

**GOVERNANCE & AUDIT COMMITTEE
25 SEPTEMBER 2012
7.30 - 8.15 PM**



Bracknell Forest Borough Council:

Councillors Ward (Chairman), Allen, Ms Brown, Heydon, McCracken, Thompson and Worrall

Apologies for absence were received from:

Councillor Wade and Gordon Anderson

In Attendance:

Rachel Cobley, Audit Commission
Sally Hendrick, Head of Audit and Risk Management
Alex Jack, Borough Solicitor
Catherine Morganti, Audit Manager
Arthur Parker, Chief Accountant

13. Declarations of Interest

There were no declarations of interest.

14. Minutes

RESOLVED that the minutes of the meetings held on 31 July 2012 be approved as a correct record and signed by the Chairman.

15. External Audit: Annual Governance Report

The Audit Manager introduced the Annual Governance Report 2011/12 which summarised the work undertaken to discharge the external auditor's statutory audit responsibilities

She reported that she proposed to issue unqualified opinions on financial statements and on value for money. She also requested that her appreciation for the co-operation of Council officers be recorded.

Three uncorrected errors were identified during the audit but these were not material to the financial statements either individually or in aggregate.

A draft letter of management representation was attached as an Appendix to the report and was approved subject to the following amendment:

In the paragraph headed "**Conditional – Comparative financial statements**", delete the second sentence.

RESOLVED that:

- i) the reasons for not amending the errors in the financial statements, as set out in Appendix 2 be agreed;

- ii) the adjustments to the financial statements, as set out in Appendix 3, be noted;
- iii) the letter of representation, as amended, be approved.

16. Financial Statements 2011/12

The Chief Accountant presented the Statement of Accounts 2011/12 which had been subjected to audit by the District Auditor. The report summarised the key elements within the accounts, the findings of the audit and highlighted key changes made to the Statement of Accounts. None of the changes made as a result of the external audit had a detrimental impact on the Council's overall financial position.

It was reported that this was the fourteenth consecutive year that the Council had spent within its budget. Taking in to account the underspend the Council returned £0.296m to reserves. The most significant variance was an underspend of £1m on People with Learning Disabilities.

The report detailed the repayment of deposits with Icelandic banks made to date and those expected in 2012/13.

The Committee congratulated the Officers on the work undertaken to comply with the requirement of International Financial Reporting Standards

RESOLVED that:

- i) the Financial Statements 2011/12 (attached) be approved;
- ii) the out-turn expenditure for the year be noted and the provisions (£0.902m per section 5.3) and earmarked reserves (£16.555m per section 5.4) be approved;
- iii) the Chairman of the meeting be authorised to sign and date the Statement of Accounts on behalf of the Committee;
- iv) the Draft Letter of Management Representation set out in Appendix 4 of the District Auditor's Annual Governance Report be approved, subject to the amendment detailed in Minute 15 above.

17. Risk Management Strategy 2012/13

The Head of Audit and Risk Management presented the updated Risk Management Strategy for approval.

She reported that, during 2011/12, the following actions were taken to improve risk management:

- A refresh of the format of the Strategic Risk Register to streamline risks and provide a more useful tool for managing key risks to senior management and Members;
- Development of the town centre regeneration project risk register;
- Update of the Directorate Business Continuity Plans which facilitated the review and update of the Council-wide Business Continuity Plan;
- Identification of the IT systems supporting delivery for the critical functions; and
- Strengthening of the membership of the Strategic Risk Management Group by the attendance of the Information Security Officer to raise

awareness of information governance risks and report back to the Group on information breaches.

Priorities for 2012/13 were:

- Business Continuity
- Information Assets and Information Risks
- Actions to Address Strategic Risks
- Significant Operational, Project and Programme Risks

In response to a question about contract risks which had materialised, she reported that the intention was to mitigate identified risks and that this approach had been successful to date. It was noted that the financial collapse of Rok was unforeseen.

RESOLVED that the Risk Management Strategy 2012/13, at Appendix A to the report, be agreed.

18. **Scheme of Delegation to Officers - Temporary Substitutions**

The Borough Solicitor presented a report which sought the approval of the Committee to an amendment to the Council's Constitution to ensure that there was no hiatus in the exercise of delegated powers by officers in the event of there being a vacancy in a post or other absence of a postholder to whom powers were delegated by the Council's Constitution.

RECOMMENDED to Council that Section 6 of Part 2 of the Council's Constitution be amended to provide that in the event of there being a vacancy in a post to which powers are delegated, or in the event of such a postholder being temporarily absent, the Chief Executive (or in his absence the Deputy Chief Executive) be authorised to designate an officer to exercise the relevant delegated powers.

19. **Amendments to the Delegated Powers of the Director of Environment, Culture & Communities**

The Borough Solicitor presented a report which sought authority to make two amendments to the delegated authority of the Director of Environment Culture and Communities set out in Table 1 Part 2 of the Council's Constitution. The first proposed amendment was to clarify that the Director has delegated authority for all Public Health protection functions. The second arose from an amendment to the Licensing Act made by the Police Reform and Social Responsibility Act 2011 which designates the Council as a "Responsible Authority", the consequence of which was that the Council may apply to the Licensing Committee for a review of a Premises Licence.

RECOMMENDED to Council that the Scheme of Delegation to officers set out in Table 1 of Part 2 of the Council's Constitution be amended as set out in Section 5 of the report.

20. **Date of Next Meeting**

6 November 2012.

CHAIRMAN

