

ANNUAL GOVERNANCE STATEMENT 2015/16

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 2016 and up to the date of approval of the 2015/16 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 Strategic Themes

- 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 now 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 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. 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 2015/16 was approved by the Committee on 25th March 2015. During 2015/16 the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work.

3.2.7

3.3 Risk Management

- 3.3.1 The 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 revised Risk Management Strategy was approved by the Governance and Audit Committee on 24th June 2015 and includes the Council's priorities for developing risk management arrangements.
- 3.3.1 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 2015/16 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 the Executive and once by Governance and Audit Committee. Actions to address strategic risks were monitored during 2015/16 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 reviewed quarterly during 2015/16 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 Executive's and 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.
- 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 from across the Council and ensures that the Council has in place a co-ordinated and coherent framework for managing information. During 2014/15 it continued to implement the Information Management Strategy, monitor information security incidents that occurred, communicate policies to staff and provide training. During the year, internal audit carried out a further review of information security arrangements in schools.

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. During 2015/16 all new officers received personalised inductions and a comprehensive councillor induction programme was delivered for the twelve new elected councillors and the returning councillors. 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 are offered offered 360° feedback. In January the Council achieved re-accreditation of the 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 briefing 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 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 2015/16 the Council continued to implement its Partnership Community Engagement Strategy and a number of consultations sought the views of the community. In line with the Community Engagement Strategy to ensure access and quality of consultations, the Council utilises a corporate consultation portal.
- 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 2015/16, 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 2015/16, 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 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 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.

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 2015/16, 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 2016/17 was approved by the Committee on 30th March 2016..

The Governance Working Group

4.8 The Corporate Management Team has established a Governance Working Group, chaired by the Borough Solicitor. The Group oversees the consultation of the actions identified in the Annual Governance Statement Action Plan

The Constitution

4.9 The Constitution is subject to regular review. The Monitoring Officer advises the Governance and Audit Committee which reports to full Council. In 2015/16 the Council approved changes to its Contract Standing Orders to simplify processes and achieve compliance with new Procurement legislation.

Annual Compliance Assessment

- 4.10 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

- 4.11 On 23rd^h September 2015 the Council's external auditors issued an unqualified audit report on the Council's accounts for 2014/15.

The Annual Audit Letter for 2014/15 was presented to Governance and Audit Committee on 27th January 2016..

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. It was noted that the overall medium term funding position was becoming clearer but remained a work in progress.
- no areas of concern were identified as regards whole of government accounts.no areas of concern were identified as regards the Annual Governance for 2014/15.

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 The Council has retained 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 is constituted as an advisory committee reporting to the Governance and Audit Committee. Although three meetings of the Committee were scheduled for the 2015/16 municipal year only one meeting took place. This was because there was no business for the Committee to transact apart from consideration in February 2016 of its own Annual Report and a Monitoring Officer report proposing a review of the Standards Framework entailing the adoption of a detailed procedure for dealing with Councillor Code of Conduct complaints as well as the scope of available sanctions. There were two complaints against Borough Councillors during the year, one of which was dealt with by way of an apology to the Monitoring Officer whilst the

other has been referred for determination by the Standards Committee. There have been no complaints against Parish/Town Councillors during the year.

- 5.4 The Monitoring Officer has undertaken a series of training sessions for Councillors setting out the ethos and processes underpinning the Code of Conduct. A Standards Framework working group has been formed to take forward the review of the Standards Framework initially proposed in the Monitoring Officer report to Standards Committee in February 2016. The outcome will be reflected in the 2016/17 Annual Governance 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

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

8 Significant Governance Issues

8.1 Actions taken during 2015/16 to improve governance.

- 8.1.1 The Council has progressed implementation of most of the actions identified in the 2014/15 Annual Governance Statement and 2015/16 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 2016/17

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 2016/17 Action Plan to ensure that they are embedded within organisational culture.

8.2.2 Review Standards Framework

A review of the Standards Framework is proposed to ensure that ethical governance requirements and compliance with those requirements continues to form a key plank of the Council's governance arrangements

8.3.3 Review Scheme of Delegation

Amend and simplify delegations relating to property transactions

Signed:

Cllr P.D. Bettison
Leader of the Council

T.R. Wheadon
Chief Executive

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