

GOVERNANCE & AUDIT COMMITTEE
22 JANUARY 2025
7.30 - 9.22 PM



Present:

Councillors O'Regan (Chair), Allen, Haffegge, Neil, Pressland and Zahuruddin
Diana Anderson, Independent Member

Apologies for absence were received from:

Councillors Karim and Robertson

30. Declarations of Interest

There were no declarations of interest.

31. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the committee held on 13 November 2024 be approved as a correct record and signed by the Chairman.

32. Urgent Items of Business

There were no urgent items of business.

33. Treasury Management Report 2025/26 and 2024/25 Mid-Year Review

Calvin Orr, Assistant Director: Finance & Business Services attended the meeting to present the Treasury Management Report 2025/26 and 2024/25 Mid-Year Review.

Calvin commented on the economic impact of market fluctuations on the Council, as interest rates had not settled as quickly as anticipated when the budget was set. Investments were therefore returning a higher yield than anticipated. A key element of the years' work was the repayment of a large Public Works Loan Board (PWLB) loan of £20 million. Overall, the position in the mid-year review was as expected for this point in the year.

The management strategy outlined the planned approach for 2025/26, which remained similar to previous years with investment in triple A rated money market funds and borrowing with other local authorities or the Public Works Loan Board. The Council's priority remained to ensure liquidity and security.

Members attention was drawn to an updated capital strategy.

In response to questions, the following points were noted:

- Short term market loans were necessary to maintain cash flow in the Council and would be replaced when matured around April / May.
- It was noted that the last two months of the financial year tended to be when local authorities struggled financially due to most residents paying their Council tax over a 10 month period.

- The loan of £20 million had been paid back based on the falling interest rates, and the Council's ability to get short term loans at a cheaper rate.
- It was clarified that 'contributions' usually referred to developer contributions.
- It was noted that borrowing was crucial for the Council's ongoing functions, and the alternative would be to have unsafe or unsecured assets.
- Borrowing and lending between local authorities allowed Councils to borrow small amounts of money, as banks and large financial institutions were unlikely to loan under £100 million.
- Local authorities were all in different financial positions, and some were more cash-rich at certain points of the year than others for many reasons. However, it was noted that the market was changing and some local authorities were now more reluctant to lend to others.
- It was possible that the incomplete audit opinion from Ernst & Young due to lack of assurance on the Berkshire Pension Fund's position may have an impact on the borrowing ability of Bracknell Forest Council.
- It was noted that the PWLB loans had been made to support medium to long term investment and had offered good interest rates at the time they were taken out.

Having discussed the matter, it was **RESOLVED** that the Committee reviews the Treasury Management Report for 2025/26 attached as Annex A to the report and recommends it to Council for approval, amended as necessary by the Executive Director: Resources in consultation with the Chairman to reflect the Committee's considerations.

34. **External Audit Update 2023/24 Financial Statements**

Andrew Cardoza and Adam Bunting, KPMG attended the meeting to present an update on the external audit of 2023/24 financial statements.

Following the lack of any audit opinion issued for 2022/23 from Ernst & Young, the 2023/24 accounts contained carried forward figures which could not be relied upon. While good progress had been made in undertaking the audit for 2023/24, this meant that there would inevitably be a disclaimed opinion.

KPMG aimed to work back to the normal audit cycle for the 2024/25 audit and aimed to issue an audit plan by the end of March 2025 to be completed in November 2025.

While a report was not available for this meeting, Andrew and Adam advised that the headlines indicated no change in terms of materiality level or significant risk in the 2023/24 audit. Review work was in progress and a full report would be presented to an additional Governance & Audit Committee in February 2025, which would detail all the work which had been done despite the disclaimed opinion.

In response to questions, the following points were noted:

- The transition between Ernst & Young and KPMG had led to different expectations of Council officers. A full debrief would be carried out between KPMG and the Finance team to set out expectations, but it was noted that following the transition period, KPMG were now well placed to carry out work on the 2024/25 audit.
- It was noted that the government's timescale for 2023/24 audits had coincided with the budget setting process, and that this had resulted in a particularly challenging process.

- KPMG had used their own actuaries to deliver an audit of the Berkshire Pension Fund, who had provided satisfactory assurance of the Bracknell Forest element of the fund.
- It was clarified that the high turnover of councillors in the last borough election had been noted as a risk by auditors, in that new members may not be able to hold management to account. However, the level of support and training provided to members meant that this risk had been effectively mitigated and no recommendation had been made.

The update was noted and members would receive a final report from KPMG at an additional Committee meeting on 19 February 2025.

35. **Internal Audit Update**

Sally Hendrick, Head of Audit and Risk Management presented the Internal Audit Update.

The primary issues affecting the Audit team had related to resourcing as there had been a difficulty in recruiting qualified staff. Market premiums had now been applied to the relevant job descriptions, and two principal auditors had now been appointed. However, the vacant posts had left a backlog in audit work which would take some time to address.

Sally drew members' attention to the audits relating to Council Tax and Business Rates and Waymead, both of which had major recommendations raised.

In response to questions, the following points were noted:

- Of the two apprentices, one had been retained. This decision had been taken due to the pressure on the team of supporting two apprentices. It was noted that in a team of this size, it was not practical to have more than one trainee at any time.
- It was noted that not many audits had been issues with an opinion, and lots of work had been on follow up audits without opinions.
- The Council Tax and Business Rates team had struggled with resourcing and had been involved in administering a range of different Government initiatives to support businesses and residents through the Covid period and with rising energy bills. While some matters from the audit had not yet been actioned, Sally was assured work was underway to resolve the issues. One issue related to fraud prevention work around discounts and exemptions, and an exercise was now in place to review single person discounts. Based on previous experience, it was expected that the exercise would highlight cases where a single person discount was no longer applicable.
- Only half of satisfaction questionnaires had been returned during the reporting period, and it was suggested that more proactive work could be done to follow up after an audit.
- The remaining audits conducted during the year would be those relating to key and high risk areas. Some audits in the plan would be deferred, but lots were underway already. The focus would be on the audits required for the Head of Audit's annual opinion to be issued.
- There remained one vacancy for an internal audit manager, but the role was being reviewed.
- It was noted that now the market premium was in place, there had been a much better response to the recruitment process.

Members noted the report.

36. **Councillor Learning and Development Strategy 2025 - 2028**

Ann Moore, Assistant Director: Democratic and Registration Services presented the Councillor Learning and Development Strategy.

The strategy had been developed in consultation with the Councillor Development Charter Steering group.

The strategy promoted inclusivity and equal access for all Councillors to learning and development opportunities, inclusive of different learning styles. The learning and development work had a small budget associated with it, and officers were keen to offer value for money, and to allow councillors to fit learning around their existing commitments.

It was stressed that the strategy's duration from 2025 to 2028 accounted for the next induction following the next borough election, and necessary preparation for that.

In response to questions, the following points were noted:

- The strategy aimed to account for all learning styles, including those who learned through practical exercise and those who preferred to reflect on their learning.
- It was noted that the induction for the current administration had to account for many new councillors and so the induction process had been extended. The proportion of new councillors had led to additional support from the Local Government Association, although it was anticipated that this support would not continue year-on-year.
- The learning and development strategy always included technical training for committees, sessions for Cabinet members, and development sessions for Overview & Scrutiny Commission members as well as an extensive programme of Councillor briefing sessions.
- Feedback from the current administration had shown that some Councillors were overwhelmed by the volume of emails received, and so Democracy Snapshot had been developed to better summarise the learning and development opportunities for members.

Having discussed the matter, it was **RESOLVED** that the committee approves the councillor learning and development strategy 2025-28 as set out at annex A to the report.

37. **Minor revisions to complaint policies**

Ann Moore, Assistant Director: Democratic & Registration Services and Jen Lawson, Head of Corporate Complaints presented a report on minor revisions to complaint policies.

The Council had three different complaint policies, two of which were statutory policies for adult/children's services and one was for non-statutory corporate complaints. At the previous meeting of this Committee, members had agreed the corporate complaints policy with a delegation to the Executive Director: Communities to amend as required in consultation with the Chair of Governance & Audit Committee.

The development of a new complaints handling system had highlighted the need to streamline the processes and remove emails as an option for residents to log complaints. The Executive Director and Chair of this Committee had approved this

change in line with the delegation, but the adults and children's services policies had no such delegation in place and needed Committee sign off.

The revision was to remove email as a method of complaint, requiring residents instead to complete the online form to lodge a complaint in the system. This change would remove duplication to email recipients and support and consistent experience for complainants. The form would also source information on reasonable adjustments, and collate anonymous equalities monitoring information.

In response to questions, the following points were noted:

- Any resident who found it difficult to use the online form could access support at the libraries and the Community Hub at Time Square. Alternatively, information could be manually entered by an officer over the phone.
- Open complaint cases which had started by email were being migrated onto the new system currently, and a cross-over period was anticipated.
- It was noted that the Children's Social Care policy mentioned lodging complaints 'in writing' however members felt that this could be clearer to specify that email complaints would not be accepted. It was also noted that the adults social care policy did not include reference to writing at all, and members were advised that the disparity was due to different source legislation.
- Officers would write to a complainant if an address was the only form of contact but would ask for any other means of contact.
- A complaints entry was included on the Council Plan Overview Report which was reviewed at Overview & Scrutiny Commission each quarter and at Cabinet. An annual report on statutory complaints was published on the Council's website.

Having discussed the matter, it was **RESOLVED** that

- 1 The committee approves the minor revisions to the complaint policies for statutory complaints to make the council's online complaint form the only electronic channel to submit a complaint.
- 2 The executive director: communities is authorised to make minor revisions to the policies for statutory adults' social care complaints and statutory children's social care complaints in consultation with the committee chair and the executive director: people.

38. **Review of the councillor and officer protocol**

Sanjay Prashar, Borough Solicitor and Ann Moore, Assistant Director: Democratic and Registration Services presented the Review of the councillor and officer protocol.

The member-officer protocol comprised a set of guidelines to cover the rights, duties and obligations of councillors in their roles to reflect the expected standard of relationships between members and officers. The document also encouraged informal dispute resolution between both groups, although it was noted that an officer could use the Councillor code of conduct complaint process at any time.

The proposed document had been reviewed by the whips and the Constitution Review Group.

The revised protocol had been updated to include more gender-neutral language, to update titles and to update practice where it had changed. The Section 10: officers and political groups had been updated to give clarity on officer attendance at group

meetings. Section 14 had been updated to reflect the dedicated support for opposition groups and non-political administrative support available to all political groups.

In response to questions, the following points were noted:

- There was no current formal process for members to log their feedback and appreciation of officers, and it was suggested that such input could be useful in performance reviews. It was agreed that this suggestion would be followed up outside of the process.
- It was clarified that the Nolan principles were not detailed in this document, rather they were specified in the Councillor Code of Conduct.

Having discussed matter, it was **RESOLVED** that the committee approves the revised councillor and officer protocol attached to this report and recommends it to council for inclusion in the council's constitution.

Chair