

GOVERNANCE & AUDIT COMMITTEE
23 SEPTEMBER 2015
7.30 - 8.35 PM



Bracknell Forest Borough Council:

Councillors Allen (Chairman), King OBE (Vice-Chairman), Heydon, McLean, Ms Miller, Thompson and Worrall

Apologies for absence were received from:

Councillors Mrs Temperton
Gordon Anderson JP

12. Declarations of Interest

There were no declarations of interest.

13. Minutes - 24 June 2015

RESOLVED that the minutes of the meeting of the Committee held on 24 June 2015 be approved as a correct record and signed by the Chairman.

14. Urgent Items of Business

There were no items of urgent business.

15. External Audit: Audit Results

Helen Thompson of Ernst & Young introduced the Audit Results Report for the year ended 31 March 2015, which summarised the work carried out to discharge the statutory external audit responsibilities.

The 2014/15 audit was substantially complete and the Auditors expected to issue an unqualified opinion on the financial statements. No uncorrected misstatements had been identified and the audit results overall demonstrated that the Council had prepared its financial statements to a high standard.

Two significant audit risks had been identified during the planning phase of the audit: a risk of management override and a risk associated with the valuation of property, plant and equipment. Within the audit procedures, the controls relevant to each risk had been assessed and then tested, which had led to assurance being gained.

The Committee expressed its satisfaction with the report.

RESOLVED that:

- 1 The Audit Results Report 2014/15 be noted.
- 2 The Officer team be thanked and congratulated for their efficient and accurate preparation of the financial statements.

- 3 Helen Thompson (who had indicated that she would later be moving after four years of dealing with the Authority, in accordance with Ernst & Young rotation policy) be thanked for her work at Bracknell Forest.

16. **Financial Statements 2014/15**

The Committee considered a report of the Borough Treasurer presenting the draft 2014/15 Financial Statements, subjected to audit by the External Auditors, Ernst & Young. The report summarised the key elements within the accounts and the findings of the audit.

The Committee noted that this was the seventeenth consecutive year that the Council had spent within its budget. The actual outturn for the General Fund showed an underspend against budget £3.771m. This had resulted in a sum of £1.147m being returned to the General Fund rather than a withdrawal from it to support the 2014/15 budget. The report set out the most significant variances from the budget, the majority of which had been one-off items.

The General Fund balance as at 31 March 2015 amounted to £10.961m. Earmarked Reserves, set aside for specific purposes such as future spending plans or to mitigate risk, had been increased to £30.289m.

Members asked questions and received clarification on a number of points of detail in the Financial Statements.

RESOLVED that:

- 1 The Financial Statements 2014/15, attached as Annexe A to the Borough Treasurer's report, be approved.
- 2 The Chairman of the Committee be authorised to sign and date the Statement of Accounts on behalf of the Committee.
- 3 The Chairman of the Committee be authorised to sign and date the Letter of Representation, as set out in Annexe B to the Borough Treasurer's report.

17. **Employees Code of Conduct Amendment**

The Committee considered a report of the Director of Corporate Services seeking the endorsement of an amendment to the Employees Code of Conduct to introduce a requirement for all Council employees to declare the existence of criminal charges, cautions and convictions to their line manager. It was proposed to report similarly to the Employment Committee, with a final decision to be taken by the Council on 25 November 2015.

The proposed change followed a decision by Corporate Management Team to review and amend the practice of carrying out three yearly Disclosure and Barring Service (DBS) rechecks to posts where there is no statutory duty to do so. The imposition of a requirement on employees to disclose new convictions was expected to mitigate any risks which might arise.

The report set out the suggested wording to be included to Employee's Code relating to the proposed new imposition on employees to report. This included a reference to the use of disciplinary proceedings should the report of a charge, conviction or

caution be considered to affect the suitability of the employee for their position, bring the Council into disrepute or undermine the Council's trust in the employee.

Arising from discussion, the Committee identified a number of issues which did not appear to have been taken into account in formulating the proposal:

- The three yearly DBS rechecks had been carried out on only a minority of the Council's staff, yet the addition to the Code of Conduct introducing a duty to report would be imposed on all employees.
- Was this a proportionate response given that during the time the Council had performed regular rechecks, there was no record of there having been any employee whose employment had been terminated due to new offences being detected through this process.
- The suggested wording referred only to charges by the police; it did not take account of charges brought by other agencies.
- If a duty to report was imposed, was the employee's line manager considered a sufficiently senior officer of the Council to whom such report should be made.

RESOLVED that the matter be deferred for further consideration by the Officers, taking into account the issues referred to above, and reported back to this Committee and the Employment Committee in the next cycle of meetings.

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

The Committee considered a report of the Director of Corporate Services seeking approval to amend the Council's Constitution to remove reference to a Sustainable Community Plan from the Policy Framework (for recommendation to the Council).

A recent change in legislation had removed the duty for local authorities to prepare a Sustainable Community Strategy. The Sustainable Community Strategy was intended to set the overall strategic direction for the Council, forming the overarching strategy for the Council's Performance Framework. In the new Performance Framework which the Council was working to introduce in April 2016, the Council Plan would be the highest overarching Council Strategy and there would no longer be a place for a Sustainable Community Plan.

RECOMMENDED that the Monitoring Officer be authorised to remove reference to the Sustainable Community Plan from the Policy Framework set out in Part 2: Section 3 of the Constitution, and to make any consequential changes to the Constitution that might be required.

19. **Exclusion of Public and Press**

That pursuant to Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 10 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) Information relating to the financial or business affairs of any particular person.

20. **Strategic Risk Management Update**

The Committee considered a report presenting the Strategic Risk Register for review (the Register was attached to the report at Appendix 1).

In accordance with the Risk Management Strategy, the Strategic Risk Register had been reviewed quarterly by the Strategic Risk Management Group and every six months by the Corporate Management Team. An update of changes to the assessment of risk and any mitigating actions was shown.

The Committee noted the Strategic Risk Register set out in Appendix 1 to the report.

CHAIRMAN