



NOTICE OF MEETING

Governance & Audit Committee

Wednesday 27 June 2018, 7.30 pm

Council Chamber - Time Square, Market Street, Bracknell, RG12 1JD

To: The Governance & Audit Committee

Councillor Allen (Chairman), Councillor Thompson (Vice-Chairman), Councillors Ashman, Heydon, Leake, McLean, Mrs Temperton and Worrall

Independent Member:

Mr D St John Jones

cc: Substitute Members of the Committee

Councillors Mrs Hayes MBE, Dr Hill, McCracken, Mrs McKenzie-Boyle and Peacey

ALISON SANDERS
Director of Resources

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Telephone: 01344 354068
Email: kirstine.berry@bracknell-forest.gov.uk
Published: 19 June 2018



Governance & Audit Committee
Wednesday 27 June 2018, 7.30 pm
Council Chamber - Time Square, Market Street, Bracknell,
RG12 1JD

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AGENDA

Page No

1. **Apologies for Absence**

To receive apologies for absence and to note the attendance of any substitute members.

2. **Declarations of Interest**

Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.

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.

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.

3. **Minutes of previous meeting**

To approve as a correct record the minutes of the meetings of the Committee held on 28 March 2018 and 23 May 2018.

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4. **Urgent Items of Business**

Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent.

5. **Governance: Bracknell Forest Council and the Voluntary Sector**

To review the Council's future role in the governance of voluntary sector organisations that may or may not be in receipt of revenue grant aid from the authority.

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6. **Standards Annual Report**
To note the activity within the Council's Standards framework from 1 April 2017 to 31 March 2018. 17 - 24
7. **Internal Audit Annual Assurance Report 2017/18**
To note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2017/18. 25 - 50
8. **Annual Governance Statement**
To approve the Annual Governance Statement 2017/18 and the Draft Annual Governance Statement 2018/19 - Action Plan. 51 - 68
9. **Bracknell Forest Strategic Risk Update**
To consider the Strategic Risk Update to provide feedback on the completeness of risks and appropriateness of risk scores including the score for risk appetite in the Register. 69 - 84

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**GOVERNANCE & AUDIT COMMITTEE
28 MARCH 2018
7.30 - 8.10 PM**



Present:

Councillors Allen (Chairman), Thompson (Vice-Chairman), Heydon, McLean, Ms Miller, Peacey and Worrall

Apologies for Absence were received from:

Councillors Leake and Mrs Temperton

30. Apologies for Absence and Substitute Members

Councillor Peacey substituted for Councillor Leake.

31. Declarations of Interest

There were no declarations of interest.

32. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the committee held on the 31 January 2018 be approved as a correct record, and signed by the Chairman.

33. Urgent Items of Business

There were no urgent items of business.

34. External Audit Update

Justine Thorpe, Auditor, Ernst & Young attended the meeting to present the External Audit Update Report.

Good progress had been made in completing the planned programme of interim substantive testing, with samples being tested for income and expenditure, payroll, and property, plant and equipment (PPE). The challenge of meeting the faster close deadline of 31 July remained considerable, but the work completed during the interim audit would make a significant contribution to doing so.

Regular catch-up meetings had been held with the Borough Treasurer and the finance team to update on audit progress, to discuss and resolve audit issues promptly, and to identify any further steps which may need to be put in place for the year-end audit visit. The year-end audit was due to commence on 4 June 2018. In advance of this visit, the Committee noted that the External Auditors would meet with finance staff again on 3 April to discuss their detailed working papers request to help ensure the audit could commence promptly on the agreed date. An open dialogue with officers would also be maintained to understand any issues emerging from the production of the financial statements and the supporting working papers.

The Committee's attention was drawn to the fact that the Accounts and Audit Regulations 2015 had introduced a significant change in statutory deadlines for the 2017/18 financial year. This meant that the timetable for the preparation and approval of accounts would be brought forward with draft accounts needing to be prepared by 31 May and the publication of the accounts by 31 July. This meant the Council now had less time to prepare the financial statements and supporting working papers and the External Auditor would have a more significant peak in their audit work and a shorter period to complete the audit. To mitigate these risks, the Committee were advised that the External Auditor required good quality draft financial statements and good supporting working papers by the agreed deadline of 4 June and for appropriate Council staff to be available throughout the agreed audit period. In return, Ernst & Young would work with the Council to engage early to facilitate early substantive testing where appropriate and provide an early review on the Council's streamlining of the Statement of Accounts where non-material disclosure notes were removed.

The Committee were advised that work to implement the EY Client Portal was progressing well which would lead to a streamlining of audit requests as a result of a reduction in emails and an improved means of communication.

RESOLVED that the External Audit Update be noted.

35. **Internal Audit Plan 2018-19**

Sally Hendrick, Head of Audit and Risk Management, Bracknell Forest Council, presented the Committee with the Internal Audit Plan 2018-19.

The Committee were advised that the planned IT audits were provisional as proposals would be discussed with the new Chief Officer: ICT once he was settled into post.

The Committee noted that a total of 454 days was scheduled to complete the 2018-19 Internal Audit Plan and incorporated Council-wide audits, Resources, Environment, Culture & Communities, Adult Social Care, Health & Housing and Children, Young People & Learning.

As with the previous year, the Committee were advised that Mazars LLP were expected to deliver approximately three quarters of the 2018-19 general internal audit reviews and the Council had no concerns with this arrangement.

The Head of Audit and Risk Management was asked to clarify whether change management in respect to transformation was included in the Plan. It was confirmed that this was included in individual audits such as the audit of programme management for the Enterprise Agreement scheduled for 2018/19 and the 2017/18 audit of the adult social care pathway including the three conversations model which is currently ongoing. The Committee were advised that IT audit specialists would be auditing the Enterprise Agreements.

A number of comments were made on Strategic Risks which had been mapped to specific audits in the Audit Plan although it was pointed out that this was not part of the matter on which a decision was being sought. In particular there was some discussion on whether changes to MRP in respect to commercial properties were statutory or advisory. The Head of Audit and Risk Management advised she would raise this with Stuart McKellar.

RESOLVED that the Internal Audit Plan 2018-19 be **APPROVED**.

36. Internal Audit Charter

Sally Hendrick, Head of Audit and Risk Management, Bracknell Forest Council, presented the Committee with the updated Internal Audit Charter.

The Committee were reminded of the background to the creation of the Council's Internal Audit Charter:

With effect from 1st April 2013, a common set of Public Sector Internal Audit Standards (PSIAS) were introduced which are applicable to and mandatory for all UK public sector organisations including local authorities. PSIAS require the Council to formally define the purpose, authority and responsibility of internal audit in an internal audit charter which must be presented to and approved by senior management and "the Board". The role of "the Board" is undertaken by the Governance and Audit Committee at Bracknell Forest Council. The Internal Audit Charter was developed in accordance with PSIAS and approved in January 2018. This was now due for review and the updated Charter with tracked changes was attached at Appendix 1 of the report for review and approval.

The Committee reviewed the tracked changes to the Internal Audit Charter and noted a couple of grammatical and spelling errors. Sally said she would review the changes and amend as appropriate to ensure the tracked changes correctly reflected the amendments.

Sally advised the Committee that the amendments to the Charter had been reviewed by CMT and that the purpose of bringing it to the Governance and Audit Committee was to seek formal approval.

The Committee were pleased to note that the mission statement of the Internal audit set out its purpose, authority and responsibility as well as the value of the internal auditing process.

Clarification was sought on the use of the word 'independent' under the heading Core Principles:

- *Is objective and free from undue influence (independent).*

Sally clarified that the fundamental objective of undertaking internal audits was for the auditor(s) to be free from the view of other parties and to have an independent view.

It was clarified that to maintain audit independence and avoid conflict with the Head of Audit and Risk Management's role in respect of risk management, any audits of risk management undertaken by the internal audit providers are quality reviewed by the Contracts Manager and reported to the Borough Treasurer. Audits of risk management arrangements had not been undertaken for some years although risk management is included in the brief for most audits particularly in respect of fraud risk.

RESOLVED that the Internal Audit Charter with the tracked changes be approved once corrected.

CHAIRMAN

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**GOVERNANCE & AUDIT COMMITTEE
23 MAY 2018
8.45 - 8.46 PM**



Bracknell Forest Borough Council:

Councillors Allen (Chairman), Thompson (Vice-Chairman), Heydon, Leake, McLean, Mrs Temperton and Worrall

Apologies for absence were received from:

Councillors Ms Miller

1. Election of Chairman

RESOLVED that Councillor Allen be appointed Chairman of the Governance and Audit Committee for the Municipal Year 2018 – 2019.

COUNCILLOR ALLEN IN THE CHAIR

2. Appointment of Vice-Chairman

RESOLVED that Councillor Thompson be appointed Vice-Chairman of the Governance and Audit Committee for the Municipal Year 2018 – 2019.

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

(3 Councillors)

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

Independent Co-opted Members

(for complaints concerning Borough councillors)

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

Heather Quillish

Khan Juna

Parish/Town Council Representatives

(for complaints concerning Parish / Town Councillors)

Cllr Bob Shurville – Winkfield Parish Council

Cllr Bruce McKenzie-Boyle – Crowthorne Parish Council

Independent Persons

Dr Louis Lee

Vacancy (reserve)

CHAIRMAN

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TO: GOVERNANCE AND AUDIT COMMITTEE
27 JUNE 2018

GOVERNANCE: BRACKNELL FOREST COUNCIL AND THE VOLUNTARY SECTOR (Director of Resources)

1 Purpose of the Report

- 1.1 For the Governance and Audit Committee to review the Council's future role in the governance of voluntary sector organisations that may or may not be in receipt of revenue grant aid from the authority.

2. Recommendations

- 2.1 **That the Council continues to support the voluntary sector and recognises the important role Members play in its continued success;**
- 2.2 **That with immediate effect, in order to protect Members from the potential risk of legal liabilities, the Council will no longer agree nominations to any voluntary sector organisation where that role is as a Trustee, Director or member of the management board/committee**
- 2.3 **The Council may continue to nominate Members to voluntary sector organisations as representatives in a non management capacity with no role in the governance of the organisation. Such roles will be limited to Members being nominated to act as conduits for communication between the Council and the organisation or as observers at its meetings.**
- 2.4 **Where a Member is nominated as a representative pursuant to 2.4 above, they may not subsequently accept a role on the organisation's board as a Trustee/Director or in any other management capacity such a Treasurer.**
- 2.5 **Save in respect of 2.3 above, the term "Voluntary Sector Organisations" for the purposes of this report expressly excludes Council owned companies, all maintained, VA and VC schools (including academies) and local authority consortiums**

3 Reasons For Recommendations

- 3.1 Best governance practice highlights that a local authority should not have undue influence in any voluntary sector organisation it is involved with, and it is therefore appropriate that Members review its relationships now to inform how it positions its involvement in the future.
The Council places Members in a difficult position when they are nominated to external organisations as Trustees, Directors or members of a management committee as their duty to the external organisation has the potential to bring them into conflict with the Council. This may be particularly onerous when the organisation concerned is in receipt of financial support from the Council.
- 3.2 The recommendations in this report are predicated on a desire not to place Members at potential risk of legal liability to which their status on a decision making Board of an organisation could give rise. Whilst they do not prohibit Members from acting in a personal capacity they should nonetheless exercise care when doing so in situations

of potential conflict with their Council obligations.

4 Alternative Options Considered

- 4.1 Given the potential conflicts of interest, it was felt appropriate to undertake a review and consider alternatives to the current arrangements.

5 Supporting Information

- 5.1 The transformation review of South Hill Park highlighted that the governance arrangements operated by the SHP Trust were not as effective as they could be in supporting the organisation moving forward in what are much more challenging financial times, and a review of its own governance was initiated by the Board at South Hill Park. Bracknell Forest Council previously had nomination rights to 4 places on the Board and, while supporting the Trust was always a popular commitment undertaken by Members over many years, advice from the Council's consultants, Activist, was that as well as the sheer number of nominations to the Board being excessive, this arrangement was not helpful to the Trust in moving forward because it could not guarantee that Council nominees had the right blend of skills and knowledge to support the Trust. Upon reflection, the Council agreed with this assessment and subsequently informed the Board at South Hill Park Trust that in any governance review there should no longer be any nomination rights for Bracknell Forest Council. The Trust has accepted this and the Charity Commission has agreed a new memorandum of association for South Hill Park Trust which cements these changes.
- 5.2 One of the key drivers behind the Council concluding that there should be no nomination rights to the Board of South Hill Park was the potential for a conflict of interest of Council members acting in their role as trustees and acting in the role of an elected member. While the law is very clear that Board members, as trustees, must place the interests of the Trust above all others there was real concern that it was difficult to avoid the perception of conflict from normal members of the public hence the decision to cut any formal ties between BFC elected members and the Board and the current position to a large extent achieves this.
- 5.3 However, the review of the governance at South Hill Park and the position adopted by the Council also brought into sharp focus the Council's governance arrangements with five other voluntary sector organisations also in receipt of significant amounts of revenue grant aid from the Council. These are Citizen's Advice Bureau, Involve, Shopmobility, Keep Mobile and Age Concern. The level of grant and the constitutional arrangements for these organisations in so far as they related to the Council are described in the following paragraphs.
- 5.4 Citizen's Advice Bureau:
2017/18 core grant of £167,250. 1 Council representative who is not a trustee - Cllr Sarah Peacey is the current Council representative. CAB currently has trustee vacancies, including the Chair. They require a minimum of three trustees and can have a maximum of twelve.
- 5.5 Involve:
2017/18 core grant of £106,900 Their constitution states that they must have a minimum of 3 trustees, there is no maximum number. There is one Council representative at Involve, currently, Cllr Dale Birch.

- 5.6 Shopmobility:
2017/18 core grant of £29,500. Shopmobility is set up as a Company Limited by Guarantee. Their rules state that they can have no more than six Directors. Currently they have five Directors none of which are BFC Councillors), (Cllrs Jan Angell and Isabel Mattick recently resigned from their roles)
- 5.7 Keep Mobile:
The Council provides a grant of £85,000 per year to Keep Mobile to support the provision of dial-a-ride trips and group transport for Bracknell Forest residents. There are no Bracknell Forest councillors on the board of six Trustees which govern Keep Mobile, but there is a councillor on the nine-strong Management Committee - Cllr Dr Barnard.
- 5.8 Age Concern:
£32k grant for running a day centre. 1 Council trustee, currently Cllr Thompson. Requires 3 – 12 trustees, currently 5.

Trustee/Director

- 5.9 The Council nominates representatives to over 70 organisations but a very small proportion are nominations to the role of Trustee/Director. These include: Keep Mobile (as detailed above); Berkshire Maestros which used to be in receipt of grant aid but the financing arrangements are now changed; and Age Concern (as above)
- 5.10 While it is difficult to speculate, where a Member is nominated on to a board of an organisation as a Trustee/Director this is likely to be because the Council at the time wanted to have some form of formal authority on the board or perhaps the organisation itself wanted formal representation in the belief that the elected member could sway some advantage in its dealings with the Council. Whatever the historic reasons behind the decision to nominate Trustees/Directors, this legal link between the Council and a voluntary sector organisation is unusual and would benefit from review.
- 5.11 The decision to not nominate elected members on to the Board at South Hill Park was in large part a concern about the perception of a conflict of interest and consequently members of the public could reasonably arrive at the same conclusion with the organisations where the Council has representatives who are Trustees/Directors. It is difficult to see what advantage there is to the Council in nominating to the position of a trustee/Director since the individual must act in the interests of the board anyway Their primary responsibility will be to the organisation itself, to advance its interests, as opposed to acting as a representative of the Council. In all likelihood, a “member Trustee/Director” is likely to be a disadvantage to the organisation since the member will not easily be able to give advice and guidance to the board in terms of Council interests and intent. A critical question therefore is whether the Council should nominate any Member on to the board of a voluntary organisation in the role of Trustee/Director, whether or not they are in receipt of financial support. The view of the Corporate Management Team, having carefully considered the issues, is that it should not.
- 5.12 In reaching this conclusion the Corporate Management Team had particular regard to the protection of Members from liabilities that could arise under either Charity Law (as Trustees) or Company Law (as Directors) when acting in such capacity.

Management roles on unincorporated associations

- 5.13 In addition to Members being nominated to Charities/Companies as Trustees/Directors it is also possible for nominations to be made to the management committees of unincorporated associations. In such instances the external organisation has no separate legal entity and any liabilities will fall upon the members personally.(ie if the organisation is sued , the members personal assets are at risk- they cannot stand behind the veil of a corporate entity to give them some protection). Recommendation 2.2 therefore extends the proposed prohibition of nominations beyond that of Trustees and Directors to include such roles.

Other forms of representation

- 5.13 CMT consider the issue of public perception of undue influence by Members acting in the role of a representative on a voluntary sector organisation is not as problematic from a conflict perspective as the more formal roles referenced above .

Local lottery

- 5.14 to the Executive has agreed to introduce a local lottery and the proceeds of that are intended to be distributed to the voluntary sector within the borough. So in the future it is entirely possible that virtually every local voluntary organisation could be eligible for one-off grant aid and in these circumstances it will be vital that any award is transparent and seen to be fair. Grant aid always involves choices for the council and it may be difficult to avoid a negative public perception of bias if grant aid is awarded to a voluntary sector organisation where a councillor is in a senior position on the committee and a refusal was issued to another organisation with no such representation. The allocation procedure will therefore be carefully structured to ensure that awards cannot be challenged on the basis of bias.

Conclusion

- 5.15 There is little doubt that the active involvement of elected members in our community is high and welcomed. However, it is important to protect members in these roles and also create the opportunity where elected members can advocate effectively for the voluntary sector organisation they are supporting without that giving rise to the perception of a conflict of interest to a member of the general public. It is considered that these objectives can be best met by modifying the type of relationships members may have with the voluntary sector they wish to serve.

6 Borough Solicitor's Comments

- 6.1 The Borough Solicitor is the joint author of this report.

7 Borough Treasurer's Comments

- 7.1 The Borough Treasurer has advised of the plans to introduce a local lottery to fund the voluntary sector and that this would make it even more important that Members were not seen to be able to influence future decisions.

8 Equalities Impact Assessment

- 8.1 Not applicable

9 Strategic Risk Management Issues

9.1 To be addressed as part of the discussion

Contact for further information

Alison Sanders: Director of Resource
Tel 01344 355621 alison.sanders@bracknell-forest.gov.uk

Sanjay Prashar: Borough Solicitor
Tel 01344 355607 sanjay.prashar@bracknell-forest.gov.uk

Ann Moore: Head of Democratic and Registration Services
Tel 01344 352260 ann.moore@bracknell-forest.gov.uk

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**TO: GOVERNANCE AND AUDIT COMMITTEE
27 JUNE 2018**

STANDARDS ANNUAL REPORT (Director of Resources – Legal)

1. Purpose of Report

- 1.1 The attached report advises the Committee and subsequently Council of activity within its Standards framework from 1 April 2017 to 31 March 2018.

2. Recommendation

- 2.1 **That the Committee notes the Standards output in 2017/18 as set out in this report.**

3. Reasons for Recommendations

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

4. Supporting Information

- 4.1 The Standards Framework comprises a number of elements including the code of conduct for Councillors, rules around disclosure of interests, procedure for dealing with complaints and sanctions for breach. Until its dissolution in November 2016 responsibility for oversight of the Standards Framework vested in the Standards Committee. Subsequently this has transferred to the Governance & Audit Committee.
- 4.2 The attached report appraises the Council of Standards related activity in from 1 April 2017 to 31 March 2018.

5 Borough Solicitor's Comments

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

6 Borough Treasurer's Comments

- 6.1 There are no financial implications arising.

7 Strategic Risk Management Issues

- 7.1 None.

8 Background Papers

None.

9 Contact for Further Information

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

STANDARDS ANNUAL REPORT 2017/18

1. The Council's Standards Committee was dissolved in 2016 and its functions incorporated into the terms of reference of the Governance and Audit Committee.
2. A Code of Conduct Working Group was convened and met on one occasion during the year to consider the continuing viability of Affected Interests within the Code of Conduct regime given their non-statutory basis as well as a general sense of disquiet amongst some Members as to their application in practice. . The Working Group agreed to retain Affected Interests but to limit their effect. Consequently whilst any Member possessing an Affected interest in a matter still needs to disclose such an interest they will no longer be required to refrain from participating or voting on the matter.

Complaints

3. Under the current procedure for the handling of complaints alleging a breach of the Code of Conduct for Members, a complaint is first considered by the Monitoring Officer. The options available to the Monitoring Officer at that stage are:-
 - refer for investigation
 - refer for some other form of action ("other action")
 - determine that no further action is required.("no action")

If a complaint is referred for investigation the ensuing report is considered by the statutory Independent Person and the Monitoring Officer. At that stage the options are:-

- refer to a Code of Conduct Panel for consideration.
 - refer for resolution by some other form of action (e.g. if the investigation finds that there has been a breach and the Member agrees to apologise)
 - no further action required (investigation finds no breach which conclusion is agreed by the independent person and Monitoring Officer)
4. In the period between 1 April 2017 and 31 March 2018 the Monitoring Officer received 6 complaints alleging breaches of Codes of Conduct for Members. The grounds of each complaint and its outcome are set out in the table below.

	Date of Complaint	Status of Complainant	Borough or Parish Councillor	Grounds of Complaint	Outcome
1	May 2017	Resident	Borough	Social media comment	No action. Unsubstantiated
2	May 2017	Resident	Borough	Social media comment	No action. Unsubstantiated

3	May 2017	Resident	Borough	Social media comment	Apology. Informal resolution.
4	May 2017	Resident	Borough	Social media comment	Apology. Informal resolution.
5	Nov 2017	Resident	Borough	Undisclosed Personal Interest	No action. Unsubstantiated
6	Feb 2018	Resident	Borough	Not particularised	No action Unsubstantiated

5. The table reflects the growing trend of relatively low level complaints which do not warrant the time and expense of investigation under the Standards Framework .In each case where no action was taken this decision was preceded by consultation with the Independent Person (Dr Louis Lee) before being shared with the Complainant and subject member. In accordance with a protocol adopted in 2016, the Party whip was also notified.

Previous years data

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

- 6 Whilst the adequacy of sanctions within the Standards regime continues to attract debate nationally there are currently no proposals flowing from the Ministry of Housing, Communities and Local Government to introduce further legislation.
7. In January 2018 The Committee for Standards in Public Life (“CSPL”) commenced a review of ethical standards in local government. The findings from that review are still awaited and will be reflected in next year’s Annual Standards report for this Council. A round table meeting of Monitoring Officers, Clerks and Independent Persons was hosted by the CSPL on 18 April. A summary note of that roundtable discussion which will help inform the findings is attached (**Annex A**)

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

**ETHICAL STANDARDS IN LOCAL GOVERNMENT
ROUNDTABLE OF MONITORING OFFICERS, CLERKS, AND INDEPENDENT PERSONS
WEDNESDAY 18 APRIL 2018 - BIRMINGHAM**

SUMMARY NOTE OF DISCUSSION

Codes of conduct

- There is a high level of variation in local authority codes: both in length and in provisions. Codes range from those which simply list the Nolan Principles, to long and complex documents.
- This variation creates complexity: for example, public living on the borders don't understand differences between neighbouring counties; and dual- or triple-hatted councillors are subject to multiple regimes. This confusion is particularly acute in respect of specific requirements such as declarations of interests. Participants generally agreed that the public expects the same ethical standards at all tiers of local government.
- A successful code needs to aid public understanding of standards, as well as set expectations for councillors.
- One participant suggested that around half of parish councils used a template a code of conduct drafted by NALC.
- Members of the public can find it difficult to understand provisions in codes sufficient to identify which under which one they should lodge their complaint.
- Shorter codes based on the Nolan Principles alone are the hardest to administer and can lead to disputes or more complaints due to the breadth of interpretations open.
- The availability of case law has meant some councils have retained codes adopted under the previous statutory regime so that they can be more easily interpreted.
- Some authorities do not revise their codes regularly or in light of experience.

Declaration of interests

- The 'disclosable pecuniary interests' introduced in the Localism Act 2011 are a new category of interest in local government law and are difficult to deal with. Some councils use three, overlapping, categories of conflicts (personal, prejudicial, and disclosable pecuniary).
- In small communities, some level of overlapping interests by an individual is inevitable.

- The definition of disclosable pecuniary interests under the Localism Act 2011 is narrower than would be the public's expectation. Councils find that they need to supplement the statutory requirements with their own code.
- The criminal offences relating to pecuniary interests are complex and there is little prospect of follow-up.
- Putting an interest on a register and declaring it at a meeting are both needed for full transparency, but the current regime does not require a declaration as long as the interest is registered.

Gifts and Hospitality

- Most councils include a gifts and hospitality register in their code of conduct, however, councils do not tend to receive complaints about a lack of declaration of gifts or hospitality. Most participants did not consider this a significant problem.
- It is difficult for local authorities officers to advise councillors on registering gifts and hospitality due to a number of roles they might hold, and the capacity in which they are offered gifts and hospitality.

Sanctions

- Participants highlighted an inconsistency with an approach of being able to set a code but not enforce it. Participants strongly felt that a lack of stronger sanctions undermines the system and erodes public confidence.
- Being censured by a council can, depending on the individual and the situation, be seen as a 'badge of honour'.
- Introducing the ability to suspend councillors may require an appeal stage to ensure it is Article 6 ECHR compliant.
- Councils have been creative with the use of sanctions under their existing competency: for example, by withdrawing facilities, including IT, or putting in place bans from council premises.
- Political consensus assists with making disciplinary findings against members in some cases where conduct is very serious. The interaction between political parties and the sanctions process is complex.
- Investigations are currently disproportionately expensive to sanctions available.
- Parish councils are not organised (politically or otherwise) or structured in the same way as principal authorities and, in many cases, are not sufficiently resourced to avail themselves of effective sanctions, even if they were aware that such sanctions were possible.
- Most councillors go into local government to make a difference, conduct themselves well, and would find any sanction very sobering. More sanctions are needed for the small minority of councillors who show poor conduct.

Independent Person (IP) role

- The Independent Person (IP) is a wholly advisory role.
- Their effectiveness heavily depends on the culture of the authority and their relationship with the Monitoring Officer. With the right relationship, the IP can be an effective position.
- Subsequent legislation has found other roles for IPs, for example, on panels for Chief Officer disciplinary hearings and Combined Authority audit committees.

- Some participants suggested strengthening and clarifying the IP role. Others expressed a concern that IPs can lose their independent perspective after serving for a long period and should therefore have a limited term of appointment.

Pressures on Monitoring Officers

- Participants felt that the Monitoring Officer role was difficult. Monitoring Officers need carefully to navigate relationships with councillors - they may have to deal with complaints about them whilst at same time need to build a relationship with them.
- The role is particularly difficult in small authorities as they cannot share the workload among a team.
- The role is more likely to be successful where there is a collaborative, and not adversarial, culture between members and officers.
- Some complaints can become ethical issues due to the escalating nature of the complaint; equally, weak governance can create situations where ethical standards complaints are more likely.
- There is a small number of parish councils that create a disproportionate standards caseload, partly because there are fewer external bodies and processes to oversee town and parish councils.
- A number of participants reported that many clerks would rather walk away from their role than use the employment or code complaints avenues to resolve behaviour directed towards them in their role.

Culture and improvement

- Participants spoke of the need to convince members that it is not in anyone's interest to become involved in formal complaints and sanctions.
- Any standards regime needs to be robust enough to deal with councillors who do not 'buy in' to it.
- Need to improve public understanding of ethical standards expected of councillors and that standards are central to a council's activity.
- Standards committees should not stand alone; ethical standards should be incorporated into the overall governance of a council.
- Equally, standards should not be seen as the exclusive responsibility of the Monitoring Officer, but the responsibility of all statutory officers. An ethical culture is strongest where senior officers work together.
- Many councils do not publish data about the type of complaints investigated and categories of outcomes, which does not meet expectations about transparency.
- Councillors may take up their role without knowing what standards are expected and their responsibilities: early induction is important, but takes resources.

Role of central government

- Participants contrasted the current approach in England to that in the devolved administrations in the UK, describing the Standards Commission in Scotland and Public Service Ombudsman for Wales in particular as 'cheerleader regulators'.
- Only central government could give councils legal power to levy additional sanctions.
- Besides this, participants suggested that many changes could take place at the local level, and that it was important to retain an element of local flexibility.
- Some participants suggested that steps could be taken by central government to enforce transparency data relating to standards issues and complaints.

- Participants generally agreed that it is the duty of councillors to set standards, and that local councils could themselves put in place clearer and fairer codes that more clearly set out expectations for complainants and councillors.

**TO: GOVERNANCE AND AUDIT COMMITTEE
27 JUNE 2018**

**INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2017/18
(Head of Audit and Risk Management)**

1. Purpose of Report

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

2. Recommendation

- 2.1 The Governance and Audit Committee note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2017/18.**

3. Reasons For Recommendation

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

4. Alternative Options Considered

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

5. Supporting Information

- 5.1 The Council is required under the Accounts and Audit (England) Regulations to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control".
- 5.2 The Public Sector Internal Audit Standards applicable to local government require the Head of Internal Audit to provide a written report to those charged with governance timed to support the Annual Governance Statement. This report should include an overall opinion on the adequacy of the control environment, a summary of the work that supports the opinion and a statement on conformance with the Public Sector Internal Audit Standards (PSIAS).
- 5.3 The attached report sets out the Head of Internal Audit's Opinion for 2017/18 summarising the results and conclusions of Internal Audit's work for 2017/18 and a statement on compliance with PSIAS. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit

give that assurance. This opinion can, therefore, only provide reasonable and not absolute assurance based on the work undertaken and areas audited.

6 Borough Solicitor's Comments

6.1 Nothing to add.

7 Borough Treasurer's Comments

7.1 Nothing to add

8 Equalities Impact Assessment

8.1 Not applicable.

9 Strategic Risk Management Issues

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

10 Consultation

10.1 Not applicable.

11 Background Papers

11.1 Accounts and Audit Regulations
Public Sector Internal Audit Standards

12 Contact For Further Information

Sally Hendrick – 01344 352092
Sally.hendrick@bracknell-forest.gov.uk

ANNUAL REPORT OF THE HEAD OF AUDIT AND RISK MANAGEMENT:

1. BACKGROUND

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

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

2. PURPOSE OF THE HEAD OF INTERNAL AUDIT’S ANNUAL REPORT

The Head of Internal Audit’s annual report

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

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

3. OPINION ON THE CONTROL ENVIRONMENT IN PLACE DURING 2017/18

Based on the work of Internal Audit during the year, the Head of Audit and Risk Management has given the following opinion:

- The Head of Audit and Risk Management is able to provide reasonable assurance that the Authority has sound systems of internal control in place in accordance with proper practices except for those areas of significant weakness as set out in Section 5.3;
- Key systems of control are operating satisfactorily except for the areas referred to in Section 5.3; and
- There are adequate arrangements in place for risk management and corporate governance.

4. CONFORMANCE WITH PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS)

Based on the independent external assessment undertaken in March 2016 and update of the internal assessment as set out in Section 6.1, the Head of Audit and Risk Management can confirm that Bracknell Forest internal audit conforms with PSIAS requirements. The Head of Audit and Risk Management can confirm organisational independence of internal audit activity and absence of impairment to objectivity or independence during 2017/18.

5. INTERNAL CONTROL

5.1 Internal Audit Performance

The resources available for internal audit are finite and not all areas can be covered every year. Therefore internal audit resources are allocated using a risk based approach. The Internal Audit Plan for 2017/18 was considered and approved by the Governance and Audit Committee on 29th March 2017. The delivery of the individual audits in the Internal Audit Plan for 2017/18 was mainly undertaken by Mazars Public Sector Internal Audit Limited. Seven IT audit reviews were delivered by TIAA. All grant claims and six reviews were audited in house and 12 audits were undertaken by Wokingham Borough Council's Internal Audit teams under an agreement under S113 of the Local Government Act 1972 which permits local authorities to provide staffing resources to other authorities.

Some alterations were made to the original plan during the year in response to information gained during the year. These are clearly shown in Appendix 1. At the time of writing this report, 3 reports were issued draft awaiting management responses and 3 were work in progress. All other audits had been finalised or certified in the case of grant claims. The outcome for each audit is summarised at Appendix 1.

5.2 Summary of the Results of Audits

ASSURANCE	FINAL AND DRAFT 2017/18	2016/17
Significant	1	1
Satisfactory	31	42
Limited	13	23
Total for Audits Including an Opinion	45	66
Grant Claim Certifications	6	4
Memos and reports with no opinion	31	14
Total	82	84

Assurance Opinion Classifications

Assurance Level	Definition
Significant	There is a sound system of internal controls to meet the system objectives and testing performed indicates that controls are being consistently applied
Satisfactory	There is basically a sound system of internal controls although there are some minor weaknesses in controls and/or there is evidence that the level of non-compliance may put some minor systems objectives at risk.
Limited	There are some weaknesses in the adequacy of the internal control system which put the systems objectives at risk and/or the level of compliance or non-compliance puts some of the systems objectives at risk.
No Assurance	Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

5.3 Significant Control Weaknesses

In forming its opinion, Internal Audit is required to comment on the quality of the internal control environment, which includes consideration of any significant risk or governance issues and control failures which arise.

a) Council Wide Financial Control

There was some weakening in financial control during 2017/18 as illustrated by the audits where significant weaknesses were found as set out in 5.3b), less frequent performance monitoring within Finance and budget monitoring across departments due

to changes within Finance and processing delays and errors arising from resource pressures and the impact of ongoing transformation changes within Finance. The control environment will need to be strengthened to support the move to self service.

b) Audits with a Limited Opinion and/or Priority 1 Recommendations

During 2017/18, there were no audits where no assurance was given but there were 13 audits which resulted in a limited opinion and 3 reviews where priority 1 recommendations were raised without an opinion. These are set out below;

Council Wide Officers Expenses (also limited in 2016/17))

A priority 1 recommendation was raised due to an unexplained weakness in the IT system where for one of the sample there was no workflow on the system and it was not possible to confirm whether the claim had been checked and approved and by whom prior to payment

SEN Resource Provision

Three priority recommendations were raised on the absence of formal agreements, lack targets and outcomes and ambiguity in the calculation of funding.

Personal Education Plans

Three priority recommendations were raised on the absence of PEPs for pre-school and post 16 children, lack of manager quality review checks and weaknesses in monitoring allocation and use of pupil premium.

Home to School Transport (Follow up memo issued, Also limited in 2016/17)

A priority 1 recommendation was raised again on DBS checks.

Disaster Recovery (Follow up memo issued, Also limited in 2016/17)

Audit found that the original priority 1 recommendation on documentation had been partially implemented as this was still in draft and one priority 2 recommendation on the scheduling of recovery testing had not been implemented and has been escalated to a priority one finding. Officers have advised that delays in testing were due to the major office moves that have been undertaken over the last year.

Cyber Security Gap Analysis Including VOIP

Two priority 1 recommendations were raised on identification of risks and review and update of the Acceptable Use Policy.

Business Rates

One priority one recommendation was raised to address non compliance with write off authorisation procedures

Council Tax

One priority one recommendation was raised to address non compliance with write off authorisation procedures.

Forestcare

Three priority 1 recommendations were raised on direct debit rejections, contract management information and timesheet checks

Creditors (Also limited in 2016/17, 2015/16 and 2014/15)

One priority 1 recommendation was raised on the ongoing system weaknesses around the audit trail in the web version of Agresso.

Car Parks

Two priority 1 recommendations were raised in relation to weaknesses in the reconciliation of card payments and in the evidence to support cancellation penalty charges.

ITRENT Appraisal Module

A limited opinion was given due to weaknesses in the implementation and operation of the system.

c) School Audits Identifying Significant Control issues for Governing Bodies to Address

School 1 (Follow Up -memo issued. Also limited in 2016/17))

The priority one recommendation relating to invoice approval had not been implemented and was re-raised. However as part of the desk exercise to follow up recommendations in December 2017, the School advised that the priority one recommendation had now been implemented.

School 2

Five priority one recommendations have been raised relating to weaknesses in budget monitoring, authorisation of invoices, maintenance of an inventory, control over iPads and the audit of the private fund.

School 3

Two priority 1 recommendations. One of these related to two cases where the Data Barring Service check was not received prior to start of employment and there was no risk assessment or manual vetting and barring checks completed. The second priority 1 recommendation related to weaknesses in ordering, goods received checks and authorisation of payments.

School 4

One priority 1 recommendation was raised in respect to weaknesses in ordering, goods received checks and authorisation of payments.

5.4 Follow up of 2016/17 Limited Assurance Opinions

The Internal Audit procedure is for areas given a limited assurance opinion to be re-audited in the following year. The table below sets out the latest audit position on areas given a limited assurance opinion in 2016/17.

DIRECTORATE	AREA	
COUNCIL WIDE AUDITS	<u>OFFICERS EXPENSES</u>	Re-audited in full in quarter 1 and a limited assurance opinion was given. See section 5.3.
	<u>BUDGET SAVINGS</u>	No follow up planned.
CHILDREN, YOUNG PEOPLE AND LEARNING	<u>MOSAIC IT SYSTEM</u>	Follow up deferred to 2018/19
CORPORATE SERVICES	<u>CONSTRUCTION AND MAINTENANCE</u>	As reported to the June 2016 Governance and Audit Committee, the issues have been raised with management at the last 3 audits and no further audit work will be undertaken
	<u>CREDITORS</u>	This was re-audited in quarter 3 and a limited assurance opinion was given again. See section 5.3.
	<u>IT EQUIPMENT</u>	To be re-audited in 2018/19
	<u>HOME TO SCHOOL TRANSPORT (2015/16 AUDIT)</u>	A follow up was carried out in quarter 1 and a priority 1 recommendation was raised. See section 5.3.
	<u>CRM SYSTEM</u>	A follow up was carried out in quarter 2 and all priority 1 issues previously raised had been addressed.
	<u>DISASTER RECOVERY</u>	A follow up was carried out in quarter 2 and a priority 1 recommendation was raised. See section 3.4.
	<u>BACK UPS</u>	A follow up was carried out in quarter 2 and the priority 1 issue previously raised had been addressed.
ENVIRONMENT CULTURE AND COMMUNITIES	<u>LED</u>	No follow up planned
	<u>HIGHWAYS NETWORK ASSETS</u>	Since the audit CIPFA have withdrawn the proposed

DIRECTORATE	AREA	
		accounting changes hence no further audit work will be carried out in this area.
ADULT SOCIAL CARE , HEALTH AND HOUSING	<u>MENTAL HEALTH (2015/16 AUDIT)</u>	This was followed up in quarter 2 and the audit concluded that the priority 1 issue had been addressed although it was noted that the recording of mental health data is on two systems: the Council's and the Berkshire Healthcare Foundation Trust's systems and there was a need to improve recording of reviews on the Council's LAS system.
	<u>BRIDGEWELL</u>	The centre has now closed so no further audit work was taken on the recommendations although an audit was carried out on the controls over assets during the close down process.
	<u>ADULT SOCIAL CARE DEBT MANAGEMENT</u>	This was re-audited in quarter 4. And it was found that that 4 of the 5 recommendations had been addressed including the 2 priority 1 recommendations.
SCHOOL GOVERNING BODIES	<u>SCHOOL 1</u>	Followed up in quarter 1. Audit found that that the priority one recommendation had been addressed.
	<u>SCHOOL 2</u>	Followed up in quarter 1 and a priority 1 recommendation was raised again. As part of the desk exercise to follow up recommendations in December, the School advised that the priority one recommendation had been addressed.
	<u>SCHOOL 3</u>	Followed up in quarter 1. Audit found that that the priority one recommendation had been addressed.

DIRECTORATE	AREA	
	<u>SCHOOL 4</u>	Followed up in quarter 1. Audit found that that the two priority one recommendations had been addressed.
	<u>SCHOOL 5</u>	A follow up was undertaken before the school became an academy and it was found that the priority 1 recommendation had been addressed.
	<u>SCHOOL 6</u>	Follow up audit deferred due to sickness in the school.

5.4 Follow up of Audit Recommendations

Managers are required to provide an update on progress to implement recommendations. The outcome of follow up work on reports from 2016/17 and 2017/18 is set out in Appendix 2 and indicates that management responded that 78% of recommendations have already been implemented.

6. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

6.1 Compliance with Public Sector Internal Audit Standards

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

The external assessment of Bracknell Forest Council’s internal audit services was carried out in March 2016 when the conclusion was that internal audit at Bracknell Forest Council generally conforms with the Public Sector Internal Audit Standards with a high level of compliance. Only 4 minor areas for improvement were identified and these have been addressed. In addition, the Council’s main internal audit contractor, Mazars engaged consultants to carry out an external assessment of their own compliance with PSIAS in November 2016 and this identified only three minor areas of non-compliance together with one area which would fall due for update arising from the introduction of a new requirement in PSIAS effective from March 2017.

An internal assessment which confirmed the Council’s continuing compliance with PSIAS was carried out by the by the Head of Audit and Risk Management in May 2018. During 2017/18, the Internal Audit Charter was reviewed and updated to reflect changes made to the PSIAS to include a mission and core values for internal audit. The revised Charter was approved by the Governance and Audit Committee on 28th March 2018.

6.2 Summary of Internal Audit Performance 2017/18

	Client Questionnaires		Draft Report Produced within 15 Days of Exit meeting
	Received	Satisfactory	
2017/18	34	100%	76%
2016/17	30	100%	77%

6.3 Feedback from Client Quality Questionnaires

The overall response from client questionnaires for 2017/18 was positive with no responses returned where the auditee did not find the audit satisfactory.

7. EXTERNAL INSPECTIONS

7.1 Consideration of the Outcome of External Inspections

In accordance with Public Sector Internal audit Standards the Head of Audit and Risk Management is required to consider the outcome of the external inspections and assessments to inform the development and ongoing review of the Internal Audit Plan for the current and future years and assess if there are any issues relating to the control environment which need to be taken into account in drawing up the annual Head of Internal Audit Opinion. The findings of the various assessments considered when finalising the Head of Internal Audit Opinion for 2017/18 are as follows:

7.2 External Auditors' Annual Audit Letter 2016/17

The Annual Audit Letter 2016/17 from Ernst and Young was presented to the Governance and Audit Committee on 30th September. Ernst and Young issued an unqualified audit opinion for the year ended 31 March 2017. They also issued an unqualified opinion on whether the Council had put in place proper arrangements for securing economy, efficiency and effectiveness.

7.3 External Auditors' Grant Certification Report 2016/17

The Grant Certification Report 2016/17 from Ernst and Young was presented to the Governance and Audit Committee on 31st January 2018. This covered the Housing Benefit Subsidy Claim. No amendments were made to the claim as a result of audit work on the audit work

7.4 OFSTED Inspection of Children's Services

The OFSTED report published in July 2017 following the inspection in April and May concluded overall that children's services at Bracknell Forest Council were good.

7.5 Care Quality Commission (CQC) Inspections

The CQC inspections of Forestcare, Waymead Short Term Care and intermediate services in August 2017 and April 2018 all resulted in overall ratings of "Good".

7.6 School Financial Value Standard

The schools financial value standard (SFVS) is a mandatory requirement for local authority (LA) maintained schools in managing their finances and to give assurance that they have secure financial management in place. It is primarily a tool for governing bodies. The standard consists of 25 questions which governing bodies or management committees should formally discuss annually with the head teacher and senior staff. Schools are required to complete the checklist, and arrange for this to be signed by the Chair of Governors by 31st March each year. All maintained schools completed their 2017/18 SFVS on time. Academy schools are exempt.

8. RISK MANAGEMENT

During 2017/18, the Strategic Risk Register was reviewed quarterly by the Strategic Risk Management Group (SRMG) and twice by the Corporate Management Team (in June and December 2017) as agreed in the Risk Management Strategy. The Register was subject to Member review by the Governance and Audit Committee in June 2017 and January 2018.

Directorate Risk Registers are in place and were generally reviewed and updated quarterly by Departmental Management Teams during 2017/18. These record the significant operational risks for each directorate and inform the update of the Strategic Risk Register. Risk registers are in place for all the major projects at the Council and these are reviewed regularly.

Risk awareness is also being continually raised through the internal audit process, for example during internal audits of project management and by drawing attention to managers' responsibilities for assessing fraud risks and putting controls in place to prevent, deter and detect fraud and focussing on risk management within the contract management process.

9. CORPORATE GOVERNANCE

During 2017/18, the Annual Governance Statement was produced by Legal Services and an action plan to address governance weaknesses was developed and subsequently reviewed.

A number of audits carried out during 2017/18 included elements of governance such as the audits of compliance with the new GDPR requirements, data quality, officers expenses and members expenses.

10. FRAUD AND IRREGULARITY

National Fraud Initiative (NFI)

10.1 The NFI is a biennial data matching exercise first introduced in 1996 and conducted by the Audit Commission to assist in the prevention and detection of fraud and error in public bodies. Bracknell Forest Council is obliged to participate in this. The core mandatory data for submission for the 2016 round was:

- payroll
- pensions
- trade creditors
- housing benefits
- Council Tax
- electoral register
- private supported care home residents
- transport passes and permits (including residents' parking, blue badges and concessionary travel)
- insurance claimants
- licences – market trader/operator, taxi driver and personal licences to supply alcohol
- personal budget (direct payments)
- housing waiting list

Data was submitted to the Audit Commission during the third quarter of 2016/17.

10.2 Matches have been returned for investigation by the relevant teams and to date the following has been identified

- Welfare Services have reviewed 262 of the matches relating to housing benefits and Council Tax Reduction and found errors in 15 cases. In 14 cases these resulted in reductions to housing benefit and identified £7,426.06 of housing benefit overpayments which have been recovered or are in the process of being recovered. In seven of these cases, investigations also resulted in a decrease in Council Tax Reduction.
- One person has been removed from the housing waiting list. This match was identified in the waiting list to in-country immigration matches which identifies instances where a waiting list applicant appears not to be entitled to reside in the UK. Confirmation of immigration status has been requested from the person but they have not responded so have been removed from the list.

Benefits Investigations

- 10.3 On 1st December 2014, the Council's Benefit Fraud Investigation Officers transferred to the Single Fraud Investigation Service (SFIS) within the Department for Work and Pensions (DWP) as part of the national government programme of centralising the investigation of welfare benefit fraud. The Welfare Service passes cases of overpayments in excess of £3k and cases where fraud is suspected to SFIS for investigation. Members of the public are directed to contact the DWP directly where fraud is suspected and so SFIS receives further fraud information requests where fraud has been reported from another source. During the period April 2017 to March 2018 there were 95 referrals to SFIS. We have so far been notified of 7 administrative penalties and 1 prosecution relating to these cases. During the financial year 2016/17, 52 cases were referred and the Welfare Service have been notified of 6 administrative penalties by SFIS.
- 10.4 From 1st April 2014, if a claimant is notified that they have been overpaid Housing Benefit by £250 or more, which must have occurred wholly after 1st October 2012, Bracknell Forest Borough Council has been able to impose a set Civil Penalty of £50. The £50 Civil Penalty applies if benefit is overpaid because the claimant negligently gave incorrect information and didn't take reasonable steps to correct their mistake or failed to tell the Council about a change or failed to give them information without a reasonable excuse. Between April 2017 and March 2018 the service applied 422 Civil Penalties. From April 2016 Bracknell Forest Council has applied apply penalties of £70 in respect of Council Tax. Between April 2017 and March 2018 the service applied 59 Council Tax Penalties.
- 10.5 DWP carries out an exercise matching HM Revenue and Customs Real Time Information (RTI) against data held on six social security benefits; (Income Support, Jobseekers Allowance, Housing Benefit, Employment and Support Allowance, Pension Credit and Carers Allowance) to identify cases where claimants have either failed to declare or have under declared earnings and Non State Pension. The project commenced in October 2014 and has resulted in referrals being issued to local authorities where DWP has information that earnings or Non State Pension have not been correctly declared for the purposes of Housing Benefit. From April 2017 to March 2018 Bracknell Forest Council received 1693 referrals of which approximately 50.5% of referrals resulted in a reduction to Housing Benefit and approximately 7.3% resulted in an increase to Housing Benefit. Approximately 47.2% resulted in a reduction to Council Tax Reduction and 6.4% resulted in an increase to Council Tax Reduction. The Service also made the decision to opt in to optional RTI referrals for local authorities on a monthly basis starting June 2016. These are delivered with the existing RTI.

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APPENDIX 1

2016/17 AUDIT REPORTS ISSUED DURING 2017/18

* Draft report issued within 15 working days of the exit meeting to discuss audit findings and recommendations

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Audit	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
CORPORATE SERVICES Construction and Maintenance Follow Up- additional audit	6/3/17	13/4/17	Yes			X	2	2		Final (already reported to G&A as issued in draft in June 2017)t
ECC Coral Reef Project	13/3/17	12/5/17	Yes		X			3		Final I (already reported to G&A as issued in draft in June 2017)
SCHOOLS College Town Junior	13/3/17	3/5/17	Yes			X	1	8	1	Final (already reported to G&A as issued in draft in June 2017)

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2017/18 AUDIT PLAN

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
COUNCIL WIDE										
Officer expenses	2/5/17	28/6/17	Yes			X	1	5	1	Final
Data quality	4/9/17	20/12/17	No		X			3	5	Final
Mileage	13/6/17	23/8/17	Yes		X			7	1	Final
IR35 Compliance	1/7/17	6/9/17	No	N/A- tax advice on particular cases						Final
GDPR Gap Analysis	1/7/17	21/8/17	Yes	N/A- gap analysis report			3	16	3	Final
Grants and payments to the voluntary sector	13/9/17	8/1/18	Yes		X			3		Final
Matrix	13/6/17	7/8/17	Yes		X			6	4	Final
Apprenticeship Levy										Deferred to 18/19
Redundancy Payments	11/12/17	2/2/18	No	X						Final
GRANTS Bus Operators Grant	01/08/17	21/09/17	N/A	N/A – grant certification						Certified
Integrated Transport Block Allocation	05/09/17	21/09/17	N/A	N/A – grant certification						Certified
Pot Hole Fund	05/09/17	21/09/17	N/A	N/A – grant certification						Certified
ASYE	01/06/17	15/6/17	N/A	N/A – grant certification						Certified
Troubled Families Grant (September)	09/08/17	28/09/17	N/A	N/A – grant certification memorandum. Some areas for improvement in supporting evidence noted						Certified
Troubled Families	23/3/18	26/3/18	N/A	N/A – grant certification memorandum. Some areas for						Certified

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AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Grant (Second Submission)				improvement in supporting evidence noted						
CORPORATE SERVICES Creditors including Controcc transactions	6/11/17	19/1/18	No			X	1	6	1	Final
Debtors including Controcc transactions	30/10/17	16/11/17	Yes		X			4	3	Final
Main Accounting including reconciliations	7/8/17	22/11/17	No		X			2	4	Final
Treasury Management	31/7/17	17/11/17	No		X				4	Final
Payroll and pre employment checks										Work in progress
Cash Management	5/2/18	14/5/18	No		X			1	1	Final
Council Tax	6/11/17	29/11/17	Yes			X	1	4	2	Final
Business Rates	6/11/17	29/11/17	Yes			X	1	6	2	Final
Registration services										Deferred to 2018/19t
Members Expenses and Allowances	22/5/17	12/6/17	Yes		X			2	2	Final
Home to School Transport Follow Up (Ltd 2016/17)	11/7/17	18/8/17	Yes	N/A follow up memo with no opinion			1	2		Final
New Commercial Properties	13/3/18									Work in progress

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AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
IT AUDIT Disaster Recovery (Ltd 2016/17)	4/7/17	25/8/17	Yes	N/A follow up memo with no opinion			1	3	1	Final
Back Ups (Ltd 2016/17)	3/7/17	25/8/17	Yes	N/A follow up memo with no opinion					1	Final
CRM -(Ltd 2016/17)	17/7/17	26/9/17	Yes	N/A follow up memo with no opinion				1	2	Final
AGRESSO upgrade										Deferred to 2018/19
ITRENT- performance management module IT audit	2/1/18	15/2/18	Yes			X		10	3	Draft issued
Cyber Security Gap Analysis including VOIP IT audit	10/7/17	22/9/17	Yes			X	2	9	3	Final
Helpdesk										Deferred to 2018/19
ECC The Look Out	20/7/17	9/8/17	Yes		X			4	4	Final
Coral Reef- focused checks on cash and income	7/11/17	15/2/17	No	N/A memo with no opinion				8		Final
Car Parks	26/2/18	6/4/18	Yes			X	2	4	1	Final
Cemetery and crematorium	27/9/17	22/12/17	No		X			1		Final
Maintenance planning	7/2/18	17/4/18	Yes		X			8	2	Final
Highways capital spend										Deferred to qtr 1 of

Unrestricted

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
										18/19
Tree Services	5/12/17	1/3/18	Yes		X			13		Final
Building Control and land charges	22/2/18	30/5/18	Yes		X			9	2	Draft issued
IT AUDITS										
Leisure Management System										Audit cancelled
Library self service and stock purchasing systems										Audit deferred to 2018/19
COUNTER FRAUD										
Whitegrove Library cash and income spot checks	21/7/17	25/7/17	Yes	N/A follow up memo with no opinion						Final
Ascot Heath Library cash and income spot checks	30/3/17	20/11/17	No	N/A follow up memo with no opinion						Final
Bracknell Leisure Centre cash spot checks	11/10/17	9/11/17	No	N/A follow up memo with no opinion but 3 recommendations						Final
Downshire Golf Complex cash spot checks	3/10/17	9/11/17	No	N/A follow up memo with no opinion						Final
Easthampstead Park Conference Centre cash spot checks	3/10/17	9/11/17	No	N/A follow up memo with no opinion but 2 recommendations						Final
ADULT SOCIAL	22/1/18									Work in

Unrestricted

AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
CARE, HEALTH AND HOUSING Social care journey										progress
ASCHH Debt Management Follow Up (Ltd 16/17)	12/2/18	26/4//18	No	N/A follow up memo with no opinion					1	Draft issued
Mental Health Follow Up (Ltd 15/16)	11/8/17	5/10/18	No	N/A follow up memo with no opinion				2		Final
Bridgewell Follow Up (Ltd 15/16)	8/11/17	27/11/17	No	N/A closure memo with no opinion						Final
Glenfield House Support Team	17/8/17	20/9/17	Yes		X			4		Final
Emergency Duty Service	24/11/17	18/1/18	Yes		X			5	2	Final
Housing Benefit and Council Tax Reduction	1/12/17	22/1/17	Yes		X			4	2	Final
Housing Applications and Allocations	2/8/17	15/9/17	Yes		X				2	Final
Forestcare	24/7/17	21/9/17	Yes			X	3	7	2	Final
IT Audits Controcc	2/1/18	15/2/18	Yes		X			2	2	Final
LAS	8/1/18	15/2/18	Yes		X			4		Final
CHILDREN, YOUNG PEOPLE AND LEARNING Family Centre	1/11/17	12/3/17	No	N/A memo with no opinion				4		Final

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AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Larchwood Unit	16/10/17	31/10/17	Yes		X			3	1	Final
Rowan's and Sycamore Children's Centre	24/9/17	14/11/17	Yes		X			4		Final
Willows and Maples Children's Centres	24/9/17	14/11/17	Yes		X			3	1	Final
Portman Close Youth Centre Operations	11/9/17	12/10/17	Yes		X			3	3	Final
Coopers Hill Youth Centre NRG	11/9//17 1	12/10 /17	Yes		X			2	1	Final
Education Centre	21/11/17	21/2/18	No		X			3	3	Final
Community Learning and Open learning Centre	15/1/18	27/2/18	No		X			5	7	Final
Pupil referral services excl PRU	15/1/18	16/2/18	Yes		X			1	1	Final
IT AUDITS ONE system- review of new module to support assessment of eligibility for extension of early years funding to 30 hours										Audit cancelled
THEMED SCHOOL AUDITS SEN – cross cutting audit of the 4 units at Garth Hill, Meadow vale , GT Hollands and Ranelagh	9/5/17	20/7/17	Yes			X	3	3		Final
Pupil Premium – overall report	1/10/17	10/1/18	Yes		X			6	1	Final

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AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Meadow Vale Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			2			Final
College Town Junior Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			6			Final
Owlsmoor Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			1			Final
New Scotland Hill Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			1			Final
Easthampstead Park Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			1			Final
Binfield Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			None			Final
Crown Wood Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			2			Final
Birch Hill Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			5			Final
Uplands Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			None			Final
Fox Hill Pupil Premium Memo	1/10/17	10/1/18	Yes	N/A – memo issued			1			Final
Personal Education Plans	1/7/17	21/8/17	Yes			X	3	6	1	Final
SCHOOLS Whitegrove	7/6/17	20/6/17	Yes		X			7	2	Final
Ascot Heath Infants follow up (Ltd 16/17)	20/6/17	12/7/17	Yes	N/A follow up memo with no opinion				3		Final
Eathampstead Park follow up (Ltd 16/17)	21/6/17	12/7/17	Yes	N/A follow up memo with no opinion				6	2	Final
Great Hollands follow up (Ltd 16/17)	24/5/16	16/6/17	Yes	N/A follow up memo with no opinion					5	Final
Uplands follow up (Ltd 16/17)	27/6/17	12/7/16	Yes	N/A follow up memo with no opinion			1	4		Final

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AUDIT	Start Date	Date of Draft Report	*Key Indicator Met	Assurance Level			Recommendations Priority			Status
				Significant	Satisfactory	Limited	1	2	3	
Winkfield St Mary follow up (Ltd 16/17)	19/6/17	7/7/17	Yes	N/A follow up memo with no opinion				4	1	Final
Garth Hill	27/11/17	11/12/17	Yes		X			8		Final
Fox Hill	31/10/17	7/11/17	Yes			X	5	10	2	Final
St Michael's Sandhurst	6/11/17	14/11/17	Yes		X			11	1	Final
College Town Junior										Deferred to 2018/19
Ascot Heath Junior	19/3/18	29/3/18	Yes			X	2	10		Final
Wildmoor Heath										Audit cancelled as now an academy
Harmanswater	12/3/18	29/3/18	Yes			X	1	12		Final

FOLLOW UP OF AUDITS (EXCLUDING LIMITED ASSURANCE REPORTS)

2016/17 AUDITS

Audit	Recommendations Priority			Outcome
	1	2	3	
ECC Downshire Golf	0	11	0	8 implemented and 3 in progress
Easthampstead Park Conference Centre	0	10	0	One recommendation and part of another recommendation were disagreed. One recommendation is ongoing re the sound equipment and seven recommendations have been completed.
IT AUDITS CONFIRM	0	6	4	Four priority 2 and three priority 3 rec implemented. Two priority 2 and one priority 3 recommendation in progress.
CYPL Pupil Places	0	8	2	One priority 2 and one priority 3 recommendation has been implemented. Three priority 2 recommendations are outstanding. One priority 2 and one priority 3 recommendation not agreed. Two priority 2 recommendations are not yet due as they will be addressed at the time of the new contract although one has been taken into account in drafting the specification.
New Scotland Hill	0	8	0	All implemented
Sandy Lane Primary (Ltd 15/16)	0	7	2	Four priority 2 and one priority 3 recs implemented, Rest are in progress.
St Michael's Hampstead CE Prim (Ltd 15/16)	0	3	1	All implemented except for the priority 3 rec which will go to the fin Committee in Feb 18
Wildridings Primary	0	7	1	All implemented except for one priority 2 and one priority three recommendation.
SEND	0	10	2	All implemented
Residential placements	0	1	2	All implemented
ASCHH Better Care Fund-	0	3	3	One priority three and two priority recommendations implemented and the rest are in progress.
Financial Assessments and Benefits Checks	0	0	3	One not agreed and two implemented
Regalement and Hospital Discharge	0	6	0	One superseded, three implemented and two in progress
Discretionary Housing Payments and Social Fund Payments	0	2	2	One priority 2 and one priority 3 recommendation implemented. The rest are in progress

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Audit	Recommendations Priority			Outcome
	1	2	3	
	0	82	22	

2017/18 AUDITS

Audit	Recommendations Priority			Outcome
	1	2	3	
CORPORATE SERVICES Members Expenses and Allowances	0	2	2	All implemented
CRM system	0	1	2	In progress
ICT Back Ups (Ltd 2016/17)	0	0	3	Implemented
ECC Cemetery and crematorium	0	1	0	In progress
ADULT SOCIAL CARE, HEALTH AND HOUSING Matrix –Agency system	0	6	4	Two priority 2 recommendations implemented. The other recommendations are outstanding.
Mental Health follow up	0	3	0	Two recommendations implemented
Glenfield House Support Team	0	4	0	Implemented
Housing Applications and Allocations	0	0	2	Implemented
CYPL Larchwood Unit	0	3	1	Implemented
Rowan's and Sycamore Children's Centre	0	4	0	Implemented
Willows and Maples Children's Centres	0	3	1	Implemented
Portman Close Youth Centre Operations	0	3	3	5 implemented and 1 priority 2 recommendation in progress
Coopers Hill Youth Centre NRG	0	2	1	Implemented
SCHOOLS Whitegrove	0	7	2	All implemented except one priority 2 rec on completing the fraud health checklist due

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Audit	Recommendations Priority			Outcome
				by the end of the year
Ascot Heath Infants follow up	0	3	0	All implemented
Eathampstead Park follow up	0	6	2	7 implemented and 1 priority 2 in progress
Winkfield St Mary follow up	0	4	1	Implemented.
Garth Hill	0	8	0	Six implemented, 2 in progress
	0	60	24	

TO: GOVERNANCE AND AUDIT COMMITTEE
27 JUNE 2018

ANNUAL GOVERNANCE STATEMENT **Director of Corporate Services – Legal**

1 Purpose Of Report

- 1.1 To present the Committee with the Annual Governance Statement for 2017/18, update the Committee on progress against the Action Plan agreed in June 2017 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”) shown as Appendix 1 to this report be approved.**
- 2.2 **That the Action Plan shown as Appendix 3 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 The Action Plan attached to last years AGS identified a few areas requiring oversight, in particular in relation to communicating with and raising staff awareness of information management policies, taking a proactive approach to counter-fraud, reviewing the Member Code of Conduct provisions relating to Affected Interests and undertaking a gap analysis against impending GDPR compliance.. Considerable progress was made during 2017/18 on implementing those actions (see Appendix 2). Where these issues are still

ongoing they have been included again in the Action Plan attached to the 2017/18 AGS (Appendix 3).

- 5.4 The primary sources of assurance for the AGS, as advised in CIPFA/SOLACE guidance, are the Compliance Assessments completed by
- Each Director on compliance with internal controls and governance arrangements across their departments;
 - the Monitoring Officer in respect of legal and regulatory functions;
 - the Borough Treasurer in respect of financial controls; and
 - the Borough Treasurer and Head of Audit and Risk Management in respect of risk management.

5.5 The draft AGS attached at Appendix 1 is based on the declarations in the compliance assessments. An Action Plan has been drawn up to address the issues highlighted in the 2017/18 AGS and this is attached at Appendix 3.

6 Borough Solicitor's Comments

6.1 The Borough Solicitor is the author of this report.

7 Borough Treasurer's Comments

7.1 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.

8 Other Officer's Comments

8.1 None.

9 Equalities Impact Assessment

9.1 Not applicable.

10 Strategic Risk Management Issues

10.1 Risk management is a key part of good governance, as outlined paragraph 3.3 of the draft AGS in Appendix 1.

11 Principal Groups Consulted

See Paragraph 5.4 above.

12 Method of Consultation

Completion of compliance assessments and consideration at Corporate Management Team

13 Representations Received

13.1 None have been advised

14 Background Papers

14.1 None indicated

15 Contact for Further Information

Sanjay Prashar, Borough Solicitor – 01344 355679

Sanjay.prashar@bracknell-forest.gov.uk

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ANNUAL GOVERNANCE STATEMENT 2017/18

1 Scope of Responsibility

- 1.1 Bracknell Forest Borough Council (“The Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This Statement explains how the Council has complied with the code and also meets the requirements of regulation 6 (1)) of the Accounts and Audit Regulations 2015 in relation to the preparation of a statement on internal control

2 The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled. It underpins its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the appropriate delivery of services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable assurance and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Bracknell Forest Council for the year ended 31 March 2018 and up to the date of approval of the 2017/18 statement of accounts.

3 The Governance Framework

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. Further detail is set out in the Council’s Code of Governance that is publically available.

3.1 Bracknell Forest Council's Vision and delivery of the Council Plan

3.1.1 During 2015/16 the Council developed a new Council Plan for 2015-2019 which articulates a new narrative for the organisation to meet the challenges we face. The Plan sets out six overarching strategic themes which form the vision for the Council. The strategic themes are each underpinned by measures of success and performance indicators. The main ways the strategic themes are communicated are via the Council's public website, intranet, Town and Country magazine (the Council's news paper for residents) and Chief Executive's Briefings.

3.1.2 The Council Plan was developed after extensive consultation with the community, residents, employees, strategic partners and local businesses in order for the priorities to be consistent with their needs and aspirations.

3.1.3 Measures of success and key actions are cascaded internally through service plans, team business plans and individual performance development reviews. Delivery is monitored through:

- Quarterly Service Reports reviewed by the Executive Members, Chief Executive and the Corporate Management Team.
- Quarterly Corporate Performance Overview Report considered by the Executive.
- Quarterly reports for Corporate Services and the Chief Executive's Office together with the quarterly Corporate Performance Overview Report are then considered by the Overview and Scrutiny Commission. Quarterly Service Reports for the other directorates are reviewed by the relevant Overview and Scrutiny Panel for their area.

All these reports are available on the Council's website and intranet. The Council's performance reporting process measures quality of service for users, ensuring services are delivered in accordance with objectives and represent the best value for money.

3.1.4 Partnership groups have agreed joint targets that they monitor quarterly; for example, the Community Safety Partnership. Adult Social Care also produces an Annual Report referred to as the Local Account. Major partnership projects are monitored on a regular basis by the Corporate Management Team, the Executive and the Health and Wellbeing Board.

3.1.5 The Council needs to be confident that it has accurate, complete and timely performance information in order to plan and manage services to the public; ensure good decision-making and to effectively provide feedback and report on the quality of Council services to service users, residents, partners and Government. To ensure this, the Council has a Data Quality Statement, which is reviewed annually. The Data Quality Statement provides details on how the Council aims to achieve a consistently high level of data quality. Good quality data is the responsibility of every member of staff who collects, calculates, inputs or uses performance data during the course of their work. The various roles are outlined within the statement.

3.2 Roles and Responsibilities

3.2.1 The Constitution of the Council establishes the roles and responsibilities of the Executive, the full Council and its committees and sub-committees along with Overview and Scrutiny arrangements, the role and functions of Champions and officer functions (set out in the Scheme of Delegation). As well as Procedure Rules, it contains Standing Orders and Financial Regulations that define clearly how decisions are taken and where authority lies for the decision. It includes Members and Employee Codes of Conduct and Protocols for

Member/Officer relations. The Council's Constitution is regularly reviewed and updated with substantive changes highlighted to all staff and Members. The Constitution is available on the public website.

- 3.2.2 The Monitoring Officer advises the Governance and Audit Committee on proposals to update the Council's Constitution (including arrangements between officers and Members), its Executive Arrangements/decision making and Procedure Rules to ensure that they are fit for purpose and the Committee subsequently make recommendations on those matters to full Council.
- 3.2.3 The work of the Executive is supported by the Overview and Scrutiny Commission and three Overview and Scrutiny Panels (plus one Joint Committee in respect of Health). The number of panels has reduced from four due to the Commission deciding to restructure its Panels and combine the Adult Social Care & Housing Panel with the Health Overview and Scrutiny Panel in order to develop a composite view across both areas. The Commission and Panels are comprised of non-Executive Members and review and scrutinise both Executive and non-Executive decisions. In addition to scrutinising such decisions working groups of the Panel conduct in-depth investigations into particular topic areas which result in reports setting out detailed recommendations.
- 3.2.4 The Council's financial management arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* (2010). Further, the Council's assurance arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit* (2010).
- 3.2.5 Effective arrangements are in place for the discharge of the Monitoring Officer function, Head of Paid Service and Section 151 Officer. The Borough Treasurer (Section 151 Officer) is a member of Corporate Management Team and the Borough Solicitor has access to Corporate Management Team in his role as Monitoring Officer.
- 3.2.6 The Governance and Audit Committee is responsible for reinforcing effective governance, particularly through reviewing the activities of the external and internal auditors and the Council's risk management arrangements. It undertakes the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities*. The Internal Audit Plan for 2018/19 was approved by the Committee on 28 March 2018. During 2017/18 the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work.

3.3 Risk Management

- 3.3.1 The Council has an effective risk management function. Decisions made by the Council are subject to risk assessments which are made in accordance with the organisation's risk management processes. The Risk Management Strategy was approved by the Governance and Audit Committee on 28 June 2017 and includes the Council's priorities for developing risk management arrangements.
- 3.3.2 The Strategic Risk Management Group (SRMG) chaired by the Borough Treasurer meets quarterly and oversees all aspects of risk management at the Council including health and safety, business continuity and information security risks. During 2017/18 the Strategic Risk Register was updated and considered by SRMG on a quarterly basis and reviewed and approved twice by the Corporate Management Team, and twice by the Governance and Audit Committee. Actions to address strategic risks were updated and monitored

during 2017/18 and key changes to strategic risks were summarised in the quarterly Corporate Performance Overview Report.

- 3.3.3 There is a process for recording and monitoring significant operational risks through directorate risk registers which were reviewed quarterly during 2017/18 and used to inform the Strategic Risk Register. The Strategic Risk Register includes an over-arching risk on major projects and in addition separate risk registers are in place for all major projects.
- 3.3.4 Members are engaged in the risk management process through the Governance and Audit Committee's review of the Strategic Risk Register and Member review of the Corporate Performance Overview.

3.4 Policies and Procedures

- 3.4.1 The Council's Anti-Fraud and Corruption Policy is consistent with Financial Regulations and has been communicated to all staff. A programme of anti-fraud training commenced in 2016/17 and is ongoing.
- 3.4.2 A corporate complaints procedure and whistle-blowing policy are maintained and kept under review, providing an opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met. An annual report analysing complaints received and their resolution is presented to Corporate Management Team and to the Executive.
- 3.4.3 The Council takes information security very seriously. The Information Management Group consists of senior officers and ensures that the Council has in place a co-ordinated and coherent framework for managing information. During 2017/18 it continued to implement the Information Management Strategy, monitor information security incidents that occurred, communicate policies to staff and provide training. The Council has adopted the government's security classification scheme and has taken appropriate steps to ensure that it is compliant with the General Data Protection Regulation which came into force on 25 May 2018.

3.5 Change Management

The Council ensures effective management of change. It conducts Equality Impact Assessments when appropriate and has put in place a Privacy Impact Assessment Procedure for all new projects involving personal information. The Council has a robust process in place to ensure office moves between buildings are carried out with minimal disruption to service users. Its Time to Change Team secured the relocation of several hundred staff from Easthampstead House to Time Square in a number of phases across the year. This has achieved significant revenue savings for the Council and facilitated a Council wide transformation to agile working practices

3.6 Assurance on compliance

- 3.6.1 Assurance on compliance with internal controls, internal policies and procedures and that expenditure is lawful is sought through internal audit reviews and the work of external audit.
- 3.6.2 All decisions made by the Council are made in light of advice from the Borough Treasurer and Borough Solicitor.

3.7 Developing the capacity and capability of Members and officers to be effective

- 3.7.1 The Council has a comprehensive induction and training process in place for both Members and officers joining the Council.
- 3.7.2 The Council has a Member Development Programme which offers a range of learning and development opportunities including workshops, briefing seminars on specific topics and attendance at conferences. Members are offered 360° feedback to enable them to gain feedback from a range of different sources on their performance and identify their personal learning needs. In April 2018 the Council achieved reaccreditation against the Charter+ Standard. Charter+ provides a robust framework which ensures Members are supported throughout their time on the Council. Member development continues to be an embedded part of the Council's culture and courses and seminars continue to be well attended.
- 3.7.3 A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by e-learning opportunities and also less formal learning such as mentoring and work shadowing schemes.
- 3.7.4 Compliance with Continuing Professional Development requirements of staff is monitored by individual officers; the Council provides sufficient resources to fund this. As part of the performance appraisal process, each officer is required to complete their own Personal Development Plan which forms the basis for the Council's internal training course programme.
- 3.7.5 The Council has in place an ongoing Management Assessment and Development Programme and Diversity training for its Members, senior and middle level managers.
- 3.7.6 The representation of Members on Outside bodies has given rise to the need to ensure conflicts of interests are appropriately managed. An external law firm was commissioned to run a training session on the subject in February 2017 which was well attended. The Council will seek to extend awareness of conflict interests to officers who are appointed to outside directorships moving forward. A report is in the process of being prepared by the Borough Solicitor intended to restrict Member appointments on voluntary organisations in the future so as to mitigate the risks to Members that could arise where such organisations run into financial difficulties.

3.8 Communication and engagement

- 3.8.1 The Council establishes clear channels of communication with all sections of the community, other stakeholders and local partners, ensuring accountability and encouraging open consultation.
- 3.8.2 During 2017/18 the Council continued to engage and consult with local communities and stakeholders in making decisions on changes to services it provides. To ensure access to residents and quality of consultations, the Council utilises an online consultation portal. Some of the key consultations carried out in the last year have been:
- Draft Bracknell Local Plan
 - Parks and Open Spaces Survey

- Town and Country Reader Survey
- Budget
- Polling District and Polling Place review

3.8.3 The Council enhances the accountability for service delivery and effectiveness of other public service providers as it is a key member of the Bracknell Forest Partnership which brings together agencies that deliver public services including, inter alia, Parish Councils, Police, Fire and Rescue Service, and the Clinical Commissioning Group and with businesses and people that represent voluntary organisations and the community..

3.8.4 The Council has approved Public Participation Schemes for the Overview and Scrutiny Commission, and its Panels and the Health and Well Being Board. The schemes aim to enhance public engagement and give residents a further opportunity to inform Councillors about the things that concern them.

3.8.5 To increase transparency, make information more readily accessible to the citizen and to hold service providers to account the Council has an additional website which holds information that it publishes. This includes the sets of information required by The Code of Recommended Practice for Local Authorities on Data Transparency (updated 2015).

4 Review of Effectiveness

4.1 Bracknell Forest Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 During 2017/18 the review of effectiveness of the governance framework was evaluated and informed by the following key elements:

Internal Audit

4.3 Internal Audit provides an independent and objective opinion to the organisation on the control environment by objectively examining, evaluating and reporting on its adequacy.

4.4 The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by two external contractors and by Wokingham Borough Council's internal audit team under an agreement made under Section 113 of the Local Government Act 1972.

4.5 Based on the work of Internal Audit during the year 2017/18, the Head of Audit and Risk Management has given the following opinion:-

- The Head of Audit and Risk Management is able to provide reasonable assurance that the Authority has sound systems of internal control in place in accordance with proper practices except for a number of areas of significant control as set out in her detailed Annual Report;
- Key systems of control are operating satisfactorily except for those areas of significant weakness set out in her Annual Report:and
- There are adequate arrangements in place for risk management and corporate governance.

- 4.6 The Head of Audit and Risk Management reports outcomes for all audits to the Corporate Management Team and the Governance and Audit Committee in twice yearly progress reports. For audits where a limited assurance opinion has been concluded and/or priority one recommendations have been raised , the Head of Audit and Risk Management reports details of the significant findings to the Corporate Management Team and the Governance and Audit Committee and follow-up audits are carried out 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 In addition, the Chief Executive and the S151 Officer both meet with the Head of Audit and Risk Management on a regular basis..

The Governance and Audit Committee

- 4.7 The Governance and Audit Committee is responsible for reinforcing effective governance, particularly through reviewing the activities of the internal auditors and the Council's risk management arrangements. During 2017/18, the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work. The Internal Audit Plan for 2018/19 was approved by the Committee on 28 March 2018

The Constitution

- 4.8 The Constitution is subject to regular review. The Monitoring Officer advises the Governance and Audit Committee which reports to full Council. In 2017/18 the Council amended its Councillor Code of Conduct. This no longer requires Councillors to refrain from participating in discussions/voting on a matter in which they have an affected interest.

Annual Compliance Assessment

- 4.9 Compliance Assessments review the adequacy of governance arrangements. Each Director provides assurances about their directorate along with the Assistant Chief Executive in relation to the Chief Executives department. The Borough Treasurer provides assurances in relation to financial services and risk management. This includes advising whether the authority's financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)* as set out in the Application Note to Delivering Good Governance in Local Government: Framework. Compliance Assessments are also completed by the Head of Audit and Risk Management who provides assurances in relation to risk management and the Borough Solicitor in relation to legal and regulation.

External Audit

- 4.10 On 26 July 2017 the Council's external auditors issued an unqualified audit report on the Council's accounts for 2016/17.

The Annual Audit Letter for 2016/17 was presented to Governance and Audit Committee on 20 September 2017

The Key Findings set out in the Audit letter were as follows:-

- The Council's financial statements give a true and fair view of its financial position as at 31 March 2017 and of its expenditure and income for the year then ended.
- Proper arrangements were in place to secure value for money in the Council's use of resources.
- The Governance Statement was consistent with the auditors understanding of the Council.

4.11 In common with a growing number of local authorities the Council is in the process of introducing a Modern Slavery and Human Trafficking Statement to ensure its commitment to minimise the risk of Modern Slavery practices arising in its supply chain

5. The Ethical Culture

5.1 The Council has approved and published on the Council's web-site a set of values which underpin the work of the Council.

5.2 As required by the Localism Act 2011, the Council has adopted a Code of Conduct for Members. The Council has also put in place other protocols relating to the way in which Members should conduct themselves in carrying out their work as Councillors, notably the Planning Protocol for Members and the Member and Officer Protocol. The Council has an approved Code of Conduct for Employees together with a number of policies and procedures which regulate how Council officers should discharge their duties. Observance of such policies and procedures by Council employees is ensured through management overview and, if necessary, the disciplinary process.

5.3 The Councillor Code of Conduct introduced the concept of Affected Interests in 2012. This was in response to the statutory changes in the Standards regime which had reduced the range of scenarios in which Councillors could be prohibited from participating in decision making where they retained a financial interest and was intended to cover scenarios not covered under the new statutory framework relating to Disclosable Pecuniary Interests. A Member Working Group considered the continuing efficacy of Affected Interests. It concluded that they would be retained in the Code of Conduct but that the implications of a disclosure would no longer lead to a Member being barred from participating in a relevant debate or from voting on the matter.

5.4 Consideration is currently being given by the Council to no longer put forward nominations on the Boards of Voluntary Organisations in order to mitigate the risk of Members falling foul of rules relating to personal liability where such entities fall into financial difficulties. Such an approach also reflects the Conflicts of Interest which can arise where Members hold such twin hatted roles.

6. NHS Pension Scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring deductions from salary, employer's contributions and payments to the scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the

Scheme rules, and that member Pension Scheme records are accurately updated in accordance with timescales detailed in the Regulations.

8 Significant Governance Issues

8.1 Actions taken during 2017/18 to improve governance.

8.1.1 The Council has progressed implementation of most of the actions identified in the 2016/17 Annual Governance Statement and 2017/18 Action Plan. These actions are set out in Appendix 2 to this report

8.2 Actions identified during the review of effectiveness to be taken during 2018/19

8.2.1 On- going Actions from Previous Action Plans

Actions relating to Information Management and Security awareness, Counter-fraud, and Business Continuity are of on going significance and are therefore included within the 2018/19 Action Plan to ensure that they are embedded within organisational culture.

8.2.2 Review Code of Conduct for Councillors

Review by Standards Framework Working Group of the efficacy of introducing specific requirements in Code of Conduct relating to the use of social media

8.3.3 Six Month Post Implementation Review of General Data Protection Regulation (“GDPR”)

To undertake a review of current compliance with GDPR and take any remedial steps as necessary (6 month post implementation review)

Signed:

Cllr Paul Bettison
Leader of the Council

Timothy Wheadon
Chief Executive

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ANNUAL GOVERNANCE STATEMENT 2017/18- ACTION PLAN UPDATE

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
1.	<u>Implement on-going actions from previous Action Plans</u>	To communicate and raise staff awareness of information management policies and implement a programme of refresher training on information security/data protection for staff and members.	Information Management Group/CO:HR	31March 2018	Training undertaken for staff, Borough Town and Parish Councillors, School Governors in anticipation of GDPR. Regular GDPR updates on BORIS/DORIS
		Continue to take a proactive approach to counter fraud and whistle blowing, promoting the Council's policies and focussing internal audit activity on areas of high risk.	Head of Audit and Risk Management/ Borough Treasurer/ Borough Solicitor	31March 2018	Ongoing
		Keep Corporate Business Continuity Management Plan updated and communicate this cross Council	Borough Treasurer and Emergency Planning Officer	December 2017.	Ongoing
2.	<u>Undertake review of Councillor Code of Conduct</u>	Review by Standards Framework Working Group of the efficacy of retaining current requirements in Code of Conduct relating to the registration and disclosure of Affected Interests and the use of social media	Borough Solicitor	January 2018	Amendments to provisions relating to Affected Interests approved by Council on 29 November 2017. Review of Social Media deferred to 2018/19.

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
3.	<u>Preparation for Implementation of General Data Protection Requirement</u>	To undertake a gap analysis review of existing Data Protection Act measures, against the new [EU] General Data Protection Regulations which are due to come into effect May 2018 and to take remedial action if necessary.	Borough Solicitor	January 2018	Gap analysis undertaken. Action plan developed by Information Governance/Security lawyer in response and overseen by IMG

DRAFT ANNUAL GOVERNANCE STATEMENT 2018/19- ACTION PLAN

Item	Governance Point Raised In Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline
1.	<u>Implement on-going actions from previous Action Plans</u>	To communicate and raise staff awareness of information management policies and implement a programme of refresher training on information security/data protection for staff and members.	Data Protection Officer	31March 2019
		Continue to take a proactive approach to counter fraud and whistle blowing, promoting the Council's policies and focussing internal audit activity on areas of high risk.	Head of Audit and Risk Management/ Borough Treasurer/ Borough Solicitor	31March 2019
		Keep Corporate Business Continuity Management Plan updated and communicate this cross Council	Borough Treasurer and Emergency Planning Officer	December 2018
2.	<u>Undertake review of Councillor Code of Conduct</u>	Review by Standards Framework Working Group of the efficacy of introducing specific requirements in Code of Conduct relating to the use of social media	Borough Solicitor	January 2019
3.	<u>Preparation for Implementation of General Data Protection Requirement</u>	To undertake a review of current compliance with GDPR and take any remedial steps as necessary (6 month post implementation review)	Data Protection Officer	December 2018

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**TO: GOVERNANCE AND AUDIT COMMITTEE
27 JUNE 2018**

STRATEGIC RISK UPDATE Head of Audit and Risk Management

1 Purpose of Report

1.1 This report presents the updated Strategic Risk Register.

2 Executive Summary

2.1 The Strategic Risk Register is updated and reviewed by the Strategic Risk Management Group (SRMG) on a quarterly basis and by the Corporate Management Team (CMT) at least twice a year before coming to the Governance and Audit Committee for feedback. This is in accordance with the Risk Management Strategy.

3 Recommendation

3.1 To provide feedback on the completeness of risks and appropriateness of risk scores including the score for risk appetite in the Register attached at Appendix 1.

4 Reasons for Recommendation

4.1 To ensure the Strategic Risk Register accurately reflects the Council's risks.

5 Alternative Options Considered

5.1 There are no alternatives.

6 Supporting Information

Update of Strategic Risk Register

6.1 The Register was reviewed by SRMG and CMT on 5th and 6th June 2018 respectively. It was last presented to Governance and Audit Committee for feedback on 31st January 2018.

6.2 At the recent review one key change was requested by CMT and this was to reinstate the cyber risk as a separate risk as this had been merged with the IT risk in quarter 3 of 2017/18.

7 Borough Solicitor's Comments

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

8 Borough Treasurer's Comments

8.1 No direct financial implications

9 Equalities Impact Assessment

9.1 Not applicable.

10 Strategic Risk Management Issues

10.1 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

11 Principal Groups Consulted

11.1 SRMG and CMT.

12 Method of Consultation

12.1 At the SRMG and CMT meetings on 5th and 6th June 2018 respectively.

13 Representations Received

13.1 Not applicable.

14 Background Papers

14.1 None indicated

15 Contact for Further Information

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

Sally.hendrick@bracknell-forest.gov.uk

STRATEGIC RISK REGISTER JUNE 2018

Strategic Theme 1: Value for money: Performance Measures : Spending is within budget

Risk 1: Significant pressures on the Council's ability to balance its finances whilst maintaining satisfactory service standards

Risk Owner: Borough Treasurer

Risk Rating (Likelihood x Impact)

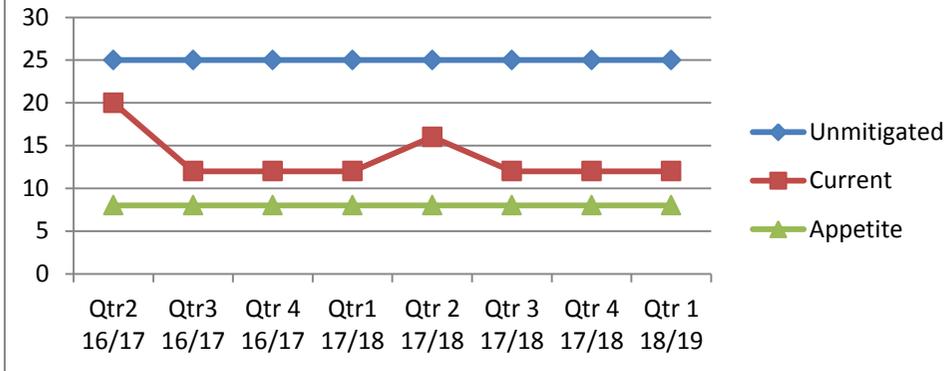
Unmitigated 5 x 5

Current Residual 3 x 4

Appetite 2 x 4

Potential Impact

Strategic objectives and statutory duties not met
Increased insurance claims/ legal costs/penalties.



Rationale for current score:

Projected overspend due to adult and children social care pressures.

Rationale for risk appetite

Achieving a sustainable financial position is a core responsibility.

Current RAG rating Amber

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

- 4 year financial settlement in place
- Efficiency plan in place signed off by full Council.
- Transformation Board to deliver significant savings over the medium term.
- Continuous engagement with Members regarding priorities
- Medium term financial strategy will need to be continually monitored and reviewed
- CIL governance processes and procedures established and prioritising spend in accordance with BFC Regulation 123 infrastructure list. Regular dialogue with Town and Parish Councils to come to an agreed accord on spending of CIL monies.
- Approved capital spending plans are in place e.g. for Binfield Learning Village at Blue Mountain, the Commercial Property Investment programme.. These are built in to the Council's capital programme and are monitored. Regular updates going to CMT.

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

	Officer responsible	Target date
Medium Term Financial Planning	Borough Treasurer	Ongoing

Strategic Theme 1: Value for money: Performance Measures :The cost, quality and delivery mechanism of all services will be reviewed by 2019

Risk 2: Council unable to deliver the transformation programme due to:

- Difficulties in delivering individual projects
- Difficulties in tracking transformation changes
- Benefits/savings not being achieved
- Linkages between individual transformation projects and knock on effects across transformation projects not adequately identified and taken into consideration.

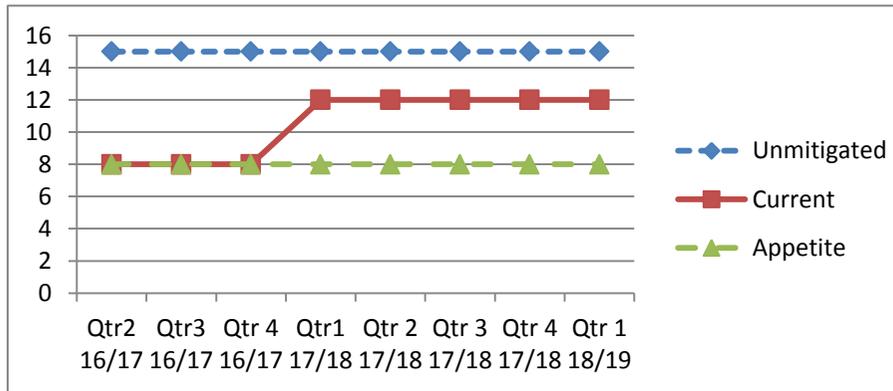
Risk Owner: Chief Executive

Risk Rating (Likelihood x Impact)

Unmitigated 3 x 5
 Current Residual 3 x 4
 Appetite 2 x 4

Potential Impact

Conflicting pressures between elements of the programme Core objectives/benefits not achieved. Statutory responsibilities not met



Rationale for current score:

Governance arrangements around the projects are robust and projects are generally on track but the consequences of failing to achieve the anticipated benefits would be critical .

Rationale for risk appetite

Transformation process is in response to the need to make radical changes to service delivery to be sustainable moving forward and hence a high level impact is accepted but mitigated by a low tolerance for likelihood.

Current RAG rating Amber

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

- Transformation Board and regular Transformation Board meetings
- Programme Manager
- Transformation Risk Register in place
- Separate risk registers set up for the significant transformation projects
- Regular Transformation team meetings include monitoring of dependencies
- Key dependencies escalated to the Board

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

	Officer responsible	Target date
Clear map of programme of benefits of adults and children achieving targets	Directors of ASCHH/CYPL	Qtr 3 17/18
Development and implementation of dashboard report for complex transformation projects	Head of Transformation and Engagement	Qtr 4 17/18

Strategic Theme 1: Value for money: Performance Measure; Spending is within budget

Strategic Theme 6: Strong, safe, supportive and self reliant communities : Performance Measure: Safeguarding structures to safeguard children and vulnerable adults are well established.

Risk 3: Council and its outsourced providers are unable to recruit and retain staff at all levels together with loss of key Council staff through redundancy, retirements, etc. and managing services with reduced capacity and with staff resources re-allocated to the transformation programme

Risk Owner: CMT

Risk Rating (Likelihood x Impact)

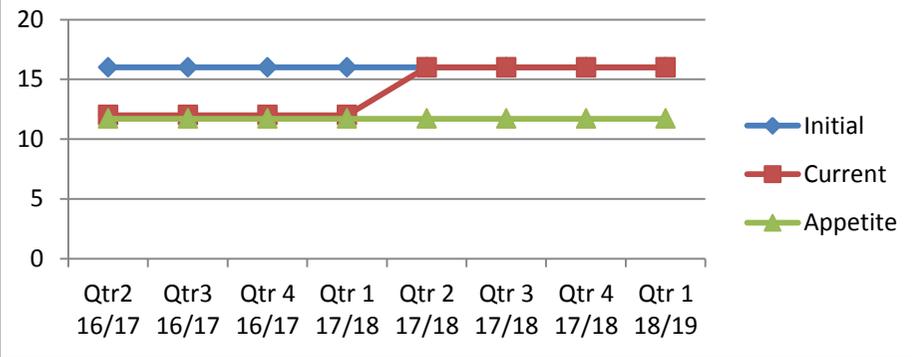
Unmitigated 4 x 4

Current Residual 4 x 4

Risk Appetite 3 x 3

Potential Impact

Disruption to services. Failure to meet statutory duties



Rationale for current score:

Significant difficulties in retaining staff and recruiting to posts across the Council.

Rationale for risk appetite

Staff are the key resource in delivering key services and providing support to front line services.

Current RAG rating Red

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

- For BFC staff monitor the impact and review our reward and recognition approach as necessary to ensure that BFC remains seen as an attractive employer
- Introduce staff retention plans and measures and succession planning arrangements

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

	Officer responsible	Target date
Monitor service delivery through providers of domiciliary care	Director of ASCHH	Ongoing
Monitor financial impact	Borough Treasurer	Ongoing
Mitigation required re apprenticeship levy requirements	CMT	Ongoing
Sub-group of Transformation working group of workforce focusing on care in the community	Sub-group	Ongoing

Strategic Theme 2: A Strong and Resilient Economy

Performance Measures : The borough is regarded as an excellent business location

Risk 4 Impact of the national and global economy on economic activity in the Borough including potential for businesses to relocate following Brexit and other international business decisions.

Risk Owner: Director of ECC

Risk Rating (Likelihood x Impact)

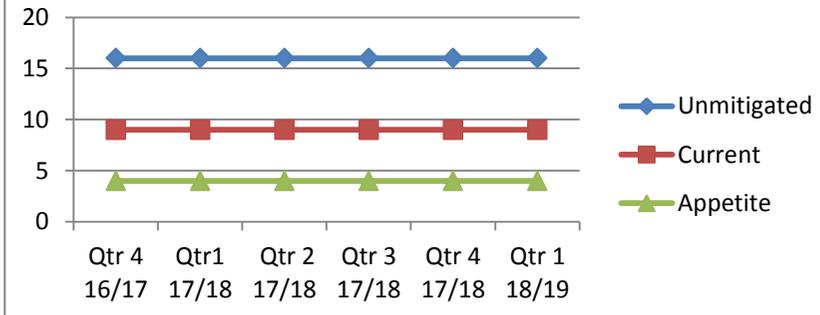
Unmitigated 4 x 4

Current Residual 3 x 3

Appetite 2 x 2

Potential Impact

Economic prosperity not sustained



Rationale for current score:

Current uncertainty means that the risk is relatively high.

Rationale for risk appetite

Given potential financial consequences risk appetite is low.

Current RAG rating Amber

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

- Implement annual inward investment plan and exploit trade links outside the UK with emerging economies in collaboration with key partners (DIT, TVB LEP, TVCC and commercial agents and facility managers)
- Continue with business liaison programme

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

	Officer responsible	Target date
Promote investment opportunities from London and international organizations including those from growth economies	Chief Executive	Ongoing

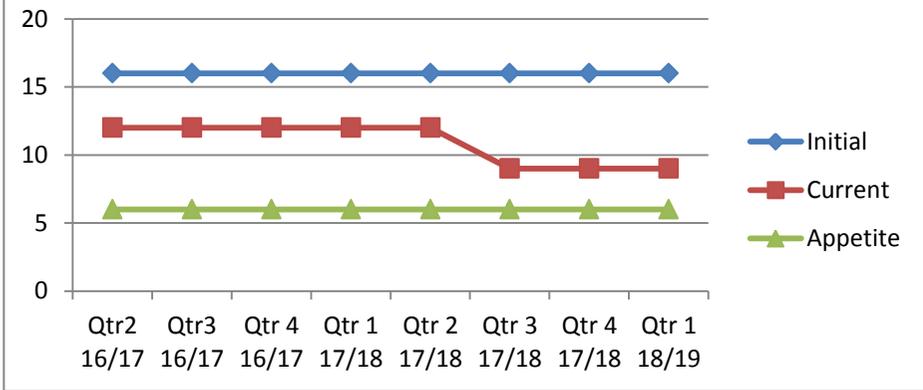
Strategic Theme 3: People have the life skills and education opportunities they need to thrive

Performance Measures : School places are available in all localities

Risk 5: The Council Policy of providing local school places for local children results in overprovision and a surplus of school places across the borough.

Risk Owners: Director of CYPL

Risk Rating (Likelihood x Impact)
 Initial underlying 4 x 4
 Current Residual 3 x 3
 Appetite 2 x 3
Potential Impact
 Cost overruns/ pressure on the capital budget
 Late delivery . Core objective to deliver required additional school places not delivered



Rationale for current score:
 There is currently surplus of places and difficulties in attracting pupils to certain schools but a Plan geared to addressing this has been approved by the Executive.

Rationale for risk appetite
 Risk appetite is fairly low given the Council's statutory responsibilities to educate

Current RAG rating Amber

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

- Pupil Places Planning Board in place
- Annual school place planning based on a review of future housing plans, numbers on roll and demographic data provides data on
 - ⇒ pupil data and statistics
 - ⇒ forecasts of pupil numbers for the next five years
 - ⇒ commentary on the need to add or remove school capacity
 - ⇒ estimates of future housing growth
 - ⇒ School Places Plan and Capital Strategy approved by the Executive
- Reduction in pace of delivery of new schools and managing intake at Kings Academy Binfield

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

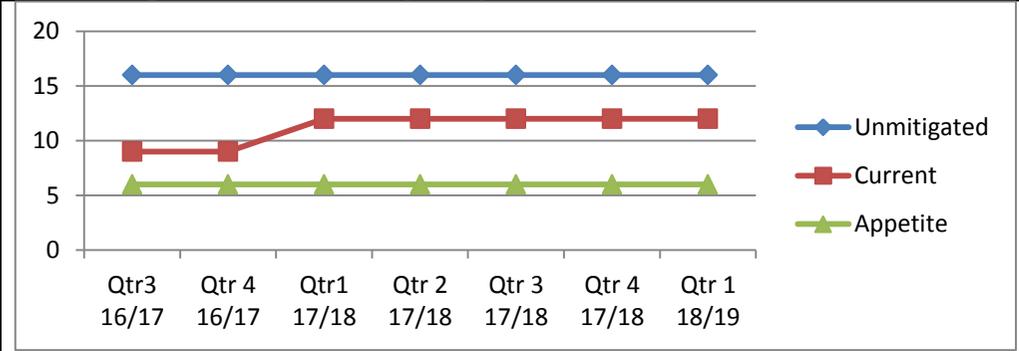
	Officer responsible	Target date
Work being undertaken to review the model for forecasting school places	Director of CYPL	Ongoing

Strategic Theme 3: People have the life skills and education opportunities they need to thrive
 Performance Measures :Children have access to high quality early years provision /School places are available in all localities /All young people who have left school go on to further education, find employment or undertake some form of training

Strategic Theme 4: People live active and healthy lifestyles
 Performance Measures:Comprehensive public health programmes aimed at adults and young people/Personal choices available to allow people to live at home are increased///Integration of council and health services care pathways for long term conditions is increased /Accessibility and availability of mental health services for young people and adults is improved

Risk 6: Council unable to predict and plan for or respond to future changes in demands for services arising from demographic changes and national policy initiatives. **Risk Owners:** Directors of CYPL and ASCHH

Risk Rating (Likelihood x Impact)
 Unmitigated 4 x 4
 Current Residual 4x 3
 Appetite 2 x 3
Potential Impact
 Failure to meet demand.
 Statutory duties not met



Rationale for current score:
 Increasing pressure on children’s social care and adult social care.

Rationale for risk appetite
 Tolerance in forecasting relatively low due to knock on effect on financial planning

Current RAG rating Red

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

CYPL

- Continuous monitoring of demand levels for children’s social care
- Monitoring impact of SEND reform and implementation of Education, Health and Care Plans.
- Block contracts for high cost placements e.g. contract let for independent fostering agencies

ASCHH

- Domiciliary care – to move away from spot purchasing from a high number of providers through the use of the framework agreement of providers which will reduce pressure of a high number of providers competing for limited staffing resources in the local area. .
- New Three Conversations approach for incoming cases and new RAS model introduced
- Early intervention and small budget available per team to use in preventative ways
- An asset based approach to assessment by social care staff
- Development of digital platform to support customers to use their direct payments

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

	Officer responsible	Target date
Monitoring rise in demand in children’s social care to assess if this temporary or permanent	Director of CYPL	Qtr 3

<p>creatively and greater use of community resources and technology in support packages</p> <ul style="list-style-type: none">• A community model of intermediate care and reablement• Plans to develop up step up and step down beds in partnership with the Frimley Acute Trust• Increasing the number of personal assistants on the PA register that offer personal care	
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Strategic Theme 4: People live active and healthy lifestyles

Performance Measures: Comprehensive public health programmes aimed at adults and young people/Personal choices available to allow people to live at home are increased///Integration of council and health services care pathways for long term conditions is increased /Accessibility and availability of mental health services for young people and adults is improved

Risk 7: Council unable to sustain delivery of services to support adult social care needs due to external providers of adult social care withdrawing from the market for local authority funded care as a result of factors impacting on financial viability.

Risk Owners: Directors of ASCHH

Risk Rating (Likelihood x Impact)

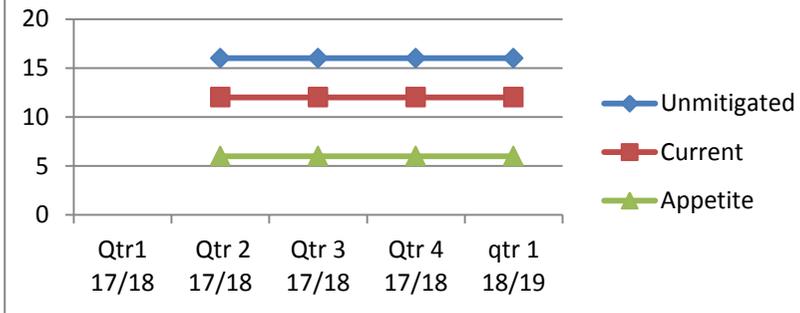
Unmitigated 4 x 4

Current Residual 4x 3

Appetite 2 x 3

Potential Impact

Failure to meet demand.
Statutory duties not met.
Increased budget pressures



Rationale for current score:

Court ruling on pay rates for sleep-over cover and HMRC pursuit of providers for taxes on backdated pay. A number of residential care homes identified as at risk of closure.

Rationale for risk appetite

Appetite is low due to the potential impact for vulnerable individuals.

Current RAG rating Red

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

- Develop in-house contingency arrangements to direct deliver services in the event of market failure
- Actively developing the local market, particularly universal services, community groups and recruitment of Personal Assistants
- Monitor contracts and implementation of quality assurance process
- Gather intelligence through ADASS South East Commissioning network and from neighbouring authorities
- Working with CCGs, and other local authorities to actively create additional supply in the care home market
- Monitor financial standing of significant providers using internal intelligence and through the ADASS commissioning network
- Robust contingency planning where risks are identified
- Negotiating favourable block contracts to provide leverage on costs with other external providers in place

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

	Officer responsible	Target date
Re-use of the Heathlands site to deliver further social care provision	Director ASCHH	Ongoing

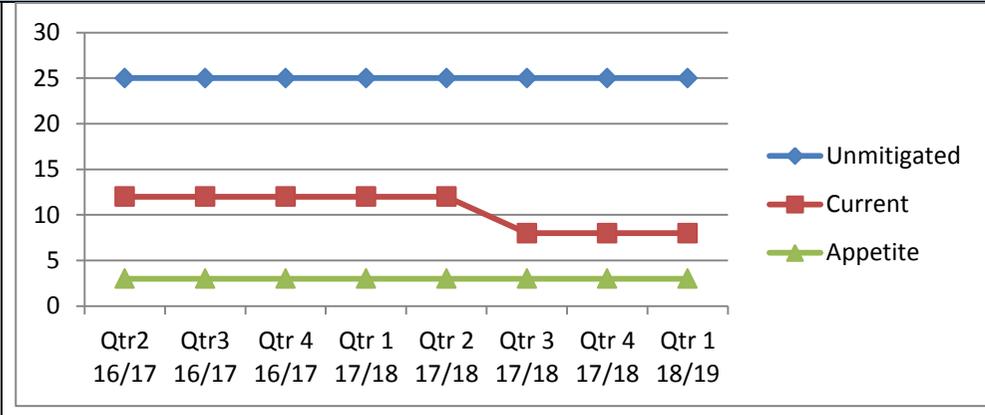
Strategic Theme 6: Strong, safe, supportive and self-reliant communities
 Performance Measure: Safeguarding structures to safeguard children and vulnerable adults are well established.

Risk 8: Factors outside the control of the Council may result in the injury, death or sexual exploitation of a vulnerable child or adult in the community.

Risk Owners: Directors of CYPL and ASCHH

Risk Rating (Likelihood x Impact)
 Unmitigated 5 x 5
 Current Residual 2 x 4
 Appetite 1 x 3

Potential Impact
 Loss or reputation.
 Fines/penalties. Insurance claims



Rationale for current score:
 Whilst the impact of failure would be critical, the likelihood has been reduced following the favourable outcome of the OFSTED inspection into children's services.

Rationale for risk appetite
 Given the risk relates to the safeguarding of vulnerable individuals the risk appetite will be low.

Current RAG rating Amber

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

CYPL

- Local Safeguarding Children's Board brings together senior and operational staff within local organisations to help co-ordinate services and make certain they work together to keep children safe from harm. The Board has a role in monitoring and overseeing the contribution partnership organisations make towards safeguarding children
- Ongoing social media campaign which focuses on the 'Nine Signs of CSE. In the autumn a media operation was launched on safety on line to help engage parents on what their children may potentially be accessing on the internet.'
- S11 Audits
- Proactive strategies for recruitment of social workers being implemented
- Proactive parenting projects now in place e.g. family group conferencing, Symbol project supporting parents with learning disabilities
- Multi Agency Safeguarding Hub
- Transformation project around early intervention and prevention.
- Monitoring children vulnerable to CSE and going missing via the multi-agency CSE/Missing operational group.

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

	Officer responsible	Target date
Action plans in response to external inspection and points of continual improvement	Director CYPL	Ongoing

ASCHH

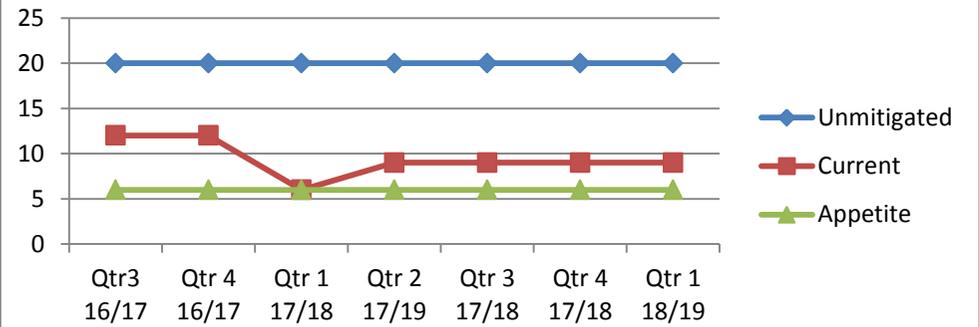
- Joint Safeguarding Adults Board (with W.A.M.) brings together key partners to work together to mitigate risks to vulnerable adults and prevent harm. Serious Adult Reviews provide learning that is shared across organisations to reduce risks. Safeguarding training is mandatory for staff within all of the member organisations and there is a continual focus on safeguarding awareness raising in the public.
- Commissioners and operational staff are involved in quality assurance monitoring of commissioned services together with the statutory body, CQC.
- Adult Safeguarding Board in place with independent chair.
- S11 audit completed. Action identified to log safeguarding training.
- Changes to deprivation of liberty safeguards has resulted in increase in demand as expected hence dealing only with urgent cases which is the approach supported by DOH

Strategic Theme 1: Value for money
 Strategic Theme 2: A Strong and Resilient Economy
 Strategic Theme 3: People have the life skills and education opportunities they need to thrive
 Strategic Theme 4: People live active and healthy lifestyles
 Strategic Theme 5: A clean, green growing and sustainable place
 Strategic Theme 6: Strong, safe, supportive and self-reliant communities

Risk 9: IT Strategy and digital infrastructure fails to meet the needs of the organisation. Pressure on ICT resources to deliver substantial and complex changes introduced under the Enterprise Agreement (EA) and potential end user resistance to both disruption during implementation and the changes being introduced.

Risk Owners: Director Resources

Risk Rating (Likelihood x Impact)
 Unmitigated 4 x 5
 Current Residual 3 x 3
 Appetite 2 x 3
Potential Impact
 Disruption to services. Failure to meet statutory duties.



Rationale for current score:
 New chief officer now in place and new Strategy in place

Rationale for risk appetite:
 Appetite is low due to dependency on IT for delivery of all services

Current RAG rating Amber

- Current Actions** *(What we are currently doing about the risk)*
- Paper to Resources DMT and CMT in November to help get buy in to the EA project from the Directors
 - EA Project being implemented module by module and communication will be made with teams affected at each stage

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

	Officer responsible	Target date
IT Strategy being revised.	Director of Resources	Ongoing

Strategic Theme 1: Value for money
Strategic Theme 2: A Strong and Resilient Economy
Strategic Theme 3: People have the life skills and education opportunities they need to thrive
Strategic Theme 4: People live active and healthy lifestyles
Strategic Theme 5: A clean, green growing and sustainable place
Strategic Theme 6: Strong, safe, supportive and self-reliant communities

Risk 10: 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: Director Resources

Risk Rating (Likelihood x Impact)

Unmitigated 4 x 4

Current Residual 3 x 3

Appetite 2 x 3

Potential Impact

Disruption to services. Failure to meet statutory duties. Reputational damage.



Rationale for current score:

Due to potential for human error and volume of attempts to attack the Council's systems.

Rationale for risk appetite

Appetite is low due to dependency on IT for delivery of all services

Current RAG rating Amber

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

- Use PSN and N3 accreditation process to test for vulnerabilities
- Members of government early warning groups such as CISP (Cyber-Security Information Sharing Partnership) and WARP (Warning, Advice and reporting point)
- Communication to raise staff awareness to risks
- 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

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

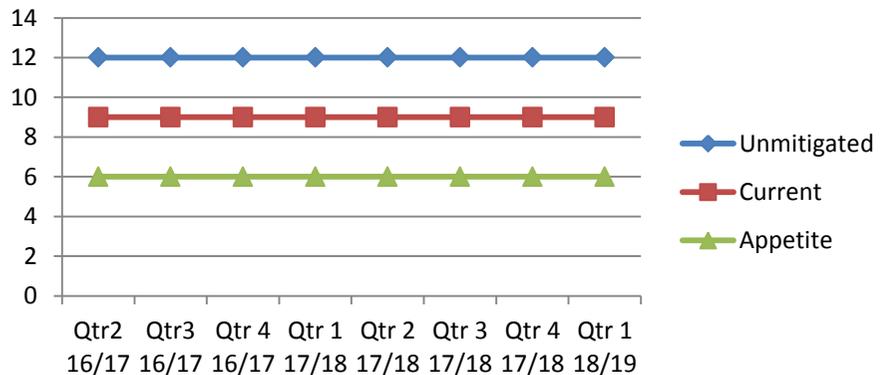
	Officer responsible	Target date
Reminders on risks will be issued to staff after PSN accreditation issued	Chief Officer: Information Services	Ongoing
Develop a cyber security action plan following the audit of this area.	Chief Officer: Information Services	Ongoing
Cyber risks monitored through Resources risk register	Director of Resources	Ongoing

Strategic Theme 1: Value for money
 Strategic Theme 2: A Strong and Resilient Economy
 Strategic Theme 3: People have the life skills and education opportunities they need to thrive
 Strategic Theme 4: People live active and healthy lifestyles
 Strategic Theme 5: A clean, green growing and sustainable place
 Strategic Theme 6: Strong, safe, supportive and self-reliant communities

Risk 11: Council unable to comply with data protection/security requirements to secure data resulting in inappropriate disclosure, loss or theft of sensitive data. Uncertainty of impact of placing more responsibility on end users by changing IT controls to meet business needs (E.g. changes to protective marking, access to Windows 10 and removal of Endpoint). Failure to meet requirements of GDPR.

Risk Owners: Director Resources

Risk Rating (Likelihood x Impact)
 Initial underlying 3 x 4
 Current Residual 3 x 3
 Appetite 2 x 3
Potential Impact
 Fines/penalties. Disruption to services. Failure to meet statutory duties. Removal of access to external databases and systems e.g. DWP



Rationale for current score:
 The likelihood remains high as incidents tend to be due to human errors rather than weakness in control. The new GDPR has just come into effect. Fines are increasing under this and hence potential impact remains high.

Rationale for risk appetite
 In addition to the financial risk, financial penalties are now very high and will be increasing further hence the Council will seek to minimise the risk of these being incurred.

Current RAG rating Amber

- Current Actions** (What we are currently doing about the risk)
- E-learning for information security and data protection.
 - Monitoring of information security breaches at Information Governance Group, SRMG and at CMT.
 - Information Asset Register. IT systems holding information assets are now being identified. Data mapping to be undertaken as part of GDPR implementation
 - GDPR compliance action plan in place
 -

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

	Officer responsible	Target date
Working with HR on policies for users and communication strategies	Chief Officer: Information Services	Ongoing
E-Learning to be updated as part of GDPR implementation	Lawyer (Information Management and Security)	Ongoing

RISK MATRIX

LIKELIHOOD

5					
4					
3					
2					
1					
	1	2	3	4	5

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