

**GOVERNANCE & AUDIT COMMITTEE**  
**16 SEPTEMBER 2020**  
**7.30 - 8.28 PM**



**Present:**

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

**Non-Voting Co-optees Present:**

David St John Jones

**10. Declarations of Interest**

Cllr Tullett declared an affected interest as he was the managing director of a company that had received a discretionary grant.

**11. Minutes of previous meeting**

**RESOLVED** that, subject to the amendments above, the minutes of the meeting of the committee held on the 24 June 2020 be approved as a correct record and signed by the Chairman.

The Director: Resources provided an update to the Committee on the Statements of Accounts, which had been expected to be brought to this meeting of the Committee for formal sign off. However, the Council's external auditors, Ernst & Young had not yet completed the audit of the accounts, and they were still waiting for Deloitte's to finish the audit of the pension funds.

It was hoped that this would be brought back to the Committee before the deadline of 30 November 2020, and a special meeting may be required around this date.

**12. Urgent Items of Business**

There were no urgent items of business.

**13. Internal Audit and Risk Management Update**

The Committee received a report, which presented an update on progress on the annual Internal Audit Plan and the latest version of the Strategic Risk Register.

Sally Hendricks, Head of Audit and Risk Management, reported that, progress against the 2020/21 Internal Audit Plan was set out in Appendix 1 and as expected was behind original schedule due to delays in starting audits with departments due to the Covid-19 pandemic which had created a backlog which was now being addressed.

Delivery of the Council's internal audit services have historically been outsourced and at a previous meeting it had been reported that there had been delivery issues with

the contractor, therefore the decision was made to increase in-house capacity and an experienced senior auditor had been assisting us since late July.

Although it was too early in the financial year to comment on progress in improving the control environment especially given the delay in progressing the Audit Plan due to COVID 19, the Head of Audit and Risk Management was able to report that the planned action to set up a working group to identify other approaches that could help address continuing weaknesses in the area of expenses and purchase cards had been implemented and arising from this a number of workshops had already been held providing training on use and controls of purchase cards.

Arising from the Committees comments and questions, the following points were made:

- The Head of Audit and Risk Management was hopeful that the team would be able to catch up with the audit plan as good progress was being made, however it would depend on the service areas being able to accommodate the audits, but Sally was keen for not too many audits to be deferred to quarter 4, as they had the previous year which had been delayed further due to Covid-19.
- The audit plan was being monitored at every DMT meeting.
- Since the Covid-19 pandemic, the government business rate grants had been audited, which was key. Audits on the first tranche of grants around small businesses had been completed, and the arrangements for the discretionary grants were being currently looked at.
- The cash management audit was currently being relooked at, as there were limited cash transactions happening due to the pandemic.
- Since the pandemic, the priorities of audits hadn't changed too much, but the grants being key thing to look at, however there hadn't been too much movement in the plan. It was being addressed at DMT whether there were now additional areas that needed to be included within the plan as a result of the pandemic.

Sally Hendricks, Head of Audit and Risk Management provided an update on the Council's risk register.

The Register had been reviewed by the Strategic Risk Management Group and the Corporate Management Team on 11 and 26 August 2020 and the changes made were detailed at 5.7 in the report.

The adult supply chain risk 6 had been increased for both unmitigated, current residual and target risk score reflecting the changing risk environment under COVID 19.

the Committee often requested for a deep dive into specific risks, and due to the changing environment due to Covid-19, Thom Wilson, Assistant Director: Commissioning was present at the meeting to go through the specific details of the adult supply chain risk.

The risk was currently tied into the Covid-19 pandemic, and the data showed that in quarter 2 the scores had been affected, this was due to a range of pandemic influence factors, mainly that the market of providers accessed were facing impacts, that self funders were avoiding using services, a number of social care uses, both self funders and council funded, were social distancing and self isolating and day centres that couldn't have the number in that they would have had previously. This was why there had been an increase in the lack of sustainability for provider. The target

number had also increased, which was unusual, but this was because at present there were so many factors outside of the Council's control.

Public Health guidance, surrounding Covid-19 outbreaks, was that new referrals couldn't be taken for 28 days. This had the impact that they could come unsustainable financially, but also that the Council were unable to find placements for people that required them. The key issue was that the council could not provide endless financial support for all the providers in the market.

It was thought that Bracknell Forest compared to other authorities was doing a lot to support the market and to mitigate the worst of the risks. A monthly care governance meeting was in place, which Thom chaired which was attended by practitioners from across adults and children services, commissioners, colleagues from the health service and officers from neighbouring authorities. Contract monitoring had been significantly strengthened in the past year, the strategic commissioning team had been rebuilt in the last year and had increased the ability to work with providers. Between March and July 2020, the team were able to provide financial support to those providers who requested it, since then individual discussions were being held with individual providers around their finances and support required. Partnership working throughout the Covid period had been very strong, and the team had worked closely and well with health colleagues and the neighbouring authorities in Slough and Windsor and Maidenhead.

Arising from the Committees comments and questions, the following points were made:

- The members praised the team on the work undertaken on operational process through a very difficult period.
- The basic methodology using for RAG statuses were focusing on the difference between the current residual score and the target risk score, rather than absolute figures. If the current and target score were the same, then the RAG would be green, the further apart the figures, the closer the RAG was to red.
- Concerns were raised that the risks were not being measured on a like o like bases using the risk scoring matrix and there needed to be a common methodology across the departments.
- The RAG statuses were relative, and there were no absolutes when scoring a human element.
- The overview of the Strategic Risk Management Group and the Corporate Management Team gave consistent approach to risk management.
- The unmitigated move in the adult supply chain risk increased because when Covid struck, if national and local government hadn't supported the sector there would have been chaotic failure in the Social Care sector, both through infections and financially.
- The reason that mitigated went up at the same time, was because of the challenges facing the department were so severe that even with the mitigations, the same level of previous risk couldn't be maintained.
- There was a whole series of ways that the team were learning for the future. There was a local resilience forum learning exercise going on which would be fed into. The East Berkshire commissioners were undertaking regular learning being undertaking, and across the leadership teams at all level. In any situation like this you are learning day by day, but the Adult Commissioning team would be undertaking a lesson's learnt exercise in due course.
- Across East Berkshire, a set of criteria were agreed for how to pass money to providers who were adversely affected by Covid. This was published on the Bracknell Forest website and were the same as Slough's and Windsor and

Maidenheads. This was communicated out to all providers and let them know that the council were here to actively support them. Once a week, the head of commissioning, a finance officer and Thom would go through all the applications of support to approve those who met the criteria for financial support and payments were made as quickly as possible.

- In addition, in June, £600m was provided by the Government specifically for infection control measures. 75% of this was to be passported to local residential care homes, and 25% the team had local discretion. This was distributed to local domiciliary care providers and assisted living providers. This was a bidding process with a quick turnaround, which the providers were really grateful for.
- There wasn't a quantitative measure across all of the services on the toolkit, in order to benchmark against and drive improvement.
- An East Berkshire market position statement was being undertaken and would understand where the market was, understanding capacity and the changes over time. This was being led by Bf for East Berkshire and would help understand the impact of Covid-19.
- The issue was that risk number 1 wasn't fixed at any particular time and at this moment in time the Council didn't have balanced plans for the coming years, at CMT they had started looking at the medium term balanced plan so by December there would be a balanced budget. It was becoming more difficult to deliver the savings at the same time as delivering high, quality services.
- Risk 1 was not about how close the Council was to a 114 notice and was not an assessment on this.
- The order of risks in the document was not the order of the risk's priority, it was important to focus on the risk RAG status.
- The IT risks were mitigated, and had supported a massive change over the past few months with a lot of mitigated actions behind the scenes. The risks that were red with unmitigated actions were the ones to focus on.
- The risk of a no deal Brexit was significantly increasing,

**RESOLVED** that

- i. the update on progress on the Internal Audit Plan for 2020/21 be noted.
- ii. feedback on the risk scores be provided and completeness of risks and actions, and the deep dive review on adult social care supply chain risk to be given by the Assistant Director: Commissioning be noted.

**CHAIRMAN**