile phones. Under the current Vodaphone contract it was possible to provide phones at an annual cost of £12 each and due to the low level of calls being made from mobile phones it was not considered cost effective to vary this contract for those individuals who made frequent calls. Those Members and staff for whom it was considered a necessity to be able to access emails at all times were provided with a Blackberry.

Guidance for the making of personal phone calls from Council mobile phones was being reviewed and this would be issued to members and officers.

**RESOLVED** that the Committee endorse the progress being made to implement the recommendations arising from the Independent Review of Telephone Usage by the Leader as set out in the Director of Corporate Services' report.

**38. Review of Financial Regulations**

The Committee received a report seeking approval of amendments to the Council's Financial Regulations.

The Financial Regulations formed an important component of the Council's Constitution and set out the way in which the Council would conduct its financial affairs. The amendments had been proposed following a routine review process to ensure that they remained fit for purpose and took into account the recommendations arising from a review of delegated authorities carried out by a working group of the Overview and Scrutiny Commission.

**RESOLVED** that the revised Financial Regulations attached as Appendix A of the Borough Treasurer's and Borough Solicitor's report be approved.

39. **Amendments to the Council's Constitution**

The Committee received a report proposing four amendments to the Council's constitution in relation to:

- An amendment to the Standing Orders for Council required in consequence of recent regulations stipulating that there must be a recorded vote on budget motions at full Council
- Removal of the limitations in the Constitution as to who may discharge specified Executive functions to reflect current legislation relating to Executive Arrangements
- An amendment to the Overview and Scrutiny Procedure Rules to extend the period within which the Commission must meet where an Executive decision has been called in
- An amendment to the Committee Procedure Rules as to the time and place of meetings to reflect the analogous provision in the Council Procedure Rules

It was noted an Executive Member could only make a decision on another Executive Member's portfolio following receipt of an express delegation from the Leader. The proposed changes did not circumvent the Executive Decision Making Process which followed a set procedure.

It was noted that the Council no longer had Executive Support Members and it was agreed that the proposed clause 5.5vi in Annex A be deleted from the recommendation.

**RESOLVED** that, subject to the deletion of clause 5.5vi in Annex A, the Committee recommend to Council that the Council's Constitution be amended as proposed in Section 5 of the Director of Corporate Services' report.

**CHAIRMAN**