

Notice of Meeting

Governance & Audit Committee

Councillor Karim (Chair),
Councillor O'Regan (Vice-Chair),
Councillors Allen, Ejaz, Haffegge, Neil, Robertson and Zahuruddin



Wednesday 20 September 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 previous meeting of the Committee	
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.	

EMERGENCY EVACUATION INSTRUCTIONS

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5.	Annual Governance Statement	7 - 22
	Review of progress against actions for 2022/23 Reporting: Sanjay Prashar, Borough Solicitor	
6.	Interim Internal Audit Update	23 - 42
	Reporting: Sally Hendrick, Head of Audit & Risk Management	
7.	Strategic Risk Register	43 - 56
	Reporting: Sally Hendrick, Head of Audit & Risk Management	

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Published: 12 September 2023

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GOVERNANCE & AUDIT COMMITTEE
19 JULY 2023
7.30 - 8.15 PM

Present:

Councillors O'Regan (Vice-Chair, in the Chair), Allen, Ejaz, Haffegge, Neil, Robertson and Zahuruddin

Also Present Virtually:

Councillor Hayes

Apologies for absence were received from:

Councillors Karim

Statement from Councillor Karim

Councillor Karim joined the meeting to make a statement to Committee members on a matter relating to the last Planning Committee, for which he apologised.

9. Declarations of Interest

There were no declarations of interest.

10. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the committee held on the 21 June 2023 be approved as a correct record.

11. Urgent Items of Business

There were no urgent items of business.

12. External Audit: Audit Results Report - 2020-21 Financial Statements

Andrew Brittain, Ernst & Young presented the External Audit Results Report for the 2020/21 accounts.

Members were reminded that the audit had been delayed by matters at the Berkshire Pension Fund which had now been resolved.

It was noted that an unqualified audit opinion was being issued on the financial statements and an unqualified value for money opinion.

A signed management representation letter was required to complete the audit, signed by the Chair of this meeting and Stuart McKellar as Section 151 officer.

It was noted that there were some differences to be noted in the report, some of which had not been corrected due to their immateriality to the audit opinion. There were no significant differences which required Committee's attention.

In response to questions, the following points were noted:

- There was no minor issues document to follow, however a separate report would be issued within 3 months which was referred to as the Annual Auditor's opinion to include detail on the value for money conclusion. If a difference was below the reporting threshold of £291k it was not reported on.
- Multiple small differences could accumulate, and if the audit process identified differences which were representative of a larger population, these errors would be extrapolated to see if the cumulative difference required reporting. This had not been the case during the audit.
- The one adjustment to the accounts related to the Berkshire Pension Fund, This is subject to a separate audit but any misstatements also need to be reflected in the Council's accounts if material.

13. **Financial Statements 2020/21**

Arthur Parker, Chief Accountant presented the Financial Statements 2020/21.

The unique position of these delayed accounts was noted, in addition to the unique nature of the 2021 accounts taking account of the pandemic and COVID spending. The Council had received central government grants and had administered relief grants to business rates on behalf of central government. During the 2020/21 year, here had been an underspend of £3.6m which enabled the general reserves to be bolstered.

Arthur commented that the 2020/21 year had ended with the Council in a strong financial position, which remained the case for the 2022/23 financial year as reported to Executive.

Members' attention was drawn to one reporting error for 2020/21 accounts which related to the valuation of a community centre and a boundary error. This error was not material and therefore the accounts had not been adjusted. The other areas of change were outside of the Council's control in respect of the Berkshire Pension Fund.

In response to questions, the following points were noted:

- It was not unusual to get an unqualified opinion on financial statements, but the value for money opinion conclusion was more often modified.
- The difference relating to the community centre in the 2020/21 accounts had been picked up in the 2021/22 accounts.
- Members were reminded of the strategic risks and challenges which the Council faced, and which had been budgeted for accordingly through contingency funds. The strategic risks and challenges were taken from the strategic risk register which was presented to this Committee every 6 months.

RESOLVED that

- 1 The Financial Statements for 2020/21 attached at Annexe A be approved;
- 2 The Chairman of the meeting be authorised to sign and date the Statement of Accounts on behalf of the Committee;
- 3 The Chairman of the meeting be authorised to sign and date the Letter of Representation.

14. **Annual Standards Report**

Sanjay Prashar, Borough Solicitor presented the Annual Standards report, which captured the standards activity and any Code of Conduct complaints during the year.

The report highlighted 18 Code of Conduct complaints; however it was noted that of these, 13 had been brought by two individuals about two instances. All of the complaints during the year had been brought against Borough Councillors, but none had been upheld. The Bracknell Forest complaints figures compared favourably to that of neighbouring authorities.

Governance & Audit Committee had agreed in previous years to continue with the Bracknell Forest local Code of Conduct model.

Training was ongoing for new Councillors to cover the obligation of members under the Code of Conduct.

Arising from questions, the following points were noted:

- The report would be publicly available and would be presented to Council. No details of any individual had been included in the report.
- The Code of Conduct was a living document, and a Code of Conduct working group had been convened under the previous administration to review it. It was noted that a review of the Code of Conduct could be undertaken as part of a Constitution review, and any proposed Constitution amendments would be brought before this Committee for review.

RESOLVED that the Standards output in 2022/23 as set out in Appendix B to the report be noted.

CHAIRMAN

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TO:

GOVERNANCE AND AUDIT COMMITTEE 20 SEPTEMBER 2023

ANNUAL GOVERNANCE STATEMENT Executive Director of Delivery– Legal

1 PURPOSE OF REPORT

- 1.1 To present the Committee with the Annual Governance Statement for 2022/23, update the Committee on progress against the Action Plan agreed in June 2022 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 Slough, 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

Corporate Management Team, Head of Audit & Risk Management

- 7.2 Method of Consultation

Completion of questionnaires and consideration at Corporate Management Team

Contact for further information

Sanjay Prashar – 01344 355679

Annual Governance Statement 2023/24

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 2022 to 31 March 2023.

A summary of assurance is given for each of the seven principles on which the Statement is based. Full assurances have been given against six of the seven CIPFA Principles with a partial assurance against Principle F as a number of areas were identified by the Head of Audit & Risk Management on the adequacy of the Internal Control environment based on audit outcomes across the year. These are all in the process of being mitigated and progress will be reported back to the Corporate Management Team and the Governance & Audit Committee during the current municipal year.

2022/23 has seen a continuation of the transition to hybrid working in the office with the help of new technology. Formal meetings continued throughout the year using a process of advisory meetings and use of delegations. The Council has continued to manage its finances prudently and has recognised governance challenges around data protection and cyber security which it has sought to address through training of staff.

Changes have taken place in both the Officer and Political Leadership with the appointment of a new Chief Executive and the election of a Labour Majority requiring the cultivation of new organisational relationships in order to maintain organisational stability.

An update on the 2022/23 Annual Governance Statement Actions is included as **(Appendix A)**

Work underway or planned to address any governance issues for 2023/24 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

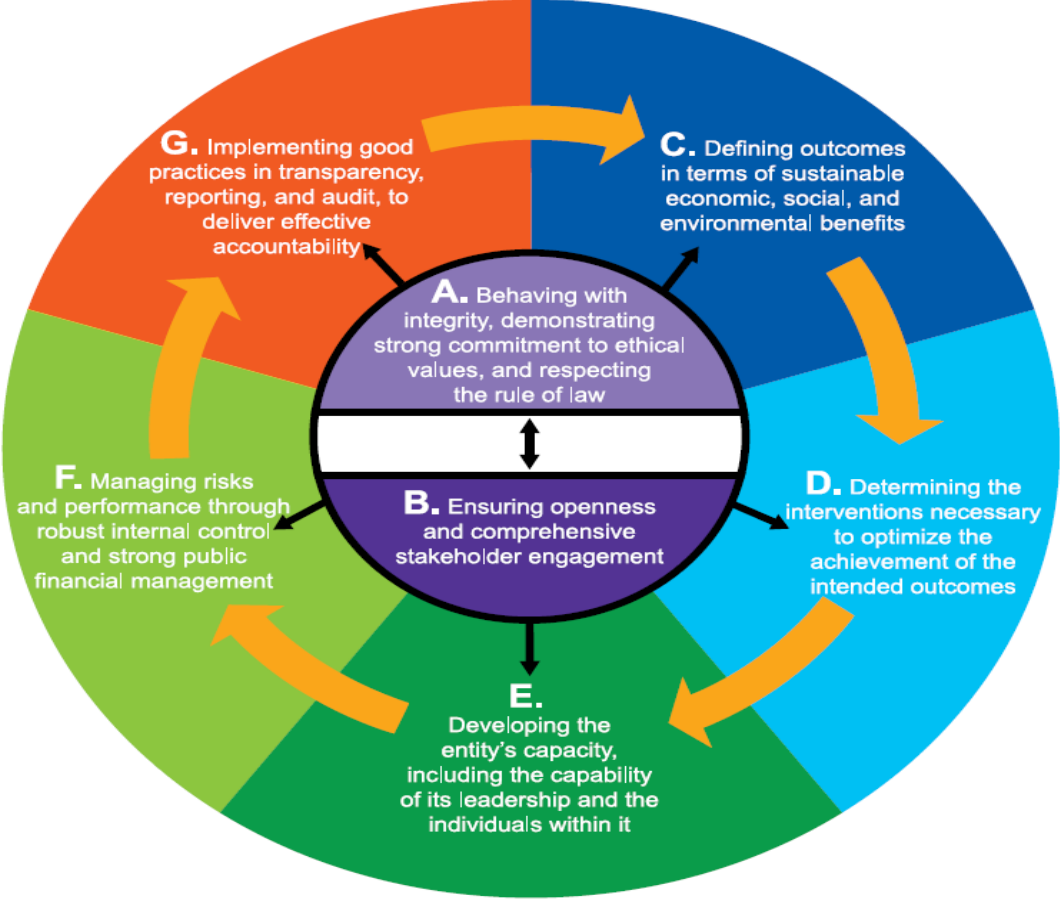


3. The CIPFA Governance Assurance Framework Principles

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

**Achieving the Intended Outcomes
While Acting in the Public Interest at all Times**



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 were 18 Code of Conduct complaints. Though on the surface this would appear to be a significant increase from the average over the previous 10 years, most of the complaints were attributable to two complainants. None of the complaints were upheld. The new political composition of the Council is expected to bring challenges in managing politically based disputes. This will require corporate sensitivity to new Members becoming acclimatised to the processes and culture of the organisation. With this aim in mind, new Councillors have received training around Code of Conduct and Member/Officer relations as part of the Member Induction programme.

The values of the organisation are role modelled and supported by the senior managers in the department, so that staff are clear that we are Ambitious, Inclusive and Always learning. This is reflected in staff survey results which demonstrate that teams understand and act upon the values.

Examples of corresponding framework

- Councillor Code of Conduct
- Councillor Training Programme
- Whistleblowing procedure
- Anti Bribery Policy
- 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.

Formal decisions of the Council, Executive, Committees as well as officer decisions are made following a well established decision-making process with forthcoming decisions published via the council's forward plan, at least 28 days prior to the decision is being made and recorded. Within the reports the various alternative options are considered so that these are clear for the decision maker to see.

Hybrid meetings, triggered in part by the Covid crisis, have become embedded within the Council's meetings framework. In the absence of a legislative framework for remote

decision making the Council ensures legal compliance by ensuring that voting rights are reserved to a quorate in person cohort at formal meetings. Members of the Public continue to have live and recorded access to all formal meetings online.

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 four year work programme that supports the council objectives. The Commission met on seven occasions across the municipal year and considered reports from the Scrutiny Panels covering a range of issues including reviews of Enforcement, the Blue Badge Scheme and Child Criminal Exploitation. It 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, Housing Strategy 2022-27, Carers Strategy, Polling Review as well as Neighbourhood Plans relating to Winkfield Parish and Bracknell Town.

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 adopted a long-term view about outcomes in the 2019-23 Council Plan with strategic themes underpinned by social, economic and environmental objectives. With a new political leadership firmly established, the Corporate Management team is leading a process of developing a four year Council Plan for 2023-27 which will provide an overlay for the rest of the performance framework in the organisation. This is expected to be adopted in November. Existing directorate service plans will remain in place in the intervening period.

The Bracknell Forest Cambium Partnership joint venture with Countryside Properties is intended to help the Council's 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 re-development of the Coopers' Hill site which will reach completion in Summer 2023 involved strong engagement with local residents as well as provided the impetus for the re-purposing of Time Square as a community hub. The Market Street site has been particularly challenged by global and national economic decisions. BFC's continued support for the scheme has been driven by the wider social

value it will deliver to the Council's regeneration and affordable housing objectives, recognising that financial returns are secondary to these key objectives set for the Cambium Partnership. The Council's balance sheet strength means that it is able to accept and manage a degree of development risk in pursuit of its wider objectives.

The Council continues to create plans and strategies that seek to promote sustainable futures with the sustainable use of resources. In the past year it has approved a Joint Minerals and Waste Plan, a Health and Wellbeing Strategy, the Highway Asset Management Plan, has had the Draft Local Plan Examined and has adopted the Warfield Neighbourhood Plan. These all seek to create the conditions for sustainable development and the prudent use of resources.

Further notable successes included the Council's Children Services being rated as outstanding by OFSTED and the successful implementation of Operation London Bridge following the passing of the Queen. A new Chief Executive was appointed in June 2022 and took up duties in the early autumn. The leadership transition has been smooth with continued close working between the Corporate Management Team led by Head of Paid Service and the Executive. The more recent change in political leadership has led to challenges post-election in the management of Member/Officer relations and the Conduct of meetings. Such challenges have been largely anticipated and overcome with senior management oversight.

Examples of corresponding framework

- Council Plan
- Service Plans
- Quarterly Service reports and Quarterly Council Plan Overview reports
- Partnership working (e.g. 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.

The Council acted early following the announcement of the previous Chief Executive's planned retirement to initiate a recruitment process resulting in a constitutionally compliant process leading to the appointment of the current incumbent.

The Council has continued to make significant progress around the SEN Written Statement of Action following the OFSTED review of 2021 with 75 out of 113 actions already delivered and has taken steps to facilitate the transfer of Housing stock from DHL to the Council by 2024 in continued fulfilment of its duties under homelessness legislation..

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 ✓

Recruitment, retention and training are all key components of the Council's approach to creating a well-qualified and diverse workforce. Recruitment over the past few years has proved challenging and in cases the council has been unable to recruit those with the correct skills and training to key posts. Where this has occurred, the Council has made use of agency staff or short term contracts to cover gaps in the structure. This is not the preferred method of recruitment, but enables the department to sustain services which are of importance to residents and service users and meet our statutory requirements.

Having re-defined the Council's values as "inclusive, ambitious and always learning", the Council subsequently invested in diversity and equalities training for all managers during 2022/23. It undertook a staff survey during the year, achieving a 70% response rate, and is assessing areas of focus to respond to its key findings.

Member development continues to be an embedded part of the Council's culture. With the large cohort of new members joining the Council in May a four phase Member Induction Programme has been devised across a 12-month period. The Programme covers a wide range of services and expected competencies.

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 commitment to workforce development is reflected in the Council's three year Learning and Development Strategy and Plan published in November 2021 and its Workforce and Organisational Development Strategy (Summer 2021). These aim to help the organisation in its journey to become more agile, open to learning and committed to embracing diversity and inclusion at all levels.

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

Partial assurance

The Council has continued to closely manage its financial position over the past year. While additional costs were incurred in the early part of the year, actions taken have ensured that an underspend was achieved by the end of the year. Bracknell Forest has a culture of financial prudence across the organisation. However it is important that this is balanced by a realistic assessment of the likelihood of 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 remains 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.

Information Governance and data protection remain areas of corporate focus. Information Governance leads in each division of the council continue to discharge the role of leading breach investigations and reviewing Privacy Impact Assessments and in so doing ensure that the Council retains a wide base of knowledge around compliance in this area of activity.

During 2022/23 the Strategic Risk Register was updated and considered by the Strategic Risk Management Group on a quarterly basis and reviewed twice by the Governance and Audit Committee with feedback provided. Actions to address strategic risks were updated

and monitored during 2022/23 and key changes to strategic risks were summarised in the quarterly Corporate Performance Overview Report.

Performance around Freedom of Information and Subject Access requests as well as Information Security breaches continues to be reported to the Information Management Group (IMG), a sub board of CMT, ensuring corporate ownership of the area of work and a forum for corporate agreement and assurance. The SIRO and DPO provide CMT with quarterly reports on performance and key issues, ensuring that corporate leaders have the tools necessary to ensure the control environment remains strong.

Annual GDPR training is monitored by CMT, with completion rates about 90%. This is supported by a suite of cyber security training and on-line guidance to support staff to maintain standards. This is also backed up by excellent internal communications, using Forest views and screen saver messaging to ensure that awareness and vigilance is maintained.

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 internal control environment and governance for 2022/23 (reported to the Governance & Audit Committee in June 2023) conferred a **partial** assurance whilst concluding that there are **adequate** arrangements in place at the Council for risk management. This was in part due to a number of significant control weaknesses identified in the adequacy of the internal control environment.

Examples of corresponding framework

- Financial Regulations
- Annual Budget setting process
- S151 Officer role
- 2021/22 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. She reports outcomes for all audits to the Corporate Management Team and the Governance and Audit Committee on a quarterly basis. For audits where an inadequate or partial assurance opinion has been concluded, she provides details of the significant findings to the Corporate Management Team and the Governance and Audit Committee and follow-up audits are required to 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 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 2020/21 and 2021/22 have been 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.

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

2021/22 Annual Governance Statement Action Plan Update

	Item	Proposed action	Owner	Implementation deadline	Update
1.	Corporate Leadership	Ensure smooth transition/consolidation in strategic direction of Council with change in Head of Paid Service	CMT	October 22-April 23	The new Head of Paid Service took up post in September 2022 and quickly became firmly established in her role.
2.	Dissolve Downshire Homes Limited (c/f from 2021/22)	Review position in light of prospective changes to MRP rules and if proposal remains to dissolve company to take all appropriate steps to achieve this.	Executive	31 December 2022	Work has been undertaken by the Housing Service to reduce the number of sitting Tenants in DHL properties with Assured Shorthold Tenancies. It is now proposed that the transfer of all DHL stock will be concluded by the spring of 2024
3.	SEN Written Statement of Action	Implement all agreed actions in response to Joint CQC/OFSTED inspection of SEN provision.	CMT	31 December 2022	75 of the 113 actions within the Written Statement of Action have been delivered and the Department for Education and NHS England have provided positive feedback on the progress made. The programme activity is now focused on the impact that the work is having for children, young people, parents and carers.

4.	Whistleblowing Policy (C/F from 21/22)	Review /Redraft to improve awareness & accessibility.	Borough Solicitor	31 December 2022	Deferred to 31 March 2024 due to workload pressures
5.	Contract Monitoring (c/f from 21/22)	Development of Corporate Contracts Register.	Strategic Procurement Board	31 December 2022	<p>The Council adopted a Corporate Contract Register from 1 April 2023. This was built in the corporate procurement portal, ProContract, using the contracts listed in the Council's 3 year corporate procurement pipeline. Thus the current contract register contains all identified current contracts as of 31 March 2023. Testing is currently being carried out and a training package developed to support a rollout of the portal across the Council, which will be concluded at the end of August.</p> <p>The current intention is to rollout portal access across the Council from the end of September, and services will then be responsible for updating their own contracts within the Contracts Register, with the aim for the Register to be fully up to date by the end of 2023</p>
6.	Recruitment and Retention	Undertake review of recruitment and retention within BFC in light of challenging market conditions and propose	CMT	31 December 2022	The Employment Committee agreed revised pay arrangements in October 2022 across social care to address

		strategy for improved outcomes			the significant recruitment and retention challenges. Recruitment and Retention is a key workstream within the Business Change programme moving forward led by the Executive Director-Delivery.
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APPENDIX B-
2022/23 Annual Governance Statement Action Plan

	Item	Proposed action	Owner	Implementation Deadline
1	Dissolve Downshire Homes Limited (c/f from 2022/23)	Review position in light of prospective changes to MRP rules and if proposal remains to dissolve company to take all appropriate steps to achieve this.	Executive Director-Resources	31 March 2024
2	Whistleblowing Policy (c/f from 2022/23)	Review /Redraft to improve awareness & accessibility.	Borough Solicitor	31 December 2023
3	Contract Monitoring (c/f from 22/23)	Development of Corporate Contracts Register.	Head of Corporate Procurement	31 December 2023
4	Constitution	Undertake review of Constitution to reflect current working practices	Borough Solicitor	31 December 2023
5	Council Plan	Implement new Council Plan and corresponding Performance Framework including Directorate Service Plans	CMT	31 December 2023
6	Budget Setting	Ensure smooth running of the Council's budget setting meeting based on prior scenario planning in light of the new multi party arrangements	CMT & Assistant Director Democratic & Registration Services & Borough Solicitor	21 February 2024

Signed:

Councillor Mary Temperton

Susan Halliwell

**Leader of the Council
August 2023**

**Chief Executive
August 2023**

To: **Governance and Audit Committee**
20th September 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 2023/24.

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 2023/24 are being delivered as follows:

- The Internal Audit Contract Manager whose post following the development of the in-house team is currently being re-evaluated to reflect her changing role to deliver complex audits and supervise and mentor the apprentices;
- One temporary senior auditor;
- Two apprentices who joined us at the end of November 2022; and
- Wokingham Council's Business Assurance team delivering internal audit services under a S113 agreement.

5.2 Progress against the 2023/24 Internal Audit Plan is set out in Appendix 1. There has been delay in progressing the 2023/24 Audit Plan due to shortage of resources compounded by clearing the backlog of work arising from delays in finalising fieldwork and issuing reports for 2022/23 audits and maintain the new audit recommendation tracker.

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 2023/24

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**

SEPTEMBER 2023

Sally Hendrick
Head of Audit and Risk Management
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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 to August 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 audits:
- 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 2023/24 was considered and approved by the Governance and Audit Committee on 22nd March 2023. The delivery of the individual audits during 2023/24 is being undertaken by:
- The Internal Audit Contract Manager whose post following the development of the in-house team is currently being re-evaluated to reflect her changing role to deliver complex audits and supervise and mentor the apprentices;
 - One temporary senior auditor;
 - Two apprentices who joined us at the end of November 2022; and
 - Wokingham Council's Business Assurance team delivering internal audit services under a S113 agreement.
- 3.2 Consistent with other Berkshire authorities, the in-house model at Bracknell Forest is based on a Head of Audit supported by 4 qualified auditors undertaking fieldwork. Under mandatory Public Sector Internal Audit Standards the Head of Internal audit is required to bring to the Governance and Audit Committee's attention where the level of agreed resources may impact on the delivery of audit work needed to provide the annual audit opinion. "Where the chief audit executive believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the

consequences must be brought to the attention of the board.” Since the Internal Audit Service was brought in-house the service in 2020 there has been significant pressure on resources to complete audit work. Attracting suitable candidates to audit posts has been very challenging with limited candidates in the market coupled with the Council not offering competitive salaries for these roles and as a result audits have largely been delivered by a series of costly agency workers for the last 3 years. It is recognised that this is no longer sustainable from a financial, management and delivery point of view since in addition to being more expensive than an experienced qualified principal auditor on a competitive market salary, agency auditors require considerable supervisory input due to their lack of knowledge of the organisation. Now that we have 2 apprentices with significant supervisory and training needs, there is reduced capacity to manage agency workers.

- 3.3 The external quality assessment undertaken by CIPFA in 2022 acknowledged auditor recruitment challenges to be a national problem and recommended the Council go down the apprenticeship route to help address this. Whilst successfully recruiting 2 apprentices in November 2022, 20% of their time is on formal training and as expected at the moment they still require a considerable level of training and supervision which diverts more experienced audit resources.
- 3.4 Resourcing pressures as noted above together with additional work in maintaining the recommendation tracker and delays in completing and finalising 2022/23 audits have resulted in delays in progressing audits. At the time of writing this report 3 2022/23 Council audits were still to be finalised with management. In addition to maximising the use of the apprentices, action has been taken to purchase additional days from Wokingham Borough Council Internal Audit Team. The Annual Audit Plan for 2223/24 as approved by the Governance and Audit Committee prioritised each audit in the Plan and as per Appendix 3 noted “*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*”. One of these audits has already been completed to replace another audit at very short notice. However, it is now expected that Audit will not have capacity to deliver other medium priority audits. Moving forward, effective delivery of the Internal Audit Service will be dependent on the successful recruitment of permanent experienced auditors to undertake the more complex audits and this will be driven to a large extent by our ability to offer competitive market salaries.
- 3.5 Between April and August 2023, 2 grant audits and 1 memo and 1 report were finalised, 4 reports/memos were issued in draft awaiting management responses, 1 was issued in draft for discussion and 12 audits were work in progress.
- 3.6 Details on the status and outcome of all audits are attached at Appendix 1. A summary of the outcome of finalised and audits with reports issued in draft are set out below.

2023/24 TO DATE ASSURANCE LEVELS	NUMBER OF AUDITS YEAR TO DATE IN 23/24 AND 22/23	2022/23 ASSURANCE LEVELS	NUMBER OF AUDITS
Good	0 (22/23:0)	Good	0
Satisfactory	1 (22/23:5)	Adequate	19 (including 5 with major recommendations)
Partial	2 (22/23:4)	Partial	7
Inadequate	0 (22/23:0)	Inadequate	0
No assurance	0 (22/23:0)	No assurance	0
<u>Total for Audits with an Opinion</u>	3(22/23:9)	<u>Total for Audits with an Opinion</u>	26
Memos and reports with Major Recommendations/Observations and no Opinion	2 (22/23:3)	Memos and reports with Major Recommendation and no Opinion	12
Other Follow Up Memos/ Reports with no Opinion	1 (22/23:4)	Other Follow Up Memos/ Reports with no Opinion	8
<u>Total Audits</u>	6 (22/23:16)	<u>Total Audits</u>	46
Grant Certifications/Submissions	2(22/23:5)	Grant Certifications	8
<u>Overall Total</u>	8 (22/23:21)	<u>Overall Total</u>	54

Identified High Priority Control Issues

- 3.7 Audits which have identified high priority recommendations will generally be revisited in 2024/25, to ensure successful implementation of agreed recommendations.

AUDITS WHERE HIGH PRIORITY ISSUES HAVE BEEN IDENTIFIED SINCE THE LAST UPDATE IN THE INTERNAL AUDIT INTREIM REPORT IN JUNE 2022		
<ul style="list-style-type: none"> COUNCIL TAX AND BUSINESS RATES 	Six major recommendations in relation to the inspections process, addressing the outcomes from the inspections process, annual reviews of discounts and exemptions, cash and suspense reconciliations refunds and write offs.	Partial assurance opinion

<ul style="list-style-type: none"> HOME TO SCHOOL TRANSPORT 	Three major recommendations relating to complaints monitoring and compliance with procurement plans and approval processes.	Advisory memo with no opinion
<ul style="list-style-type: none"> IESE 	Three major observations on compliance with the key decision making process, inconsistency of guidance on key decisions and procurements and lack of transparency of waivers.	Advisory memo with no opinion

SCHOOL AUDITS FOR GOVERNING BODIES WHERE HIGH PRIORITY ISSUES HAVE BEEN IDENTIFIED SINCE THE LAST UPDATE IN THE INTERNAL AUDIT INTREIM REPORT IN JUNE 2023		
<ul style="list-style-type: none"> SCHOOL D 	Four major recommendations relating to governance, business interests, the purchasing process and the medium-term budget projections for the School.	Partial assurance opinion

Update on Recommendations Implementations

3.8 In my annual report in June 2022 I drew attention to 2022/23 audits with major recommendations and the outcome of formal follow up of 21/22 audits where major recommendations had not been implemented. An audit recommendation tracker has been developed with the assistance of ICT and departments have provided updates on the tracker with information on progress against audit recommendations for 20/21 and 21/22 audit reports which had not been subject to formal follow up. This is summarised at Appendix 3. Updates on the 22/23 audits will be provided at the next Committee meeting.

Summary of Internal Audit Performance

3.9 As shown below, no completed client questionnaires have been received to date for 2023/24. For the draft audits to date, the first draft report has been produced within 15 days of the exit meeting in 75% of instances.

	Client Questionnaires		Draft Report /Memo Produced within 15 Days of Exit meeting
	Received	Satisfactory	
1st April to 31st August 2023	0	N/A	75%
2022/23	7	86%	63%

4. PROGRESS ON INTERNAL CONTROL ENVIRONMENT 2023/24

- 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 Following the re-focus of the key strategic risk by CMT at the Away Day in February, the new Strategic Risk Register has already been reviewed twice by the Strategic Risk Management Group (SRMG) in May and August and once by the Corporate Management Team in September 2023.

6. COUNTER FRAUD UPDATE

- 6.1 In my annual report in June 2023 I drew attention to an investigation undertaken by Reading Corporate Investigations Team into a suspected fraudulent application for a Blue Badge which was going forward for prosecution. This has now gone to trial. The defendant was found guilty of having dishonestly made false representations with intent to make a gain for himself or another in respect of three submitted Blue Badge applications and was sentenced as follows:
- I. 12 Month Community Order with requirement to under 150 Hours of Unpaid Work in the Community;
 - II. £2,000.00 Prosecution Costs; and
 - III. £90.00 Victim Surcharge.

2022/23 INTERNAL AUDIT PLAN OUTCOMES NOT PREVIOUSLY REPORTED

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

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level				Recommendation Priority				Status
				Good	Adequate	Partial	Inadequate	Critical	Major	Moderate	Low	
Council Tax and Business Rates	January 2023	14/7/23	X			✓			6	4		Final report issued
Children’s Social Care Placements	1/12/22	16/4/23	X									Discussion draft issued in April. Revised report being drafted

2023/24 INTERNAL AUDIT PLAN

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	inadequate	Critical	Major	Moderate	Low	
GOVERNANCE Data indicators follow up review												Quarter 3 audit
Security camera follow up												Quarter 3 audit
SARS												Quarter 3 audit
iESE	1/7/23	30/8/23	✓	Advisory memo issued with 13 observations made including 3 major observations								Draft memo issued
Grant Certifications Bus Service Operator	6/6/23	6/6/23	✓	Grant certified								Certified

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	inadequate	Critical	Major	Moderate	Low	
Integrated Transport Block Allocation	11/8/23											Work in progress
Troubled Families-June	25/6/23	27/6/23	✓	Payments by Results grant audit completed								Finalised
Troubled Families-September	11/9/23											Work in progress
Troubled Families-December												Quarter 3 audit
Troubled Families-March												Quarter 4 audit
Travel Grant ADDITIONAL AUDIT												Quarter 4 audit
COUNCIL WIDE Debt management												Quarter 3 audit
Budget monitoring in service areas	1/7/23											Work in progress
Procurement	7/8/23											Work in progress
Absence management												Work in progress
Amazon account	19/7/23											Work in progress
IR35												Quarter 4 audit
Climate Change-ADDITIONAL												Quarter 4 audit
DELIVERY Public Protection Partnership follow up review	1/6/23	20/7/23	✓	Follow up memo						5	1	Final memo issued
Home to School Transport	1/6/23	5/7/23	✓	Advisory memo with no opinion with 3 major recommendations					3	4		Draft report issued
Gap analysis to determine IT audit strategy												Quarter 3 review
Business Continuity follow up review												Quarter 4 audit

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	inadequate	Critical	Major	Moderate	Low	
Disaster Recovery Procedures												Quarter 4 audit
PLACE PLANNING AND REGENERATION Tree services												Quarter 3 audit
Highways reactive maintenance												Quarter 3 audit
Public health – utilisation of funding												Quarter 3 audit
RESOURCES Supplier payments												Work in progress
Establishment costs												Quarter 4 audit
Council tax and business rates												Quarter 3 audit
PEOPLE Assurance framework												Quarter 3 audit
Support for TMC and CQC inspections												Deferred whilst discussions are held on scope
Child Protection Conferences or Independent Review Officer arrangements												Quarter 3 audit
Domiciliary care	31/7/23											Work in progress
Intermediate Care- capacity, flow and efficacy												Deferred whilst discussions are held on scope
Blue badges- new processes												Quarter 4 audit

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	inadequate	Critical	Major	Moderate	Low	
Drug and Alcohol Team- following change in head of service												Quarter 4 audit
Supervision follow up												Deferred to Quarter 3 at management request
SEND follow up												Quarter 4
Parenting assessments follow up												Deferred to at least quarter 4 at management request
Larchwood	19/7/23											Work in progress
Permanency planning follow up												Quarter 3 audit
Braccan Walk												Deferred at management request
Family Hubs												Cancelled as higher priority audits identified
Homelessness	1/4/23	September 2023	✓		✓					1	3	Draft report issued
Disabled facilities grants follow up												Quarter 3 audit
Local Welfare Scheme	1/8/23											Work in progress
Housing benefit follow up												Quarter 3 audit
Identification of school places for children with an EHCP												Cancelled as higher priority audits identified
School places planning												Quarter 3 audit

AUDIT	Start Date	Date of Draft Report	Key Indicator Met*	Assurance Level				Recommendation Priority				Status
				Good	Satisfactory	Partial	inadequate	Critical	Major	Moderate	Low	
Online applications ADDITIONAL AUDIT												Quarter 4 audit
Refuges asylum ADDITIONAL AUDIT												Quarter 4 audit
SCHOOL AUDITS School D	26/6/23	19/7/23	✓			✓			4	10		Draft report issued
School R	6/6/23											Work in progress
School E	14/6/23											Work in progress being drafted
School V												Timing to be determined
School M -desk top follow up												Quarter 3 audit
School I -desk top follow up												Quarter 3 audit
School G												Quarter 3 audit
School X												Cancelled as school academising
School W												Quarter 4 audit
School Y												Quarter 4 audit
School K												Quarter 4 audit

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 Diector: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				

APPENDIX 3

**UPDATES FROM RECOMMENDATION TRACKER
2020/21 AUDITS**

AUDITS 2020/21	Priority of Recommendations Raised			Priority of Recommendations Implemented as at 12/6/23			Priority of Recommendations In Progress as at 12/6/23			Priority of Recommendations not Started as at 12/6/23		
	Major	Moderate	Low	Major	Moderate	Low	Major	Moderate	Low	Major	Moderate	Low
COUNCIL WIDE	0	2	0	0	2	0	0	0	0	0	0	0
Purchase Cards												
Officers Expenses	0	4	2	0	2	0	0	0	0	0	2	2
Mileage and Essential Car Users	1	3	1	0	3	1	1	0	0	0	0	0
RESOURCES	0	2	1	0	2	1	0	0	0	0	0	0
Main Accounting												
DELIVERY	0	2	2	0	2	2	0	0	0	0	0	0
Car Parks												
Health and Safety	0	5	0	0	4	0	0	1	0	0	0	0
Security Cameras	3	2	0	2	1	0	1	0	0	0	1	0
ICT Digital Strategy and Strategic Planning	0	0	7	0	0	5	0	0	2	0	0	0
PPR	0	4	1	0	1	1	0	3	0	0	0	0
SANGs (Suitable Alternative Natural Greenspace) Part 1												
Uniform IT System	0	0	1	0	0	1	0	0	0	0	0	0
PEOPLE	0	4	1	0	4	1	0	0	0	0	0	0
Deferred Payments												
Emergency Duty Service	0	4	0	0	4	0	0	0	0	0	0	0
Equipment Spend Advisory Review	0	3	0	0	1	0	0	0	0	0	2	0
Housing Management	0	3	1	0	3	1	0	0	0	0	0	0
Parenting Assessments	3	3	0	2	1	0	0	2	0	1	0	0

Covid Support to Providers	0	0	1	0	0	0	0	0	1	0	0	0
Foster Panel Processes Advisory Review	0	0	1	0	0	1	0	0	0	0	0	0
Foster Panel Compliance	0	4	2	0	0	0	0	0	0	0	4	2
Multi Agency Strategy Reviews	0	1	5	0	0	4	0	1	1	0	0	0
ONE System	0	7	3	0	0	1	0	0	1	0	7	1
TOTAL	7	53	29	4	30	19	2	7	5	1	16	5

2021/22 AUDITS

AUDITS 2021/22	Priority of Recommendations Raised			Priority of Recommendations Implemented as at 12/6/23			Priority of Recommendations In Progress as at 12/6/23			Priority of Recommendations Not Started as at 12/6/2		
	Major	Moderate	Low	Major	Moderate	Low	Major	Moderate	Low	Major	Moderate	Low
COUNCIL WIDE E+ Care IT and General Controls	2	6	3	1	2	0	1	1	0	0	3	3
Climate Change	1	2	0	1	1	0	0	0	0	0	1	0
RESOURCES Agresso Follow Up	1	0	0	0	0	0	1	0	0	0	0	0
Reconciliations	1	4	2	0	2	1	0	0	1	0	2	0
DELIVERY Cemetery and Crematorium	0	9	1	0	7	1	0	2	0	0	0	0
Cyber Security Follow Up	2	0	2	0	0	1	2	0	1	0	0	0
Home to School Transport IT System	0	2	2	0	0	0	0	0	0	0	2	2
PPR	2	4	1	1	0	1	1	4	0	0	0	0

Tree Services												
Building Control and Land Charges	0	6	1	0	2	1	0	4	0	0	0	0
Development Control	0	6	1	0	4	1	0	1	0	0	1	0
S106	0	0	5	0	0	4	0	0	1	0	0	0
SANGs (Suitable Alternative Natural Greenspace) Part 2	0	0	1	0	0	1	0	0	0	0	0	0
PEOPLE Glenfield Mental Health Supported Living	0	3	0	0	2	0	0	1	0	0	0	0
Larchwood	3	4	1	0	1	1	3	3	0	0	0	0
Deputyships and Appointees	0	2	3	0	1	2	0	1	1	0	0	0
Financial Assessments	0	7	0	0	5	0	0	1	0	0	1	0
Homelessness Procurement	0	1	3	0	1	3	0	0	0	0	0	0
Early Years Free Entitlement	1	1	2	1	1	2	0	0	0	0	0	0
Forestcare	1	5	4	1	2	2	0	1	2	0	2	0
Utilisation of SEND Funding	4	3	0	2	1	0	1	1	0	1	1	0
Continuing Health Care	0	5	1	0	5	1	0	0	0	0	0	0
Breakthrough Supported Employment Service Follow Up	0	4	1	0	0	0	0	4	0	0	0	1
Housing Benefit and CTR	0	1	2	0	1	0	0	0	2	0	0	0
Supervision in Adult Social Care	2	7	1	1	3	0	1	2	0	0	2	1
Health and Social Care ICT Connected	4	5	0	2	3	0	0	0	0	2	2	0

Care Systems Integration												
Forestcare IT System	1	5	1	1	2	0	0	2	0	0	1	1
EDS IT System	1	3	4	0	2	2	1	0	1	0	1	1
DSPT	0	0	1	0	0	1	0	0	0	0	0	0
TOTAL	26	95	43	11	48	25	11	28	9	3	19	9

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tTo: GOVERNANCE AND AUDIT COMMITTEE
20th September 2023

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

1 Purpose of Report

- 1.1 The Strategic Risk Register is owned by the Corporate Management Team (CMT). This report presents the new Strategic Risk Register being developed after discussions at the CMT Away Day in February and review by the Strategic Risk Management Group and CMT.

2 Recommendations

- 2.1 **The Governance and Audit Committee to provide feedback for CMT on the strategic risk register attached at Appendix 2.**

3 Reasons for Recommendation

- 3.1 To ensure the Council has identified all its key risks so that these can be appropriately managed and mitigated.

4 Alternative Options Considered

- 4.1 There are no alternatives.

5 Supporting Information

- 5.1 A new Register was created following the CMT Away Day on 20th February, CMT which concluded that the 7 risks to be include in the Strategic Risk Register should be as follows:

- Future of local government in Berkshire
- Financial sustainability
- Impact of pressures on local health system
- Climate change net zero
- Cyber
- Local economy
- Demand management

- 5.2 A first draft of the Register was discussed at SRMG in May. During discussions with the Chief Executive at the quarterly meeting with the Head of Audit and Risk Management, it was agreed that the risk on future of local government be incorporated into the financial risk and that a risk on staffing pressure should be added. This has now been included in the Register attached at Appendix 3 for review.

6 Consultation and Other Considerations

Legal Advice

- 6.1 There are no legal implications arising from this report.

Financial Advice

6.2 There are no financial implications arising from this report.

Other Consultation Responses

6.3 The register was by SRMG and CMT on 17th August and 6th September respectively.

Equalities Impact Assessment

6.4 N/A

Strategic Risk Management Issues

6.5 A robust Strategic Risk Register that is a complete and up to date record of the significant corporate risks is essential for effective risk management, enabling the Council to prioritise resources to identify and implement actions to address the threats to the achievement of the Council's objectives and make informed decisions.

Climate Change Implications

6.6 See risk 6.

Health & Wellbeing Considerations

6.7 N/A

Background Papers

Risk Management Strategy

Contact for further information

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RISK MATRIX- STRATEGIC RISK REGISTER CURRENT RESIDUAL RISK SCORES AND RAG RATING AS RED, AMBER OR GREEN

LIKELIHOOD	5				
	4		Staffing Climate Change Net Zero	Demand Management Cyber Impact of pressures on local Health System	Financial Sustainability
	3		Local Economy	I	
	2				
	1				
		1	2	3	4
	IMPACT				

Likelihood:
 5 Very High
 4 High
 3 Significant
 2 Low
 1 Almost Impossible

Impact:
 5 Catastrophic
 4 Critical
 3 Major
 2 Marginal
 1 Negligible

STRATEGIC RISK REGISTER SEPTEMBER 2023

Strategic Theme 1: Value for money																	
Risk 1: Financial Sustainability		Risk Owners: Executive Director: Resources															
<p>Unmitigated 5 x 5 Current Residual 4 x 5 Target Tolerance 2 x 4</p> <p>Potential Impact</p> <ul style="list-style-type: none"> Strategic objectives and statutory duties unable to be met Reserves depleted sooner than planned, leading to financial cliff edge Residents unhappy with what the Council is delivering Deterioration in quality of infrastructure 	<table border="1"> <caption>Financial Sustainability Data</caption> <thead> <tr> <th>Category</th> <th>Qtr1 23/24</th> <th>Qtr 2 23/24</th> </tr> </thead> <tbody> <tr> <td>Unmitigated</td> <td>25</td> <td>25</td> </tr> <tr> <td>Current</td> <td>20</td> <td>20</td> </tr> <tr> <td>Target</td> <td>10</td> <td>10</td> </tr> </tbody> </table>	Category	Qtr1 23/24	Qtr 2 23/24	Unmitigated	25	25	Current	20	20	Target	10	10	<p>Rationale for current score: A combination of inflationary pressures, increased demand on services (particularly social care, housing and special needs education services) and income shortfalls in the current year are putting the approved budget under higher strain than is normally experienced. Early 2023/24 budget monitoring information indicates service areas are set to overspend their approved budgets by over £3m and the position looks to be worsening. Discussions with neighbouring authorities indicate that they are all facing broadly the same challenges. Looking ahead, these factors mean that achieving a financially sustainable position where budgeted pressures match savings each year is going to be exceptionally difficult in the short to medium-term. While the Council possesses a relatively high amount of reserves, these can only be used once and any requirement to draw a large sum in any one year makes future budgets even more difficult.</p> <p>Rationale for risk tolerance score Achieving a sustainable financial position is a core responsibility. The target score reflects that the local government sector as a whole is facing significant financial challenges with heightened risk to service delivery, which would have a significant impact if not addressed.</p> <p>Current RAG rating RED</p>			
Category	Qtr1 23/24	Qtr 2 23/24															
Unmitigated	25	25															
Current	20	20															
Target	10	10															
<p>Current Actions (What we are currently doing about the risk)</p> <ul style="list-style-type: none"> The approved 2023/24 budget included a higher level of savings than any previous one, recognising that inflationary and other pressures being faced were at unprecedented levels. The Council has for many years used the maximum permitted flexibility regarding Council Tax increases, recognising that Council Tax is the largest on-going income source to fund revenue services. The use of reserves needed to balance the 2023/24 budget was within planning parameters. A new earmarked reserve was created as part of the 2021/22 accounts closedown, to provide some protection against the impact of rapidly rising pay and price inflation that was not anticipated when the 2022/23 budget was agreed. This was not used in 2022/23 so is available to support the 2023/24 budget if needed. The approach to budget monitoring has been changed, recognising that the approach adopted in 2020 in recognition of the additional financial volatility facing local government is no longer appropriate. Detailed monthly monitoring reports are prepared and considered by the Corporate Management Team, including base projections to the end of the year and highlighting significant emerging issues that could cause these projections to change. Regular engagement is held fortnightly with s151 officers in neighbouring councils, 4 – 6 weekly with the Society of Unitary Treasurers and periodically with DLUHC officials to share issues being faced and understand future Government thinking on resources. Preparations have started for the 2024/25 budget, with briefings on future prospects and an outline financial strategy provided to CMT, Senior Leadership Group, Managers' Forum and all staff briefing sessions. Leader and Executive Member for Finance and Business Change have been briefed on the projected current year financial position. 	<p>Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities</p> <table border="1"> <thead> <tr> <th></th> <th>Officer responsible</th> <th>Target date</th> </tr> </thead> <tbody> <tr> <td>CMT asked to review the in-year monitoring position at its meeting on 16 August and agreed an action plan to be taken forward that reflects the position being reported by service areas at that point, to ensure spending is brought back in line with the approved budget.</td> <td>Executive Director: Resources</td> <td>Autumn 2023</td> </tr> <tr> <td>A report will be presented to the Executive in October 2023 detailing the current year financial position, seeking endorsement for any actions proposed by CMT that could impact on service levels and setting out prospects for the years ahead, to ensure Members are fully appraised of the Council's financial position.</td> <td>Executive Director: Resources</td> <td>October 2023</td> </tr> <tr> <td>CMT will review initial 2024/25 budget proposals submitted by service areas on 12 September and, if pressures at that point significantly exceed identified savings, agree an approach to achieve a more affordable position prior to briefing Executive Members in October.</td> <td>Corporate Management Team</td> <td>October 2023</td> </tr> <tr> <td>Design and introduce Budget Challenge Sessions, where Assistant Directors present their current and future budget projections to the Chief Executive and Executive Director: Resources for constructive challenge, with the aim of mitigating pressures being reported.</td> <td>Executive Director: Resources</td> <td>October 2023</td> </tr> </tbody> </table>			Officer responsible	Target date	CMT asked to review the in-year monitoring position at its meeting on 16 August and agreed an action plan to be taken forward that reflects the position being reported by service areas at that point, to ensure spending is brought back in line with the approved budget.	Executive Director: Resources	Autumn 2023	A report will be presented to the Executive in October 2023 detailing the current year financial position, seeking endorsement for any actions proposed by CMT that could impact on service levels and setting out prospects for the years ahead, to ensure Members are fully appraised of the Council's financial position.	Executive Director: Resources	October 2023	CMT will review initial 2024/25 budget proposals submitted by service areas on 12 September and, if pressures at that point significantly exceed identified savings, agree an approach to achieve a more affordable position prior to briefing Executive Members in October.	Corporate Management Team	October 2023	Design and introduce Budget Challenge Sessions, where Assistant Directors present their current and future budget projections to the Chief Executive and Executive Director: Resources for constructive challenge, with the aim of mitigating pressures being reported.	Executive Director: Resources	October 2023
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Strategic Theme 1: Value for money
 Strategic Theme 2: Economic resilience
 Strategic Theme 3: Education and skills
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 Strategic Theme 5: A clean, green and responsibly sustainable place
 Strategic Theme 6: Communities

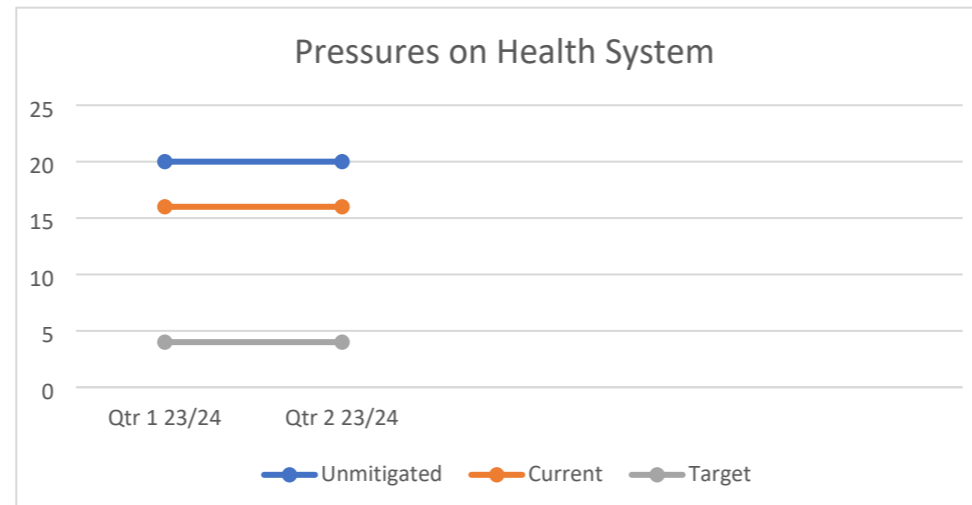
Risk 2: Impact of pressures on local health system

Risk Owners: Executive Director: People

Risk Rating (Likelihood x Impact)
 Unmitigated 5 x 4
 Current Residual 4 x 4
 Target Tolerance 2 x 2

Potential Impact

- Increased financial pressures
- Potential failure to meet statutory responsibilities
- Potential reduction in level and timeliness of support that can be provided
- Public dissatisfaction where unable to meet needs /demands
- Increased staffing pressures where additional detailed assessments of complex cases have to be undertaken to be able to respond to NHS challenge of joint funded provision
- Increased pressure on welfare and social care services
- Pressure to use Public Health monies to fund activities which do not meet the criteria of public health to meet shortfall of any funding withdrawal from the NHS



Rationale for current score:

Following the change in NHS footprint on cessation of the CCG and creation of the ICB and the health system delays post covid, the NHS are under increased pressure. This pressure relates to the need to deliver efficiency savings and also to improve the timeliness of activity.

The efficiency programmes identified will impact on a number of areas of joint work with the local authority including:

- Reviewing current financial contributions to support children and adults with continuing health care, joint funded packages of care and section 117 aftercare arrangements;
- Hospital discharge;
- Community equipment;
- Better care funding;
- Reduction in appetite for co-location of services

The current delays in the provision of occupational therapy assessments and child and adolescent mental health services are also impacting on some of the most vulnerable children and young people in Bracknell Forest.

Rationale for risk tolerance score

Financial implications and statutory responsibilities mean risk appetite is low.

Current RAG rating Red

Current Actions (What we are currently doing about the risk)

- Robust governance arrangements at place level, revising the terms of reference for place committee
- Support from NHS England relating to system understanding of the better care fund
- Earlier engagement of DASS in discussions relating to Better Care Fund decisions
- Additional detailed assessments of joint funded complex support packages to support fair cost sharing arrangements
- Agreed Better Care Fund Plan now in place
- Representation on regional board to champion Bracknell Forest's interests and clear knowledge and understanding of the governance framework to enable the Council to push back on any challenge from the NHS
- Increased input and coordination in the discharge and flow activity and priority areas within the Frimley health and care system
- OT and CAMHS waiting times to be built into the relevant dashboards
- Closer monitoring of Occupational Therapy and CAMHS waiting times via SEND Improvement Partnership Board

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

	Officer responsible	Target date

Strategic Theme 2: Economic resilience

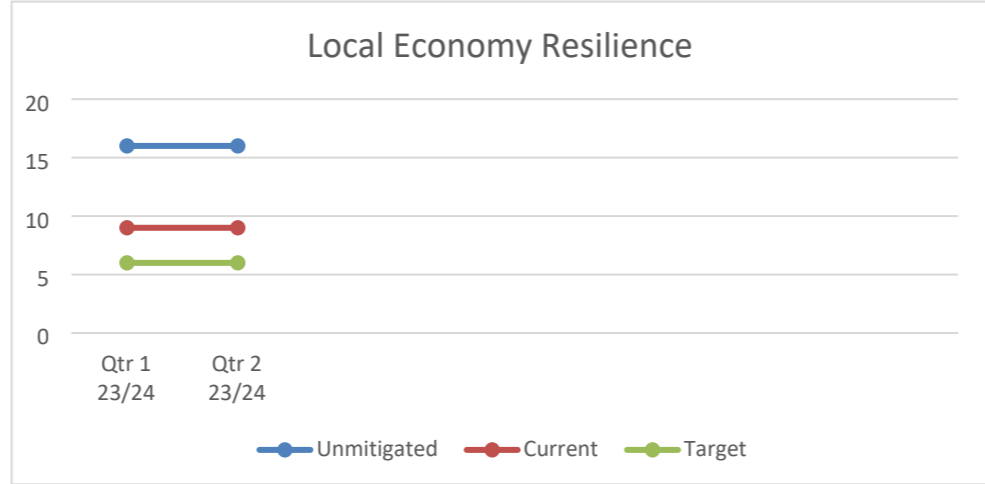
Risk 3: Local Economy Resilience

Risk Owners: Executive Director: Place, Planning and Resources

Risk Rating (Likelihood x Impact)
 Unmitigated 4 x 4
 Current Residual 3 x 3
 Target Tolerance 3 x 2

Potential Impact

- Increased demands on services such as welfare and housing
- Increased community tensions
- General decline in borough through lack of investment
- Increase commuting out of the Borough for work
- Less disposable income to support local retail, leisure and local businesses



Rationale for current score:
 Changes to working practices has reduced office-based working and hence the need for office-based headquarters. This, together with the relocation of some firms previously based in Bracknell to areas with cheaper real estate and the local workforce not having the higher level skills required by some business sectors resulting in loss of businesses and good jobs from the area potentially could reduce prosperity across the borough. Since the pandemic the overall position of Bracknell Forest has declined and seen lower growth than other local comparator areas.

Rationale for risk tolerance score
 Whilst a significant level of likelihood could be tolerated, the impact of decline in the local economy would need to be limited to secure financial sustainability for the Council and ensure inward investment to the borough is not discouraged.

Current RAG rating AMBER

Current Actions (What we are currently doing about the risk)

- Economic Strategy being developed with input from local employers and support from Thames Valley Local Enterprise Partnership (LEP)
- Engaging with the Bracknell Forest Economic & Skills Development Partnership (ESDP) and Bracknell Business Improvement Districts (BID) to identify what is happening locally and how we can help businesses thrive by making the local environment for businesses as good as possible.
- Support being provided to the business community to enable them to flourish through the Berkshire Growth Hub
- Working with colleagues across Berkshire to encourage national and international businesses to move or expand in the area e.g. showcasing Berkshire at the National Property conference in Leeds
- Education and learning services working in partnership with the local college and DWP to help local people improve their skills and pathways to employment.
- The Joint Venture continuing to develop sites within Bracknell Forest Council
- New Local Plan with a set of new and up to date Economic policies and allocations.
- Support programmes to upskill residents to enhance local business productivity through the UK Shared Prosperity Fund and the Berkshire Local Skills Improvement Plan

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

	Officer responsible	Target date
Publish and consult on the Economic Strategy	Head of Economic Development and Regeneration	October 2023
Support the Bracknell Business Improvement District (BID) to achieve a second 5-year term	Executive Director Place Planning and Regeneration	October 2024
Continue to develop the Economic Skills and Development Partnership (ESDP)	Head of Economic Development and Regeneration	Ongoing
Establish regular Business Liaison with major businesses based within the Borough	Head of Economic Development and Regeneration	Ongoing
Implement the new policies in the local plan to support economic development	Assistant Director Planning	From Local Plan adoption
Support the Berkshire Local Skills Improvement Plan and Fund and the delivery of a Bracknell Skills & Training Hub	Head of Economic Development and Regeneration	Ongoing

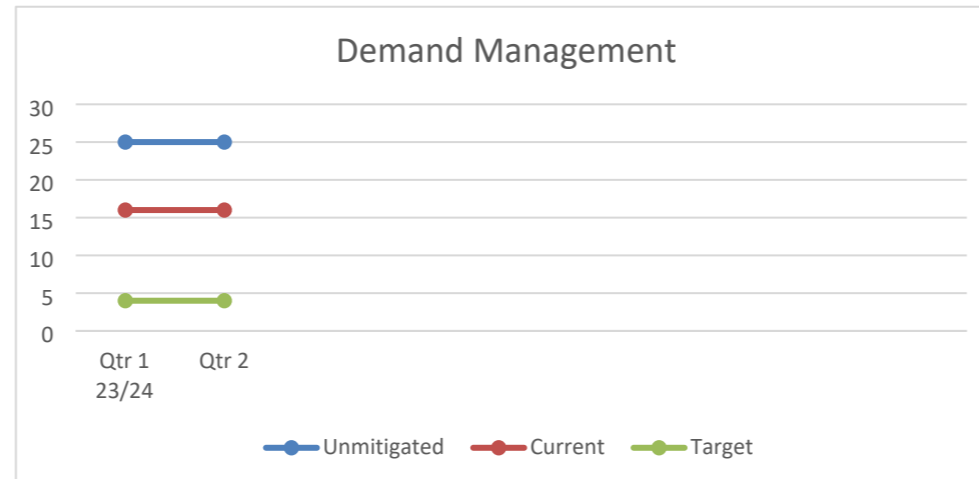
Risk 4: Demand Management

Risk Owners: Executive Director: People

Risk Rating (Likelihood x Impact)
 Unmitigated 5 x 5
 Current Residual 4 x 4
 Target Tolerance 2 x 2

Potential Impact

- Failure to meet demand for services
- Failure to meet statutory responsibilities
- Need to move clients from one setting to another at short notice
- Financial pressures
- Reputational damage
- Negative impact on external inspections
- Adverse effect on staff morale



Rationale for current score:

Increasing pressure on front line services due to changing demographics, increase in need and cost of living crisis. Number of adults requiring support continues to rise, with more people approaching the local authority for assistant relating to a range of areas. More adults presenting with increase in complex need, existing people's needs increasing, increased number of people being discharged from hospital needing support, increased presentation of people in need of homeless prevention advice and welfare and debt advice. Pressure on families resulting in increased number of referrals to early help and children's social care and children being supported for longer due to complexity of family environments. Increasing difficulty securing appropriate support for adults and children in a timely and cost-effective way.

Rationale for risk tolerance score

The target risk score reflects the Council's statutory responsibilities for vulnerable children and adults in need.

Current RAG rating **Red**

Current Actions (What we are currently doing about the risk)

- Further development of business systems and reporting capability to monitor increased volume of activity and indicators to monitor risk / impact
- Performance and quality boards are now well established to provide high level oversight of performance and quality of service departments;
- Monthly review of finance / budget activity linked to performance activity e.g. homelessness
- People Care Governance board in place to manage any strategic provider safeguarding and quality issues
- Review of Adults Conversations Model, conversation 3, as part of transformation project
- Market Position Statement
- Heathlands has now opened
- Regular provider forums ensure we are kept up to speed with emerging issues
- Use of the NHS capacity tracker to assess local supply
- Risk and Issue log in place and reviewed across operations, safeguarding and commissioning 3 times a week that includes and market capacity issues and risks
- ADASS working together to implement duty to support market and share intelligence of potential failures
- Finance tracker reviewed monthly and intelligence used to address pressure points
- Inflationary increase given to care providers
- Support brought into the People Directorate to model future demand profiling
- Additional resources agreed for Mental Health to add capacity
- Market oversight meetings now in place.
- Demand profiling completed
- Strategy refresh in key areas – e.g. Placement sufficiency
- Regular performance monitoring and reporting to DMT and Transformation Board
- Access to resource team in place to source best possible placements at cost and quality when in-house not available
- Strong partnership relationships

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

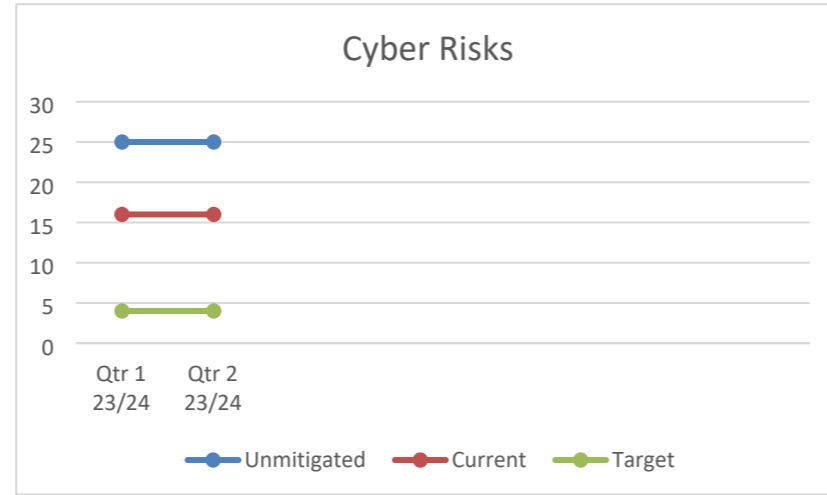
	Officer responsible	Target date
Market Sustainability Plan to be published in February 2023 as set by national timeframes.	AD Commissioning	February 2023
ASC Customer Pathways Project	Executive Director: People	Ongoing
Change programme for Fostering to include proposals for a marketing strategy to recruit additional foster carers to support children with higher needs	AD CSC	Ongoing
Proposed development of market intelligence meetings	AD Commissioning AD	March 23
Joint Working between council and wider partners including new HWB strategy	Head of DAAT	Ongoing
Placements workstream within council looking to optimise process and secure best placements at best cost	AD Commissioning	Ongoing

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Risk 6: Cyber - IT controls or staff vulnerabilities fail to prevent a cyber attack and/or unable to respond effectively to an attack to enable IT services to be sustained.

Risk Owners: Executive Director: Delivery

Risk Rating (Likelihood x Impact)
 Unmitigated 5 x 5
 Current Residual 4 x 4
 Target Tolerance 2 x 2



- Potential Impact**
- Disruption to services.
 - Failure to meet statutory duties.
 - Reputational damage.
 - Financial loss

Rationale for current score:
 The inherent likelihood of cyber-attacks against local authorities has risen with more sustained and intense attacks. The current likelihood of the risk materialising has hence increased.
 The impact of an attack is mitigated by improving cyber security controls in IT, and Disaster Recovery and Business Continuity arrangements. An external review of cyber risk controls is currently ongoing which will identify if this risk can now be reduced.

Rationale for risk tolerance score
 Appetite is low due to dependency on IT for delivery of all services. Arrangements for cyber support still to be put in place.

Current RAG rating RED

Current Actions (What we are currently doing about the risk)

- Approaching third parties for managed SOC service – options to be presented to IT Steering Group
- Network refresh project will replace end-of-life network devices
- Cisco ISE will allow us to block unauthorised devices from being able to see the network at all. An example where this is relevant is NHS staff plugging their laptops into the wrong docks
- Continuing to resolve remaining risks identified as part of the work that allowed us to receive the grant from DHLUC
 - Procured new Cisco firewall to allow core network segregation
 - Setting up single sign-on where possible
 - Rolling out multi-factor authentication
 - Resolving vulnerabilities identified during the recent penetration test, for PSN certification via Cabinet Office
 - Replacing remaining 2012 R2 Windows servers
 - Single sign-on to be setup for systems that will support it in the future
- We have a team member doing an apprenticeship in cyber security

Recent Actions but not already mentioned on this log (What we have already done about the risk since last update)

- Setup DMARC/DKIM/SPF policies to ensure bracknell-forest.gov.uk spoofing doesn't work – benefits both staff and the public
- Obtained a £150k grant from DHLUC to resolve 18 cyber risks. Risks relating to these are closed:
 - Set backups to immutable
 - Backup restore testing
 - Automating the disablement of inactive accounts in Active Directory – the manager receives an email and Service Desk receives a list
 - Reducing number of Domain Admins
 - Network logging (see below)
 - Sentinel review/setup
 - Decommission Windows Server 2008 servers
 - Some more apps had single sign-on enabled
- Obtained consultancy to setup logging into MS Sentinel
- Procured Splunk Cloud subscription and sending network traffic logs to be stored (cheaper than Sentinel)
- Setup an allow list for USB mass storage devices with default block
- Setup AppLocker to prevent users running unauthorised executables
- Set all our backups in Azure to immutable
- Procured an Office 365 (email, Teams, SharePoint, OneDrive) immutable backup solution

Past Actions (What we have already done about the risk)

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

	Officer responsible	Target date
Meetings with managed SOC providers because an in-house one is unrealistic (requires 8 FTEs to cover 24x7x365).	Assistant Director: Customer Experience, Digital & IT	Ongoing
Cyber security e-learning has been made available to the whole organisation. Training to be made mandatory later this year after GDPR had to be done Q1 2023.	Assistant Director: Customer Experience, Digital & IT	Ongoing
Incident Management training for ICT staff identified and training to be arrange. We'll be using NCSC's Exercise In A Box to setup multiple exercises.	Assistant Director: Customer Experience, Digital & IT	Ongoing
The new Networking Strategy will mean each component on the network performs independently as a security component, and this will be implemented over the next year – now a current action as parts have been received.	Assistant Director: Customer Experience, Digital & IT	Ongoing
Cyber Essentials Certification project to be restarted following departure of the project manager.	Assistant Director: Customer Experience, Digital & IT	Ongoing
Introducing additional security measures including phishing-resistant multi-factor authentication.	Assistant Director: Customer Experience, Digital & IT	Ongoing
Commission external technical support for management of incident response.	Assistant Director: Customer Experience, Digital & IT	Completed
Procurement of immutable backup facility for M365 underway. This will protect against accidental deletion or loss of data and records.	Assistant Director: Customer	Completed

- Cyber Security policies all re-written and published on the intranet
- Mandatory Information security and GDPR (General Data Protection Regulation) training before access is given to system
- Microsoft SCP ATP II Licensing acquired for advanced security on Office 365- Outlook, Office, SharePoint and Teams as well as security and compliance on all Council data.
- Windows Defender ATP deployed for the best in class anti-virus protection for all laptops.
- MS Intune deployed for protection of smartphones
- PSN compliant
- Members of government early warning groups such as NCSC (National Cyber-Security Council) and SEGWARP (Warning, Advice and Reporting Point)
- Mandatory Information security and GDPR training before access is given to systems
- Disaster Recovery Plan and Action Plan for the systematic recovery of systems.
- Disaster Recovery contract with a provider to get systems up and running and an Action Plan for the systematic recovery of systems
- Cyber risks monitored through Delivery risk register
- Risks of cyber attacks covered regularly in IT newsletter
- NCSC Cyber Security training package undertaken by staff in IT and Digital Services
- New VPN with Split Tunnelling has been implemented. Microsoft Defender Advanced Threat Protection web filtering has been implemented.
- External review of cyber controls is underway. This will deliver recommendations on technical improvements, ICT staff development and organisation-wide staff training that will help to improve our cyber resilience.
- New VPN configuration reduces risk of successful cyber-attack.
- New network strategy developed will enable greater resilience against cyber attacks
- Cyber review undertaken and action plan is in development to address recommendations
- Azure Sentinel logs recorded routinely

	Experience, Digital & IT	
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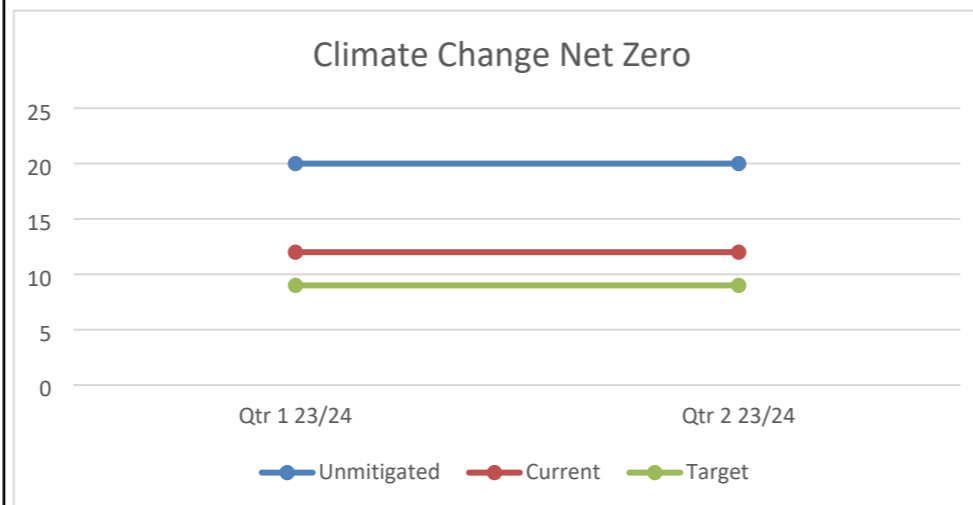
Strategic Theme 5: A clean, green and responsibly sustainable place

Risk 6: Climate Change The Council’s climate change action plan is not delivered and the Council’s environmental objectives and climate change targets are not met.

Risk Owners: Executive Director: Delivery, Executive Director: Resources (re business change programme)

Risk Rating (Likelihood x Impact)
 Unmitigated 5 x 4
 Current Residual 4 x 3
 Target Tolerance 3 x 3

- Potential Impact**
- Reputational damage
 - Public censure
 - Significant financial pressures



Rationale for current score:

Environmental sustainability is a key objective. The Council is responsible for up to 10% of emissions (Scope 1,2 & 3). The remaining 90% will require Council influence to persuade residents to change their lifestyles to reduce the remaining emissions. Following the election, the strategic direction and governance arrangements for climate change over the next 5 years are still being developed to provide a framework that will deliver the Council’s climate change objectives and a business change programme to support this will then be taken forward. Resources to deliver the climate change agenda are currently limited and will need to be reviewed.

Rationale for target risk score

Environmental sustainability is a key strategic theme for the Council.

Current RAG rating **AMBER**

Current Actions (What we are currently doing about the risk)

- Climate Change Strategy in place
- Climate Change Officer Board and Members’ Climate Change Working Group
- Ambition to create apolitical Joint Community Board
- Climate change action plan in place with baseline and targets
- 2 x Climate Change Officers
- Flood Risk Management is already within current Planning for all new developments
- Water supplies (drought) & Heatwaves – should be in Emergency Planning
- Planning – ambitious New Local Plan will adopt tighter requirements with regards renewable on-site energy generation and energy efficiency watered down by Inspectorate. Plan does include increasing biodiversity and provision of EV charging / encouraging active travel mitigations on all new developments
- Emergency Planning – should cover changing climate generally
- Biodiversity – Strategy and actions already in place and biodiversity improvements to be required under new Local Plan
- Gain better understanding of adaptation needs in collaboration with Berks LA’s
- CC team determining interim targets to facilitate improved monitoring of progress towards reducing council’s own climate change emissions target.

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

	Officer responsible	Target date
Emergency planning to include effects of climate change e.g. water supplies for droughts, heatwave / flood, infrastructure damage	Executive Director: Delivery	Ongoing
Public Health – actions are/activities to consider ways to improve health by improving the environment and altering behaviours	Executive Director: Place, Planning and Regeneration	Ongoing
Planning future Electric Grid capacity needs / identifying renewable energy generation opportunities (Local Area Energy Plan)	Executive Director: Place, Planning and Regeneration/ Executive Director: Delivery	Ongoing
Sustainable Procurement Principles	Head of Procurement	Ongoing
Multi-decision-making tool (combine environmental, social/health, economic and equalities requirements in council decisions)	Executive Director: Place, Planning and Regeneration/ Executive Director: Delivery	Ongoing
Scoping for business change	Executive Director: Resources	Ongoing

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Risk 7: Council is unable to recruit and retain the permanent workforce required to meet the demand for services

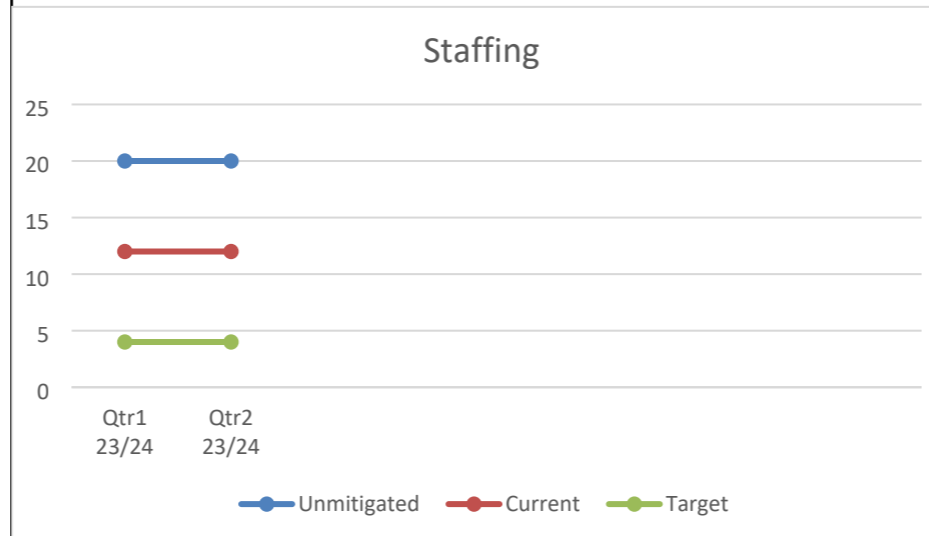
Risk Owner: CMT

Risk Rating (Likelihood x Impact)

- Unmitigated 5 x 4
- Current Residual 4 x 3
- Target Risk Score 2 x 2

Potential Impact

- Demand for statutory services cannot be met
- Increased financial pressures due to high reliance on locums and agency workers
- Increased reliance on market premia and retention payments due to labour market pressures i.e. social workers and specialists post
- Potential for weakness in resilience in key areas as locums and agency workers can leave at shorter notice.
- The loss of experienced permanent staff and replacement with less experienced agency personnel.
- Increased absence due to work pressures
- Negative impact on service efficiency and consistency for customers



Rationale for current score:

Turnover of staff in key areas and difficulties in recruiting to key technical posts due to pressures in the market.

Rational for target risk score

Staff are the key resource in delivering and providing support for statutory services

Current RAG rating RED

Current Actions (What we are currently doing about the risk)

- Management information on long term, high cost locums/ agency workers now being produced for peer review at CMT.
- Increased governance on the neutral agency
- Exploring new opportunities for apprenticeships including OT, planning
- Regional benchmarking of salary and benefits paid by other local authorities – part of recruitment project and staff recognition work which will inform future retention and recruitment strategy
- Transformation project on Retention and Recruitment will provide additional capacity within HR
- Well-being initiatives and research activity underway that will diagnose support needed to staff
- Exit interviews are undertaken with it being possible to request a full one. Hard to recruit areas are being targeted.
- Market premia is being considered where required
- Managers development programme introduced

Further Mitigation (what more should we do to reduce risk to our risk appetite level) and opportunities

	Officer responsible	Target date
The use of agency staff is regularly monitored through HR and CMT with the aim to reduce reliance.	CMT	Ongoing
Providing greater scope for apprenticeship roles throughout the council	Assistant Director: HR and OD	Ongoing
Wellbeing and staff recognition focus of the HR Workforce Plan	Assistant Director: HR and OD	Ongoing
Financial wellbeing of staff – signposting to areas for support being provided for staff	Assistant Director: HR and OD	Ongoing
Consideration of applying market premiums and other retention incentives within the other services where agency costs are increasing or where local market intelligence identifies risks .	CMT	As necessary
Attendance at recruitment fairs highlighting council job opportunities	Assistant Director: HR and OD	Ongoing
Review agile working arrangements to explore further opportunities for flexible employment	Assistant Director: HR and OD	Ongoing
Review applicant experience and trial new recruitment options	Assistant Director: HR and OD	Ongoing
Workforce business change programme to be developed	Executive Director: Delivery	Ongoing

RISK MATRIX

LIKELIHOOD	5					
	4					
	3					
	2					
	1					
		1	2	3	4	5

Likelihood:
 5 Very High
 4 High
 3 Significant
 2 Low
 1 Almost Impossible

Impact:
 5 Catastrophic
 4 Critical
 3 Major
 2 Marginal
 1 Negligible

IMPACT

CRITERIA FOR ASSESSING LIKELIHOOD

PROBABILITY	SCORE	DEFINITION
Almost impossible	1	Rare (0-5%).The risk will material only in exceptional circumstances.
Low	2	Unlikely (5-25%). This risk will probably not materialise.
Significant	3	Possible (25-75%). This risk might materialise at some time
High	4	Likely (75-95%). This risk will probably materialise at least once.
Very High	5	Almost certain (>95%). This risk will materialise in most circumstances.

CRITERIA FOR ASSESSING IMPACT

	Negligible	Minor	Major	Critical	Catastrophic
Score	1	2	3	4	5
Disruption to established routines/operational delivery	No interruption to service. Minor industrial disruption.	Some disruption manageable by altered operational routine.	Disruption to a number of operational areas within a location and possible flow to other locations.	All operational areas of a location compromised. Other locations may be affected.	Total system dysfunction. Total shutdown of operations
Damage to reputation	Minor adverse publicity in local media.	Significant adverse publicity in local media.	Significant adverse publicity in national media.	Significant adverse publicity in national media. Senior management and/or elected Member dissatisfaction.	Senior management and/or elected Member resignation/removal.

	Negligible	Minor	Major	Critical	Catastrophic
Score	1	2	3	4	5
Political	Could have a major impact one departmental objective but no impact on a Council Medium Term Objective	Could have a major impact one or more departmental objective but no impact on a Council Medium Term Objective	Could have a major impact on a Departments objective with some impact on a Council Medium Term Objective	Could severely impact the delivery of a Council Medium Term Objective	Council would not be able to meet multiple Medium Term Objectives.
Security	Non notifiable or reportable incident.	Localised incident. No effect on operations.	Localised incident. Significant effect on operations.	Significant incident involving multiple locations.	Extreme incident seriously affecting continuity of operations.
Financial (Council as a whole/ single dept.)	<1% of monthly budget	>2% of monthly budget	<5% of monthly budget	<10% of monthly budget	<15% of monthly budget
General environmental and social impacts	No lasting detrimental effect on the environment i.e. noise, fumes, odour, dust emissions, etc. of short-term duration	Short term detrimental effect on the environment or social impact i.e. significant discharge of pollutants in local neighbourhood.	Serious local discharge of pollutants or source of community annoyance in general neighbourhood that will require remedial attention.	Long term environmental or social impact e.g. chronic and significant discharge of pollutants.	Extensive detrimental long-term impacts on the environment and community e.g. catastrophic and/or extensive discharge of persistent hazardous pollutants.
Corporate management	Localised staff and management dissatisfaction.	Broader staff and management dissatisfaction.	Senior management and /or elected Member dissatisfaction. Likelihood of legal action.	Senior management and/or elected Member dissatisfaction. Legal action.	Senior management and/or elected Member resignation/removal.
Operational management	Staff and line management dissatisfaction with part of a local service area.	Dissatisfaction disrupts service.	Significant disruption to services.		Resignation/removal of local management.
Workplace health and safety	Incident which does not result in lost time.	Injury not resulting in lost time.	Injury resulting in lost time. Compensatable injury.	Serious injury /stress resulting in hospitalisation.	Fatality (not natural causes)
Legal	Minor breach resulting in small fines and minor disruption for a short period	Regulatory breach resulting in small fines and short term disruption for a short period	Major regulatory breach resulting in major fines and short term disruption for a short period	Severe regulatory breach resulting in severe fines and disruption for an extended period	Very severe regulatory impact that threatens the strategic objectives of the Council

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