

ANNUAL GOVERNANCE STATEMENT 2012/13**1 Scope of Responsibility**

- 1.1 Bracknell Forest 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 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(3) of the Accounts and Audit Regulations 2011 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 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 2013 and up to the date of approval of the Annual Report and 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 objectives

3.1.1 The Council's vision of its purpose and intended outcomes for citizens and service users is set out in the Annual Report 2012. These priorities are underpinned by 13 medium term objectives and 75 key actions. The main ways it is communicated are via the Council's public website, intranet, Town and Country magazine (the Council's news paper for residents) and Chief Executive Briefings.

3.1.2 The objectives set out in the Annual Report 2012 were 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 Objectives and key actions are cascaded internally through service plans, team 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.

3.2 Roles and Responsibilities

3.2.1 The Constitution of Bracknell Forest 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 Bracknell Forest 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*. During 2012/13, 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 2013/14 was approved by the Committee.

3.3 Risk Management

- 3.3.1 Bracknell Forest Council has a strong 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 updated during 2012/13 and agreed by the Governance and Audit Committee. Changes made to the Strategy reflected development in risk management at the Council and identified the priorities for risk management for the forthcoming year.
- 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. The Strategic Risk Register is updated and considered by SRMG on a quarterly basis and reviewed and approved by the Corporate Management Team twice a year and by the Executive on an annual basis. Actions to address strategic risks were monitored during 2012/13 and key changes and developments on 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 generally reviewed quarterly during 2012/13 and used to inform the Strategic Risk Register.
- 3.3.4 Members are engaged in the risk management process through the Executive'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 the latest Financial Regulations and has been communicated to all staff, although this will continue during 2013/14.
- 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 2012/13 it continued to implement the Information Management Strategy, monitor information security incidents that occurred and communicate policies to staff. It also commissioned an independent review to improve procedures and controls in relation to information security; the recommendations are currently being implemented.

3.5 Change Management

The Council ensures effective management of change. It conducts Equality Impact Assessments when appropriate and during 2012/13 it approved 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 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.
- 3.6.2 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. During 2012/13 all new officers received personalised inductions. In addition, both Members and officers attend external training courses where training needs cannot be met internally.
- 3.7.2 The Council has a Members Development Programme which takes the form of internal training workshops and Member briefing seminars on specific topics. Members also receive 360° appraisal. The Council 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.
- 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 regular lunchtime manager training sessions.
- 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.

3.8 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 2012/13 a number of consultations sought the views of the community. In line with Community Engagement Strategy, to improve access and quality of consultations, during 2012/13 the Council invested in and launched new corporate consultation software.
- 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 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, namely to improve the quality of life for local people. During 2012/13 the Council continued to implement its Partnership Community Engagement Strategy and strategy for Community Cohesion.
- 3.8.4 The Council's Partnership Governance and Framework Toolkit ensures good governance arrangements are incorporated in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships. A strategic risk register and associated action plans were developed for the Bracknell Forest Partnership and during 2012/13 the Council implemented action plans to mitigate key risks.
- 3.8.5 During 2011/12 the Council approved the Public Participation Scheme for Overview and Scrutiny. The scheme aims to improve public engagement and give residents a further opportunity to inform Councillors about the things that concern them.
- 3.8.6 During 2012/13, to increase transparency, make information more readily accessible to the citizen and to hold service providers to account the Council created an additional website which holds information the Council publishes. This includes the sets of information identified in The Code of Recommended Practice for Local Authorities on Data Transparency.

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 2012/13, 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 an external contractor and by Reading and Wokingham Borough Council's' 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 2012/13, 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 assurance opinion in 59 out of 63 cases, a limited assurance opinion in only 4 cases and no cases where no assurance 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 of limited assurance; and
 - there are adequate arrangements in place for risk management and corporate governance.
- 4.6 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 actions have been implemented. In addition, the Chief Executive meets with the Head of Audit and Risk Management on a quarterly basis and the Corporate Management Team receive six monthly progress reports on Internal Audit.

Standards Committee

- 4.7 During 2012/13 the new framework relating to the Conduct of Members set out in the Localism Act 2011 come into force. The Council decided to retain a Standards Committee with a strong independent representation to consider complaints that Members may have contravened the Council's Code of Conduct for Members. The Standards Committee was re-constituted as an advisory committee reporting to the Governance and Audit Committee. During 2012/13 the Standards Committee met three times.

The Governance and Audit Committee

- 4.8 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 2012/13, 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 2013/14 was approved by the Committee.

The Governance Working Group

- 4.9 The Corporate Management Team has established a Governance Working Group, chaired by the Borough Solicitor. During 2012/13 the Group oversaw the implementation of the actions identified in the Annual Governance Statement Action Plan 2012/13.

The Constitution

- 4.10 The Constitution is subject to regular review throughout the year. The Monitoring Officer advises the Governance and Audit Committee which reports to full Council.

Annual Compliance Assessment

- 4.11 Compliance Assessments review 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 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

- 4.12 External Audit comments on corporate governance and performance management in their Annual Audit Letter and other reports. The Annual Audit Letter for 2011/12 was presented to Governance and Audit Committee on 6 November 2012. It did not identify any significant weaknesses in the internal control arrangements and concluded that there was an adequate control environment in place.

- 5 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 2 July 2013) 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.

6 Significant Governance Issues

6.1 Actions taken during 2012/13 to improve governance.

The Council implemented the actions identified in the 2011/12 Annual Governance Statement and 2012/13 Action Plan. This included;

- Reviewing and adopting a Code of Conduct for Members and commencing a review of the Planning Protocol for Members.
- Monitoring procurement closely and assessing whether contract award can be expedited to ensure unnecessary bureaucracy.
- Raising awareness of Anti-Fraud and Corruption Policy, Whistleblowing Policy and Anti-Money Laundering Policy.
- Reviewing the Expenses Policy.
- Communicating and raising awareness of information management policies.
- Updating and testing Council wide business continuity plan.

6.2 Actions identified during the review of effectiveness to be taken during 2013/14

6.2.1 Planning Protocol for Members

The existing Planning Protocol for Members was put in place shortly after the Local Government reorganisation. Since then, case law has developed and the Localism Act 2011 has amended the law relating to pre-determination.

6.2.2 Gifts and Hospitality Register

The Gifts and Hospitality section of the Employee Code of Conduct may need to be reviewed in light of the outcome of any alteration to the Members Code of Conduct regarding the threshold for Members to register gifts/hospitality.

6.2.3 Data Protection and Information Security Training for Officers

Given the volume and nature of the personal information the Council holds and the large fines which have been imposed upon other public sector public bodies by the Information Commissioner, the Council should ensure that the mandatory training programme CMT has approved is implemented and all staff are appropriately trained.

6.2.4 Information Management Policies

The Council has a number of information management policies which should be effectively communicated to staff.

6.2.5 Implement the ongoing actions in the 2012/13 Action Plan

The Council should implement the actions identified in the 2012/13 Action Plan as ongoing. This includes keeping the Financial Regulations under review, continuing to take a proactive approach to counter fraud and whistleblowing, and to continue to improve Business Continuity Plans.

5 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.

Signed:

Cllr P.D. Bettison
Leader of the Council
September 2013

T.R. Wheadon
Chief Executive
September 2013