

Notice of Meeting

Governance & Audit Committee

Councillor Allen (Chair),
Councillor Wade (Vice-Chair),
Councillors Brossard, Gbadebo, Mrs Hayes MBE, Heydon, Leake
and Parker



Wednesday 22 March 2023, 7.30 pm
Council Chamber - Time Square, Market Street, Bracknell, RG12
1JD

Agenda

*All councillors at this meeting have adopted the Mayor's Charter
which fosters constructive and respectful debate.*

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 - 6
	To approve as a correct record the minutes of the meetings of the Committee held on 25 January 2023.	
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 Update	7 - 28

EMERGENCY EVACUATION INSTRUCTIONS

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	To receive an update on progress on the annual Internal Audit Plan. Reporting: Sally Hendrick	
6.	Internal Audit Plan for 2023/24	29 - 42
	To approve the Internal Audit Plan for 2023/24. Reporting: Sally Hendrick	
7.	Recording of Officer Executive Decisions	43 - 50
	To review existing arrangements for the recording of Officer Executive decisions. Reporting: Sanjay Prashar	

Sound recording, photographing, filming and use of social media is permitted. Please contact Hannah Harding, 01344 352308, Hannah.harding@bracknell-forest.gov.uk, so that any special arrangements can be made.

Published: 14 March 2023

EMERGENCY EVACUATION INSTRUCTIONS

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**GOVERNANCE & AUDIT COMMITTEE
25 JANUARY 2023
7.30 - 8.20 PM**

Present:

Councillors Allen (Chair), Wade (Vice-Chair), Brossard, Gbadebo, Mrs Hayes MBE and Leake

Apologies for absence were received from:

Councillors Heydon

21. Declarations of Interest

There were no declarations of interest.

22. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the committee held on the 19 October 2022 be approved as a correct record.

23. Urgent Items of Business

There were no urgent items of business.

24. External Audit: Audit Progress Report

Stuart McKellar, Executive Director: Resources and Andrew Brittain, Partner at EY attended the Committee to provide an update on the progress and position of the External Audit.

The External Auditors were still awaiting completion of the 2020/21 Audit, the delay being due to the External Audit being undertaken by Deloitte at RBWM which was yet to be signed off. This affected the Bracknell Forest audit as RBWM administered the Berkshire pension fund. It was understood that there were objections which were holding the account up, but none of these obligations were in relation to the pension fund.

Work had started on the 21/22 audit, but this was also behind where it should be.

The issue was a national problem across Local Authorities, with only 12% of Local Authorities having had signed the 21/22 accounts off, where typically it would be 90% at this stage.

Andrew Brittain stated that EY had been assured that they would be receiving an assurance letter from Deloitte pre-Christmas, however they were then notified on the 20 December 2022 that this would not be received. EY were in the process of getting a further update from Deloitte and would be scheduling a call to find out the ongoing timetable. There had been an Indication that the work may not be completed before

the summer which would have a knock-on impact. EY would continue to try and find alternatives, but none had yet to be identified.

As a result of the update provided, and as a result of the Committee's comments and questions, the following points were made:

- The statutory deadline had long past.
- There was no scope for legal recourse, however there would be a conversation regarding fees.
- CEO's of the Berkshire Local Authorities had requested, to no current avail, that the completion of the audits shouldn't be dependent on our Local Authorities accounts.
- It had been requested that all Berkshire authorities had the same auditor. However, the PSFA had allocated a different auditor to RBWM and Slough. It was understood that RBWM had written back to request a single auditor and Slough had requested to keep their current auditor due to their unique position.
- EY were unable to start the 21/22 until later than they normally would have done.
- The challenges of completing the audits had been picked up at a national level.
- Andrew would circulate what was left to complete in the 21/22 audit outside of the meeting.
- Work would be unable to start on the 2022/23 audit until there was progress on the 2021/22 audit.
- KPMG would be the external auditors after 2023/24.
- Incoming auditors wouldn't be able to review the outgoing audits until they were completed.

25. **Internal Audit Update**

The Committee received and considered the Internal Audit Update.

This report summarised the activities of Internal Audit for the period April to December 2022 drawing together progress on the Annual Internal Audit Plan, risk management and other activities carried out by Internal Audit.

Between April to December 2022, 6 grant audits and 17 reports/memos were finalised, 8 reports/memos were issued in draft awaiting management responses, 3 were in draft awaiting quality review and 8 audits were work in progress.

Audits which had identified high priority recommendations would be revisited in 2023/24 to ensure successful implementation of agreed recommendations. The audits where major and critical recommendations had been raised were Housing Billing, Apprenticeship Levy and within a school. The recommendations were detailed within the annex of the report.

An audit recommendation tracker had been developed with IT to provide clearer management information on the status of actions to address significant weaknesses arising from audits. Audits were currently populating the tracker with all recommendations raised since 2019/20 being included.

The team were currently down two senior Auditors and had one agency worker who had been within the team for 10 months.

The update on progress on the Internal Audit Plan for 2022/23 was noted by the Committee.

26. **Treasury Management Report 2023/24 and 2022/23 Mid-Year Review**

The Committee received and considered the Treasury Management Report 2023/24 and 2022/23 Mid-Year Review.

The Local Government Act 2003 required the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable.

The Council was required to operate a balanced budget and part of the treasury management operation is to ensure that cash flow is adequately planned, with cash being available when needed.

CIPFA published the updated Treasury Management and Prudential Codes on 20th December 2021. CIPFA stated that after a soft introduction of the Codes, Local Authorities are expected to fully implement the required reporting changes within their TMSS/AIS reports from 2023/24. The Council was updating its Capital Strategy and the new prudential indicator, and these would be included in the final Treasury Management Strategy Statement published in March 2023.

There were no substantial changes to the Treasury Strategy to be adopted in 2023/24.

The Treasury Management Strategy for 2023/24 covered two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- the policy on use of external service providers

The national perspective were detailed within the report, with inflation and high level interest rates which were expected to increase to 4% which would be the highest base rate since 2002. It was expected that interest rates could rise higher in 2023, topping at 5% with a step fall in 2024.

It was noted that there was nothing within the Capital Programme that would require a loan in 2023/24.

The current position was easier to forecast than it had been in October 2022 after the governments mini budget.

RESOLVED that the Committee

- i. considers and reviews the Mid-Year Review Report.
- ii. agrees that the Mid-Year Review Report be circulated to all Members of the Council.
- iii. reviews the Treasury Management Report in Annex A for 2023/24 prior to its approval by Council.

27. **Exclusion of Public and Press**

RESOLVED that pursuant to Section 100A of the Local Government Act 1972, as amended, and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of the following item which involves the likely disclosure of exempt information under the following category of Schedule 12A of that Act:

- (1) Information relating to any individual (Item 9).

28. **Counter Fraud Update**

The Committee received an update on fraud cases and counter fraud activity since April 2021.

The counter fraud update was noted.

CHAIRMAN

To: **Governance and Audit Committee**
22nd March 2023

Internal Audit Update **Head of Audit and Risk Management**

1 Purpose of Report

1.1 This report presents the update on progress on the annual Internal Audit Plan.

2 Recommendations

2.1 To note the update on progress on the Internal Audit Plan for 2022/23.

3 Reasons for Recommendations

3.1 To ensure the Council complies with statutory requirements for internal audit.

4 Alternative Options Considered

4.1 There are no alternatives.

5 Supporting Information

Internal Audit

5.1 Delivery of the Council's internal audit services in 2022/23 are being delivered as follows:

- One permanent in-house senior auditor who left the Council on retirement on 2 January 2023;
- One temporary senior auditor;
- Two apprentices who joined us at the end of November;
- Wokingham Council's Business Assurance team delivering internal audit services under a S113 agreement; and
- TIAA Ltd who have undertaken IT audits.

5.2 Progress against the 2022/23 Internal Audit Plan is set out in Appendix 1. There has been some delay in progressing the 22/23 Audit Plan due to:

- Audits brought forward from 2021/22 and delays in finalising these;
- Difficulties in recruiting permanent senior auditors which we are now addressing through the recruitment and appointment of two internal audit apprentices;
- The external inspection of Children's Services resulting in a backlog of audits in this area; and
- Wokingham Council's Business Assurance Team reduced capacity for assisting with our audits in the first half of 2022/23.

6 Consultation and Other Considerations

Legal Advice

- 6.1 There are no specific legal implications arising from the recommendations in this Report.

Financial Advice

- 6.2 There are no financial implications arising from this report.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 A robust internal audit service is essential for ensuring proper processes are in place for effective control.

Background Papers

Internal Audit Plan 2022/23

Internal Audit Charter

Contact for further information

Sally Hendrick, Head of Audit and Risk Management - 01344 352092



**BRACKNELL FOREST COUNCIL
HEAD OF AUDIT AND RISK
MANAGEMENT'S INTERIM REPORT**

FEBRUARY 2023

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

1.BACKGROUND

- 1.1 The Council is required under the Accounts and Audit (Amendment) (England) Regulations to “maintain an adequate and effective system of internal audit of its accounting records and of its systems of internal control in accordance with the proper practices in relation to internal control.” This report summarises the activities of Internal Audit for the period April 2022 to February 2023 drawing together progress on the Annual Internal Audit Plan, risk management and other activities carried out by Internal Audit.

2. INTERNAL AUDIT

- 2.1 The basic approach adopted by Internal Audit falls broadly into four types of audit:
- System reviews provide assurance that the system of control in all activities undertaken by the Council is appropriate and adequately protects the Council’s interests.
 - Regularity (financial) checking helps ensure that the accounts maintained by the Council accurately reflect the business transacted during the year. It also contributes directly towards the external auditor’s audit of the annual accounts.
 - Computer/IT audits, carried out by specialist audit staff, provide assurance that an adequate level of control exists over the provision and use of computing facilities.
 - Certification as required by relevant Government departments that grant monies have been spent in accordance with grant terms and conditions.
- 2.2 Recommendations are made after individual audits, leading to an overall assurance opinion for the system or establishment under review and building into an overall annual assurance opinion on the Council’s operations called the Head of Internal Audit Annual Opinion. The different categories of recommendation and assurance opinions are set out in the following tables.
- 2.3 We categorise our **audit opinions** according to our assessment of the controls in place and the level of compliance with these controls as set out below. It should be noted that from 1 April 2022 we renamed our second level assurance category from adequate to satisfactory to better reflect the positivity of this level of opinion.

	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.
	Satisfactory - 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.

2.4 We 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.

3. SUMMARY OF INTERNAL AUDIT RESULTS TO DATE

- 3.1 The Annual Internal Audit Plan for 2022/23 was considered and approved by the Governance and Audit Committee on 23rd March 2022. The delivery of the individual audits during 2022/23 is being undertaken by
- One permanent in-house senior auditor who left the Council on 2 January 2023;
 - Two apprentices who joined on 28 November 2022;
 - One temporary senior auditor;
 - Wokingham Council's Business Assurance team delivering internal audit services under a S113 agreement; and
 - TIAA Ltd who undertook all our IT audits during 2022/23..
- 3.2 The resources available for internal audit are finite, recruitment of the internal audit apprentices was delayed and our permanent senior audit left the Council on 2 January 2023. A number of 2021/22 audits were brought forward into 2022/23. Wokingham Council's Business Assurance Team had reduced capacity for assisting with our audits for the first half of 2022/23. In addition, some audits had to be delayed due to the external inspection of Children's Services and we now have a backlog of audits in this area. These factors have had a knock-on effect for the start of some 2022/23 audits and the audit plan was reviewed with DMTs to re-prioritise

audits for the current year with follow up audits on areas with a partial opinion plus mandatory grant certifications being prioritised.

- 3.3 Between April 2022 TO 28TH February 2023, 7 grant audits and 23 reports/memos were finalised, 2 reports/memos were issued in draft awaiting management responses, 1 was in draft awaiting quality review and 16 audits were work in progress.
- 3.4 An audit recommendation tracker has been developed with the assistance of ICT to provide clearer management information on the status of actions to address significant weaknesses arising from audits. Audit have developed and populated the tracker, guidance notes have been produced and training has been provided and departments have now been requested to update the tracker with information on progress against audit recommendations.
- 3.6 Details on the status and outcome of all audits are attached at Appendix A. A summary of the outcome of finalised and audits with reports issued in draft are set out below.

2022/23 TO DATE ASSURANCE LEVELS	NUMBER OF AUDITS YEAR TO DATE IN 22/23 AND 21/22	2021/22 ASSURANCE LEVELS	NUMBER OF AUDITS
Good	0 (21/22:2)	Good	2
Satisfactory	12 (21/22:13)	Adequate	17
Partial	5 (21/22:8)	Partial	11
Inadequate	0 (21/22:3)	Inadequate	3
No assurance	0 (21/22:0)	No assurance	0
Total for Audits with an Opinion	17 (21/22:26)	Total for Audits with an Opinion	33
Memos and reports with Major Recommendations/Observations and no Opinion	4 (21/22:4)	Memos and reports with Major Recommendation and no Opinion	8
Other Follow Up Memos/ Reports with no Opinion	5 (21/22:3)	Other Follow Up Memos/ Reports with no Opinion	5
Total Audits	26 (21/22:33)	Total Audits	48
Grant Certifications/Submissions	7(21/22:7)	Grant Certifications	7
Overall Total	33(21/22:40)	Overall Total	53

Identified High Priority Control Issues

3.7 Audits which have identified high priority recommendations will generally be revisited in 2023/24, to ensure successful implementation of agreed recommendations. No further audit reports have been issued with major or critical recommendations since the last update to the Governance and audit Committee in January 2023.

Update of Previous Audits with High Priority Recommendations

3.8 As noted above, we have set up the recommendation tracker to provide more accurate and timely management information on the implementation of recommendations and expect to report back on this to the Committee in June 2023 once departments have had the opportunity to update the tracker with their updates.

Summary of Internal Audit Performance

3.9 As shown below, five completed client questionnaires have been received for 2022/23 and in one case the auditees had complained about the time taken to complete the audit. For the draft 22/23 draft reports issued to date, the first draft report has been produced within 15 days of the exit meeting in 88% of instances.

	Client Questionnaires		Draft Report /Memo Produced within 15 Days of Exit meeting
	Received	Satisfactory	
1st April 2022 to 28th February 2023	5	80%	88%
2021/22	19	90%	68%

4. PROGRESS ON INTERNAL CONTROL ENVIRONMENT 2022/23

4.1 Progress to improve the control environment is being monitored based on the outcome of the audits undertaken and in particular identifying whether agreed management actions for areas previously found to have significant control weaknesses have been implemented as this has been a key factor in the Head of Audit and Risk Management's annual opinion on the control environment for the last 4 years.

5. RISK MANAGEMENT

- 5.1 The Strategic Risk Register has already been reviewed four times by the Strategic Risk Management Group (SRMG) in May, August and November 2022 and February 2023 and twice by the Corporate Management Team in September 2022 and January 2023 following SRMG review. In addition the register was discussed at the CMT Away Day on 20th February 2023 to commence work to re-focus key strategic risks and review risk appetite. Directorate risk registers continue to be updated quarterly.

2021/22 INTERNAL AUDIT PLAN OUTCOMES NOT PREVIOUSLY REPORTED

*Key indicator- Draft report issued within 15 days of exit meeting

“D”- deferred at management request from 21/22 to 22/23

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Emergency Duty Service IT Audit	07/03/22	16/06/22	✓		✓					3	5	Final report
Forestcare IT Audit	21/03/22	30/06/22	✓			✓			1	6	1	Final report
DSPT	21/03/22	05/08/22	✓	Not applicable. Review of organisation self-assessment.								Final report
SEND	January 2022	23/06/22	✓	Not applicable, Advisory Memo					4	3		Final memo
School G follow up	June 2022	18/07/22	✓	Not applicable, follow up review.						4		Final memo
School K follow up	June 2022	20/06/22	✓	Not applicable, follow up review.						2		Final memo

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2022/23 INTERNAL AUDIT PLAN

1.GOVERNANCE

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	inadequate	Critical	Major	Moderate	Low	
Data indicators	April 2022	30/06/22	✓			✓			3	4	3	Final report issued
Project management of O&S reviews and subsequent	7/3/23											Work in progress

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	inadequate	Critical	Major	Moderate	Low	
action plan implementation												
Recording of decisions												Audit cancelled at management request
Complaints Process follow up (partial assurance opinion 2021/22)	13/2/23											Work in progress
CCTV follow up (partial assurance opinion 2021/22)												Audit deferred to Quarter 1 of 23/24
IR-35												Audit cancelled
SARs												Audit deferred at management request to 2023/24
Grant Certifications Business Covid Support Grants, quarter 1 and quarter 3												Management advised that no audit assurance required on this.
Bus Service Operator	August 2022	27/9/22	✓	N/A – grant certification								Certified
DOH Weight management allocation	February 2023	February 2023	✓	N/A – grant certification								Certification information provided
Troubled Families –	20/9/22	22/9/22	✓	N/A – grant submission								Audit completed for payment by

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
September submission												results submission
Troubled Families – December submission	20/12/22	28/12/22	✓	N/A – grant submission								Audit completed for payment by results submission
Troubled Families – March submission	20/3/23											Work in progress
Test & Trace Support Payments	July 2022	29/07/22	✓	N/A – grant certification								Certification complete
COMF	July 2022	11/07/22	✓	N/A – grant certification								Certification complete
Universal Drug Treatment	July 2022	27/07/22	✓	N/A – grant certification								Certification complete

2. COUNCIL WIDE

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Amazon Business Card												Audit deferred at management request. Now scheduled

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
												for qtr 1 of 23/24
Debt management												Work in progress
Income invoicing												Cancelled
Town Centre Maintenance Planning	Late September 2022	11/1/23	✓		✓					1	3	Finalised
Business Continuity	June 2022	30/9/22	X		✓					6	1	Finalised
Housing Billing (NEW audit added at S151 officer request)	September 2022	1/12/22	✓	N/A- Advisory memo with no opinion				1	9	1	Draft report issued	

3. RESOURCES

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Staff establishment costs (Joint HR and Finance audit budgeted under OD, Transformation and HR)												Work in progress

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Apprenticeship Levy advisory audit	3/10/22	1/12/22	✓		✓				1	5	1	Finalised
Council Tax and Business Rates	20/12/22											Work in progress
Supplier payments	20/12/22											Work in progress

4. IT AUDIT

IT AUDIT	Start Date	Date of Draft Report	Key Indicator Me*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
ICT Supplier Management (Software Product Usage, Licensing and Cloud Services)												Audit cancelled at management request
Intranet Controls	1/12/22	8/2/23	✓		✓					2	2	Finalised
Windows Virtual Desktop Review)												Audit cancelled at management request
Cyber Security— Incident Management and Resilience												Audit cancelled at management request
On-Line payments												Audit cancelled
SharePoint usage	12/9/22	7/2/23	X		✓					7		Draft reports issued

5. PLACE, PLANNING, AND REGENERATION

AUDIT	Start Date	Date of Draft Report	Key Indicator met	Assurance Level				Recommendation priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Highways Reactive Maintenance												Agreed with management to defer to 23/24
Highways Adoptions												Starting in March 2023
Tree service - follow up (partial assurance opinion 2021/22)												Deferred to quarter 2 of 23/24t
Street lighting follow up (partial assurance opinion 2019/20)	1/12/22											Work in progress
The Look Out	July 2022	26/08/22	✓		✓					4	4	Final Report Issued
Public Health	June 2022	15/9/22	✓		✓					5	2	Final Report Issued

6. CHIEF EXECUTIVE'S OFFICE

AUDIT	Start Date	Date of Draft Report	Key Indicator or met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Business change support costs advisory review	June 2022	5/9/22	✓	Not applicable, Advisory Memo					1	2	3	Final memo issued

7. DELIVERY

AUDIT	Start Date	Date of Draft Report	Key Indicator met*	Assurance level				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Commercial properties Follow up (partial assurance opinion 2021/22)	11/11/22											Draft report in for quality review
PPR follow up brought forward from 21/22												Deferred to Q1 of 23/34 at management request

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8. PEOPLE

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance levels				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
EDS misc spend (NEW audit)	1/2/23											Work in progress
Open Learning Centre	9/1/23											Work in progress
Services to Schools Follow up	1/12/22											Work in progress
SEND targeted reviews												Removed from plan as no longer required
Pupil Referral Unit												Deferred to 23/24
Transition children to adults	1/2/23											Work in progress

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance levels				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Children's social care placements	1/11/22											Draft report issued for discussion
Larchwood follow up												Deferred to 23/24
Permanency planning follow up	July 2022		✓	Not applicable, Advisory Memo					1	2		Final memo issued
Post Leaving Care	April 2022	16/08/22	✓		✓					3	3	Final report issued
Parenting assessments follow up												Management have requested this be deferred to 23/24
Recording of Direct work, including Youth Justice, MAKE Safe and Permanency hub												Cancelled as no longer required
Housing Benefit and Council Tax Reduction	June 2022	05/08/22	✓		✓					1	2	Final report issued
Housing allocations	23/1/23											Work in progress
Homelessness												Deferred at management request
Disabled Facilities Grants	May 2022	02/08/22	✓			✓			3	12		Final report issued
Transport in CTPLD-advisory piece	July 2022	30/11/22	✓	Not applicable, Advisory Memo						7	1	Final report issued

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance levels				Recommendation Priority				Status
				Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	
Domiciliary Care												Deferred to quarter 1 of 23/24
Direct payments- advisory piece on fraud triggers												Proposal for undertaking as a fraudit currently being discussed.

9. SCHOOLS

AUDIT	Start Date	Date of Draft Report	Key Indicator Met	Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	Status
School I (reaudit - Ltd 2018/19)	June 2022	20/07/22	✓			✓			3	7		Final report issued
School J follow up	June 2022	05/08/22	✓	N/A follow up review						3		Final report issued
School D (re-audit inadequate 21/22)												Deferred to quarter1 of 23/24
School B (follow up partial 21/22)	17/2/23											Work in progress
School E (follow up partial 21/22)												Deferred to 2023/24
School H (follow up partial 21/22)												Work in progress t
School R												Deferred at request of school
School O	7/11/22	16/1/23	X		✓					8	1	Final report issued

AUDIT	Start Date	Date of Draft Report	Key Indicator Met	Good	Satisfactory	Partial	Inadequate	Critical	Major	Moderate	Low	Status
School P	17/10/22	9/12/22	X		✓					6	2	Final report issued
School N												Deferred at request of the School
School T	7/2/23											Work in progress
School M	15/9/22	14/10/22	✓			✓			1	8	2	Final report issued
School S												Audit starting in March 2023t
School U	21/2/22											Work in progress
School Q												Audit cancelled as School academised

APPENDIX 2

2021/22 AUDITS IDENTIFYING SIGNIFICANT ISSUES		
AUDIT	RATING	CURRENT AUDIT STATUS
● Debt Management	ADVISORY, HENCE NO OPINION BUT MAJOR OBSERVATIONS RAISED	Re-audit in progress
● Supplier Payments	ADVISORY, HENCE NO OPINION BUT MAJOR OBSERVATIONS RAISED	Re-audit in progress
● Complaints Process	PARTIAL	Follow-up in progress
● E+Card General & IT Controls	PARTIAL	Follow up in progress
● Council Tax & Business Rates	PARTIAL	Re-audit in progress
● Tree Services	PARTIAL	To be followed up in quarter 2 of 23/24.
● Larchwood	PARTIAL	To be followed up in quarter 1 of 23/24.
● Services to Schools	PARTIAL	Follow up in progress
● Permanency Planning	ADVISORY, HENCE NO OPINION BUT MAJOR OBSERVATIONS RAISED	Followed up in Q1 of 22/23 and a major recommendation has been re-raised. See appendix 1 above.
● SEND	ADVISORY, HENCE NO OPINION BUT MAJOR OBSERVATIONS RAISED	To be followed up with management in quarter 2 of 23/24
● Supervision (ASC & Mental Health)	ADVISORY, HENCE NO OPINION BUT MAJOR OBSERVATIONS RAISED	To be followed up with management in quarter 2 of 23/24
● Agresso IT System Follow Up	FOLLOW UP HENCE NO OPINION BUT MAJOR RECOMMENDATION RAISED	To be followed up as part of the gap analysis in 23/24
● Cyber Liability Follow Up	NO OPINION BUT MAJOR OBSERVATION RAISED	To be followed up as part of the gap analysis in 23/24
● Health & Social Care ICT Care System Integration	PARTIAL	To be followed up as part of the gap analysis in 23/24

2021/22 AUDITS IDENTIFYING SIGNIFICANT ISSUES		
AUDIT	RATING	CURRENT AUDIT STATUS
● Forestcare General ICT Controls	PARTIAL	To be followed up as part of the gap analysis in 23/24
● School D	INADEQUATE	To be re-audited in Qtr 1 of 23/24
● School B	PARTIAL	Follow up in progress
● School E	PARTIAL	To be re-audited in Qtr 1 of 23/24
● School H	PARTIAL	Follow up in progress

OTHER AUDITS AREAS WHERE SIGNIFICANT ISSUES IDENTIFIED PRE 21/22 WERE STILL OUTSTANDING AT 30/08/22	CURRENT AUDIT STATUS
● Adult Social Care Pathway (Qtr 4 2017/18 Audit)	To be followed up with management in quarter 4
● Public Health	Public Health re-audited in quarter 3 but too early to follow up major issue identified at the last audit. Further audit work to be carried out in 23/24
● Disabled Facilities Grants	Re-audited in quarter 1 22/23. Partial opinion provided. See appendix 1 above.
● ICT Continuity Management	Followed-up under the business continuity audit. All major recommendations have been addressed apart from access to business continuity plans all issues. Three moderate recommendations were found to be outstanding.

<ul style="list-style-type: none"> ● Management of Essential Car User Allowances and Mileage 	To be followed up with management in quarter 4
<ul style="list-style-type: none"> ● Management of Commercial Properties 	Follow-up completed and draft memo in for quality review
<ul style="list-style-type: none"> ● Public Protection Partnership 	To be followed up in quarter 1 of 23/24 at management request
<ul style="list-style-type: none"> ● CCTV 	To be followed up in quarter 1 of 23/24.
<ul style="list-style-type: none"> ● Street Lighting 	Follow-up in progress
<ul style="list-style-type: none"> ● Domiciliary Care 	To be followed up in quarter 1 of 23/24.
<ul style="list-style-type: none"> ● Parenting Assessments 	To be followed up in 23/24 at the request of management.

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**TO: GOVERNANCE AND AUDIT COMMITTEE
22ND MARCH 2023**

INTERNAL AUDIT PLAN 2023/24 (Head of Audit and Risk Management)

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to set out the underlying principles applied in the Internal Audit planning process and seek the Governance and Audit Committee's approval of the Internal Audit Plan for 2023/24.

2 RECOMMENDATION

- 2.1 **To approve the Internal Audit Plan for 2023/24 attached at Appendix A.**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Council meets its statutory responsibilities for internal audit.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There is no alternative option.

5 SUPPORTING INFORMATION

Internal Audit Requirements

- 5.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities must "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance." The Council delegates its statutory responsibilities for the provision of the internal audit service under the Accounts and Audit (England) Regulations 2015 to the Executive Director: Resources.

- 5.2 More specifically, Internal Audit aims to: -

- satisfy the legal requirements of a Local Authority Internal Audit Service and provide an annual opinion on the adequacy of the Council's control environment risk management and governance processes;
- comply with Public Sector Internal Audit Standards;
- examine, evaluate and report independently and objectively on the adequacy of management's arrangements to secure the proper use of resources (economy, efficiency and effectiveness);
- assist management in achieving its objectives, managing its risks and establishing and maintaining adequate systems of internal control;
- assist management, where appropriate, in the investigation of alleged fraud, theft, corruption or other irregularity; and

- ensure External Audit can place reliance on Internal Audit's work to inform their planning, avoid duplication and minimise audit fees.

- 5.3 Internal Audit provides independent assurance on the control environment but for Internal Audit to provide full assurance on all activities and transactions across the organisation, the Council would need to commit significantly more resources to internal audit services than is realistically available. Historically, the Council has taken the view that spend on internal audit should be limited to only what is necessary to undertake sufficient audit work to enable an annual evidence based opinion to be given. Responsibility for the prevention and detection of fraud rests with management. However, in undertaking all audit assignments audits are mindful to the risk of fraud and fraud and look to ensure that managers have put adequate procedures in place to address the risk of fraud.
- 5.4 The 2023/24 programme will incorporate audits that had to be deferred from 2022/23. Delivery of these deferred audits will be prioritised during 2023/24. In addition, audits have been prioritised into very high,, high and medium and audit resources will be directed first to very high and high priority audits.
- 5.5 The audits in the Council's internal audit plan are delivered via a hybrid of in-house resource and outsourcing. Two external providers are used for audit. IT audit is outsourced and around 25% of general audits are carried out by Wokingham Council Internal Audit Team. An in-house team was set up during 2021/22 and the structure of the team is now being revisited due to difficulties recruiting senior auditors. Two apprentices were recruited in November who are currently assisting the Head of Audit and Risk Management and Internal Audit Contract Manager to complete audits. a temporary senior auditor is also currently backfilling and assisting with the backlog of audits due to the vacant posts. Counter fraud is provided by Reading Borough Council Fraud Investigation Teams.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Legal Advice

- 6.1 Nothing to add.

Financial Advice

- 6.2 There are no financial implications arising from the report. However, a strong internal control environment helps ensure that the Council is not exposed to unexpected financial risks and ensure value for money. The Internal Audit programme is focused primarily on key financial controls as well as high risk areas identified by the Head of Internal Audit and senior managers across the organisation. As such, it is to be expected that some areas may receive limited assurance reports. Where weaknesses are identified it is important that they are addressed as quickly as possible.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Robust internal audit arrangements are an important part of effective risk management. Audit plans should be targeted to areas of greatest risk to the Council and individual internal audit reviews should focus on controls in place to mitigate risk and highlight any gaps in assurance.

Climate Change Implications

- 6.5 Not applicable.

Health & Wellbeing Considerations

- 6.6 Not applicable.

7 CONSULTATION

Principal Groups Consulted

- 7.1 CMT, DMT and SMTs .

Method of Consultation

- 7.2 The development of the Annual Internal Audit Plan has involved extensive consultation with a range of stakeholders, to ensure that their views on risks and current issues, within individual departments and corporately, are identified and considered. This was based on one to one discussions with senior officers noted above.

Representations Received

- 7.3 Not applicable.

Background Papers

Public Sector Internal Audit Standards
Internal Audit Charter
Contact for further information
Sally.hendrick@bracknell-forest.gov.uk
01344 352092

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APPENDIX A

**BRACKNELL FOREST COUNCIL
INTERNAL AUDIT PLAN 2023/24**

Introduction

The role of internal audit is that of an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Head of Audit and Risk Management can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant Executive Directors and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be discussed and agreed with the S151 officer.

The Internal Audit Team

The internal audit service is led by Sally Hendrick, Head of Audit and Risk Management supported by Michele Woodhatch, Internal Audit Contract Manager. There have been significant resource pressures within the service in the last 2 years due to the transition from an outsourced to an in-house delivery model and subsequent issues with recruiting. To address this and as advised by CIPFA during their external assessment, two internal audit apprentices have been recruited. The overall structure of the team is currently being reviewed to ensure the service can deliver management assurance needs and can recruit and retain staff with necessary skills and expertise. In the meantime an agency senior audit has been supporting the in-house team. Delivery of audits is through a hybrid of in-house resource and outsourcing of some general audit work to Wokingham Council internal

audit team and IT audit work to specialist auditors. In addition, counter fraud support is provided by Reading Borough Council Corporate Investigation Team.

Conformance with internal auditing standards

The internal audit service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In March 2022, CIPFA carried out an external assessment against the PSIAS, Local Government Application Note and the International Professional Practices Framework. In considering all sources of evidence the external assessor concluded:

It is our opinion that Bracknell Forest Council's Internal Audit Service's self-assessment is accurate and, as such, we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.

Conflicts of Interest

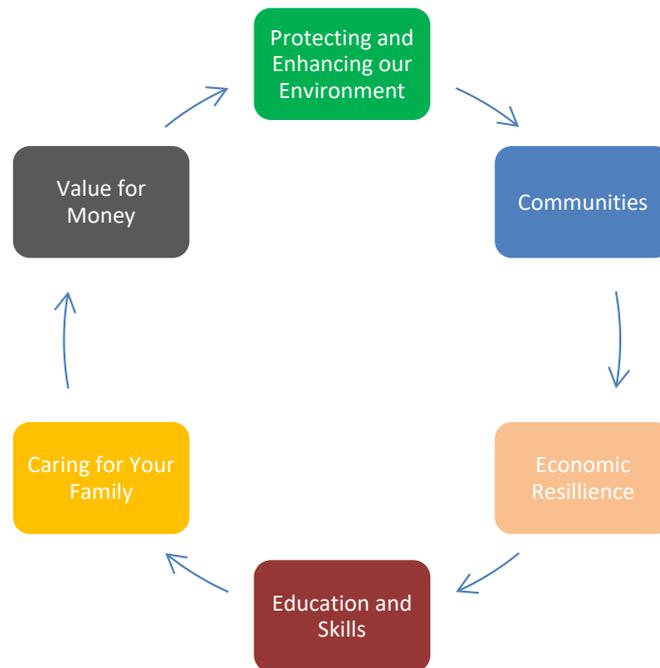
We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

The Council Plan

The Public Sector Internal Audit standards state that:

"The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals"

The organisation's current goals are set out in the Council Plan 2019 -2023 which was developed to address the financial challenges facing the Council and deliver the commitments made in the 2019 election manifesto and will be superseded in the next few months by a new Council Plan. In the meantime the 2023/24 Internal Audit Plan has been developed to link to the organisation's current goals as set out in the strategic themes in the Council Plan 2019-2023 as set out below and the plan will be reviewed and amended as required to align with objectives in the new Council Plan:



Council Risk

The Council has a clear framework and approach to risk management. The Strategic Risk Register is currently being revisited by the Corporate Management Team (CMT) to ensure that it accurately reflects the risks to strategic objectives and focuses on uncertainties rather existing issues. In the meantime the risks in the existing risk register as set out below have been used to inform development of the audit plan for 2023/24. We will monitor the Strategic Risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape and is focusing on key risks identified by CMT.

REF.	STRATEGIC RISK
Risk 1	Finance
Risk 2	Staffing Pressure
Risk 3	Special Education Needs
Risk 4	Adult Social Care Supply and Demand
Risk 5	Safeguarding
Risk 6	IT Strategy and Infrastructure
Risk 7	Cyber
Risk 8	Information Security
Risk 9	Business Control
Risk 10	Internal Control

Risk 11	Children Social Care Supply and Demand
Risk 12	Refugees
Risk 13	Climate Change
Risk 14	Local Economy

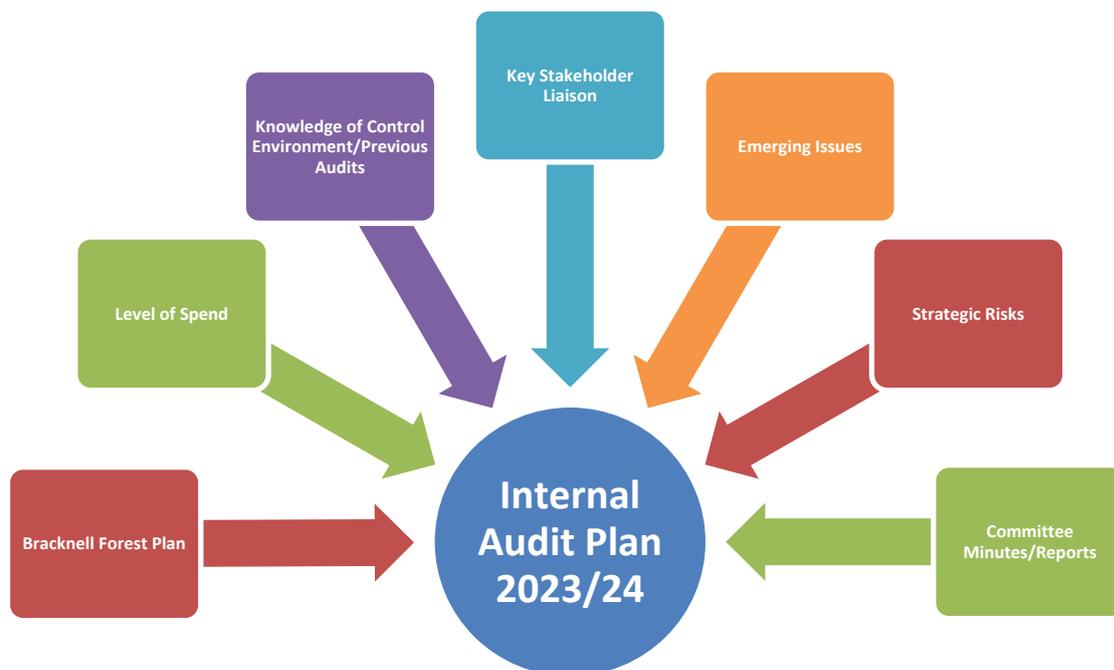
Developing the internal audit plan 2023/24

We have used various sources of information and discussed priorities for internal audit with the following groups:

- Corporate Management Team
- Executive Directors
- Assistant Directors
- Senior Management Teams

Based on these conversations with key stakeholders, review of key corporate documents and our understanding of the organisation the Head of Audit and Risk Management has developed an annual audit plan for the coming year.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to monitor closely the of other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained



2023/24 INTERNAL AUDIT PLAN

AUDIT	DAYS BY QUARTER				TOTAL DAYS	TOTAL DAYS DELIVERED	TOTAL DAYS PER PLAN	TOTAL DAYS PER PLAN
	Q1	Q2	Q3	Q4	23/24	22/23	22/23	21/22
1.GOVERNANCE	8	19	3	8	38	57	122	115
2.COUNCIL WIDE AUDITS	48	30	22	10	110	81	102	64
3. DELIVERY INCLUDING IT AUDIT	35	0	5	12	52	54	71	90
4.RESOURCES	0	0	42	0	42	57	50	77
5.PLACE, PLANNING, AND REGENERATION	0	5	18	0	23	32	50	43
6.PEOPLE	42	29	17	69	157	107	167	155
7.SCHOOLS	20	0	24	0	44	47	34	62
TOTAL	153	83	131	99	466	435	596	606

DETAILED BREAKDOWN

AUDIT	Days	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Sponsor	Priority	Strategic Risk	Strategic Theme (s)
GOVERNANCE Data indicators follow up review	5	0	0	0	5	Assistant Director; Executive's Office	High	1-13	Value for Money
Security camera follow up	5	5	0	0	0	Executive Director:Delivery	High	1-13	Value for Money
SARS	12	0	12	0	0	Executive Director:Delivery	High	6, 7 & 8	Value for Money
Grant Certifications Bus Service Operator	1	0	1	0	0	Director of Place, Planning and Regeneration	Essential	1	Value for Money
Integrated Transport Block Allocation	3	0	3	0	0	Director of Place, Planning and Regeneration	Essential	1	Value for Money
Troubled Families	12	3	3	3	3	Executive Director:People	Essential	1 & 5	Caring for Your Family
COUNCIL WIDE Debt management	12	0	0	12	0	Executive Director: Resources	High	1	Value for Money

AUDIT	Days	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Sponsor	Priority	Strategic Risk	Strategic Theme (s)
Budget monitoring in service areas	20	20	0	0	0	Executive Director: Resources	Very high	1	Value for Money
Procurement	20	20	0	0	0	Executive Director: Resources	High	1	Value for Money
Absence management	20	0	20	0	0	Executive Director: Resources	High	2	Value for Money
Amazon account	8	8	0	0	0	Executive Director: Resources	High	1	Value for Money
Audit Contingency	30	0	10	10	10	Executive Director: Resources	Medium	1	Value for Money
DELIVERY Public Protection Partnership follow up review	5	5	0	0	0	Executive Director: Delivery	High	1	Value for Money
Home to School Transport	10	10	0	0	0	Executive Director: Delivery	Very High	1	Value for Money
Gap analysis to determine IT audit strategy	20	20	0	0	0	Executive Director: Delivery	High	1, 6, 7 & 8	Value for Money
Business Continuity follow up review	5	0	0	5	0	Executive Director: Delivery	High	6, 7 & 8	Value for Money
Disaster Recovery Procedures	12	0	0	0	12	Executive Director: Delivery	Very high	6, 7 & 8	Value for Money
PLACE PLANNING AND REGENERATION Tree services	8	0	0	8	0	Executive Director: Place, Planning and Regeneration	High	1	Protecting and Enhancing our Environment
Highways reactive maintenance	10	0	0	10	0	Executive Director: Place, Planning and Regeneration	High	1	Value for Money
Public health – utilisation of funding	5	0	5	0	0	Executive Director: Place, Planning and Regeneration	Very high	1	Value for Money
RESOURCES Supplier payments	10	0	0	10	0	Executive Director: Resources	High	1	Value for Money
Establishment costs	12	0	0	12	0	Executive Director: Resources	High	1 & 2	Value for Money
Council tax and business rates	20	0	0	20	0	Executive Director: Resources	Very High	1	Value for Money

AUDIT	Days	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Sponsor	Priority	Strategic Risk	Strategic Theme (s)
PEOPLE Assurance framework	10	10	0	0	0	Executive Director:People	High	3,4,5 &11	Caring for Your Family
Support for TMC and CQC inspections	10	0	0	0	10	Executive Director:People	Medium	3,4,5 &11	Caring for Your Family
Child Protection Conferences or Independent Review Officer arrangements	7	0	0	0	7	Executive Director:People	Medium	5 &11	Caring for Your Family
Domiciliary care	10	10	0	0	0	Executive Director:People	Very high	1& 4	Caring for Your Family
Intermediate Care- capacity, flow and efficacy	10	0	0	0	10	Executive Director:People	Medium	1& 4	Caring for Your Family
Blue badges- new processes	7	0	0	0	7	Executive Director:People	Medium	1& 4	Caring for Your Family
Drug and Alcohol Team- following change in head of service	7	0	0	0	7	Executive Director:People	Medium	1& 4	Caring for Your Family
Supervision follow up	5	0	5	0	0	Executive Director:People	High	5 & 11	Caring for Your Family
SEND follow up	5	0	5	0	0	Executive Director:People	High	3	Caring for Your Family
Parenting assessments follow up	7	0	7	0	0	Executive Director:People	High	5 & 11	Caring for Your Family
Larchwood	12	12	0	0	0	Executive Director:People	Very high	1,5 &11	Caring for Your Family
Permanency planning follow up	7	0	0	7	0	Executive Director:People	High	5 &11	Caring for Your Family
Braccan Walk	7	0	7	0	0	Executive Director:People	High	1,5 &11	Communities
Family Hubs	8	0	0	0	8	Executive Director:People	Medium	1,5 &11	Communities
Homelessness	10	10	0	0	0	Executive Director:People	High	1	Communities
Disabled facilities grants follow up	5	0	5	0	0	Executive Director:People	High	1	Communities
Local Welfare Scheme	5	0	0	5	0	Executive Director:People	Medium	1	Communities

AUDIT	Days	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Sponsor	Priority	Strategic Risk	Strategic Theme (s)
Housing benefit follow up	5	0	0	5	0	Executive Director:People	High	1	Communities
Identification of school places for children with an EHCP	10	0	0	0	10	Executive Director:People	Medium	3	Education and Skills
School places planning	10	0	0	0	10	Executive Director:People	Medium	3	Education and Skills
SCHOOL AUDITS	5	5	0	0	0	Executive Director:People	Very high	1,2 & 5	Education and Skills
School D									
School R	5	5	0	0	0	Executive Director:People	Very high	1,2 & 5	Education and Skills
School E	5	5	0	0	0	Executive Director:People	Very high	1,2 & 5	Education and Skills
School V	5	5	0	0	0	Executive Director:People	Very high	1,2 & 5	Education and Skills
School M -desk top follow up	2	0	0	2	0	Executive Director:People	High	1,2 & 5	Education and Skills
School I -desk top follow up	2	0	0	2	0	Executive Director:People	High	1,2 & 5	Education and Skills
Audit following self assessments due- Schools G, K, V, W, X and Y	20	0	0	20	0	Executive Director:People	High	1,2 & 5	Education and Skills
TOTAL	466	153	83	131	99				

MEDIUM PRIORITY AUDITS

The Audit Plan includes the following 9 audits considered to be only medium priority. Audit resources will in the first instance be directed to very high and high priority resources and the breakdown of medium priority audits as below will be reviewed quarterly to identify capacity available to undertake these reviews.

AUDIT	Days	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Sponsor	Priority	Strategic Risk	Strategic Theme (s)
PEOPLE Support for TMC and CQC inspections	10	0	0	0	10	Executive Director:People	Medium	3,4,5 &11	Caring for Your Family
Child Protection Conferences or Independent Review Officer arrangements	7	0	0	0	7	Executive Director:People	Medium	3,4,5 &11	Caring for Your Family
Intermediate Care- capacity, flow and efficacy	10	0	0	0	10	Executive Director:People	Medium	1& 4	Caring for Your Family
Blue badges- new processes	7	0	0	0	7	Executive Director:People	Medium	1& 4	Caring for Your Family
Drug and Alcohol Team- following change in head of service	7	0	0	0	7	Executive Director:People	Medium	1& 4	Caring for Your Family
Family Hubs	8	0	0	0	8	Executive Director:People	Medium	1,5 &11	Communities
Local Welfare Scheme	5	0	0	5	0	Executive Director:People	Medium	1	Communities
Identification of school places for children with an EHCP	10	0	0	0	10	Executive Director:People	Medium	3	Education and Skills
School places planning	10	0	0	0	10	Executive Director:People	Medium	3	Education and Skills
TOTAL	74	0	0	5	69				

To: **GOVERNANCE & AUDIT COMMITTEE**
22 March 2023

Recording of Officer Executive Decisions Executive Director of Delivery - Legal

1 Purpose of Report

- 1.1 To review existing arrangements for the recording of Officer Executive decisions

2 Recommendation(s)That:

- 2.1 That the Governance & Audit Committee approve the changes to the existing criteria for recording Officer Executive Decisions set out in paragraph 5.8

3 Reasons for Recommendation(S)

- 3.1 The existing criteria were introduced by the Council in 2013 and a review is desirable in order to validate their continuing efficacy.

4 Alternative Options Considered

- 4.1 The Council could decide to retain the existing criteria but in doing so would miss an opportunity to refine its decision making governance arrangements to better reflect current norms of transparency

5 Supporting Information

- 5.1 The statutory framework around local authority meetings is largely set out in statute and reflected in the Council's constitution. This includes the requirements around the recording of Executive decisions either at formal meetings or by Individual Members or Officers
- 5.2 The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 stipulate that as soon as reasonably practicable after a decision has been taken, the proper officer should produce a written statement including;
- A record of the decision including the date it was made
 - A record of the reasons for the decision
 - Details of any alternative options considered and rejected by the Meeting/officer
 - A record of any conflict of interest declared/dispensation granted
- 5.3 Whilst the requirement has been straightforward to comply with in terms of Executive and Executive Member decisions, (over which Democratic Services retain oversight) the recording of officer Executive decisions has been more challenging due to a lack of consistency in approach.
- 5.4 The requirement applies whether or not the decision is a key decision. That being said, numerous executive decisions are taken by officers on a daily basis and a large number of these are administrative. A line therefore needed to be drawn as to what

type of executive decision should be recorded as clearly it would be an administrative nightmare for all officer executive decisions to be recorded. To assist, the Department of Communities and Local Government ('DCLG') published guidance in 2012 which provides that **it is not intended that administrative and operational decisions are to be recorded.**

- 5.5 With this in mind the Governance and Audit Committee in January 2013 approved the following criteria for determining whether a non key officer decision should be recorded;
1. Any decision to incur expenditure or the making of a saving of £10,000 or more.
 2. Any decision taken following public consultation.
 3. Any decision which would have a material impact upon ten or more persons.
 4. Any decision which is taken in exercise of an express delegation made to an officer by the Executive, an Executive Committee or an individual Executive Member.
 5. A decision whether or not to list a property as an Asset of Community Value (the "Community Right to Bid" under the Localism Act).
 6. A decision whether or not to accept an expression of interest submitted under the Community Right to Challenge.
- 5.6 Clarification has previously been sought by CMT over issues such as the continuing viability of this £10k threshold criteria, whether expenditure already agreed in the budget needs to be recorded and whether the requirement applied to Contract Standing Order Waivers. Consequently at its meeting of 22 July 2022, CMT tasked the Borough Solicitor to review the thresholds with a view to reporting to Governance and Audit Committee as to what may be more appropriate today in the light of experience.
- 5.7 The Borough Solicitor has undertaken a desktop analysis of the criteria applied across a handful of other local authorities and the result of that are included in Annex A. The variety of approaches bears testimony to the challenge faced in setting appropriate thresholds. **A rule of thumb which underpins each approach would appear to be that the threshold for recording is calibrated around whether the proposed Executive officer decision is one which an ordinary member of the public would expect to be aware of.**
- 5.8 Having regard to the issues raised by CMT it is proposed that the existing criteria is amended as set out below;
1. Any Executive decision arising directly from a constitutional delegation under Part 2 Section 6 involving expenditure or savings in excess of £25,000 **[New]***
 2. Any Executive decision** which is taken in exercise of an express delegation made to an officer by the Executive, an Executive Committee or an individual Executive Member involving expenditure or savings in excess of £25,000

**** except Contract Standing Order waivers for which see item 7 below.**

And insofar as not captured by 1 or 2 above:

3. Any Executive decision taken following public consultation.
4. ~~Any Executive decision which would have a material impact upon ten or more persons.~~
5. Any Executive decision which conflicts with the Council's Budget and Policy Framework [New]*
6. Any Contract Standing Order waiver in respect of contracts in excess of the relevant statutory procurement threshold (as defined in the Contract Standing Orders) to be calculated according to total contract value inclusive of any previous extension or variation [New]*
7. Any Executive decision taken contrary to legal advice [New]*
8. Any Executive decision which in the opinion of the Chief Executive, Executive Director or Assistant Director is of such significance that a published record of the decision would ensure transparency and accountability in relation to executive decision making within the Council [New]*

**"New" denotes in addition to existing 2013 criteria*

6. Limitations and Exceptions

6.1 Capital Maintenance Programme Expenditure (eg Buildings/Highways)

- Where Capital Works projects have previously have been collectively signed off at Executive/Executive Member level and therefore already recorded at that point, Officer decisions calling off individual works packages will not require further recording.(eg Highways and Transport Capital works). Otherwise, individual projects will need to be recorded where any of the criteria in 5.8 above are satisfied (eg Delivery Buildings Planned Maintenance Programme)

6.2 Revenue funded works expenditure (eg Buildings/Highways)

- Individual works packages satisfying any of the criteria set out in 5.8 above would need to be recorded except where such expenditure falls part of an existing contract arrangement with an agreed supplier (eg Ringway for Highways maintenance)

6.3 Individual Care Packages

- These relate to Adult Social Care, Childrens Services and Special Educational Needs provision. As referenced in paragraph 5.4 above, DCLG Guidance envisages that operational decisions fall outside the scope of the recording requirements and as such, individual packages of care need not be recorded.

6.4 Staff appointments (including locums)

- These are operational and non executive so would not need recording. Consultancy contracts should be recorded with any exempt information being removed. (eg identity and cost).

7 Consultation and Other Considerations

Legal Advice

7.1 The Borough Solicitor is the author of this report

Financial Advice

7.2 There are no financial implications arising

Other Consultation Responses

7.3 None

Equalities Impact Assessment

7.4 N/A

Contact for further information

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Annex A- Criteria for recording of Officer Executive Decisions

West Berkshire Council

Any Executive decision which:

- Flows directly from a constitutional delegation
- Arises from the use of urgency powers
- Is of a nature which gives rise to reputational risks.

LB Merton

“... an executive decision that:

- *Incurs expenditure of between £250,000-£499,999*
- or*
- *Is a significant one-off decision that would be a variation from council policy in respect of:*
 - i) the granting of a permission or licence; or*
 - ii) affecting the rights of an individual*

Bristol City Council

- *All officer executive decisions involving a resource commitment of between £100,000 and £500,000 taken in consultation with the Mayor.*
- *Officer executive decisions are also published when a key decision has been to Cabinet and authority delegated to an officer to take the decision.*

Tower Hamlets Council

- *Any decision taken and which would be contrary to the Budget and Policy Framework;*
- *Decisions taken that are likely to conflict with or result in a change or departure from any decision or policy agreed by the Executive;*
- *Decisions taken that are contrary to legal advice;*
- *Decisions taken that may incur significant social, economic or environmental risk (and this would include decisions that have significant impact on communities in a single ward);*
- *Decisions taken which have an impact both within and outside of the Borough;*
- *Decisions taken and which are likely to result in substantial public interest;*
- *Decisions specifically delegated to an officer at an Executive meeting;*
- *Decisions that would result in the setting up of a company or entering into a partnership arrangement with any other body;*
- *Major individual service reorganisation decisions likely to involve 20 or more redundancies;*
- *Decisions to waive the procurement rules in respect of contracts over the value of £250,000; and*
- *Urgent decisions on matters that are otherwise reserved to the Executive.*

St Albans Council

Officers authorised to make delegated decisions will need to exercise judgement in determining whether decisions are significant enough to require formal recording in accordance with paragraph 2.6 below.

The following types of Officer decision shall be formally recorded subject to the limitations set out:

Type of Officer Decision Limitation

	Limitations
<p><i>Decision for financial expenditure or financial saving of £10,000 or more.</i></p>	<ul style="list-style-type: none"> • <i>The expenditure or saving has already been approved by Cabinet/Cabinet Member and their decision has been published (in so far as possible without releasing Confidential or Exempt Information); or</i> • <i>The expenditure or saving is already recorded and published under separate statutory requirements; or</i> • <i>The decision is purely operational or administrative in nature.</i>

Worcestershire CC

- *Significant decisions which affect the public or a locality in Worcestershire (rather than individuals) which the public would reasonably expect to be recorded and published, are shown below.*

Examples

- *Significant changes in service delivery to the public or a section of it (falling within existing agreed policy)*
- *Decisions directly delegated by Cabinet other than mere operational implementation*
- *Change of use or disposal of buildings currently used by public*
- *Significant decisions which affect a locality, community or the public in general (but which do not significantly alter existing agreed policy)*

Blackpool Council

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Executive 'officer' decisions must be published on the Council's website using the appropriate template. These would be exempt for call-in. The regulations do not define which officer decisions this applies, to although the presumption is generally such decisions which an ordinary member of the public would expect to be aware of. The approach taken by other Authorities includes property matters between certain thresholds, specific one off delegations from the Executive and formal appointments and responses on behalf of the Council. On that basis the criteria below is put forward for these types of decisions. These decisions do not include administrative decisions (i.e. taken as a result of day-to-day operation of the service).

These types of decision would include:

- a) *One-off decisions delegated to an Officer following a previous Executive or Cabinet Member decision.*
- b) *Matters requiring political guidance such as issues affecting the public or employee relations issues which impact on a service or Council function.*
Examples: Smoking ban for employees; customer first opening hours; contingency plans for a series of strikes; naming of buildings and roads.
- c) *Decisions relating to significant asset management matters. This would be where the sale, purchase, refurbishment, annual repair and maintenance or new build is between £100,000 and £199,999 and there is no other form of approval already in existence.*

- d) *Formal responses on behalf of the Council to consultation by other bodies on matters that affect the Council as a whole or have a widespread effect across the borough.*
- e) *The appointment of elected members to outside bodies and school and academy governing bodies.*

Southampton City Council

*Key Decisions must be formally recorded Administrative Decisions although not required to be formally reported to the Proper Officer, must be recorded so as to provide an audit trail ...
(Administrative decisions are not defined!!)*

Chichester District Council

[This] schedulerecords executive decisions made by officers under specific delegation from the Cabinet. This usually happens when the cabinet makes a decision in principle but authorises an officer, sometimes in conjunction with a cabinet member, to make a detailed decision.

Middlesborough Council

.... as a principle, significant organisational/operational decisions taken in relation to council/Executive functions which are not key decisions and which are not considered to be a routine organisational/operational decisions. These are namely decisions that:

- a) *are outside of an approved budget;*
- b) *conflict with the Budget and Policy Framework or other approved policies approved by the council; and*
- c) *raise new issues of policy; or*
- d) *decisions which in the opinion of the Chief Executive, director or assistant director, are of such significance that a published record of the decision would ensure transparency and accountability in relation to decision making within the council.*

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