

**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 24<sup>th</sup> 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 24<sup>th</sup> 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