

**GOVERNANCE & AUDIT COMMITTEE**  
**21 JUNE 2023**  
**7.30 - 8.18 PM**



**Present:**

Councillors Karim (Chair), Allen, Ejaz, Haffeggee, Neil, Robertson and Zahuruddin

**Also Present:**

Councillors Bidwell, Pickering, Watts and Wright

**Also Present Virtually:**

Councillors Bidwell, Pickering and Wright

**Apologies for absence were received from:**

Councillors O'Regan

**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 22 March 2023 and 24 May 2023 (Annual Meeting) be approved as a correct record.

**6. Urgent Items of Business**

There were no urgent items of business.

**7. External Audit: Audit Progress Report**

Stuart McKellar, Borough Treasurer introduced Andrew Brittain, Ernst & Young to present the External Audit report.

Ernst & Young were responsible for the external audit of Bracknell Forest Council's accounts. Andrew explained that delays to audit activity had been caused by a delay to the completion of the Berkshire Local Government Pension Fund audit which came under the Royal Borough of Windsor and Maidenhead audit process with Deloitte. The letter of assurance for the 2020/21 audit of the pension fund had now been received, and so the 2020/21 audit had now been completed.

The 2021/22 audit would be completed over the summer months, and it was hoped that any outstanding issues on the account would be brought to the September 2023 Committee meeting. Once the 2021/22 audit was complete, the 2022/23 audit would begin with an interim visit in March 2023. It was noted that a number of Councils currently had open audits, and the Government was looking into ways to accelerate the process.

Arising from questions, the following points were noted:

- While most Councils had met audit deadlines in previous years, the number of Councils able to meet audit deadlines had declined rapidly. The issue was a national one, and not specific to Bracknell Forest.
- An audit result report would be brought to the July 2023 Committee meeting, which would include a conclusion on financial statements, an audit opinion and a value for money conclusion which considered whether economy of effectiveness was being achieved through the Council's third-party arrangements.

## 8. **Internal Audit Annual Assurance Report 2022/23**

Sally Hendrick, Head of Audit and Risk Management presented the Internal Audit Annual Assurance report which was to note.

The report included an opinion for the year of partial assurance, based on work undertaken by internal auditors across 53 audits conducted throughout the year. The opinion was based on some areas of weakness which had been drawn out through audits conducted during the year. However, it was noted that the number of partial assurance opinions had declined in number compared to the previous year. Sally commented that the partial assurance was based on the number of recommendations which had not been carried out or put in place.

It was noted that a number of partial assurance opinions in this year's report related to schools, which were autonomous bodies separate to the Council for this purpose.

To keep track of recommendations, a recommendation tracker had been implemented to assist management in keeping track of progress on recommendations. It was hoped that this would improve the rate of implementation and action following internal audits.

The Council was required to conduct a self-assessment every year under the Public Sector Internal Audit Standards, and to hold an external review of its internal audit service every 5 years. The last external audit had been conducted in March 2022, with very few points for improvement drawn out. One point arising from this external review had been a suggestion to take on apprentices in a 'grown your own' approach to address recruitment difficulties. Two apprentices had been in place in the team for 6 months and were progressing well, however it was noted that it would take some time for these officers to be fully trained.

Sally drew attention to work around counter-fraud and benefits abuse. Internal audit officers had worked together with the Department for Work and Pensions on benefits cases this year and had also done proactive work on Blue Badge claimants.

In response to questions, the following points were noted:

- It was speculated that recommendations had not been followed up or implemented due to staffing pressures and turnovers across the Council. Auditors were keen to inform departments not to sign up to actions which could not be delivered.
- Members requested an additional column on the recommendation tracker to take account of the recommendations which were outstanding or not yet started. Any critical recommendations would have a formal follow up separately to the recommendation tracker.
- The external assessment had advised officers to make better use of data analytics to evaluate risks and weaknesses. There had been a delay to this

work due to the vacant Principal Auditor post, which was about to go out to advert. Once the post was filled, all audit staff would be trained in data analytics and data interrogation.

- The recruitment market for auditors was challenging, and applicants were often at the end of their careers. Post-COVID, there had been a high turnover of auditor posts both internally and externally.
- The internal audit team used contractors to cover some posts, but it was noted that contract workers were also often at the end of their careers and the churn made the auditing process more difficult.
- While artificial intelligence would be a useful resource for audit processing, it would require a high degree of data maturity in order to be successful.
- The strategic risk register would be presented to the September 2023 Committee meeting.
- Members requested that a report be put together on the assurances not met in 2022, which could be shared with Departmental Management Teams and Corporate Management Team to track those issues which caused concern.

**RESOLVED** that 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 2022/23.

**CHAIRMAN**