

Notice of Meeting

Governance & Audit Committee – Advisory Meeting

Councillor Allen (Chairman),
Councillor Wade (Vice-Chairman),
Councillors Gbadebo, Mrs Hayes MBE, Heydon, Leake, Neil and
Tullett

David StJohn Jones – Independent Member

Wednesday 23 June 2021, 7.30 pm

Online Via Teams



Agenda

Recommendations arising from this meeting will be considered in accordance with the delegations approved by Council on 28 April 2021.

Item	Description	Page
1.	Apologies for Absence	
	To receive apologies for absence and to note the attendance of any substitute members.	
2.	Declarations of Interest	
	<p>Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.</p> <p>Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.</p> <p>Any Member with an affected Interest in a matter must disclose the interest to the meeting. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting.</p>	
3.	Minutes of previous meeting	3 - 8
	To approve as a correct record the minutes of the meetings of the Committee held on 24 March 2021 and the Annual meeting of the Committee held on the 28 April 2021.	
4.	Urgent Items of Business	
	Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent.	
5.	Internal Audit Annual Assurance Report 2020/21	9 - 40

EMERGENCY EVACUATION INSTRUCTIONS

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	To receive the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2020/21. Reporting: Sally Hendrick	
6.	Standards Annual Report	41 - 48
	To advise on activity within the Councils Standards framework from 1 April 2020 to 31 March 2021 Reporting: Sanjay Prashar	
7.	Annual Governance Statement	49 - 66
	To receive the Annual Governance Statement for 2020/21. Reporting: Sanjay Prashar	

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Published: 15 June 2021

EMERGENCY EVACUATION INSTRUCTIONS

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GOVERNANCE & AUDIT COMMITTEE
24 MARCH 2021
7.30 - 8.51 PM



Present:

Councillors Allen (Chairman), Wade (Vice-Chairman), Mrs Hayes MBE, Heydon, Leake and Neil
David St John Jones, Independent Member

Apologies for absence were received from:

Councillors Tullett

19. **Declarations of Interest**

There were no declarations of interest.

20. **Minutes of previous meeting**

RESOLVED that the minutes of the meeting of the committee held on the 27 January 2021 be approved as a correct record, and signed by the Chairman.

21. **Urgent Items of Business**

There were no urgent items of business.

22. **Head of Internal Audit Update - March 2021**

Sally Hendrick, Head of Audit and Risk Management, reported to members an update on the progress of the annual Internal Audit Plan 2021.

In particular it was noted:

- Progress on internal audits had been slow due to the pandemic. Some audits had to be delayed or deferred and the ones that were completed had taken longer than expected as officers had increased pressures on their time.
- There were six areas with recommendations which included the revenue department. This was due to the pressure to get the Covid grants to local business and a staff retirement which left a vacancy in the team.
- Audits were now being produced much more quickly than the previous year.

Following questions, it was noted:

- It was questioned whether auditing priorities had changed due to the pandemic, and it was noted that additional audits had to be carried out for the coronavirus grants and home-schooling grants. Auditing remotely was also more difficult.
- It was confirmed that collection rates are only 1% down compared to last year and were catching up and it was not expected that there would be a deficit this year.

- The first business grants had already been audited and no issues were identified. The discretionary grants were currently being looked at and a report would be given at the next meeting.
- In the Public Protection Partnership, there were some weakness including delays in raising and collecting fees. It was a broad area and although it was well controlled in most areas there was some other specific areas to consider.
- It was noted that counter-fraud pilot had not been able to progress. The investigations had not progressed because they were not able to interview under caution and this had impacted on the launch of a pilot.
- It was noted that the audit on the Public Protection Partnership would be shared with West Berkshire Council.
- It was questioned whether there were any inherent risks due to the delays and it was noted that the most important ones had been prioritised in the next year. In particular, schools would need to be completed next year as they could not be completed remotely. If the Education Authority had any concerns, then that audit would be brought forward.
- It was clarified that not all rent reviews, had been processed and therefore the figures did not reflect the increases.

The Committee noted the update on progress on the Internal Audit Plan for 2020/21

23. **Anti Money Laundering Policy**

Sally Hendrick, Head of Audit and Risk Management, reported to members to approve the update to the money laundering policy.

Following questions, it was noted:

- It was noted that the policy should be reviewed every three years in future.
- There had not been many changes and it was believed the previous policy was still fit for purpose however it was agreed that regular reviews were necessary.

RESOLVED that the Committee approve the updated Anti Money Laundering Policy.

24. **Internal Audit Plan 2021/22**

Sally Hendrick, Head of Audit and Risk Management, reported to members on the internal audit planning process. A number of audits had to be deferred and would be included in the plan as soon as possible.

Following questions, it was noted:

- It was requested that any delayed audits were specifically highlighted and circulated to members.
- It was noted that some audits would be focused on business continuity to consider how prepared the Council would be for this current pandemic to continue.
- Concerns were raised regarding whether the reports sufficiently showed an overview of any issues especially on issues that affected the entire council and would need addressing at a wider level than department level. It was noted that it was useful to find common themes and this had occurred in the past.
- It was questioned whether the use of Time Square and how staff were currently working would be included in the audit plan. It was confirmed that this was being monitored however it would be covered in other areas of the Council rather than as an audit function

- It was noted that highlighting the strategic goals as part of the report was useful.

RESOLVED that the Committee approve the Internal Audit Plan 2021/22

25. **Strategic Risk Register**

Sally Hendrick, Head of Audit and Risk Management, reported to members on the strategic risk register. The register had been reviewed by the senior leadership team three times in the last year. In depth investigations on specific risks and how it has been assessed were included and there was a focus on the response to Coronavirus.

Guidance had been provided as part of the report on how the risk ratings had been reached.

Andrew Hunter, Director of Place, Planning and Regeneration presented to members the in depth risk register. It was noted that the risk would be monitored on an almost weekly basis. Attention had been focused on loss of income and whether services could still be provided. Staff health and wellbeing were also being examined. It was noted that the risk register needed to be reviewed regularly as government guidance meant a quick response was necessary.

Following questions, it was noted:

- It was asked whether the pandemic had impacted on planning appeals and it was noted that although there were some impact initially, this had now been resolved.
- It was noted that the Information Commissioners Officer review would stay on the risk register, however it was highlighted as green.

The Committee noted the updates to the Strategic Risk Register

CHAIRMAN

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**GOVERNANCE & AUDIT COMMITTEE
28 APRIL 2021
7.58 - 7.59 PM**



Present:

Councillors Allen (Chair), Wade (Vice-Chair), Gbadebo, Mrs Hayes MBE, Heydon, Leake, Neil and Tullett

Apologies for absence were received from:

David St. John Jones

1. Election of Chair

RESOLVED that Councillor Allen be elected Chair of the Governance and Audit Committee for the Municipal Year 2021 –2022.

2. Appointment of Vice-Chair

RESOLVED that Councillor Wade be appointed Vice-Chair of the Governance and Audit Committee for the Municipal Year 2021 –2022.

3. Appointment of Code of Conduct Panels - Sub Committees of Governance and Audit Committee

RESOLVED that that the following sub committee be appointed:

Code of Conduct Panel

Sub Committee of Governance & Audit Committee

Any three councillors drawn from the membership of the Governance & Audit Committee (including substitutes) based on availability, plus one co-opted independent member or parish/town council representative drawn from a pool based on availability.

Independent Co-opted Members Pool

(for complaints concerning Borough councillors)

David St John Jones in his capacity as the independent Co-opted Member of Governance & Audit Committee,
Heather Quillish
Khan Juna

Parish/Town Council Representatives

(for complaints concerning Parish / Town Councillors)

Cllr Mrs Bettison – Sandhurst Town Council
Cllr Peacey – Binfield Parish Council

Independent Persons

Dr Louis Lee
Vacancy (reserve)

CHAIR

TO: GOVERNANCE AND AUDIT COMMITTEE
DATE: 23rd^h June 2021

INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2020/21 (Head of Audit and Risk Management)

1.PURPOSE OF REPORT

- 1.1 Under the Public Sector Internal Audit Standards, the Head of Audit is required to deliver an annual internal audit opinion. This is timed to inform review of the Annual Governance Statement (AGS).

2.RECOMMENDATION

- 2.1 The Governance and Audit Committee note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2020/21.**

3.REASONS FOR RECOMMENDATION

- 3.1 To support assurances set out in the Annual Governance Statement and ensure compliance with the Public Sector Internal Audit Standards.

4.ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Committee could choose not to receive the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion but would then not be aware of the relevant assurances from Internal Audit supporting the Annual Governance Statement and would not be complying with the Public Sector Internal Audit Standards.

5.SUPPORTING INFORMATION

- 5.1 The Council is required under the Accounts and Audit (Amendment)(England) Regulations to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".
- 5.2 The Public Sector Internal Audit Standards applicable to local government require the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement. This report should include an overall opinion on the adequacy of the control environment, a summary of the work that supports the opinion and a statement on conformance with the Public Sector Internal Audit Standards (PSIAS).
- 5.3 The attached report sets out the Head of Internal Audit's Opinion for 2020/21 summarising the results and conclusions of Internal Audit's work for 2020/21 and a statement on compliance with PSIAS. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This opinion can, therefore, only provide reasonable and not absolute assurance based on the work undertaken and areas audited.

6.ADVICE FROM STATUTORY OFFICERS

6.1 Director of Finance

There are no financial implications arising from this report. The work of Internal Audit is key to providing assurance about the effectiveness of the Council's internal control environment.

6.2 Borough Solicitor

The report has helped inform the contents of the Annual Governance Statement prepared by the Borough Solicitor which is included as a separate item on the agenda

6.3 Equalities Impact Assessment

Not applicable.

6.4 Strategic Risk Management Issues

The Head of Internal Audit's Annual Report provides her opinion on the control environment in place at the Council. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether.

7 CONSULTATION

7.1 Not applicable.

Contact for further information

Sally Hendrick – 01344 352092

Sally.hendrick@bracknell-forest.gov.uk

Doc. Ref

Accounts and Audit Regulations

Public Sector Internal Audit Standards

BRACKNELL FOREST

HEAD OF AUDIT AND RISK MANAGEMENT'S ANNUAL REPORT

June 2021

Sally Hendrick
Head of Audit and Risk Management
Sally.hendrick@bracknell-forest.gov.uk
01344 352092

1.BACKGROUND

The Council is required under the Accounts and Audit (Amendment) (England) Regulations to “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.”

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement.

2. PURPOSE AND SCOPE OF THE HEAD OF INTERNAL AUDIT'S ANNUAL REPORT

The Head of Internal Audit's annual report

- Includes an opinion on the overall adequacy and effectiveness of the organisation's control environment.
- Discloses any qualifications to that opinion together with the reasons for that qualification.
- Presents a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draws attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compares the work actually undertaken with the work that was planned and summarises the performance of the internal audit function against its performance measures and targets; and
- Comments on compliance with Public Sector Internal Audit Standards and communicates the results of the internal audit quality assurance programme.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure altogether. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement and opinion can, therefore, only provide reasonable and not absolute assurance. Internal control is based upon an ongoing process designed to identify and prioritise risks and to evaluate the likelihood of those risks being realised and the impact should they arise.

3. HEAD OF INTERNAL AUDIT OPINION 2019/20 AND KEY HEADLINES

HEAD OF AUDIT AND RISK MANAGEMENT'S OPINION

*Based on internal audit work undertaken, the Head of Audit and Risk management is able to conclude there are **adequate** arrangements in place at the Council for risk management and corporate governance.*

*The Head of Audit and Risk Management gave limited assurance on the control environment in 2018/19 and also in 2019/20 when it was acknowledged that the direction of travel was positive and if this was sustained, a more favourable opinion was anticipated for 2020/21. Since then additional progress has been made but inevitably due to the impact of COVID 19 the speed of improvement has slowed over the last 12 months. The Head of Audit and Risk Management is now able to give **partial** assurance on the internal control environment for 2020/21 acknowledging improvement made but with further action needed to secure an adequate control environment.*

The Head of Audit and Risk Management's Audit Opinion however must exclude schools as there is insufficient assurance available to be able to offer reasonable assurance. This limitation of scope has arisen because Internal Audit were unable to carry out audit work due to pressures in schools arising from COVID and difficulties for schools of having external parties on site. To avoid similar limitations in future the Head of Audit and Risk Management has piloted remote auditing at one school which has been largely successful although it has confirmed that some on site time cannot be avoided. We are currently re-scheduling the school audits that have been deferred from 2020/21.

CONFORMANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

Based on the independent external assessment undertaken in March 2016 and update of the internal assessment in May 2021 as set out in Section 6.1, the Head of Audit and Risk Management can confirm that Bracknell Forest internal audit conforms with PSIAS requirements. The Head of Audit and Risk Management can confirm organisational independence of internal audit activity and absence of impairment to objectivity or independence during 2020/21.

SUMMARY OF 2020/21 AUDIT OUTCOMES

2020/2120 ASSURANCE LEVELS	NUMBER OF AUDITS	2020/2120 ASSURANCE LEVELS	NUMBER OF AUDITS
Good	4	Good	6
Adequate	15	Adequate	28
Partial	10	Partial	9
Inadequate	0	Inadequate	1
No assurance	0	No assurance	0
<u>Total for Audits with an Opinion</u>	29	<u>Total for Audits with an Opinion</u>	44
Memos and reports with Major Recommendation and no Opinion	4	Memos and reports with Major Recommendation and no Opinion	6
Other Follow Up Memos/ Reports with no Opinion	3	Other Follow Up Memos/ Reports with no Opinion	9
<u>Total Audits</u>	36	<u>Total Audits</u>	59
Grant Certifications	7	Grant Certifications	4
Overall Total	43	Overall Total	63

As noted in 4.2, at the time of writing this report a further four 2020/21 were still in progress approaching completion and one report had been received for client-side review. The original planned number of reviews included in the Annual Internal Audit Plan for 2020/21 approved by the Governance and Audit Committee was 54 audits and 4 grant certifications.

DEFINITIONS FOR ASSURANCE OPINION LEVELS AND RECOMMENDATION PRIORITIES

Since 1st April 2019 we have been categorising our audit opinions according to our assessment of the controls in place and the level of compliance with these controls as follows:

	Good - There is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to the achievement of objectives and this is being complied with. Recommendations will only be of low priority.
	Adequate - there is basically a sound system of control but there are some areas of minor weakness and/or some areas of non-compliance which put the

	system/process objectives at risk. Recommendations will only be low or moderate in priority.
	Partial - there are areas of weakness and/or non-compliance with control which put the system/process objectives at risk and undermine the system's overall integrity. Recommendations may include major recommendations but could only include critical priority recommendations if mitigated by significant strengths elsewhere.
	Inadequate - controls are weak across a number of areas of the control environment and/or not complied with putting the system/process objectives at significant risk. Recommendations will include major and/or critical recommendations
	None - There is no control framework in place and management is inadequate leaving the system open to risk of significant error or fraud.

We now categorise our recommendations according to their level of priority as set out below:

	Critical - Critical and urgent in that failure to address the risk could lead to factors such as significant financial loss, significant fraud, serious safeguarding breach, critical loss of service, critical information loss, failure of major projects, intense political or media scrutiny. Remedial action must be taken immediately.
	Major - failure to address issues identified by the audit could have significant impact such as high financial loss, safeguarding breach, significant disruption to services, major information loss, significant reputational damage or adverse scrutiny by external agencies. Remedial action to be taken urgently.
	Moderate - failure to address issues identified by the audit could lead to moderate risk factors materialising such as medium financial loss, fraud, short term disruption to non-core activities, scrutiny by internal committees, limited reputational damage from unfavourable media coverage. Prompt specific remedial should be taken.
	Low - failure to address issues identified by the audit could lead to low level risks materialising such as minor errors in system operations or processes, minor delays without impact on service or small financial loss. Remedial action is required.

We formerly categorised our audit opinion according to the following:

	Significant - there is a sound system of internal controls to meet the system objectives and manage risks and testing performed indicates that controls tested are consistently complied with
	Satisfactory - there is basically a sound system of internal controls to manage risk although there are some minor weaknesses in controls and/or there is evidence that the level of non-compliance may put some minor systems objectives at risk
	Limited - there are some weaknesses in the adequacy of the internal control system and management of risks which put the systems objectives at risk and/or the level of compliance or non-compliance puts some of the systems objectives at risk.
	No assurance - control is weak and management of risks is inadequate leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

We previously categorised our recommendations according to their level of priority as per the following.

	Priority 1- Fundamental weakness in the design of controls or consistent non-compliance with controls that puts the achievement of systems objectives at risk.
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	Priority 2 - Weakness in the design of controls or inconsistency in compliance with controls puts the achievement of systems objectives at risk.
	Priority 3- Recommended best practice to improve overall control.

4. INTERNAL CONTROL

4.1 Corporate Management Team Action to Address Significant Control Weaknesses

The Corporate Management Team is playing a key role in improving the Council's control environment. The Director: Finance made presentations to the Senior Leadership Group and Managers' Forum meetings to ensure the findings of the Head of Audit's Annual Report were widely understood and being acted upon.

A number of specific actions were also agreed to address identified areas of internal control weakness and bolster the resilience of Internal Audit arrangements including:

- Regular monitoring of internal audit reports with critical and major recommendations at directorate management team meetings.
- Regular inclusion of Internal Audit progress updates on Departmental Management Team meeting agendas
- A working group to review actions already taken and identify other approaches that could help address continuing weaknesses in the area of expenses and purchase cards which subsequently led to adequate audit opinions when these were re-audited in 2020/21, and.
- Agreement to develop an in-house Internal Audit team to reduce dependence on contractors. Two senior auditors have now been appointed and will be joining the council in the summer.

4.2 Delivery of the Internal Audit Plan 2020/21

The resources available for internal audit are finite and not all areas can be covered every year. Therefore, internal audit resources are allocated using a risk-based approach. The Internal Audit Plan for 2020/21 was considered and approved by the Governance and Audit Committee on 25th March 2020. The delivery of the individual audits in the Internal Audit Plan for 2020/21 was undertaken by Wokingham Borough Council's Internal Audit teams under an agreement under S113 of the Local Government Act 1972, TIAA Ltd who carried out all IT and the core financial systems audits and a temporary senior auditor who joined the Council in July 2020.

Some alterations were made to the original plan during the year in response to information gained during the year including audits arising from COVID such certification of COVID grants and some audits were deferred to 2021/22 due to COVID. These are clearly shown in Appendix 1.

At the time of writing this report, 30 audits were finalised, 7 grant reviews were completed/certified, 6 audit reports were issued in draft, one report was in draft for client-side for review and 4 were work in progress.

4.3 Significant Control Weaknesses

In forming her annual opinion, the Head of Audit and Risk Management is required to comment on the adequacy of the internal control environment, which includes consideration of risk or governance issues and control weaknesses identified. The table below summarises the findings on the audits where significant issues were found during 2020/21:

	2020/21 AUDITS IDENTIFYING SIGNIFICANT ISSUES	RATING
COUNCIL WIDE		
<ul style="list-style-type: none"> ● Debt Management 	<p>Debt management was also Partial and Limited assurance in 2019/20 and 2018/19 respectively. The latest audit identified that the level of debt had increased. Service areas are still largely responsible for pursuing debts and the pressure on service areas due to COVID reduced their capacity for debt management during 2020/21. This, together with central capacity for credit control to support service areas reducing due to restructure and difficulties with recruiting for a new credit control officer, has resulted in slippage against the progress made in 2019/20. Limited steps have been taken to implement the key management actions agreed in the last audit report around raising the profile of and engagement with credit control and improving the transparency of debt reporting.</p>	PARTIAL
<ul style="list-style-type: none"> ● Management of Essential Car User Allowances and Mileage 	<p>A major recommendation was raised to review policy and arrangements for essential car users post COVID.</p>	PARTIAL
DELIVERY		
<ul style="list-style-type: none"> ● Public Protection Partnership 	<p>One major recommendation was raised concerning controls in the Licencing service. Audit has been advised that this will be addressed as part of a review of the PPP service in 2021/22 together with the introduction of a single system across all participating authorities. In the short term random spot checks will be carried out.</p>	PARTIAL

	2020/21 AUDITS IDENTIFYING SIGNIFICANT ISSUES	RATING
<ul style="list-style-type: none"> Management of Commercial Properties 	A major recommendation was raised on accuracy of billing of rents for the non-investment properties. Property have met with Finance to agree the process moving forward. In addition, Property are introducing quarterly checks to confirm that changes to rents have been accurately updated on the financial accounting system.	PARTIAL
<ul style="list-style-type: none"> Reactive Maintenance 	Two major recommendations were raised on the accuracy of performance information provided by the contractor and the need to review the performance targets. The Property team are in discussion with the contractor and the Procurement team to identify an appropriate solution.	PARTIAL
<ul style="list-style-type: none"> Cyber 	Three major recommendations were raised and ICT have advised that arrangements have now been put in place to implement the agreed management actions.	PARTIAL
FINANCE		
<ul style="list-style-type: none"> Agresso IT System Follow Up 	Two major recommendations were raised relating to the absence of a Data Protection Impact Assessment (DPIA) and the need to review the support agreement once the system is moved to the Cloud. Progress has since been made to draft the DPIA and migration to the Cloud is progressing.	FOLLOW UP HENCE NO OPINION BUT MAJOR RECOMMENDATIONS RAISED
<ul style="list-style-type: none"> Creditors 	Two major recommendations have been raised. The first is in respect of the level of transactions with supporting purchase orders which has declined and is now significantly below target. The second was to ensure compliance with controls over changes to key supplier details.	PARTIAL
<ul style="list-style-type: none"> Business Rates Council Tax and council tax 	<p>Five major recommendations were raised relating to the lack of documented policy and procedures for Business Rates, absence of segregation of duties between the administration and operation of the Northgate system used and reiteration of previous recommendations on approval of write offs, approval of refunds and inspection of empty properties..</p> <p>Three major recommendations were raised relating to the lack of documented policy</p>	BOTH PARTIAL

	2020/21 AUDITS IDENTIFYING SIGNIFICANT ISSUES	RATING
	<p>and procedures for Council Tax, absence of segregation of duties between the administration and operation of the Northgate system used and reiteration of the previous recommendation on approval of write offs.</p> <p>The above two audits of services provided in Revenues were carried out remotely during the Covid-19 pandemic during a time of significant disruption to the Revenues service as a result of the loss of a key member of staff, sickness within the team and the requirement to issue Covid related business grants at pace. As a result of these pressures, some tightening in controls that had been addressed since the previous audit had lapsed and hence recommendations have now been reiterated.</p>	
PEOPLE		
<ul style="list-style-type: none"> Domiciliary Care Follow up 	<p>The audit established that there is still no means under the current Framework to provide assurance to management on the hours delivered. This facility was removed with the introduction of the current Framework, however, with the re-letting of the contract in 2021, there is the opportunity to reintroduce robust requirements and practices that will provide management with the ability to effectively monitor that the hours paid are those delivered.</p>	<p>FOLLOW UP HENCE NO OPINION BUT MAJOR RECOMMENDATION STILL OUTSTANDING</p>
<ul style="list-style-type: none"> Breakthrough 	<p>One major recommendation was relating to administration and stages being missed from the Customer Journey, with key objectives of the service inconsistently applied.</p>	<p>PARTIAL</p>

In addition, Internal Audit raised major recommendations without an opinion in respect of two gap analysis reviews carried out on the following areas:

- Data Maturity. Effective governance and management of 'Data' can create significant and valuable information for use by organisations and a review was requested by senior managers to help identify areas for focus moving forward; and

- The IT system for the Emergency Duty Service where gap analysis was undertaken to identify lessons to be learned for the new system which is being implemented.

4.4 Follow up of Previous Limited Assurance Opinions

The Internal Audit procedure is for areas with major or critical recommendations to be re-audited in the following year. The table below provides an update on the audit position on these audits. The impact of COVID has limited progress in some cases as well as delaying some re-audits:

AUDITS WHERE SIGNIFICANT ISSUES HAVE BEEN IDENTIFIED IN PREVIOUS YEARS	CURRENT AUDIT POSITION
COUNCIL WIDE	
<ul style="list-style-type: none"> ● Officers Expenses 	Re-audited in quarter 2 and adequate assurance was concluded.
<ul style="list-style-type: none"> ● Debt Management 	Re-audited in quarter 4 and a partial assurance was concluded. See 4.3.
<ul style="list-style-type: none"> ● Purchase Cards 	Re-audited in quarter 2 and adequate assurance was concluded.
PEOPLE	
<ul style="list-style-type: none"> ● Forestcare (Follow Up Memo. 2019/20 Also limited in 2017/18) 	Forestcare will be re-audited in quarter 2 of 2021/22. An update on the debt management recommendations in the last memo was obtained to inform the debt management audit. This established that there are continuing issues with processing of terminations and pursuing debt and that a long term sustainable solution has yet to be put in place.
<ul style="list-style-type: none"> ● Adult Social Care Pathway (Qtr 4 2017/18 Audit) 	An update was obtained from management on actions to address the significant weakness and it was concluded that progress had been made but further action is needed to address the key issue found at the 2018/19 audit. See 4.3.
<ul style="list-style-type: none"> ● Loans for Housing Rents and Deposits 	An update was obtained from management which indicates that due to COVID there is an outstanding major recommendation to review the debt to identify those debts that are recoverable and pursue these.

<ul style="list-style-type: none"> ● Adults Residential Care 	<p>This was followed up in quarter 4 and the audit concluded that good progress had been made on the three priority 1 recommendations raised in 2018/19 albeit with a small amount of work to ensure these were fully implemented.</p>
<ul style="list-style-type: none"> ● Public Health 	<p>An update was obtained from management on actions to address the significant weakness. It was concluded that limited progress had been made to address the key issue found at the 2018/19 audit around utilising unspent reserves as these had not been utilised during 2020/21 due to additional central government funding received during the pandemic.</p>
<ul style="list-style-type: none"> ● Domiciliary Care 	<p>This was followed up in quarter 4. Action has been taken to address one of the priority 1 recommendations in 2018/19 raised in. One priority 1 recommendation from 2018/19 is outstanding and hence a major recommendation has been raised. See 4.3</p>
<ul style="list-style-type: none"> ● Disabled Facilities Grants 	<p>This area is due to be re-audited in quarter 3 of 2021/22.</p>
DELIVERY	
<ul style="list-style-type: none"> ● Car Parks 	<p>An audit of car parks under the new contract was undertaken in quarter 3 and an adequate assurance opinion was given.</p>
<ul style="list-style-type: none"> ● Cyber Security (Also Limited Assurance in 2017/18) 	<p>Cyber security was re-audited in quarter 3 and a partial assurance opinion was given. See 4.3</p>
<ul style="list-style-type: none"> ● ICT Continuity Management 	<p>An update was obtained from management on actions to address the significant weaknesses. This identified that the critical recommendation had been implemented and the major recommendations are still in progress</p>

FINANCE	
<ul style="list-style-type: none"> ● Business Rates (Also Limited Assurance in 2017/18) 	An audit was undertaken in quarter 3 and a partial assurance opinion was given. See 4.3.
<ul style="list-style-type: none"> ● Council Tax (Also Limited Assurance in 2017/18) 	An audit was undertaken in quarter 3 and a partial assurance opinion was given. See 4.3.
PLACE, PLANNING AND REGENERATION/FINANCE	
<ul style="list-style-type: none"> ● Ringway Street Lighting 	An update was obtained from management on actions to address the weaknesses found in 2019/20 and we have been addressed that these have all been addressed. This area is due to be re-audited in quarter 3 of 2021/22.

SCHOOL GOVERNING BODIES	
<ul style="list-style-type: none"> ● School A (Limited Assurance in 2017/18 and Partial Assurance in 2018/19) 	We have been unable to proceed with this audit due to the restrictions on working and access arising from COVID-19 but the school has advised that they have implemented the recommendations.
<ul style="list-style-type: none"> ● School B (Partial assurance in 2019/20) 	We have been unable to proceed with this audit due to the restrictions on working and access arising from COVID-19 but the school has advised that they have implemented the recommendations.
<ul style="list-style-type: none"> ● School C ((Partial assurance in 2019/20) 	We have been unable to proceed with this audit due to the restrictions on working and access arising from COVID-19.
<ul style="list-style-type: none"> ● School D (Partial assurance in 2019/20) 	We have been unable to proceed with this audit due to the restrictions on working and access arising from COVID-19.
<ul style="list-style-type: none"> ● School E (Partial assurance in 2018/19) 	We have been unable to proceed with this audit due to the restrictions on working and access arising from COVID-19.

4.5 Follow up of Audit Recommendations

A follow up exercise was carried out in May 2021 on audits where an adequate opinion had been issued in 2019/20 and 2020/21 as well as follow up of some areas with major recommendations where an audit could not be undertaken due to COVID 19. This was based on management feedback on the status of recommendations and the outcome is set out in Appendix 2. This identified that for 2019/20 audits, 87 out of 135 (69%) of recommendations had been implemented. For 2020/21 audits, the May update established that 11 out of 14 (79%) had been implemented.

5. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

5.1 Compliance with Public Sector Internal Audit Standards

The Public Sector Internal Audit Standards (PSIAS) came into effect on 1 April 2013. These standards provide a consistent framework for all internal audit services in the public sector across the UK. There is a requirement in the Standards for the Head of Audit and Risk Management to report on conformance with the PSIAS in her annual report based on the outcome of internal and external assessment of compliance. PSIAS Standard 1312 states that “*External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation...*”

The external assessment of Bracknell Forest Council’s internal audit services was carried out in March 2016 when the conclusion was that internal audit at Bracknell Forest Council generally conforms with the Public Sector Internal Audit Standards with a high level of compliance. The next external assessment is now overdue as this should have been completed in March 2021. Major changes are being made to the delivery model for internal audit with the historic model of outsourcing delivery of individual audits being replaced by the creation of an in-house team from July 2021. Any external assessment completed in 2020/21 would already be out of date and would have had to be repeated once the new arrangements adding significant additional cost. Therefore, the external assessment has been deferred and will now be undertaken in the last quarter of 2021/22 once the new delivery model has bedded in.

In lieu of this, an internal assessment was carried out by the by the Head of Audit and Risk Management in May 2021 which confirmed the Council’s continuing compliance with PSIAS during 2020/21.

5.2 Summary of Internal Audit Performance

	Client Questionnaires		Draft Report Produced within 15 Days of Exit meeting
	Received	Satisfactory	
2020/21	9	89%	60%
2019/20	24	92%	39%

5.3 Feedback from Client Quality Questionnaires

From the limited number of client questionnaires returned for 2020/21, the level of satisfaction was generally positive with only one auditee saying their audits was not satisfactory. In one case the auditees gave an unsatisfactory assessment due to significant delays during the audit. This has been raised with the contractor who is investigating this with the auditor who will not be working on any further Bracknell Forest audits.

5.4 Performance Against Key Indicator

6. EXTERNAL INSPECTIONS

In accordance with Public Sector Internal audit Standards the Head of Audit and Risk Management is required to consider the outcome of the external inspections and assessments to inform the development and ongoing review of the Internal Audit Plan for the current and future years and assess if there are any issues relating to the control environment which need to be taken into account in drawing up the annual Head of Internal Audit Opinion. The findings of the various assessments considered when finalising the Head of Internal Audit Opinion for 2020/21 are as follows:

- ***Information Commissioner Consensual Inspection May 2020.*** *Concluded reasonable assurance as set out in Section 8.*
- ***School Financial Value Standard.*** The schools financial value standard (SFVS) is a mandatory requirement for local authority (LA) maintained schools in managing their finances and to give assurance that they have secure financial management in place. Schools are required to complete the checklist every year and arrange for this to be signed by the Chair of Governors. The COVID 19 lockdown presented a significant challenge to schools however, Education Finance were able to confirm that all schools have now submitted this.
- ***External Auditors' Annual Audit Letter 2019/20.*** The Annual Audit Letter from the external auditors would generally inform the annual Head of internal Audit Opinion. However, at the time of writing this report, EY have still to produce their Letter for 2019/20 due to delays in the audit of the Berkshire Pension Fund account by Deloitte.

7. RISK MANAGEMENT

The Strategic Risk Register was reviewed four times by the Strategic Risk Management Group (SRMG) and the Corporate Management Team and three times by the Governance and Audit Committee in 2020/21. Deep dives on individual risks now take place at the Governance and Audit Committee and to date these have been completed on the cyber, business continuity, finance, staffing risks, adult social care supply risks and Covid risks.

In addition to frequent and at some points daily risk management monitoring of COVID-19 by the Corporate Management Team, an overarching risk was developed to highlight the issues arising from COVID-19 and the actions being taken to respond and mitigate this. This was regularly reviewed, updated by the Corporate Management Team and incorporated into Strategic Risk Register. In addition, a separate exercise was undertaken to identify Brexit risks.

There is a process for recording and monitoring significant operational risks through directorate risk registers that are reviewed on a quarterly basis and these are used to inform the Strategic Risk Register. During quarter 4, the newly formed Chief Executive's Office developed their risk register. Project managers are also required to maintain separate risk registers for all major projects and programmes.

During 2019/20, a review of the Council's business continuity arrangements was undertaken by external consultants as part of a wider review of arrangements across the authorities in the shared service for Emergency Planning hosted by West Berkshire Council. Following this, Business continuity leads were identified across the Council and a programme of actions for improvements were identified which are currently being implemented. This has been significantly delayed during 2020/21 as resources have been diverted due to COVID-19. The programme of updating business continuity plans has resumed and is progressing.

8. CORPORATE GOVERNANCE

During 2020/21, the Annual Governance Statement was produced by Legal Services and an action plan to address governance weaknesses was developed.

A consensual inspection by the Information Commissioner took place at the end of May 2020 providing a valuable independent view of the Council's arrangements. Audits are conducted following the Information Commissioner's data protection audit methodology. The key elements of such inspections are review of selected policies and procedures, interviews with selected staff and an inspection of selected records. The conclusion of the inspection was that the Information Commissioner was able to give a reasonable level of assurance that processes and procedures are in place

and are delivering data protection compliance for governance and accountability, information security and Freedom of Information arrangements. The inspection identified some scope for improvement in existing arrangements to reduce the risk of non-compliance with data protection legislation and an action plan was

A number of internal audit reviews carried out under the 2020/21 Audit Plan included elements of governance such as officers' expenses, data maturity gap analysis and security camera controls.

9. FRAUD AND IRREGULARITY

9.1 National Fraud Initiative (NFI)

The NFI is a biennial data matching exercise first introduced in 1996 and conducted by the Cabinet Office to assist in the prevention and detection of fraud and error in public bodies. The last main submission was in 2019 with matches returned in 2020 and the outcome of the exercise reported in the Head of Audit and Risk Management's Annual Report for 2019/20. During 2020/21 the Council was required to submit data for matching on Small Business Grant Fund, Retail, Hospitality and Leisure Grant Fund and the Local Authority Discretionary Fund. Matches for investigation are yet to be released to us.

9.2 Benefits Investigations

On 1st December 2014, the Council's Benefit Fraud Investigation Officers transferred to the Single Fraud Investigation Service (SFIS) within the Department for Work and Pensions (DWP) as part of the national government programme of centralising the investigation of welfare benefit fraud. The Welfare Service passes cases of overpayments in excess of £3k and cases where fraud is suspected to SFIS for investigation. Members of the public are directed to contact the DWP directly where fraud is suspected and so SFIS refers further fraud information requests where fraud has been reported from another source. During the period 1 April 2020 to 31 March 2021 there were 19 referrals to SFIS however in response to the Covid-19 crisis and redeployment of their staff, the DWP suspended all Compliance and Investigation activity. Although Compliance activity has since resumed from January 2021, we have not been notified of any outcomes relating to these cases. During the financial year 2019/20, 59 cases were referred, and the Welfare Service have been notified of 1 administrative penalty by SFIS.

From 1st April 2014, if a claimant is notified that they have been overpaid Housing Benefit by £250 or more, which must have occurred wholly after 1st October 2012, Bracknell Forest Borough Council has been able to impose a set Civil Penalty of £50. The £50 Civil Penalty applies if benefit is overpaid because the claimant negligently gave incorrect information and didn't take reasonable steps to correct their mistake or failed to tell the Council about a change or failed to give them information without a reasonable excuse. Between 1 April 2020 and 31 March 2021, the service has not applied any Civil Penalties or Council Tax Penalties.

Since January 2018 the DWP no longer issue mandatory referrals for Real Time Information (RTI) system for Housing Benefit to detect undeclared income. This has been replaced by the Verify Earnings and Pensions (VEP) Alerts service which provides local authorities with the capability to prevent fraud and error arising through real time identification of changes in income. The service provides Alerts to users to prompt them to access the service when there is a change in the claimants or partner's employment or pension. The DWP commenced the roll out to Local Authorities from May 2018 with Bracknell Forest Council using the service from October 2018. Between 1 April 2020 and 31 March 2021, 544 changes of circumstances to Housing Benefit were recorded as actioned due to VEP of which approximately 51.7% resulted in a decrease to Housing Benefit, and approximately 33.6% resulted in an increase to Housing Benefit.

9.3 Housing wait list

During 2020/21, a business case was agreed to pilot additional funding for counter fraud investigation. The implementation of this was delayed due to COVID which placed limitations on fraud investigation. However, some of this funding has been used to carry out a proactive review of the housing waiting list by Oxford City Council Fraud Team to identify fraudulent applications. Matches have now been received and will now be investigated by Housing and Welfare with some support from Oxford's team.

9.4 Potential Irregularities

During 2020/21 a number of potential irregularities were detected. In the autumn the Council was the target of a bank mandate fraud. Steps were taken to seek recovery from the bank and review procedures to tighten controls.

In addition, a small number of bogus payments were made under the Government's Track and Trace Scheme. Action was subsequently taken to seek recovery from the individuals concerned and a report was made to Action Fraud.

9.5 Counter Fraud Policies

The Anti Money Laundering Policy was updated in quarter 4 and approved by the Governance and Audit Committee in March 2021.

2019/20 AUDITS

* Draft report produced within 15 working days of exit meeting to discuss audit findings

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Fostering	2/3/20	23/6/20	Yes		✓					2	1	Finalised

2020/21 AUDITS

1.GOVERNANCE

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	inadequate	Critical	Major	Moderate	Low	
Officer Expenses (Ltd 2018/19 and 2019/20)	13/7/20	17/9/20	Yes		✓					4	2	Finalised
Safeguarding governance arrangements												Audit cancelled
Security camera controls including assignment of responsibility and consistency of and compliance with specification requirements	21/2/21											Work in progress
Business Continuity												Deferred to 2021/22

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	inadequate	Critical	Major	Moderate	Low	
Grant Assurance Reviews (additional work) Business Rates Grants-Covid 19 –Small business and retail, hospitality and leisure Additional audit	June 2020	10/7/20	N/A	N/A assurance memo with no opinion given						2	6	Finalised
Business Rates Grants-Covid 19 –Discretionary grants Additional audit	September 2020	23/3/21	N/A	N/A assurance memo on grant with no opinion given					1	3		Finalised
Grant Certifications Bus Service Operator	24/9/20	24/9/20	N/A	N/A grant certification								Certified
Integrated Transport Block Allocation	7/9/20	24/9/20	N/A	N/A grant certification								Certified
Troubled Families-September submission	21/9/20	25/9/20	N/A	N/A assurance memo with no opinion given								Certified
Troubled Families-March 2021 submission Additional audit	23/3/21	25/3/21	N/A	N/A assurance memo with no opinion given								Certified
Track and Trace Grants Additional audit												Quarter 2 of 2021/22t
Home to School Transport COVID support grant Additional audit	24/3/21	24/3/21	N/A	N/A assurance memo with no opinion given								Certified
Emergency Active fund Additional audit												Quarter 2 of 2021/22t
Travel demand Management Additional audit												Quarter 2 of 2021/22

2. COUNCIL WIDE

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Income targets/projects/digital analysis/assessment of statutory responsibilities supporting the budget setting process												Audit cancelled
Purchase Cards (Ltd 2018/19 and 2019/20)	13/7/20		No		✓					2		Finalised
Debt management	12/4/21	8/6/21	Yes			✓			3	4		Draft issued
Management of Mileage and Essential Car User	15/8/20	28/9/20	Yes			✓			1	3	1	Finalised
Additional staff payments advisory review – honorariums, retention payments, market premiums, pay protections												Audit cancelled

3. CORE FINANCIAL SYSTEMS

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Main Accounting and Reconciliations	21/9/20	24/10/20	Yes	✓	✓					2	1	Finalised
Cash Management												Cancelled
Council Tax	14/10/20	1/3/21	No			✓			3	4		Draft issued
Business Rates	14/10/20	1/3/21	No			✓			5	5	1	Draft issued
Creditors	12/4/21	8/6/21	No			✓			2	3	2	Draft issued
Housing Benefit and Council Tax Reduction	16/11/20	14/4/21	No	✓							1	Finalised

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4. IT AUDIT

IT AUDIT	Start Date	Date of Draft Report	Key Indicator Me*	Assurance Level				Critical	Major	Moderate	Low	Status
				Good	Adequate	Partial	Inadequate					
Cyber liability	17/11/21	4/2/21	Yes			✓		3	4	1	Finalised	
Data Maturity Assessment	1/9/20	17/11/20	Yes	N/A- No opinion given. Assessment based on review of maturity across key data governance criteria							Finalised	
Digital Strategy and ICT Strategic Planning	1/11/20	18/1/21	Yes	✓						7	Finalised	
Emergency Duty Service System including	24/11/20	4/2/21	Yes	N/A- no opinion given. Gap analysis on current system to inform the implementation of the new system me					5	3		Finalised

IT AUDIT	Start Date	Date of Draft Report	Key Indicator Me*	Assurance Level				Critical	Major	Moderate	Low	Status
				Good	Adequate	Partial	Inadequate					
telephony advisory review												
One System-Education	7/12/20	2/3/21	Yes		✓					7	3	Finalised
Uniform System	25/6/20	4/8/20	Yes	✓							1	Finalised
Forestcare IT systems including telephony												Deferred to 2021/22
Agresso (Follow up- partial assurance 2019/20)	28/8/20	21/12/20	No	N/A- follow up audit with no assurance opinion					2	2		Finalised

5. PLACE, PLANNING, AND REGENERATION

AUDIT	Start Date	Date of Draft Report	Key Indicator met	Assurance Level				Recommendation priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Spending processes and controls in parks and countryside- advisory review												Audit cancelled
SANG – general compliance audit	24/8/20	6/11/20	Yes		✓					4	1	Finalised
SANG- advisory audit												Deferred to 21/22
S106 – Use of the monies in compliance with development in the relevant geographic area												Deferred to 21/22

ORGANISATIONAL DEVELOPMENT, TRANSFORMATION AND HUMAN RESOURCES

AUDIT	Start Date	Date of Draft Report	Key Indicator met*	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Staffing Establishment	7/12/20	1/4/20	No		✓					3		Finalised

7. DELIVERY

AUDIT	Start Date	Date of Draft Report	Key Indicator met*	Assurance level				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Health and Safety	1/9/20	23/4/21	No		✓					5		Finalised
Management of Commercial Property	28/7/20	15/12/20	Yes			✓			1	4		Finalised
Reactive Maintenance Contracts	17/11/20	8/2/21	Yes			✓			2	1		Finalised
Cemetery and Crematorium												Deferred to 21/22
Public Protection Partnership	1/9/20	19/2/21	No			✓			1	6	3	Finalised
Car Parks	1/10/20	18/1/21	No		✓					2	2	Finalised
COVID Support for Everyone Active – Additional Audit												Work in progress

8. PEOPLE

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance levels				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Transport in CTPLD- advisory review												Deferred to 2021/22
Equipment Spend	1/9/20	31/1/21	Yes	N/A – advisory review with no opinion						3		Finalised
Direct payments-approval of plans and changes, identifying and following up potential frauds- advisory piece												Deferred to 2021/22
Continuing Health Care	17/3/21											Work in progress
Breakthrough	15/6/20	25/8/20	Yes			✓			1	3	3	Finalised
Transition from children to adult social care												Cancelled
Foster Panel Processes- advisory audit	October 2020	December 2020	Yes	N/A- advisory audit with memo and no audit assurance opinion							1	Finalised
Foster Panels- compliance audit	12/4/21											Work in progress
Parenting assessments under FSM	11/1/21		No									Report drafted for Client-side review
Strategy Meetings	19/4/21	25/3/21	Yes		✓					1	5	Draft issued
Deferred payments	4/8/20	3/10/20	Yes		✓					4	1	Finalised

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance levels				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Domiciliary care follow up	10/8/20	8/4/21	No	N/A- follow up audit with no assurance opinion					1	2		Finalised
Adult residential care follow up	10/8/20	30/3/21	No	N/A- follow up audit with no assurance opinion						5		Finalised
Access to Services- Children's Placements												Deferred to 2021/22
DAAT- inspection outcome implementation of actions coming out of the inspection	4/8/20	28/8/20	Yes		✓					1	1	Finalised
Glenfield- mental health supported living												Deferred to 2021/22
Emergency Duty Service	24/11/20	5/3/21	No		✓					3		Finalised
Housing Management	15/12/20	1/3/21	Yes		✓					3	1	Finalised
Housing and welfare fraud touchpoints												Audit cancelled
Disabled Facilities Grants- revised to compliance audit to be carried out following external review by consultant												Deferred to 2021/22

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance levels				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
COVID support for Social Care Providers- Additional audit	1/2/21	19/3/21	Yes	✓							1	Finalised

9. SCHOOLS

AUDIT	Start Date	Date of Draft Report	Key Indicator Met	Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	Status
REMOTE AUDITING BEING PILOT AT ONE SCHOOL	22/2/21	26/5/21	No		✓					4	3	Draft issued
FOUR FOLLOW UP AUDITS FOR SCHOOLS WITH PARTIAL OPINION IN 19/20												Deferred to 21/22
TWO RE-AUDITS FOR SCHOOLS WITH PARTIAL OPINION IN 18/19												Deferred to 21/22
SIX SCHOOL AUDITS FOR SCHOOLS DUE ON ROTATION												Deferred to 21/22

FOLLOW UP OF AUDITS WITH A SATISFACTORY/ADEQUATE OPINION

2019/20 AUDITS

AUDIT	Critical	Major	Mod	Low	Outcome
COUNCIL WIDE Absence Management – joint audit (Ltd 2018/19)	0	0	8	0	3 medium recommendations implemented, 5 medium recommendations in progress (recs 1,2,3,7,8)
Procurement (Adequate)	0	1	5	1	All recommendations implemented.
Revenue Budgeting/Transformation savings	0	0	3	1	1 implemented (rec 2 - low), 1 no further action to be taken (rec 1 – medium 2), 2 still in progress (recs 3,4 – both medium)
PLACE PLANNING AND REGENERATION Ringway contract – street lighting (Partial)	0	1	1	1	All recommendations implemented.
Public transport	0	0	5	2	2 moderate and 1 low recommendations still ongoing – new Bus Strategy drafted following transformation review but on hold until effects of the Coronavirus pandemic on future bus use clearer. Also need to take into account new Government produced national bus strategy - Bus Back Better
DELIVERY Libraries including use of volunteers –joint audit	0	0	5	0	All recommendations implemented.
The Look Out	0	0	3	1	All recommendations implemented.
Electoral Registration	0	0	0	4	All recommendations implemented.
Registrars	0	0	0	2	All recommendations implemented.
PLACE PLANNING AND REGENERATION Waste Collection-management of Suez	0	0	0	2	All recommendations implemented.
IT Audit Enterprise Programme (365 Project) Review	0	0	0	4	Two of the recommendations have been implemented. One is ongoing and one has not yet been implemented.
Remote Access VPN Solution	0	0	2	4	All recommendations implemented.
ICT Continuity Management	1	8	6	0	Critical recommendation 13 implemented. Major recommendations 1, 6, 14 not yet implemented Recommendation 12 (moderate) no further action to be taken and recommendation 7 implemented.

AUDIT	Critical	Major	Mod	Low	Outcome
					Remaining recommendations are ongoing.
PEOPLE Hospital Discharge and Reablement	0	0	4	2	Three moderate and one low priority recommendations implemented and the rest are ongoing
Blue Badges	0	0	1	0	Not yet implemented
Deprivation of Liberties	0	0	3	1	All recommendations implemented
Social Care Pathway (Ltd 2017/18)	0	1	4	0	Update received on the major recommendation Parts a and b of rec 5 implemented. Part c, on overdue reviews "not achieved".
Direct payments Follow up (Ltd 2018/19)	0	0	2	1	All recommendations implemented
Fostering Reviews	0	0	5	1	All recommendations implemented
CSC Residential Contracts	0	0	2	1	All recommendations implemented
FSM Strategy Meetings	0	0	3	1	2 implemented, 1 partially implemented, 1 not yet implemented
Housing Rents and Deposits Re-Audit joint audit (Ltd 2018/19)	0	1	5	0	Recommendations 1,2,5,6 implemented. Recommendations 3 and 4 ongoing.
Nursery places	0	0	2	1	Low priority implemented and two moderate recommendations are ongoing
Public Health Follow Up (Ltd 18/19)	0	0	0	0	Priority 1 finding ongoing. Two priority 2 recommendations implemented.
SEN	0	0	2	0	All recommendations implemented.
SCHOOLS School A (follow up -Ltd 2017/18 and 2018/19)	0	3	5	0	All recommendations implemented.
School C (due 2018/19 but deferred)	0	2	8	1	All recommendations implemented.
School D	0	0	1	1	All recommendations implemented.
TOTAL	1	17	85	32	

2020/21 AUDITS

AUDIT	Critical	Major	Mod	Low	Outcome
SANG	0	0	4	1	3 implemented, 2 moderate recommendations partially implemented
Deferred payments	0	0	4	1	4 implemented, and 1 moderate recommendation ongoing
DAAT	0	0	1	1	All implemented
Purchase cards	0	0	2	0	All implemented
TOTAL	0	0	11	3	

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**TO: GOVERNANCE & AUDIT COMMITTEE
23 JUNE 2021**

STANDARDS ANNUAL REPORT (Executive Director - Delivery - Legal)

1. PURPOSE OF REPORT

- 1.1 The attached report (**APPENDIX A**) advises Council of activity within its Standards framework from 1 April 2020 to 31 March 2021

2. RECOMMENDATIONS

That the Council **NOTES:**

- 2.1 The Standards outputs in 2020/21 as set out in (**APPENDIX B**) of this report

3. REASONS FOR RECOMMENDATIONS

- 3.1 To keep Council apprised on an annual basis of activity relating to its Standards Regime

4. SUPPORTING INFORMATION

- 4.1 The Standards Framework comprises a number of elements including the code of conduct for Councillors, rules around disclosure of interests, procedure for dealing with complaints and sanctions for breach. Until its dissolution in November 2016 responsibility for oversight of the Standards Framework vested in the Standards Committee. Subsequently this has transferred to the Governance & Audit Committee.
- 4.2 The attached report appraises the Council of Standards related activity from 1 April 2020 to 31 March 2021.

5. ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 5.1 The Borough Solicitor is the author of this report.

Director :Finance

- 5.2 There are no financial implications arising.

6. STRATEGIC RISK MANAGEMENT ISSUES

- 6.1 None.

Background Papers None.

Contact for Further Information

Sanjay Prashar – Borough Solicitor – 01344 355679 Sanjay.Prashar@bracknell-forest.gov.uk

APPENDIX A

STANDARDS ANNUAL REPORT 2020/21

1. The Council's Standards Committee was dissolved in 2016 and its functions incorporated into the terms of reference of the Governance and Audit Committee.

Complaints

2. Under the current procedure for the handling of complaints alleging a breach of the Code of Conduct for Members, a complaint is first considered by the Monitoring Officer. The options available to the Monitoring Officer at that stage are:-
 - refer for investigation
 - refer for some other form of action ("other action")
 - determine that no further action is required. ("no action")
3. If a complaint is referred for investigation the ensuing report is considered by the statutory Independent Person and the Monitoring Officer. At that stage the options are:-
 - refer to a Code of Conduct Panel for consideration.
 - refer for resolution by some other form of action (e.g. if the investigation finds that there has been a breach and the Member agrees to apologise)
 - no further action required (investigation finds no breach which conclusion is agreed by the independent person and Monitoring Officer)
4. In the period between 1 April 2020 and 31 March 2021 the Monitoring Officer received **9** complaints alleging breaches of Codes of Conduct for Members. The grounds of each complaint and its outcome are set out in the table attached **(Appendix B)**
5. In each case where no action was taken this decision was preceded by consultation with the Independent Person (Dr Louis Lee) before being shared with the Complainant and subject member. In accordance with a protocol adopted in 2016, the Party whip was also notified. Whilst the table reflects the growing trend of relatively low level complaints it should be noted that unusually, three of the complaints were of sufficient seriousness to necessitate an investigation.
6. It should be further noted that one of the three complaints investigated, involving a Parish Councillor, resulted in a Code of Conduct Panel hearing following the outcome of an extensive investigation into alleged bullying behaviour towards an employee of the Parish Council. This is only the second occasion since the current Standards Framework was introduced in 2012 that a complaint has proceeded to a Panel Hearing. Moreover, it is the first that has resulted in an outcome of breach with the imposition of sanctions including censure as well as recommendation of code of conduct refresher training and removal from committee roles. The Councillor was subsequently the subject of a no confidence motion against him that was adopted by the Parish Council. He has subsequently been expelled from the Conservative Party and is serving as an Independent for the remainder of his term of office.

Previous years data

Year	No. of Complaints	Upheld
2008/09	0	0
2009/10	6	2
2010/11	1	0
2011/12	2	0
2012/13	4	0
2013/14	6	0
2014/15	5	0
2015/16	2	0
2016/17	7	0
2017/18	6	0
2018/19	8	1

6. Whilst the adequacy of sanctions within the Standards regime continues to attract debate nationally there are currently no proposals flowing from the Ministry of Housing, Communities and Local Government to introduce further legislation.
7. It will be noted that one of the recommendations flowing from a report of the Committee for Standards in Public Life (CSPL) published in January 2019 was for the Local Government Association *“to create an updated model code of conduct, in consultation with representative bodies of councillors and officers of all tiers of local government.”*
8. The LGA’s Code drafting timetable envisaged a draft Code being released for a 6 week consultation from 16 March 2020 with a final version being published at the launch of the LGA annual Conference in Harrogate on 30 June. However, this work was delayed due to the impact of Covid 19 and the draft was in fact issued for consultation in June. A final model Code was subsequently published by the LGA in late December 2020. It is for individual Authorities to determine whether to adopt it. Whilst the Governance & Audit Committee considered the Council’s existing Code in June 2019 pursuant to the recommendations of the CSPL and determined that no changes were necessary this determination will need be reviewed in the light of the publication of the Model Code. A Code of Conduct Panel will be convened for this purpose with its recommendations being referred to the Governance and Audit Committee within the next 6 months.

Councillors are reminded of their duties both in respect of the rules relating to the registration and disclosure of Interests set out in the Code of Conduct and their behavioural obligations under the Code.

Appendix B

	Date of Complaint	Status of Complainant	Borough or Parish Councillor	Grounds of Complaint	Outcome
1	2 April 2020	Resident	Borough	Failing to treat complainant with respect	Code breach- informal resolution (apology)
2	31 August 2020	Resident	Borough	Failing to make decision on merit Failing to declare DPI or AI Improperly using his position to secure an advantage for himself or others or to disadvantage another person	No further action as no evidence of breach
3	11 September 2020	Employee	Parish	Bringing the council or the office of councillor into disrepute Failing to treat complainant with respect Bullying complainant Discriminating against complainant on grounds of gender	Investigated and breach established by Code of Conduct Panel. Various sanctions imposed

4	28 September 2020	Parish Councillor	Parish	Improperly using Council resources Improperly using position to secure and advantage for themselves	Complaint investigated- No breach found. No further action
5	12 October 2020	Resident	Borough	Failing to treat complainant with respect,	Informal resolution to potential breach of Code
6	3 November 2020	Resident	Borough	Bringing the Council or office of Councillor into disrepute	No breach- No further action
7	26 January 2021	Resident	Borough	Bringing the Council or office of Councillor into disrepute	Not acting in official capacity. No further action
8.	12 March 2021			By discriminating against me and/or others By failing to make a decision on merit By improperly using their position to secure an advantage for themselves and/or others or to disadvantage another person	No breach found. No further action

9.	20 March 2021	Resident	Borough	<p>By bringing the council or the office of councillor into disrepute</p> <p>By compromising or acting in a way likely to compromise the impartiality of those working for or on behalf of the council</p>	No breach found. No further action
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TO: GOVERNANCE AND AUDIT COMMITTEE 23 JUNE 2021

**ANNUAL GOVERNANCE STATEMENT
Executive Director of Delivery– Legal**

1 PURPOSE OF REPORT

- 1.1 To present the Committee with the Annual Governance Statement for 2020/21, update the Committee on progress against the Action Plan agreed in June 2020 and to make recommendations for further actions arising from the contents of this report.

2 RECOMMENDATIONS

- 2.1 **That the draft Annual Governance Statement (“AGS”) and Action plan appended to this report be approved.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure the Council complies with the statutory requirements to produce an Annual Governance Statement.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 It is a statutory requirement for the Council to approve an AGS and Action Plan and therefore no alternative options have been considered.

5 SUPPORTING INFORMATION

- 5.1 In England, the preparation and publication of an AGS is necessary to meet the statutory obligation set out in Regulation 4(3) of the Accounts and Audit Regulations 2011. This requires authorities to prepare a statement in accordance with “proper practices” and the guidance in the Framework recommending an AGS constitutes “proper practice”. The AGS will be signed by the Chief Executive and the Leader of the Council.
- 5.2 The CIPFA/SOLACE publication “Delivering Good Governance in Local Government: Framework 2016” recommends that authorities produce an AGS to report publicly on the key elements of the governance framework the authority has in place, to review the effectiveness of the governance framework and the steps which will be taken over the next year to enhance governance arrangements. The AGS and Action Plan were prepared in accordance with the revised CIPFA/SOLACE Guidance Note 2016 and subsequent addendum. These provide that the AGS should include a brief description of the key elements of the governance framework the authority has in place.
- 5.3 An Action Plan has been drawn up to address the issues highlighted in the AGS and this is attached as Appendix 2 to the AGS

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Good governance is critical to the Authority achieving its objectives as set out in the Council Plan. High profile governance failures in Birmingham, Northamptonshire, Doncaster, Tower Hamlets, Bristol, Rotherham, Derby, Croydon and York in recent years have illustrated the need to ensure governance structures, and processes are fit for purpose and kept under constant review. .

Borough Treasurer

- 6.2 The Annual Governance Statement is a statutory requirement under the Accounts and Audit Regulations 2011 and will be incorporated within the Council's annual Statement of Accounts.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Risk management is a key part of good governance as outlined in the draft AGS.

Other Officers

- 6.5 None.

7 CONSULTATION

7.1 Principal Groups Consulted

See Paragraph 5.4 above.

7.2 Method of Consultation

Completion of compliance assessments and consideration at Corporate Management Team

Contact for further information

Sanjay Prashar – 01344 355679

Annual Governance Statement 2020/21

Executive Summary

The Annual Governance Statement (AGS) provides an account of the processes and systems which give assurance for the effectiveness of the Council's discharge of its responsibilities. It covers the period 1 April 2020 to 31 March 2021.

A summary of assurance is given for each of the seven principles on which the Statement is based.

An update on the 2020/21 Annual Governance Statement Actions is included as **(Appendix A)**

Work underway or planned to address any governance issues for 2021/22 is set out in an Action Plan **(Appendix B)**

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 Council's 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.

Diagram 1 Overview of Bracknell Forest Council Governance Framework



3. The CIPFA Governance Assurance Framework Principles

The CIPFA/SOLACE Framework 2016- Delivering Good Governance in Local Government suggests that this Annual Governance Statement should include a brief description of the key elements of the governance framework that the Council has in place.

- 3.1 There are seven principles and sub-principles of Corporate Governance incorporated within the CIPFA/SOLACE framework and as set out in Diagram 2 below.

Diagram 2. -The seven CIPFA Principles of Good Governance



3.2 Each element of the governance framework is considered in this Statement within the context of the seven CIPFA Principles of Good Governance. An opinion is provided below against each principle on the level of assurance that the governance arrangements can generate.

A. Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Assured ✓

The Council has adopted structures, systems and processes which reflect consistency with high ethical expectations of those in its service, including Members, Officers and outside Partners. A culture of compliance is also embedded with Code breaches, disciplinary issues, data protection infringements and whistleblowing referrals being reviewed, investigated and determined in accordance with defined processes. Over the year there have been 7 Complaints against Members of which 2 have been deemed serious enough to warrant investigation. No findings have been made against any Borough Councillors though a Code of Conduct Panel held against a Parish Councillor in one instance led to the imposition of sanctions. Awareness amongst Members of the rules relating to disclosure of interests remains high with Members consistently seeking the views of the Monitoring Officer when in doubt.

Equalities issues also gained prominence in the Corporate agenda with CMT leading an initiative to help staff explore their understanding of discrimination in the workplace with particular emphasis on the existence of unconscious bias. The theme of bullying and respect for others has also been flagged up at Member level through the emergence of a Member working Group exploring the subject.

Examples of corresponding framework

- Councillor Code of Conduct
- Whistleblowing procedure
- Member/Officer protocol
- HR Procedures
- Protocol for Members in dealing with Planning matters
- Information management strategy

B. Ensuring openness and comprehensive stakeholder engagement

Assured ✓

The Council exists to serve its residents and works effectively in partnership with a wide range of stakeholders It has transparent decision-making processes in place. The Covid crisis has led to the provision of remote meetings using MS Teams over the course of the year which enabled democratic decision making to continue in several instances increasing the rate of public access to meetings.

Overview and Scrutiny has established a structure that allows activity to better align with the themes of the Council Plan. The function has established and delivered against a work programme that supports the council objectives. The Commission has carried out research and made recommendations to support the Council's climate change targets and has scrutinised the budget and monitored the performance of all Council departments through the Council Plan Overview Report.

A number of significant consultations were undertaken via the Council's portal most notably relating to the budget, Joint Minerals Waste Plan, pre submission local plan and School admission arrangements for 2022/23.

Examples of corresponding framework

- Transparent decision making in line with statutory and constitutional provisions
- Executive Decisions on Forward Plan
- Exempt status of reports subject to Monitoring Officer scrutiny
- Public participation scheme
- Pay policy statement
- Contracts over £5000 on Data share

C Defining outcomes in terms of sustainable economic, social and environmental benefits

Assured ✓

The Council has in place clear arrangements to define outcomes and monitor performance. In setting policies and strategies, it has adopted a long-term view about outcomes. The Council Plan was adopted in February 2020 for the - period from - 2019-2023 and has strategic themes underpinned by social, economic and environmental objectives. During 2020/21 the Council developed a Covid renewal strategy to respond to pressures on service delivery triggered by the effects of the global pandemic.

The Council's creation of the Bracknell Forest Cambium Partnership as a joint venture with Countryside Properties is intended to help it fulfil its objective of ensuring Bracknell town centre remains a sustainable and popular retail and leisure destination as well as a home to increasing numbers of people. The planned re-development of the Coopers' Hill site has prompted strong engagement with current users and local residents as well as provided the impetus for the re-purposing of Time Square as a community hub. The Council's close working relationship with the Bracknell Regeneration Partnership, most notably in relation to progressing development of the Deck, shares these aims.

Heathlands Dementia Care Home Project (a partnership project between Bracknell Forest Council and the East Berkshire Clinical Commissioning Group (CCG)) has continued to progress and the facility when opened will provide 66 beds offering a mix of long-term elderly mentally infirm (EMI) and short-term nursing and rehabilitation care.

A new youth facility was opened in Braccan Walk providing a much needed resource for young people in the Borough

The introduction of weekly food waste collections in the Borough have resulted in immediate environmental benefits with significant reductions in tonnage of such waste being diverted to landfill as well as the opportunity to create electricity for the National Grid through the use of anaerobic digester.

Following an Intrusive ground investigation activity commissioned by Homes England at the London Road Landfill site the Corporate Management Team concluded that remediation and development activity for modular housing would no longer be financially viable and that the way forward should be to invest in gas management and maintaining

the site in a safe condition whilst also identifying a safe option for generating some revenue from the land.

Work continued throughout the year around the development of the Local Plan for public consultation and Examination by the Secretary of State

Examples of corresponding framework

- Council Plan
- Service Plans
- Quarterly Service reports and Quarterly Council Plan Overview reports
- Partnership working (eg Community Safety partnership, Cambium Partnership, Joint Waste Board, Public Protection Partnership)

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Assured ✓

The Council takes decisions on interventions based on its published Council Plan setting outcomes for services and defining actions and targets for achieving them. Proposed interventions are recorded through Directorate Business Plans for ensuring the achievement of intended outcomes within set timescales. More significant interventions through service or organisational transformation are considered and overseen by the Transformation Board chaired by the Chief Executive.

During the pandemic the Council has maintained its schedule of meetings and fulfilled its emergent responsibilities, statutory and otherwise in relation to enforcement, community support for the vulnerable and partnership working in the development of the Outbreak Control Plan and associated governance. Grant funding via central government has enabled it to ensure the continuing viability of the Borough's principal Leisure facilities, most notably the Leisure Centre, Coral reef and Downshire Golf Course

Following the Executive's approval in March 2019, work with colleagues in Health (the CCG and Frimley Heath Foundation Trust) continued, to ensure the re-development of the former Heathlands care home into a combined Health facility and EMI nursing home. Construction is progressing within time and to budget and a tender process has been undertaken for a provider. The facility is expected to open around Christmas 2021

The establishment of the Cambium Partnership reflects the Council's place shaping agenda in relation to the further development of the Town Centre

The disposal of Winkfield Manor and Unit C Waterside Park has brought in substantial capital receipts for the Council whilst its property investment portfolio continues to provide revenue yields.

Establishment of the Council's Climate Change Action Plan contributing to the delivery of the Council's target to be zero carbon by 2050

Examples of corresponding framework

- Council Plan
- Service Plans
- Quarterly Service reports and Quarterly Council Plan Overview reports
- Outbreak Control Plan

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Assured ✓

Member development continues to be an embedded part of the Council's culture and courses and seminars continue to be well attended. A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by e-learning opportunities and also less formal learning such as mentoring and work shadowing schemes. 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 identify their learning and development objectives

The Council has responded extremely well during the Covid pandemic in terms of its service resilience, although there has inevitably been a change in focus towards immediate priorities rather than preparing for the future.

With the departure of the Executive Head of People mid year it became necessary for three Assistant Directors to act up for several months to cover both the Childrens and Adult Social Care statutory roles until the arrival of the new Executive Director. Transformation activity continued with a change in governance arrangements evidenced by the Corporate Management Team taking over the role of the Transformation Board.

It will be important over the next few months and beyond to ensure that competing demands for organisational capacity do not hinder delivery of important change programmes which are key to securing a financially sustainable organisation into the future. However, the Council is well positioned financially to be able to invest in temporary additional capacity to support change.

Examples of corresponding framework

- Induction programmes for Officers & Members
- Member Development Programme
- Behaviours
- Role profiles

F. Managing risks and performance through robust internal control and strong public financial Management

Assured^v

The Council has continued to closely manage its financial position over the past year, adapting its normal budget monitoring approach to reflect the increased uncertainty around the level of costs and income which have been significantly affected by the Covid pandemic. While additional costs were approved in the early part of the year without there being funding in place to support them, this was done knowingly and in the expectation that Government would offer compensation for some or all of these, which proved to be the case.

Bracknell Forest has a culture of financial prudence across the organisation, meaning that cautious worst-case scenario projections were identified, which fortunately did not materialise. Whilst this caution has helped lead to a situation where the 2020/21 out-turn will be well below the level of resources available, it is important that it is balanced by a realistic assessment of the likelihood of such worst-case events materialising, in order to assist future financial planning and avoid unnecessary spending reductions to be sought.

The level of reserves held by the Council is strong, meaning that there is time to fully develop and deliver a medium-term financial plan, which can offer choice around the pace at which change needs to be delivered. It is important that this does not become confused with a view that spending controls can be relaxed since there is a healthy level of reserves.

The Head of Audit and Risk Management is required to conclude and report on the effectiveness of the internal control environment in her annual report. Her assessment of the control environment for 2020/21 was as follows:

*Based on internal audit work undertaken, the Head of Audit and Risk management is able to conclude there are **adequate** arrangements in place at the Council for risk management and corporate governance.*

*The Head of Audit and Risk Management gave limited assurance on the control environment in 2018/19 and also in 2019/20 when it was acknowledged that the direction of travel was positive and if this was sustained, a more favourable opinion was anticipated for 2020/21. Since then additional progress has been made but inevitably due to the impact of COVID 19 the speed of improvement has slowed over the last 12 months. The Head of Audit and Risk Management is now able to give **partial** assurance on the internal control environment for 2020/21 acknowledging improvement made but with further action needed to secure an adequate control environment.*

The Head of Audit and Risk Management's Audit Opinion however must exclude schools as there is insufficient assurance available to be able to offer reasonable assurance. This limitation of scope has arisen because Internal Audit were unable to carry out audit work due to pressures in schools arising from COVID and difficulties for schools of having external parties on site. To avoid similar limitations in future the Head of Audit and Risk Management has piloted remote auditing at one school which has been largely successful although it has confirmed that some on site time cannot be avoided. We are currently re-scheduling the school audits that have been deferred from 2020/21.

Examples of corresponding framework

- Financial Regulations
- Annual Budget setting process
- S151 Officer role
- 2020/21 Audit programme
- Head of Audit and Risk Management's annual opinion
- The Strategic Risk Management Group (SRMG)
- Risk Management Strategy
- Strategic Risk register

G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Assured ✓

The Council has transparent processes in place through publication of the Forward Plan of key decisions, of agendas and reports of its meetings and those of its committees and of its key decision reports on the website. It publicises its pay policy statement in line with legislation as well as expenditure on contracts in excess of £5000 in value and all other expenditure in excess of £500. The Council has robust audit arrangements in place and there is regular audit reporting to the Council's Governance and Audit Committee.

Internal Audit provides an independent and objective annual appraisal of key financial systems through routine compliance testing and by undertaking a number of audit reviews within service departments in accordance with the Internal Audit Plan. The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by an external contractor and by Royal Borough of Windsor and Maidenhead and Wokingham joint internal audit team under an agreement made under Section 113 of the Local Government Act 1972.

The Head of Audit and Risk Management reports outcomes for all audits to the Corporate Management Team and the Governance and Audit Committee in quarterly progress reports. For audits where an inadequate or partial assurance opinion has been concluded, the Head of Audit and Risk Management reports details of the significant findings to the Corporate Management Team and the Governance and Audit Committee and follow-up audits should be carried out within 12 months to ensure that actions have been taken to address the areas of concern. For other audits, the Head of Audit and Risk Management obtains management updates on the progress on implementation of agreed recommendations and this information is also reported to the Corporate Management Team and the Governance and Audit Committee

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 2020/21, 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 2020/21 was approved by the Committee on 25th March 2020 although given the impact of the COVID-19 pandemic the scheduling of the audits is under review. Internal Audit identified areas for improvement and common areas of weakness

during the 2018/19 and 2019/21 audits. During 2019/20 progress was made to start to address these areas of weakness. This has been ongoing during 2020/21 but was limited by the impact of other pressures on teams arising from the pandemic which delayed further audit work originally planned to establish if these weaknesses have been addressed.

The judgements issued by the external auditor in relation to the year end statutory accounts and the linked value for money assessment have always been very positive about the Council's work. However, the formal accounts sign off for 2019/20 was significantly delayed due to the on-going process of finalising the audit of the pension fund accounts managed by RBWM. This is a process over which neither the Council nor its external auditors have significant influence. Members have been kept up to speed with progress on this matter as well as receiving regular reports from the Head of Audit and Risk Management on internal audit work. The open approach to reporting the outcomes of audits to the Governance and Audit Committee has received positive feedback from Members and facilitated detailed Member scrutiny of the internal control environment and clear accountability.

During 2020/21 the Strategic Risk Register was updated and considered by SRMG on a quarterly basis and reviewed and approved three times by the Corporate Management Team which owns the Register. It was also reviewed twice by the Governance and Audit Committee with feedback provided. Deep dive reviews on individual risks in the Strategic Risk Register were also considered at the Governance and Audit Committee on two risks in September 2020 and March 2021. Actions to address strategic risks were updated and monitored during 2020/21 and key changes to strategic risks were summarised in the quarterly Corporate Performance Overview Report. The overarching risk register for COVID-19 and the actions being taken to respond and mitigate this continued to be monitored and updated by the Corporate Management Team.

In May 2020 the Corporate Management Team agreed to fund a counter fraud pilot which was to be outsourced. Progress on this has been delayed by the pandemic which has restricted counter fraud activity generally although in quarter 4 the Council was able to appoint Oxford City Council's counter fraud team to undertake a data checking exercise on the housing waiting list to identify bogus applications. In addition, a review of the counter fraud policies commenced and the Anti Money laundering policy was approved by the Governance and audit committee in March 2021.

The Council has made significant strides over the year in consolidating its information Governance (IG) Framework resulting in a positive ICO audit in May 2020. It has subsequently worked on implementing a number of follow up recommendations intended to de-risk the overarching framework and create a corporate culture of compliance. This activity has included the development of Privacy Notices across the range of Council services, creation of a Record of Processing Activity and the redrafting of IG Procedures. A communications strategy will be rolled out over the summer to increase awareness of the emergent Corporate IG Framework across the Council.

Examples of corresponding framework

- Council Scheme of Delegation, Procedural rules, Standing Orders and Financial Regulations as set out in constitution

- Governance and Audit Committee terms of reference
- Executive Forward Plan
- Council Plan overview reports
- Scrutiny arrangements
- Information Governance Framework

APPENDIX A

2020/21 Annual Governance Statement Action Plan Update

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
1.	Follow up work has indicated that in 63% of cases significant weaknesses reported in 2018/19 audits, the issues are still being addressed. Address common areas of weakness in internal control and ensure major weaknesses identified in audit reports are addressed.	Monitoring of actions to address common Areas of weakness. Monitoring of all limited assurance audit reports.	Corporate Management Team DMTs	Ongoing	The COVID pandemic has limited progress on addressing significant weaknesses. Follow up work and re-audit in 2020/21 of areas with significant weaknesses identified in 67% of cases these issues are still being addressed.
2.	ICO Information Governance Audit	Adopt and implement recommendations arising from the May 2020 ICO Audit	IMG	Prior to re-audit	Follow up actions close to completion. Re-audit scheduled for 31.5.21.
3.	Review Emergency Planning arrangements	Update Corporate Business Continuity Plan in	CMT	September 2020	The Corporate Business Continuity Plan has been going

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
		light of Covid 19 experience			through a complete refresh following the lessons in the early part of the COVID19 experience. In order to complete these plans all Services needed to undertake some work. This has taken longer to complete, in part due to the second COVID wave. As a result there is now a draft Corporate Business Continuity Plan which will be completed by the end of June 2021 ready for testing and roll out.
4.	Implement Covid 19 recovery Plan	Facilitate return to office-based working where necessary and safe for staff across various Council locations	CMT	From July 2020 onwards	Deferred until Summer 2021 due to pandemic
5.	Dissolution of Downshire Homes Ltd	Undertake all necessary shareholder actions to assist Downshire Homes Limited facilitate dissolution of company and ensure transfer of property assets to BFC. All Companies	Executive	31 March 2021	Ongoing. Transferring tenancies without creating security of tenure upon transfer.

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
		Act and HMRC obligations to be discharged.			
6.	Councillor Code of Conduct	Review Code of Conduct in light of publication of new Model Code by LGA	Code of Conduct Working Group	By 31 March 2021	Deferred due to delay in LGA publication of code (23 December 2020)

APPENDIX B-
2021/22 Annual Governance Statement Action Plan

	Item	Proposed action	Owner	Implementation deadline
1.	Implement Covid 19 Recovery Plan (c/f from 2019/20)	Facilitate return to office based working where necessary and appropriate with emergent plans for Time Square	Corporate Management Team	1 September 2021
2.	Dissolve Downshire Homes Limited (c/f from 2019/20)	Undertake all necessary shareholder actions to assist Downshire Homes Limited facilitate dissolution of company and ensure transfer of property assets to BFC. All Companies Act and HMRC obligations to be discharged	Executive	31 December 2021
3.	Councillor Code of Conduct	Review Code of Conduct in light of publication of new Model Code by LGA	Code of Conduct Working Group	By 30 September 2021
4.	Whistleblowing Policy	Review /Redraft to improve awareness & accessibility	Borough Solicitor	30 September 2021
5.	Information Governance	Develop and implement Communication plan to ensure council wide awareness and ownership of Information Governance Framework emerging from recent activity	Executive Director Delivery & Information Governance Consultant	30 September 2021

6.	Contract Monitoring	Development of Corporate Contracts Register	Strategic Procurement Board	30 September 2021
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Signed:

Paul Bettison

Timothy Wheadon

**Leader of the Council
June 2021**

**Chief Executive
June 2021**

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