

NOTICE OF MEETING

Governance & Audit Committee

Wednesday 28 June 2017, 7.30 pm

Council Chamber, Fourth Floor, Easthampstead House, Bracknell

To: The Governance & Audit Committee

Councillor Allen (Chairman), Councillor Thompson (Vice-Chairman), Councillors Heydon, Leake, McLean, Ms Miller, Mrs Temperton and Worrall

cc: Substitute Members of the Committee

Councillors Mrs Hayes MBE, Hill, McCracken, Mrs McKenzie-Boyle and Peacey

Independent Member

David St John Jones

ALISON SANDERS

Director of Corporate Services

EMERGENCY EVACUATION INSTRUCTIONS

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- 3 Use the stairs not the lifts.
- 4 Do not re-enter the building until told to do so.

If you require further information, please contact: Hannah Stevenson

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Published: 20 June 2017



Governance & Audit Committee
Wednesday 28 June 2017, 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 asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.

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.

Any Member with an affected Interest in a matter must disclose the interest to the meeting and must not participate in discussion of the matter or vote on the matter unless granted a dispensation by the Monitoring officer or by the Governance and Audit Committee. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting.

3. Minutes - 29 March 2017 and 24 May 2017

To approve as a correct record the minutes of the meetings of the Committee held on 29 March 2017 and Annual Council Meeting held on the 24 May 2017.

5 - 12

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. External Audit Update

To receive an update from the External Auditors on work undertaken to date and to note the Audit fee 2017/18.

13 - 30

6. Internal Audit Annual Assurance

To receive a report noting the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2016/17.

31 - 54

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|-----|--|-----------|
| 7. | Fraud Prevention and Anti Bribery Policies To approve the Council's Fraud Prevention and Anti Bribery Policies. | 55 - 74 |
| 8. | Risk Management Strategy To review and agree the updated Risk Management Strategy. | 75 - 98 |
| 9. | Strategic Risk Register To receive the update of the Strategic Risk Register. | 99 - 124 |
| 10. | Annual Governance Statement To receive the Annual Governance Statement for 2016/17 and note the progress against the Action Plan agreed in June 2016 | 125 - 144 |

Date of Next Meeting

The next scheduled meeting of the Governance and Audit Committee will take place on 26 July 2017 at 7.30pm.

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GOVERNANCE & AUDIT COMMITTEE
29 MARCH 2017
7.30 - 8.47 PM



Bracknell Forest Borough Council:

Councillors Allen (Chairman), Thompson (Vice-Chairman), Heydon, Leake, McLean, Ms Miller, Mrs Temperton and Worrall

Apologies for absence were received from:

David St John Jones

32. Declarations of Interest

There were no declarations of interest.

33. Minutes - 25 January 2017

RESOLVED that the minutes of the meeting of the Committee held on the 25 January 2017 be approved as a correct record and signed by the Chairman.

34. Urgent Items of Business

There were no urgent items of business.

35. External Audit Plan 2016/17

Helen Thompson from Ernst and Young, presented the External Audit Plan for 2016/17.

The Plan set out the proposed audit approach and scope for the 2016/17 audit and covered the work planned to provide the Council with:

- An audit opinion on the financial statements of Bracknell Forest Council; and
- A statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

The Audit Plan also outlined the principle financial statement risks facing the Council:

- The risk of management override.
- Group Accounting Considerations.
- Private Finance Initiative (PFI) – Accounting Model Review.

In regards to securing economy, efficiency and effectiveness, a significant risk had been identified around the significant financial challenge that the Council faced due to the reduction in funding from central government and the Council's ability to deliver the savings required to meet the budget gap in 2016/17 and the years beyond. The Auditors' assessment would include focusing on reviewing details of the Council's savings plans for 2017/18, the medium term financial strategy and long term arrangements.

The Audit Plan set out the timetable for carrying out all audit work and reporting. As well as including the indicative fee scale for the 2016/17 audit.

As a result of the Member's questions and comments the following points were made:

- The Group accounting consideration was a measure of judgement. If as projected the Local Housing Company scheme was to double the Auditors would expect there to be group accounts in the next Financial Year.
- Members requested that work reviewing Downshire Homes be included in the work schedule asap.
- The Auditors aimed to produce the External Audit Plan 2017/18 much earlier next year and be able to bring it to an earlier committee. The 2016/17 External Audit was aimed to be completed by July 2017.
- The estimated fee of £25,125 for the certification of the housing benefit subsidy claim was in addition to the indicative fee scale for the audit of Bracknell Forest Council. Auditors were currently trialing a different approach with the Housing Benefit team taking on more of the auditing work themselves, which would lead to a fee reduction.

RESOLVED that the Committee **NOTE** the Audit Plan for the 2016/17 financial year.

36. **Internal Audit Plan 2017/18**

The Committee considered a report setting out the underlying principles applied in the Internal Audit planning process and sought approval of the Internal Audit Plan for 2017/18. The report also clarified the responsibilities for risk management.

The Audit Plan had been developed in consultation with the Directors, Chief Officers, Group Accountants and IT Officers.

The key change for 2017/18 audits would be the approach to school audits, the current approach of auditing schools on a rota every three years could not be achieved going forward given the pressures on resources. Instead schools who were currently on the rota to be audited in the next financial year would be risk assessed to determine whether the audit was necessary. The risk assessment would look at the schools statement of financial values, a self assessment completed by the school and the most recent OFSTED report. The Director of CYPL had requested that any schools on the rota who had poor OFSTED ratings would need to be audited. There was a number of schools who had achieved limited assurance in 2016/17 audits had been included in the 2017/18 plan and would be followed up.

The Audit Plan contained a breakdown of the audits both Council wide and in each Directorate, amounting to 555 days in total.

As a result of the Member's questions and comments the following points were made:

- Academies were excluded from being audited.
- Schools were only required to undertake audits themselves for private funds.
- It was estimated that half the schools on the rota for 2017/18 would need to be audited following the risk assessment. If there was more then the plan and audit priorities would need to be revaluated.
- Less time would be spend in individually auditing schools but more themed audits had been requested by senior management going forward. This would include personal education plans and pupil premium.

- Concerns were raised about reducing the number of schools being audited as this was the biggest area of audit concern within the Council.
- Many Local Authorities didn't audit individual schools, as this approach was not wanted. The new approach would be monitored over the next year and if there were any issues then the approach would be reviewed.
- Even though Ranelagh was an academy, they would be included in a cross cutting audit on their SEN Unit. Assurance needed to be sought that finances had been used appropriately within these units.
- The Governing Body had the overall responsibility to monitor and challenge the process of the school. It was suggested that early input and support be given to the Governing Bodies.
- There was no mechanism where schools could be required to present audited accounts. This was currently only a requirement for academies.
- It was suggested that auditing of schools could be offered as a chargeable service.
- Not all schools personal education plan and pupil premiums would be audited, these would be a sample of schools which would be agreed with the Education Authority.
- Coral Reef and Binfield Learning Village were currently being audited under the 2016/17 audit plan.
- Even though the SEN unit would no longer be part of Great Hollands, the audit would look at how finances were used at the unit historically.

At the last Governance and Audit Committee in January 2017, it was requested that further information clarifying the risk responsibilities in the council be provided to the Committee. These responsibilities were set out in the Accounts and Audit Regulations 2015. The role of the Governance and Audit Committee was set out in the committees terms of reference and were consistent with the CIPFA guidance.

The report also expanded on the purpose and role of the risk register and set out the process of reviewing and monitoring .

As a result of the Member's questions and comments the following points were made:

- The Risk Register attached at appendix 2 of the report mapped the proposed audits to address strategic risks on the register.
- The Strategic Risk register had been agreed by the Committee in January 2017.
- The five red risk ratings on the register at appendix 2 related only to the Strategic Risk register. There would be other red risks within individual project and directorate risk registers.
- The Strategic Risk Management Group was an officer group and was chaired by Stuart McKellar, this met quarterly. CMT reviewed the Strategic Risk register on a six monthly basis and the weekly CMT agenda linked to the risk register.
- The Strategic Risk register was only one element of the risk management framework. Every council report included a comment on risk and QSRs also included risk management.
- There were factors out of the councils control in the risk surrounding the safeguarding of vulnerable adults and children. This was a reputational risk and the red indicator was a combination of impact and likelihood for the Council, as the Council held ultimate responsibility for safeguarding.

RESOLVED that the Committee:

1 **APPROVE** the Internal Audit Plan for 2017/18 attached at Appendix 1.

2 **NOTE** for information on risk management responsibilities.

37. **Review of Constitution**

The Committee considered a report which recommended changes to the Constitution for approval by Council.

The report proposed changes to Chief Officer: Property delegations which had previously been agreed by Governance and Audit Committee in June 2016. The existing delegations were no longer considered operationally fit for purpose as land and rent values had significantly increased since the existing levels had been set in the Council's constitution. The proposed delegation levels for property transactions had been included in Appendix A and B of the report. This included increasing the authorisation of acquisition of freehold purchases to £400k from £100k.

The Committee proposed an amendment to the proposed delegation for negotiating and completing consents, rent reviews and lease renewals. Anything up to the statutory entitlement limit would be delegated to the Chief Officer: Property but anything higher would need to be agreed in consultation with the Executive Member and Director; Corporate Services.

As a result of the Member's questions and comments the following points were made:

- The increase in the authorisation of acquisition of freehold purchases to £400k from £100k was more inline with the market conditions.
- Tenants were protected and had a statutory right to reapply for a 15 year lease and the council had to legally comply to this request. As it was a legal obligation the council were unable to object.

Following the changes to the constitution made in response to the Overview and Scrutiny review of planning in 2016, it became apparent that one area of the Chief Officer: Planning, Transport and Countryside delegations needed to be updated. This was in relation to the 3-5 objection procedure. The changes of the delegations to the Chief Officer: Planning, Transport and Countryside was included in Appendix C of the report.

In some instances there were changes that could be made to the constitution that didn't warrant referral to Council if delegation were to be given to the Borough Solicitor to be authorised to make minor amendments such as legislative amendments and alteration in post titles.

The Committee proposed that they monitor the changes that were made over the next twelve months by the Borough Solicitor. The Borough Solicitor would notify the Chairman of Governance and Audit Committee of the proposed changes and it would be at the Chairman's discretion to apply the changes. The Chairman would then forward on any changes to the rest of the Governance & Audit Committee Members.

As a result of the Member's questions and comments the following points were made:

- The Bracknell Forest Council Website showed the most up to date version of the Council's constitution as well as showing previous versions.
- The proposed amendments wouldn't change the context of the constitution.
- The change of job titles to staff members was not necessarily substantive. It was suggested that an email could be sent to Committee Members when these changes were made to monitor how frequent the changes were.
- Minor changes depended on the individuals view to whether they were deemed minor or not. If the change resulted in a decrease or increase in officer function then this was not a minor change.
- Any structural changes would still go through Council.
- The changes would allow new legislative changes be amended in the constitution. For example Designated Public Places provision had been amended under new legislation but still had the same powers under a different title.

RESOLVED that the Committee agreed the following recommendations, with the addition of the proposed amendments for Full Council approval:

1. Adopt the changes to the Delegations of Chief Officer: Property set out in Appendices A and B of the report.
2. Adopt the changes to the Protocol for Members in Dealing with Planning Matters set out in Appendix C of the report.
3. Delegate to the Borough Solicitor the authority to make minor consequential changes to the constitution from time to time to reflect legislative amendments, alteration in post titles and such amendments as may be required to clarify the meaning and/or effect of constitutional provisions.

38. **Annual Standards Report**

The Borough Solicitor presented a report to the Committee advising of the activity within the Councils Standards framework during the last twelve months to 31 March 2017.

During 2016/17 changes had been made to the Standards Framework including:

- Dissolution of the Standards Committee.
- A revised procedure for dealing with Member Code of Conduct Complaints.
- An updated process for granting of dispensations to Members.

In the period between 1 April 2016 and 31 March 2017 the Monitoring Officer had received seven complaints which alleged breaches of the Code of Conduct for Members. The grounds of each complaint had been summarised within the report.

The number of complaints received represented a significant increase compared to previous years with no particular trend or reason identified. A number of the complaints had been dismissed as Members had not been acting in official capacity when the alleged breach of the Code of Conduct had occurred.

Since the report had been written, two further Code of Conduct Member complaints had been made about Parish Councillors.

As a result of the Member's questions and comments the following points were made:

- The number of complaints for 2016/17 would be included in the table within the report.
- The third bullet point in paragraph three on page 36 should read "...of Disclosable Pecuniary Interests and Affected Interests."

RESOLVED that the Committee **NOTE** the Standards output in 2016/17 as set out in this report.

CHAIRMAN

**GOVERNANCE & AUDIT COMMITTEE
24 MAY 2017
8.52 - 8.53 PM**



Present:

Councillors Allen (Chairman), Heydon, Leake, McLean, Ms Miller, Mrs Temperton and Worrall

Apologies for Absence were received from:

Councillors Thompson

1. Election of Chairman

RESOLVED that Councillor Allen be appointed Chairman of the Governance and Audit Committee for the Municipal Year 2017 – 2018.

COUNCILLOR ALLEN IN THE CHAIR

2. Appointment of Vice-Chairman

RESOLVED that Councillor Thompson be appointed Vice-Chairman of the Governance and Audit Committee for the Municipal Year 2017 – 2018.

3. Appointment of Code of Conduct Panel - Sub Committee of Governance and Audit Committee

RESOLVED that the following be appointed:

Code of Conduct Panel

Any three councillors drawn from the membership of the Governance & Audit Committee based on availability, plus one co-opted independent member or parish/town council representative drawn from a pool based on availability.

Independent Co-opted Members

(for complaints concerning Borough councillors)

David St John Jones in his capacity as the independent Co-opted Member of Governance & Audit Committee,

Heather Quillish

Khan Juna

Parish/Town Council Representatives

(for complaints concerning Parish / Town Councillors)

Cllr Diana Henfrey – Bracknell Town Council

Cllr Bob Shurville – Winkfield Parish Council

Independent Persons

Dr Louis Lee

Mr Elwyn Hopkin (reserve)

CHAIRMAN

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TO: GOVERNANCE AND AUDIT COMMITTEE
28TH JUNE 2017

EXTERNAL AUDIT UPDATES BOROUGH TREASURER

1 PURPOSE OF REPORT

- 1.1 To enable the Council's External Auditor to present to the Committee the Audit Fee for the 2017/18 audit and a progress report on work undertaken since the last Committee meeting in March.

2 RECOMMENDATION

- 2.1 **The Committee receives an update from the External Auditor on work undertaken and notes the Audit fee 2017/18.**

3 REASONS FOR RECOMMENDATION(S)

- 3.1 To ensure that the Committee is aware of External Audit's work and next year's fee level.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None available.

5 SUPPORTING INFORMATION

- 5.1 The Council's External Auditor Ernst and Young has provided for the Committee a report setting out its recent work and a formal fee letter which was sent to the Chief Executive in April. Helen Thompson, Director, Ernst and Young will attend the meeting to present the report and answer questions.

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 arising from this report.

Other Officers

- 6.5 Not applicable

7 CONSULTATION

Principal Groups Consulted

7.1 Not applicable

Background Papers

None

Contact for further information

Stuart McKellar, Borough Treasurer - 01344 352180

Stuart.mckellar@bracknell-forest.gov.uk

Bracknell Forest Council

Governance and Audit Committee Progress Report

June 2017



Building a better
working world

Governance and Audit Committee
Bracknell Forest Borough Council
Easthampstead House
Town Square
Bracknell
Berkshire
RG12 1AQ

16 June 2017

Audit Progress Report

We are pleased to attach our Audit Progress Report.

This progress report summarises the work we have undertaken since the last meeting of the Governance and Audit Committee in March 2017. The purpose of this report is to provide the Committee with an update of our plans for the 2016/17 audit, and to ensure they are aligned with your service expectations.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully



Helen Thompson
Executive Director
For and on behalf of Ernst & Young LLP
Enc.

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued “Statement of responsibilities of auditors and audited bodies 2015-16”. It is available from the Chief Executive of each audited body and via the [PSAA website \(www.psaa.co.uk\)](http://www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Plan is prepared in the context of the Statement of responsibilities. It is addressed to the Governance and Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

2016/17 audit

Financial statements audit

We issued our 2016/17 Audit Plan in March 2017 where we outlined how we intend to carry out our responsibilities as auditor, including our proposed audit approach. Our Plan was presented to the 19 March meeting of the Governance and Audit Committee.

Interim visit

We carried out our interim visit in March 2017, to undertake outstanding documentation and walkthroughs of material systems, and carry out early substantive testing. Our review of Internal Audit reports was completed during our interim visit and we have not identified any additional risks from this work that we need to make the Committee aware of, nor are there any issues arising from our work that we need to report to you at this stage.

Our IT audit team also carried out their work on the Council's key IT systems supporting the financial statements (Agresso and Northgate) in March 2017. This work is performed to support our overall audit of the Council's accounts and the information which underpins them.

Post Statements audit

Anticipating the move to faster closing, whereby the Council will have to publish its audited statement of accounts by 31 July 2018 for the 2017/18 financial year, we will be starting our post statements work on the 2016/17 statement of accounts on Monday 26th June, with the intention of signing the opinion at the specially brought forward Governance and Audit Committee on 26th July 2017. Meeting this deadline will provide confidence that the mandatory deadline in 2018 is achievable.

We will continue to use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular payroll and journal entries.

We will also review and report to the National Audit Office, to the extent and in the form required by them, on your whole of government accounts return.

Our audit results report, setting out the findings of our work and overall conclusions, will be presented to the Governance and Audit Committee at its July meeting.

We have set out an outline timetable for the audit in Appendix 1.

Value for money assessment

We have identified one significant risk to our value for money conclusion, as reported in our Audit Plan.

We expect to complete our detailed work during our post statements audit visit.

2016/17 Grant Certification Work

The Council is carrying out the initial testing of cases for the 2016/17 housing benefit subsidy claim in March and April 2017, with completion of this work expected by August 2017. This is significantly earlier than in previous years, and well ahead of the certification deadline of 30 November 2017. This will allow us to identify any areas requiring further testing earlier than has been the case in previous years and to conclude our work earlier, provided that no unforeseen issues are identified. The remaining aspects of our certification work will be carried out in September 2017.

We will present our grant claims certification report to the first meeting in 2018 of the Governance and Audit Committee (dates yet to be finalised).

Looking ahead

Local appointment of auditors for financial statements audits

As previously reported to the Committee, the Council has joined the PSAA Ltd sector-led process to carry out the procurement and appointment of external auditors on behalf of local government bodies for 2018/19 onwards.

Firms meeting the qualification criteria for the procurement process submitted tenders for the local government audit contract in May 2017. The contract is divided into six lots, with each firm eligible to win a maximum of one lot. The precise make-up of each lot will be determined in the period following the outcome of the tendering process and will be based principally on ensuring auditor independence, trying to achieve continuity of appointed auditor where possible, and appointing a common auditor for bodies with a close association between them.

Tenders are evaluated based on an assessment of audit quality and price, with a 50/50 weighting between these criteria.

The outcome of the tender is expected to be confirmed in mid-June 2017.

Existing external audit arrangements for the financial statements remain unchanged for the 2016/17 and 2017/18 financial years.

Local appointment of auditors for grant claim certification

As noted above, from 2018/19, the Council will be responsible for appointing their own auditor, including making their own arrangements for the certification of the housing benefit subsidy claim in accordance with the requirements that will be established by the DWP. This process will be outside the PSAA Ltd sector-led process described above, so the Council will need to make its own individual arrangements to appoint an auditor for this work. The appointment process will need to be completed by the end of February 2018.

Further information can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/585740/s1-2017.pdf

Existing external audit arrangements for housing benefit grant claim certification will remain unchanged for the 2016/17 and 2017/18 financial years.

Appendix 1 – Timetable for the 2016/17 audit

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2016/17 Committee cycle. We will provide formal reports to the Governance and Audit Committee throughout our audit process as outlined below.

| Audit phase | EY Timetable | Deliverable | Governance and Audit Committee | Status |
|--|------------------------------|--|--------------------------------|---|
| High level planning | Ongoing | 2016/17 Audit Fee Letter | June 2016 | Complete |
| Risk assessment and setting of scope of audit | December 2016 – January 2017 | Audit Plan | March 2017 | Complete |
| Testing of routine processes and internal controls | March 2017 | Audit Plan and Progress Report | March 2017 and June 2017 | Complete |
| Year-end audit | June/July 2017 | Audit results report to those charged with governance Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources) Whole of Government Accounts Submission to NAO based on their group audit instructions Audit Completion certificate | September 2017 | Work commenced Monday 26 th June |
| Annual Reporting | October 2017 | Annual Audit Letter | December 2017 | Not yet started |

| Audit phase | EY Timetable | Deliverable | Governance and Audit Committee | Status |
|----------------------|-----------------------------|-----------------------------|----------------------------------|-------------|
| Grant Claims 2016/17 | March - October 2017 | Annual certification report | Early 2018 - Committee dates tbc | In progress |

EY | Assurance | Tax | Transactions | Advisory

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Timothy Wheadon
Chief Executive
Bracknell Forest Council
Easthampstead House
Town Square
Bracknell
RG12 1AQ

11 April 2017

Direct line: 023 8038 2099

Email: hthompson2@uk.ey.com

Dear Tim,

Annual Audit and Certification Fees 2017/18

We are writing to confirm the audit and certification work that we propose to undertake for the 2017/18 financial year at Bracknell Forest Council.

From 1 April 2015, the duty to make arrangements for the audit of the accounts and the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. In October 2015, the Secretary of State confirmed that the transitional arrangements would be extended for one year for audits of principal local government bodies only, to cover the audit of the accounts for 2017/18. The audit contracts previously let by the Audit Commission and novated to PSAA have therefore also been extended for one year to give effect to this decision.

From 2018/19, new arrangements for local auditor appointment set out in the Local Audit and Accountability Act 2014 will apply for principal local government and police bodies. These audited bodies will be responsible for making their own arrangements for the audit of the accounts and certification of the housing benefit subsidy claim. The PSAA will play a new and different role in these arrangements.

Indicative audit fee

For the 2017/18 financial year PSAA has set the scale fee for each audited body, following consultation on its Work Programme and Scale of Fees. There are no planned changes to the overall work programme for 2017-18. It is therefore proposed by the PSAA that scale fees are set at the same level as the scale fees applicable for 2016-17. These fees reflect the significant reductions made to scale fees since 2012/13.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- Audit of the financial statements;

- Value for money conclusion; and
- Whole of Government accounts.

For Bracknell Forest Council our indicative fee is set at the scale fee level. This indicative fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- Officers meeting the agreed timetable of deliverables;
- The operating effectiveness of the internal controls for the key processes identified within our audit strategy;
- We can rely on the work of internal audit as planned;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Council;
- There is an effective control environment; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

As we have not yet completed our audit for 2016/17, our audit planning process for 2017/18 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Certification fee

The PSAA sets an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee for 2017/18 will be based on actual 2015/16 benefit certification fees. As the actual 2015/16 benefit certification fee has not been finalised by PSAA at the time of writing they have not yet set the 2017/18 certification fees.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with complete and materially accurate housing benefit subsidy claim with supporting working papers, within agreed timeframes.

The indicative certification fee for 2017/18 relates to work on the housing benefit subsidy claim for the year ended 31 March 2018. We will set the certification fee at the indicative fee level. We will update our risk assessment after we complete 2016/17 benefit certification work, and to reflect any further changes in the certification arrangements.

Summary of fees

| | Indicative fee 2017/18 £ | Planned fee 2016/17 £ | Actual fee 2015/16 £ |
|--|--------------------------------|-----------------------------|----------------------------|
| Total Code audit fee | 104,726 | 104,726 | 104,726 |
| Certification of housing benefit subsidy claim | tbc | 25,125 | 25,075 |
| Non-audit services (VAT services) | 0 | 6,000* | 2,500 |

*this is the maximum approved value and is subject to final confirmation.

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative code audit fee will be billed in four quarterly instalments of £26,181.5. Additionally, we will bill 25% of the indicative certification fee each quarter when it has been determined.

Audit plan

Our plan is expected to be/will be issued in January 2018. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Borough Treasurer and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Governance and Audit Committee.

Audit team

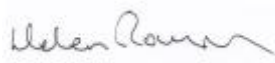
The key members of the audit team for the 2017/18 financial year are:

| | | |
|--------------------------------------|----------------------|--------------------|
| Helen Thompson Executive Director | hthompson2@uk.ey.com | Tel: 023 8038 2099 |
|--------------------------------------|----------------------|--------------------|

| | | |
|---------------------------|-------------------|--------------------|
| Malcolm Haines Manager | mhaines@uk.ey.com | Tel: 01189 28 1628 |
|---------------------------|-------------------|--------------------|

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Helen Thompson
Executive Director
For and on behalf of Ernst & Young LLP

cc. Stuart McKellar, Borough Treasurer
Cllr Nick Allen, Chairman of the Governance and Audit Committee

TO: GOVERNANCE AND AUDIT COMMITTEE
DATE: 28th JUNE 2017

INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2016/17

(Head of Audit and Risk Management)

1. PURPOSE OF REPORT

- 1.1 Under the Public Sector Internal Audit Standards, the Head of Audit is required to deliver an annual internal audit opinion. This is timed to inform review of 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 2016/17.**

3. REASONS FOR RECOMMENDATION

- 3.1 To support assurances set out in the Annual Governance Statement and ensure compliance with the Public Sector Internal Audit Standards.

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 Public Sector Internal Audit Standards.

5. SUPPORTING INFORMATION

- 5.1 The Council is required under the Accounts and Audit (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".
- 5.2 The Public Sector Internal Audit Standards applicable to local government require 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, a summary of the work that supports the opinion and a statement on conformance with the Public Sector Internal Audit Standards (PSIAS).
- 5.3 The attached report sets out the Head of Internal Audit's Opinion for 2016/17 summarising the results and conclusions of Internal Audit's work for 2016/17 and

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a statement on compliance with PSIAS. No system of control can provide absolute assurance 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

6.2 Borough Solicitor

The report supports the findings of the Annual Governance Statement which is included elsewhere in the agenda pack.

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

Sally Hendrick – 01344 352092
Sally.hendrick@bracknell-forest.gov.uk

Doc. Ref
HOIAO 15/16

ANNUAL REPORT OF THE HEAD OF AUDIT AND RISK MANAGEMENT:

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 Public Sector Internal Audit Standards require 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

- Includes an opinion on the overall adequacy and effectiveness of the organisation’s control environment;
- Discloses any qualifications to that opinion together with the reasons for that qualification;
- Presents a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- Draws attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- Compares 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
- Comments on compliance with Public Sector Internal Audit Standards and communicates 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 2016/17

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

- The Head of Audit and Risk Management is able to provide reasonable assurance that the Authority has sound systems of internal control in place in accordance with proper practices except for those areas of significant weakness as set out in Section 5.3;
- Key systems of control are operating satisfactorily except for the areas referred to in Section 5.3; and
- There are adequate arrangements in place for risk management and corporate governance.

4. CONFORMANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

Based on the independent external assessment undertaken in March 2016 and update of the internal assessment as set out in Section 6.1, the Head of Audit and Risk Management can confirm that Bracknell Forest internal audit conforms with PSIAS requirements. The Head of Audit and Risk Management can confirm organisational independence of internal audit activity and absence of impairment to objectivity or independence during 2016/17.

5. INTERNAL CONTROL

5.1 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 2016/17 was considered and approved by the Governance and Audit Committee on 30th March 2016. The delivery of the individual audits in the Internal Audit Plan for 2016/17 was mainly undertaken by Mazars Public Sector Internal Audit Limited. Six IT audit reviews and information security training for schools were delivered by TIAA. All grant claims and three reviews were audited in house and 17 audits were undertaken by Reading or Wokingham/Royal Borough of Windsor and Maidenhead 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.

Some alterations were made to the original plan during the year in response to information gained during the year. These are clearly shown in Appendix 1. At the time of writing this report, 4 reports were issued draft awaiting management responses, 2 reports were issued for discussion and one audit was still in progress. All other audits had been finalised or certified in the case of grant claims. The outcome for each audit is summarised at Appendix 1.

5.2 Summary of the Results of 2016/17 Audits

| ASSURANCE | FINAL AND DRAFT 2016/17 | FINAL AND DRAFT 2015/16 |
|--|--------------------------------|--------------------------------|
| Significant | 1 | 3 |
| Satisfactory | 42 | 52 |
| Limited | 22 | 15 |
| Total for Audits Including an Opinion | 65 | 70 |
| Grant Claim Certifications | 4 | 12 |
| Memos and reports with no opinion | 14 | 10 |
| Total | 83 | 92 |

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. |

5.3 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 2016/17, there were no audits where no assurance was given but 22 issued with a limited assurance opinions and a memo without opinion where significant issues were found. These are set out below;

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| DIRECTORATE | AUDITS WITH LIMITED ASSURANCE CONCLUSION |
|--|--|
| COUNCIL WIDE AUDITS | <u>OFFICERS EXPENSES</u> The audit identified an unexplained weakness in the IT system which allowed one officer to authorise her own expenses. |
| | <u>BUDGET SAVINGS</u> Limited due to targets were not being met in respect of one key area. |
| | <u>DECLARATIONS OF INTEREST</u> Weaknesses in processes for annual declarations to support the financial statements |
| CHILDREN, YOUNG PEOPLE AND LEARNING | <u>SCHOOLS</u> Limited assurance opinions were given on the following schools: The key areas of concern at each school was as follows: <u>Ascot Heath Infant School</u> Weak control over the incurring, receipting and authorisation of expenditure. <u>Uplands Primary School</u> Weak control over the incurring, receipting and authorisation of expenditure. <u>Winkfield St Marys School</u> Weak control over expenses and over the incurring, receipting and authorisation of expenditure. <u>Easthampstead Park Secondary</u> Weak control over authorisation of expenditure, ring fenced monies for bursaries being inappropriately transferred into the main school budget and weaknesses in the financial procedures in respect of authorisation limits and authorisation of expenditure. <u>Great Hollands Primary</u> Bank account not being reconciled to the latest bank statements. <u>College Town Junior</u> Weak control over expenses and over the incurring and authorisation of expenditure |
| | <u>PROCUREMENT IN SCHOOLS</u> The schools audited demonstrated a high level of non compliance with Contract Standing Orders and the Procurement Manual, standard terms and conditions not being applied, weaknesses in the management of consultants working on procurements for schools, a need to clarify requirements in respect of recruitment and agency procurement and a need to clarify which mandatory parts of the Procurement Manual apply to schools. |

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| DIRECTORATE | AUDITS WITH LIMITED ASSURANCE CONCLUSION |
|--|---|
| CORPORATE SERVICES | <u>HOME TO SCHOOL TRANSPORT (2015/16 AUDIT)</u> Weaknesses were identified in controls over Disclosure and Barring Service (DBS) checks on drivers and escorts. Audit has been advised that action will be taken to tighten procedures and facilitate improved communication on information returned on DBS checks. |
| | <u>CONSTRUCTION AND MAINTENANCE- 2 REPORTS</u> This was re-audited in quarter 1 following the limited assurance opinion in 2015/16. A limited assurance opinion was given again in 2016/17 due to errors in billing by the reactive maintenance contractor which had not been detected by officers and lack of supporting documentation and errors in billing by other contractors. A further follow up audit of this area was carried out in the last quarter of 2016/17 and a limited assurance opinion was given again. |
| | <u>CRM SYSTEM</u> Weaknesses in control over super user and supplier user access rights and also individuals who had left the Council who still had access to the system. |
| | <u>DISASTER RECOVERY</u> The disaster recovery documentation is out of date and no longer relevant. |
| | <u>BACK UPS</u> The current list of servers is out of date and cannot be attributed to current back up jobs... |
| | <u>CREDITORS</u> The Agresso IT system had allowed a payment without invoice to be paid without authorisation. |
| | <u>IT EQUIPMENT</u> Weaknesses in stock control |
| ENVIRONMENT CULTURE AND COMMUNITIES/ CORPORATE SERVICES | <u>HIGHWAYS NETWORK ASSETS</u> This audit was carried out to check the preparedness for changes to the CIPFA Code of Practice on Local Authority Accounting. The audit identified a need to improve understanding of the requirements amongst ECC staff and develop procedures for accurately recording expenditure in line with the new accounting requirements however it should be noted that since the audit CIPFA have withdrawn the proposed accounting changes. |
| ENVIRONMENT CULTURE AND COMMUNITIES | <u>LED</u> Weaknesses found in figures for target and actual costs and in the audit trail on sub-contracting and documentation of operational cost decisions. |

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| DIRECTORATE | AUDITS WITH LIMITED ASSURANCE CONCLUSION |
|--|--|
| ADULT SOCIAL CARE , HEALTH AND HOUSING | <u>MENTAL HEALTH (2015/16 AUDIT)</u> Weaknesses in completion of initial six weekly reviews of care packages and also in the completion of annual reviews. |
| | <u>BRIDGEWELL</u> Weakness in employment contract arrangements with one member of staff. |
| | <u>ADULT SOCIAL CARE DEBT MANAGEMENT</u> Lack of clarity in responsibilities for debt management and weaknesses in processes for identifying cases requiring further debt management action |

5.4 Follow up of 2015/16 Limited Assurance Opinions

The Internal Audit procedure is for areas given a limited assurance opinion to be re-audited in the following year. The table below sets out the latest audit position on areas given a limited assurance opinion in 2015/16.

| DIRECTORATE | AUDITS WITH LIMITED ASSURANCE CONCLUSION | UPDATE AS AT 31/12/16 |
|---------------------------------------|--|--|
| COUNCIL WIDE AUDITS | COUNCIL WIDE PROCUREMENT | Re-audited in quarter 2 and a satisfactory opinion given. |
| ADULT SOCIAL CARE, HEALTH AND HOUSING | MENTAL HEALTH | To be followed up in quarter 1 of 2017/18 |
| CORPORATE SERVICES | PAYROLL AND PRE EMPLOYMENT CHECKS | Re-audited in quarter 3 and a satisfactory opinion given. |
| | BUSINESS RATES | Re-audited in quarter 3 and a satisfactory opinion given. |
| | CREDITORS | To be re-audited in quarter 4. |
| | HOME TO SCHOOL TRANSPORT | To be followed up in quarter 1 of 2017/18 |
| | CONSTRUCTION AND MAINTENANCE | Re-audited in quarter 1 and a limited assurance opinion given again. Subsequently re-audited for the second time in quarter 4 and a limited opinion was given again. |

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| | | |
|--|---|--|
| | | |
| CHILDREN, YOUNG PEOPLE AND LEARNING-SCHOOL AUDITS | ST MICHAEL'S EASTHAMPSTEAD | Re-audited in quarter 4 and a satisfactory opinion given. |
| | SANDY LANE PRIMARY) | Re-audited in quarter 4 and a satisfactory opinion given. |
| | SANDY LANE PRIMARY SCHOOL (SCHOOL CENSUS AUDIT) | Re-audited in quarter 4 and a satisfactory opinion given. |
| | JENNETT'S PARK PRIMARY SCHOOL | Re-audited in quarter 3 and a satisfactory opinion given. |
| | SANDHURST SECONDARY SCHOOL | Re-audited in quarter 3 and a satisfactory opinion given. |
| | KENNEL LANE | Re-audited in quarter 3 and a satisfactory opinion given. |
| | THE PINES | Re-audited in quarter 3 and a satisfactory opinion given. |
| | COLLEGE TOWN JUNIORS | Re-audited in quarter 4 and a limited assurance opinion given again. |
| ENVIRONMENT, CULTURE AND COMMUNITIES | EASTHAMPSTEAD CONFERENCE CENTRE | Re-audited in quarter 3 and a satisfactory opinion given. |

5.4 Follow up of Audit Recommendations

During 2015/16 formal arrangements were introduced for follow up of recommendations raised in reports with a satisfactory assurance opinion and hence with no priority one recommendations. Managers are now required to provide an update on progress to implement recommendations. The outcome of follow up work on reports from 2015/16 and 2016/17 is set out in Appendix 2 and indicates that management responded that 71% of recommendations followed up had been implemented or were in progress.

6. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

6.1 Compliance with Public Sector Internal Audit Standards

The Public Sector Internal Audit Standards (PSIAS) came into effect on 1 April 2013. These standards provide a consistent framework for all internal audit services in the public sector across the UK. There is a requirement in the Standards for the Head of

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Audit and Risk Management to report on conformance with the PSIAS in her annual report based on the outcome of internal and external assessment of compliance. PSIAS Standard 1312 states that “*External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation...*”

The external assessment of Bracknell Forest Council’s internal audit services was carried out in March 2016 when the conclusion was that internal audit at Bracknell Forest Council generally conforms with the Public Sector Internal Audit Standards with a high level of compliance. Only 4 minor areas for improvement identified. Three of these have been fully implemented. The fourth area to identify further opportunities to reduce audit coverage and duplication with other assurance providers through assurance mapping is in still progress.

In April 2016, following the external assessment, the Standard were updated to include a mission for internal audit which is stated as “to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight” and add core principles for the professional practice of internal auditing.

An update of the internal assessment of compliance with Public Sector Internal Audit Standards has been carried out which confirms that these additions to the Standards have been complied with.

6.2 Summary of Internal Audit Performance 2015/16

| | Client Questionnaires | | Draft Report Produced within 15 Days of Exit meeting |
|---------|-----------------------|--------------|--|
| | Received | Satisfactory | |
| 2016/17 | 30 | 100% | 77% |
| 2015/16 | 31 | 100% | 80% |

6.3 Feedback from Client Quality Questionnaires

The overall response from client questionnaires for 2016/17 was positive with no responses returned where the auditee did not find the audit satisfactory.

7. EXTERNAL INSPECTIONS

7.1 Consideration of the Outcome of External Inspections

The Head of Audit and Risk Management considers the outcome of the external 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 assessments considered when finalising the Head of Internal Audit Opinion for 2016/17 are as follows:

7.2 External Auditors' Annual Audit Letter 2015/16

The Annual Audit Letter 2015/16 from Ernst and Young was presented to the Governance and Audit Committee on 29th January 2017. Ernst and Young (EY) issued an unqualified audit opinion for the year ended 31 March 2016. They also issued an unqualified opinion on whether the Council had put in place proper arrangements for securing economy, efficiency and effectiveness.

7.4 Care Quality Commission (CQC) Inspections 2016/17

The CQC inspections of the Bridgewell Centre and Waymead short term care in September 2016 and March 2017 both resulted in an overall rating of "Good".

7.5 OFSTED Inspections

The Head of Audit and Risk Management notes that where Schools have been assessed as requiring improvement, follow up inspections carried out indicate effective action is being taken.

7.6 School Financial Value Standard

The schools financial value standard (SFVS) is a mandatory requirement for local authority (LA) maintained schools in managing their finances and to give assurance that they have secure financial management in place. It is primarily a tool for governing bodies. The standard consists of 25 questions which governing bodies or management committees should formally discuss annually with the head teacher and senior staff. Schools are required to complete the checklist, and arrange for this to be signed by the Chair of Governors and returned to the Authority by 31st March each year. All maintained schools completed their 2016/17 SFVS on time. Academy schools are exempt.

8. RISK MANAGEMENT

During 2016/17, the Strategic Risk Register was reviewed quarterly by the Strategic Risk Management Group (SRMG) and twice by the Corporate Management Team (in June 2016 and January 2017) as agreed in the Risk Management Strategy. The Register was subject to Member review by the Governance and Audit Committee in June 2016 and January 2017. In response to feedback from the Committee, the format of the Strategic Risk Register was reviewed and improved in quarter 4 to include additional information such as on risk appetite and tracking of risk scores over time. The new format was reviewed and endorsed by SRMG in March 2017.

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Directorate Risk Registers are in place and were generally reviewed and updated quarterly by Departmental Management Teams during 2016/17. These record the significant operational risks for each directorate and inform the update of the Strategic Risk Register. Risk registers are in place for all the major projects at the Council and these are reviewed regularly.

Risk awareness is also being continually raised through the internal audit process, for example during internal audits of project management and by drawing attention to managers' responsibilities for assessing fraud risks and putting controls in place to prevent, deter and detect fraud and focussing on risk management within the contract management process.

9. CORPORATE GOVERNANCE

During 2016/17, the Annual Governance Statement for 2015/16 was produced by Legal Services and an action plan to address governance weaknesses was developed and subsequently reviewed.

A number of audit carried out during 2016/17 included elements of governance such as the audits of Better Care Fund and school audits.

10. FRAUD AND IRREGULARITY

Fraud Awareness Training

- 10.1 During 2016/17 we have commenced a programme of counter fraud training. The first fraud awareness sessions were delivered by a specialist fraud investigator to teams in Adult Social Care, Health and Housing during quarter 2: The sessions were tailored to the specific fraud risk areas for individual teams. In February 2017 training was delivered to senior managers in Environment, Culture and Communities

National Fraud Initiative (NFI)

- 10.2 The NFI is a biennial data matching exercise first introduced in 1996 and conducted by the Audit Commission to assist in the prevention and detection of fraud and error in public bodies. Bracknell Forest Council is obliged to participate in this. The core mandatory data for submission for the 2016 round was:

- payroll
- pensions
- trade creditors
- housing benefits
- Council Tax
- electoral register
- private supported care home residents
- transport passes and permits (including residents' parking, blue badges and concessionary travel)

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- insurance claimants
- licenses – market trader/operator, taxi driver and personal licenses to supply alcohol
- personal budget (direct payments)
- housing waiting list

Data was submitted to the Audit Commission during 2016. Matches were received back in quarter 4 of 2016/17 and investigations are ongoing.

Benefits Investigations

- 10.3 On 1st December 2014, the Council's Benefit Fraud Investigation Officers transferred to the Single Fraud Investigation Service (SFIS) within the Department for Work and Pensions (DWP) as part of the national government programme of centralising the investigation of welfare benefit fraud. The Welfare Service passes cases of overpayments in excess of £2k to SFIS for investigation and cases where fraud is suspected. Members of the public are directed to contact the DWP directly where fraud is suspected and so the Service receives further fraud information requests where fraud has been reported from another source. During the period April 2016 to March 2017 Service there have been 52 referrals to SFIS. We have so far been notified of 3 administrative penalties relating to these cases. During the financial year 2015/16, 76 cases were referred and outcomes are still coming through this financial year. The Welfare Service have so far been notified of 3 prosecutions and 3 administrative penalties.
- 10.4 From 1st April 2014, if a claimant is notified that they have been overpaid Housing Benefit by £250 or more, which must have occurred wholly after 1st October 2012, Bracknell Forest Borough Council has been able to impose a set Civil Penalty of £50. The £50 Civil Penalty applies if benefit is overpaid because the claimant negligently gave incorrect information and didn't take reasonable steps to correct their mistake or failed to tell the Council about a change or failed to give them information without a reasonable excuse. Between April 2016 and March 2017 the service applied 347 Civil Penalties. From April 2016 Bracknell Forest Council can now apply penalties of £70 in respect of Council Tax. Between April 2016 and March 2017 the service applied 84 Council Tax Penalties.
- 10.5 DWP carries out an exercise matching HM Revenue and Customs Real Time Information (RTI) against data held on six social security benefits; (Income Support, Jobseekers Allowance, Housing Benefit, Employment and Support Allowance, Pension Credit and Carers Allowance) to identify cases where claimants have either failed to declare or have under declared earnings and Non State Pension. The project commenced in October 2014 and has resulted in referrals being issued to local authorities where DWP has information that earnings or Non State Pension have not been correctly declared for the purposes of Housing Benefit. From April 2016 to March 2017 Bracknell Forest Council received 981 referrals of which approximately 42.4% of referrals resulted in a

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reduction to Housing Benefit and approximately 5.7% resulted in an increase to Housing Benefit. Approximately 33.1% resulted and a reduction to Council Tax Reduction and 5.6% resulted in an increase to Council Tax Reduction. The Service also made the decision to opt in to optional RTI referrals for local authorities on a monthly basis starting June 2016. These are delivered with the existing RTI.

- 10.6 The Fraud and Error Reduction Incentive Scheme (FERIS) was launched on 24 November 2014. Local authorities could opt into the scheme and bid for funding. FERIS is an incentive scheme that offers a financial reward to local authorities that find reductions to Housing Benefit entitlement as a result of claimant error or fraud. It is for each local authority to decide how best they can identify additional changes to entitlements resulting from fraud and error. From April 2016 to March 2017 the Council has carried out targeted campaigns to 400 households in which approximately 48.8% has resulted in a reduction and 32.5% has resulted in an increase to Housing Benefit and approximately 47.9% has resulted in a reduction and 31.4% has resulted in an increase to Council Tax Reduction."

Single Person Discount

- 10.7 In order to identify potential mis-claiming of Council Tax Single Person Discount (SPD), the Revenues team procured external consultants to carry out a data matching exercise. The exercise matched credit records to households claiming SPD to highlight cases where there appeared to be more than one occupant at the property. In such cases, letters were sent to the recipient of the SPD to query if they were the sole occupier. The exercise has resulted in SPD being removed from 438 households who were not entitled to the discount which resulted in a reduction of £153k in SPD awards.

Other Potential Irregularities

- 10.8 In September 2015, Adult Social Care informed the Police about potential abuse of a client's monies by a relative. This had initially been highlighted due to the follow up of debts for contributions to care costs. Adult Social Care provided a detailed package of evidence for the Police enabling them to arrest the relative. At the subsequent court case in July 2016 a Compensation Order was awarded to Bracknell Forest Council for £15,715.50.
- 5.9 In June 2016 Audit were advised by Adult Social Care of whistleblowing by an ex employee of a care provider who alleged that call records were being falsified to overstate hours being delivered by the provider. This was investigated by a Counter Fraud Investigator under the S113 agreement who concluded that on the balance of probabilities it would appear that records had been manipulated. The over charge was estimated at approximately £16k for the 6 month period investigated. The supplier has ceased to provide care to Bracknell Forest and steps are now being taken to offset some of the monies owed to the Council against final balances due to the supplier.
- 5.10 Following this the Counter Fraud Investigator was requested to carry out analysis on hours provided by another care provider. Results were provided back to ASCHH who then wrote contacted the provider to raise concerns around hours being charged.

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- 5.11 In February 2017, allegations were made that an officer had misappropriated assets. The subsequent investigation by the relevant department found no evidence of this but a number of weaknesses were identified in the control over these assets.

2015/16 AUDIT REPORTS ISSUED DURING 2016/17

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

2015/16 AUDIT PLAN

| Audit | Start Date | Date Draft Report | Key Indicator Met * | Assurance Level | | | | Recommendations Priority | | | Status |
|---|------------|-------------------|---------------------|-----------------|--------------|---------|------|--------------------------|---|---|--------|
| | | | | Significant | Satisfactory | Limited | None | 1 | 2 | 3 | |
| CORPORATE SERVICES Home to School Transport | 1/2/16 | 26/4/16 | No | | | X | | 1 | 2 | 1 | Final |
| ASCHH Mental Health | 14/3/16 | 20/5/16 | No | | | X | | 2 | 6 | | Final |
| Housing Rents and Deposits | 1/3/16 | 22/7/16 | No | | X | | | | 2 | 3 | Final |

2016/17 AUDIT PLAN

| Audit | Start Date | Date of Draft Report | Key Indicator Met | Assurance Level | | | | Recommendations Priority | | | Status |
|--|------------|----------------------|-------------------|-------------------------|--------------|---------|------|--------------------------|---|---|--------|
| | | | | Significant | Satisfactory | Limited | None | 1 | 2 | 3 | |
| GRANTS Troubled Families (September) | 15/8/16 | 7/7/2016 | N/A | N/A grant certification | | | | | | | Final |
| Bus Subsidy | 23/8/16 | 15/9/16 | N/A | N/A grant certification | | | | | | | Final |

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| Audit | Start Date | Date of Draft Report | Key Indicator Met | Assurance Level | | | | Recommendations Priority | | | Status |
|--|------------|----------------------|-------------------|--|--------------|---------|------|--------------------------|---|---|--------------|
| | | | | Significant | Satisfactory | Limited | None | 1 | 2 | 3 | |
| Integrated Transport Block Allocation | 5/9/16 | 22/9/16 | N/A | N/A grant certification | | | | | | | Final |
| Troubled Families (January) | 17/1/17 | 26/1/17 | N/A | N/A grant certification | | | | | | | Final |
| COUNCIL WIDE AUDITS Council wide procurement - waivers | 8/8/16 | 17/10/16 | Yes | | X | | | | 5 | | Final |
| Officer expenses | 5/5/16 | 2/6/15 | Yes | | | X | | 1 | | 3 | Final |
| Budget savings | 8/9/16 | 11/11/16 | Yes | | | X | | 2 | 3 | | Final |
| Transformation Programme | | | | | | | | | | | Cancelled |
| Business Continuity | 31/5/16 | 7/7/16 | Yes | No opinion given. Seven recommendations raised. | | | | | | | Final |
| Grey Fleet Checks- additional audit | 2/11/16 | 21/11/16 | Yes | Memo issued with no opinion but 2 recommendations raised | | | | | | | Final |
| Pool Cars- additional audit | 14/3/17 | 10/3/17 | Yes | Memo issued with no opinion | | | | | 5 | | Final |
| COUNTER FRAUD Declarations of Interest (Fraudit) | 31/8/17 | 14/2/17 | No | | | X | | 1 | 9 | | Draft issued |
| Procurement (Fraudit) | 15/11/16 | 21/11/16 | No | | X | | | | 3 | 1 | Final |

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|--|----------|----------|-----|-----------------------------|---|---|--|---|----|---|----------------------|
| CORPORATE SERVICES Creditors | 7/2/17 | 2/3/17 | Yes | | | X | | 1 | 3 | 2 | Final |
| Debtors | 3/10/16 | 24/11/16 | No | | X | | | | 6 | 1 | Final |
| Payroll and pre employment checks | 31/10/16 | 14/12/16 | Yes | | X | | | | 4 | 5 | Final |
| Construction and Maintenance | 23/5/16 | 4/8/16 | Yes | | | X | | 2 | 9 | 1 | Final |
| Construction and Maintenance Follow Up- additional audit | 6/3/17 | 13/4/17 | Yes | | | X | | 3 | 2 | | Draft issued |
| Cash Management | 10/10/16 | 21/11/17 | No | | X | | | | 2 | 1 | Final |
| Council Tax | 24/10/16 | 12/12/16 | Yes | | x | | | | 8 | 2 | Final |
| IT equipment | 13/7/16 | 29/3/17 | Yes | Memo issued with no opinion | | | | 3 | 4 | | Final |
| Business Rates | 24/10/16 | 21/12/16 | Yes | | X | | | | 7 | | Final |
| IT AUDIT Disaster recovery | 8/8/16 | 16/11/16 | No | | | X | | 1 | 2 | 2 | Final |
| Back ups | 1/8/16 | 17/10/16 | No | | | X | | 1 | 1 | 2 | Final |
| CRM - | 5/8/16 | 4/11/16 | No | | | X | | 3 | 8 | 2 | Final |
| AGRESSO upgrade | | | | | | | | | | | Deferred to 2017/18t |
| ECC Finance operations | | | | | | | | | | | Cancelled |
| Coral Reef Project | 13/3/17 | 12/5/17 | Yes | | X | | | | 4 | | Draft issued |
| Downshire Golf | 10/1/17 | 31/3/17 | Yes | | X | | | | 11 | | Final |
| Easthampstead Park Conference Centre | 4/10/16 | 9/2/17 | No | | X | | | | 10 | | Final |
| South Hill Park | | | | | | | | | | | Cancelled |
| Parks and | 3/10/16 | 24/11/16 | Yes | | X | | | | 7 | 2 | Final |

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|---|--|----------|-----|-----------------------------|---|---|--|---|---|---|----------------------------|
| Countryside | | | | | | | | | | | |
| Tree Services | | | | | | | | | | | Deferred to 2017/18 |
| Highways Adoptions | 7/9/16 | 24/11/16 | Yes | | X | | | | 9 | 2 | Final |
| New Chapel project | | | | | | | | | | | Cancelled |
| LED works | 20/6/16 | 18/11/16 | Yes | | | X | | 3 | | | Final |
| Highways Network Assets | 25/7/16 | 1/9/16 | Yes | | | X | | 2 | 3 | 2 | Final |
| Waste Collection | 5/8/16 | 20/9/16 | Yes | | X | | | | 2 | 4 | Final |
| IT AUDITS CONFIRM | 16/1/17 | 24/4/17 | Yes | | X | | | | 6 | 4 | Final |
| COUNTER FRAUD IN ECC Leisure Cash Spot Checks | 27/2/17 | 10/4/17 | Yes | N/A- 4 memos issued | | | | | | | Final |
| CYPL Binfield Learning Village | 31/3/17 | 27/4/17 | Yes | X | | | | | | | Final |
| Pupil Places | 26/9/16 | 19/1/17 | Yes | | X | | | | 8 | 2 | Final |
| Early years | 12/9/16 | 7/11/16 | Yes | | X | | | | 3 | | Final |
| Info Security in Schools – Follow Up | Agreed with previous Director of CYPL that this would be addressed through a training session offered to Schools | | | | | | | | | | Training delivered 25/1/17 |
| Procurement in Schools- overall report | 19/4/16 | 22/7/16 | Yes | | | X | | 5 | 3 | 1 | Final |
| Procurement in Schools. Kennel Lane | 19/4/16 | 15/7/16 | Yes | Memo issued with no opinion | | | | 3 | 6 | 1 | Final |
| Procurement in Schools- Sandhurst | 19/4/16 | 15/7/16 | Yes | Memo issued with no opinion | | | | 1 | 8 | 2 | Final |
| Procurement in Schools- | 19/4/16 | 22/7/16 | Yes | Memo issued with no opinion | | | | 7 | 4 | 1 | Final |

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|--|----------|----------|-----|-----------------------------|---|---|--|---|----|---|--------------|
| Easthampstead Park | | | | | | | | | | | |
| Procurement in Schools- Edgebarrow | 19/4/16 | 15/7/16 | Yes | Memo issued with no opinion | | | | 2 | 6 | 2 | Final |
| Procurement in Schools- Harmanswater | 19/4/16 | 15/7/16 | Yes | Memo issued with no opinion | | | | 2 | 7 | | Final |
| Procurement in Schools- Garth Hill | 19/4/16 | 15/7/16 | Yes | Memo issued with no opinion | | | | 3 | 4 | | Final |
| Ascot Heath Infant | 21/4/16 | 25/5/16 | Yes | | | X | | 1 | 7 | 4 | Final |
| College Hall Pupil Referral Unit | 20/6/16 | 22/7/16 | Yes | | X | | | | 7 | 1 | Final |
| College Town Junior | 13/3/17 | 3/5/17 | Yes | | | X | | 1 | 8 | 1 | Draft issued |
| Crowthorne CE Primary | 9/5/16 | 1/6/16 | Yes | | X | | | | 6 | | Final |
| Easthampstead Park Secondary | 19/9/16 | 21/10/16 | Yes | | | X | | 3 | 9 | 1 | Final |
| Great Hollands Primary | 3/10/16 | 19/10/16 | Yes | | | X | | 1 | 10 | 3 | Final |
| Jennet's' Park (Ltd 15/16) | 11/10/16 | 21/10/15 | Yes | | X | | | | 6 | 2 | Final |
| Kennel Lane Special School (Ltd 15/16) | 17/10/16 | 11/11/16 | Yes | | X | | | | 9 | 1 | Final |
| Meadow Vale Primary | 26/4/16 | 25/5/16 | Yes | | X | | | | 9 | 2 | Final |
| New Scotland Hill | 24/1/17 | 9/2/17 | Yes | | X | | | | 8 | | Final |
| Pines Primary (Ltd 15/16) | 7/11/16 | 18/11/16 | Yes | | X | | | | 6 | 1 | Final |
| Sandhurst Secondary | 26/9/16 | 21/10/16 | Yes | | X | | | | 7 | 2 | Final |
| Sandy Lane Primary (Ltd 15/16) | 6/2/17 | 3/3/17 | Yes | | X | | | | 7 | 2 | Final |
| St Michael's E'hampstead CE Prim (Ltd 15/16) | 20/2/17 | 8/3/17 | Yes | | X | | | | 3 | 1 | Final |
| Uplands Primary | 3/5/16 | 25/5/16 | Yes | | | X | | 1 | 6 | | Final |

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|--|----------|----------|-----|--|---|---|--|---|----|----|----------------------|
| Whitegrove Primary | | | | | | | | | | | Deferred to 2017/18t |
| Wildridings Primary | 20/2/17 | 08/3/17 | Yes | | X | | | | 7 | 1 | Final |
| Winkfield St Mary's | 18/4/16 | 17/6/16 | Yes | | | X | | 2 | 7 | 1 | Final |
| SEND | 31/10/16 | 20/2/17 | No | | X | | | | 10 | 2 | Final |
| Education Psychology | 6/7/16 | 9/8/16 | Yes | | X | | | | 6 | | Final |
| NEET Reduction | 17/5/16 | 20/6/16 | Yes | | X | | | | 7 | | Final |
| Residential placements | 8/11/16 | 14/2/17 | No | | X | | | | 1 | 2 | Final |
| Recruitment and Retention | 28/9/16 | 20/12/16 | No | | X | | | | | 1 | Final |
| CYPL IT AUDITS Mosaic | 23/1/17 | 28/4/17 | No | | | X | | | 14 | | Final |
| ASCHH Better Care Fund-CONTROCC | 20/2/17 | 29/3/17 | Yes | | X | | | | 3 | 3 | Final |
| Financial Assessments and Benefits Checks | 9/1/17 | 15/2/17 | Yes | | X | | | | 1 | | Final |
| Bridgewell Unit | 15/8/16 | 30/8/16 | No | | X | | | | | 4 | Final |
| | 14/11/16 | 12/1/17 | No | | | X | | 1 | 12 | 1 | Final |
| Reablement and Hospital Discharge | 7/11/16 | 30/1/17 | No | | X | | | | 6 | | Final |
| Learning Disability | | | | | | | | | | | Cancelled |
| Learning Disability Provider service at Waymead including Breakthrough | 13/6/16 | 5/8/16 | Yes | | X | | | | 11 | 10 | Final |
| Housing and Council Tax Benefits | 5/12/16 | 27/1/17 | Yes | | X | | | | 7 | 2 | Final |
| Homelessness | 13/6/16 | 22/7/16 | Yes | | X | | | | 5 | 1 | Final |
| Supporting people | | | | | | | | | | | Cancelled |
| Discretionary Housing Payments and Social Fund | 23/1/17 | 15/2/17 | Yes | | X | | | | 2 | 2 | Final |

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|--|---------|---------|-----|--|---|--|--|--|---|---|-------|
| Payments | | | | | | | | | | | |
| ASCHH IT AUDIT Abritas upgrade | 12/7/16 | 23/9/16 | Yes | | X | | | | 4 | 2 | Final |

APPENDIX 2

FOLLOW UP OF AUDITS (EXCLUDING LIMITED ASSURANCE REPORTS)

2015/16 AUDITS

| Audit | Recommendations | | | Outcome |
|---------------------------------------|-----------------|----|----|--|
| | Priority | | | |
| | 1 | 2 | 3 | |
| Complaints Procedure | | 4 | 2 | Two completed, three in progress and one outstanding. |
| Fleet Management including Fuel Cards | | 8 | 1 | One priority 2 recommendation still in progress |
| Highways Network management | | 6 | 1 | All now implemented except for one recommendation which has been deferred. |
| Development Control | | 5 | 3 | All implemented apart from 1 priority 3 rec which is still in progress |
| Housing Rents and Deposits | | 2 | 3 | All implemented |
| TOTAL | 1 | 27 | 13 | |

2016/17 AUDITS

| Audit | Recommendations Priority | | | Outcome |
|--|-----------------------------|---|---|---|
| | 1 | 2 | 3 | |
| COUNCIL WIDE AUDITS Council wide procurement - waivers | | 5 | | Nothing implemented |
| Grey Fleet Checks | | 2 | | All implemented |
| ECC Parks and Countryside | | 7 | 2 | All implemented |
| Highways Adoptions | | 9 | 2 | Six priority two recommendations in progress and three outstanding. One priority three recommendations implemented and one outstanding. |
| Waste | | 2 | 4 | Eight recommendations implemented. One priority 3 |

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| Audit | Recommendations Priority | | | Outcome |
|---|--------------------------|----|----|--|
| | 1 | 2 | 3 | |
| Collection | | | | recommendation in progress. |
| Early years | | 3 | | No update provided on one recommendation and clarification requested on response to the other two recommendation |
| Procurement in Schools- overall report | 5 | 3 | 1 | One priority 1 and two priority 2 recommendations outstanding. |
| College Hall Pupil Referral Unit | | 7 | 1 | All implemented |
| Crowthorne CE Primary | | 6 | | Five implemented and one in progress |
| Jennet's' Park | | 6 | 2 | All implemented apart from two priority 2 recommendations which are in progress |
| Kennel Lane Special School | | 9 | 1 | All implemented except for one priority 2 recommendation which is still in progress |
| Meadow Vale Primary | | 9 | 2 | All implemented |
| Pines Primary | | 6 | 1 | Update requested but not provided |
| Sandhurst Secondary | | 7 | 2 | All implemented |
| Education Psychology | | 6 | | One recommendation implemented and 5 in progress |
| NEET Reduction | | 7 | | Two priority 2 recommendations no longer valid as the service has be brought back in house One priority 2 recommendation has been implemented, Two priority recommendations are in progress and clarifications on responses on the remaining recommendations is outstanding. |
| Recruitment and Retention | | | 1 | Implemented |
| ASCHH Learning Disability Provider service at Waymead including Breakthrough | | 11 | 10 | 1 priority 3 rec not agreed. 2 priority 2 and 3 priority 3 recs in progress. 15 recs implemented |
| Homelessness | | 5 | 1 | Update requested but not provided |
| ASCHH IT AUDIT Abritas upgrade | | 4 | 2 | All recommendations are being taken into account as appropriate for the IT project The Welfare team are undertaking. |
| TOTAL | 5 | 20 | 14 | |

**TO GOVERNANCE AND AUDIT COMMITTEE
28TH JUNE 2017**

FRAUD PREVENTION AND ANTI BRIBERY POLICIES Head of Audit and Risk Management

1 PURPOSE OF REPORT

- 1.1 To approve the Council's Fraud Prevention and Anti Bribery Policies.

2 RECOMMENDATIONS

- 2.1 To approve the Fraud Prevention Policy at Appendix 1.
2.2 To approve the Anti Bribery Policy at Appendix 2.

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure the Council has effective policies in place to address the risk of fraud, bribery and corruption.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None

5 SUPPORTING INFORMATION

- 5.1 Fraud is a serious issue for all local authorities as it impacts on the honest majority and undermines the aims of authorities by diverting resources from legitimate activities. In *Fighting Fraud and Corruption Locally- The Local Government Counter Fraud and Corruption Strategy*, the result of collaboration by local authorities and key stakeholders from across the counter fraud landscape, fraud is estimated to cost local authorities £2.1 billion a year. *Fighting Fraud and Corruption Locally* calls for a greater emphasis on fraud prevention as opposed to reactive measures to respond to fraud.
- 5.2 The Council's Anti-Fraud and Corruption Policy was reviewed and approved in 2014 and is now due for review. It is proposed to replace this with the new Fraud Prevention Policy as attached at Appendix 1. This has been developed with the assistance of external consultants who reviewed our existing Anti-Fraud and Corruption Policy.
- 5.3 Whilst the Anti Fraud and Corruption Policy referred to bribery and corruption, the external consultants advised that the Council should have a separate policy specifically to cover this risk. The CIPFA Counter Fraud Centre also advises that local authorities raise awareness in this area. In response of this an Anti Bribery Policy has been developed and this is attached at Appendix 2.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no specific legal implications arising from the recommendations in this report."

Borough Treasurer

- 6.2 Nothing to add.

Equalities Impact Assessment

- 6.3 Not applicable

Strategic Risk Management Issues

- 6.4 The recent figures from the Office of National Statistics show that an increasing amount of fraud is being reported to the police, Cifas and Financial Fraud Action UK. The risks are clear and Councils must ensure they embed a counter fraud culture at the heart of their organisation.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Corporate Management Team

Method of Consultation

- 7.2 Corporate Management Team meeting 14th June 2017.

Background Papers

Fighting Fraud and Corruption Locally- The Local Government Counter Fraud and Corruption Strategy

Contact for further information

Sally Hendrick, Head of Audit and Risk Management
01344 352092
Sally.hendrick@bracknell-forest.gov.uk



BRACKNELL FOREST BOROUGH COUNCIL

BRACKNELL FOREST COUNCIL FRAUD PREVENTION POLICY

| VERSION | DATE | APPROVED BY | REVIEW DATE |
|-----------|-----------|-------------|-------------|
| Version 1 | June 2017 | | June 2020 |
| | | | |
| | | | |
| | | | |

1.1 Introduction

- 1.1.1 The impact of fraud is costly, time consuming, disruptive and can cause uncertainty. The major thrust of any counter fraud policy must be aimed at prevention.
- 1.1.2 The Council's Fraud Prevention Policy sets out its wider commitment to reducing the occurrence of fraud and protecting its services from loss. This includes ensuring the proper use of the Council's resources to minimise the risk and effect of fraud.
- 1.1.3 This policy will outline Council's approach to dealing with fraud both internally and externally of the organisation. It will define the roles and responsibilities of all staff that are tasked to combat the threat of fraud and how to report concerns of fraud.
- 1.1.4 This policy aims to systematically prevent, detect and eradicate fraud through building strong defences into the Council's working practices, conducting high quality investigations when fraud is suspected and using all legal sanctions available including criminal prosecution when fraud is uncovered.
- 1.1.5 This policy applies to:
 - (a) Employees
 - (b) Members
 - (c) Agency Staff
 - (d) Contractors
 - (e) Consultants
 - (f) Suppliers
 - (g) Service users
 - (h) Employees and committee members of organisations funded by the organisation; and
 - (i) Employees and principals of partner organisations
- 1.1.6 The Council requires all the above, at all times, to act honestly and with integrity and to safeguard the interests of the Council's employees and its services at all times. Fraud is an ever-present threat to all resources and may occur internally or externally and may be perpetrated individually or in collusion with others.
- 1.1.7 The Council has a 'zero tolerance' approach to fraud.

1.2 Responsibilities

1.2.1 Managerial Responsibilities

1.2.1.1 The day-to-day responsibility for the prevention and detection of fraud rests with line managers who are required to:

- (a) identify the risks to which systems, operations and procedures are exposed including financial risks;
- (b) develop and maintain effective controls to prevent and detect fraud; and
- (c) ensure that controls are being complied with.

1.2.2 Employees Responsibilities

1.2.2.1 The Council views its employees as its most important resource and recognises that its employees are the first line of defence in preventing fraud. The Council expects and encourages their employees to be alert to the possibility of fraud and corruption and report any suspected cases.

1.2.2.2 All employees are responsible for:

- (a) acting with propriety in the use of the Council's resources and in the handling and the use of funds whether they are involved with cash or payments systems, receipts or dealing with contractors, suppliers or staff;
- (b) reporting details immediately to the appropriate person if they suspect or believe that there is evidence of irregular or improper behaviour or that a fraud may have been committed;
- (c) complying with the Council's Code of Conduct for Employees. Employees should not place themselves in situations where their honesty and integrity may be questioned.

1.2.3 Members Responsibilities

1.2.3.1 Members are required to:

- (a) operate within Government legislation and the Code of Conduct for Members;

- (b) declare and register any conflict of interest in accordance with the Code of Conduct for Members and the Localism Act 2011.

1.2.4 **Internal Audit**

1.2.4.1 Internal Audit is responsible for:

- (a) assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls; and
- (b) alerting management to review its risk exposures and identify the possibility of fraud as a business risk.

1.2.5 **Borough Treasurer**

1.2.5.1 The Borough Treasurer is responsible for:

- (a) monitoring and updating the Fraud Prevention Policy and issuing guidance and procedures for officers on the use of the policy.
- (b) maintaining adequate and effective internal control arrangements.
- (c) ensuring that the Council maintains an adequate and effective system of internal audit of its accounting records and its internal control systems;
- (d) ensuring significant irregularities are reported to the Head of Audit and Risk Management, the Chief Executive, the Monitoring Officer, Executive and the Governance and Audit Committee.
- (e) determining the arrangements for investigating significant irregularities and ensuring that effective procedures are in place to investigate promptly any fraud or irregularity.

1.2.1 **Directors**

1.2.1.1 The Directors are responsible for:

- (a) maintaining adequate processes in place to identify where fraud may be perpetrated and put in place effective controls to minimise the risk of such fraud from arising;

- (b) ensuring all suspected irregularities are reported to the Borough Treasurer; and
- (c) ensuring that the staff within their Department are aware of their responsibilities within the Fraud Prevention Policy.

1.2.2 **Chief Executive**

1.2.2.1 The Chief Executive is responsible for:

- (a) ensuring that the Council is compliant in respect of civil and criminal legislation and is aware of the requirement to report suspicions of fraud, however, minor;
- (b) ensuring that Nolan's¹ principles are applied consistently across the Council's business processes and activities (Nolan's principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- (c) ensuring that Directors have put in place procedures to identify and manage risks.

1.2.3 **Third Parties**

1.2.3.1 Third Parties are responsible for:

- (a) ensuring they work to the standards set out for a third party and have controls in place to prevent and detect fraud;
- (b) and reporting any concern of fraud to the Council immediately in line with the Council's Whistleblowing Policy.

1.2.4 **School Governors**

1.2.4.1 School Governors are responsible for:

- (a) ensuring that the school has an effectively policy framework, procedures and controls in place to prevent fraud and procedures for reporting and managing suspicions of fraud;

1.3 Definitions of Fraud

1.3.1 This policy is intended to be fully compliant with the Fraud Act 2006 and its definitions.

1.3.2 The Fraud Act 2006 came into effect in January 2007. The Act introduced a new general offence of Fraud which can be committed in a number of ways, the three main categories are:

1.3.2.1 **Fraud by false representation;** by dishonestly making a false representation with the intention to make a gain for yourself or another, or to cause loss to another or expose another to risk of loss. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading. An example of this would be an employee submitting a false expense claim form for payment.

1.3.2.2 **Fraud by failing to disclose information;** by dishonestly failing to disclose to another person information which you are under a legal duty to disclose and intends, by failing to disclose the information, to make a gain for themselves or another, or to cause loss to another or expose another to the risk of loss. An example of this would be an employee failing to disclose a criminal conviction that would affect their working practices.

1.3.2.3 **Fraud by abuse of position;** by occupying a position in which you are expected to safeguard, or not to act against, the financial interests of another person, and dishonestly abusing that position, intending, by means of the abuse of that position, to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss. An example of this would be a carer who has access to a service user's bank account for the use of that service user's and the money for their own personal gain.

1.4 Council's Values

1.4.1 Three fundamental values underpin the Council's activities and these are:

1.4.1.1 **Accountability;** everything done by those that work at the Council must be able to withstand comprehensive scrutiny.

- 1.4.1.2 **Probity**; absolute honesty and integrity should be exercised in dealing with everyone that comes into contact with the Council.
- 1.4.1.3 **Openness**; the Council's activities should be sufficiently open and transparent to promote confidence between the Council and all those that come into contact with it.

These values are key elements in tackling fraud, along with the principles set out in the Council's Codes of Conduct and Protocols.

1.5 **Prevention**

- 1.5.1 The Council has a zero tolerance to fraud and corruption. The Council's aim is to have sound financial systems and procedures which incorporate efficient and effective internal controls. For instance, segregation of duties is considered a fundamental control in financial systems. The Council is responsible for maintaining effective internal controls which include the prevention of fraud and other illegal acts.
- 1.5.2 Each Directorate has a responsibility to ensure that its own system of controls secure probity and identify, prevent and deter the extent of fraud and corruption. An effective system of internal controls includes, but is not limited to:
 - 1.5.2.1 Adequate segregation of duties;
 - 1.5.2.2 An up to date schedule of delegations;
 - 1.5.2.3 Authorisation and approval procedures;
 - 1.5.2.4 Adequate physical security over assets;
 - 1.5.2.5 Reliable monitoring and reporting arrangements.
 - 1.5.2.6 Declarations of interest; and
 - 1.5.2.7 Gifts and hospitality registers

1.6 **Raising Fraud Awareness**

The Council recognises that the success and credibility of its Fraud Prevention Policy will depend largely on how effectively it is communicated throughout the Council and beyond. Every opportunity will be taken to bring it to the attention of employees, and all others that come into contact with the Council. To further develop an anti-fraud culture, the Council will:

- 1.6.1 develop and maintain effective controls to prevent fraud;
- 1.6.2 ensure that if fraud occurs a vigorous and prompt investigation takes place without regard to position held or length of service;

- 1.6.3 take appropriate disciplinary and legal action in all cases, where justified; and review systems and procedures to prevent similar frauds;
- 1.6.4 provide its employees, and other associated persons, where relevant, with training on the risks posed by fraud and bribery and the Council's procedures in tackling fraud to maintain a zero tolerance approach to fraud and bribery;
- 1.6.5 review this policy document regularly and undertake a fraud risk assessment of the Council's activities;
- 1.6.6 maintain and review the hospitality register.

2 **FRAUD RISK MANAGEMENT**

2.1 **Principle**

Managers are responsible for having adequate processes in place to identify where fraud may be perpetrated and putting in place effective controls to minimise the risk of such fraud from arising. Each directorate will be asked to identify its key fraud risks and controls to address those risks and document these in fraud risk logs.

2.2 **Procedure**

The fraud risk logs will enable the Council to:

- 2.2.1 Monitor "at risk" areas susceptible to fraud and focus resources available for fraud preventative and detection on these areas;
- 2.2.2 Communicate with "at risk" areas; and
- 2.2.3 Undertake appropriate due diligence of third parties and associated persons.

3 **REVIEW OF INTERNAL PROCESSES AND CONTROLS**

- 3.1 The Accountant's Group will provide a strategic overview of fraud risks and fraud prevention by:
 - 3.1.1 Periodically reviewing the Council's Fraud Prevention Plan for relevance and accuracy before this goes to the Corporate Management Team and the Governance and Audit Committee for approval ;
 - 3.1.2 Seeking information on training needs within each Directorate and assist in the coordination of training to meet needs;
 - 3.1.3 Sharing best practice and examples of anti-fraud measures and procedures; and

- 3.1.4 Monitoring trends/occurrences of fraud with the Council and disseminate, as necessary, lessons learned.

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BRACKNELL FOREST BOROUGH COUNCIL

ANTI-BRIBERY POLICY

| VERSION | DATE | APPROVED BY | REVIEW DATE |
|-----------|-----------|-------------|-------------|
| Version 1 | June 2017 | | June 2020 |
| | | | |
| | | | |
| | | | |

BRACKNELL FOREST COUNCIL ANTI - BRIBERY POLICY

1 POLICY STATEMENT

- 1.1 This policy applies to all parts of Bracknell Forest Council ("**the Council**").
- 1.2 It is the policy throughout the Council to adopt a robust approach to bribery and corruption and to conduct all of our business in an honest and ethical manner. The Council and its officers and personnel (as defined below in clause 2.1) including members will maintain the highest legal and ethical standards in the conduct of its affairs. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships and implementing and enforcing effective systems to counter bribery and corruption.
- 1.3 We will operate in accordance with all applicable laws relevant to countering bribery and corruption. As a public body in England, the Council is governed by English laws, including the Bribery Act 2010 and section 117 of the Local Government Act 1972 ("**the Acts**").
- 1.4 The purpose of this policy is to:
 - 1.4.1 set out our responsibilities, and of those working for the Council, in observing and upholding our position on bribery and corruption; and
 - 1.4.2 provide information and guidance to those working for the Council on how to recognise and deal with bribery and corruption issues.

2 WHO HAS TO COMPLY WITH THIS POLICY?

- 2.1 This policy applies to all individuals working at all levels and grades, including senior managers, officers, non executive agents, members, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, sponsors, or any other person associated with any part of the Council wherever located (collectively referred to as "**personnel**" in this policy).
- 2.2 The Council has appointed the Borough Treasurer as Compliance Officer who is primarily responsible for implementing this policy and our anti-bribery and corruption programme across the Council and local line managers within each directorate who are responsible for local implementation and monitoring of this policy. However, we are all responsible for compliance with this policy and therefore you must read, understand and comply with this policy. You should also seek to ensure that others around you do the same and we expect you to be vigilant and report any breaches and suspicious activity.
- 2.3 Bribery and corruption are punishable for individuals by imprisonment and if, as an organisation, we are found to have taken part in corruption we could face an unlimited fine and face damage to our reputation. We therefore all need to take our legal responsibilities very seriously.

3 WHO IS RESPONSIBLE FOR THE POLICY?

- 3.1 The senior management of the Council have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 3.2 The Compliance Officer has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Local line managers and management at all levels are responsible for

ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

4 WHAT IS BRIBERY?

- 4.1 Bribery is the most common form of corruption and can be broadly defined as the offering, promising, giving, accepting or soliciting of an advantage as an inducement or reward for an action which is illegal or a breach of trust.
- 4.2 Although many people think of bribery as involving giving someone cash, it can take many other forms including non-cash gifts, lavish entertainment or hospitality or even simply doing someone a favour.
- 4.3 Bribery takes place if we've given someone a gift, donation, discount or cash incentive or we've taken someone out for particularly lavish hospitality and that when we did so we intended it to induce or reward someone to behave improperly or not to perform their function correctly or in good faith.
- 4.4 It is important to remember that in most cases it will be irrelevant whether the bribe was accepted or not; merely offering the bribe will usually be sufficient for an offence to be committed.
- 4.5 Bribery can be direct (e.g. you give a bribe to someone) or indirect (e.g. you get someone else to give a bribe to another person).

5 WHAT IS NOT ACCEPTABLE?

- 5.1 Bribery and corruption can take many forms and it is important you understand what is expected of you in this regard. Training will be available on this. It is not permitted for personnel (whether you or someone on your behalf) to:
 - 5.1.1 give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
 - 5.1.2 give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
 - 5.1.3 accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
 - 5.1.4 accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
 - 5.1.5 threaten or retaliate against another member of our personnel who has refused to commit a bribery offence or who has raised concerns under this policy; or
 - 5.1.6 engage in any activity that might lead to a breach of this policy.
- 5.2 In this policy, **"third party"** means any individual or organisation you come into contact with during the course of your work for the Council, and includes actual and potential clients, members, customers, suppliers, business contacts, advisers, government and public bodies, including their advisors, representatives and officials, politicians and political parties.
- 5.3 In addition to the guidance on specific issues set out below, you may find it helpful to think about the following questions before you give or offer something in the course of acting for or on behalf of the Council. If the answer to any of these questions is "yes" or "I don't know" then what you are doing could be, or could be viewed as, a bribe and you should speak to the Compliance Officer or your line manager:

- 5.3.1 Is this being done to improperly influence a decision someone is going to make?
- 5.3.2 Do I feel that I cannot openly record this in the Council's books and records?
- 5.3.3 Does the person giving or offering this and/or the person being offered or receiving this want it to be kept a secret?
- 5.3.4 If this became public could it harm the reputation of the Council?
- 5.3.5 If it is accepted, would the recipient feel obligated to do something in return?
- 5.3.6 Is this against constitutional requirements?
- 5.4 It is possible for gifts, entertainment, charitable contributions, sponsorship, political contributions and favours to constitute, or be perceived as, bribes. As all these things are relatively common and generally accepted practice in business, it is important that you abide by this policy.

6 GIFTS AND HOSPITALITY

- 6.1 Officers and members must comply with the Council's policy on the giving and receiving of gifts and hospitality. This is set out in the Code of Conduct for Employees and the Code of Conduct for Members and Co-Opted Members ("**the Codes of Conduct**").
- 6.2 This Anti Bribery Policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties as permitted under the Codes of Conduct.
- 6.3 The giving or receipt of gifts and hospitality or entertainment is not prohibited, if personnel ensure that they have complied with the requirements on gifts and hospitality set out in the Codes of Conduct and the following requirements are met:
 - 6.3.1 it is not done with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - 6.3.2 it is given in the Council's name, not in your personal name;
 - 6.3.3 it does not have or give the appearance of having an influence on relationships which the Council engages in; and
 - 6.3.4 it is given openly, not secretly, and public disclosure of the same would not embarrass the Council.
- 6.4 Remember that the frequency with which gifts, corporate hospitality and/or entertainment are provided to a single individual or single organisation may become lavish and extraordinary when viewed together over time.

7 FACILITATION PAYMENTS AND KICKBACKS

- 7.1 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official.
- 7.2 Kickbacks are typically payments made in return for a business favour or advantage. Kickbacks can include discounts or other types of cash incentives and can commonly be found to occur in, and so particular vigilance should be paid to, supply chain arrangements.
- 7.3 In many countries, facilitation payments and kickbacks may be customary business practice. Despite this, facilitation payments and kickbacks as defined here are against this policy and we take the view that they are illegal.

- 7.4 If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact a line manager or the Compliance Officer.
- 7.5 If you are asked to make a payment on behalf of the Council, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with a line manager.
- 7.6 All personnel must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by the Council.

8 CHARITABLE CONTRIBUTIONS

- 8.1 Any charitable contributions made or offered on behalf of the Council must:
 - 8.1.1 not be related to, dependent on, or made in order to win or influence, a business deal or decision;
 - 8.1.2 be given directly to the relevant charity and not to an individual; and
 - 8.1.3 only be given with the prior consent of the Compliance Officer.
- 8.2 Paragraph 8.1.3 does not apply to fundraising or collections, but only direct charitable contributions by the Council.
- 8.3 The Council will conduct checks to ensure that the recipient of any charitable contribution is a legitimate and (if required under local laws) registered charity. The recipient will need to provide a receipt for the contribution together with a statement of what it will be used for.

9 POLITICAL DONATIONS

- 9.1 The Council does not make any contributions or donations to government officials or agents, politicians or political parties.
- 9.2 Personnel must not make or offer any political contributions or donations on behalf of the Council.

10 CONFLICT OF INTEREST

- 10.1 Any situation which involves or may involve a conflict between personal interest and the interest of the Council should be avoided. Officers should refer to the sections on personal and prejudicial interest set out in the Code of Conduct for Employees. Members should refer to the sections on interests set out in the Code of Conduct for Members and Co-Opted Members.

11 YOUR RESPONSIBILITIES

- 11.1 You must ensure that you read, understand and comply with this policy.
- 11.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or which are under our control. All personnel are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 11.3 You must notify your line manager or the Compliance Officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- 11.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Any breach of this policy by a member will be subject to a Standards investigation. We reserve our right to terminate our contractual relationship with other personnel if they breach this policy.

12 RECORD-KEEPING AND DOCUMENTATION

- 12.1 The Council must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 12.2 All contractual arrangements entered into by the Council must be recorded appropriately in a written document.
- 12.3 You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review and approval, in accordance with paragraph 6 above.
- 12.4 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- 12.5 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, agents, affiliates, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off-book” to facilitate or conceal improper payments.

13 HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager, or the Compliance Officer.

14 WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you tell the Compliance Officer or your line manager as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

15 PROTECTION

- 15.1 Personnel who refuse to accept or offer a bribe, or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 15.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Compliance Officer immediately.
- 15.3 The Council operates a whistle blowing policy. If you wish to report any concerns relating to bribery or other matters arising from this policy then this can be done within the process outlined in the whistle blowing policy.

16 TRAINING AND COMMUNICATION

- 16.1 Managers will assess training requirements on this policy as part of the induction process for all new personnel. Training will be made available for existing personnel.
- 16.2 Our robust approach to bribery and corruption must be communicated to all third parties at the outset of our business relationship with them and as appropriate thereafter.

17 **MONITORING AND REVIEW**

- 17.1 The Compliance Officer will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption
- 17.2 All personnel are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 17.3 This policy does not form part of any employee's contract of employment and it may be amended at any time.

THE SCHEDULE

Potential Risk Scenarios: “Red Flags”

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you must report them promptly to your line manager or the Compliance Officer:

- 1 you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- 2 you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them;
- 3 a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- 4 a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- 5 a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- 6 a third party requests an unexpected additional fee or commission to “facilitate” a service;
- 7 you learn that a colleague is being taken out by a particular supplier for very expensive and frequent meals;
- 8 a third party requests that a payment is made to “overlook” potential legal violations;
- 9 a third party requests that you provide employment or some other advantage to a friend or relative;
- 10 you receive an invoice from a third party that appears to be non-standard or customised;
- 11 a third party insists on the use of side letters or refuses to put terms agreed in writing;
- 12 you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- 13 a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- 14 you are offered an unusually generous gift or offered lavish hospitality by a third party.

TO: GOVERNANCE AND AUDIT COMMITTEE
28TH JUNE 2017

RISK MANAGEMENT STRATEGY **(Head of Audit and Risk Management)**

1 PURPOSE OF REPORT

- 1.1 This report presents the updated Risk Management Strategy to the Governance and Audit Committee for approval.

2 RECOMMENDATION

- 2.1 **Review and agree the updated Risk Management Strategy at Appendix 1 prior to this going to CMT and the Governance and Audit Committee for approval.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Risk Management Strategy is consistent with current procedures and focuses on the relevant priorities for risk management.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The decision could be taken to not update the Strategy but it would then not reflect progress made in embedding risk management, would be inconsistent with current procedures for managing risk and would not include the present risk management priorities.

5 SUPPORTING INFORMATION

Risk Management Strategy

- 5.1 The Risk Management Strategy was last approved by the Governance and Audit Committee in June 2015 and has now been updated. The updated Strategy reflects that the environment in which the Council operates has changed considerably in recent times and the organisation now faces significant financial pressures. The Council's transformation programme encompasses the response to risk moving forward. Risk mitigation will be limited by how much we have to spend. Members' and officers' appetite for the level of risk the Council is prepared to accept will by necessity have to increase accordingly.
- 5.2 Changes to the Strategy are shown as tracked changes in Appendix 1 and include the revised priorities for risk management at the Council which are as follows:

| | |
|----|--|
| 1. | Review the risk appetite for strategic risks |
| 2 | To continue with identifying the key potential fraud risks and mitigating controls across directorates and assess adequacy of controls and residual risk |
| 3. | To review the Council's resilience in responding to cyber risks |

- 5.3 Feedback was sought on the updated Strategy from Strategic Risk Management Group (SRMG) and the Corporate Management Team (CMT). All comments received have been incorporated in the updated Strategy attached at Appendix 1 for the Governance and Audit Committee to review and approve. Changes made as part of the update are marked as tracked changes.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no specific legal implications arising from the recommendation in this report.

Borough Treasurer

- 6.2 No direct financial implications.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 An up to date Risk Management Strategy setting out the current priorities for embedding risk management is essential for setting out the direction for effective risk management at the Council.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The principal groups consulted were CMT and SRMG.

Method of Consultation

- 7.2 The draft updated Risk Management Strategy was reviewed by SRMG and e CMT on 1st and 7th June 2017 respectively. All amendments suggested have been included in the Strategy attached at Appendix 1.

Contact for further information

Sally Hendrick – 01344 352092
Sally.hendrick@bracknell-forest.gov.uk

Doc. Ref

Risk Management Strategy



BRACKNELL FOREST BOROUGH COUNCIL

RISK MANAGEMENT STRATEGY

The Framework for Managing Opportunity and Risk

| VERSION | DATE | APPROVED BY |
|-----------|------------|--------------------------------|
| Version 1 | 29/11/2011 | Governance and Audit Committee |
| Version 2 | 1/4/2014 | Governance and Audit Committee |
| Version 3 | June 2017 | |
| | | |

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BACKGROUND

In 2015 the Council developed a new plan setting out a clear and focussed approach that will address the financial challenges for the next 4 years. The Council Plan 2015-19 articulates the narrative for the organisation:

- Bracknell Forest is a good place to live with a mainly affluent, well educated and independent population.
- The council will provide leadership and work with others to keep the borough a place where all residents can thrive and benefit from effective core services. What we do ourselves we aim to do well, but we must prioritise to live within our means.
- In targeting our services, we will prioritise people and areas with the greatest need, early help and prevention so struggling or vulnerable people can maximise their opportunities to become independent.

The Plan sets out six strategic themes which collectively form the vision for the borough.

Theme 1: Value for money

Theme 2: A strong and resilient economy

Theme 3: People have the life skills and education opportunities they need to thrive

Theme 4: People live healthy and active lifestyles

Theme 5: A clean, green, growing and sustainable place

Theme 6: Strong, safe, supportive and self-reliant communities.

The Council recognises that we live in an uncertain world, where the people, environment and communities of Bracknell Forest may be at risk: To help deliver our corporate and future objectives we must ensure that the management of risk is embedded in the day to day operation of the Council.

RISK MANAGEMENT

Risk is an unexpected event or action that can adversely affect the Council's ability to achieve its objectives and successfully execute its strategies. The event may be foreseeable but one over which the Council has little or no control other than to manage or mitigate its impacts. It can be a positive (an opportunity) or negative (a threat). The Council recognises that as an organisation accountable to the public we have a duty to manage risks. Risk Management is a framework by which the Council can view, manage and respond to risk, both threats and opportunities, in a robust, systematic and documented way. It is about making the most of opportunities by making the right decisions and about achieving objectives once those decisions are made through controlling, transferring and living with risks.

AIMS AND OBJECTIVES OF THE RISK MANAGEMENT STRATEGY

The Risk Management Strategy provides focus by clarifying the Council's policy, priorities and approach to identifying and minimising those risks that might hinder the Council in meeting its Vision.

The environment in which the Council operates has changed considerably in recent times and the organisation now faces significant financial pressures. The Council's transformation programme encompasses the response to risk moving forward. Risk mitigation will be limited by how much we have to spend. Members' and officers' appetite for the level of risk the Council is prepared to accept will by necessity have to increase accordingly.

The Risk Management Strategy provides focus by clarifying the

Comment [SH1]: Section updated to reflect the current Council plan

Council's policy, priorities and approach to identifying and mitigating those risks that might hinder the Council in meeting its Vision.

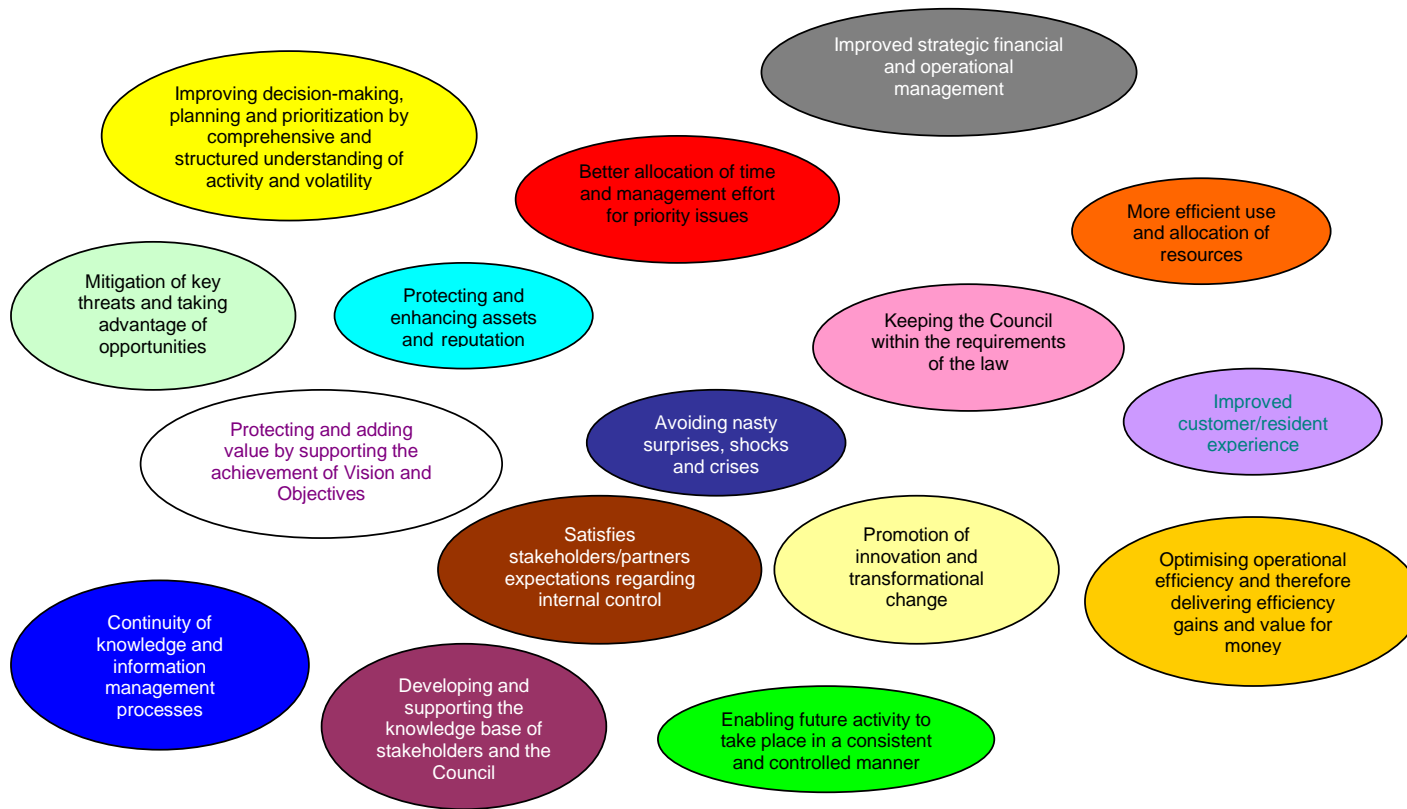
Staff, residents and partners will be better informed about the role of the Council, the direction of travel and the sought after outcomes. This will help the Council and partners deliver a better service to residents, and increase the ability of residents to be involved in the work of the Council.

BENEFITS OF RISK MANAGEMENT

Effective risk management improves strategic, operational and financial management, continuity of knowledge and information management processes, improved statutory compliance, meeting best practice and ultimately improving the services we deliver.

Successful implementation of Risk Management will produce many benefits for the Council if it becomes a living tool. Figure 1 below sets out just a few of the benefits to be gained:

FIGURE 1. BENEFITS OF EFFECTIVE RISK MANAGEMENT



RISK MANAGEMENT POLICY STATEMENT

The Council is committed to adopting best practices in the identification, evaluation and control of risks in order to:

- strengthen the ability of the Council in achieving its vision, priorities, underlying principles and objectives and enhance the value of the services it provides;
- enable Members and senior management to make the best informed decisions based on full knowledge of all known threats and opportunities;
- heighten the understanding of all the positive risks (opportunities) as well as negative risks (threats) that the Council faces;
- help enable the Council to be less risk adverse
- integrate and embed proactive risk management into the culture of the Council;
- manage risks cost-effectively and to an acceptable level;
- reduce the risk of injury and damage;
- protect the Council's reputation;
- help secure value for money;
- enhance partnership and project working; and
- raise awareness of the need for risk management.

In terms of the basic principles which underpin our approach to risk management, it is the Council's policy to ensure that:

- There is a single corporate approach to risk management which is adopted consistently by services, projects and partnerships;
- The roles and responsibilities for risk management are

clearly defined, communicated and understood by all staff;

- Risk assessments are undertaken as part of all strategic decision-making;
- Risk assessment is an integral part of the corporate and service planning process;
- Risks are identified, evaluated and recorded;
- Risks the Council faces are managed by implementing measures to avoid, reduce and control them to within the Council's risk tolerance level;
- Actions plans to address risks are documented and fit for purpose;
- Collaborative arrangements are subject to risk assessments
- Projects and programmes manage risk throughout their life cycles in line with the corporate programme and project management approaches.

The Council's Strategic Risk Management Group is responsible for the implementation of a unified risk management strategy, the promotion of risk awareness and the monitoring of the effectiveness of risk management measures undertaken.

This policy requires officers and all elected Members to take responsibility for the identification, control and mitigation of risk to minimise the possibility and impact of losses or disruption. Risk management is a continuous process that demands awareness and action. It is the responsibility of each Service Area to comply with the Council's Risk Management Policy and the corporate approach to risk management. Senior Managers are accountable for managing risks to which their area is exposed whilst all employees have duty to support the Council's initiative by managing risks within their control.

Figure 2



RISK MANAGEMENT FRAMEWORK

The Civil Contingencies Act 2004 places a duty on local authorities to assess the risk of emergencies occurring and use this to inform contingency planning. In addition, the Accounts and Audit Regulations 2015 place a wider statutory duty on local authorities to have a sound system of internal control which facilitates the effective exercise of the body's functions and which includes arrangements for management of risk. The Council recognises that risk and risk management is a wider issue and in response to this has put in place a range of measures which feed into an overarching framework for managing threats and opportunities. The key elements of the risk management framework are shown in Figure 2.

KEY ELEMENTS OF THE RISK MANAGEMENT FRAMEWORK

Strategic Risk Management

Strategic risks are those risks that could potentially have a fundamental impact for the Council and its objectives and hence need to be owned and managed by the Corporate Management Team (CMT) and overseen by Members. These risks are included in the Strategic Risk Register. This Register is maintained by the Head of Audit and Risk Management and is reviewed and updated quarterly by the Strategic Risk Management Group (SRMG) and twice a year by CMT and ~~annually by the Executive and the~~ Governance and Audit Committee.

Update of the Strategic Risk Register is informed by the other risk registers in place across the Council as it is recognised that some service, project and collaborative arrangement risks may have the potential to impact on corporate objectives.

Operational Risk Management

Risks that are more appropriate to management at service level should be included in Directorate Risk Registers. These should be maintained within each directorate and reviewed on a regular basis, ideally once a quarter, by the Departmental Management Team (DMT) and should be made available to the Head of Audit and Risk Management to inform the Strategic Risk Register.

Project Risk Management

Project Managers should ensure that risk register are in place for all major projects. These should be reviewed on

a regular basis throughout the lifecycle of the project as part of the project management process and should be made available to the Head of Audit and Risk Management to inform the Strategic Risk Register.

Collaborative Arrangements

In local government collaborative arrangements including, for example: contracts, strategic delivery partnerships, Joint Ventures, shared service arrangements and so on. Whilst such arrangements can bring significant benefits, they also bring threats and opportunities that must be managed. Risks should be monitored and reported throughout the life-cycle of the partnership arrangement in accordance with a formal documented approach and timetable agreed by all partners.

Risk Management in Reports for Decision

Reports for decision making should include an assessment of risk. Officers must consider any significant risks relating to the proposals contained in the report and provide details of these in the Strategic Risk Management Issues Section together with any action being taken to mitigate these risks.

Health and Safety

The Corporate Safety Team provides support, assistance and guidance to managers on a wide range of health and safety issues. This is achieved mainly via a programme of audits, development of procedures and best practice, proactive project work, promotion and awareness, attendance at a variety of meetings and accident and incident investigation.

Business Continuity

The Council has a statutory duty under the Civil Contingencies Act 2004 to have business continuity plans and ensure they are maintained, exercised and reviewed.

Business continuity management is a process that helps manage risks and ensures the smooth running of an organisation or delivery of a service.

Our plans ensure that we can respond to a significant interruption to key services and continue to provide critical functions. Corporate and departmental plans are now in place for the Council with departmental leads identified to coordinate the planning process and in the event of need.

In order to be successful, business continuity must be regarded as an integral part of our organisation's normal ongoing management processes therefore ownership and responsibility for ensuring effectiveness of the process rests with the Strategic Risk Management Group. ~~and is administered in Emergency Planning.~~

Emergency Planning

The Civil Contingencies Act 2004 requires each local authority to work with other agencies in order to plan, prepare, respond to and recover from emergencies in the community.

The objectives of Emergency Planning, as defined by the Bracknell Forest Council Emergency Planning framework, are to:

- save life
- prevent escalation of an emergency.
- relieve suffering.
- safeguard the environment.
- protect property.
- continue to maintain services at an appropriate level.
- inform the public.
- promote self help and recovery.

- restore normality as soon as possible.
- evaluate the response and identify lessons to be learned.
- facilitate criminal investigations or other inquiries.

The emergency planning function identifies the procedures and organisation necessary to ensure the provision, mobilisation and co-ordination of Bracknell Forest Council services and resources when dealing with an emergency. This is achieved through a program of training and exercising so that staff are prepared.

Public Health

~~Under the Health and Social Care Act 2012 places responsibility for~~

~~improving health and minimising the risk and impact of illness in the local population rests with local authorities. was transferred to the Council with effect from 1 April 2013 under the Health and Social Care Act 2012.~~ The Act also places responsibility on the Council to provide public health advice and intelligence to the local Clinical Commissioning Groups and NHS England for the commissioning of health services to meet local needs.

Insurance

The purpose of insurance is to provide financial protection against specified contingencies such as injury, damage, or loss. However, the availability of insurance is no substitute for good risk management. By managing risk effectively, service managers can minimise the number and severity of losses and subsequent insurance claims.

The Insurance Section provides specialist expertise in all areas of insurance practice, assisted by external insurance brokers and consultants. This includes:

- Identification of risks to be covered by the purchase of

insurance from an external provider

- The maintenance of all insurance databases, including detailed information in respect of claims and losses, together with the production of appropriate reports to service managers and the Strategic Risk Management Group.
- Giving information and advice to the Council's service managers on insurance matters, including potential risks and liabilities which may need to be considered.
- The processing of insurance claims made on behalf of or brought against the Council, including working with the Council's Insurance Brokers, insurance companies, loss adjusters or solicitors, as appropriate.
- Advise on a funding strategy and management of internal insurance schemes.
- Providing a range of dedicated insurance covers and services for schools.

Reserves and Balances

Reserves and balances provide a financial safety net enabling the Council's services to be maintained following an unexplained event. The level of reserves and balances is linked directly to risk. In short, the greater the unmitigated risks, the more the Council needs to retain in reserves and balances.

Internal Audit of Controls

The responsibility for putting in place satisfactory internal controls to protect assets and maintain effective stewardship of public monies rests with managers.

The Council is required under the Accounts and Audit

(Amendment)(England) Regulations

2015 to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance, maintain an adequate and effective system of internal audit of its accounting records and of its systems of internal control.

Internal audit is an assurance function that feeds into the risk management framework in providing an independent and objective opinion to the organisation on the adequacy of the control environment. Internal Audit identifies weaknesses in controls and patterns of non-compliance and raises recommendations for improvement in action plans agreed with management.

External Audit and Inspections

External audit provides further assurance on the Council's stewardship of public monies by reporting on the arrangements put in place to ensure the proper conduct of the Council's financial affairs.

The Council's schools and services are subject to inspections by external bodies such as OFSTED and the Care Quality Commission. External inspections provide independent assurance on the effectiveness of risk management, particularly the safeguarding of children and vulnerable adults.

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RISK MANAGEMENT PROCESSES

The Council has in place a methodology for evaluating risks using a five by five scoring system as set out in Figure 3. These are then analysed as low risk to the Council (shaded green) where no action is required and medium risks (shaded amber) and high risks (shaded red) both of which need to be managed and monitored. Greatest effort needs to be focussed on the red risk which have a higher likelihood of materialising and a greater impact should this arise.

Figure 3

| | | | | | | | |
|------------|---|---|---|---|---|---|---|
| Likelihood | 5 | | | | | | LIKELIHOOD: 5 Very High 4 High 3 Significant 2 Low 1 Almost Imp |
| | 4 | | | | | | |
| | 3 | | | | | | |
| | 2 | | | | | | |
| | 1 | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | |
| Impact | | | | | | | IMPACT: 5 Catastrophic 4 Critical 3 Major 2 Marginal 1 Negligible |

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Detailed guidance on identifying and scoring risks in line with the methodology is set out in a separate Risk Management Toolkit.

RISK APPETITE AND TOLERANCE

Whilst our scoring methodology enables the Council to highlight the key risks to the achievement of its objectives, the Institute of Risk Management (IRM) has sought to refine its guidance on assessing capacity for risk to enable organisations to determine the nature and extent of risk it is willing to take. The IRM considers risk in terms of:

Risk Universe

The full range of risk that could impact, either positively or negatively, on the ability of an organisation to achieve its long term objectives.

Risk Appetite

Risk appetite is about the pursuit of risk. It is the amount of risk that an organisation is willing to seek or accepts in order to meet its long term objectives.

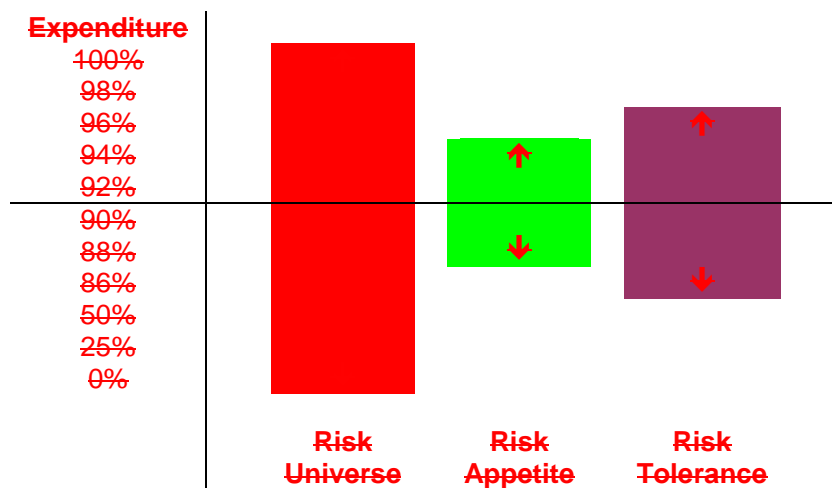
Risk Tolerance

This is the maximum amount of risk that an organisation can deal with and is generally greater than the risk appetite. In many cases an organisation can, if necessary, cope with more risk than it considers prudent to pursue.

The example below in Figure 2 illustrates below.

For example, NE Borough Council has a target of responding to all correspondence within 5 days. Figure 2 shows that depending on resources allocated, the range of performance against the target could be anything from 100% to 0%. This range is deemed the risk universe. The Council is aiming to dedicate enough resources to ensure the target is achieved at any point in the range 88% to 94% of cases. This is the Council's risk appetite. However, if pressure on resources requires it, the Council is prepared to let performance fall to as low as 86% and is potentially able to re-allocate enough resources to achieve the target in up to 96% of cases. This is the risk tolerance.

Figure 2



The IRM notes that each risk would have its own appetite and tolerance levels. The ongoing financial pressures in local government have led to councils reviewing the means by which they deliver services such as increased use of collaborative arrangements. Given this factor, it would be beneficial to refine our risking to identify the risk appetite and risk tolerance for our major risks to better inform our decision making processes.

RISK MANAGEMENT PRIORITIES FOR 2014/15

The following ~~four~~ key priorities have been identified for 2014/15

| | |
|----|---|
| 1. | To review the risk appetite and risk tolerance for strategic risks |
| 2 | To update the Risk Management Toolkit and re-launch across the Council. |
| 3. | To continue with identifying the key potential fraud risks and mitigating controls across all directorates and assess adequacy of controls and residual risk |
| 4. | To review the Council's resilience in response to increasing cyber threats |

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| | carry out a test exercise on the Disaster Recovery Plan. |
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RISK MANAGEMENT ROLES AND RESPONSIBILITIES

APPENDIX 1

Executive

- ~~The Executive will be presented with an updated Strategic Risk Register at least once a year for consideration and approval;~~
- Significant changes to strategic risks ~~and key progress on actions to address them~~ will be summarised in the quarterly Corporate Performance Overview Report (CPOR) considered by the Executive; ~~and~~
- ~~Members will be expected to attend any appropriate training to ensure they have a sound understanding of the risk management process within the Council and adequate knowledge of risk management to perform their various roles; and~~
- Risk management considerations should be assessed on each report presented to Members, in the same way as financial and legal implications.

Lead Member for Risk Management

- A Member "Lead" for risk management will be nominated by the Leader;
- The role of Lead Member will include promoting the application of risk management and related training to Members;
- The Lead Member will promote robust risk management in decision making by Members;
- The use of risk assessments within reports for decision making will be encouraged by the Lead Member; and
- The Lead Member will promote robust risk management reporting

- to the Executive and Governance and Audit Committee.

Members

- Take reasonable steps to consider the risks involved in the decisions taken by them
- Have an understanding of the risks facing the Council and the Borough.

Governance and Audit Committee

- Changes identified as part of CMT's ~~periodic annual~~ reviews of the Risk Management Strategy and Guidance incorporating the Risk Management Policy will be considered by the Governance and Audit Committee;
- The Governance and Audit Committee will be responsible for monitoring the adequacy of the governance arrangements, including risk management processes, to ensure that the Council is complying with its statutory and regulatory obligations;
- On an annual basis the Governance and Audit Committee will review and approve the Annual Governance Statement (AGS). The AGS is an assessment of the effectiveness of the Council's governance arrangements during the previous financial year which includes review of risk management arrangements as an integral part of good governance;
- ~~The Governance and Audit Committee will review and provide feedback on the Strategic Risk Register at least twice a year;~~
- The Governance and Audit Committee will receive updates on risk management arrangements

prepared by the Head of Audit and Risk Management at least twice a year;

- The Governance and Audit Committee will seek assurance that officers are developing and progressing Action Plans to address risks;
- Members will be expected to attend any appropriate training to ensure they have sufficient knowledge of risk management to perform their role on the Governance and Audit Committee.

Chief Executive

The Chief Executive takes overall responsibility for risk management as head of paid service.

Borough Treasurer

- Acts as the Lead Officer for risk management;
- Chairs the Strategic Risk Management Group;
- Provides assurance to the Governance and Audit Committee and Governance Working Group on the adequacy of risk management arrangements
- Ensures there is adequate staff resource in place to maintain the Strategic Risk Register and provide central risk management support and advice;
- Promotes the application of risk management to CMT; and
- Ensure that a programme of training for officers is developed to facilitate the embedding of risk management throughout the organisation.

Corporate Management Team (CMT)

- The Risk Management Strategy and Guidance incorporating the Risk Management Policy will be reviewed periodically annually by CMT;
- Risk management arrangements and initiatives proposed by the Head of Audit and Risk

Management will be considered by and agreed with CMT;

- CMT will ensure that significant risks to the achievement of the Council's objectives, as set out in the Strategic Themes, are recorded in a Council wide Strategic Risk Register, that each risk is assigned one or more risk owners and that CMT has collective ownership for the Register.
- CMT will review the Strategic Risk Register twice a year;
- CMT will seek assurance that strategic and directorate operational risks and actions to mitigate risk are identified and documented;
- Adequacy and progress of actions to address strategic risks will be overseen by CMT and recommendations made to relevant Directors where appropriate to address gaps in assurance;
- Recommendations will be made by CMT to the Head of Audit and Risk management where operational risks need to be escalated to the Strategic Risk Register;
- CMT will recommend any risk management issues to be reported to the Governance and Audit Committee; and
- CMT members will be expected to attend any appropriate training to ensure they have adequate knowledge to perform their various roles

Directors/Chief Officers

- All Directors will promote risk management in their Departments and ensure that risks are properly assessed and managed at all levels in all their services;
- Each Director will ensure that there are adequate actions in place to mitigate strategic risks for which they are the risk owner;
- Directors will ensure that their directorates risk register is a

complete and up to date record of all significant risks within their directorate consistent with the scoring methodology in the Toolkit, that appropriate actions are identified to address these risks and that the register is reviewed quarterly by their Departmental Management Team (DMT), updated to address changes in risks and progress in actions and copied to the Head of Audit and Risk Management;

- Each Director will ensure that risk management is considered in any partnerships, shared service arrangements and significant contracts so that risks are understood and the responsibility for each risk is clear;
- Each Director will ensure that his/her representative on the Strategic Risk Management Group is at the appropriate level (i.e. an officer who sits on the directorate's DMT) and that they contribute actively to the Group's activities and within the Department on all risk management issues;
- Directors will ensure that reports for decision making include an assessment of risk; and
- Risk management performance will be reflected in the appraisal process competency frameworks.
- Each director will be trained and be an active member of the Council's Emergency Management Team (EMT) in order to effectively respond to an emergency situation or business disruption
- Directors will ensure the Corporate Health and Safety Policy and any guidance/procedures are implemented and managed effectively within their areas of responsibility

Strategic Risk Management Group (SRMG)

- The SRMG acts as a "Strategic Risk Board," taking the lead in updating the Strategy, reviewing

the Strategic Risk Register and reporting to CMT and Members on progress on risk management;

- SRMG will oversee all aspects of risk affecting the Council including but not limited to the Strategic Risk Register, Health and Safety, Business Continuity and Emergency Planning;
- The SRMG will seek to research good practice in risk management and to adopt appropriate good practice in the Council;
- SRMG members must act as the risk management champions in their own Departments and raise awareness of risk management;
- Terms of reference for SRMG are attached at Appendix 1.

Head of Audit and Risk Management

- The Head of Audit and Risk Management has a key role in ensuring that the Strategic Risk Register is up to date/comprehensive and that actions are being taken to address strategic risks;
- The Head of Audit and Risk Management also plays an important part in ensuring Departments have processes in place to identify and address significant operational and project risks;
- The Head of Audit and Risk Management will provide assurance on the risk management process and highlight necessary improvements;
- The risk management arrangements will be reviewed as required under the Internal Audit Plan;
- Internal Audit Plans must be risk-based, with strategic risks being prioritised when reviewing systems;
- Internal Audit reports must identify the perceived risks clearly and make SMART recommendations

for mitigating or eliminating those risks.

Emergency Planning

Function Manager:-

- To update and maintain the Council's Civil Emergency Plan and to provide the framework and coordinating role to its Business Continuity planning process to ensure the Council is able to respond at corporate level in the event of an emergency or critical incident;
- To report to SRMG quarterly on business continuity strategies, plans and procedures to ensure the organisation can respond to a business critical incident;
- To ensure coordination and training across all departments of the Council to ensure the ability to implement plans;
- To ensure adequate liaison with all other appropriate agencies and neighbouring authorities in respect of their emergency response plans and the interaction with this Council; and
- To facilitate periodic training and testing of the plans.

Corporate Health and Safety Manager

- To advise and assist line managers throughout the Council's operation on matters relating to their duties and obligations under the provisions of the Health and Safety at Work etc Act 1974 and related legislation;
- To liaise with managers in investigating accidents and in carrying out risk analysis and safety audits and to produce reports as required;
- To provide a lead role in the production and maintenance of the Council's safety policy;
- To develop and implement action plans to reduce health and safety risks identified by risk assessments and inspections; and

- To report to SRMG on a six monthly basis on health and safety inspection visits and incidents reported and investigated.

The Chief Officer: Information Services

- The Chief Officer: Information Services advises CMT and SRMG on the risks associated with information technology and information security.

Insurance Officer

- Provide advice and guidance with regard to insurance requirements, indemnities and liabilities and ensure adequate insurance is put in place
- Work with the Council's insurer and provide claims management and investigation services for claims made by and against the Council under its insurance policies.
- Manage the day to day use of the internal insurance fund for payment of self-insured losses

Legal Services

- To support officers in ensuring the Council meets its legal responsibilities by advising on statutory obligations;
- To provide legal advice on potential liabilities; and
- To advise on legal responsibilities connected with collaborative arrangements such as contracted out services and partnership agreements.

Public Health Team

- To promote health awareness and preventative measures to minimise the risk and impact of illness;
- -To work with the Emergency Planning function in responding to consequences arising from public health emergencies such as infectious diseases, mass

casualties or disruption to medical supplies.

- To provide advice and intelligence to the local Clinical Commissioning Group (CCG) who commission local NHS services to meet local health needs.

Heads of Service/Cost Centre Managers/Project Managers

- These managers are the experts on their services and projects and they must make regular and thorough risk assessments to identify significant strategic risks and mitigation where appropriate;
- Significant risks must be included in Directorate Risk Registers, Project Risk Logs and in any key decision report, report requesting budget provision or proposing savings, changes to service levels etc.
- Risks must be monitored regularly and significant new or changed risks recorded ;
- Any potential risk impacts should be considered on matters discussed at team meetings and where significant should be escalated to the relevant DMT. management topics should be on the agenda for team meetings regularly and at least quarterly.
- Project teams ~~should~~would expect to consider risk management at most, if not all, of their Project Board ~~team~~ meetings;
- Managers will ensure that risk management is considered in any partnerships, shared service or contractual arrangements so that risks are understood and the responsibility for each risk is clear;
- Managers will be expected to attend any appropriate training to ensure they have adequate knowledge to perform their role; and
- Risk management will be included in behaviour competency frameworks.

Partnership ~~Leads~~ Leads

- ~~Partnerships Leads should ensure that partnerships comply with the Partnership Governance Toolkit which incorporates risk management responsibilities;~~
- Arrangements for risk management for each partnership must be agreed with the partners;
- There should be processes in place to identify ~~review~~ partnership risks and ensure these are properly managed ~~progress on risk action plans at least twice a year;~~ and
- Procedures must be put in place for identifying partnership risks that have a Council wide impact and for reporting these to the Head of Audit and Risk Management

All Staff

- Staff will carry out risk assessments as appropriate;
- Draw to management's attention any risks to the achievement of day-to-day objectives that have not been identified previously so that these can be recorded and action taken to mitigate them where required;
- Will be expected to attend any appropriate training to ensure they have adequate knowledge to perform their role; and
- Risk management will be reflected in behaviour competency frameworks

Partners, Shared Service Providers and Contractors

The Council expects third parties upon which it relies (including contractors, partners, shared service providers, associates and commissioned independents) to

- work safely, comply with all relevant health and safety legislation and have in place appropriate sources of health and safety advice and training; and

- Provide and evidence all Business Continuity procedures that relate to services provided and additional support that has been agreed

APPENDIX 2

STRATEGIC RISK MANAGEMENT GROUP TERMS OF REFERENCE

1. Object and Functions

The Strategic Risk Management Group shall make recommendations to CMT, the Governance and Audit Committee or any other committee of the Council on matters affecting or likely to affect the organisation's exposure to significant risk. The Strategic Risk Management Group shall:

- I. Be responsible for risk assessment matters that relate to Bracknell Forest Council's services, programmes, projects and/or to employees and all other people who may be affected by the Council's activities;
- II. Receive reports in respect of Health and Safety and Emergency and Business Continuity Planning,
- III. Receive and review updates of the Strategic Risk Register, receive reports on risk management and monitor the effectiveness of risk management policies and procedures;
- IV. Ensure that risk management becomes embedded across the Council; and
- V. Report twice a year ~~quarterly~~ to the Corporate Management Team (CMT).

2. Membership

The membership of the Strategic Risk Management Group shall be determined by CMT and shall include

- I. The Borough Treasurer;
- II. Representatives from each Directorate's DMT;
- III. The Council's Emergency Planning ~~Function~~ Officer;
- IV. The Corporate Health and Safety Manager;
- V. The Head of Audit and Risk Management;
- VI. The Chief Officer: Information Services; and
- VII. The Information Security Officer.

3. Chairman

The Group shall be chaired by the Borough Treasurer.

4. Meetings

The Group shall meet at least four times a year but a special meeting may be called if 24 hours notice is given in the case of emergency. All meetings shall be convened during normal working hours. Additional meetings shall be arranged if necessary as agreed by the Chairman.

5. Agendas

- I. All items should be submitted to the Secretary of the Group at least ~~fiveten~~ working days before the meeting for inclusion on the agenda.
- II. Each Member of the Group shall receive a copy of the agenda and papers at least three working days before the meeting.

6. Reporting

- I. Minutes of the meetings of the Group shall be documented as soon as possible after the meeting.
- II. Copies of minutes shall be circulated to all members of the Group
- III. The Borough Treasurer will ensure that the Strategic Risk Register considered by SRMG is reviewed by CMT at least twice a year.
- IV. The Borough Treasurer will ensure that regular updates on risk management are provided to the ~~Executive and the~~ Governance and Audit Committee.

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TO: GOVERNANCE AND AUDIT COMMITTEE
28TH JUNE 2017

STRATEGIC RISK REGISTER (Head of Audit and Risk Management)

1 INTRODUCTION

- 1.1 This report covers the update of the Strategic Risk Register, in the proposed new format which is still at an embryonic stage and includes additional information on unmitigated risk and risk appetite scores that now need to be agreed.

2 RECOMMENDATION

- 2.1 To provide feedback on the new format and completeness of risks and scores in the re-formatted Strategic Risk Register attached at Appendices1 including risk appetite.
- 2.2 To provide feedback on the proposal to remove risks that have been mitigated down to the risk appetite level for two or more consecutive months.

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Strategic Risk register reflects the current position and meets best practice for effective risk management as set out by the Institute of Risk Management.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The decision could be taken to not update the Register to add risk appetite scores but this would not meet best practice and would limit the Register as a management tool.

5 SUPPORTING INFORMATION

- 5.1 The format of the Risk Register had not been updated for some time. Advice from an external risk management consultant concluded that our arrangements were fit for purpose but could be improved by identifying risk appetite. This is consistent with the Institute of Risk Management which advises that risk appetite should be identified for each risk. ***Risk appetite is the amount of risk that an organisation is willing to seek or accepts in order to meet its long term objectives.***
- 5.2 Whilst mindful of the need to ensure risk management arrangements are proportionate, it is now appropriate to enhance the Register to better inform those responsible for managing the risks. The environment in which the Council operates has changed considerably in recent times and the organisation now faces significant financial pressures. The Council's transformation programme encompasses the response to risk moving forward. Risk mitigation will be limited by how much we have to spend. Members' and officers' appetite for the level of risk the Council is prepared to accept will by necessity have to increase accordingly. Under this new approach it is important that we determine risk appetite. Furthermore, Members on the Governance and Audit Committee also concluded that risk management could be improved by adding further information to the Register.

- 5.3 In response to this the Register has been re-formatted to include unmitigated and risk appetite scores and track scoring over time. The revised format was reviewed and approved by the Strategic Risk Management (SRMG) in March and subsequently by the Corporate Management Team
- 5.4 Given the revised format identifies risk appetite for each individual risk, the previous colour coding of red, amber and green based on a single assessment of risk tolerance would be confusing and hence the analysis of red, amber and green will now be based on the extent of the gap between the current residual risk and the risk appetite. Risk are noted as green where current residual score is in line or below the risk appetite and red if there is a differential of 2 or more grid points as per the risk matrix grid at Appendix 2.
- 5.5 In order to focus senior management and Member attention on areas of greatest risk, the Register should include only the key current risks that have not been mitigated down to the risk appetite level. Hence it is proposed that where risks have been rated as green for 2 or more consecutive quarters they should be removed from the Register. These can be re-instated should the risk rise again.
- 5.6 Risks have been slotted into the template. Feedback on risk appetite has been received from risk owners and/or their DMTS
- 5.7 The following further changes were proposed to and agreed with SRMG and the Corporate Management team members:
- To increase transformation risk to take into account linkages between projects;
 - To increase the Coral Reef risk due to potential for an overspend;
 - To reduce the risk score for the IT infrastructure risk as this was felt to be over-scored;
 - To increase the risk for demands for services due to rising demand in children's social care
 - To reduce the risk score for the cyber risk as recent global events indicated the Council was better prepared than the previous score suggested;
 - To reduce the risk score for the Binfield Learning Village given this is on track and audit review indicates this is well controlled; and
 - To reduce the risk for school backlog maintenance.as the Council is delivering against its responsibilities.
- 5.8 Should their risk rating remain green in quarter two, it is proposed that the following risks be removed:
- Town Centre;
 - Binfield Learning Village;
 - School Backlog maintenance;
 - Highways and buildings.
 - Working with partners
 - Loss of key staff
 - IT infrastructure

- Business Continuity
- Legislative changes
- Cyber risks.

ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no specific legal implications arising from the recommendations in this report"

Borough Treasurer

- 6.2 No direct financial implications.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Regular review of the Strategic Risk Register is an integral part of effective risk management arrangements. Identifying risk appetite enables the Council to clarify the extent of risk mitigation required.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The principal groups consulted were CMT and SRMG.

Method of Consultation

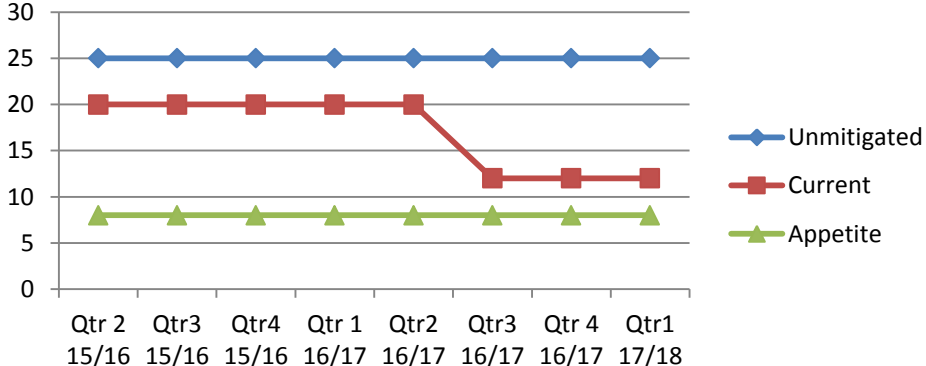
- 7.2 The updated Register was reviewed by SRMG and CMT on 1st and 7th June 2017 respectively. All amendments suggested have been included in the Strategy attached at Appendix 1.

Contact for further information

Sally Hendrick – 01344 352092

Sally.hendrick@bracknell-forest.gov.uk

STRATEGIC RISK REGISTER MARCH 2017

| Strategic Theme 1:Value for money: Performance Measures : Spending is within budget | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|-------------------------------|-------------|----------------------------|--------------------|---|-------------------|------|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|---|---------------------------|--------------|
| Risk 1: Significant pressures on the Council’s ability to balance its finances whilst maintaining satisfactory service standards | | | Risk Owner: Borough Treasurer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Risk Rating (Likelihood x Impact)</p> <p>Unmitigated 5 x 5</p> <p>Current Residual 3 x 4</p> <p>Appetite 2 x 4</p> <p>Potential Impact</p> <p>Strategic objectives and statutory duties not met</p> <p>Increased insurance claims/ legal costs/penalties.</p> |  <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>25</td><td>20</td><td>8</td></tr><tr><td>Qtr 3 15/16</td><td>25</td><td>20</td><td>8</td></tr><tr><td>Qtr 4 15/16</td><td>25</td><td>20</td><td>8</td></tr><tr><td>Qtr 1 16/17</td><td>25</td><td>20</td><td>8</td></tr><tr><td>Qtr 2 16/17</td><td>25</td><td>20</td><td>8</td></tr><tr><td>Qtr 3 16/17</td><td>25</td><td>12</td><td>8</td></tr><tr><td>Qtr 4 16/17</td><td>25</td><td>12</td><td>8</td></tr><tr><td>Qtr 1 17/18</td><td>25</td><td>12</td><td>8</td></tr></tbody></table> | | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 25 | 20 | 8 | Qtr 3 15/16 | 25 | 20 | 8 | Qtr 4 15/16 | 25 | 20 | 8 | Qtr 1 16/17 | 25 | 20 | 8 | Qtr 2 16/17 | 25 | 20 | 8 | Qtr 3 16/17 | 25 | 12 | 8 | Qtr 4 16/17 | 25 | 12 | 8 | Qtr 1 17/18 | 25 | 12 | 8 | <p>Rationale for current score:</p> <p>Efficiency Plan has brought down the risk and 2016/17 budget was kept on track to deliver this.</p> <p>Rationale for risk appetite</p> <p>Achieving a sustainable financial position is a core responsibility.</p> <table><tr><td>Current RAG rating</td><td>Amber</td></tr></table> | Current RAG rating | Amber |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 25 | 20 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 25 | 20 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 25 | 20 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 25 | 20 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 25 | 20 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 25 | 12 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 25 | 12 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 25 | 12 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current RAG rating | Amber | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Current Actions (<i>What we are currently doing about the risk</i>)</p> <ul style="list-style-type: none">• 4 year financial settlement in place• Efficiency plan in place signed off by full Council.• Establishment of a Transformation Board to deliver significant savings over the medium term.• Continuous engagement with Members regarding priorities• Medium term financial strategy will need to be continually monitored and reviewed• CIL governance processes and procedures established and prioritising spend in accordance with BFC Regulation 123 infrastructure list. Report taken to CMT on 14 September on the various financial options for the allocation of CIL receipts. Regular dialogue with Town and Parish Councils to come to an agreed accord on spending of CIL monies.• Approved capital spending plans are in place for Binfield Learning Village at Blue Mountain, the Schools Places programme, Coral Reef and the town centre. These are built in to the Council's capital programme and are monitored. Regular updates going to CMT. | | <p>Further Mitigation (<i>what more should we do to reduce risk to our risk appetite level) and opportunities</i></p> <table><tr><td></td><td>Officer responsible</td><td>Target date</td></tr><tr><td>Balanced Medium Term Plan to be agreed in 2107/18</td><td>Borough Treasurer</td><td>Qtr2</td></tr></table> | | | Officer responsible | Target date | Balanced Medium Term Plan to be agreed in 2107/18 | Borough Treasurer | Qtr2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balanced Medium Term Plan to be agreed in 2107/18 | Borough Treasurer | Qtr2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Strategic Theme 1:Value for money: Performance Measures :The cost, quality and delivery mechanism of all services will be reviewed by 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|-----------------------------|---------|---------------------|-------------|---|-------------------------|------------|------------------------------------|-----|-------------|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|----|-----|--|
| Risk 2: Council unable to deliver the transformation programme. Linkages between individual transformation projects and knock on effects across transformation projects not adequately identified and taken into consideration. | | | Risk Owner: Chief Executive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div><div>Risk Rating (Likelihood x Impact)</div><div>Unmitigated 3 x 5</div><div>Current Residual 2 x 4</div><div>Appetite 2 x 4</div><div>Potential Impact</div><div>Conflicting pressures between elements of the programme Core objectives/benefits not achieved. Statutory responsibilities not met</div></div> | <div><table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>15</td><td>8</td><td>7.5</td></tr><tr><td>Qtr 3 15/16</td><td>15</td><td>8</td><td>7.5</td></tr><tr><td>Qtr 4 15/16</td><td>15</td><td>8</td><td>7.5</td></tr><tr><td>Qtr 1 16/17</td><td>15</td><td>8</td><td>7.5</td></tr><tr><td>Qtr 2 16/17</td><td>15</td><td>8</td><td>7.5</td></tr><tr><td>Qtr 3 16/17</td><td>15</td><td>8</td><td>7.5</td></tr><tr><td>Qtr 4 16/17</td><td>15</td><td>8</td><td>7.5</td></tr><tr><td>Qtr 1 17/18</td><td>15</td><td>12</td><td>7.5</td></tr></tbody></table></div> | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 15 | 8 | 7.5 | Qtr 3 15/16 | 15 | 8 | 7.5 | Qtr 4 15/16 | 15 | 8 | 7.5 | Qtr 1 16/17 | 15 | 8 | 7.5 | Qtr 2 16/17 | 15 | 8 | 7.5 | Qtr 3 16/17 | 15 | 8 | 7.5 | Qtr 4 16/17 | 15 | 8 | 7.5 | Qtr 1 17/18 | 15 | 12 | 7.5 | <div><div>Rationale for current score:</div><div>Governance arrangements around the projects are robust and projects are generally on track but the consequences of failing to achieve the anticipated benefits would be critical e.g. for achieving necessary savings targets.. Potential that linkages between projects are not addressed.</div><div>Rationale for risk appetite</div><div>Transformation process is in response to the need to make radical changes to service delivery to be sustainable moving forward and hence a high level impact is accepted but mitigated by a low tolerance for likelihood.</div></div> |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 15 | 8 | 7.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 15 | 8 | 7.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 15 | 8 | 7.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 15 | 8 | 7.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 15 | 8 | 7.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Qtr 4 16/17 | 15 | 8 | 7.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 15 | 12 | 7.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Current RAG rating | Amber | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div>Current Actions(What we are currently doing about the risk)</div> <div><ul style="list-style-type: none">Transformation BoardProgramme ManagerTransformation Risk Register in placeSeparate risk registers set up for the significant transformation projectsLegal advice and supportWorkforce development for organizational changesClear communication</div> | | <div>Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities</div> <table><thead><tr><th></th><th>Officer responsible</th><th>Target date</th></tr></thead><tbody><tr><td>Clear map of programme of benefits of adults and children achieving targets</td><td>Directors of ASCHH/CYPL</td><td>Qtr 217/18</td></tr><tr><td>Identify linkages between projects</td><td>CMT</td><td>Qtr 2017/18</td></tr></tbody></table> | | | Officer responsible | Target date | Clear map of programme of benefits of adults and children achieving targets | Directors of ASCHH/CYPL | Qtr 217/18 | Identify linkages between projects | CMT | Qtr 2017/18 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Clear map of programme of benefits of adults and children achieving targets | Directors of ASCHH/CYPL | Qtr 217/18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Identify linkages between projects | CMT | Qtr 2017/18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Strategic Theme 1: Value for money: Performance Measure; Spending is within budget

Strategic Theme 6: Strong, safe, supportive and self reliant communities : Performance Measure: Safeguarding structures to safeguard children and vulnerable adults are well established.

Risk 3: Additional employment opportunities in new town centre affects the ability of the Council and its outsourced providers to attract and retain staff to deliver services

Risk Owner: CMT

Risk Rating (Likelihood x Impact)

Unmitigated 4 x 4

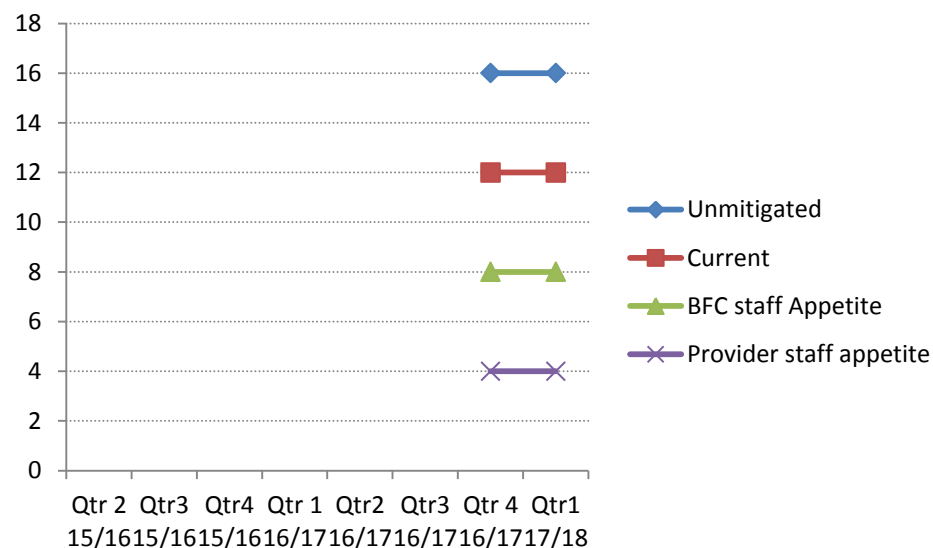
Current Residual 3 x 4

BFC staff Appetite 2 x 4

Providers staff Appetite 2 x 4

Potential Impact

Disruption to services. Failure to meet statutory duties



Rationale for current score:

New employment opportunities in the new centre may be particularly attractive to those on lower incomes such as in the care sector. This could have a major effect on providers' ability to service contracts for critical services.

Rationale for risk appetite

Appetite relatively low as the Council has to ensure it meets its safeguarding responsibilities and ensures leisure sites can operate at full capacity to generate budgeted income.

Current RAG rating

Amber

Current Actions(What we are currently doing about the risk)

- For BFC staff monitor the impact and review our reward and recognition approach as necessary to ensure that BFC remains seen as an attractive employer

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

| | Officer responsible | Target date |
|--|---------------------|-------------|
| Highlight risks for each directorate sites | CMT | Qtr 2 |
| Monitor recruitment for Coral Reef and other leisure sites | Director ECC | Qtr 2 |
| Monitor service delivery through providers of domiciliary care as town centre opens | Director of ASCHH | Qtr3 |
| Monitor financial impact | Borough Treasurer | Ongoing |
| Mitigation required re apprenticeship levy requirements | CMT | Ongoing |
| Sub-group of Transformation working group of workforce focusing on care in the community | Sub-group | Ongoing |

| Strategic Theme 2: A Strong and Resilient Economy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-------------|---------------------|-------------|-------------|----|---|----|------------|----|---|----|------------|----|---|----|-------------|----|---|----|------------|----|---|----|------------|----|---|----|-------------|----|---|----|------------|----|---|----|---|
| Performance Measures : The new town centre opens in 2017 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk 4: Delays in the Town Centre Regeneration project led by Bracknell Regeneration Partnership (BRP) working in partnership with Bracknell Forest Council. Failure of the Council to monitor and control their respective elements of the project. | | Risk Owner: Assistant Chief Executive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Risk Rating (Likelihood x Impact)</p> <p>Unmitigated 4 x 4</p> <p>Current Residual 1 x 4</p> <p>Appetite 4 x 3</p> <p>Potential Impact</p> <p>Increased costs for the Council.</p> <p>Delays to regeneration of the town centre Loss or reputation.</p> <p>Core benefit of the regeneration not realised.</p> | <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>16</td><td>8</td><td>12</td></tr><tr><td>Qtr3 15/16</td><td>16</td><td>8</td><td>12</td></tr><tr><td>Qtr4 15/16</td><td>16</td><td>4</td><td>12</td></tr><tr><td>Qtr 1 16/17</td><td>16</td><td>4</td><td>12</td></tr><tr><td>Qtr2 16/17</td><td>16</td><td>4</td><td>12</td></tr><tr><td>Qtr3 16/17</td><td>16</td><td>4</td><td>12</td></tr><tr><td>Qtr 4 16/17</td><td>16</td><td>4</td><td>12</td></tr><tr><td>Qtr1 17/18</td><td>16</td><td>4</td><td>12</td></tr></tbody></table> | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 16 | 8 | 12 | Qtr3 15/16 | 16 | 8 | 12 | Qtr4 15/16 | 16 | 4 | 12 | Qtr 1 16/17 | 16 | 4 | 12 | Qtr2 16/17 | 16 | 4 | 12 | Qtr3 16/17 | 16 | 4 | 12 | Qtr 4 16/17 | 16 | 4 | 12 | Qtr1 17/18 | 16 | 4 | 12 | <p>Rationale for current score:</p> <p>The project is on track and is now in its latter stages but the impact were this not to be achieved would be critical e.g. for income generation, Council reputation.</p> <p>Rationale for risk appetite</p> <p>The level of risk that needed to be accepted to develop the opportunity of a new town centre in partnership with commercial developers and benefit from significant future rewards available .Without accepting this level of risk the project would not have been able to proceed.</p> <div><div>Current RAG rating</div><div>Green</div></div> |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 16 | 8 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr3 15/16 | 16 | 8 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr4 15/16 | 16 | 4 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 16 | 4 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr2 16/17 | 16 | 4 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr3 16/17 | 16 | 4 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 16 | 4 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr1 17/18 | 16 | 4 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Current Actions (What we are currently doing about the risk)</p> <ul style="list-style-type: none">Regular meetings with construction company , MaceRegular meetings between officers and with members to ensure issues are identified and resolved promptly.Series of meetings at different levels with BRP and other land owners | | <p>Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities</p> <table><thead><tr><th></th><th>Officer responsible</th><th>Target date</th></tr></thead><tbody><tr><td>N/A</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></tbody></table> | | Officer responsible | Target date | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Strategic Theme 2: A Strong and Resilient Economy

Performance Measures : The borough is regarded as an excellent business location

Risk 5 Impact of the national and global economy on economic activity in the Borough including potential for businesses to relocate following Brexit and other international business decisions.
Risk Owner:
Assistant Chief
Executive

Risk Rating (Likelihood x Impact)

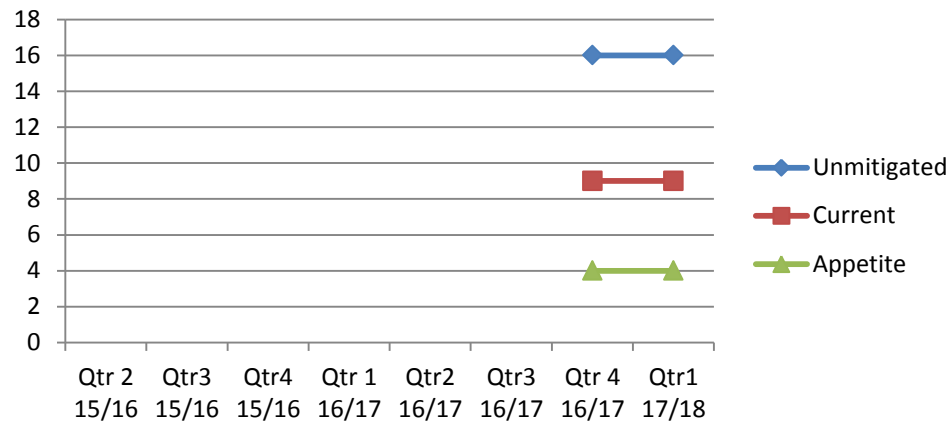
Unmitigated 4 x 4

Current Residual 3 x 3

Appetite 2 x 2

Potential Impact

Economic prosperity not sustained


Rationale for current score:
Current uncertainty means that the risk is relatively high.
Rationale for risk appetite
Given potential financial consequences risk appetite is low.
Current RAG rating
Amber
Current Actions *(What we are currently doing about the risk)*

- Implement inward investment strategy and exploit trade links outside the UK with emerging economies
- Continue with business liaison programme

Further Mitigation *(what more should we do to reduce risk to our risk appetite level) and opportunities*

| | Officer responsible | Target date |
|--|---------------------|-------------|
| Promote investment opportunities from London and international organizations including those from growth economies | Chief Executive | |
| | | |

| Strategic Theme 3: People have the life skills and education opportunities they need to thrive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-------------|---------------------|-------------|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|---|---|---|
| Performance Measures : School places are available in all localities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk 6: Council unable to monitor and control implementation of the Binfield Learning Village project to ensure delivered on time and within budget. | | Risk Owners: Director of CYPL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div>Risk Rating (Likelihood x Impact)</div> <div>Unmitigated 4 x 4</div> <div>Current Residual 2x 3</div> <div>Appetite 2 x 3</div> <div>Potential Impact</div> <div>Cost overruns/ pressure on the capital budget</div> <div>Late delivery . Core objective to deliver required additional school places not delivered</div> | <div><table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 3 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 4 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 1 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 2 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 3 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 4 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 1 17/18</td><td>16</td><td>6</td><td>6</td></tr></tbody></table></div> | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 16 | 12 | 6 | Qtr 3 15/16 | 16 | 12 | 6 | Qtr 4 15/16 | 16 | 12 | 6 | Qtr 1 16/17 | 16 | 12 | 6 | Qtr 2 16/17 | 16 | 12 | 6 | Qtr 3 16/17 | 16 | 12 | 6 | Qtr 4 16/17 | 16 | 12 | 6 | Qtr 1 17/18 | 16 | 6 | 6 | <div>Rationale for current score:</div> <div>Latest Project Management report to CMT indicates project is on track and internal audit report concluded the project was well managed and raised no recommendations.</div> <div>Rationale for risk appetite</div> <div>Major project for delivering community needs</div> <div>Current RAG rating<div>Green</div></div> |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div>Current Actions (What we are currently doing about the risk)</div> <div><ul style="list-style-type: none">CMT acting as strategic project board for Binfield Learning VillagePID in place for Binfield Learning VillageProgramme manager appointed for Binfield Learning VillageTask specific sub-groups established for Binfield Learning VillageNegotiations with Blue Mountain land owner on-goingRisks identified in highlight report and business case</div> | | <div>Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities</div> <table><thead><tr><th></th><th>Officer responsible</th><th>Target date</th></tr></thead><tbody><tr><td>N/A</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></tbody></table> | | Officer responsible | Target date | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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|--|---|--|---------------------|-------------|---|------------------|-------|--|--|--|
| Strategic Theme 3: People have the life skills and education opportunities they need to thrive | | | | | | | | | | |
| Performance Measures : School places are available in all localities | | | | | | | | | | |
| Risk 7: Council unable to accurately forecast school places numbers for future planning. | | Risk Owners: Director of CYPL | | | | | | | | |
| <div><div>Risk Rating (Likelihood x Impact)</div><div>Initial underlying 4 x 4</div><div>Current Residual 4 x 3</div><div>Appetite 2 x 3</div><div>Potential Impact</div><div>Cost overruns/ pressure on the capital budget</div><div>Late delivery . Core objective to deliver required additional school places not delivered</div></div> | <div><div><div><div><div></div><div>18</div></div><div><div></div><div>16</div></div><div><div></div><div>14</div></div><div><div></div><div>12</div></div><div><div></div><div>10</div></div><div><div></div><div>8</div></div><div><div></div><div>6</div></div><div><div></div><div>4</div></div><div><div></div><div>2</div></div><div><div></div><div>0</div></div></div><div><div>Qtr 215/16</div><div>Qtr315/16</div><div>Qtr415/16</div><div>Qtr 116/17</div><div>Qtr216/17</div><div>Qtr316/17</div><div>Qtr 416/17</div><div>Qtr 117/18</div></div><div><div><div></div><div>Initial</div></div><div><div></div><div>Current</div></div><div><div></div><div>Appetite</div></div></div></div></div> | <div><div>Rationale for current score:</div><div>Risk is currently significant given current surplus of places and difficulties in attracting pupils to certain schools.</div><div>Rationale for risk appetite</div><div>Risk appetite is fairly low given the Council's statutory responsibilities to educate</div><div><div>Current RAG rating</div><div>Red</div></div></div> | | | | | | | | |
| <div><div>Current Actions (What we are currently doing about the risk)</div><div><div><div></div><div>Risk register in place and reviewed at each Education Capital Programme Board (ECPB) meeting</div></div><div><div></div><div>Secured central government funding of £1.5m for 2 schools under the Priority Schools Building Programme</div></div></div></div> | <div><div>Further Mitigation (what more should we do to reduce risk to our risk appetite level)</div><table><tr><td></td><td>Officer responsible</td><td>Target date</td></tr><tr><td>Review of arrangements for pupil places forecasting</td><td>Director of CYPL</td><td>Qtr 2</td></tr><tr><td></td><td></td><td></td></tr></table></div> | | Officer responsible | Target date | Review of arrangements for pupil places forecasting | Director of CYPL | Qtr 2 | | | |
| | Officer responsible | Target date | | | | | | | | |
| Review of arrangements for pupil places forecasting | Director of CYPL | Qtr 2 | | | | | | | | |
| | | | | | | | | | | |

| Strategic Theme 3: People have the life skills and education opportunities they need to thrive | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|--------------------------------------|---------|---------------------|-------------|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|---|---|--|
| Performance Measures : School places are available in all localities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk 8: Council unable to monitor and control implementation of School’s backlog maintenance programme to time and cost budget. This could lead to cost overruns/ pressure on the capital budget, late delivery and result in core objectives of projects not being achieved. | | | Risk Owners: Director of CYPL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk Rating (Likelihood x Impact) Initial underlying 4 x 4 Current Residual 2 x 3 Appetite 2 x 3 Potential Impact Cost overruns/ pressure on the capital budget Late delivery . Core objective to deliver required additional school places not delivered | <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Initial</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 3 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 4 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 1 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 2 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 3 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 4 16/17</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 1 17/18</td><td>16</td><td>6</td><td>6</td></tr></tbody></table> | | Quarter | Initial | Current | Appetite | Qtr 2 15/16 | 16 | 12 | 6 | Qtr 3 15/16 | 16 | 12 | 6 | Qtr 4 15/16 | 16 | 12 | 6 | Qtr 1 16/17 | 16 | 12 | 6 | Qtr 2 16/17 | 16 | 12 | 6 | Qtr 3 16/17 | 16 | 12 | 6 | Qtr 4 16/17 | 16 | 12 | 6 | Qtr 1 17/18 | 16 | 6 | 6 | Rationale for current score: Council is delivering on key major maintenance. Responsibility for minor works rests with the governing body. Rationale for risk appetite Risk appetite is fairly low given the Council’s statutory responsibilities to educate and to do so within an environment which meets health and safety requirements. Current RAG rating Green |
| Quarter | Initial | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Actions (What we are currently doing about the risk) <ul style="list-style-type: none">Risk register in place and reviewed at each Education Capital Programme Board (ECPB) meeting | | Further Mitigation (what more should we do to reduce risk to our risk appetite level) <table><thead><tr><th></th><th>Officer responsible</th><th>Target date</th></tr></thead><tbody><tr><td>N/A</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></tbody></table> | | | Officer responsible | Target date | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Strategic Theme 3: People have the life skills and education opportunities they need to thrive Performance Measures :Children have access to high quality early years provision /School places are available in all localities /All young people who have left school go on to further education, find employment or undertake some form of training | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|-------------|---------------------|-------------|--|------------------|-------|---|-------------|----|----|---|-------------|----|----|---|-------------|----|---|---|-------------|----|---|---|-------------|----|---|---|-------------|----|---|---|-------------|----|----|---|---|---------------------------|------------|
| Strategic Theme 4: People live active and healthy lifestyles Performance Measures:Comprehensive public health programmes aimed at adults and young people/Personal choices available to allow people to live at home are increased///Integration of council and health services care pathways for long term conditions is increased /Accessibility and availability of mental health services for young people and adults is improved | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk 9: Council unable to predict and plan for future changes in demands for services arising from demographic changes and national policy initiatives. | | Risk Owners: Directors of CYPL and ASCHH | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk Rating (Likelihood x Impact) Unmitigated 4 x 4 Current Residual 4x 3 Appetite 2 x 3 Potential Impact Failure to meet demand. Statutory duties not met | <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 3 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 4 15/16</td><td>16</td><td>12</td><td>6</td></tr><tr><td>Qtr 1 16/17</td><td>16</td><td>9</td><td>6</td></tr><tr><td>Qtr 2 16/17</td><td>16</td><td>9</td><td>6</td></tr><tr><td>Qtr 3 16/17</td><td>16</td><td>9</td><td>6</td></tr><tr><td>Qtr 4 16/17</td><td>16</td><td>9</td><td>6</td></tr><tr><td>Qtr 1 17/18</td><td>16</td><td>12</td><td>6</td></tr></tbody></table> | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 16 | 12 | 6 | Qtr 3 15/16 | 16 | 12 | 6 | Qtr 4 15/16 | 16 | 12 | 6 | Qtr 1 16/17 | 16 | 9 | 6 | Qtr 2 16/17 | 16 | 9 | 6 | Qtr 3 16/17 | 16 | 9 | 6 | Qtr 4 16/17 | 16 | 9 | 6 | Qtr 1 17/18 | 16 | 12 | 6 | Rationale for current score: Increasing pressure on children’s social care due to changing demographics. Rationale for risk appetite Tolerance in forecasting relatively low due to knock on effect on financial planning <table><tr><td>Current RAG rating</td><td>Red</td></tr></table> | Current RAG rating | Red |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 16 | 9 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 16 | 9 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 16 | 9 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Qtr 1 17/18 | 16 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current RAG rating | Red | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Actions (What we are currently doing about the risk) <u>CYPL</u> <ul style="list-style-type: none">Continuous monitoring of demand levels for children’s social careMonitoring impact of SEND reform and implementation of Education, Heath and Care Plans.Block contracts for high cost placements e.g. contract let for independent fostering agencies <u>ASCHH</u> <ul style="list-style-type: none">Domiciliary care – to move away from spot purchasing from a high number of providers by establishing a framework agreement of just 6-8 providers which will reduce pressure of a high number of providers competing for limited staffing resources in the local area. .New RAS system to be introduced which will generate more robust budgets. To be introduced in October for new cases initiallyEarly intervention and small budget available per team to use in preventative ways | | Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities <table><tr><th></th><th>Officer responsible</th><th>Target date</th></tr><tr><td>Monitoring rise in demand in children’s social care to assess if this temporary or permanent</td><td>Director of CYPL</td><td>Qtr 3</td></tr><tr><td></td><td></td><td></td></tr></table> | | Officer responsible | Target date | Monitoring rise in demand in children’s social care to assess if this temporary or permanent | Director of CYPL | Qtr 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Monitoring rise in demand in children’s social care to assess if this temporary or permanent | Director of CYPL | Qtr 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <ul style="list-style-type: none"> • An asset based approach to assessment by social care staff • Development of digital platform to support customers to use their direct payments creatively and greater use of community resources and technology in support packages • A community model of intermediate care and reablement • Plans to develop up step up and step down beds in partnership with the Frimley Acute Trust | |
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Strategic Theme 4: People live active and healthy lifestyles

Performance Measure :Coral Reef is redeveloped

Risk 10: Council unable to monitor and control implementation of the Coral Reef roof replacement and enhancements to time and cost budget.
Risk Owner: Director of ECC

Risk Rating (Likelihood x Impact)

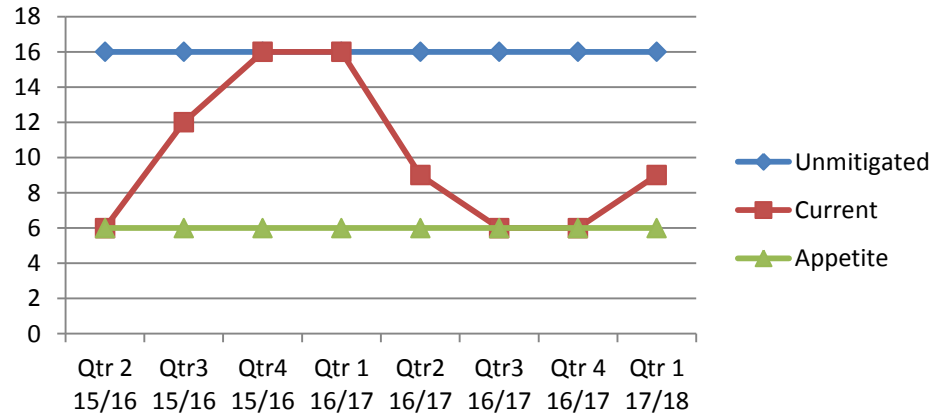
Unmitigated 4 x 4

Current Residual 3 x 3

Appetite 2 x 3

Potential Impact

Cost overruns/ pressure on the capital budget. Late delivery. Core objective to deliver a facility that generates the required return on the investment and generate additional income.


Rationale for current score:

Project is on target for re-opening. but now expected to overspend.

Rationale for risk appetite

Risk appetite fairly low given the facility is a major income generator

Current RAG rating
Amber
Current Actions *(What we are currently doing about the risk)*

- Contract awarded and works in progress
- Project managed by Atkins
- Coral Reef project board operational and managing the project
- Coral Reef Member Advisory Steering Group
- Project risk register in place and regularly reviewed
- Coral Reef Opening HR Strategy being developed
- Regular updates provided to CMT

Further Mitigation *(what more should we do to reduce risk to our risk appetite level) and opportunities*

| | Officer responsible | Target date |
|----------------------------|---------------------|-------------|
| Monitoring budget position | CMT | Qtr 2 |
| | | |

Strategic Theme 5: A clean, green growing and sustainable place

Performance Measure: Appropriate infrastructure development is completed to support housing growth including ; Warfield Link road, Coral Reef Junction, Jenner's Park, town centre

Risk 11: Council unable to maintain buildings in accordance with health and safety and other legislative standards or to maintain highways to satisfaction of road users.

Risk Owner: Director of ECC/Director of Corporate Services

Risk Rating (Likelihood x Impact)

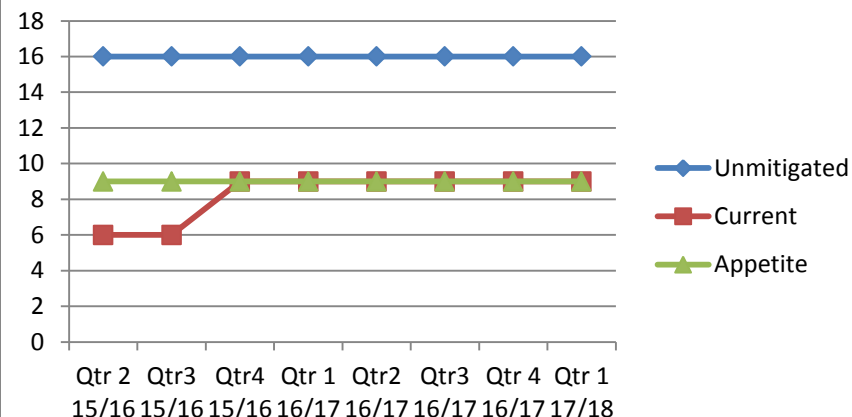
Unmitigated risk 4 x 4

Current Residual 3 x 3

Appetite 3 x 3

Potential Impact

Injury, loss or damage.
Increased liability claims.
Potential non-delivery of housing. Negative impact on service


Rationale for current score:

Roads are maintained to health and safety standards so risk in respect of highways is not meeting road users' expectations... Whilst not all significant backlog maintenance issues on Council buildings are being addressed, this is a conscious decision due to plans to streamline the estate.

Rationale for risk appetite

Health and safety requirements are met for highways, repudiation rate for highways insurance claims is high hence residual risk is not meeting road users expectations rather than failing to meet statutory requirements. Conscious decision that excluding significant health and safety matters, expenditure on Council buildings is focused on offices that are likely to be retained and the investment properties .and accept risk for other properties.

Current RAG rating

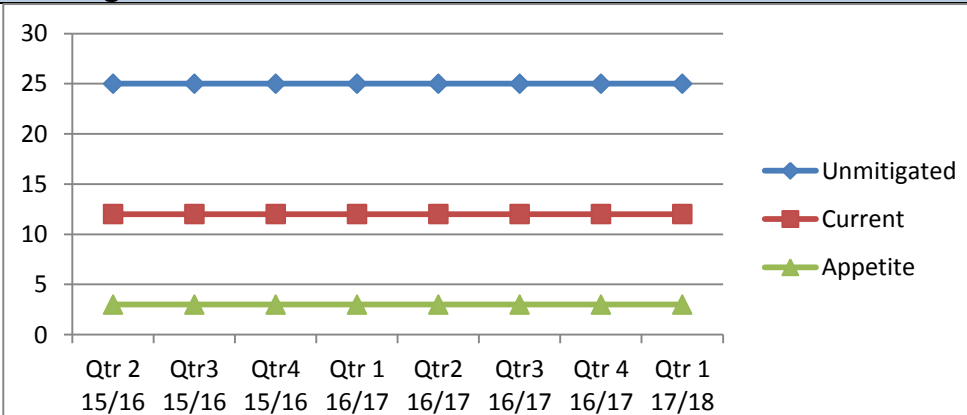
Green

Current Actions (What we are currently doing about the risk)

- Building condition surveys being carried out on a rolling programme over 5 years, 20% per annum
- Implementation of works identified by building condition survey and backlog maintenance in progress. Backlog is expected to rise again moving forward due to budget constraints
- Asset Management Plan in place
- Property review of key Council properties aiming to consolidate the number of building and reduce running and maintenance costs
- Health and Safety proactive and reactive site visits
- Secured central government funding of £1.5m for 2 schools under the Priority Schools Building Programme
- IDP being regularly reviewed to ensure complete infrastructure requirements for new communities is robust;
- Report taken to CMT on financial options for the allocation of CIL receipts on 14 September 2016.
- Identify infrastructure spending priorities through the Council's capital spending programme and develop an accord with Town and Parish Councils.
- Works focus on prevention of health and safety failure on highways. New Highways Management Plan to be developed following issue of the new Highways Code

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

| | Officer responsible | Target date |
|------|---------------------|-------------|
| N/Aa | | |

| <ul style="list-style-type: none">Early engagement with LEP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|-------------|---------------------|-------------|--|---------------|---------|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|---|
| Strategic Theme 6: Strong, safe , supportive and self reliant communities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Performance Measure: Safeguarding structures to safeguard children and vulnerable adults are well established. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk 12: Factors outside the control of the Council may result in the injury, death or sexual exploitation of a vulnerable child or adult in the community. Weaknesses in Council procedures may contribute to the failure to safeguard a vulnerable child or adult. | | | Risk Owners: Directors of CYPL and ASCHH | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk Rating (Likelihood x Impact) Unmitigated 5 x 5 Current Residual 3 x 4 Appetite1 x 3 Potential Impact Loss or reputation. Fines/penalties. Insurance claims |  <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>25</td><td>12</td><td>3</td></tr><tr><td>Qtr 3 15/16</td><td>25</td><td>12</td><td>3</td></tr><tr><td>Qtr 4 15/16</td><td>25</td><td>12</td><td>3</td></tr><tr><td>Qtr 1 16/17</td><td>25</td><td>12</td><td>3</td></tr><tr><td>Qtr 2 16/17</td><td>25</td><td>12</td><td>3</td></tr><tr><td>Qtr 3 16/17</td><td>25</td><td>12</td><td>3</td></tr><tr><td>Qtr 4 16/17</td><td>25</td><td>12</td><td>3</td></tr><tr><td>Qtr 1 17/18</td><td>25</td><td>12</td><td>3</td></tr></tbody></table> | | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 25 | 12 | 3 | Qtr 3 15/16 | 25 | 12 | 3 | Qtr 4 15/16 | 25 | 12 | 3 | Qtr 1 16/17 | 25 | 12 | 3 | Qtr 2 16/17 | 25 | 12 | 3 | Qtr 3 16/17 | 25 | 12 | 3 | Qtr 4 16/17 | 25 | 12 | 3 | Qtr 1 17/18 | 25 | 12 | 3 | Rationale for current score: Likelihood is significant as factors outside the control of the Council may result in the injury or death of a vulnerable child or adult in the community or sexual exploitation of a child. Failure to adhere to Council procedures may contribute to the failure to safeguard a vulnerable child or adult. The impact of failure would be critical. Rationale for risk appetite Given the risk relates to the safeguarding of vulnerable individuals the risk appetite will be low. |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 25 | 12 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Current RAG rating | Red | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Actions <i>(What we are currently doing about the risk)</i> <u>CYPL</u> <ul style="list-style-type: none">Local Safeguarding Children's Board brings together senior and operational staff within local organisations to help co-ordinate services and make certain they work together to keep children safe from harm. The Board has a role in monitoring and overseeing the contribution partnership organisations make towards safeguarding childrenOngoing social media campaign which focuses on the 'Nine Signs of CSE. In the autumn .a media operation was launched on safety on line to help engage parents on what their children may potentially be accessing on the internet.'S11 Audits to be reviewed in the autumnSafeguarding Peer Diagnostic undertaken in mid January.OFSTED introducing 2 new inspection frameworks. The Joint Targeted Area Inspection framework (which will cover CSE) is due out in January and the SEND framework is due out in May.Proactive strategies for recruitment of social workers being implemented including the development of a social worker micro site to promote the | | Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities <table><thead><tr><th></th><th>Officer responsible</th><th>Target date</th></tr></thead><tbody><tr><td>Action plans in response to external inspections and points of continual improvement</td><td>Director CYPL</td><td>Ongoing</td></tr><tr><td></td><td></td><td></td></tr></tbody></table> | | | Officer responsible | Target date | Action plans in response to external inspections and points of continual improvement | Director CYPL | Ongoing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Action plans in response to external inspections and points of continual improvement | Director CYPL | Ongoing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <p>benefits of working in children's social services at Bracknell Forest Council.</p> <ul style="list-style-type: none"> • Proactive parenting projects now in place e.g. family group conferencing, Symbol project supporting parents with learning disabilities • Multi Agency Safeguarding Hub to go live in May 2016. • Transformation project around early intervention and prevention. • Monitoring children vulnerable to CSE and going missing via the multi-agency CSE/Missing operational group. <p><u>ASCHH</u></p> <ul style="list-style-type: none"> • Adult Safeguarding Board in place with independent chair. • S11 audit completed. Action identified to log safeguarding training. • Changes to deprivation of liberty safeguards has resulted in increase in demand as expected hence dealing only with urgent cases which is the approach supported by DOH • Bridgewell CQC inspection assessed the centre as good across all areas. | |
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Strategic Theme 6: Strong, safe, supportive and self reliant communities

Performance Measure: Levels of community action and volunteering in the borough are increased

High levels of community cohesion are maintained

There are low levels of crime and anti-social behaviour in the borough

Risk 13: Council unable to work effectively with key partners such as contractors, shared service providers, Health and Police or involve residents in the development of our services.

Risk Owners: CMT

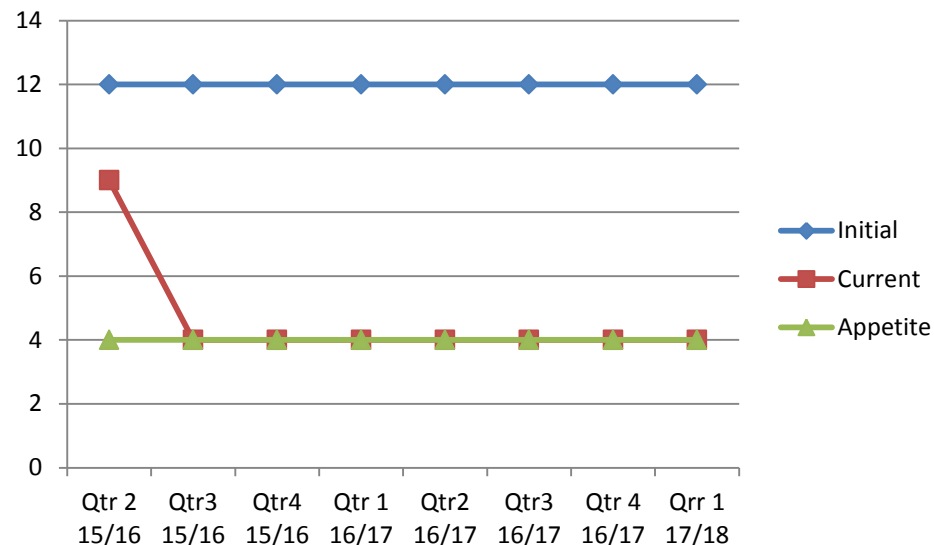
Risk Rating (Likelihood x Impact)

Initial underlying 3 x 4

Current Residual 2 x 2

Appetite 2 x 2

Potential Impact

 Community needs not met
 Negative impact on community cohesion which could lead to extremism. Increased risk of failure of voluntary sector umbrella support

Rationale for current score:

Council is engaging effectively with key partners and residents on the development of our services.

Rationale for risk appetite

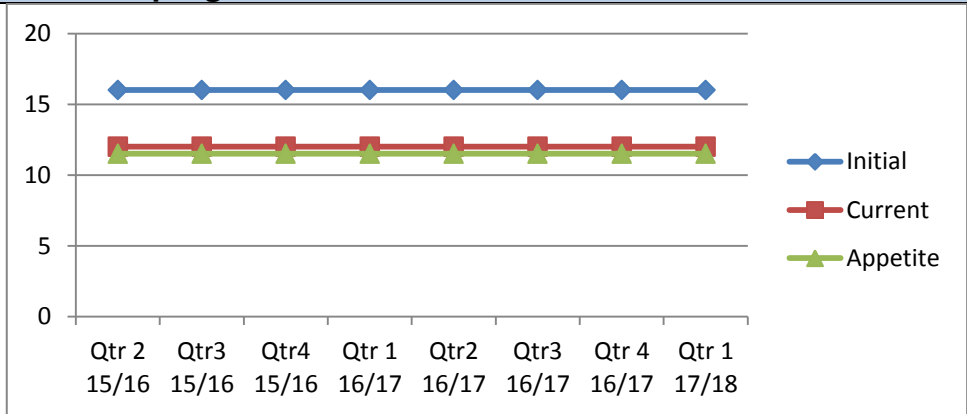
Appetite fairly low as the Council seeks to meet the needs of the community and maximise effectiveness and compliance with statutory requirements though working closely with key partners.

Current RAG rating
Green
Current Actions (What we are currently doing about the risk)

- Residents survey undertaken again in January.
- Bracknell Forest Partnership is now metamorphosing as a network group.
- Reviewing relationships with voluntary sector to provide a tighter relationship between the Council's new narrative and the level of services
- Voluntary sector "passport" approach supported by the Police will ensure volunteers only have to be trained once, get a DBS once, etc.
- Business liaison programme with key Bracknell Forest businesses
- MASH in place, CYPL and ASCHH working with Police and Health
- Further shared service arrangements are now in place e.g. public protection in ECC

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

| | Officer responsible | Target date |
|-----|---------------------|-------------|
| N/A | | |
| | | |

| Strategic Theme 1:Value for money Strategic Theme 2: A Strong and Resilient Economy Strategic Theme 3: People have the life skills and education opportunities they need to thrive Strategic Theme 4: People live active and healthy lifestyles Strategic Theme 5: A clean, green growing and sustainable place Strategic Theme 6: Strong, safe , supportive and self reliant communities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|----------|---------------------|-------------|-------------|----|----|------|-------------|----|----|------|-------------|----|----|------|-------------|----|----|------|-------------|----|----|------|-------------|----|----|------|-------------|----|----|------|-------------|----|----|------|--|
| Risk 14 Loss of key/ senior staff. Managing services with reduced capacity and with staff resources re-allocated to the transformation programme | | Risk Owners: CMT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Risk Rating (Likelihood x Impact)</p> <p>Initial underlying 4 x 4</p> <p>Current Residual 4 x 3</p> <p>Appetite 4 x 3</p> <p>Potential Impact</p> <p>Failure to meet demand .</p> <p>Statutory duties not met</p> |  <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Initial</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>16</td><td>12</td><td>11.5</td></tr><tr><td>Qtr 3 15/16</td><td>16</td><td>12</td><td>11.5</td></tr><tr><td>Qtr 4 15/16</td><td>16</td><td>12</td><td>11.5</td></tr><tr><td>Qtr 1 16/17</td><td>16</td><td>12</td><td>11.5</td></tr><tr><td>Qtr 2 16/17</td><td>16</td><td>12</td><td>11.5</td></tr><tr><td>Qtr 3 16/17</td><td>16</td><td>12</td><td>11.5</td></tr><tr><td>Qtr 4 16/17</td><td>16</td><td>12</td><td>11.5</td></tr><tr><td>Qtr 1 17/18</td><td>16</td><td>12</td><td>11.5</td></tr></tbody></table> | Quarter | Initial | Current | Appetite | Qtr 2 15/16 | 16 | 12 | 11.5 | Qtr 3 15/16 | 16 | 12 | 11.5 | Qtr 4 15/16 | 16 | 12 | 11.5 | Qtr 1 16/17 | 16 | 12 | 11.5 | Qtr 2 16/17 | 16 | 12 | 11.5 | Qtr 3 16/17 | 16 | 12 | 11.5 | Qtr 4 16/17 | 16 | 12 | 11.5 | Qtr 1 17/18 | 16 | 12 | 11.5 | <p>Rationale for current score:</p> <p>Managing delivery of ongoing services during a period of significant change with reduced staffing resources due to redundancy, retirement, sickness, staff resources diverted to the transformation programme and difficulties in recruiting to certain specialist posts</p> <p>Rationale for risk appetite</p> <p>In order to implement the Transformation Programme it will be necessary to reduce staffing levels and is accepted that will put pressure on managing and delivering services hence appetite is high...</p> <p>Current RAG rating Green</p> |
| Quarter | Initial | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 16 | 12 | 11.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 16 | 12 | 11.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Qtr 3 16/17 | 16 | 12 | 11.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 16 | 12 | 11.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 16 | 12 | 11.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Current Actions <i>(What we are currently doing about the risk)</i></p> <ul style="list-style-type: none">• Communication around potential staffing changes following transformation reviews• Redeployment and employment change programme• Ensuring training regimes are in place for re-skilling and up-skilling staff• Clear communications with staff e.g. Chief Executive's briefings• Report on impact of measures put in place to address issues with recruitment and retention in children's social care taken to CMT in June 2016.• Step Up to Social Work Scheme in place• <i>Transformation funding for short term projects</i>• <i>Changing model of delivery to self service</i>• <i>Digitalising</i> | | <p>Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities</p> <table><thead><tr><th></th><th>Officer responsible</th><th>Target date</th></tr></thead><tbody><tr><td>N/A</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></tbody></table> | | Officer responsible | Target date | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Strategic Theme 1:Value for money Strategic Theme 2: A Strong and Resilient Economy Strategic Theme 3: People have the life skills and education opportunities they need to thrive Strategic Theme 4: People live active and healthy lifestyles Strategic Theme 5: A clean, green growing and sustainable place Strategic Theme 6: Strong, safe , supportive and self reliant communities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|-------------|---------------------|-------------|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|----|---|-------------|----|---|---|---|
| Risk 15: IT infrastructure or systems unavailable due to IT failure, non-compliance with PSN/PCI requirements, insufficient IT staff resources of the required calibre to deliver services/projects, an incident preventing the functioning of IT or IT suppliers being unable to deliver/maintain systems. | | Risk Owners: Director Corporate Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Risk Rating (Likelihood x Impact)</p> <p>Unmitigated 4 x 5</p> <p>Current Residual 2 x 3</p> <p>Appetite 2 x 3</p> <p>Potential Impact</p> <p>Disruption to services. Failure to meet statutory duties. Removal of access to external databases and systems e.g. DWP</p> | <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>20</td><td>12</td><td>6</td></tr><tr><td>Qtr 3 15/16</td><td>20</td><td>12</td><td>6</td></tr><tr><td>Qtr 4 15/16</td><td>20</td><td>12</td><td>6</td></tr><tr><td>Qtr 1 16/17</td><td>20</td><td>12</td><td>6</td></tr><tr><td>Qtr 2 16/17</td><td>20</td><td>12</td><td>6</td></tr><tr><td>Qtr 3 16/17</td><td>20</td><td>12</td><td>6</td></tr><tr><td>Qtr 4 16/17</td><td>20</td><td>12</td><td>6</td></tr><tr><td>Qtr 1 17/18</td><td>20</td><td>6</td><td>6</td></tr></tbody></table> | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 20 | 12 | 6 | Qtr 3 15/16 | 20 | 12 | 6 | Qtr 4 15/16 | 20 | 12 | 6 | Qtr 1 16/17 | 20 | 12 | 6 | Qtr 2 16/17 | 20 | 12 | 6 | Qtr 3 16/17 | 20 | 12 | 6 | Qtr 4 16/17 | 20 | 12 | 6 | Qtr 1 17/18 | 20 | 6 | 6 | <p>Rationale for current score:</p> <p>Interim chief officer and new Strategy in place</p> <p>Rationale for risk appetite</p> <p>Appetite is low due to dependency on IT for delivery of all services</p> <p>Current RAG rating Green</p> |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 20 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 20 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 20 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 20 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 20 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 20 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 20 | 12 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 20 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Current Actions <i>(What we are currently doing about the risk)</i></p> <ul style="list-style-type: none">Power generator in place and system replicated.Network/WAN connectively - a waiver has been secured to continue with our current solution for 3 years as it is not cost effective to changeNew mobile telephony contract to be awardedAnnual PSN Code of Connection compliance submission.Disaster Recovery testing has commencedDisaster Recovery contract with a provider to get systems up and running and an Action Plan for the systematic recovery of systemsBackup solution. implementedNew provisional ICT and Digital Strategy to being implemented | | <p>Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities</p> <table><thead><tr><th></th><th>Officer responsible</th><th>Target date</th></tr></thead><tbody><tr><td>N/A</td><td></td><td></td></tr></tbody></table> | | Officer responsible | Target date | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Strategic Theme 1: Value for money

Strategic Theme 2: A Strong and Resilient Economy

Strategic Theme 3: People have the life skills and education opportunities they need to thrive

Strategic Theme 4: People live active and healthy lifestyles

Strategic Theme 5: A clean, green growing and sustainable place

Strategic Theme 6: Strong, safe, supportive and self-reliant communities

Risk 16: Council unable to comply with data protection/security requirements to secure data resulting in inappropriate disclosure, loss or theft of sensitive data.

Risk Owners: Director
Corporate Services

Risk Rating (Likelihood x Impact)

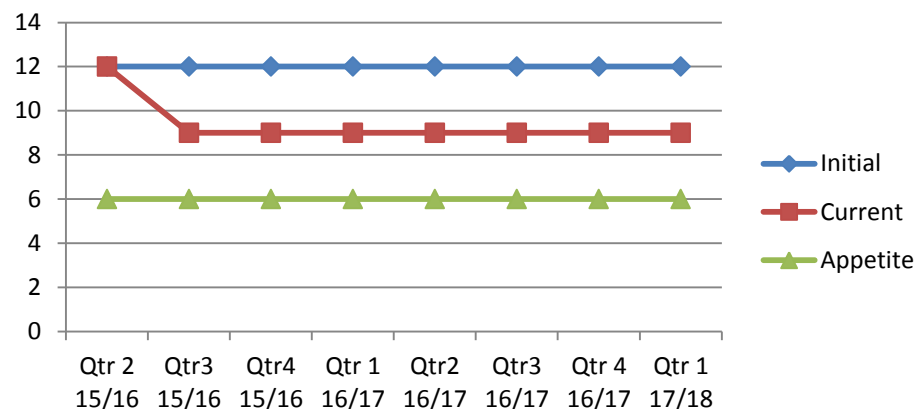
Initial underlying 3 x 4

Current Residual 3 x 3

Appetite 2 x 3

Potential Impact

Fines/penalties. Disruption to services. Failure to meet statutory duties. Removal of access to external databases and systems e.g. DWP



Rationale for current score:

The likelihood remains high as incidents tend to be due to human errors rather than weakness in control.. Fines are increasing and hence potential impact remains high.

Rationale for risk appetite

In addition to the financial risk, financial penalties are now very high hence the Council will seek to minimise the risk of these being incurred.

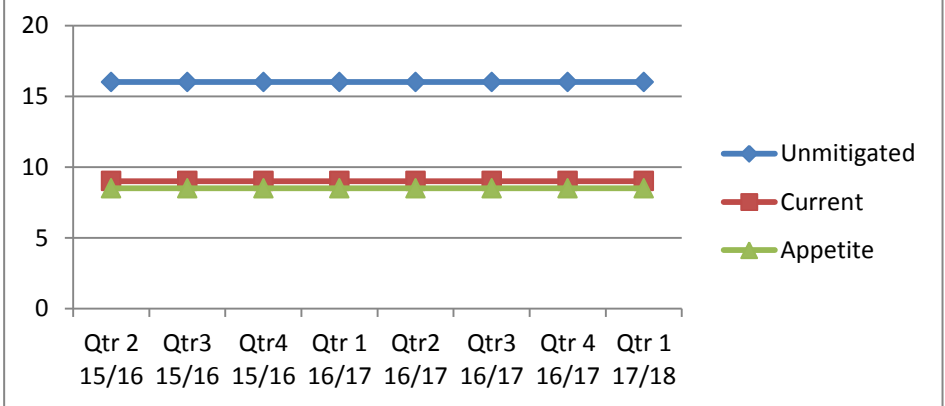
Current RAG rating **Amber**

Current Actions (What we are currently doing about the risk)

- Training policy for information security and data protection. Mandatory training requirements now tailored to the degree of access to sensitive information and staff have been classified by their level of access to determine the level of training they should receive. Training programme has now been delivered.
- Communication of and training ongoing on data protection and information security, course combined and being run by Training team. Security training now mandatory for all staff.
- Quarterly monitoring of information security breaches at Information Governance Group, SRMG and at CMT.
- Information Asset Register in place and preliminary risk assessment undertaken. IT systems holding information assets are now being identified.
- Information management group monitoring PCI compliance

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

| | Officer responsible | Target date |
|--|--------------------------------|-------------|
| Requirement for classification of all emails being removed | Director of Corporate Services | Qtr 2 |
| | | |

| Strategic Theme 1:Value for money Strategic Theme 2: A Strong and Resilient Economy Strategic Theme 3: People have the life skills and education opportunities they need to thrive Strategic Theme 4: People live active and healthy lifestyles Strategic Theme 5: A clean, green growing and sustainable place Strategic Theme 6: Strong, safe , supportive and self reliant communities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-------------|---------------------|-------------|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|-------------|----|---|-----|--|
| Risk 17: Business Continuity Plans and procedures inadequate or not clearly communicated and understood. | | Risk Owners: Borough Treasurer | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Risk Rating (Likelihood x Impact)</p> <p>Unmitigated 4 x 4</p> <p>Current Residual 3 x 3</p> <p>Appetite 3 x 3</p> <p>Potential Impact</p> <p>Failure to respond effectively to a business continuity incident</p> <p>Disruption to services. Failure to meet statutory duties</p> |  <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>16</td><td>9</td><td>8.5</td></tr><tr><td>Qtr 3 15/16</td><td>16</td><td>9</td><td>8.5</td></tr><tr><td>Qtr 4 15/16</td><td>16</td><td>9</td><td>8.5</td></tr><tr><td>Qtr 1 16/17</td><td>16</td><td>9</td><td>8.5</td></tr><tr><td>Qtr 2 16/17</td><td>16</td><td>9</td><td>8.5</td></tr><tr><td>Qtr 3 16/17</td><td>16</td><td>9</td><td>8.5</td></tr><tr><td>Qtr 4 16/17</td><td>16</td><td>9</td><td>8.5</td></tr><tr><td>Qtr 1 17/18</td><td>16</td><td>9</td><td>8.5</td></tr></tbody></table> | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 16 | 9 | 8.5 | Qtr 3 15/16 | 16 | 9 | 8.5 | Qtr 4 15/16 | 16 | 9 | 8.5 | Qtr 1 16/17 | 16 | 9 | 8.5 | Qtr 2 16/17 | 16 | 9 | 8.5 | Qtr 3 16/17 | 16 | 9 | 8.5 | Qtr 4 16/17 | 16 | 9 | 8.5 | Qtr 1 17/18 | 16 | 9 | 8.5 | <p>Rationale for current score:</p> <p>Response plans are minimal in places which means that impact would still be major.</p> <p>Rationale for risk appetite</p> <p>Council has accepted no further resources should be applied and that arrangements fulfil basic mandatory requirements</p> <div><div>Current RAG rating</div><div>Green</div></div> |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 16 | 9 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Current Actions <i>(What we are currently doing about the risk)</i></p> <ul style="list-style-type: none">• Council Wide Business Continuity Plan has been updated to reflect the revised critical functions and has been agreed at SRMG.• 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 undertaken for all major contracts let by the Council and annual financial assessment checks where appropriate for major contractors• In the process of implementing a new backup solution. Once this is in place, a disaster recovery test will be planned.• To raise profile of having effective contract management in place• Increased resilience due to power generator being in place and system replication• <i>Council Wide Business Continuity Plan to be updated to reflect current contacts and revised critical functions as agreed at SRMG</i>• Decision on delivery of emergency planning to be determined over the next few months | | <p>Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities</p> <table><tr><td></td><td>Officer responsible</td><td>Target date</td></tr><tr><td>N/A</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table> | | Officer responsible | Target date | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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|--|--|--|--|---------|----------|----------------------------|--------------------|-----|---|-------------|----|---|---|-------------|----|---|---|-------------|----|---|---|-------------|----|---|---|-------------|----|---|---|-------------|----|---|---|-------------|----|---|---|---|---------------------------|--------------|
| Risk 18: Council unable to implement legislative changes. Legal challenge on decisions relating to levels of service provision | | Risk Owners: Director Corporate Services | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Risk Rating (Likelihood x Impact)</p> <p>Unmitigated 4 x 4</p> <p>Current Residual 2 x 3</p> <p>Appetite 2 x 3</p> <p>Potential Impact</p> <p>Litigation. Prosecution</p> <p>Financial penalties/cost. Loss of reputation</p> | <table><caption>Risk Rating Data</caption><thead><tr><th>Quarter</th><th>Unmitigated</th><th>Current</th><th>Appetite</th></tr></thead><tbody><tr><td>Qtr 2 15/16</td><td>16</td><td>6</td><td>6</td></tr><tr><td>Qtr 3 15/16</td><td>16</td><td>9</td><td>6</td></tr><tr><td>Qtr 4 15/16</td><td>16</td><td>9</td><td>6</td></tr><tr><td>Qtr 1 16/17</td><td>16</td><td>6</td><td>6</td></tr><tr><td>Qtr 2 16/17</td><td>16</td><td>6</td><td>6</td></tr><tr><td>Qtr 3 16/17</td><td>16</td><td>6</td><td>6</td></tr><tr><td>Qtr 4 16/17</td><td>16</td><td>6</td><td>6</td></tr><tr><td>Qtr 1 17/18</td><td>16</td><td>6</td><td>6</td></tr></tbody></table> | Quarter | Unmitigated | Current | Appetite | Qtr 2 15/16 | 16 | 6 | 6 | Qtr 3 15/16 | 16 | 9 | 6 | Qtr 4 15/16 | 16 | 9 | 6 | Qtr 1 16/17 | 16 | 6 | 6 | Qtr 2 16/17 | 16 | 6 | 6 | Qtr 3 16/17 | 16 | 6 | 6 | Qtr 4 16/17 | 16 | 6 | 6 | Qtr 1 17/18 | 16 | 6 | 6 | <p>Rationale for current score:</p> <p>Due to introduction of IIR 35 and in particular the potential impact of GDPR which comes into effect in April 2018.</p> <p>Rationale for risk appetite</p> <p>Due to need to comply with statutory requirements</p> <p>.</p> <table><tr><td>Current RAG rating</td><td>Green</td></tr></table> | Current RAG rating | Green |
| Quarter | Unmitigated | Current | Appetite | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 15/16 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 15/16 | 16 | 9 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 15/16 | 16 | 9 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 16/17 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 2 16/17 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 3 16/17 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 4 16/17 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qtr 1 17/18 | 16 | 6 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current RAG rating | Green | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Current Actions (<i>What we are currently doing about the risk</i>)</p> <ul style="list-style-type: none">Monitoring negotiations quarterly to identify what might go to Land TribunalMonitoring implications of Employment Tribunal ruling regarding conclusion of overtime in holiday pay.Monitoring Officer checks on AGS assurance statements from Directors on compliance with legislationAnnual contract monitoring report (£35k report presented to CMT. Robust consultation arrangements as well as our Equality Impact assessment processes for proposals to change service provisionRisk registers for transformation projects include legal issues and Union engagement around staffingResponding to changes on local government funding. educationGap analysis on GDPR scheduled for JuneIR 35 review being planned | | | <p>Further Mitigation (what more should we do to reduce risk to our risk appetite level and opportunities)</p> <table><tr><td></td><td>Officer responsible</td><td>Target date</td></tr><tr><td>N/A</td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table> | | | Officer responsible | Target date | N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Officer responsible | Target date | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N/A | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Strategic Theme 1: Value for money
 Strategic Theme 2: A Strong and Resilient Economy
 Strategic Theme 3: People have the life skills and education opportunities they need to thrive
 Strategic Theme 4: People live active and healthy lifestyles
 Strategic Theme 5: A clean, green growing and sustainable place
 Strategic Theme 6: Strong, safe, supportive and self-reliant communities

Risk 19: Security controls in place fail to prevent a cyber attack. Weaknesses in incident management arrangements prevent the Council from responding quickly and effectively to a cyber attack.

Risk Owners: Director
Corporate Services

Risk Rating (Likelihood x Impact)

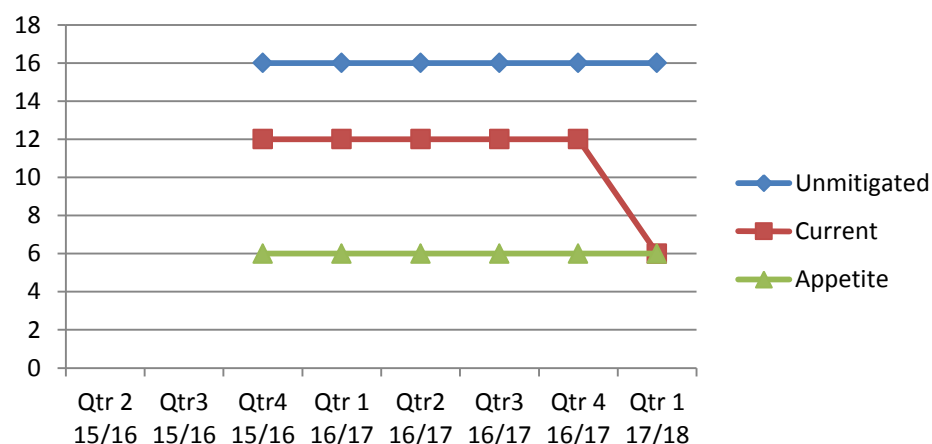
Unmitigated 4 x 4

Current Residual 2 x 3

Appetite 2 x 3

Potential Impact

Disruption to services. Failure to meet statutory duties



Rationale for current score:

Vulnerabilities remain due to the risk of human error so there is a need to be vigilant but ICT are now confident that they can respond effectively.

Rationale for risk appetite

Low due to dependency on IT and sensitivity of some of data held

.

Current RAG rating Green

Current Actions *(What we are currently doing about the risk)*

- Communication to raise staff awareness to risks
- Policies and procedures on what devices can connect to the network .
- Spam filters
- Personal message manager
- Disaster recovery testing has commence
- Disaster Recovery contract with a provider to get systems up and running and an Action Plan for the systematic recovery of systems
- backup solution now in place .

Further Mitigation *(what more should we do to reduce risk to our risk appetite level) and opportunities*

| | Officer responsible | Target date |
|-----|---------------------|-------------|
| N/A | | |
| | | |

RISK MATRIX

LIKELIHOOD

| | | | | | |
|---|---|---|---|---|---|
| 5 | | | | | |
| 4 | | | | | |
| 3 | | | | | |
| 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

TO:

GOVERNANCE AND AUDIT COMMITTEE 28 JUNE 2017

ANNUAL GOVERNANCE STATEMENT
Director of Corporate Services – Legal

1 PURPOSE OF REPORT

- 1.1 To present the Committee with the Annual Governance Statement for 2016/17, update the Committee on progress against the Action Plan agreed in June 2016 and to make recommendations for further actions arising from the contents of this report.

2 RECOMMENDATIONS

- 2.1 **That the draft Annual Governance Statement (“AGS”) shown as Appendix 1 to this report be approved.**
- 2.2 **That the Action Plan shown as Appendix 3 to this report be approved.**

3 REASONS FOR RECOMMENDATIONS

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

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 It is a statutory requirement for the Council to approve an AGS and Action Plan and therefore no alternative options have been considered.

5 SUPPORTING INFORMATION

- 5.1 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 will be signed by the Chief Executive and the Leader of the Council.
- 5.2 The CIPFA/SOLACE publication “Delivering Good Governance in Local Government: Framework 2016” recommends that authorities produce an AGS to report publicly on the key elements of the governance framework the authority has in place, to review the effectiveness of the governance framework and the steps which will be taken over the next year to enhance governance arrangements. The AGS and Action Plan were prepared in accordance with the revised CIPFA/SOLACE Guidance Note 2016 and subsequent addendum. These provide that the AGS should include a brief description of the key elements of the governance framework the authority has in place.
- 5.3 The Action Plan attached to last years AGS identified a few areas requiring oversight, in particular in relation to communicating with and raising staff awareness of information management policies, taking a proactive approach to counter-fraud, and the review of the Council’s Standards Framework. Considerable progress was made during 2016/17 on

UNRESTRICTED

implementing those actions (see Appendix 2). Where these issues are still ongoing they have been included again in the Action Plan attached to the 2017/18 AGS (Appendix 3).

- 5.4 The primary sources of assurance for the AGS, as advised in CIPFA/SOLACE guidance, are the Compliance Assessments 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 Appendix 1 is based on the declarations in the compliance assessments. An Action Plan has been drawn up to address the issues highlighted in the 2016/17 AGS and this is attached at Appendix 3.

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's 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, as outlined paragraph 3.3 of the draft AGS in Appendix 1.

Other Officers

- 6.5 None.

7 CONSULTATION

7.1 Principal Groups Consulted

The Corporate Governance Working Group (including Councillor Cliff Thompson).

7.2 Method of Consultation

Meeting.

7.2 Representations Received

Suggested amendments included in this report.

Contact for further information
Sanjay Prashar – 01344 355679

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ANNUAL GOVERNANCE STATEMENT 2016/17**1 Scope of Responsibility**

- 1.1** Bracknell Forest Borough 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 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. This Statement explains how the Council has complied with the code and also meets the requirements of regulation 6 (1)) of the Accounts and Audit Regulations 2015 in relation to the preparation 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 its strategic objectives and to consider whether those objectives have led to the appropriate delivery of services and value for money.
- 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 and not 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 2017 and up to the date of approval of the 2016/17 statement of accounts.

3 The Governance Framework

The CIPFA/SOLACE Framework and 2012 Addendum - Delivering Good Governance in Local Government suggest that this Annual Governance Statement should include a brief description of the key elements of the governance framework that the Council has in place. Further detail is set out in the Council's Code of Governance that is publically available.

3.1 Bracknell Forest Council's Vision and delivery of the Council Plan

- 3.1.1 During 2015/16 the Council developed a new Council Plan for 2015-2019 which articulates a new narrative for the organisation to meet the challenges we face. The Plan sets out six overarching strategic themes which form the vision for the Council.. The strategic themes are each underpinned by measures of success and performance indicators. The main ways the strategic themes are communicated are via the Council's public website, intranet, Town and Country magazine (the Council's news paper for residents) and Chief Executive's Briefings.
- 3.1.2 The Council Plan was developed after extensive consultation with the community, residents, employees, strategic partners and local businesses in order for the priorities to be consistent with their needs and aspirations.
- 3.1.3 Measures of success and key actions are cascaded internally through service plans, team business plans and individual performance development reviews. Delivery is monitored through:
- Quarterly Service Reports reviewed by the Executive Members, Chief Executive and the Corporate Management Team.
 - Quarterly Corporate Performance Overview Report considered by the Executive.
 - Quarterly reports for Corporate Services and the Chief Executive's Office together with the quarterly Corporate Performance Overview Report are then considered by 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 Council's performance reporting process measures quality of service for users, ensuring services are delivered in accordance with objectives and represent the best value for money.

- 3.1.4 Partnership groups have agreed joint targets that they monitor quarterly; for example, the Community Safety Partnership. Adult Social Care also produces an Annual Report referred to as the Local Account. Major partnership projects are monitored on a regular basis by the Corporate Management Team, the Executive and the Health and Wellbeing Board.
- 3.1.5 The Council needs to be confident that it has accurate, complete and timely performance information in order to plan and manage services to the public; ensure good decision-making and to effectively provide feedback and report on the quality of Council services to service users, residents, partners and Government. To ensure this, the Council has a Data Quality Statement, which is reviewed annually. The Data Quality Statement provides details on how the Council aims to achieve a consistently high level of data quality. Good quality data is the responsibility of every member of staff who collects, calculates, inputs or uses performance data during the course of their work. The various roles are outlined within the statement.

3.2 Roles and Responsibilities

- 3.2.1 The Constitution of the Council establishes 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). As well as Procedure Rules, it contains Standing Orders and Financial Regulations that define clearly how decisions are taken and where authority lies for the decision. It includes Members and Employee Codes of Conduct and Protocols for Member/officer relations. 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.

- 3.2.2 The Monitoring Officer advises the Governance and Audit Committee on proposals to update the Council's Constitution (including arrangements between officers and Members), its Executive Arrangements/decision making and Procedure Rules to ensure that they are fit for purpose and the Committee subsequently make recommendations on those matters to full Council.
- 3.2.3 The work of the Executive is supported by the Overview and Scrutiny Commission and four Overview and Scrutiny Panels (plus one Joint Committee in respect of Health). They are comprised of non-Executive Members and review and scrutinise both Executive and non-Executive decisions. In addition to scrutinising such decisions working groups of the Panel conduct in-depth investigations into particular topic areas which result in reports setting out detailed recommendations.
- 3.2.4 The Council's financial management arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* (2010). Further, the Council's assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010).
- 3.2.5 Effective arrangements are in place for the discharge of the Monitoring Officer function, Head of Paid Service and Section 151 Officer. The Borough Treasurer (Section 151 Officer) is a member of Corporate Management Team and the Borough Solicitor has access to Corporate Management Team in his role as Monitoring Officer.
- 3.2.6 The Governance and Audit Committee is responsible for reinforcing effective governance, particularly through reviewing the activities of the external and internal auditors and the Council's risk management arrangements. It undertakes the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities*. The Internal Audit Plan for 2016/17 was approved by the Committee on 30 March 2016. During 2016/17 the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work.

3.3 Risk Management

- 3.3.1 The Council has an effective risk management function. Decisions made by the Council are subject to risk assessments which are made in accordance with the organisation's risk management processes. The Risk Management Strategy was approved by the Governance and Audit Committee on 24th June 2015 and includes the Council's priorities for developing risk management arrangements. The Policy is due for review in 2017.
- 3.3.2 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, business continuity and information security risks. During 2016/17 the Strategic Risk Register was updated and considered by SRMG on a quarterly basis and reviewed and approved twice by the Corporate Management Team, and twice by the Governance and Audit Committee. Actions to address strategic risks were updated and monitored during 2016/17 and key changes to strategic risks were summarised in the quarterly Corporate Performance Overview Report.

- 3.3.3 There is a process for recording and monitoring significant operational risks through directorate risk registers which were reviewed quarterly during 2016/17 and used to inform the Strategic Risk Register. The Strategic Risk Register includes an over-arching risk on major projects and in addition separate risk registers are in place for all major projects.
- 3.3.4 Members are engaged in the risk management process through the Governance and Audit Committee's review of the Strategic Risk Register and Member review of the Corporate Performance Overview.

3.4 Policies and Procedures

- 3.4.1 The Council's Anti-Fraud and Corruption Policy is consistent with Financial Regulations and has been communicated to all staff. A programme of anti-fraud training commenced in 2016/17 and is ongoing.
- 3.4.2 A corporate complaints procedure and whistle-blowing policy are maintained and kept under review, providing an opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. An annual report analysing complaints received and their resolution is presented to Corporate Management Team and to the Executive.
- 3.4.3 The Council takes information security very seriously. The Information Management Group consists of senior officers and ensures that the Council has in place a co-ordinated and coherent framework for managing information. During 2016/17 it continued to implement the Information Management Strategy, monitor information security incidents that occurred, communicate policies to staff and provide training. The Council is in the processes of adopting the government's security classification scheme and is undertaking a gap analysis to ensure compliance with the General Data Protection Regulation which will have legal effect from May 2018.

3.5 Change Management

The Council ensures effective management of change. It conducts Equality Impact Assessments when appropriate and has put in place a Privacy Impact Assessment Procedure for all new projects involving personal information. The Council has a robust process in place to ensure office moves between buildings are carried out with minimal disruption to service users.

3.6 Assurance on compliance

- 3.6.1 Assurance on compliance with internal controls, internal policies and procedures and that expenditure is lawful is sought through internal audit reviews and the work of external audit.
- 3.6.2 All decisions made by the Council are made in light of advice from the Borough Treasurer and Borough Solicitor.

3.7 Developing the capacity and capability of Members and officers to be effective

- 3.7.1 The Council has a comprehensive induction and training process in place for both Members and officers joining the Council. The Council had a by-election in 2016 and the newly

elected councillor completed the induction programme. In addition, both Members and officers attend external training courses where training needs cannot be met internally.

- 3.7.2 The Council has a Member Development Programme which offers a range of learning and development opportunities including workshops, briefing seminars on specific topics and attendance at conferences. Members are offered 360° feedback to enable them to gain feedback from a range of different sources on their performance and identify their personal learning needs. The latest round was launched in October 2016. In September the Council underwent an 18 month review against the Charter+ Standard and received confirmation that the Standard continues to be met. Charter+ provides a robust framework which ensures Members are supported throughout their time on the Council. Member development continues to be an embedded part of the Council's culture and courses and seminars are well attended.
- 3.7.3 A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by e-learning opportunities and also less formal learning such as mentoring and work shadowing schemes.
- 3.7.4 Compliance with Continuing Professional Development requirements of staff 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 Plan which forms the basis for the Council's internal training course programme.
- 3.7.5 The Council has in place an ongoing Management Assessment and Development Programme and Diversity training for its Members, senior and middle level managers.
- 3.7.6 The representation of Members on Outside bodies has given rise to the need to ensure conflicts of interests are appropriately managed. An external law firm was commissioned to run a training session on the subject in February 2017 which was well attended. The Council will seek to extend awareness of conflict interests to officers who are appointed to outside directorships moving forward.

3.8 Communication and engagement

- 3.8.1 The Council establishes clear channels of communication with all sections of the community, other stakeholders and local partners, ensuring accountability and encouraging open consultation.
- 3.8.2 During 2016/17 the council continued to engage and consult with local communities and stakeholders in making decisions on changes to services the council provides. To ensure access to residents and quality of consultations, the council utilises an online consultation portal. Some of the key consultations carried out in the last year have been:
- Libraries Review Public Consultation
 - Consultation on Charges for Adult Social Care Services
 - Crime and Anti-Social Behaviour Survey 2016/17
 - Council Tax Discount Scheme 2017/18
 - Residents Survey 2017
- 3.8.3 The Council enhances the accountability for service delivery and effectiveness of other public service providers as it is a key member of the Bracknell Forest Partnership which brings together agencies that deliver public services including, inter alia, Parish Councils,

Police, Fire and Rescue Service, and the Clinical Commissioning Group and with businesses and people that represent voluntary organisations and the community..

- 3.8.4 The Council has approved Public Participation Schemes for the Overview and Scrutiny Commission, and its Panels and the Health and Well Being Board. The schemes aim to enhance public engagement and give residents a further opportunity to inform Councillors about the things that concern them.
- 3.8.5 To increase transparency, make information more readily accessible to the citizen and to hold service providers to account the Council has an additional website which holds information that it publishes. This includes the sets of information required by The Code of Recommended Practice for Local Authorities on Data Transparency (updated 2015).

4 Review of Effectiveness

- 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 2016/17, the review of effectiveness of the governance framework was evaluated and 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.
- 4.4 The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by two external contractors and by Wokingham and Reading Borough Councils' internal audit teams under an agreement made under Section 113 of the Local Government Act 1972.
- 4.5 Based on the work of Internal Audit during the year 2016/17, the Head of Audit and Risk Management gave the following opinion:-
- from the internal audit work carried out during the year, 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 where a limited assurance opinion has been given;
 - key systems of control are operating satisfactorily except for the areas of limited assurance; and
 - there are adequate arrangements in place for risk management and corporate governance
- 4.6 The Head of Audit and Risk Management reports outcomes for all audits to the Corporate Management Team and the Governance and Audit Committee in twice yearly progress reports. For audits where a limited assurance opinion has been concluded, the Head of Audit and Risk Management reports details of the significant findings to the Corporate Management Team and the Governance and Audit Committee and follow-up audits are carried out to ensure that actions have been taken to address the areas of concern. For other audits, the Head of Audit and Risk Management obtains management updates on

the progress on implementation of agreed recommendations and this information is also reported to the Corporate Management Team and the Governance and Audit Committee. In addition, the Chief Executive and the S151 Officer both meet with the Head of Audit and Risk Management on a regular basis..

The Governance and Audit Committee

- 4.7 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 2016/17, 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 2017/18 was approved by the Committee on **29 March 2017**

The Constitution

- 4.8 The Constitution is subject to regular review. The Monitoring Officer advises the Governance and Audit Committee which reports to full Council. In 2016/17 the Council approved changes to its scheme of delegation to Chief Officers

Annual Compliance Assessment

- 4.9 Compliance Assessments review the adequacy of governance arrangements. Each Director provides assurances about their directorate 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 advising whether 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. Compliance Assessments 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

- 4.10 On 21st September 2016 the Council's external auditors issued an unqualified audit report on the Council's accounts for 2015/16.

The Annual Audit Letter for 2015/16 was presented to Governance and Audit Committee on 25th January 2017

The Key Findings set out in the Audit letter were:-

- the Council has proper arrangements in place both for securing financial resilience and for challenging how it secures economy, efficiency and effectiveness.
- no areas of concern were identified as regards whole of government accounts.no areas of concern were identified as regards the Annual Governance for 2015/16.

5. The Ethical Culture

- 5.1 The Council has approved and published on the Council's web-site a set of values which underpin the work of the Council.

- 5.2 As required by the Localism Act 2011, the Council has adopted a Code of Conduct for Members. The Council has also put in place other protocols relating to the way in which Members should conduct themselves in carrying out their work as Councillors, notably the Planning Protocol for Members and the Member and Officer Protocol. The Council has an approved Code of Conduct for Employees together with a number of policies and procedures which regulate how Council officers should discharge their duties. Observance of such policies and procedures by Council employees is ensured through management overview and, if necessary, the disciplinary process.
- 5.3 There were prominent changes to the Council's Standards regime in 2016/17. For reasons of efficiency, the Standards Committee was dissolved and its functions transferred to the Governance and Audit Committee. A procedure for the administration of Code of Conduct Complaints was introduced which sets out the rights and obligations of both the complainant and Member during the complaints process. A further process setting out the criteria for the granting of dispensations has also been introduced. In the period between 1 April 2016 and 31 March 2017 there were seven complaints received by the Monitoring Officer alleging breaches of the code of conduct by Members of which none were upheld. All of the complaints were either dismissed without recourse to an investigation or settled without need for a formal determination.
- 5.4 The Standards Framework working group is being reconvened in June 2017 to review the current provisions in the constitution requiring Members to disclose Affected Interests in the Register of Interests and at Meetings. The recommendations of that Group will be included in next years Statement

6. NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring deductions from salary, employer's contributions and payments to the scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with timescales detailed in the Regulations.

7 Review of the effectiveness of the governance framework

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance Working Group and Governance and Audit Committee on 24th June 2015 and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

8 Significant Governance Issues

8.1 Actions taken during 2016/17 to improve governance.

- 8.1.1 The Council has progressed implementation of most of the actions identified in the 2015/16 Annual Governance Statement and 2016/17 Action Plan. These actions are set out in Appendix 2 to this report

8.2 Actions identified during the review of effectiveness to be taken during 2017/18

8.2.1 On- going Actions from Previous Action Plans

Actions relating to Information Management and Security awareness, Counter-fraud, and Business Continuity are of on going significance and are therefore included within the 2017/18 Action Plan to ensure that they are embedded within organisational culture.

8.2.2 Review Code of Conduct for Councillors

A review of the Councillor Code of Conduct is to be undertaken from June 2017 to consider the continuing efficacy of the provisions relating to the registration and disclosure of Affected Interests. This review arises from the continuing uncertainty amongst some Members of the scope and application of the provisions particularly having regard to their non statutory nature.

8.3.3 Prepare for Implementation of General Data Protection Regulation ("GDPR") in 2018

The GDPR is due to be introduced in May 2018. A gap analysis of the Council's current arrangements around data protection is being undertaken from July 2017 to ensure compliance.

Signed:

Cllr P.D. Bettison
Leader of the Council

T.R. Wheadon
Chief Executive

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DRAFT ANNUAL GOVERNANCE STATEMENT 2017/18- ACTION PLAN

| Item | Governance Point Raised In Annual Governance Statement | Proposed Action | Owner | Comments/ Implementation Deadline |
|------|--|---|--|---|
| 1. | <u>Implement on-going actions from previous Action Plans</u> | <p>To communicate and raise staff awareness of information management policies and implement a programme of refresher training on information security/data protection for staff and members.</p> <p>Continue to take a proactive approach to counter fraud and whistle blowing, promoting the Council's policies and focussing internal audit activity on areas of high risk.</p> <p>Keep Corporate Business Continuity Management Plan updated and communicate this cross Council</p> | <p>Information Management Group/CO:HR</p> <p>Head of Audit and Risk Management/ Borough Treasurer/ Borough Solicitor</p> <p>Borough Treasurer and Emergency Planning Officer</p> | <p>31March 2018</p> <p>31March 2018</p> <p>December 2017.</p> |
| 2. | <u>Undertake review of Councillor Code of Conduct</u> | Review by Standards Framework Working Group of the efficacy of retaining current requirements in Code of Conduct relating to the registration and disclosure of Affected Interests and the use of social media | Borough Solicitor | January 2018 |
| 3. | <u>Preparation for Implementation of General Data Protection Requirement</u> | To undertake a gap analysis review of existing Data Protection Act measures, against the new [EU] General Data Protection Regulations which are due to come into effect May 2018 and to take remedial action if necessary. | Borough Solicitor | January 2018 |

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DRAFT ANNUAL GOVERNANCE STATEMENT 2016-17 ACTION PLAN -UPDATE

| Item | Governance Point Raised In Annual Governance Statement | Proposed Action | Owner | Comments/ Implementation Deadline | Update |
|------|--|--|--|---|---|
| 1. | <u>Implement on-going actions from previous Action Plans</u> | <p>To communicate and raise staff awareness of information management policies and implement a programme of refresher training on information security/data protection for staff and members.</p> <p>Continue to take a proactive approach to counter fraud and whistle blowing, promoting the Council's policies and focussing internal audit activity on areas of high risk.</p> | <p>Information Management Group/CO:HR</p> <p>Head of Audit and Risk Management/ Borough Treasurer/ Borough Solicitor</p> | <p>31 March 2017</p> <p>31 March 2017</p> | <p>Ongoing programme of communications and training throughout 2016/17</p> <p>A programme of Counter Fraud training commenced in 2016/17 with training sessions being provided in Adult Social Care, Health and Housing and Environment, Culture and Communities. Further training for Corporate Services and Children, Young People and Learning is budgeted for in the 2017/18 Internal Audit Plan approved in March. In addition to internal audit focus on high risk areas such as cash income and expenses, proactive fraud reviews were carried out during 2016/17 on</p> |

| Item | Governance Point Raised In Annual Governance Statement | Proposed Action | Owner | Comments/ Implementation Deadline | Update |
|------|--|--|--|-----------------------------------|---|
| | | Keep Corporate Business Continuity Management Plan updated and communicate this cross Council and include testing of Disaster Recovery plan. | Borough Treasurer and Emergency Planning Officer | 31 March 2017 | <p>procurement, declarations of interest and domiciliary care providers and internal audit continued to promote completion of the fraud health checklist for schools. A revised Anti Fraud Policy and Anti Bribery Policy are currently in draft awaiting approval.</p> <p>The corporate BC plan (dated August 2014) requires review every 3yrs or following an incident or significant organisational change. It is next due for review in 2017. The Emergency Planning Service function is due to move into a shared service in 2017. This action will therefore be monitored to ensure completion.</p> |
| | <u>Review Standards Framework</u> | Review of Standards Framework by Standards Framework Working Group to include procedure for dealing with complaints, role of standards committee | Borough Solicitor | December 2016 | Review undertaken and changes to Standards Framework adopted by Council on 30 November 2016 |

| Item | Governance Point Raised In Annual Governance Statement | Proposed Action | Owner | Comments/ Implementation Deadline | Update |
|------|--|---|-------------------|-----------------------------------|---|
| | | and sanctions | | | |
| 3. | <u>Review Scheme of Delegation</u> | To review delegations relating to Property transactions and other delegations | Borough Solicitor | January 2017 | Changes to Chief Officer: Property and Chief Officer; Planning and Countryside delegations approved by Council in April 2017. |

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