

GOVERNANCE & AUDIT COMMITTEE
22 JUNE 2022
7.34 - 8.28 PM



Present:

Councillors Allen (Chair), Wade (Vice-Chairman), Brossard, Gbadebo, Mrs Hayes MBE and Heydon

Apologies for absence were received from:

Councillors Leake

4. Declarations of Interest

There were no declarations of interest.

5. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the committee held on the 23 March 2022 and the Annual Meeting of the Committee held on 18 May 2022 be approved as a correct record.

6. Urgent Items of Business

There were no urgent items of business.

7. Internal Audit Annual Assurance Report 2021/22

Sally Hendrick, Head of Audit & Risk Management, presented the Internal Audit Annual Assurance Report 2021/22.

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).

The Head of Audit and Risk Management was able to give a partial assurance opinion on the internal control environment for 2021/22. Further action was needed to secure an adequate control environment and to ensure moving forward that agreed management actions to address weaknesses are implemented to reduce the number of repeat adverse opinions on individual audits.

The outcome of 2021/22 audits were included within the report, with a number of audits ongoing, and a further six audits had been completed since the report had been published. School audits had not been undertaken in 2021 due to the pandemic, a few schools had been subject to audit in 2022, but there were still a number of weaknesses to address.

In March 2022 an external assessment of Bracknell Forest Council's internal audit services was carried out by CIPFA and the conclusion was that the service is fully

compliant with Public Sector internal audit standards, with the only recommendation being that the Head of Audit and Risk Management should meet privately with the Chair of the Governance and Audit Committee on a regular basis which had already commenced.

Two advisory points were also be raised on use of data analytics and exploring alternative options such as apprenticeships and interns for resourcing internal audit given the national shortages of skilled and qualified auditor. Options were currently being explored with the Apprenticeship Levy Scheme.

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

- It was a historical arrangement to work with Reading, Wokingham and Oxford Councils to use their Audit Services as they sold spare capacity. Bracknell didn't have this capacity to share with other organisations.
- 3 providers had been looked at to undertake the external assessment. CIPFA were the preferred provider with expertise and independence and used by other Authorities in Berkshire.
- An apprentice would be supplementary to the current resources within the inhouse team.
- External support had been required to undertake Audits in the past year.
- A target date or goal would be included in inadequate or partial opinion audits going forward.
- It was suggested that IT could assist in setting up a recommendation tracker.
- Members could request to see audit reports at anytime.

RECOMMENDED that The Governance and Audit Committee

- i. note the Head of Audit and Risk Management's Annual Report setting out the Head of Internal Audit's Opinion for 2021/22.
- ii. note the conclusion of the independent external assessment that the Internal Audit service is fully compliant with Public Sector Internal Audit Standards.

8. **Annual Governance Statement**

The Borough Solicitor presented the Committee with the Annual Governance Statement (AGS) for 2021/22 and updated the Committee on progress against the Action Plan which had been agreed in June 2021.

The AGS covered the period 1 April 2021 to 31 March 2022 and a summary of assurance is given for each of the seven principles on which the Statement is based. Full assurances were given against six of the seven CIPFA Principles with a partial assurance against the other.

The Committee were told that:

- 2021/22 had seen the transition from remote to hybrid working in the office with the help of new technology.
- Formal meetings had continued throughout the year using a process of advisory meetings and delegations.
- The Council had continued to manage its finances and recognised governance challenges around data protection and cyber security which it had addressed through the training of staff.

- The development and opening of Heathlands, business continuity through the pandemic and a successful peer review were notable successes for the Council.

However, the efficacy of the Council's Special Educational Needs Provision had been criticised following a joint OFSTED/CQC inspection which has led to a remedial plan of action.

Going forward Members would need to consider the style and direction of officer leadership due to the impending departure of the current Chief Executive in the Autumn.

As a result of the Committee comments and questions, the following points were made:

- A partial assurance had been given for Progress with the Joint Venture development project which has been affected by global pressures on construction costs.
- The AGS was incorporated in accounts and the external auditors reflected on the statement annually.

RESOLVED that the draft Annual Governance Statement ("AGS") and Action plan be approved.

9. **Standards Annual Report 2021/22**

The Borough Solicitor presented the Standards Annual Report.

The Standards Framework comprised a number of elements including the code of conduct for Councillors, rules around disclosure of interests, procedure for dealing with complaints and sanctions for breaches.

In the period between 1 April 2021 and 31 March 2022 the Monitoring Officer received no complaints alleging breaches of Codes of Conduct for Members, compared to a neighbouring Borough who received 20 complaints in the same period.

The Governance & Audit Committee considered the Council's existing Code in June 2019 and determined that no changes were necessary. A model Code was published by the LGA in December 2020. It was left to individual Councils to determine whether to adopt it. The Council's existing Code was reviewed by the Code of Conduct Working Group in January 2022 in light of the publication of the Model Code. The Working Group determined that no substantive changes were required except for the following amendments:

- The Code to be redrafted in the first person
- The inclusion of reference to the Mayoral Charter
- A link to the Model LGA Guidance to be referenced in the Code

Once the amendments of the Code had been finalised, this would be communicated with the Chair of the working group who would communicate the updates with the Town and Parish Clerks.

Recruitment for the Independent Person was being looked into, presently if an Independent Person was required, the Monitoring Officer was communicating with

the Berkshire Monitoring Officer Group and using the services of a Independent person from another authority.

RECOMMENDED that Council notes the Standards outputs in 2021/22 as set out in the report.

CHAIRMAN