

Annual Governance Statement 2019/20

Executive Summary

The Annual Governance Statement (AGS) provides an account of the processes and systems which give assurance for the effectiveness of the Council's discharge of its responsibilities. It covers the period 1 April 2019 to 31 March 2020.

A summary of assurance is given for each of the seven principles on which the Statement is based.

An update on the 2018/19 Annual Governance Statement Actions is included as (**Appendix A**)

Work underway or planned to address any governance issues for 2020/21 is set out in an Action Plan (**Appendix B**)

1 Scope of Responsibility

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

2 The Council's Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled. It underpins its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the appropriate delivery of services and value for money.

Diagram 1 Overview of Bracknell Forest Council Governance Framework



3. The CIPFA Governance Assurance Framework Principles

The CIPFA/SOLACE Framework 2016- Delivering Good Governance in Local Government suggests that this Annual Governance Statement should include a brief description of the key elements of the governance framework that the Council has in place.

- 3.1 There are seven principles and sub-principles of Corporate Governance incorporated within the CIPFA/SOLACE framework and as set out in Diagram 2 below.

Diagram 2. -The seven CIPFA Principles of Good Governance



- 3.2 Each element of the governance framework is considered in this Statement within the context of the seven CIPFA Principles of Good Governance. An opinion is provided below against each principle on the level of assurance that the governance arrangements can generate.

A. Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Assured ✓

The Council has adopted structures, systems and processes which reflect consistency with high ethical expectations of those in its service, including Members, Officers and outside Partners. A culture of compliance is also embedded with Code breaches, disciplinary issues, data protection infringements and whistleblowing referrals being reviewed, investigated and determined in accordance with defined processes.

- 3.3 Effective arrangements are in place for the discharge of the Head of Paid Service, Monitoring Officer and Section 151 Officer functions. The Chief Executive (Head of Paid Service) and Director-Finance (Section 151 Officer) are members of the Corporate Management Team and the Borough Solicitor has access to the Corporate Management Team in his role as Monitoring Officer.
- 3.4 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 2020/21 was approved by the Director: Finance in March 2020 under Delegated Authority as the Audit Committee was unable to meet due to COVID 19. During 2019/20 the Committee received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work.
- 3.5 As required by the Localism Act 2011, the Council has adopted a Code of Conduct for Members. This sets out the standards of behaviour expected of members and is published within the Constitution and on the Council's website. All members completed the register of interests upon taking office and they receive annual reminders about personal interest declarations. This is also a standing item on all meeting agendas.
- 3.6 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.
- 3.7 The overall adherence to good standards of conduct amongst members remains at a high level with only four Code of Conduct breaches being referred to the Monitoring Officer of which none were upheld.
The Committee for Standards in Public Life carried out a review of how the Standards regime has operated nationally and published its findings and recommendations for government in January 2019. The government's response to the CSPL's report is awaited though in the meantime it has asked the Local Government Association to produce a Model Code for all authorities to consider adopting. The draft Code is due to be published in the summer for consultation. As the Council's current code was adopted in 2012 it is proposed in the Appendix to this report that it is reviewed

against the Model code in order that any examples of best practice set out in the Model Code can be incorporated if appropriate to local circumstances.

- 3.8 The Council determined in 2018 to no longer put forward nominations on the Boards of Voluntary Organisations in order to avoid the risk of conflicts of interests arising and to mitigate the risk of Members falling foul of rules relating to personal liability where such entities fall into financial difficulties.
- 3.9 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.
- 3.10 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. Across 2019/20 the disciplinary process was invoked on 18 occasions across the Council
- 3.11 The Council has an established whistleblowing policy to meet the legal requirements and ensure a route for challenges to processes or actions within the Council where complainants seek the protection of anonymity. Similarly it has a robust corporate complaints procedure in place and has throughout the year dealt with complaints promptly
- 3.12 During the year substantial progress was made around the Corporate Information Governance arrangements with the Membership, content and frequency of Information Management Group Meetings being enhanced and all policies and procedures being updated. An Audit of the Council's GDPR function resulted in an "adequate" opinion and a further consensual audit was undertaken in late May with its recommendations awaited. Progress against these recommendations (once received) have been reflected in the AGS Action Plan (Appendix B) and will be reviewed accordingly.

B. Ensuring openness and comprehensive stakeholder engagement

Assured ✓

The Council exists to serve its residents and works effectively in partnership with a wide range of stakeholders. It has transparent decision making processes. The processes were challenged towards the end of the financial year due to the Covid 19 crisis and steps were taken immediately to ensure continuity of decision making.

Stakeholders

- 3.12 The Council establishes clear channels of communication with all sections of the community, other stakeholders and local partners, ensuring accountability and encouraging open consultation.

- 3.13 Formal consultation will generally only be undertaken where there is a statutory duty or legitimate expectation, and where there is a service or policy need to do so. Consultations are carried out in accordance with current national Consultation principles guidance . Individual services are required to maintain open channels of communications with relevant stakeholder groups and representative bodies where relevant to service planning.
- 3.14 During 2019/20 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:
- Budget
 - Draft Bracknell Local Plan Revised Growth Strategy
 - Parks Survey (this is an ongoing survey)
 - School admission arrangements 2021/22
 - Crowthorne Neighbourhood Plan submission
 - Crime and Anti- Social Behaviour Survey
 - Public Space Protection Order Extension
- 3.15 The Council has approved Public Participation Schemes for its formal meetings. The schemes aim to enhance public engagement and give residents a further opportunity to inform Councillors about the things that concern them.
- 3.16 To increase transparency, make information more readily accessible to the citizen and to hold service providers to account the Council publishes information that it holds on its website. This includes the sets of information required by The Code of Recommended Practice for Local Authorities on Data Transparency (updated 2015).
- 3.17 The Council has a Petitions Scheme describing how petitions from residents will be dealt with by the Council. These enable a petitioner to speak with an Executive member or a committee, or to the Council if prescribed thresholds for signatures are reached. A response is made to each petition, explaining what the Council will or will not do in response.

Decision-making

- 3.18 The Council which meets monthly is the ultimate decision-making body and the principal forum for political debate. It takes decisions on the strategic aims that form the Policy Framework. It also determines the Council's budget following a process of member scrutiny. All Council meetings take place in public.
- 3.19 The Executive takes decisions on matters of Council policy and service delivery though much of the decision making is delegated to individual Executive Members and Senior Officers as described in the Scheme of Delegation. The non-executive responsibilities of the Council are discharged through its non-executive committees. As a result of the Covid 19 emergency arrangements were made for non Executive

powers residing in committees to be delegated to senior officers for a period of 3 months as at the time there were no legal powers to hold meetings remotely. Change in legislation during April combined with the Procurement of Microsoft Teams have subsequently helped overcome this issue with great success.

- 3.20 The work of the Executive is supported by the Overview and Scrutiny Commission and three Overview and Scrutiny Panels. The number of panels reduced in 2018 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.
- 3.21 The Council's decision-making processes operate within a framework which presumes and promotes openness. Formal meetings are held in public and executive decisions are published on the Council's website. Agendas and reports for Executive and committee meetings are published at least five clear working days in advance. The use of powers to exempt information from publication or allow a committee to meet in private is minimised, being used when necessary and only after senior officer authorisation.
- 3.22 The Forward Plan describes all significant (key) decisions planned to be taken in the following four months and is published and updated at least monthly. The Constitution also prescribes the rules and constraints around urgent decisions (not notified in the Forward Plan) and the form and content of decision reports.
- 3.23 Communication to the public is via the Council's website, in public meetings and through social media

C Defining outcomes in terms of sustainable economic, social and environmental benefits

Assured ✓

The Council has in place clear arrangements to define outcomes and monitor performance. In setting policies and strategies, it has adopted a long-term view about outcomes. The Council Plan was adopted in February 2020 for the - period from - 2019-2023 and has strategic themes underpinned by social, economic and environmental objectives.

- 3.24 During 2019-20 the Council developed a new Council Plan for 2019-23 which articulates a new narrative for the organisation to meet the challenges it faced. The Plan sets out six overarching strategic themes which form the vision for the Council. The strategic themes are each underpinned by annual priorities and key performance indicators which are reflected in each Directorate Service Plan. The main ways the strategic themes are communicated are via the Council's Public

website, Intranet, Town and Country magazine (the Council's newspaper for residents) and Chief Executive's Briefings.

- 3.25 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.
- 3.26 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 Council Plan Overview Reports considered by the Executive.
 - Quarterly Service reports together with the Quarterly Council Plan Overview Report are then considered by the Overview and Scrutiny Commission or by the relevant Overview and Scrutiny Panel for their area.
- 3.27 All these reports are available on the Council's website and In Phase performance reporting system which was procured by the Council in 2019.. 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.
- 3.28 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.
- 3.29 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. The Statement was updated in 2019/20

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Assured ✓

The Council takes decisions on interventions based on its published Council Plan setting outcomes for services and defining actions and targets for achieving them. Proposed interventions are recorded through Directorate Business Plans for ensuring the achievement of intended outcomes within set timescales. More significant interventions through service or organisational transformation are considered and overseen by the

Transformation Board chaired by the Chief Executive.

- 3.30 All Directorates establish maintain and monitor Service Plans which set out the actions required to meet the outcomes set by the Council's Plan and the targets measures and milestones used to manage their delivery.
- 3.31 The Performance Dashboard on IN-Phase provides details on progress against the Annual priorities and Key Performance indicators of the Council Plan.
- 3.32 Decision reports provide the record of all significant decisions to implement service plans and spend and are required to show the intended outcomes, the rationale for the proposal, implications for Council's resources, other options considered, and engagement or consultation undertaken.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Assured

Officers are expected to have a clear sense of their purpose, roles and responsibilities in line with the Council's vision and the suite of policies and processes which support it. All officers are expected to have their performance monitored and their development needs identified and addressed through the Appraisal Framework within which specific elements exist for Leadership behaviours. A Member Induction and continuing development system is in place to ensure that all elected members have a similar understanding of their roles and responsibilities when appointed or elected to particular positions within the Council. Officers and Members have access to information, guidance and training to enable them to discharge their roles.

- 3.33 The Council has a comprehensive induction and training process in place for both Members and officers joining the Council.
- 3.34 Its Member Development Programme offers a range of learning and development opportunities including workshops, briefing seminars on specific topics and attendance at conferences. Members will have the opportunity to take part in a feedback programme to support effective reflection and future development planning. Identifying the most appropriate approach will form part of the new member development strategy. In January 2020 the Council was recognised as continuing to meet the standards required for Charter plus accreditation. Charter plus 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. SEE recognises Bracknell Forest as demonstrating high innovation with regards to member development.

- 3.35 All levels of management within the Council have a designated role profile and these profiles are accessible via the Council's intranet (DORIS). Officers are given copies of their roles on appointment and are supported through induction training, their personal development review and supervision in understanding and developing their roles. Internally published HR procedures cover all aspects of performance and procedure to support managers. The Council's appraisal framework sets out the values and behaviours that officers are expected to demonstrate. These are illustrated in the diagram below.

Diagram 3 - Values and Behaviours



- 3.36 A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by e-learning opportunities and also less formal learning such as mentoring and work shadowing schemes. Compliance with Continuing Professional Development requirements of staff is monitored by individual officers. The Council provides sufficient resources to fund this. As part of the performance appraisal process, each officer is required to identify their learning and development objectives

F. Managing risks and performance through robust internal control and strong public financial Management

Assured ✓

The Financial Regulations contained in the Constitution set out the rules to ensure robust internal control over the Council's finances. The system and arrangements for performance management and budget monitoring demonstrate sound internal monitoring and control. The Council has consistently achieved a level of fiscal prudence in recent years notwithstanding the challenging financial climate. Risks have been identified around the Council's wholly owned Housing Company which will need to be examined with a view to dissolution of the company to mitigate ongoing risks to the Directors.

- 3.37 The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures which comply with the CIPFA “Good Practice Guide for Financial Regulations in a modern English Council”. Control is maintained through regular management information, management supervision, and a structure of delegation and accountability. External audit of the Council’s accounts is robust and unqualified assurance has been given. 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.’
- 3.38 As set out in section G below, Internal Audit identified areas for improvement and common areas of weakness during the 2018/19 audits. During 2019/20 progress has been made to address these areas of weakness and this is ongoing which is reflected in the Head of Audit and Risk Management’s annual opinion. The impact of COVID-19 has in some areas caused further delay in work to address these weaknesses and limited access to the auditors to undertake reviews to establish if these have been addressed.
- 3.39 The 2019/20 budget was set in a climate of rising demand for services. Throughout the year a process of monitoring the delivery of the necessary savings (transformation and efficiency) was in place, including regular reporting to the Transformation Board chaired by the Chief Executive and to the Executive on progress against savings targets. The Council continued to generate efficiency savings as well as through its transformation programme. It achieved a balanced budget but was dependant on an increase in Council tax and recourse to its reserves. It developed its commercial activities through acquisition of a property investment portfolio based on sound professional advice around appreciation of risk and reward. The Council was able to keep 75% of its business rate revenue for the second year running in 2019/20 under the Business rates pilot scheme.
- 3.40 Further projects are due for completion in 2020/21 as listed below which are designed in part to improve the Council’s financial health in the medium term as well as helping it to meet its social, economic and environmental aims as set out in the Council Plan. ;
- Procurement of Joint Venture to develop town centre sites
 - Procurement of Joint Venture Partner for Remediation and development of London Road landfill site
 - Development of new care facilities at the site of the former Heathlands Care Home
- 3.41 As the financial challenges the Council face continues it is essential that it strengthens its arrangements and continues to implement robust processes for identifying and monitoring savings targets in the immediate future.
- 3.42 The role of the S151 Officer is set out in the constitution with the statutory underpinning of the role emphasised in the scheme of delegation. The postholder has ensured robust oversight of financial propriety. They report directly to the Chief Executive and are involved in all major decision-making preparation through membership of the Corporate Leadership Team.

- 3.43 The officer scheme of delegation was reviewed to reflect changes in the senior leadership structure. It is kept under review by the Borough Solicitor. Senior Officers are required to confirm, and where necessary, revise the effectiveness of the scheme of officer onward delegation to ensure decisions are taken lawfully under the correct authority.
- 3.44 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. The strategy is reviewed every three years and will be updated and reviewed by the Strategic Risk Management Group (SRMG) before going to the Governance & Audit Committee for approval in September 2020.
- 3.45 The Strategic Risk Management Group (SRMG) chaired by the Director of Finance meets quarterly and oversees the strategic risk register and health and safety arrangements. Information security management arrangements are now overseen by the Information Management Group which meets six weekly. During 2019/20 the Strategic Risk Register was updated and considered by SRMG on a quarterly basis and reviewed and approved three times by the Corporate Management Team which owns the Register. It was also reviewed three times by the Governance and Audit Committee with feedback provided. A further development during 2019/20 was to introduce deep dive reviews on individual risks in the Strategic Risk Register at CMT and the Governance and Audit Committee. Four risks were subject to deep dive review in September 2019 and January 2020. Actions to address strategic risks were updated and monitored during 2019/20 and key changes to strategic risks were summarised in the quarterly Corporate Performance Overview Report. An overarching risk register was developed to highlight the issues arising from COVID-19 and the actions being taken to respond and mitigate this. This was initially monitored weekly by the Corporate Management Team with frequency of monitoring reducing as the residual risk after mitigation reduced.
- 3.46 Project managers are required to maintain separate risk registers for all major projects and programmes. There is a process for recording and monitoring significant operational risks through directorate risk registers that are reviewed on a quarterly basis and these are used to inform the Strategic Risk Register.
- 3.47 In January 2020, an independent external review of risk management arrangements was undertaken by a risk management consultant. This reviewed the Risk Management Strategy, arrangements for maintaining and monitoring the Strategic Risk Register and directorate risk registers and the Risk Management Toolkit. The independent consultant concluded that these were compliant with good practice and proportionate for the size of the organisation. The consultant noted that they would be signposting other authorities to templates developed at Bracknell Forest which they considered to be exemplary models of risk register templates and complimented the Council on identifying its risk appetite in the form of target scores for each risk as many councils have yet to do this. The deep dives on individual strategic risks were also seen as good practice.
- 3.48 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 Council Plan Overview Report.

- 3.49 The Head of Audit and Risk Management is required to conclude and report on the effectiveness of the internal control environment in her annual report. Her assessment of the control environment for 2019/20 was as follows:

*Based on internal audit work undertaken, the Head of Audit and Risk management is able to conclude there are **adequate** arrangements in place for risk management and corporate governance. There has been real improvement in the control environment during 2019/20 following the Corporate Management Team's clear focus on addressing issues highlighted in 2018/19. Significant weaknesses were found to exist in a much-reduced number of audits in 2019/20 compared with 2018/19. However, where follow up 2018/19 limited assurance audit reports were able to be completed, the significant control issues identified in the previous year and reported in the Head of Audit and Risk Management's opinion for 2018/19 were still present in 50% of cases. In many areas, the audits established that considerable work had already been undertaken to identify and start implementing a strategy to address weaknesses which had resulted in good progress having been made. However, senior managers have acknowledged that these will take more time to resolve. In other cases, we noted that real progress was being made and the levels of exceptions and non-compliance were reducing although still unacceptably high.*

Due to pressure from COVID-19, some service areas were unable to accommodate scheduled audits in the latter part of the final quarter. This was exacerbated by delays in delivery by the main contractor for internal audit services. Internal Audit was, as a result of these factors, unable to access three service areas and two schools scheduled in quarter 4 for follow up of 2018/19 limited assurance reports to establish if significant weaknesses previously found in these areas had been addressed. Towards the end of the final quarter, audits had to be carried out remotely and in two cases remote working arrangements also affected access to systems with the result that testing could not be carried out as planned.

*While acknowledging that improvements have been made, the Head of Audit and Risk Management's overall conclusion is that due to the above factors, only **Limited Assurance** can be given that the framework of internal control was adequate during 2019/20. The direction of travel is positive and if this is sustained, she would expect to be in a position to give a more favourable opinion in 2020/21.*

Notwithstanding this conclusion, an assured finding is given against Principle F to reflect the fact that governance around the Internal control environment remains reasonably robust with a positive trajectory identifiable around Audit outcomes.

- 3.50 In 2016 the Council made a significant investment in setting up Downshire Homes Limited. This is a company limited by shares with an objective of creating efficiencies for the Council by obviating the need to purchase expensive temporary bed and breakfast accommodation for the homeless. The Company has largely succeeded in this objective. However, concerns were identified in 2019 relating to Health and Safety Compliance issues in many of the properties owned by the Company and managed by the Council. The vast majority of remedial work has recently been undertaken on the housing stock under the Direction of the Assistant Director: Early Help and Communities though a few inspections have been delayed as a result of access issues arising from Covid 19. Whilst the company's operations have significantly reduced revenue spend for the Council in the area of emergency housing, the company is itself likely to post a loss of around £160,000 for the 2019/20 Financial year. The Executive is expected to review proposals from the Board for the dissolution of the Company in 2020/21 with the property stock transferring back to the Council. There are financial, legal and reputational risks around this which will need to be managed carefully. Prudent Council side oversight of the process is captured in the Action Plan appended to this report.

G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Assured ✓

The Council has transparent processes in place through publication of the Forward Plan of key decisions, of agendas and reports of its meetings and those of its committees and of its key decision reports on the website. It publicises its pay policy statement in line with legislation as well as expenditure on contracts in excess of £5000 in value and all other expenditure in excess of £500. The Council has robust audit arrangements in place and there is regular audit reporting to the Council's Governance and Audit Committee.

- 3.51 All meetings of the Council and of the committees which discharge executive, non-executive or scrutiny functions take place in public and have their reports and minutes published on the Council's website. Executive Member and Committee decisions, agendas and reports are published on the website and are available to the press and public. This is driven by the publication of the Forward Plan of key decisions. A limited number of reports are considered in private session only when the subject meets the criteria.
- 3.52 Internal Audit provides an independent and objective annual appraisal of key financial systems through routine compliance testing and by undertaking a number of audit reviews within service departments in accordance with the Internal Audit Plan. The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by two external contractors and by Royal Borough of Windsor and Maidenhead and Wokingham joint internal audit team under an agreement made under Section 113 of the Local Government Act 1972.
- 3.53 Internal Audit provides an independent and objective annual appraisal of key financial systems through routine compliance testing and by undertaking a number of audit reviews within service departments in accordance with the Internal Audit Plan. The Head of Audit and Risk Management develops the Annual Internal Audit Plan which is then delivered by two external contractors and by Royal Borough of Windsor and Maidenhead and Wokingham joint internal audit team under an agreement made under Section 113 of the Local Government Act 1972.
- 3.54 The Head of Audit and Risk Management reports outcomes for all audits to the Corporate Management Team and the Governance and Audit Committee in quarterly progress reports. For audits where an inadequate or partial assurance opinion has been concluded, 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 should be carried out within 12 months to ensure that actions have been taken to address the areas of concern. For other audits, the Head of Audit and Risk Management obtains management updates on the progress on implementation of agreed recommendations and this information is also

reported to the Corporate Management Team and the Governance and Audit Committee

- 3.55 A proportion of the 2019/20 internal audit budget was set aside for purchasing counter fraud awareness training and counter fraud investigation services from Reading Borough Council's Corporate Investigation Team under an agreement made under Section 113 of the Local Government Act 1972. This has been used to support the Housing and Welfare services in investigating potential fraudulent housing application and welfare claims. Savings achieved to date have exceeded costs incurred and a successful business case has now been made for ring fenced funding to pilot counter fraud services during 2020/21.
- 3.56 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 2019/20, 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 2020/21 was approved by the Committee on 25 March 2020 although given the impact of the COVID-19 pandemic the scheduling of the audits is under review.
- 3.57 On 29th January 2020, the Council's external auditors issued an unqualified audit report on the Council's accounts for 2018/19.
- 3.58 The Annual Audit Letter for 2018/19 was presented to Governance and Audit Committee on 29th January 2020
- 3.59 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 2019 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.
 - Other information published with the financial statements was consistent with the Annual Accounts.

APPENDIX A
2019/20 Annual Governance Statement Action Plan Update

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/Implementation Deadline	Update
1.	Post-election strategic planning to reflect manifesto of incoming administration	Refresh Council Plan and Directorate Service Plans	Corporate Management Team	Oct 19-Feb20	New Council Plan published February 2020
2.	Review Emergency Planning arrangements	Keep Corporate Business Continuity Management Plan updated And Communicate this cross Council	Keep Corporate Business Continuity Management Plan updated and Communicate this cross Council	31 Dec 19	Ongoing
3.	Align corporate risks with manifesto commitments of the new administration as well as key corporate objectives arising from the revised Council Plan.	Review Strategic Risk register		Dec 19	Completed Autumn 2019

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/ Implementation Deadline	Update
	Directorate risk registers aligned with the new structure are developed	Directorate risk registers to be put in place for all directorates reflecting new structure		Dec 19	Completed Autumn 2019
4	Whilst the Council has undertaken a review of information governance in 2018 to meet the requirements of GDPR, further work is required to update Information Governance policies and procedures and embed them into the business as usual culture of the Council	Update Information Governance procedures Submit 2019/20 NHS Data Security and Protection Toolkit Cross Council Information Asset register and data retention/disposal schedules to be updated to improve records management regime	SIRO SIRO SIRO	May19-Mar 20 31 March 20 31 March 20	Updated March 20 Submitted March 20 Published March 20
5	Member training	Ensure provision of induction training for new members	Head of Democratic & Registration Services	31 July 2020	Completed

Item	Governance Point Raised in Annual Governance Statement	Proposed Action	Owner	Comments/Implementation Deadline	Update
6.	Address common areas of weakness in internal control and ensure major weaknesses identified in audit reports are addressed	<p>Monitoring of actions to address common areas of weakness</p> <p>Monitoring of all limited assurance audit reports</p>	Corporate Management Team/DMTs	Ongoing	Follow up work has indicated that in 63% of cases where significant weaknesses reported in 2018/19 audits, the issues are still being addressed.

APPENDIX B-
2020/21 Annual Governance Statement Action Plan

	Item	Proposed action	Owner	Implementation deadline
1.	Follow up work has indicated that in 63% of cases significant weaknesses reported in 2018/19 audits, the issues are still being addressed. Address common areas of weakness in internal control and ensure major weaknesses identified in audit reports are addressed.	Monitoring of actions to address common Areas of weakness. Monitoring of all limited assurance audit reports.	Corporate Management Team DMTs	Ongoing
2.	ICO Information Governance Audit	Adopt and implement recommendations arising from the May 2020 ICO Audit	Information Management Group	As soon as practicable following the Audit
3.	Review Emergency Planning arrangements	Update Corporate Business Continuity Plan in light of Covid 19 experience	Corporate Management Team	January 2021
4.	Covid 19 recovery work	Ensure objectives arising from Covid 19 Recovery plan are implemented	Corporate Management Team	From July 2020-onwards

5.	Dissolve Downshire Homes Limited	Undertake all necessary shareholder actions to assist Downshire Homes Limited facilitate dissolution of company and ensure transfer of property assets to BFC. All Companies Act and HMRC obligations to be discharged.	Executive	By 31 March 2021
6.	Councillor Code of Conduct	Review Code of Conduct in light of publication of new Model Code by LGA	Code of Conduct Working Group	By 31 March 2021

Signed:

Paul Bettison

Timothy Wheadon

Leader of the Council
June 2020

Chief Executive
June 2020