

**GOVERNANCE & AUDIT COMMITTEE**  
**25 MARCH 2015**  
**7.30 - 8.23 PM**



**Bracknell Forest Borough Council:**

Councillors Heydon (Chairman), Ms Brown, Leake, Ward and Worrall

**Present:**

**Independent Members:**

Gordon Anderson

**Apologies for absence were received from:**

Councillors Allen, Blatchford, McCracken and Thompson

**37. Apologies for Absence**

Councillor Leake substituted for Councillor Allen.

**38. Declarations of Interest**

There were no declarations of interest.

**39. Minutes - 28 January 2015**

**RESOLVED** that the minutes of the Governance and Audit Committee meeting held on 28 January 2015 be approved as a correct record and signed by the Chairman.

**Matters arising**

The Committee noted that the Council had adopted the recommendations as regards:

- Amendments to the Constitution: Health Overview and Scrutiny (minute 29)
- Amendment to the Constitution: Sealing of Documents (minute 31)

With reference to Delegated Powers for Community Infrastructure Levy (CIL) (minute 32), the Borough Solicitor reported that following further work on this, the Leader would be asked to finalise the delegations for decision making during week commencing 30 March 2015 in order to implement CIL with effect from 6 April 2015. An Executive Decision notice would be issued in due course.

**40. Urgent Items of Business**

There were no items of urgent business.

**41. Audit Plan 2014/15**

Helen Thompson, Ernst and Young attended the meeting to present the External Audit Plan for 2014/15.

The Plan set out the proposed audit approach and scope for the 2014/15 audit and covered the work planned to provide the Council with:

- An audit opinion on the financial statements of Bracknell Forest Council; and
- A statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

The Audit Plan also outlined the principle financial statement risks facing the Council, as identified in discussion with officers, as

- The risk of management override
- Valuation of property, plant and equipment
- Non-domestic rates (NDR) rateable value appeals provision

In approaching the value for money (VFM) conclusion for the Council, the Auditors proposed an extension of last year's work around the significant risks associated with the major town centre redevelopment project being carried out by the Council and the continued implementation of the Better Care Fund. Finally, the Audit Plan set out a breakdown of the agreed fees for the audit, subject to variation if the level of work required was different to the anticipated.

Arising from questions, the Committee noted that review of the valuation of property, plant and equipment would have particular regard to the revaluation of school assets, where the external valuers engaged had used an estimation methodology that would have a significant impact on the asset values arrived at. Accordingly, the External Auditors would look carefully at the methodology adopted and assumptions made to assess accuracy and reasonableness. It was suggested that an update on this review be made to the Committee at its next meeting.

**RESOLVED** that the External Audit Plan for 2014/15 be noted.

#### 42. **Preparation of Annual Governance Statement**

The Committee considered a report seeking the nomination of a Member to assist the Governance Working Group in the formulation of the statutory Annual Governance Statement.

Councillor Thompson had joined the Governance Working Group in previous years and had indicated his willingness to participate again.

**RESOLVED** that Councillor Thompson be nominated to join the Governance Working Group during formulation of the Annual Governance Statement for 2013/14.

#### 43. **Annual Internal Audit Plan**

The Committee considered a report setting out the underlying principles applied in the Internal Audit planning process and seeking approval of the Internal Audit Plan for 2015/16.

The Audit Plan had been developed in consultation with the Chief Executive, Directors and Chief Officers and input was also sought from IT managers, our internal audit service providers and external audit. The Plan is risk driven to target resources on those areas of the Council's business that have the greatest influence on achievement of the Council's Medium Term Objectives. The main differences from the 2014/15 Plan were:

- An increase in the number of audit days of around 50 to a total of 687

- A reduction in IT audits
- An increase in the number of Council wide audits, including, for instance, a review of governance arrangements for major projects
- An increase in the number of school audits to 16 (compared to the usual number of 11 or 12) owing to the large number of changes / new Head Teachers in schools

Arising from questions and discussion, the Committee noted that the audit for schools focussed on their financial arrangements and procedures for ensuring the Governing Body received adequate and appropriate information to carry out its duties. It was noted that the Council had much less control over schools than in the past since Governing Bodies now had the prime responsibility for good governance.

Appendix 2 of the report contained a summary of the audits proposed to address the 12 areas of highest risk (graded red and amber) from the strategic risk register. Reference was made to the strategic risk 'Council unable to maintain buildings/highways' which referred to 'CIL set too high'. The Committee considered this wording should be amended since if the CIL was set too low this would also represent a risk.

**RESOLVED** that, subject to an appropriate amendment to the strategic risk register summary as referred to above, the Internal Audit Plan for 2015/16 be approved.

#### 44. **Local Government Audit Briefing**

The Committee received the latest issue of the Local Government Audit Committee Briefing, a periodic paper produced by the Ernst and Young Government and Public Sector team. The paper contained articles and information relevant to the local government sector as well as wider matters of potential interest to Council members.

In relation to forthcoming changes to the Accounts and Audit Regulations, a compressed timetable for the publication of annual accounts would be introduced to come into effect for the 2017/18 year. This would require accounts to be closed by 31 May following the end of the financial year rather than 30 June. The Borough Treasurer reported that the Council would be piloting a 31 May close down in the coming year in preparation for this future statutory requirement.

The Committee noted the briefing paper.

#### 45. **Alex Jack**

This was the last meeting of the Committee to be attended by Alex Jack prior to his retirement at the end of May. On behalf of the Committee the Chairman thanked Alex for his work for the Committee over the years and extended best wishes for a long and happy retirement.

#### 46. **Date of Next Meeting**

The Committee noted that its annual meeting would be held on 27 May 2015.

**CHAIRMAN**

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