

**BRACKNELL FOREST BOROUGH COUNCIL**  
**ANNUAL GOVERNANCE STATEMENT 2010/11**

**1 Scope of Responsibilities**

- 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 for ensuring that there is a sound system of internal control facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* published in 2007. [A copy of this code is on our website at <http://www.bracknell-forest.gov.uk/local-code-of-governance.pdf>.] This Statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

**2 The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled. It underpins its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of the strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable assurance rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Bracknell Forest Borough Council for the year ended 31 March 2011 and up to the date of approval of the Annual Report and statement of accounts.

### **3 The Governance Framework**

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

#### **3.1 Principle 1**

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

##### **Strategic Direction**

- 3.1.1 The Council's identified strategic direction is set out in its Vision. "To make Bracknell Forest a place where all people can thrive; living, learning and working in a clean, safe and healthy environment." This vision provides the focus for identifying key priorities and the medium term objectives.
- 3.1.2 The Council's overarching key priorities and Medium Term objectives are identified after each election and reviewed yearly by the Executive and approved by full Council to ensure they remain focused and relevant.
- 3.1.3 In 2010/11, the Council's six overarching key priorities which enable it to address both national and local priorities over the period 2009-2011 were confirmed (for a six month period pending review by the new Council following May 2011 elections):
- A town centre fit for the 21st century
  - Protecting and enhancing our environment
  - Promoting health and achievement:
  - Create a Borough where people are, and feel, safe:
  - Value for money
  - Sustain economic prosperity
- 3.1.4 These key priorities are underpinned by 13 medium term objectives and supported by 82 actions to be delivered over the period.
- 3.1.5 The Council's Vision, priorities and medium term objectives were developed after extensive consultation with the community, residents, employees, strategic partners and local businesses. They are consistent with their needs and aspirations. They also reflect the Council's aim of maintaining effective service delivery as well as ensuring the achievement of statutory requirements and national targets.
- 3.1.6 The Vision, priorities and medium term objectives are communicated through the Council's public website and intranet and Chief Executive briefings to staff. In addition, the medium term objectives feed into the staff appraisal process.

##### **Performance Management**

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

- 3.1.8 The quarterly Performance Monitoring Reports are reviewed by the Executive Members, Chief Executive and the Corporate Management Team. The quarterly Corporate Performance Overview Report is considered by the Executive. The quarterly reports for Corporate Services and the Chief Executive's Office together with the quarterly Corporate Performance Overview Report are then taken to the Overview and Scrutiny Commission. Quarterly Performance Management 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.
- 3.1.9 The Overview and Scrutiny Panels are:
- the Environment, Culture and Communities Panel
  - the Adult Social Care Panel
  - the Children's Young People and Learning Panel
  - Health Overview and Scrutiny Panel
- 3.1.10 The Commission and the Panels focus on specific service areas. They consider the quarterly performance management reports for their relevant directorates and any external inspection reports. The work programme of both the Overview and Scrutiny Commission and Panels is agreed by the Commission at the start of each municipal year but is flexible allowing for further reviews as the need arises. The Overview and Scrutiny Commission has the role of the Council's Crime and Disorder Overview and Scrutiny Committee.
- 3.1.11 In January 2011 the Governance and Audit Committee approved amendments to update the Council's Local Code of Governance which was originally adopted in January 2009. Its implementation demonstrates good outcomes for the community and service users, through good risk management, performance, financial and internal control processes.
- 3.1.12 The Annual Report reviews performance against targets set against each medium term objective as well as reporting how well the organisation has performed against National Indicators for Local Authorities. It also summarises the Council's plans for the following year which are subsequently reflected in departmental service plans. The Annual Report is published at the end of October each year and is also available on the website.
- 3.1.13 Through the Council's performance reporting process the Council measures the quality of services for users, ensuring they are delivered in accordance with our objectives and represent the best use of resources.
- 3.1.14 Performance reports setting out progress against the joint targets agreed by the Partnership is reviewed by the Bracknell Forest Partnership Board on a quarterly basis. During 2010/11 these reports were also reviewed by the Council's Partnership Overview and Scrutiny Group.
- 3.1.15 The Governance and Audit Committee are made aware of the outcome of internal audit reports through detailed progress reports submitted twice a year by the Head of Internal Audit and Risk Management. In addition, the Head of Audit and Risk Management informs the Governance and Audit Committee of any audits where a limited or no assurance conclusion has been determined since the date of the previous meeting.

## 3.2 Principle 2

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

- 3.2.1 As set out in 3.1, the Council clearly identifies a core purpose. The Council ensures effective leadership throughout the Authority. On an annual basis, Councillors appoint a Leader of the Council with power to appoint Executive Members and designate responsibilities for Executive Members.
- 3.2.2 The roles and responsibilities of the Executive, the full Council and its committees and sub-committees along with Overview and Scrutiny arrangements, the role and functions of Champions and officer functions (set out in the Scheme of Delegation) are defined and can be found in the Council's Constitution. The Council's Constitution is regularly reviewed and updated with substantive changes highlighted to all staff and members. The Constitution is available on the public website.
- 3.2.3 The Member/officer protocol establishes a clear framework for Member/officer relations and the Leader/Chief Executive Protocol supports the already effective working relationship between the Leader and the Chief Executive.
- 3.2.4 The Monitoring Officer advises the Governance and Audit Committee on the development of proposals to update the Council's Constitution, its Executive Arrangements and Procedure Rules to ensure that they are fit for purpose and the Committee subsequently makes recommendations on those matters to full Council.
- 3.2.5 Arrangements between officers and members are regularly reviewed to ensure they are clear and effective. During 2010/11 full Council agreed, on the recommendation of the Governance and Audit Committee that the provisions in the Council's Constitution relating to powers exercisable by officers in relation to property management were reviewed and amended.

## 3.3 Principle 3

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

- 3.3.1 The Council has identified and published on its public website its core values setting out the manner in which it will behave whilst delivering its Vision, priorities and medium term objectives. In serving residents the Council is committed to being:
- friendly and approachable
  - accountable
  - efficient
  - fair

- innovative and forward thinking

3.3.2 Members, officers and partners are expected to maintain high standards of behaviour .These are set out in:

- The Council's Constitution which includes the Code of Conduct for Members, Code of Conduct for Employees, Member and Officer Protocols, Contract Standing Orders and Financial Regulations.
- Fraud and Corruption Policy
- Employee Handbook
- Regular performance appraisals of our partners
- Service standards that define the behavior of officers

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

3.3.3 A new Code of Conduct for Employees was issued during 2010/11 in order to (among other things) clarify further the position in relation to hospitality and to require senior officers to declare outside work commitments and personal interests. Further the Policy and Guidance in relation to hospitality was amended accordingly.

3.3.4 A Planning Protocol provides specific guidance for Members in relation to planning applications and Guidance for Members serving on external bodies was approved by the Standards Committee in 2010. These will be subject to regular review by the Standards Committee.

3.3.5 During 2010/11 it was reported to the Governance and Audit committee that good progress has been made towards implementation of the International Financial Reporting Standards in accordance with the Council's timetable.

3.3.6 During 2010/11 the Council approved a Counter Fraud Strategy and Anti-Money Laundering Policy and raised awareness of these and Counter Fraud arrangements.

### **Standards Committee**

3.3.7 The Council's Standards Committee has responsibility for:

- Promoting and maintaining high standards of conduct by Members and co-opted Members.
- Advising the Council on the adoption and revision of its Codes of Conduct and the adoption of appropriate protocols governing the ethical standards of the Members and officers of the Council.
- Monitoring the operation of the Council's Codes of Conduct including advice and Members and co-opted Members on matters relating to their Codes of Conduct.
- Considering and determining any allegation that a Member has been in breach of the Code of Conduct for Members or failed to observe a locally adopted protocol.

3.3.8 In 2010/11 the Standards Committee considered two complaints made in the preceding year which went to a hearing. In each case the Member was found to have been in breach of the Members Code of Conduct by not treating the complainants with respect. However, the allegations of bullying and bringing the Council into disrepute were rejected. The Standards Committee received one complaint which was referred for investigation. The investigating officer's recommendation of no breach was accepted.

3.3.9 The workings of the Committee are reported in its Annual Report to full Council.

## **Whistle Blowing Policy and Complaints Procedure**

- 3.3.10 The Whistle Blowing Policy sets out the procedures to be followed when receiving and investigating allegations made by employees, agency staff and contractors. The processes for receiving and investigating other allegations (other than those alleging a breach of the Code of Conduct for Members in respect of which there are separate procedures under the Local Government Act 2000) are covered by the Corporate Complaints Procedure or dealt with under the Disciplinary Procedure. Complaints may be submitted electronically or on a standard form. The Council provides leaflets on the Corporate Complaints Procedure and the Complaints Section on the Council's website clearly sets out whom to contact with complaints and also explains the informal and formal stages of the complaints process and how these can be pursued should the claimant not be satisfied with the response provided. In addition, where required by legislation there are complaints procedures for specific service areas in Social Care and Education.
- 3.3.11 During 2010/11 the Council took steps to raise the profile of the Whistleblowing Policy; this included the subject being incorporated into the corporate message which is cascaded to all staff.
- 3.3.12 For employees within the Council the Grievance Procedure is available for a grievance relating to their own employment.

## **Information Management and Governance**

- 3.3.13 Information Management Group consists of officers and ensures that the Council has in place a co-ordinated and coherent framework for management of information which includes appropriate accountability arrangements for information governance. During 2010/11 the Council identified the Director of Corporate Services as the Information Governance Lead and the Borough Solicitor as Senior Information Risk Officer.
- 3.3.14 The Group's terms of reference were amended to provide for the Information Governance Lead to be Chair and expanded to include consideration of the Annual Information Governance Assessment. .
- 3.3.15 The Council has also worked on creating a central repository for staff and members to access policies and guidance relevant to information management. The "Information Management Hub" went live in April 2010.
- 3.3.16 During 2010/11 the Council approved and implemented an Information Management Strategy and Information Security Policy. In addition, it has continued to implement its Data Quality Strategy

## **Assurance on compliance**

- 3.3.17 Assurance on compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful is sought through internal audit reviews and the work of external audit.
- 3.3.18 The Governance and Audit Committee provides oversight of governance arrangements and acts in the capacity of a committee with delegated authority for the function of "Those Charged with Governance" as required for the purposes of

receiving external auditor's reports in accordance with the definition in International Standards on Auditing.

- 3.3.19 The Governance and Audit Committee considers the reports from internal and external auditors, monitors the adequacy of procedures and processes in place to manage risk and governance (includes Anti-Fraud and Corruption Policy) and approves the financial statements, internal and external audit plans and the Annual Governance Statement.
- 3.3.20 During 2010/11 the Governance and Audit Committee received updates on the performance against the 2010/11 Internal Audit Plan together with a summary of assurances provided by individual audit reports and approved the 2011/12 Internal Audit Plan. It also considered the Annual Audit and Inspection Letter from the External Auditors.
- 3.3.21 The Audit of Housing and Council Tax Benefit Subsidy 2009/10 identified issues requiring a management response. The Governance and Audit Committee were appraised of the findings and proposed an action plan in response to this and the internal audit of the housing benefit service. It will continue to monitor the progress of the actions arising. This illustrates the Council's continual commitment to upholding high standards of conduct and governance.
- 3.3.22 Major external inspections which assess performance in specific services are considered by the relevant Overview and Scrutiny Panels and by external inspections.

#### **3.4 Principle 4**

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

##### **Member decisions**

- 3.4.1 The Leader and the Executive (including committees of the Executive and individual Executive Members) are responsible for all Executive decision-making within the policy and budgetary framework established by full Council. The Leader allocates portfolios to each of the Executive Members. Portfolio holders have executive powers to make decisions on matters within their portfolio.
- 3.4.2 The Council has appointed a number of committees to exercise its regulatory functions and other functions which are not exercisable by the Executive.
- Appeals Committee
  - Education Employment Sub Committee
  - Employment Committee
  - Governance and Audit Committee
  - Licensing and Safety Committee
  - Licensing Panels
  - Planning and Highways Committee

- 3.4.3 The procedures for decision making set out in the Council's Constitution ensure that decisions made by collective groups exercising powers of the Council are made at meetings open to the public unless under statutory provisions it is appropriate for the public to be excluded (see paragraph 3.4.16 – 3.4.18 for further details about decision making in Partnerships). There is a requirement to declare interests at these meetings and these declarations are clearly recorded in the minutes. Members are also required to complete an annual declaration of Related Party Transactions.
- 3.4.4 The Constitution sets out those occasions which require formal decision and when written reports supporting decisions are required. Written reports requiring decision contain the following:
- financial advice from the Borough Treasurer
  - legal advice from the Borough Solicitor to ensure that the decision is not unlawful and employs the Council's legal powers to full effect
  - a strategic risk assessment
  - an equalities impact assessment.
- 3.4.5 The Council has appointed committees comprised of non-Executive Members to review or scrutinise both Executive and non-Executive decisions. Such committees encourage effective challenge to the decision making process. The Committee with overarching responsibility for those matters is the Overview and Scrutiny Commission (see paragraph 3.1.8 – 3.1.10 for further details).
- 3.4.6 In addition, during 2010/11 the Council was also a constituent authority (along with Slough Borough Council and the Royal Borough of Windsor and Maidenhead) of the Joint East Berkshire Health Overview and Scrutiny Committee which discharges the functions of the participating authorities under the National Health Service Act 2006.

## **Risk Management**

- 3.4.7 Decisions made by the Council are subject to risk assessments which are made in accordance with the organisation's risk management processes.
- 3.4.8 The Risk Management Strategy was updated during 2010/11 and was subsequently approved by the Governance and Audit Committee in September 2010. The Risk Management Toolkit provides Members and officers with guidance on identifying, evaluating and mitigating risk in accordance with the Council's Risk Management Strategy. This was revised during 2010/11.
- 3.4.9 The Strategic Risk Management Group chaired by the Borough Treasurer meets quarterly and oversees all aspects of risk management at the Council including health and safety and business continuity.
- 3.4.10 The Strategic Risk Register has been updated via the Strategic Risk Management Group and is approved by the Corporate Management Team on a quarterly basis and by the Executive on a six monthly basis to ensure that it is a complete and up to date record of the Council's current risks. A fundamental refresh of risks in the Strategic Risk Register was undertaken during the first half of the year and changes were made to the risk scoring methodology and to improve the format of the Register. Actions to address strategic risks are monitored quarterly and progress on actions is summarised in the Corporate Performance Overview Report.



- 3.4.11 Improvements have been made to risk management arrangements at operational level through the development of directorate risk registers which replace the risk factors for planned outcomes in Service Plans. Directorate risks and mitigating actions are reviewed quarterly.
- 3.4.12 Members are engaged in the risk management process through the Executive's review of the Strategic Risk Register, Member review of the Corporate Performance Overview Report and regular reports to the Governance and Audit Committee on progress in developing risk management.

### **Officer Decisions**

- 3.4.13 The Council has an up-to-date Scheme of Delegation. In addition to this there is a written scheme of internal delegation within each department which is reviewed each year.
- 3.4.14 Appropriate officers are required to declare hospitality received and personal interests in accordance with the Employee Code of Conduct.

### **Partnerships**

- 3.4.15 The Council's Partnership Governance Framework and Toolkit ensures that sound governance arrangements are in place for its key partnerships. It also provides guidance on accountability, decision making and risk management. A strategic risk register and associated action plans were developed for the Local Strategic Partnership and during 2010/11 the Council implemented its action plans to mitigate the key risks.
- 3.4.16 The Bracknell Forest Partnership Group quarterly meetings are open to the public and the minutes and agendas of the monthly Partnership Board are publicly available. A number of the Theme Partnerships meetings within Bracknell Forest Partnership include personal or other sensitive information, and as a consequence it is not appropriate to make the full agendas and minutes publicly available. However, for those Theme Partnerships where it is appropriate, the Council proposes to pilot making more information available via the Council and BFP websites.
- 3.4.17 During 2010/11 the Partnership Overview & Scrutiny Group which consists of representatives from the Council, Bracknell Forest Voluntary Action, NHS Berkshire East, Royal Berkshire Fire and Rescue Service and Thames Valley Police Authority scrutinised Partnership arrangements.

### **Transparency**

- 3.4.18 All Council decisions are taken in an open manner, unless there are sound reasons for doing so as permitted by legislation. The Council has a clear process in place for responding to Freedom of Information Act requests and also publishes information on the website.
- 3.4.19 Further to the Secretary of State for Communities and Local Government's Transparency Agenda, during 2010/11 the Council published senior salaries, spend over £500 and contracts and tenders.

## **Equalities**

- 3.4.20 During 2010/11 the Council successfully met the Achieving Level of the Equality Framework which helps local authorities improve their performance on equality and diversity. IDeA peer reviewers praised the council's excellent work in meeting the needs of specific communities, including people with disabilities and the Nepali community, its efforts to build community cohesion and its strong culture of partnership working and engagement with the community and voluntary sector.
- 3.4.21 The Council also delivered an equality and diversity training programme to its managers and elected members; as well as making improvements to equality monitoring.

## **3.5 Principle 5**

### **"Developing the capacity and capability of members and officers to be effective"**

- 3.5.1 The Council has a comprehensive induction and training process in place for both Members and officers joining the Council. During 2010/11 all new officers received personalised inductions. In addition, both Members and officers attend external training courses where training needs cannot be met internally.

## **Members**

- 3.5.2 Personal Development Plans are offered to Members. Members are encouraged to take advantage of this and during 2010/11 the Council reached its target of 70% of Members having undertaken development needs analysis sessions which have informed both individual plans and the member training programme for all Councillors.
- 3.5.3 The Council has a Members Development Programme which takes the form of internal training workshops and Member briefing seminars on specific topics. It has been awarded the Charter Plus Standard for Member Development. The charter provides a robust framework which ensures members are supported during their time on the council. Member development is now an embedded part of the council's culture.

## **Officers**

- 3.5.4 A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by regular lunchtime manager training sessions.
- 3.5.5 Compliance with Continuing Professional Development requirements is monitored by individual officers; the Council provides sufficient resources to fund this. As part of the performance appraisal process, each officer is required to complete their own Personal Development Plans which form the basis for the Council's internal training course programme.
- 3.5.6 During 2008/09, the Council put in place a Management Assessment and Development Programme and Diversity training for its senior and middle level managers. This is an ongoing programme that will continue throughout 2011/12. During 2009/10 the Borough Solicitor will provide further training on ethics.

- 3.5.7 During 2010/11 the Borough Solicitor discussed and clarified arrangements with Departments concerning the identification of and advising upon new legislation.
- 3.5.8 The Corporate Services department has Investors in People status.
- 3.5.9 During 2009/10 the Council's arrangements were reviewed against the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

### **3.6 Principle 6**

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

- 3.6.1 The Council works closely with its local partners. It is a key member of the Bracknell Forest Partnership which brings together agencies that deliver public services (the Councils, Police, Fire and Rescue Service, and Primary Care Trust) with businesses and people that represent voluntary organisations and the community. Bracknell Forest Partnership is underpinned by a Governance Protocol and Memorandum of Agreement between the organisations and has a single purpose; to improve quality of life for local people.
- 3.6.2 During the period April 2008 to March 2011, Bracknell Forest Partnership ensured accountability to the public through the development and delivery of its Sustainable Community Strategy and Local Area Agreement. The Strategy set out an overview of the Partnership's agreed priorities and the Agreement, signed with the Government, set out 54 detailed commitments from local providers covering health and well-being, the environment, housing, crime, transport, volunteering and the economy. Progress against the targets in the Local Area Agreement has been reported publically.
- 3.6.3 During 2010/11 the Council undertook a number of planning consultations which sought the views of local people and stakeholders; this included the Site Allocations Development Plan (to identify the Council's preferred approach to dealing with the Borough's development needs up to 2026), Supplementary Planning Documents, the proposed Conservation Area in Binfiled and the future of transport in Bracknell 2011-2026. The Bracknell Forest Partnership priorities event was held in November 2010. It involved representatives from key agencies and businesses in the borough, and identified priority issues to be addressed through the work of the Local Strategic Partnership. A wide range of other service based consultation were also conducted during 2010/11 to gain residents input to shaping services.
- 3.6.4 During 2009/10 the Council approved a proportionate strategy for Community Cohesion for the next three years, 'All of Us', implementation of which continued 2010/11. It details what the Council, its partners and local people need to do, to ensure that community cohesion is strengthened and promoted and to ensure quality for all in Bracknell Forest. This Community Cohesion Strategy provides a framework with which to promote positive relationships and to ensure that we do not disrespect, neglect, or disadvantage any member of our community.
- 3.6.5 There are a number of channels of communication which provide the Council with a means of engaging with residents and other stakeholders on its strategies and policies and providing information to them, this includes;
- The public website
  - Town and Country Newsletter delivered to all households in the Borough

- consultation exercises based on focus groups, user groups or publicised on the website
- Regular surveys of the Bracknell 1500; a citizens panel of 1500 local residents (refreshed during 2009/10 to ensure it reflected local demographic)
- Town and Parish Councillors liaison group which meets four times a year.
- Community television.
- Facebook, Flickr, Twitter, YouTube, Mobile Service and Digital Television.

3.6.6 During 2010/11 the Council, on the recommendation of the Governance and Audit Committee, adopted a Petition Scheme (including an online petition facility) as required by the Local Democracy, Economic Development and Construction Act 2009. It also updated the Council's Scheme for Public Participation at Meetings of the Council which allows members of the public to make a submission by way of a petition.

#### **4 Review of Effectiveness of internal control**

Bracknell Forest Borough 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.

During 2010/11, the review of effectiveness of internal control was informed by the following key elements:

##### **Internal Audit**

- 4.1 Internal audit provides an independent and objective opinion to the organisation on the control environment by objectively examining, evaluating and reporting on its adequacy. The Head of Audit and Risk Management also provides an annual opinion to the Governance and Audit Committee to support the Annual Governance Statement.
- 4.2 The Head of Audit and Risk Management develops the annual Internal Audit Plan which is then delivered by an external contractor.
- 4.3 Under the 2010/11 Internal Audit Plan, 77 audits were completed. Internal Audit concluded that they could give limited assurance in only four cases. Where limited assurances have been concluded, the Head of Audit and Risk Management reports the detailed findings to the Governance and Audit Committee and follow-up audits are carried out within the following year to ensure that agreed actions have been implemented. In addition, the Corporate Management Team receive six monthly progress reports.
- 4.4 Based on the work of Internal Audit during the year the Head of Audit and Risk Management has given the following opinion:
  - from the internal audit work carried out during the year, which resulted in a significant or satisfactory opinion in 70 out of 74 cases where an opinion was given, the Head of Audit and Risk Management is able to provide reasonable

assurance that for most areas the Authority has sound systems of internal control in place in accordance with proper practices but some areas with significant weaknesses were identified;

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

### **Standards Committee**

4.5 During 2010/11 the Standards Committee met three times, for further details of its workings see para 3.3.7-3.3.9. Their Annual Report was considered by full Council.

### **The Governance and Audit Committee**

4.6 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 2010/11, 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 2011/12 was approved by the Committee.

### **The Governance Working Group**

4.7 The Corporate Management Team has established a Governance Working Group, chaired by the Borough Solicitor. During 2010/11 the Group met regularly to review progress on actions to address the significant issues included in the Annual Governance Statement for 2009/10 as well as other weaknesses identified by the 2009/10 governance review.

### **The Constitution**

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

### **Annual Assurance Statements**

4.9 Assurance Statements assess the adequacy of governance arrangements. Each Director provides assurances about their department along with the Assistant Chief Executive in relation to the Chief Executives department. The Chief Finance Officer provides assurances in relation to financial services, the Borough Treasurer in relation to risk management and the Borough Solicitor in relation to Legal and Regulation.

### **External Audit**

4.10 External Audit provides an opinion on the adequacy of the internal audit service and comments on corporate governance and performance management in their Annual Audit and Inspection Letter and other reports. The Annual Audit and Inspection Letter for 2009/10 was presented to Governance and Audit Committee in January 2011. It did not identify any significant weaknesses in the internal control arrangements and concluded that there was an adequate control environment in place.

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

## **5 Significant Governance Issues for consideration in 2011/12**

### **5.1 Procurement**

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

In a period of great pressure upon Council resources procurement arrangements should continue to be reviewed in order to provide the optimum structure for effective procurement to secure value for money. This should be done in light of the IESE (Improvement and Efficiency South East) Report

### **5.2 Council Constitution and Local Code of Governance**

During 2011/12 it will be necessary to review the Council's governance arrangements in light of the Localism Bill, once enacted.

### **5.3 Ethics Training for Officers**

During 2010/11 the Council provided a session of ethics training for Officers. Training on this topic should continue during 2011/12.

### **5.4 Business Continuity Plans**

The Council's business continuity processes were developed in [awaiting date]. These arrangements are now due for review to ensure they are still appropriate for ensuring continuity of operations for the Council's current structure and objectives and that they adequately address the business continuity risks identified in the Strategic Risk Register.

## **6 Action Plan**

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

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

7 The Governance and Audit Committee considered and discussed the results of the review of effectiveness of internal control at its meeting on 28 June 2011.

**Signed:**

Leading Member

Chief Executive

on behalf of Bracknell Forest Borough Council