



Audit and Governance Committee agenda

Date: Tuesday 27 September 2022

Time: 10.00 am

Venue: The Oculus, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF

Membership:

R Newcombe (Chairman), L Clarke OBE (Vice-Chairman), D Anthony, R Carington, A Christensen, T Dixon, M Dormer, C Etholen, D Goss, M Hussain, S Rouse and N Thomas

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13	Exclusion of the public To resolve:	
	that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting on the grounds that it involves the likely disclosure of exempt information as defined in the paragraph indicated in Part 1 of Schedule 12A of the Act.	
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If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place. For further information please contact: Leslie Ashton on 01895 837227, email democracy@buckinghamshire.gov.uk.



Agenda Item 3
Buckinghamshire Council
Audit and Governance
Committee

Minutes

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON THURSDAY 28 JULY 2022 IN THE OCULUS, BUCKINGHAMSHIRE COUNCIL, GATEHOUSE ROAD, AYLESBURY HP19 8FF, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.04 PM

MEMBERS PRESENT

R Newcombe (Chairman), D Anthony, R Carington, A Christensen, T Dixon, M Dormer, D Goss, M Hussain, S Rouse and N Thomas

Agenda Item

1 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED:

That Councillor L Clarke OBE be appointed as Vice-Chairman of the Audit & Governance Committee for the ensuing year.

2 APOLOGIES

Apologies had been received from Councillors L Clarke OBE and C Etholen. Apologies had also been received from supporting officers, Selina Harlock and David Skinner.

3 DECLARATIONS OF INTEREST

Councillor S Rouse declared a personal interest in item 9, 2022/23 Business Assurance Strategy (including Internal Audit Plan) as Chairman of the Buckinghamshire and Milton Keynes Fire Authority.

4 MINUTES

RESOLVED:

That the Minutes of the meetings held on 11 and 18 May 2022, be approved as correct records.

5 BUCKINGHAMSHIRE COUNCIL STATEMENT OF ACCOUNTS UPDATE 2020/ 2021

The Committee received a verbal update on the current situation with the Buckinghamshire Council Statement of Accounts 2020/2021. Mr Richard Ambrose, Service Director for Major Projects (former Section 151 Officer) and Mr Iain Murray, Grant Thornton (External Auditors) attended to present the update. Key points raised in discussion included:

- Significant progress had been made since the last time the Committee met in May, and the Council was now comfortable that the opening position reconciled as expected. Work had been undertaken on bank reconciliations, reclassification of balance sheets,

and on grants and external funding and this information had been passed on to the external auditors. Sampling was underway and the Council was confident that appropriate information and evidence was being provided to give assurance to the external auditor.

- There remained assurance work to be done around in-year changes to income and expenditure accounts and reserve statements and movements. The cash flow would then be finalised at the conclusion when there was agreement that the rest of the statements were satisfactory.
- The external auditor had been advised that they would receive the final revised accounts in the coming weeks once the Council had completed quality assurance checks.
- In terms of the national infrastructure assets issue that the Chartered Institute of Public Finance and Accountancy (CIPFA) had completed a consultation on, the Financial Reporting Council had not supported the suggestions put forward, so a solution remained outstanding. This issue affected the circa 50% of local authorities who had not signed off their 2020/21 accounts as well as all 2021/22 accounts. As a result, should all other outstanding work be completed by September, it was unlikely that the 2020/21 accounts could be signed off at the next meeting. Options included statutory override and approval 'subject to' certain conditions.
- Grant Thornton were working through this issue as a firm recognising that there was a balance to strike between the backlog that existed within the sector and signing off clean opinions. Work would be undertaken to assess records the Council held around infrastructure and assets to understand how big an issue it was for Buckinghamshire and whether a move toward resolving was possible, which could be in some form of modification to opinions within the final analysis. The statutory override option required primary legislation which would take a significant period of time given the need to obtain parliamentary approval.
- A decision would be taken nearer the time of the September meeting of this Committee on the next steps. Were the audit to be substantially completed at that time, infrastructure issues aside, they could be delegated to the Chairman and Section 151 Officer to sign off or be presented as a final version in November. From the external auditor's perspective, they would like to be as close as possible to a position of sign off in September due to Mr Murray changing job roles.
- Work on the 2021/22 accounts was progressing well although these accounts could not be published until the 2020/21 audit had been completed. The Committee noted that the sooner the 2020/21 accounts were signed off the sooner the audit work could commence on 2021/22.
- An update was provided on staffing following a number of changes and the difficulties experienced in recruiting following legacy staff departures. A Chief Accountant role had been advertised for, with shortlisting due to take place imminently. At present, there was an interim in place who would hold the position for at least six months to oversee the 2020/21 and 2021/22 accounts. This was identified as a critical role which it was hoped would be filled as a result of this recruitment exercise.

RESOLVED:

That the Buckinghamshire Council Statement of Accounts 2020/21 update be noted.

6 TREASURY MANAGEMENT ANNUAL REPORT 2021/22

The Committee considered the Treasury Management Annual Report 2021/22 which provided a summary of the Council's treasury position on 31st March 2021 and 31st March 2022. In line with the CIPFA Code of Practice for Treasury Management and the Council's Financial Regulations, the Council was required to provide the Audit and Governance Committee with a report on the previous year's treasury management activity. Mr Richard Ambrose, Service Director for Major Projects and

Ms Julie Edwards, Pensions and Investments Manager attended to present the report and take questions from the Committee.

In overall budget terms, the Council ended up £1.398m net better off during the year, despite an underachievement of £0.303m on treasury investment returns due in part to the low rates of interest available. Another factor was the continuation of the Council's strategy to use surplus cash instead of borrowing (known as internal borrowing), which led to an underspend against budget on borrowing costs of £1.701m. The overall favourable variance had been taken into account in the 2022/23 budget. The Council would continue the strategy of internal borrowing, which reduced risk and kept external financing costs low, while it made sense to continue to do so. Liquid cash was diversified over several counterparties and Money Market Funds to manage both credit and liquidity risks. Such an approach had also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets. Recent increases in interest base rates should improve future investment returns, however Public Loans Work Board (PWL) borrowing had increased and as such, new borrowing would cost slightly more. The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.

During discussion, points raised included:

- The Committee noted the significant amount of funds held in cash and were advised that there was not a target cash amount set in the 22/23 strategy, although £10m was noted as the previous target for 2021/22. It was explained that part of the reason for the high cash levels was the aim to use internal borrowing where possible, as opposed to external borrowing which was more expensive. This would be kept under review as interest rates had started to move over recent months. The new strategy took account of increasing interest rates, although mitigating the impact of inflation was particularly difficult.
- A Member requested that a supporting table be provided to the Committee to provide a greater understanding and context of the figures referred to in paragraph 1.1 of the report. It was also noted, that the first paragraph in 1.2 of the report was duplicated in 2.7 of the report.

ACTION: Ms J Edwards to provide a table for circulation to the Committee

- The Committee heard that much of the approximately £300m borrowing was over fixed periods. When the budget was set for 2022/23 it was assumed there would be a greater level of borrowing, however because of either capital slippage or internal borrowing, this had not been the case.
- The Committee requested that a treasury management session be held with Members to provide greater detail on volatility around rates and how inflation and cash flow would be managed moving forward.

ACTION: Ms J Edwards / Mr R Ambrose to liaise with LINK Treasury Management Advisors with an aim to set a session up prior to the next meeting of this Committee in September.

- The sign off process for investing in to other local authorities was welcomed, the Committee heard that since the process was in place, there had not been any further local authority investment although the team was keeping an up to date list of those authorities who had been issued a Section 114 notice or were known to be in financial difficulties. There had been previous investments made in authorities who had been issued Section 114 notice which had matured, with others due to mature. The investment in Slough Borough Council was highlighted, this was due to mature in October and there were not expected to be any issues over this money being returned

RESOLVED:

That the Treasury Management Annual Report for 2021/22 be noted.

7 ANNUAL GOVERNANCE STATEMENT UPDATE

Mr Glenn Watson, Principal Governance Officer provided the Committee with an update on the progress made on producing a revised Annual Governance Statement for 2021/22. This issue was discussed by the Committee at its previous meeting on 11 May. During discussion, points highlighted included:

- That each local authority was required to produce an Annual Governance Statement (AGS) on the previous year to sit alongside its Statement of Accounts. It was intended to be a brief, accessible summary reviewing the effectiveness of governance within the authority, including actions taken and planned, challenges and an overall conclusion on what the governance arrangements delivered for that year. For this authority, 2021/22 was its second year of operation, so the AGS would cover, amongst other things, how the authority had built on its establishment, how covid had impacted delivery of services, and how the governance had worked around Afghan and Ukrainian refugee schemes.
- Corporate Management Team had recommended that the AGS be produced with increased engagement from service areas rather than being produced in isolation, and this was underway with business managers having been asked for contributions through their service management teams. The draft version would be presented to the next meeting of this Committee in September at which point it would have had business wide input.
- The Chairman requested that Mr Watson hold individual conversations with Members of this Committee to see whether Members had suggestions for inclusion or could highlight anything which they thought had been missing or could have been managed differently in the governance of the authority.

ACTION: Mr G Watson to liaise with Members of the Committee on the contents of the draft Annual Governance Statement.

RESOLVED:

That the Annual Governance Statement update be noted.

8 INTERNAL AUDIT CHARTER

The Committee considered a report presented by Ms M Gibb, Chief Auditor, which contained the Internal Audit Charter for approval. The Public Sector Internal Audit Standards (PSIAS), which took effect from the 1 April 2013, provided a consolidated approach across the whole of the public sector providing continuity, sound corporate governance and transparency. The Standards required all Internal Audit activities to implement and retain an 'Internal Audit Charter'. The purpose of the Internal Audit Charter was to formally define the Internal Audit activity's purpose, authority and responsibility. The Internal Audit Charter was reviewed by CIPFA as part of the External Quality Assessment in Q3 of 2021/22, and was found to comply with best practice. The Internal Audit Charter had been presented to, and agreed by, the Audit Board (S151 Officer, Monitoring Officer and Director for Legal and Democratic Services). During discussion, points raised included:

- Since the drafting of the updated Charter, reporting lines would be changed for the Business Assurance team and Chief Auditor from November 2022. The team would move directorate to the Deputy Chief Executive at the conclusion of their service review. At that point the Charter would require further updating to reflect the change.
- It was clarified that responsibility for responding to internal audit reports was with Head of Service level staff, this could then be escalated as appropriate through the Service

Director and subsequently, the Corporate Director. There had been occasions in the past that staff under Head of Service level had been responding to reports which was no longer happening and the latest CIPFA review was content with current practices.

- The Committee questioned whether there would be an opportunity for it to comment on/give approval to the proposed restructure of the team given that it could impact on audit work. The service review was underway factoring in comments from CIPFA and PWC on resources expected for an authority of this size, additional funding had been approved for posts in recognition of capacity issues, particularly in internal audit and fraud and these had gone through internal officer boards. It was proposed that as the consultation was now live on the new structure and due to conclude in August, that once confirmed, the structure be presented to the Committee at its next meeting in September to outline proposals for how the new structure would deliver its work.

ACTION: Ms M Gibb to present the new team structure at the next Committee meeting in September.

- The Committee received assurance that wide reaching training was delivered to staff on anti-fraud and corruption, and staff generally were aware of who to contact, and the escalation processes to use. Various communications were circulated and within the CIPFA fraud review it was noted that there was good awareness and knowledge of practices.

RESOLVED:

That the Internal Audit Charter be approved.

9 2022/23 BUSINESS ASSURANCE STRATEGY (INCLUDING INTERNAL AUDIT PLAN)

The Committee considered a report presented by Ms M Gibb, Chief Auditor, which detailed the draft 2022/23 Business Assurance Strategy update, which included the proposed Internal Audit Plan. The Accounts and Audit Regulations 2015 (S5) stated that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance; these were defined as the Public Sector Internal Auditing Standards 2017.

Two corrections to the report were tabled at the meeting:

1. Page 49, section 2.5 should read *complete the audit activity which has been deferred from 2021/22*
2. Page 63, External Clients section of table referencing BMKFA should read *Plan to be completed by February 2023*

The Internal Audit plan was produced with reference to the Strategic and Directorate Risk Registers and was prepared using a risk-based methodology that enabled the provision of an independent opinion on the adequacy and effectiveness of the systems of internal control (comprising of risk management, corporate governance, financial and operational controls). A significant proportion of the Internal Audit plan was audit activity deferred during 20/21 and 21/22 due to the Covid-19 pandemic. Whilst there was a plan in place, the need to have a fluid approach to enable an effective response to emerging risks and the needs of the organisation was recognised, as such a risk-based planning model had been used to assess and identify the key audit engagements that 'must' be delivered this year. The need to be flexible was apparent, with requests for new audits often arising, an example of a recent request for internal audits to be undertaken on waste services was given, which followed on from the southern waste collection issues.

The detailed Business Assurance Strategy and Internal Audit Plan, agreed by CMT and the Audit Board were appended to the report.

Following discussions at previous meetings of this Committee there would be a robust process introduced for the deferral of audits. Sufficient reasoning would be needed and would be expected to be reported to the Committee.

Lastly, it was noted that actual performance statistics for 2021/22 would be included in the annual report which would be presented to the September meeting.

RESOLVED:

That the Business Assurance Strategy and Internal Audit Plan be approved.

10 BUSINESS ASSURANCE STRATEGY UPDATE

The Committee considered a report which presented the 2021/22 Business Assurance Strategy update, which included progress against the Internal Audit Plan. This was the last update from 2021/22 as the Annual report detailing the full year would be presented to the next meeting of this Committee. The 2021/22 Internal Audit Plan had been reviewed to identify the key audit activities to be delivered with consideration to the priorities within the Directorates and working around the service reviews that were underway. Progress against the strategy had been presented to, and agreed by, the Audit Board (S151 Officer, Monitoring Officer and Director of Legal Services).

The detailed Business Assurance update was appended to the report.

A Member wished to place on record his belief that it was not appropriate for audits to be paused or deferred due to service reviews, noting that often periods such as these were the best time to get an external perspective of the service.

Clarity was also provided in relation to the deferred audit relating to Service Improvement within the Deputy Chief Executive area, it was clarified that this focused on the Service Improvement team who were supporting the wider programme of service reviews, at present the team were undertaking the Business Assurance service review, helping to shape the new structure and changes to posts.

RESOLVED:

That the report be noted.

11 APPOINTMENTS TO THE RISK MANAGEMENT GROUP

RESOLVED:

That the below appointments to the Risk Management Group for the ensuing year be noted.

Councillors:

D Anthony

R Carington

A Christensen

L Clarke OBE

R Newcombe

N Thomas

12 CONTRACT PROCEDURE RULES - WAIVERS AND BREACHES (6 MONTH UPDATE)

The Committee received a report which provided an updated summary in relation to the compliance with the Council's Contract Procedure Rules (CPR's) and compliance with the Public Contracts Regulations 2015 as well as summarising waivers and breaches. It also provided a summary of the current procurement culture and relevant updates for the Council. The reporting period covered the period 1st October 2021 to 31st March 2022.

Ms Lindsey Sheen, Commercial Business Partner presented the report and summarised what was classed as a breach and waiver and the appropriate processes each needed to follow.

Corrections to the report were highlighted as follows:

- Page 85, Section 3 – Waiver summary Q3-4 FY21/22 should read that there were a total of 30 Waivers registered in the 6-month period as opposed to 38.
- Page 87, Summary of all Waivers registered during Q3 – Q4 2021/22 – highest value waiver the total should be £908,733 as opposed to zero.
- Page 88, Data table 4 – there should be one asterisk alongside the first entry and two asterisks alongside the second entry.
- Pages 88 and 89, Date table 6 – the total should read 30 as opposed to 32, as there should have been 2 noted for A&H – Integrated Commissioning as opposed to 4.

The Council, as a public body when undertaking procurement exercises and awarding contracts, must comply with the Public Contracts Regulations 2015. The Regulations placed a great deal of restrictions on the Council in how it was permitted to run procurement exercises and in some cases the Council could be sued by bidders for not following these Regulations. It was noted that it was the relevant service area / directorate that were responsible for undertaking procurement exercises and the management of contracts, not the procurement team. The Procurement team developed the corporate policy, supported high risk/value procurement exercises, and provided training on procurement & contract management.

Points raised during discussion included:

- Attention was drawn to the training the Procurement team delivered to officers which was unique to the Council with a range of courses offered. Positive feedback was received on the content of the sessions, which not only provided key information and skills but also helped officers understand the contract regulations that had to be adhered to. Training attendance levels had been higher in the previous year, in part due to officers wanting to gain an understanding of new Council processes, following the legacy Councils coming together. The Committee noted that an increasing number of Heads of Service were attending training sessions although commented that thought should be given to making training courses mandatory, as this could lower retrospective waiver numbers. Members noted that training was further important given the legislative changes expected.
- Members requested that within future reports it would be beneficial to understand what proportion of staff had been reached by the training sessions, to provide greater clarity as to whether the numbers included in the report were positive. Presenting these as a percentage of expected attendance was recommended.
- Following Brexit there was a move to transform public procurement rules, and a White Paper, on which Buckinghamshire Council had commented, had been presented to Parliament in May this year. Whilst changes were not expected to be seen until mid-2023, there were key principles relevant now on transparency and value for money. The six current procurement procedures were reducing to three which it was hoped would provide more flexibility to local authorities to design processes to best fit their needs.
- The Chairman, on behalf the Committee congratulated the Procurement team for having been shortlisted for four awards at the Procurement GoAwards – these included the categories of Procurement Team of the Year, Best Procurement Delivery, Continuous Improvement Award and Individual Achievement of the Year Award for Mr Cael Sendell-Price.
- The Committee suggested inclusion of historic data in future reports to allow for greater understanding of trends, giving the example that table summaries within the report displayed figures for Q3 and Q4 although had not included Q1 and Q2. This request was noted and the Committee was advised that both the total number of Waivers and

Retrospective Waivers had reduced quarter on quarter for 2021/22.

- The Committee was advised that retrospective waivers were difficult to monitor at times as often the Procurement Team were not aware when these were occurring, although when going through the process of issuing a retrospective waiver, evidence had to be provided as to how the decision was reached so reputational risk was reduced. The Contract Management Application sent contract expiry reports to relevant officers 18 months prior to contract expiry to make officers aware that they needed to take action. The Procurement Team aimed to provide support to service areas as required, and the team would do what it could to reduce retrospective waiver levels, with an ambition to halve the current figure, although this was very much reliant on respective service areas.

RESOLVED:

That the report and work of the Strategic Procurement Team be noted.

13 ACTION LOG

The Committee considered the latest action log as attached to the agenda pack and agreed that Risk 2 – 2022/23 Internal Audit Plan, could be closed.

RESOLVED:

That the action log be noted.

14 WORK PROGRAMME

Members received the Work Programme which covered meetings through 23 November 2022. The work programme would be reviewed for the next meeting on 27 September due to the large number of items expected at that meeting.

RESOLVED:

That the work programme be noted.

15 EXCLUSION OF THE PUBLIC

RESOLVED:

That pursuant to Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting during consideration of Minutes No 16, 17, 18 and 19, on the grounds that they involved the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act as defined as follows:

Minute 16 – Confidential Minutes of the Audit and Governance Committee held on 11 May 2022.

Minute 17 – Contract Procedure Rules – Waivers and Breaches (6 month update)

Minute 18 – Business Assurance Strategy Update – Completed Audits and Management Actions

Minute 19 – Action Log (confidential)

The items include Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Paragraph 3, Part 1 of Schedule 12A, Local Government Act 1972) (The need to maintain the exemptions outweighs the public interest in disclosure, because disclosure could prejudice the Council's position in any future process or negotiations).

- 16 CONFIDENTIAL MINUTES**
RESOLVED:
That the confidential Minutes of the meeting held on 11 May 2022, be approved as a correct record.
- 17 CONTRACT PROCEDURE RULES - WAIVERS AND BREACHES (6 MONTH UPDATE)**
This item followed on from agenda item 12 and detailed each of the three breaches reported to Statutory Officers as highlighted in the report for item 12. The Committee discussed these at length, and questioned officers from the relevant service areas on their respective breaches.
- RESOLVED:**
That the breaches be noted.
- 18 BUSINESS ASSURANCE STRATEGY UPDATE - COMPLETED AUDITS AND MANAGEMENT ACTIONS**
The Committee considered a confidential report which provided an overview of the internal audits that had been completed and detailed the progress against the audit management actions by each directorate.
- RESOLVED:**
That the report be noted.
- 19 ACTION LOG (CONFIDENTIAL)**
The Committee considered the confidential action log and
- RESOLVED:**
That the current Action Log (confidential) be noted.

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Report to Audit & Governance Committee

Date:	27 th September 2022
Reference number:	N/A
Title:	Farnham Park Sports Fields Charity Annual Report and Financial Statements 2021/22
Relevant councillor(s):	Cllr Clive Harriss
Authors:	David Skinner (S151)
Contact Officers:	Fiorella Mugari, Mark Young
Ward(s) affected:	Stoke Poges/ Farnham Royal

Recommendations: Members are requested to:

- (i) Review the Farnham Park Sports Fields Charity audited Annual Report and Financial Statement for the year ended 31 March 2022 attached at Appendix 2 and raise any issues which may provide assurance needed to approve the Annual Report and Financial Statement.
- (ii) Consider and note the audit progress and findings report from Azets (Appendix 2).
- (iii) Approve the Letter of Representation (Appendix 3) in the capacity of those charged with Governance.
- (iv) Subject to above, approve the Annual Report and Financial Statement for 2021/22.

Content of report

1.1 The draft Annual Report and the Financial Statements for the year ended 31 March 2022 have been prepared in accordance with the requirements of the Charities Act 2011 and

has adopted the provisions of Accounting and Reporting by Charities Statement of Recommended Practice and Financial Reporting Standards.

1.2 The Farnham Park Sports Fields Charity accounts have been audited by Azets Audit Services.

1.3 The Council as sole trustee has introduced enhanced governance arrangements which include oversight on Trust activities by the Leisure Board and reports to the Corporate Management Team board meetings covering financial management of the Trust.

1.4 The net worth of Farnham Park Sports Fields Charity has increased by £3k from £477k in 2021 to £480k in 2022. The net operating surplus for the year was £3k compared to a net operating loss of £202k in 2020/21. The main reason for the movement is the introduction of management fee income of £231k payable by Buckinghamshire Council to manage and operate the land known as South Buckinghamshire Golf Course along with Farnham Park Playing Fields (as previously reported to the Committee, provision was made in the Council's MTFP 2021/22 for these operating costs, and a related Service Level Agreement is now in place).

1.5 As can be seen in the Trustees report, golfing operations performed very well during 2021/22, with the highest number of rounds played in a year (36,661) since 2007/08; and there were also increases in the number of football teams playing at Farnham Park Playing Fields. Income from the bar and catering operations continued to be affected by Covid-19, with facilities only able to operate in a limited capacity in the initial months of the year, in line with the Government roadmap for the gradual easing of restrictions on indoor hospitality, and more generally, customer confidence impacting on demand for functions and events; recovery is ongoing.

Other Options Considered

1.6 N/A

Legal and financial implications

1.7 All the financial implications are included in the main body of the report and Appendices.

1.8 Legal Implications: The report addresses the statutory obligations placed on the Council as Trustee of the Farnham Park Sports Fields Charity, pursuant to section 132 of the Charities Act 2011.

Corporate Implications

1.9 None

Consultation and communication

1.10 None

Next steps and review

1.11 None

Background papers

Appendix 1: Annual Report and Financial Statement

Appendix 2: Audit Findings

Appendix 3: Letter of Representation

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**FARNHAM PARK SPORTS FIELDS
CHARITY NO 308164**

Annual Report and Accounts
For the year ended 31 March 2022

FARNHAM PARK SPORTS FIELDS CHARITY NO 308164

Annual Report and Accounts For the year ended 31 March 2022

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Trustee's Annual Report

Charity Details

Official charity name	Farnham Park Sports Fields	
Registered charity number	308164	
Charity's principal address	The Gateway Gatehouse Road Aylesbury Bucks, HP19 8FF	
Charity trustee	Buckinghamshire Council is the sole Corporate Trustee from 1 April 2020.	
Principal Officers	Chief Executive	Sophie Payne (from April 2020) Service Director Culture, Sport & Leisure of Buckinghamshire Council
	Treasurer	David Skinner (from July 2022) Service Director of Finance & s151 Officer of Buckinghamshire Council
Principal advisors	External audit	Azets Audit Services Suites B & D, Burnham Yard, Beaconsfield, Bucks HP9 2JH
	Bank	Barclays Bank Plc 16/18 St Peters Street, St Albans, Herts AL3 4DZ

Financial and legal support is provided by Buckinghamshire Council.

Structure, Governance and Management

Governing Document and how the Charitable Trust is Constituted

The Farnham Park Sports Fields charity is governed by the Eton Rural District Council (ERDC) Act 1971.

Prior to the ERDC Act land and buildings at Farnham Park Sport Field (FPSF), and parts of the South Buckinghamshire Golf Course (SBGC) were controlled by the Farnham Park Recreational Trust, which was constituted by a conveyance dated 30th December 1946 between United Commercial Association Limited and the Trustees of the Trust.

The ERDC Act transferred these assets to Eton Rural District Council. South Bucks District Council (SBDC) became the successor in title to Eton Rural District Council, under provisions contained in the Local Government Act 1972. Buckinghamshire Council (a unitary authority) assumed all the responsibilities of SBDC under the relevant legislation.

The ERDC Act obliges Buckinghamshire Council to maintain and manage the transferred land in accordance with the purposes of the original trust (as substantially re-enacted in schedule 4 of the ERDC Act). These assets therefore form a charitable trust, with Buckinghamshire Council being the sole corporate trustee. Furthermore as the usage of these assets is subject to the restrictions contained within this Act, these assets represent a permanent endowment.

Trustee's Annual Report

Trustee Appointment

As Buckinghamshire Council is the sole Corporate Trustee, Members of Buckinghamshire Council act in a corporate capacity as trustee. There are no other charity trustees.

Organisational Structure of the Charitable Trust

The Members of Buckinghamshire Council (acting as corporate trustee) make the strategic decisions relating to the operation of the facilities. The Buckinghamshire Council Cabinet annually approves the Trust budget. The day-to-day management is undertaken by Council officers in line with approved guidelines.

Relationship between the Charitable Trust and Related Parties

All financial, legal and operational support is provided by Buckinghamshire Council and this affects the Charitable Trust in the following ways:

- All staff who are involved in the Charitable Trust are employed by Buckinghamshire Council;
- The key management personnel are members and officers of Buckinghamshire Council, and receive no remuneration from the Charitable Trust.

Risks

The Charitable Trust complies with the Buckinghamshire Council risk management strategy and the Buckinghamshire Council risk management policy. In particular risks relating to the Charitable Trust's activities are identified, evaluated and monitored in an appropriate risk register.

The main risk that the Charitable Trust faces is that its income is solely dependent on attracting people to use its facilities. It has to compete in a competitive market for leisure facilities and therefore has to ensure its facilities and prices are comparable to its competitors whilst still promoting its charitable objectives around open access. Furthermore, expenditure on leisure activities is very dependent on external economic conditions and as it is providing outside leisure facilities it is affected by the weather. Thus the Charitable Trust needs to be able to cope with and appropriately respond to changes in demand due to these external factors.

The nature of the Charitable Trust's facilities also means that there will periodically need to be investment to maintain / modernise the facilities in line with changing customer expectations. The Charitable Trust therefore needs to ensure that there is a long term robust business plan and access to finance, to ensure that it is able to continue to operate within the Charitable Trust's available resources over the long term. In this respect it is very dependent on the Council as Corporate Trustee.

Trustee's Annual Report

Objectives and Activities

Objectives of Charitable Trust

The objectives of the Charitable Trust are set out in the ERDC Act and are as follows:

'The maintenance and improvement of the physical well-being of persons resident in the rural district of Eton and adjoining areas by the provision of facilities for physical training and recreation and for promoting and encouraging all forms of recreational activities calculated to contribute to the health and physical well-being of such persons.'

Charitable Trust Aims

The Charitable Trust aims to maintain and improve the physical well-being of local residents by providing high quality, public sporting facilities at reasonable prices.

Specifically, it:

- maintains the Farnham Park Playing Fields to enable clubs to let or hire these facilities, and
- operates the South Buckinghamshire Golf Course on a public pay and play basis.

Objectives for Year

The key objectives for 2021/22 were:

1. To ensure that the facilities continue to provide value for money for users, and
2. To ensure that the facilities are operated within the Charitable Trust's available resources.

Strategies for Achieving Objectives

1. To ensure that the facilities provide value for money for users, the Charitable Trust aims to:
 - maintain the facilities to a high standard, including having proper regard to the safety of users of the facilities.
 - annually review its fees and charges to ensure that they remain competitive, and
 - offer discounted prices for under 18s, senior citizens and those on low incomes.
2. To ensure that the facilities operate within the Charitable Trust's available resources, the Charitable Trust sets an annual budget and monitors this throughout the year, taking corrective action as necessary.

Public Benefit

Public Benefit is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit.

The Charitable Trust is aware of the Charity Commission's guidance on public benefit, and believes that the Charitable Trust's aims meet the two key public benefit principles which are set out in the Charity Commission guidance:

- Principle 1: There must be an identifiable benefit or benefits
- Principle 2: Benefit must be to the public, or a section of the public.

Trustee's Annual Report

Achievements and Performance

Review of Activities Undertaken

Farnham Park Playing Fields comprises of one full size rugby pitch; six adult and seven junior football pitches, plus four softball and two baseball pitches, along with a children's play area operated by Farnham Royal Parish Council.

During 2021/22 the following organisations were the main users of these facilities:

- BaseballSoftballUK Limited (Farnham Park National Baseball & Softball Complex)
- Farnham Royal Rugby Club
- Unity Martial Arts.

In addition to these organisations, there were a number of football teams hiring pitches on a season and casual basis. The number of teams playing at the site increased during 2021/22, due to Gerrards Cross and Fulmer FC booking pitches for their junior teams from January 2022 onwards; they have confirmed that they will return for the 2022-23 season.

The total number of football and rugby matches played during the year exceeded 330; with additional training sessions throughout the season (September to April) there were over 9,000 participants, not including spectators.

In addition, baseball and softball attracted over 15,000 participants during their season (March To October).

The number of rounds played at the South Buckinghamshire in 2021/22 was 36,661, the highest number of rounds played in a year since 2007-08. The continuing increase in demand from golfers is thought to be due to changes in working patterns (more people being able to play due to working from home), as well as golf being viewed as a safe sport to play in light of Covid-19; maintenance work at another local course has also led to some golfers playing at The South Buckinghamshire.

During 2021/22, income from the bar and catering operation continued to be affected by Covid-19, with facilities only able to operate in a limited capacity in the initial months of the year, in line with the Government roadmap for the gradual easing of restrictions on indoor hospitality, and more generally, customer confidence impacting on demand for functions and events; recovery is ongoing.

The Trust was able to benefit from some of the government Covid-19 support available, as can be seen from the £61k reflected in these accounts; the overall position was that the Trust ended the year in a positive position, with a surplus on its net operating costs.

Offering a high quality course at a competitive price in future years continues to be imperative to the success of the golf operation, and as a result there will be ongoing maintenance during the winter period to improve the quality of the course, and reduce the number of closure days due to flooded areas.

Trustee's Annual Report

Financial Review

Review of Year

During 2021/22 the Charitable Trust generated income totalling £1,196K and spent £1,254K giving a net deficit for the year of £58K. A claim for loss of income due to Covid-19 was paid by the Government, amounting to £61K [20/21 £384k]. The net surplus for the year was £3K. The table below compares the budget for the year with the actual expenditure.

	Budget Figures	Actual	Variance (Act-Budget)
	£'000	£'000	£'000
Farnham Park Sports Fields			
Income	76	69	-7
Expenditure	-203	-246	-43
Depreciation	-10	-60	-50
	<hr/>	<hr/>	<hr/>
	-137	-237	-100
South Buckinghamshire Golf Course			
Income	622	663	41
Expenditure	-573	-600	-27
Depreciation	-62	-64	-2
	<hr/>	<hr/>	<hr/>
	-13	-1	12
South Buckinghamshire Catering			
Income	282	181	-101
Expenditure	-299	-284	15
	<hr/>	<hr/>	<hr/>
	-17	-103	-86
Government Covid-19 Claim	-	61	61
Management Fee Income	-	283	283
	<hr/>	<hr/>	<hr/>
	-167	3	170

The figures given in the table above include the amounts claimed under the Covid-19 loss of income scheme as a separate line.

When the course re-opened at the end of March 2021 there was a high demand despite the restrictions put in place to ensure the safety of the public. As a result, the Golf Course did achieve the level of income anticipated. However, the catering operation incurred a loss as a result of the closures and restrictions in place due to the pandemic.

The Playing Fields, in common with the majority of playing field facilities, suffered from the restrictions in place on team sports, with changing rooms not being made available, and on large events, which led to fewer softball tournaments taking place, and therefore reduced income from the hire of pitches.

Charitable Trust income comes from fees and charges paid by users of the facilities, and all charitable expenditure relates to providing sporting facilities to help maintain and improve the physical well-being of local residents.

The following table provides a summary of the Charitable Trust's key assets and liabilities:

	At 31 March 2022	At 31 March 2021
	£'000	£'000
Fixed Assets	3,928	4,043
Current Assets	547	742
Clubhouse Loan from Buckinghamshire Council	-1,290	-1,388
Other Liabilities	-2,705	-2,920
	<hr/>	<hr/>
	480	477

Trustee's Annual Report

Reserve Policy - Unrestricted Fund

Nature of Reserve: This Fund represents the accumulated year on year surplus / deficit of income over expenditure that has been accumulated by the Charitable Trust.

Minimum Value of Fund: The Charitable Trust aims to ensure that the charity operates within its means and therefore aims to ensure that it always holds a balance on its unrestricted funds sufficient to meet its known future commitments.

The current Unrestricted Fund balance is a deficit of £1,114K (2020/21 £1,178K; 2019/20: £987K). This means that as in previous years the Charitable Trust continues to rely on the ongoing support of Buckinghamshire Council.

Usage: The Unrestricted Funds can be applied for any lawful purpose of the charitable trust.

Reserve Policy - Restricted Fund

Nature of Reserve: The Restricted Fund is made up of monies received in 1998/99 for the sale of Farm Cottages. The current balance is £247K from the Farm Cottages sale.

Minimum Value of Fund: The value of the restricted funds will reduce over time to reflect the depreciation of the clubhouse and the use of the sale monies to fund redevelopment.

Usage: The Restricted Funds consist of the Farm Cottage Fund set aside for any future redevelopment of the Playing Fields and money from Sport England set aside to cover ongoing usage of the Clubhouse.

Reserve Policy - Endowment Fund

Nature of Reserve: The Endowment Fund represents the value of the assets that were transferred under the ERDC Act.

Minimum Value of Fund: The value of the Endowment Fund will reduce over time to reflect depreciation of the endowment assets.

Usage: Endowment funds cannot generally be spent, and thus changes to the value of the endowment reserve will only be due to changes in the value of the endowment assets.

Trustee's Annual Report

Statement of Trustee's Responsibilities

The trustee is responsible for preparing a Trustee's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, The Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 requires the trustee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income and expenditure of the charity for that year. In preparing those financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Plans for Future Periods

Works are underway for 2022/23 to improve the quality of the playing pitches to support increased utilisation. The Trust is also working with partners to explore installation of Padel Tennis courts, subject to the necessary planning approvals, to complement the existing facilities and increase participation and income. In addition, BaseballSoftballUK are continuing their investment into their facilities, with upgrades including the creation of a fifth softball field.

The Trust and the Council will also continue developing longer term plans in line with their shared objectives around supporting physical activity and the wellbeing of residents, while improving the financial sustainability and resilience of the Trust. These will take account both of the opportunities emerging through the Council's wider strategies and of external factors affecting the Trust operations, such as the effects of the weather, the general economy (including close monitoring of the impacts of increases in energy charges and general supplies) and competition from other facilities in the area. In the immediate future, there are no plans to make any changes in the support levels currently provided by the Council.

Trustee's Annual Report

Declaration

The Buckinghamshire Council acting as Corporate Trustee has delegated responsibility to the Audit & Governance Committee of the authority to review and approve the Charitable Trust's Accounts. These accounts will be signed by David Skinner, the Service Director of Finance and s151 officer on behalf of the Trustees.

It is therefore declared that the Buckinghamshire Council's Audit & Governance Committee, on behalf of the Charity, reviewed this Annual Report and the accompanying Accounts for the financial year ending 31st March 2022 at their meeting on 27 September 2022.

Approved and signed on behalf of the Corporate Trustee by:

David Skinner
Service Director of Finance & s151 Officer

Date: 27 September 2022

Statement of Financial Activities (SoFA)

This statement shows the income and expenditure of the Charitable Trust during the year and the accumulated funds at the Charitable Trust's disposal. All operations are continuing.

Notes	2021/22 Unrestricted Funds £'000	2021/22 Restricted Funds £'000	2021/22 Endowment Funds £'000	2021/22 Total Funds £'000	2020/21 Unrestricted Funds £'000	2020/21 Restricted Funds £'000	2020/21 Endowment Funds £'000	2020/21 Total Funds £'000
*a Donations and Grants	61	-	-	61	384	-	-	384
Income and Endowments								
Income from charitable activities								
- Farnham Park Sports Fields	69	-	-	69	-4	-	-	-4
- South Buckinghamshire Golf Course	663	-	-	663	301	-	-	301
- South Buckinghamshire Catering	181	-	-	181	42	-	-	42
*b Income from non-charitable activities	283	-	-	283	2	-	-	2
Total income and endowments	1,196	-	-	1,196	341	-	-	341
Expenditure								
Charitable activities								
- Farnham Park Sports Fields	-246	-	-	-246	-170	-	-	-170
- South Buckinghamshire Golf Course	-600	-	-	-600	-516	-	-	-516
- South Buckinghamshire Catering	-284	-	-	-284	-167	-	-	-167
- Depreciation – Tangible Assets	-63	-	-61	-124	-73	-	-10	-73
Total expenditure on charitable activities	-1,193	-	-61	-1,254	-926	-	-10	-926
Net movement in funds	64	-	-61	3	-201	-	-10	-201
Total funds brought forward	-1,178	247	1,408	477	-987	247	1,418	678
Total funds carried forward	-1,114	247	1,347	480	-1,178	247	1,408	477

*a This is the amount paid by the Government for loss of income during the Pandemic

*b This is the management fee in relation to work carried out by the Trust on behalf of Buckinghamshire Council

Balance Sheet

This statement shows the assets and liabilities of the Charitable Trust and the balances and reserves at the Charitable Trust's disposal.

Notes	At 31	At 31	At 31	At 31	At 31
	March	March	March	March	March
	2022	2022	2022	2022	2021
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	Funds	Funds
		Farm Cottage Sale			
	£'000	£'000	£'000	£'000	£'000
	Fixed Assets				
8	Intangible Assets – software	-	-	-	-
9	Tangible Assets	2,581	-	1,347	4,043
		2,581	-	1,347	4,043
	Current Assets				
10	Stock – finished goods	9	-	-	9
11	Debtors	412	-	-	441
	Cash at Bank	126	-	-	292
		547	-	-	742
	Current Liabilities				
12	Creditors: Amounts due within 1 year	-566	-	-	-781
	Amount due to related party (Buckinghamshire Council)	-2,386	247	-	-2,139
13	Loan from Buckinghamshire Council	-100	-	-	-95
		-3,052	247	-	-3,015
	Net Current Assets or Liabilities	-2,505	247	-	-2,258
	Total Assets less Current Liabilities	76	247	1,347	1,770
	Long Term Liabilities				
13	Loan from Buckinghamshire Council	-1,190	-	-	-1,293
	Net Assets	-1,114	247	1,347	477
	Unrestricted Fund	-1,114	-	-	-1,178
	Restricted Fund	-	247	-	247
14	Endowment Fund	-	-	1,347	1,408
	Total Funds	-1,114	247	1,347	477

Signed on behalf of the Corporate Trustee

David Skinner
Service Director of Finance & s151 Officer

Date: 27 September 2022

Statement of Cash Flow

This statement shows the changes in cash and cash equivalents during the reporting period.

	2021/22 £'000	2020/21 £'000
Cash flows from operating activities		
Net movement for the financial year	3	-201
Adjustments for:		
Depreciation of tangible assets	75	73
Impairment of tangible assets	49	-
Interest Paid	19	29
(Increase)/decrease in stocks	-	3
(Increase)/decrease in debtors	30	-375
Increase/(decrease) in creditors	-216	726
Net cash provided by (used in) operating activities	<u>-40</u>	<u>255</u>
Cash flows from investing activities		
Purchase of tangible assets	-9	-38
Purchase of intangible assets	-	-
Net Cash provided by (used in) financing activities	<u>-9</u>	<u>-38</u>
Cash flows from financing activities:		
Repayments of loan from Buckinghamshire Council	-98	-93
Interest Paid	-19	-29
Net Cash provided by (used in) financing activities	<u>-117</u>	<u>-122</u>
Change in cash and cash equivalents in the year	<u><u>-166</u></u>	<u><u>95</u></u>
Cash and cash equivalents at the beginning of the year	<u>-1,847</u>	<u>-1,942</u>
Cash and cash equivalents at the end of the year	<u>-2,013</u>	<u>-1,847</u>
Split by:		
Cash at Bank	126	292
Amount due to Buckinghamshire Council	-2,139	-2,139
	<u>-2,013</u>	<u>-1,847</u>

Notes to the Accounts

1. General Information

Farnham Park Sports Fields is a Charitable Trust governed by the Eton Rural District Council (ERDC) Act 1971 and is registered charity number 308164. The principal address is The Gateway, Gatehouse Road, Aylesbury, Bucks, HP19 8FF.

2. Statement of Accounting Policies

Basis of Accounting

These Accounts have been prepared in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and UK Generally Accepted Accounting Practice as it applies from 1 April 2021.
- Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), and
- The Charities Act 2011.

Farnham Park Sports Fields meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Presentational Currency

These accounts have been presented in sterling (£) which is also the functional currency of the Charitable Trust. Monetary amounts in the financial statements are rounded to the nearest £'000.

Income

Recognition of income	These are included in the Statement of Financial Activities (SoFA) when: - the Charitable Trust becomes entitled to the income; - the Trustee is virtually certain they will receive the income; and - the monetary value can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the Charitable Trust has unconditional entitlement to the resources.
Contractual income and performance related grant	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	Gifts in kind are accounted for at a reasonable estimate of their value to the Charitable Trust or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the Charitable Trust. Gifts in kind for use by the Charitable Trust are included in the SoFA as incoming resources when receivable.
Donated services and facilities	These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the Charitable Trust is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the Charitable Trust of the service or facility received.

Notes to the Accounts

Expenditure and Liabilities

Liability recognition	Liabilities are recognised if it is probable that there is a legal or constructive obligation committing the Charitable Trust to pay out resources.
Expenditure	<p>All expenditure is accounted for on an accruals basis. All expenses including support costs are allocated or apportioned to the applicable expenditure headings.</p> <p>Costs of charitable activities consist of those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.</p> <p>Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.</p>
Grants with performance conditions	Where the Charitable Trust gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the Statement of Financial Accounts (SoFA) once the recipient of the grant has provided the specified service or output.
Grants payable without performance conditions	These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Charitable Trust.
Pension Contributions	<p>The Charitable Trust operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to the Charitable Trust.</p> <p>The Charitable Trust accounts for this scheme as if it was a defined contribution scheme.</p> <p>The amount charged to the SoFA represents contributions payable to the scheme in respect of the accounting period.</p>
Creditors	Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors are recognised at their settlement amount due.

Assets

Intangible fixed assets for use by the Charitable Trust	<p>These are capitalised if the cost is significant and they can be used for more than one year. Expenditure that maintains but does not add to an asset's future economic benefits is charged as an expense.</p> <p>Assets are measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.</p>
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Notes to the Accounts

Assets - continued

Tangible fixed assets for use by the Charitable Trust	<p>These are capitalised if the cost is significant and they can be used for more than one year. Expenditure that maintains but does not add to an asset's future economic benefits is charged as an expense.</p> <p>Assets are measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.</p> <p>A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.</p> <p>The Trust does not adopt an accounting policy of revaluing any classes of assets.</p>
Stocks	<p>These are valued at the lower of cost or market value. Where necessary, provision is made for obsolete, slow moving and defective stocks.</p>
Debtors	<p>Debtors are recognised at the settlement amount due.</p>
Cash at bank	<p>Cash at bank represents short term highly liquid investments with a short term maturity of three months or less from the date of acquisition or opening of the deposit or similar account</p>

Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of fixed assets	<p>The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are considered annually.</p>
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There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

VAT

The Charitable Trust is registered for VAT. It is however able to exempt from VAT any charges it makes to individuals of services closely linked with and essential to sport, per the VAT Act 1994, Schedule 9, Group 10, Item 3. This includes green fees.

As a consequence, VAT payable is not generally recoverable from Her Majesty's Revenue and Customs, and is included as an expense when appropriate.

Going Concern

As Corporate Trustee, The Council has a duty to ensure that the Trust operates within its available resources. If the Trust were ever to exhaust its funds, then the Council as corporate Trustee would need to put in place a recovery plan which could include supporting the Trust financially.

Notes to the Accounts

3. Charitable Expenditure

	Sports Field £'000	Golf Course £'000	Catering £'000	Golf Management £'000	Grounds Maintenance £'000	2021/22 Total £'000	2020/21 Total £'000
Employees	2	-	140	222	266	630	526
Premises	35	47	2	3	6	93	65
Transport	-	-	-	-	19	19	19
Supplies & Services	33	74	89	55	90	341	186
Bad Debt Provision	3	-	-	-	-	3	-
Depreciation	64	41	-	-	19	124	74
Interest	-	19	-	-	-	19	29
Support Costs:							
Human Resources	2	4	-	-	-	6	6
Finance	3	6	-	-	-	9	9
ICT	1	-	-	-	-	1	3
Property & Facilities	-	-	-	-	-	-	1
Governance	3	6	-	-	-	9	9
	146	197	231	280	400	1,254	927

Governance costs are those costs that are associated with the general running of the Charitable Trust, as opposed to those costs associated with specific charitable activity. Governance costs include: internal and external audit; legal advice for trustees; the cost of preparing statutory accounts; and costs associated with strategic management. Golf Management and Grounds Maintenance are recharged to the Sports Field, Golf Course and Catering on the SoFA and Review of Year.

4. Trustee Expenses

The key management personnel comprise the members who received no remuneration or other financial benefits from the Charitable Trust during either the current or previous year. Any expenses claimed by Members are paid by Buckinghamshire Council rather than the Charitable Trust. No expenses were claimed during 2021/22.

5. Audit Costs

The Charitable Trust incurred the following fees relating to external audit.

	2021/22 £'000	2020/21 £'000
Auditors' fees for reporting on the accounts	18	9
	18	9

Notes to the Accounts

6. Paid Employees

There was an average of 18 (2020/21: 18) staff who worked at the Farnham Park Sports Fields and the South Buckinghamshire Golf Course during 2021/22. This includes full-time, part-time and casual staff.

	2021/22	2020/21
	£'000	£'000
Basic pay	443	391
National insurance	41	36
Pension costs	113	97
Overtime	7	-
Temporary Staff	13	-
Apprenticeship Levy	2	1
Other employee costs	11	1
	630	526

No employee earns more than £60,000 a year.

In addition, as Buckinghamshire Council provides support services to the Trust, a number of other Buckinghamshire Council employees also provide support to the Trust. None of these support staff spend more than 50% of their time on supporting the Trust and they have therefore been excluded from the analysis above.

7. Pensions

As part of the terms and conditions of employment of its officers, the Charitable Trust makes contributions towards the cost of post-employment benefits (i.e. pensions).

The Charitable Trust participates in the Local Government Pension Scheme which is administered by Buckinghamshire Council. This scheme is a defined benefit scheme based on Career Average Revalued Earnings (CARE).

It is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to the Charitable Trust.

The pension cost charge represents contributions payable by the Charitable Trust to the fund and amounted to £113k. There were no outstanding contributions payable to the fund as at 31 March 2022.

Contributions of at least £113K are estimated to be payable in the year ending 31 March 2023.

Notes to the Accounts

8. Intangible Fixed Assets – Software

	2021/22 £'000	2020/21 £'000
Valuation		
Balance brought forward	15	15
Balance carried forward	15	15
Accumulated Depreciation and Impairment Provisions		
Balance brought forward	15	15
Depreciation charge for year	-	-
Balance carried forward	15	15
Net Book Value		
Brought forward	-	-
Carried forward	-	-

Intangible assets are amortised using the straight-line method over a period of up to 5 years after the year of expenditure.

9. Tangible Fixed Assets

	Freehold Land Sports Fields £'000 PE	Freehold Buildings Sports Fields £'000 PE	Freehold Buildings Sports Fields £'000	Freehold Land Golf Course £'000 PE	Freehold Buildings Golf Course £'000	Vehicles Equip't and IT Systems £'000	Total £'000
Valuation							
Balance b/f	327	293	420	858	2,397	388	4,683
Additions	-	-	-	-	-	9	9
Disposals	-	-	-	-	-	-12	-12
Balance c/f	327	293	420	858	2,397	385	4,680
Accumulated Depreciation and Impairment Provisions							
Balance b/f	-	71	49	-	239	281	640
Depreciation charge	-	11	7	-	40	17	75
Impairment Charge	-	49	-	-	-	-	49
Disposals depreciation	-	-	-	-	-	-12	-12
Balance c/f	-	131	56	-	279	286	752
Net Book Value							
Brought forward	327	222	371	858	2,158	298	4,043
Carried forward	327	162	364	858	2,118	99	3,928

PE - These assets are part of the Charitable Trust's permanent endowment.

Depreciation is provided on all fixed assets with a finite useful life in accordance with FRS102 as follows:

Land	Not depreciated.
Buildings	Using the straight-line method over the useful life of the asset after the year of expenditure. These range from 20 to 60 years.
Fixtures & Fittings	Using the straight-line method over a period of 10 years after the year of expenditure.
Vehicles, equipment and IT Systems	Using the straight-line method over a period of up to 10 years after the year of expenditure.

Notes to the Accounts

Security over Assets

None of the assets of the Charitable Trust have been used as security for any loan, overdraft or other credit arrangement.

Capital Commitments

There are no monies due in relation to capital contracts as at 31 March 2022.

Investment in Fixed Endowment Assets

During 2021/22 the Trust incurred no expenditure on the Land and Buildings that are held as a Permanent Endowment (PE).

Leases

The Trust leases one building along with several pitches to BSUK (BaseballSoftballUK) on a 25-year lease which started in June 2016. A further two buildings are leased on a rolling annual basis. The other buildings are currently vacant or not usable due to their age and condition. The drop in minimum lease payments reflects the decrease in the remaining time on the long term lease.

The future minimum lease payments due under the leases are:

	At 31 March 2022 £'000	At 31 March 2021 £'000
Not later than one year	26	25
Later than one year not later than five years	67	79
Later than five years	-	5
	93	109

The income credited to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2021/22 £'000	2020/21 £'000
Minimum lease payments	30	7
	30	7

10. Stock

All stock held by the Charitable Trust are classified as finished goods. Stock recognised as an expense during the year was £93K (2020/21: £17k).

Notes to the Accounts

11. Debtors and Prepayments – Amounts Falling Due Within 1 Year

	At 31 March 2022	At 31 March 2021
	£'000	£'000
Amounts due for rent of facilities	18	13
Amounts due from Buckinghamshire Council	330	384
Other amounts due	27	5
Prepayments and accrued income	51	50
Bad Debts Provision	-14	-11
	412	441

Amounts due from Buckinghamshire Council in 2021/22 relate to management fee due.

12. Creditors and Accruals - Amounts Falling Due Within 1 Year

	At 31 March 2022	At 31 March 2021
	£'000	£'000
Creditors	82	70
Trade Creditors	331	648
Audit fee	18	9
Deferred season ticket and Flexi-card income	135	54
	566	781

Other Trade Creditors being the invoices raised by Buckinghamshire Council for Salaries and the Loan Charge which were unpaid at the year end.

Deferred income

	At 31 March 2022	At 31 March 2021
	£'000	£'000
Deferred income as of 1 April 2021	54	-
Received in the year	270	80
Credited to statement of financial activities	-189	-26
Total deferred income as of 31 March 2022	135	54

All deferred income, which represents golf season tickets and flexicards paid in advance, is included within Creditors: amounts falling due within 1 year.

Notes to the Accounts

13. Loan from Buckinghamshire District Council

The clubhouse building which opened April 2014 was primarily funded from an unsecured £1.98m loan from South Bucks District Council. This will be repaid over 20 years from 2015. The interest rate charged is based on the Public Works Loan Board (PWLB) variable annuity rate published for 1st April each year. The loan is now repayable to Buckinghamshire Council as the successor to South Bucks District Council.

The principal payments due under the loan are as follows:

	At 31 March 2022	At 31 March 2021
	£'000	£'000
Not later than one year	100	95
Later than one year not later than five years	412	398
Later than five years	778	895
Total Liability	1,290	1,388
Interest repayment on the loan was	19	29

14. Endowment Funds

The Farnham Park Sports Fields Charity is governed by the Eton Rural District Council Act 1971. This Act transferred to Eton Rural District Council land and buildings at Farnham Park Sport Field, and parts of South Buckinghamshire Golf Course. The Assets subsequently transferred to South Bucks District Council and then Buckinghamshire Council in April 2020 as part of local government reorganisation. The usage of these assets is subject to the restrictions contained within that Act. These assets therefore represent a permanent endowment.

15. Operating Lease Commitments

The Farnham Park Sports Fields has the following commitments under a rental agreement for the supply of golf buggies and another agreement for the leasing of course/grounds maintenance equipment. There are two separate agreements for the leasing of grounds maintenance equipment.

	At 31 March 2022	At 31 March 2021
	£'000	£'000
Not later than one year	76	78
Later than one year not later than five years	103	138
Later than five years	3	-
	182	216

Lease payments recognised as an expense during the year were £78k (2020/21: £40k).

Notes to the Accounts

16. Related Party Transactions

The Charitable Trust is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Charitable Trust, or to be controlled or influenced by the Charitable Trust. Disclosure of these transactions allows readers to assess the extent to which the Charitable Trust might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Charitable Trust.

The Eton Rural District Council Act 1971 transferred the Charitable Assets to Eton Rural District Council. SBDC was the successor in title to Eton Rural District Council, under provisions contained in the Local Government Act 1972. In April 2020 Buckinghamshire Council became the successor to SBDC. As such the charitable activities form part of the activities of Buckinghamshire Council.

Members of Buckinghamshire Council.

Members of Buckinghamshire Council have direct control over the Charitable Trust's financial and operational policies and senior officers of the Council have control over the day-to-day management of the Charitable Trust. However, any actions taken are required to comply with the Charitable Trust's objectives and procedurally must follow the Council's constitution, financial and contract procedure rules, and codes of conduct.

Assisted organisations.

The Charitable Trust did not provide any material assistance to any organisations that comprised more than 50% of their funding, on terms that gave the Charitable Trust effective control over their operations.

Companies and joint ventures.

The Charitable Trust does not have any interests in companies outside of its normal contractual arrangements.

Transaction terms and conditions

The loan payable to Buckinghamshire Council is repayable by 31/03/2034. Interest is charged at a variable rate based on the Public Works Loan Board rates.

Transactions with Buckinghamshire Council as sole Corporate Trustee

	2021/22	2020/21
	£'000	£'000
As at 31 March included in debtors:-		
Other debtors receivable from Buckinghamshire Council		
Covid-19 loss of income scheme.	-	384
Management fee	330	-
As at 31 March included in creditors:-		
Trade Creditors payable to Buckinghamshire Council (Note a)	331	648
Funding payable to Buckinghamshire Council	2,139	2,139
Loans payable to Buckinghamshire Council	1,290	1,388
For the year ended 31 March included within the Statement of Financial Activities:-		
Interest payable on loans to BC	19	29
Covid-19 loss of income scheme	61	

Note a - Invoices raised by the Council for Salaries, Loan Charges and other expenses which were unpaid (pending payment) at the year end.

Notes to the Accounts

17. Analysis of changes in net debt

	Balance at beginning of year £'000	Cash Flow £'000	Other changes £'000	Balance at end of year £'000
Cash at Bank	292	-166	-	126
Amounts due to related party (BC)	-2,139	-	-	-2,139
Total cash and cash equivalents	-1,847	-166	-	-2,013
Loan from Bucks Council due within one year	-95	-5		-100
Loan from Bucks Council due more than one year	-1,293	103	-	-1,190
Total net debts	-3,235	-68	-	-3,303

18. Events after the Balance Sheet Date

For the 2021/22 accounts there are no significant adjusting or non-adjusting events to disclose.

Independent Auditor's report to the Trustee of Farnham Park Sports Fields

Opinion

We have audited the financial statements of Farnham Park Sports Fields (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is enough and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of the responsibilities of the Board of Trustees, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Cary LLB FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Suites B & D
Burnham Yard
Buckinghamshire
HP9 2LH

Date:

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Audit Findings

Farnham Park Sports Fields

Year ended 31 March 2022



The Board of Trustees
Farnham Park Sports Fields

13 September 2022

Dear Sir

Farnham Park Sports Fields
Audit findings for the year ended 31 March 2022

This Audit Findings report highlights the significant findings arising from the audit for the benefit of those charged with governance. We appreciate that you may be aware of some of the matters contained in this report, however as required by International Standard on Auditing (UK) 260 we are communicating them to you formally.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) (ISAs (UK)), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the charity's financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements. The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by your team during our audit. If we can be of any further assistance, please contact David Cary or Phillip Moretti.

Yours faithfully

A handwritten signature in black ink that reads 'Azets Audit Services'.

Azets Audit Services

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Executive summary

Audit overview

This table summarises the key findings from the statutory audit of Farnham Park Sports Fields for the year ended 31 March 2022 for those charged with governance.

Audit opinion	<ul style="list-style-type: none">• We do not propose any modifications to our audit opinion which is unqualified• We have no matters to report regarding the adoption of the going concern basis or inadequate disclosures relating to material uncertainties• Our audit work is substantially complete and there are currently no matters which would require modification of our audit report.
Key findings on audit risks and other matters	<ul style="list-style-type: none">• We have reported our audit findings on page 3 and audit adjustments on page 9. The overall impact on the charity's surplus is a reduction of £33,000.
Audit adjustments	<ul style="list-style-type: none">• We are required to communicate all potential adjustments, other than those considered to be clearly trivial, to management and to request that management corrects them. Details of the audit adjustments and potential adjustments would be included on page 9.• There were no unadjusted misstatements on the statement of financial position.
Accounting systems and internal controls	<ul style="list-style-type: none">• We have applied our risk-based methodology to your audit. This approach requires us to document, evaluate and assess your business processes and internal controls relating to the financial reporting process.• Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you on pages 10 to 12.

Materiality

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to those charged with governance and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Under ISA (UK) 260 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA (UK) 260 defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

An omission or misstatement is regarded as material if it would reasonably influence the users of the financial statements. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the business and the needs of the users.

Significant findings

Findings related to significant risks

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Audit approach	Audit findings and conclusion
Completeness of Income and Revenue Recognition Under ISA (UK) 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. There is also a risk that revenue is understated as it is not all included.	<ul style="list-style-type: none">• Review and testing of revenue recognition policies• Cut off procedures will be performed• Review of contracts to ensure income expected is in accordance with income received• Daily and monthly income reports compared to supporting documentation and to entries to the accounting records.	We did not identify any areas of material misstatement not adjusted for within Appendix 1.
Management override of controls Under ISA (UK) 240 there is a presumed risk of management override of controls in all entities	<ul style="list-style-type: none">• Review of accounting estimates, judgements and decisions made by management• Testing of journal entries• Review of unusual significant transactions	We did not identify any areas of material misstatement.

Going concern and particular impact of COVID-19

Under ISA (UK) 570 an entity is ordinarily viewed as continuing for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. Accordingly, assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of its activities.

- Obtain and review management's continuing assessment of going concern.
- Obtain copies of the latest management accounts, budgets and forecasts of the charity for review of whether there are going concern issues.
- Obtain evidence of the continuing support of Buckinghamshire Council not being withdrawn.
- Obtain details of which, if any, government assistance packages the entity has adopted along with the financial effect of each package on the entity's operations.

We did not identify an issue with the use of the going concern basis. We obtained evidence of continuing support from Buckinghamshire Council.

Other findings

Other identified risks	Audit approach	Audit findings and conclusion
<p>Debtor valuation</p> <p>Due to impact of Covid-19 over the last two years there may be an impact on the recoverability of debts.</p>	<ul style="list-style-type: none"> • Discuss with client their policy on refunds for unavailability of facilities and the recoverability of amounts due as at the year end. 	<p>We did not identify any areas of material misstatement.</p>

There were no changes to our audit plan previously communicated to you on 15 July 2022.

Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Management’s assessment of going concern	Audit work performed	Audit findings and conclusion
As Corporate Trustee, The Council has a duty to ensure that the Trust operates within its available resources. If the Trust were ever to exhaust its funds, then the Council as Corporate Trustee would need to put in place a recovery plan which could include supporting the Trust financially.	We have considered forecasts and the expectation that the Trust is expected to continue to place reliance on support from Buckinghamshire Council. We note from the trustees report and the going concern note on page 15 of the financial statements that the Council, as Corporate Trustee, has a duty to ensure that the Trust operates within its available resources, but that also if funds are exhausted then as Corporate Trustee you will need to put in place a recovery plan.	The Corporate Trustee has provided written confirmation of continuing support for at least 12 months from date of signing of the financial statements We therefore concur with management’s assessment that it is appropriate to continue to adopt the going concern basis.

Accounting policies, judgements, estimates and disclosures

Accounting policies

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Judgements and estimates

Key judgements and estimates include depreciation rates which are unchanged from the previous year.

Disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity.

Conclusion

We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

Other communication requirements

Fraud or suspected fraud

We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit. Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. In the event that the directors wish to obtain enhanced assurance with regard to the effectiveness of internal control in preventing and detecting fraud we should be happy to provide additional services.

Non-compliance with laws and regulations

The principal laws and regulations with which the charity complies include The Charities Act 2011. We are not aware of any significant incidences of non-compliance. There are also may other laws and regulations relating to health and safety as well as human resources generally and industry specific requirements. We are not aware of any significant incidences of non-compliance.

Written representations

We enclose the final draft letter of representation alongside this document which we will request the Board to sign at the same time as the financial statements are approved.

Specific representations include:

The rights to land reflected in the financial statements of Farnham Park Sports Fields but for which the registered title is in the name of Buckinghamshire Council are ultimately for the benefit and use of the Charitable Trust.

Vehicles included in fixed assets, registered with the DVLA as ownership of Buckinghamshire Council are recognised as being held on behalf of the Charitable Trust.

The Corporate Trustee has provided continuing support for a period of at least 12 months from the date of signing of the financial statements.

Confirmation that management fees totalling £283K for 2021/22 were charged to the Buckinghamshire Council in relation to work carried out on their behalf by the Trust

Related parties

We are not aware of any related party transactions which have not been disclosed.

Confirmations from third parties

All requested confirmations have been received for which we undertook alternative audit procedures.

Misstatements

We are required to inform you of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. Details of items corrected following discussions with you and your team are as below.

Corrected misstatements

No	Detail	SOFA		Balance Sheet		Surplus effect
		Dr £'000	Cr £'000	Dr £'000	Cr £'000	£'000
	Surplus as presented for audit					35
1	Disposal of fixed asset still on fixed asset register			6	6	-
2	Reallocation of Azets fee accrual to intercompany with Buckinghamshire Council which settled the fees by 31 March 2022			9	9	-
3	Capitalisation of fixed assets acquired in the year		10	10		10
4	Reverse duplicate recording of utilities bill		8	8		8
5	Assets disposed of in prior year adjusted this year			6	6	-
6	Impairment losses for unusable properties at playing fields	50			50	(50)
	Surplus per audited accounts					3

Uncorrected misstatements

A number of non-trivial uncorrected misstatements were discovered during the course of our audit and these are summarised below. We have discussed the uncorrected misstatements with Peter Fairfax and have confirmed that individually and in aggregate the effect is not material

No	Detail	SOFA		Balance Sheet		Deficit effect
		Dr £'000	Cr £'000	Dr £'000	Cr £'000	
	No non-trivial uncorrected misstatements					
	Net effect to audited deficit					

Internal controls

The purpose of an audit is to express an opinion on the financial statements. As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. However, this work was not for the purpose of expressing an opinion on the effectiveness of internal controls.

We are required to report to you in writing, significant deficiencies in internal controls that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have reported these to you below.

Area	Observation	Implication	Recommendation	Management response
Existence and write down of fixed assets	A review of the fixed asset register identified additions, disposals and impairments not previously reflected on the fixed asset register.	If an accurate register is not maintained, fixed assets may potentially be incorrectly stated in the annual financial statements. Also procedures should be in place to demonstrate that disposals are authorised and recorded and such details also passed to the accounts team.	<p>The fixed asset register should be reviewed on a regular basis by individuals on site to identify any discrepancies in the register, and those individuals should ensure they notify those responsible for accounting whenever any change in assets held occurs.</p> <p>Before preparing the year end accounts for March 2023 the fixed asset register brought forward balances should be agreed to the signed March 2022 accounts ensuring no assets are missing from the fixed asset register.</p>	The fixed asset register was reviewed by Mark Young & his team at year end. There are two buildings, Slough Town Clubhouse and Phoenix Old Boys Clubhouse [NBV £27,008 & £22,556], which are in a poor state of repair. The repair cost would be well in excess of £30,000 each [this was the original estimate for electrics/fire alarms but there is also water damage now as a result of roof leaks] and the potential rent would be no more than £3,000 per year. As there is a potential opportunity to develop the site which will require all buildings on site to be demolished, it is not deemed financially viable to invest in the repairs until a decision is made regarding future plans.

Lack of tracking of flexi-points	During income testing we noted that there does not appear to be a way to identify whether flexi-points expire before being used.	This could result in income being overstated in the financial statements.	It is recommended that management consider looking into a way of tracking the flexi-points to identify if any are unutilised.	It is recommended that the report of outstanding Flexicard balances be run from the ESP system at each month end and the amount of Deferred Income included in the accounts be updated to reflect the value included in these reports. A pdf of these reports should then also be retained.
Depreciation policy	In relation to fixed assets, there is equipment that have been fully depreciated despite still being used within the Charity.	Where assets are still being used within the business, despite having been fully depreciated this would suggest depreciation is being reflected in the Statement of Financial Activities quicker than required and does not reflect the true economic life of the assets.	A review should be undertaken of the useful economic lives of assets so that going forward they reasonably reflect the lifespan over which usage is expected. With regard to additions there is an opportunity to reconsider economic lives based on past experience with similar assets and revise or even tailor the depreciation rates to the useful economic life of expected of individual assets acquired.	The review of equipment will take place at the end of the summer when we can get the equipment serviced and get a report from the engineers as to the expected lifespan of the equipment we own.
VAT returns box 6	During our audit work we noted that box 6 doesn't include all turnover. Net turnover box 6 should include all income excluding VAT irrespective of whether it attracts VAT, e.g. green fees	This would lead to box 6 turnover being underreported to HMRC.	We recommend all outputs are included in box 6 of the VAT return as this is best practice.	Turnover for 21-22 has been reconciled to the VAT returns. Turnover for zero rates/exempt income was not being recorded on the VAT return. Measures have now been put in place to ensure all income is recorded on the VAT return and reconciled to the VAT return prior to submission of the return.

Use of bank feed	During our audit work we noted that currently Farnham Park doesn't utilise bank feed on Xero.	This prevents time importing CSV files and minimises risk of missing transactions.	We recommend the bank feed tool on Xero is utilised.	Noted and agreed
Late Submission of VAT return	During our audit work we identified the VAT return 31/08/21 was submitted late and it would appear at least one VAT return was paid late.	If this continues to occur there is a risk that future surcharges could be levied by HMRC.	We recommend you monitor reasons for late VAT return submissions and payments. We would mention Azets can carry out a VAT review (separate from the statutory audit) by one of our VAT consultants if you wish them to review your VAT systems and processes. Let us know if you wish to avail yourselves of this service.	Late submission of VAT return – A process has been put in place to ensure there is monitoring and review of VAT returns by key stakeholders (operations, finance and VAT expert). Monitoring and review is in time for required submission timetable. If at a future date a VAT review is considered necessary, Azets will be advised accordingly
Opening balances	During our audit work it was identified the opening balances on Xero did not agree to the accounts. After further investigation it was noted that the opening balances had been posted however one journal had an incorrect date.	If this continued each year, Xero would not match the signed accounts and there would be increased risk that all opening balances journals are not correctly posted.	It is recommended the opening balances are agreed to the signed accounts then Xero is locked from posting journals into previous years.	Noted and agreed. Opening balances to be agreed to the signed accounts annually.

Key: **Significant deficiency** in internal control **Other deficiency** in internal control **Other observations**

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Azets Audit Services Limited
Suites B & D
Burnham Yard
Beaconsfield
Buckinghamshire
HP9 2JH

Dear Sirs,

Farnham Park Sports Fields

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the period ended 31 March 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 14 July 2022, under the Charities Act 2011, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.

ADJUSTMENTS & DISCLOSURES

4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

6. We have reviewed and approved all audit adjustments made in the financial statements.
7. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

INTERNAL CONTROL AND FRAUD

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the charity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the charity's financial statements communicated by current or former employees, analysts, regulators or others.
11. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

ASSETS AND LIABILITIES

12. The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets except for those that are disclosed in the notes to the financial statements.
13. There were no changes in fixed assets during the period ended 31/03/2022 other than those disclosed in the accounts.
14. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
15. The rights to Land reflected in the financial statements of Farnham Park Sports Fields but for which the registered title is in the name of Buckinghamshire Council are ultimately for the benefit and use of the Charitable Trust.
16. Vehicles included in fixed assets, registered with the DVLA as ownership of Buckinghamshire Council are recognised as being held on behalf of the Charitable Trust.
17. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
18. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
19. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
20. We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

21. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

LOANS AND ARRANGEMENTS

22. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

LEGAL CLAIMS

23. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

24. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
- a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the charity's financial statements;
 - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the charity's business, its ability to continue in business, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
25. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

26. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

SUBSEQUENT EVENTS

27. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

28. We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Charity's needs. We also confirm our plans for future action required to enable the charity to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements in conjunction with support available from the Corporate Trustee. We believe that no further disclosures relating to the Charity's ability to continue as a going concern need to be made in the financial statements.

OTHER MATTER

29. We confirm that management fees totalling £283K for 2021/22 were charged to the Buckinghamshire Council in relation to work carried out on their behalf by the Trust.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each principal officer of the Corporate Trustee has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of Buckinghamshire Council as Corporate Trustee by:

David Skinner

Service Director of Finance and S151 Officer

Date: 27 September 2022



Report to Audit & Governance Committee

Date:	27 September 2022
Reference number:	N/A
Title:	The Higginson Park Charity Annual Report and Financial Statements 2021/22
Relevant councillor(s):	Cllr Clive Harriss
Authors:	David Skinner (S151)
Contact Officers:	Fiorella Mugari, Sue Drummond
Ward(s) affected:	Marlow

Recommendations: Members are requested to:

- (i) Review the Higginson Park Charity audited Annual Report and Financial Statement for the year ended 31 March 2022 attached at Appendix 1 and raise any issues which may provide assurance needed to approve the Annual Report and Financial Statement.
- (ii) Consider and note the Report to Management from Seymour Taylor (Appendix 2).
- (iii) Approve the Letter of Representation (Appendix 3) in the capacity of those charged with Governance.
- (iv) Subject to above, approve the Annual Report and Financial Statement for 2021/22.

Content of report

1.1 The Annual Report and the Financial Statements for the year ended 31 March 2022 have been prepared in accordance with the requirements of the Charities Act 2011 and have

adopted the provisions of Accounting and Reporting by Charities Statement of Recommended Practice and Financial Reporting Standards.

1.2 The Higginson Park Charity accounts have been audited by Seymour Taylor Audit Limited.

1.3 The total net worth of Higginson Park Charity has increased by £202k from £7,228k in 2021 to £7,430k in 2022. This was mainly due to increased valuation of property resulting in unrealised gains of £287k, offset by the net operating loss of £85k (after allowing for depreciation costs of £191k on the tangible fixed assets) – in comparison with a £269k net operating loss in 2020/21 (£190k depreciation costs). Net operating losses were significantly lower in 2021/22 because of increased operational income due to lifting of Covid 19 restrictions, which enabled a wider range of activities to resume, plus one-off income of £105k from the Government’s Support Scheme relating to losses incurred in 2020/21.

There was no management fee income contribution from Places for People Leisure to the Trust during 2021/22 due to the ongoing COVID-related recovery of leisure (with restrictions on indoor leisure continuing in the initial months of the year), but this management fee income has started to return during FY2022/23.

Other options considered

N/A

Legal and financial implications

1.4 All the financial implications are included in the main body of the report and Appendices.

1.5 Legal Implications: The report addresses the statutory obligations placed on the Council as Trustee of the Higginson Park Charity, pursuant to section 132 of the Charities Act 2011.

Corporate Implications

1.6 None.

Consultation and communication

1.7 None.

Next steps and review

1.8 None.

Background papers

Appendix 1: Annual Report and Financial Statement

Appendix 2: Report to Management

Appendix 3: Letter of Representation

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Charity Number: 284420

HIGGINSON PARK CHARITY

Trustee's Annual Report and Financial
Statements for the year ended
31 March 2022

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

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The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

Registration Number : 284420

Registered Address : The Gateway
Aylesbury
Bucks
HP19 8FF

Name of Trustee : Buckinghamshire Council

Address of Trustee : The Gateway
Aylesbury
Bucks
HP19 8FF

Contact : David Skinner
Service Director of Finance & S151 Officer

Address : The Gateway
Aylesbury
Bucks
HP19 8FF

Solicitor : District Solicitor (Buckinghamshire Council)

Address : The Gateway
Aylesbury
Bucks
HP19 8FF

Auditors : Seymour Taylor Limited

Address : 57 London Road
High Wycombe
Bucks
HP11 1BS

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

TRUSTEE'S ANNUAL REPORT

The Trustee submits the Report and Financial Statements for the year ended 31 March 2022. The Trustee has adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Structure, Governance and Management

Higginson Park was acquired in October 1928 following the death of its owner in 1921. Funds were raised by private subscription for its purchase for the benefit of the Town of Marlow and to commemorate the one hundredth birthday, on 21 June 1926, of General Sir George Higginson.

Initially, trustees were appointed to administer the funds. Later, a company limited by guarantee was formed to administer the Trust Property - The Higginson Park Society Limited - and in 1928 this Company took a conveyance of part of the property, including Court Garden House. The remainder of the estate was conveyed to Marlow Urban District Council, subject to a covenant to use it as a public park and recreation ground. In 1933, Marlow Urban District Council acquired a 99-year lease of Court Garden House (with no covenant as to use or user) and commenced using the House as offices in 1934.

Subsequently in 1955, Marlow Urban District Council acquired the freehold of Court Garden House when the then lease was merged and extinguished in the freehold, subject to a covenant to use it for recreational purposes. Notwithstanding the covenant, the House continued to be used partly as offices.

In 1974, on local government re-organisation, Wycombe District Council assumed the management and administration of Higginson Park and Court Garden House, including the completion of the Theatre Hall and Leisure Complex, which had been commenced by Marlow Urban District Council.

On 1 November 2018 the Secretary of State for Housing Communities and Local Government announced a single unitary authority for Buckinghamshire replacing the previous five councils. Buckinghamshire Council came into existence from 1 April 2020 and assumed responsibility for Higginson Park and Court Garden House.

The charity is currently regulated by a Scheme of the Charity Commissioners of 19 January 1982 with Buckinghamshire Council, a local authority, being the sole Trustee. The Council, as Trustee, has the power to make and alter rules with reference to the terms and conditions upon which the property of the charity may be used by other persons or organisations and may engage and dismiss paid officers and servants as it considers necessary. It is also entitled to use the charity's income for the cost of repairs, insurance and all other expenditure in respect of the property including incidental administration and management expenses.

The Higginson Park Charity

Trustee's Annual Report for the year ended 31 March 2022

Objectives and Activities

The charity has use of land and buildings which are used primarily for its charitable purpose. Buckinghamshire Council as Trustee of the charity is under a duty to apply the charity's property in or towards achieving this purpose, being: 'the provision and maintenance for the benefit of the inhabitants of the district of Wycombe, with particular regard for the inhabitants of the Town of Marlow, of a public park, ornamental gardens and recreation ground, with such facilities for physical exercise, training, lectures, classes and other forms of recreation or leisure-time occupation in the interests of social welfare, with the object of improving the conditions of life for the said inhabitants as the Trustee shall from time to time think fit.'

The charity property includes the following;

15 acres of Higginson Park which is general parkland

a bowling green

a children's playground

a cricket ground

a maze

a skate park

a leisure complex

The charity provides a range of indoor and outdoor sports and recreation opportunities to the community with access for all to make use of the available facilities. A wide range of activities takes place over the course of the year, with many events held annually including regular use by local community groups and voluntary organisations. The Trustee's objectives include improving the availability of high quality, accessible leisure opportunities.

Public Benefit Statement

The trustee has due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities. In the Trustee's opinion, the objectives and activities as set out above accord with the Charity Commission's public benefit requirements for Charities.

Achievements and Performance

Since the gradual easing of COVID-19 restrictions during the early months of 2021/22, in line with the Government roadmap, there has been a positive trajectory in terms of people returning to the leisure facilities, with demand for swimming lessons proving particularly strong. The picture has been similar with regards to outdoor events and activities, with many well-established events returning to the park, and key concessions such as the café having successfully reopened. The Park also retained its Green Flag award in 2021/22.

The Higginson Park Charity

Trustee's Annual Report for the year ended 31 March 2022

Financial Review

The management of Court Garden Leisure Complex, ('CGLC') which forms part of the Trust, is contracted to Places for People Leisure Ltd for 15 years started on the 1st of July 2014 following an OJEU tender process. The Trustee directly manages the remainder of the Trust property.

The Places for People Leisure contract provides for the income from charges made to use the leisure complex to be retained by Places Leisure and a management fee to be paid by Places Leisure to the Trust; with any surpluses intended to be reinvested in maintaining and enhancing the facilities.

Attendances at Court Garden Leisure Complex during 2021/22 were 100,595 (noting that until 17 May 2021, Places for People Leisure, along with all the other national leisure operators, were only able to operate facilities in a limited capacity due to the ongoing COVID-related restrictions on indoor leisure). This represented a significant improvement compared to 2020/21 (12,914), when facilities were closed due to COVID restrictions for a large part of the year. Currently attendance levels are at around 90% of the numbers seen pre-COVID, which is slightly more positive than the national picture

Various forms of financial support were made available by the Government during COVID, including the £104,738 shown in these accounts. The Leisure Recovery Fund provided by the Government/Sport England to leisure operators helped to ensure that the Leisure Complex was in a position to reopen following the various COVID lockdowns. Given the pace of recovery that was possible, there was no management fee income contribution from Places for People Leisure to the Trust during FY2021/22, but income has started to return during FY2022/23.

Income from events and car parking was very positive during FY2021/22; conversely the loss of one of the tenants in Court Garden House (due to the company going into administration) had an impact on the lettings income achieved.

The overall position was that the Trust ended the year positively, with a net surplus on its operating costs.

The depreciation for the year on the tangible fixed assets was £190,967.

Going Concern Statement

The Charity has total funds of £7.4m as at 31 March 2022. In addition to this, Buckinghamshire Council is committed to the on-going support if and when required of the services and activities provided by the charity. Therefore, the Charity is considered to be a going concern for the foreseeable future.

Plans for the Future

New tenants are being sought for vacant office space in Court Garden House, noting that this may take some time due to the market for office accommodation being more challenging post-pandemic.

The works identified in the ten-year Park Management Plan continue; these include a planned refurbishment of the very popular children's play area, as well as ensuring that Higginson Park maintains its Green Flag Award for the foreseeable future.

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

Statement of Internal Control

This statement is given in respect of the statement of accounts for Higginson Park Charity. The Trustee acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated in connection with the resources concerned.

The system of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions were authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. In particular the system includes:

- Comprehensive budgeting systems; and
- Regular reviews of financial reports.

The Audit and Governance Committee will monitor the progress of the identified risks that have been evaluated for frequency and impact using a five by five matrix and graded according to a "traffic light" system. Red represents a material risk that may need urgent management attention moving from orange to green risks that probably require little or no attention.

The majority of identified risks are not high risks and the risk register is a live document: regularly monitored and updated.

The trustee has overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reassurance that:

- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the Charity or for publication is reliable; and
- The Charity complies with relevant laws and regulations.

As part of the Charity's risk management process the trustee acknowledges their responsibility for the Charity's system of internal control and reviewing its effectiveness. It is also recognised by the trustee that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

The trustee has set policies on risk and internal controls, which cover the following areas in line with the Council's own approach:

- The responsibility of management to implement the trustees' policies and identify and evaluate risks for their consideration on an on-going basis;
- Consideration of the type of risks the Charity faces;
- The level of risks which they regard as acceptable;
- The likelihood of the risks concerned materialising;
- The Charity's ability to reduce the incidence and impact on the business of risks that do materialise;

The Higginson Park Charity Trustee's Annual Report for the year ended 31 March 2022

- Arrangements for monitoring and reporting on risk and control matters of importance, together with details of corrective action being undertaken.

The Charity (through the Audit Committee) has formally reviewed its own risk arrangements and believes that suitable controls are in operation to protect the Charity from exposure to high risks. Staff are properly trained to manage the operational risks that are inherent within the area that the Charity works within.

Reserves Policy

In 2021/22, the Charity has been self-sufficient in its operating activities resulting into net gains which are set aside in an unrestricted fund for future investments. The Charity holds unrestricted funds of £316,000 (2021: £210,000). Restricted funds are capital funds where the asset is required to be retained for actual use rather than be expended. The Charity holds restricted funds of £7,114,000 (2021: £7,018,000).

Statement of Trustees responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved and signed on behalf of the Trustee by

David Skinner, Service Director of Finance & S151 Officer

27 September 2022

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

REPORT OF THE INDEPENDENT AUDITORS' TO THE TRUSTEE OF THE HIGGINSON PARK CHARITY

Opinion

We have audited the financial statements of The Higginson Park Charity (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Have a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Higginson Park Charity

Trustee's Annual Report for the year ended 31 March 2022

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the sector, control environment and charity performance;

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having made enquiries of management about their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the charity for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Charities Act and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate.

Audit response to risks identified

As a result of performing the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- held discussions with management to understand the basis of recognition or non-recognition of provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the charity's normal activities.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of Seymour Taylor Limited, Statutory Auditor
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

..... 2022

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR END 31 MARCH 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2022 £'000	Total Funds 2021 £'000
Income					
<i>Income from charitable activities</i>					
Operation of exercise facilities and park	3	112	0	112	87
<i>Income from other trading activities</i>					
Commercial trading	4	125	0	125	86
Grant income		105	0	105	0
Total income		342	0	342	173
Expenditure					
<i>Costs of raising funds:</i>					
Commercial trading		43	0	43	47
<i>Expenditure on charitable activities:</i>					
Operation of exercise facilities and park	5	193	191	384	395
Total expenditure		236	191	427	442
Net operating income / (loss)		106	(191)	(85)	(269)
Gains / (losses) on revaluation of fixed assets	8	0	287	287	(37)
Net movement in funds for the year		106	96	202	(306)
Reconciliation of funds					
Total Funds brought forward		210	7,018	7,228	7,534
Total funds carried forward		316	7,114	7,430	7,228

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

BALANCE SHEET AS AT 31 MARCH 2021

	Note	Charity 2022 £'000	Charity 2021 £'000
Fixed assets			
Tangible assets	8	7,010	6,846
Total fixed assets		7,010	6,846
Current Assets			
Debtors (Cash at Bank and in Hand)	9	444	410
Total current assets		444	410
Liabilities			
Creditors: Amounts falling due within one year	10	-24	-28
Net Current assets		420	382
Total assets less current liabilities		7,430	7,228
Net assets		7,430	7,228
The funds of the charity:			
Restricted income funds	13	7,114	7,018
Unrestricted income funds		316	210
Total charity funds		7,430	7,228

Approved and signed on behalf of the Trustee by

David Skinner, Service Director of Finance & S151 Officer

27 September 2022

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

The Higginson Park Charity is a charity registered in England and Wales. The charity number is 284420. The Registered Address and principal place of activity The Gateway, Aylesbury, Bucks, HP19 8FF. The principal activities of the charity are as disclosed within the Trustee's Annual Report on pages 3-8.

The presentational currency of these financial statements is sterling (£), being the currency of the primary economic environment in which the charity operates. All amounts in the financial statements are rounded to the nearest £1,000 unless otherwise stated.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented unless otherwise stated.

2 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a. Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

b. Preparation of accounts on a going concern basis

In light of the rapid global spread of the Coronavirus "COVID-19" since early 2020, the trustees consider that the charitable trust, supported by Buckinghamshire Council, has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

c. Income

Income consists of income from leisure activities, rental income and charges. Income is included in the financial statements as it falls due except car parking and leisure activities income which is included in the accounts on a receipts basis. All income is shown exclusive of VAT.

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS – continued

d. Expenditure

Direct charitable expenditure is incurred on an accruals basis and includes maintenance of the property and provision of the activities of the charity. All expenditure is shown exclusive of VAT.

e. Capital expenditure

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis.

f. Tangible fixed assets

Property, Plant and Machinery are valued on the basis of depreciated replacement cost. The value below which Property, Plant and Equipment are not capitalised is £10,000.

g. Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or both.

Investment properties are measured at cost upon initial recognition. The initial cost of the property comprises of its purchase price and any directly attributable expenditure.

Subsequently, where the fair value can be measured reliably without undue cost or effort, investment property is measured at fair value at each reporting date with changes in fair value recognised in profit or loss in the period that they arise. No depreciation is provided in respect of investment properties applying the fair value model.

h. Depreciation

Individual fixed assets are depreciated over their estimated useful economic lives on a straight line basis. Freehold land is not depreciated. Assets included in the equipment classification are being depreciated at a rate of 10% on a straight line basis. The impact on the accounts is that a depreciation charge is made through the Statement of Financial Activities each year.

i. Impairment Review of Property, Plant and Equipment

Impairment reviews will be carried out only where there is some indication that the recoverable amount of a functional Property, Plant and Equipment is below its net book value.

j. Allocation of support costs

Buckinghamshire Council incurred costs, which are shared between numbers of activities, including those relating to the Charity. The Council apportions costs where necessary on the basis of the amount of officer time spent on the activities.

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS – continued

j. Taxation

The charity is exempt from taxation on its charitable activities.

k. Financial instruments

Financial Liabilities are recognised on the Balance Sheet when the the Trust becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at the amortised cost.

Financial Assets are classified into three types as summarised below:

Category	Balance Sheet	SOFA
Amortised Cost	Amortised Cost	Movements in amortised cost are debited / credited to the surplus or deficit on the fund.
Financial Value through Other Comprehensive Income and Expenditure	Fair Value	Movements in fair value are debited / credited to Other Comprehensive Income and Expenditure
Financial Value through Profit & Loss	Fair Value	All gains and losses are posted to the fund

*As at 31st March 2022 The Trust does not have any financial instruments

l. Significant judgments and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities. If in the future such estimates and assumptions, which are based on management's best judgment at ^{the} date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

m. Grants

The charity received a grant from Buckinghamshire Council for Covid losses. This grant is recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the charity will comply with the conditions attaching them and the grant has been received using the accrual model.

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS – continued

3 Income from charitable activities

	Unrestricted funds 2022 £'000	Unrestricted funds 2021 £'000
Income from other recreation or leisure-time occupation	112	87
Total income from charitable activities	112	87

4 Income from other trading activities

	Unrestricted funds 2022 £'000	Unrestricted funds 2021 £'000
Income from other property	87	86
Income from events	38	0
Total income from other trading activities	125	86

5 Analysis of expenditure on charitable activities

	Facilities for physical exercise £'000	Other recreation or leisure- time occupation £'000	2022 Total £'000	2021 Total £'000
Car Park Costs		14	14	17
Depreciation	191		191	190
Maintenance to grounds		35	35	33
Repairs / Maintenance		28	28	21
Support costs (see note 7)	99	17	116	134
Total	290	94	384	395

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS – continued

6 Summary analysis of expenditure and related income for charitable activities

	Facilities for physical exercise £'000	Other recreation or leisure- time occupation £'000	2022 Total £'000	2021 Total £'000
Costs	(290)	(94)	(384)	(395)
Physical exercise	0		0	0
Recreation or leisure- time		112	112	87
Net cost funded from other income	(290)	18	(272)	(308)

7 Analysis of support costs

The charity does not directly employ any staff. Buckinghamshire Council employees and support services are apportioned between various activities; refer to the table below for the basis of the apportionment.

	Facilities for physical exercise	Other recreation or leisure- time occupatio n	Total	Basis of apportionment
Governance	12	2	14	Allocated on time
Accountancy, legal and other professional services	31	5	36	Allocated on time
General office	55	10	65	Allocated on time
Utilities	1	0	1	
Total	99	17	116	

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS – continued

8 Tangible fixed assets

	Investment Properties	Land & Buildings	Equipment	Total
Cost or valuation	£'000	£'000	£'000	£'000
As at 1 April 2021	1,065	6,957	442	8,464
Additions	-	68	-	68
Revaluations	287	-	-	287
As at 31 March 2022	1,352	7,025	442	8,819
Depreciation and impairments				
As at 1 April 2021	-	1,176	442	1618
Charge for the year	-	191	-	191
As at 31 March 2022	-	1,367	442	1,809
Net book value				
As at 1 April 2021	1,065	5,781	-	6,846
As at 31 March 2022	1,352	5,658	-	7,010

Investment Property and Land & Buildings comprise of a leisure complex, a suite of offices, car park and a number of adhoc buildings leased by sports clubs. The Investment Property assets were valued at 31st March 2022 by Wilks Head & Eve. The Land & Buildings are held at cost and the Investment Property is included at the revalued amount.

The historical cost of the Investment Property amounts to £1,048,500.

9 Debtors

	2022	2021
	£'000	£'000
Other debtors	444	410
	444	410

10 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Deferred income	24	28
	24	28

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS – continued

11 Deferred income

Deferred income comprises advance payments from commercial leases.

	£'000
Balance as at 1 April 2021	28
Amount released to income earned from commercial trading	(28)
Amount deferred in year	<u>24</u>
Balance as at 31 March 2022	<u>24</u>

12 Analysis of movement in charitable funds

Restricted funds are capital funds where the asset is required to be retained for actual use rather than be expended. Accordingly, the only movements on restricted funds relate to the additions, revaluation and depreciation of tangible fixed assets.

Unrestricted funds are expendable at the discretion of the trustee in furtherance of the objects of the charity

	Restricted	Unrestricted	Total
	£'000	£'000	£'000
Balance at 1st April 2021	7018	210	7228
Income in the year	0	342	342
Additions	0	0	0
Gains / (losses)	287	0	287
Expenditure in the year	(191)	(236)	(427)
Deferred Income			0
Balance as at 31 March 2022	<u>7,114</u>	<u>316</u>	<u>7,430</u>

Comparatives for movements in charitable funds

	Restricted	Unrestricted	Total
	£'000	£'000	£'000
Balance at 1st April 2020	7,245	289	7,534
Income in the year	-	173	173
Gains / (losses)	(37)	-	(37)
Expenditure in the year	(190)	(252)	(442)
Deferred Income	-	-	-
Balance as at 31 March 2021	<u>7,018</u>	<u>210</u>	<u>7,228</u>

The restricted funds of the charity are in relation to the tangible fixed assets held.

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS – continued

13 Analysis of net assets between funds

	Restricted	Unrestricted	Total
	£'000	£'000	£'000
Tangible fixed assets	7,010	0	7,010
Net current assets	104	316	420
	7,114	316	7,430

14 Related Party Transactions

During the financial year 2021/22 Buckinghamshire Council was the sole Trustee to the Higginson Park Charity. The Council supported the functions of the Charity by paying a fee for the management of the facility and also funding any deficit of expenditure over income. In 2021/22 Buckinghamshire Council provided £nil funding (£nil in 2020/21) for the operational activities of the Charity.

A balance was due from Buckinghamshire Council to The Higginson Park Charity as at 31 March 2021 which amounted to £316,000 (2021: £210,000).

Buckinghamshire Council is the sole Trustee and related party. Higginson Park Charity is dependent on the on-going financial support provided by the Council.

The Directors
 The Higginson Park Charity
 C/o Buckinghamshire Council
 Queen Victoria Road
 High Wycombe
 Buckinghamshire
 HP11 1BB

10H40/STL/AM/JF/E

9 September 2022

Dear Sirs

Report to Management

During the course of our audit for the year ended 31 March 2022 a number of matters arose which we consider should be brought to your attention.

Accompanying this letter is a memorandum noting these points together with any recommendations we have for possible improvements which could be made.

These matters came to light during the course of our normal audit tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

We would be grateful if you could enter management's comments against each point under the "management response" column of the memorandum and return it to us in due course.

We have complied with the Financial Reporting Council's Ethical Standard and all threats to our independence, as identified to you in our planning communication letter dated 1 July 2022, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention and we confirm that we are independent and able to express an objective opinion on the financial statements.

This report has been prepared for the sole use of the Trustees of The Higginson Park Charity and must not be shown to third parties without our prior consent. No responsibilities are accepted by Seymour Taylor Limited towards any party acting or refraining from action as a result of this report.

A list of directors is available at the registered office.

Seymour Taylor is a practising name of Seymour Taylor Limited.

Registered Office: 57 London Road, High Wycombe, Buckinghamshire, HP11 1BS Registered in England and Wales, Reg. No. 6663743

Registered to carry an audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England & Wales

Finally, we would like to express our thanks to all members of the company's staff who assisted us in carrying out our work.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Liz Horton', written in a cursive style.

Liz Horton
Joint Managing Director

**SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31
March 2022
Audit approach**

There were no changes to our audit approach as set out to you in our letter dated 1 July 2022.

Summary of significant audit findings

Significant risk area identified at planning	Findings and recommendations	Management response
Revenue recognition	Nothing to note	
Management override	Nothing to note	
Other areas where issues were identified during the audit	Findings and recommendations	Management response
Property Valuation	Please could you request that when the valuation is undertaken on the investment property, that the professionals undertaking the valuation forward a copy of the annual valuation directly to us. I note that this was also recommended in the Report to Management last year.	
Charitable expenditure	Please could you maintain invoices for works that are recharged from Bucks Council	
Bank account	The charity should have its own bank account separately from Bucks Council.	

Outstanding matters

Prior to issuing our audit report we require:

- the signed letter of representation;

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding/unresolved the matters outlined in this report.

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**SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31
March 2022
Audit approach**

There were no changes to our audit approach as set out to you in our letter dated 1 July 2022.

Summary of significant audit findings

Significant risk area identified at planning	Findings and recommendations	Management response
Revenue recognition	Nothing to note	
Management override	Nothing to note	

Other areas where issues were identified during the audit	Findings and recommendations	Management response
Property Valuation	Please could you request that when the valuation is undertaken on the investment property, that the professionals undertaking the valuation forward a copy of the annual valuation directly to us. I note that this was also recommended in the Report to Management last year.	Noted and agreed. The valuation professionals were asked to send the report directly to the auditors – in future, they will also be asked to confirm that they have sent the valuation directly to the auditors.
Charitable expenditure	Please could you maintain invoices for works that are recharged from Bucks Council	Noted and agreed.
Bank account	The charity should have its own bank account separately from Bucks Council.	This has been set up and will be used for financial year 22/23 once all set up requirements and linking to Xero system has been completed.

Outstanding matters

Prior to issuing our audit report we require:

- the signed letter of representation;

Anticipated audit report

We anticipate that we will issue an unmodified audit report for the year, subject to the satisfactory clearance of any outstanding/unresolved the matters outlined in this report.

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The Higginson Park Charity
C/o Buckinghamshire Council
Queen Victoria Road
High Wycombe
Buckinghamshire
HP11 1BB

10H40/STL/MD/AB/P

14 September 2022

Dear Anne,

Thank you for your responses to our report to management in your email of 14 September 2022. We confirm we are satisfied with these responses.

Yours sincerely



Liz Horton
Joint Managing Director

[A list of directors is available at the registered office.](#)

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Registered Office: 57 London Road, High Wycombe, Buckinghamshire, HP11 1BS Registered in England and Wales. Reg. No. 6668743

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IN ASSOCIATION WITH


HAMPDEN

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**Directorate for Resources****Finance**

Service Director: David Skinner
Buckinghamshire Council
The Gateway
Gatehouse Road
Aylesbury
HP19 8FF

David.skinner@buckinghamshire.gov.uk

01296 123456

www.buckinghamshire.gov.uk

Seymour Taylor Limited
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

27 September 2022

Dear Sirs

The Higginson Park Charity
Financial statements for the year ended 31 March 2022

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charity's financial statements for the 31 March 2022. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

We have fulfilled our responsibilities as trustees, as set out in the terms of your engagement letter dated 12 August 2020 under the Charities Act 2011, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the charity have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charity, and with all other records and related information requested, including minutes of all management and trustee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Internal control

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

There have been no irregularities (or allegations of irregularities) involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.

Assets and liabilities

The charity has satisfactory title to all assets, including assets encompassed by title number BM397241, and there are no liens or encumbrances on the charity's assets, except for those that are disclosed in the notes to the financial statements.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Buckinghamshire Council

As Buckinghamshire County we hold Bank balances on behalf of Higginson Park of £315,740. There is also the balance of £105,124 held, that relates to the grant for the swimming pool refurbishment which is yet to be spent by the Charity.

Accounting estimates

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We have communicated to you as auditors, all such assumptions, data and methods used.

Loans and arrangements

The charity has not granted any advances or credits to, or made guarantees on behalf of trustees except as disclosed in the notes to the financial statements.

Legal claims

There are no claims, legal proceedings or other matters outstanding which may lead to a liability falling on the charity or the creation of an unrecorded asset, except as disclosed in the notes to the financial statements.

Laws and regulations

We are not aware of any irregularities, including fraud, involving management or employees of the charity; nor are we aware of any breaches or possible breaches of statute, regulations, contracts, agreements which might prejudice the charity's going concern status or that might result in the charity suffering significant penalties or other loss. No allegations of such irregularities, including fraud, or such breaches have come to our notice.

Transactions with related parties

We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include: trustees, other key management, close family and other business interests of the previous.

Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

Events after the reporting period

There have been no events since the statement of financial position date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

Going concern

We believe that the charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

We have communicated to you as auditors, all information in respect of the charity's future plans and feasibility of those plans.

Grants and donations

All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

Restricted grants and donations are as follows:

All restricted transactions have been notified to you.

The restricted transactions in the year were in relation to;

- the gain on revaluation of fixed assets of £287,100
- the depreciation charge of £190,967
- the fixed asset addition for the work done on the refurbishment of the Court Garden Leisure Complex of £67,561

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours sincerely

David Skinner
Service Director – Finance, Resources & S151 Officer

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Report to Audit and Governance Committee

Date:	27 September 2022
Title:	Chief Auditor Annual Audit Opinion 2021/22
Relevant councillor(s):	Cllr Richard Newcombe
Author and/or contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	To note the Chief Auditor’s Annual Internal Audit Report for 2021/22 and the overall ‘reasonable’ opinion on the adequacy and effectiveness of the Council’s governance, risk management and internal control environment for 2021/22
Reason for decision:	N/A

1. Executive summary

- 1.1 To present to Members the Chief Internal Auditor annual assurance opinion on the adequacy and effectiveness of the Council’s internal control environment, risk management and corporate governance arrangements in place during the year.

2. Content of report

- 2.1 The Public Sector Internal Audit Standards (PSIAS) established in 2013 and revised in 2017 are the agreed professional standards for internal audit in local government. PSIAS was the Code under which the Internal Audit Service operated during 2021/2022. It sets out the requirement for the Chief Internal Auditor (“Chief Audit Executive”) to report to Senior Management and the Audit Committee (“The Board”) to help inform their opinions on the effectiveness of the Internal Control environment in operation within the Council.

- 2.2 This Chief Internal Auditor’s annual internal audit opinion is based on an objective assessment of the framework of governance, risk management and control. Consulting services are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control but still contribute to the overall opinion however each review does not deliver individual assurance opinions.
- 2.3 The annual internal audit opinion contributes to the completion of the Annual Governance Statement (AGS). It is specifically scheduled to be considered as part of the Council’s annual review of governance and internal control.
- 2.4 No system of internal control can provide absolute assurance against material misstatement or loss, nor can internal audit give absolute assurance.

3. Other options considered

- 3.1 N/A.

4. Legal and financial implications

- 4.1 None

5. Corporate implications

- 5.1 None

6. Local councillors & community boards consultation & views

- 6.1 N/A

7. Communication, engagement & further consultation

- 7.1 N/A

8. Next steps and review

- 8.1 N/A

9. Background papers

- 9.1 2021/22 Business Assurance Strategy and Internal Audit Plan and 2021/22 Internal Audit reports.

10. Your questions and views (for key decisions)

- 10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email democracy@buckinghamshire.gov.uk.

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**Annual Report
of the
Chief Internal Auditor 2021/22**

Maggie Gibb – Head of Business Assurance (& Chief Internal Auditor)

September 2022

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1. Introduction

- 1.1 This report outlines the internal audit and assurance work undertaken by the Business Assurance Team for the year ending 31 March 2022 and seeks to provide an opinion on the adequacy of the control environment detailing incidences of any significant control failings or weaknesses. The overall report will then inform the Annual Governance Statement (AGS) which will be published with the Statement of Accounts in due course.
- 1.2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's Internal Audit Charter which is approved annually by the Audit and Governance Committee. The PSIAS note that a professional, independent, and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The PSIAS requires the Chief Internal Auditor (CIA) to provide a written report to those charged with governance, to support the AGS, which should include an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The report should also include:
- a) any qualifications to the opinion, together with the reasons for those qualifications (including any impairment to the independence or objectivity of the internal audit);
 - b) any particular control weakness judged to be relevant to the preparation of the AGS;
 - c) a summary of work undertaken to support the opinion including any reliance placed on the work of other assurance bodies; and
 - d) an overall summary of internal audit performance and the results of the internal audit service's quality assurance and improvement programme, including a statement on conformance with the PSIAS.

2. Responsibilities

- 2.1 Section 151 of the 1972 Local Government Act and the Accounts and Audit Regulations 2015 sets out the requirement for all local authorities to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The PSIAS define internal auditing as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management,

control and governance processes.”

- 2.2 Internal Audit is not responsible for the control system. This responsibility sits with management who are accountable for maintaining a sound system of internal control and is responsible for ensuring that adequate arrangements and resources are in place for gaining assurance on the effectiveness of the overall system of control. Management should ensure that the organisation operates in accordance with the law and proper standards, that public funds are safeguarded, properly accounted for, and used economically, efficiently, and effectively.

3. Purpose and Scope of Report

- 3.1 The objectives and scope of internal audit are set out in the Internal Audit Charter. In accordance with the PSIAS, the Internal Audit Charter is reviewed by the Audit and Governance Committee on an annual basis. The 2021/22 Internal Audit work was performed in accordance with the Internal Audit Charter which was approved by the Audit and Governance Committee in June 2021. The Charter defines the mission, scope, roles, and responsibilities of the internal audit function.

- 3.2 This report:

- includes an opinion on the overall adequacy and effectiveness of the Council’s governance arrangements, risk management and internal control environment;
- discloses any qualifications to that opinion, together with the reasons for the qualification;
- presents a summary of the audit and anti-fraud work from which the opinion is derived, including reliance placed on work by other assurance bodies; and
- highlights any issues the Chief Internal Auditor judges particularly relevant to the preparation of the Annual Governance Statement.

- 3.3 It should be noted that no system of internal control can provide absolute assurance against material misstatement or loss, nor can internal audit give absolute assurance.

4. Basis of Audit Opinion

- 4.1 The Public Sector Internal Audit Standards established in 2013 and revised in 2017 set out the mandatory guidance that constitutes the principles of the fundamental requirements for the professional practice of internal auditing within the public sector.

4.2 Our Internal Audit Service operates in accordance with these standards; however, during 2021/22 there was one area of non-conformance with those standards:

- The Chief Internal Auditor has operational management responsibility for the Risk Management and Strategic Insurance functions, so is not wholly independent. The risk of conflict of interest is managed partially through the Risk Management Group who under the direction of the Chair of the Audit and Governance Committee, monitors and reviews the adequacy and effectiveness of the risk management strategy and process; and, where audit activity is undertaken in areas where the Chief Auditor has operational responsibility, reports are sent directly to the Service Director - Finance (S151 Officer) or Monitoring Officer.

4.3 The overall opinion is based on the following:

- The results of all audits undertaken during 2021/22.
- Any follow-up action taken in respect of audits from previous periods.
- Whether or not management actions have been agreed for all material areas of weakness identified.
- On-going advice and liaison with management, including regular attendance by the Chief Internal Auditor and Audit Managers at council meetings relating to matters concerning risk, governance and internal control.
- The effects of any material changes in the Council's objectives or activities or risk profile.
- Whether any limitations have been placed on the scope of audit.
- The scope of the internal control environment - which comprises the Council's policies, procedures, operational systems and processes in place to:
 - Establish and monitor the achievement of Buckinghamshire Council's objectives;
 - Facilitate policy and decision making;
 - Ensure economic, effective and efficient use of resources;
 - Ensure compliance with set policies, procedures, and regulations;
 - Safeguard the Council's assets and interests from loss, including those arising from fraud, irregularity and corruption.
- Consideration of third-party assurances.

4.4 The Chief Internal Auditor's opinion does not imply that Internal Audit has reviewed all risks relating to the organisation. The most that the Internal Audit Service can provide to the Accountable Officers and to the Audit and Governance Committee is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

5. Background

5.1 The Chief Internal Auditor opinion in this report is based on the 2021/22 internal audit work undertaken which includes the planned and unplanned engagements that give sufficient assurance on the Council's systems of internal control.

5.2 In preparing this annual opinion, it is vital that the impact of COVID-19 on the Council's operations and priorities be acknowledged. Buckinghamshire Council has continued to respond to COVID-19 and other current and emerging external factors, such as the Ukraine humanitarian response. Being mindful of the complexity of these priorities, internal audit has been systematised to ensure that audit work did not impact on those services that are critically involved in on-going COVID-19 responses and the Homes for Ukraine scheme.

5.3 During 2021/22, we have continued to see an increase in the number of government grants that require Internal Audit certification, including pre and post assurance work for specific Covid support grants.

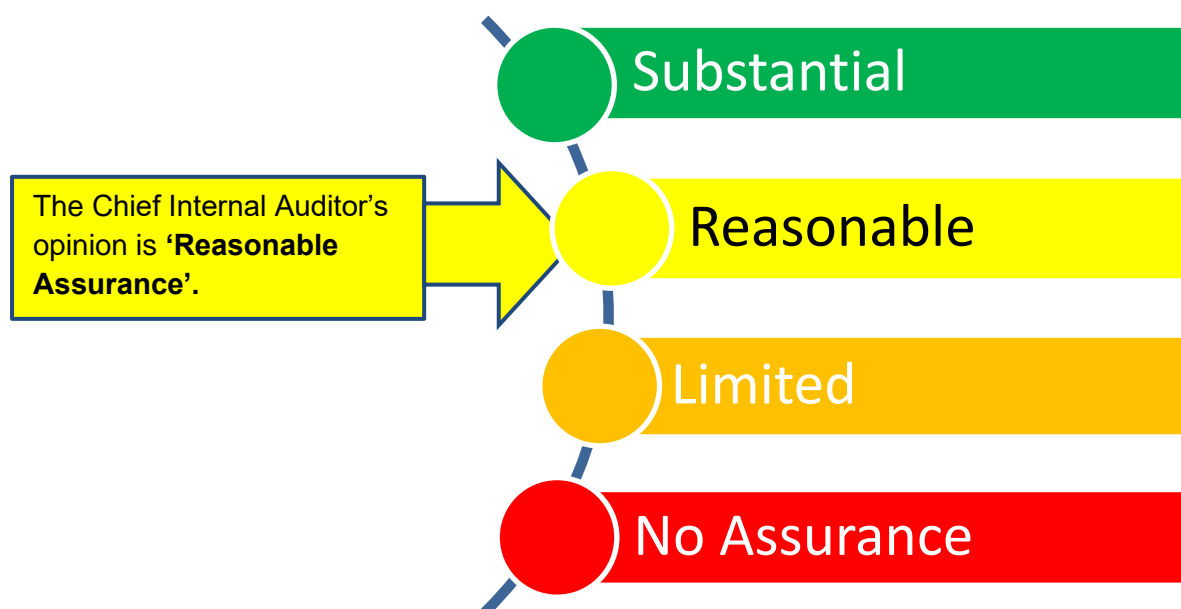
5.4 Notwithstanding the above, we are satisfied that we have been able to deliver sufficient audit and assurance activity within the year to enable us to form an overall annual opinion for the Council, this includes delivery of the revised program of audit activity along with investigating any allegations of fraud and other irregularities. All changes made to the audit plan were agreed with the relevant directorate, reported to the Audit Board and agreed by the Audit and Governance Committee as part of the periodic internal audit progress reports and in line with the Internal Audit Charter.

5.5 We would like to highlight that officers across the Council now follow the Work Smart hybrid working arrangement which means staff have continued to work flexibly between home and office locations. This has significantly changed the way internal audits are undertaken as the majority of the audit engagements are performed remotely, resulting in the internal audit process taking

longer than normal in some instances.

6. Chief Internal Auditor Opinion

- 6.1 Based on the work performed, our experience, the cumulative knowledge gained through our ongoing liaison with officers, and the current climate in which the Council is operating along with the on-going service transformation programme which is fundamental for the improvement of the organisation, in my opinion the adequacy and effectiveness of the Council's internal control, risk management and governance framework was of **reasonable assurance**. The overall system of internal control facilitated the effective exercise of the Council's functions and provided an **unqualified** opinion regarding the effective, efficient and economic exercise of the Council's functions for 2021/22.



** See Appendix 3 for definitions of the assurance opinions.*

- 6.2 There is a robust governance framework which has continued to strengthen with the close collaborative working and accountable values that were demonstrated across all directorates as the organisation continues to respond to the pandemic and the Homes for Ukraine Scheme. However, the improved governance and the enhanced accountability culture has exposed some legacy weaknesses in key systems of control. That includes the project management framework, where adequate financial management, risk management and monitoring protocols have been lacking and left the Council exposed or too late to react to key risks.

- 6.3 The Chief Internal Auditor is confident that Senior Officers in the organisation take governance and internal control very seriously, as the Corporate Management Team reviews all limited assurance audit reports and progress being made to the implementation of audit actions. Whilst an assurance framework with clearly defined three lines of assurance has not been implemented due to the on-going service transformation programme across the organisation, we have been able to place reliance on the risk reporting and escalation framework which has been developed for each Directorate which has improved the robustness of the Council's risk management; and is critical for an effective assurance framework.
- 6.4 The unqualified opinion is evidenced by the outcomes of internal audits, including investigations into financial irregularity; the implementation of audit actions and the robustness of the Risk Management Framework.

7. Commentary on my Opinion

- 7.1 The Chief Internal Auditor is satisfied that there has been adequate and effective coverage provided to enable a robust audit opinion to be given. Key areas which informed the overall **reasonable** conclusion are as follows:
- 7.2 **Internal Audit Work:** The internal audit work undertaken allowed us to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's system of internal control. Examples of good practices were noted through audit work performed this year; however, there are some areas of weakness and non-compliance in the control framework which may put some of the system objectives at risk and could potentially impact the achievement of the Council's objectives. From the control weaknesses identified none are understood to have had a material impact on the Council's affairs. It should however be noted that only 5% of the Council's maintained schools were subject to an internal audit review this year, therefore the opinion on the control environment within schools is limited to those that were evaluated. However, an annual report that summaries control weaknesses found from the 5% sample of schools are shared with all schools to enable self-evaluation and ensure that similar control weaknesses do not exist within their schools.
- 7.3 In the year ending 31 March 2022, a total of 55 engagements were undertaken by the Business Assurance Team. This comprises of 27 audit reviews which resulted in an Internal Audit opinion on the effectiveness of the control environment and two follow-up audit reviews of which an assurance opinion was not applicable. Ten assurance type reviews such as advisory/consultancy

work were undertaken where an opinion was not provided but control weaknesses/management actions may have been raised; and 16 grant verifications (excluding the COVID grants) were completed where internal audit certification was a requirement of the grant conditions – see **Appendix A** for a summary of internal audit work performed. The team continues to receive ad-hoc advisory requests from across the authority which further demonstrates how the team can add value to the organisation through non-standard audit activity. The team also provided the Internal Audit service to Buckinghamshire and Milton Keynes Fire Authority and to a local Academy Trust.

7.4 Whilst we had an agreed Internal Audit plan which was approved by the Audit and Governance Committee, we continued to adopt a fluid approach in the delivery of the plan such that the Internal Audit activity was continuously reviewed and amended as required; remained flexible to react to emerging issues/risks; and was responsive to senior management assurance and/or consultancy requests. In accordance with the approved Audit Charter, all amendments to the plan were agreed by the Board and approved by A&G committee.

7.5 Timely implementation of agreed audit actions is fundamental to ensuring that the Council derives maximum benefit from internal audit. Progress reports on implementation of audit actions are reviewed periodically by directorate leadership teams and the Corporate Management Team. Senior Management are particularly focussed on ensuring that all actions are completed within agreed deadlines with officers held to account for failure to meet the agreed target dates. There are currently 34 actions that are past their due date and 113 are in-progress. Of the 34 outstanding audit actions, 29 relate to schools and have fallen due at the start of the new academic year so will be followed up at the end of September. See **Appendix B** for a summary status on the audit actions.












7.6 The overall ‘**reasonable**’ opinion reflects the widening scope of the internal audit activities, the enhanced engagement from senior management in requesting assurance services and the improved focus on actively monitoring the implementation of audit actions within their directorates.



Key Financial Systems: A review of the Council’s financial systems was undertaken to ensure that financial controls are robust and adequately support an effective control environment. Following a risk-based approach and in consultation with the Section 151 Officer, Internal Audit focussed on reviewing implementation of the audit actions that were raised in the previous financial year. Some of the key financial systems were not reviewed this year as the processes remained unchanged and were deemed low risk. There were audits across the directorates that included an evaluation of key financial controls; examples include: iCares Accounts Payable and Accounts

Receivable, CIL/S106, Taxi Licensing and Choice and Charging. The work undertaken identified areas that required improvement however no fundamental weakness in the systems of financial control were noted. Additionally, as part of the continuous improvement work being progressed within Finance, internal audit reviewed the key financial systems that interface with the SAP finance system. The system review identified control gaps and opportunities for improvement which were reported to the Finance Systems Improvement Group for review and action. Therefore, our opinion based on the financial systems reviewed is **‘reasonable’**.

7.7 Table 1 below is a summary of the key financial systems that were evaluated, and the assurance opinions reached.

Table 1: Summary of Key Financial System Audits

Audit Title	2020/21	2021/22	
	Assurance Opinion	Assurance Opinion	Direction of Travel
Payroll	Reasonable	Reasonable	
Accounts Payable	Reasonable	N/A – prior audit actions have been implemented	
Pensions	N/A – deferred to 21/22 due to the pandemic	Substantial	
General Ledger	Reasonable	N/A – prior audit actions have been implemented	
Accounts Receivable	Reasonable	N/A – prior audit actions have been implemented	
Capital Programme	N/A – deferred to 21/22 due to the pandemic	N/A – deferred to 22/23	
Purchase Cards	Reasonable	N/A – prior audit actions have been implemented	
Feeder Systems	N/A – deferred to 21/22 due to the pandemic	N/A – assurance work undertaken as part of the ERP interface review	
Treasury Management	Reasonable	Reasonable	
Debt Management	Reasonable	Reasonable	
Council Tax and NNDR	Reasonable	N/A – assurance work undertaken as part of the system implementation	

iCares – Accounts Payable	N/A – deferred to 21/22 due to the pandemic	Reasonable	
iCares – Accounts Receivables	N/A – deferred to 21/22 due to the pandemic	Reasonable	

- 7.8 **Non-Financial System Audits:** These were operational audits undertaken during the year which were identified during the annual audit planning process by referencing the Strategic and Directorate Risk Registers and through discussion with the Senior Leadership Teams. However due to service transformation programmes being in-progress, resources across the Council being re-deployed to support with the Covid-19 response, the Homes for Ukraine Scheme, the Children’s Services Ofsted Inspection and the SEND Inspection; 34 audits were cancelled/ postponed with agreement from the Audit Board and approval from the Audit and Governance Committee.
- 7.9 From the service specific audits that were carried out; an overall ‘**reasonable**’ assurance has been given. Only one limited assurance report has been issued during 2021/22 and this is for the CIL/S106 audit. The report is at a draft stage and will be reported to CMT for review prior to the report being finalised. Some areas of improvement were identified across the range of audit reviews undertaken; however none were found to be material. The identified actions continue to be monitored to ensure full implementation.
- 7.10 **Risk Management:** Reporting and monitoring of risk management is fully embedded into the business management process across the Council. A Risk Management Strategy is in place (approved by the Audit and Governance Committee) which informs the Risk Management Framework consisting of a tailored Risk Reporting and Escalation Frameworks for each directorate to suit their business needs. This escalation mechanism ensured that key risks were visible to senior management to enable more effective decision making during 2021/22. The corporate risk management system (Pentana) is fully established across the council and was used to manage service, strategic, major projects and key programme risks. A risk management training programme is in place to ensure that officers are aware of their roles and responsibilities in relation to risk management and understand the Council’s Risk Management Strategy.
- 7.11 Risk management informed the planning for all internal audit work that was undertaken. A risk-based methodology was applied for the development of the annual audit plan and each audit assignment focused on the key risks in relation to system objectives, with audit work structured to direct audit resource in proportion to risk exposures.

- 7.12 The adequacy and effectiveness of the Council's risk management system was overseen by the Audit and Governance Committee through the Risk Management Group; and the Corporate Management Team challenged and reviewed the strategic risks regularly. Based on the operation of the risk management framework observed this year, a '**reasonable**' level of assurance has been given to this area.
- 7.13 **Corporate Governance:** Internal Audit did not undertake a specific review of Corporate Governance in 2021/22. However, a number of audits considered the management oversight and decision-making processes as part of each audit assignment, and the Project Governance audit undertaken within the Planning, Growth and Sustainability directorate resulted in a Limited assurance opinion, due to the inadequate controls in place to ensure effective governance of projects that are being managed within the directorate. Additionally, an assurance review of the South East Aylesbury Link Road project was undertaken in quarter four and identified fundamental weaknesses relating to the governance and escalation arrangements for the project.
- 7.14 Internal Audit is satisfied that Senior Management have taken on board the findings from the internal audit review and a framework is being developed that will be applied across the directorate. Based on the response to the findings raised, there are no further concerns; as such a '**reasonable**' level of compliance was demonstrated based on the audit work undertaken. The Council's governance framework is clearly documented and outlines how the authority monitors the achievement of its strategic objectives and how those objectives lead to the delivery of appropriate services and value for money.
- 7.15 **Contract Management:** The Council has a Supplier Management Policy in place which forms part of the Council's Commissioning Model and provides best practice guidance on the processes that are to be followed to enable effective management of contracts entered into with suppliers or partners for the provision of goods, works or services. The policy is based on the National Audit Office (NAO) guidance and provides details of the steps that contract managers are expected to follow to ensure consistent delivery of supplier management. Contracts with suppliers where there is an ongoing relationship and who have an annual aggregated value of £50k or more must be entered on the Contract Management Application (CMA). Contracts held on CMA are segmented based on a combination of risk criticality (low, medium and high) and financial value <£250k, £250k to £2.5m and >£2.5m, from which each contract is assigned a rating: Bronze, Silver, Gold, Platinum and Platinum Plus. The Supplier Management Policy specifies the mandatory documents and data fields that should be populated on CMA for each contract.

- 7.16 There is a Supplier Management group in place that comprises of senior management representatives from each directorate and aims to: promote consistent and high-quality Supplier Relationship Management across the organisation; maximise value for money; leverage the supply chain to support corporate objectives and promote social value; and understand as well as promote supplier resilience. Whilst Procurement and the Supplier Management group provides the framework of compliance and best practice, they cannot force the service areas to comply.
- 7.17 Local Authorities are increasingly relying on third parties to deliver core services. Although the delivery mechanism for these services may be outsourced, responsibility for the service remains attached to the authority. The current economic climate and the continuation of reduced Council budgets have significant implications across the entire supply chain. As the configuration of supply chains changes, Local Authorities must adapt their capabilities, cultures, and processes to reflect this. As such the Council must prepare for business-critical supplier failure by identifying operational and strategic interdependencies and areas of reliance between parties. The Council must also understand the likelihood of supplier failure through market analysis, credit rating data and intelligence through less formal networks such as supplier forums. This work should be supported by a monitoring process that provides early warning of supplier stress and establishes agreed procedures for operating in the event of supplier withdrawal or failure.
- 7.18 Critical failures in the supply chain were identified within the Adults and Health directorate and through close monitoring, strict risk management the Council promptly put in place arrangements to minimise service disruption and safeguard the clients.
- 7.19 Internal Audit carried out a Supplier Viability audit within the Adults and Health directorate as part of the FY2021/22 audit plan. The audit evaluated the following risk areas:
- Strategy, Policies and Procedures
 - Procurement and Contract/Supplier Management
 - Council's Response to Supply Chain Failure
 - Ongoing Assurance and Monitoring
- 7.20 The audit reviewed eight contracts and a 'reasonable' level of assurance was given based on the five findings that were raised.
- 7.21 Based on the continuous monitoring of compliance by the Supplier Management Group and the work carried out by Internal Audit; an overall '**reasonable**' assurance has been given for the Council's contract management.

- 7.22 **Counter Fraud:** The Business Assurance Team procedures alone cannot guarantee the detection of fraud and corruption, nor can we give an overall assurance opinion on counter fraud, therefore management have responsibility for ensuring that there are adequate controls in place to manage the risk of fraud and corruption. The size and complexity of the authority means that some irregularities are inevitable, and when these arise Business Assurance must deploy resources to investigate these.
- 7.23 For the year 2021/22, several referrals were made to the Business Assurance Team, and outcomes of investigations were reported to the Statutory Officers Group on a six-weekly basis. The service continues to see an increased number of referrals from schools and the intelligence gathered from these investigations is being fed to the Internal Audit team to help inform future school audits.
- 7.24 Due to the inherent risk of fraud and the obvious costs in countering fraud with heightened pressure on resources, the Business Assurance Team has adopted a long-term proactive strategy to raise fraud awareness and enhance prevention measures. Part of this plan is to tackle current issues and cases while simultaneously learning lessons, gathering intelligence through detailed post incident reflective risk assessments. A detailed Fraud Risk Register is maintained by the Fraud Team and is reported to the Risk Management Group on a regular basis. A fraud awareness training programme is in place and targeted sessions have been delivered to Senior Management and across key risk areas such as contract management, Human Resources, finance, and commissioning.
- 7.25 The Business Assurance Team has been working closely with the Revenues and Benefits Teams to investigate any potentially fraudulent Business Rate Grant Claims. The table below shows the number of cases reviewed by the Investigations Team as at end of 2021/22:

Business Rate Grant applications referred to Business Assurance	49
Additional Restrictive/Restart Grant applications referred to Business assurance	56
Number failed risk assessment (deemed to be low risk and so not investigated, or closed after initial investigation)	33
Number investigated (BRG and ARG) to date	49
Number of potential prosecution claims	10
Number of prosecution files being prepared for legal services as of September 2022.	5 One case is currently awaiting a trial (which will not be until late 2022), one case was sentenced and received a £21k fine in January 2022 with three other cases having prosecution files currently being prepared.

7.26 In cases whereby the grants were paid wrongly, but fraud was not proven, the team continue to work closely with the debt management team to ensure that these are recovered.

7.27 The organisation has been working to strengthen its responses to counter fraud, however whilst not all matters reported were frauds, the improved practice of reporting suspected activity provides ‘**reasonable**’ assurance that the organisation is fraud aware.

7.28 **Other Assurance Work: Covid Grants** A significant proportion of the internal audit resource has continued to provide assurance over the Covid-19 grants received from central government. The Council received an additional c.£70.0m in FY22 across directorates to provide services and support the communities, residents, and businesses, resulting in a total of c.£145.1m in COVID funding for FY21 and FY22 combined. A COVID grants governance framework was put in place which provided continuous assurance and a holistic oversight of all the COVID grant expenditure across the directorates. Key stakeholders were engaged in the process such that notifications of new grants

were being timely communicated to internal audit to ensure that the grant is recorded centrally, the responsible officers were identified, and cost centres were created in preparation for the income receipt. Through this process mechanisms were in place to ensure that the grants were maximised, spent in line with the criteria, key risks were highlighted where grants may be over/underspend and through weekly reporting any key concerns were flagged to the respective Heads of Finance for resolution in a timely manner. At the peak of the COVID grant assurance activities, the team were supporting 45 different grants.

7.29 **Cash Receipting Capita Pay360 system implementation assurance** An assurance review of the Cash Receipting Capita Pay360 system upgrade was undertaken in quarter four to help ensure that the upgrade was completed successfully. The review consisted of an evaluation of Project Planning and the Control Framework. Whilst the majority of the project planning controls evaluated were deemed to be adequate, the review noted some minor exceptions which were highlighted to management for resolution. All recommendations made were accepted by the service. As part of the FY2022/23 Key Finance Systems audit, Internal Audit will re-evaluate the control framework to ensure that the areas of improvement identified have been addressed.

7.30 **Client Transport Services Financial Controls Assurance** Throughout 2021/22 Internal Audit worked closely with Client Transport Services providing assurance over the financial controls and contract management processes. Work undertaken included:

- Provide assurance on the budget forecasting methodology.
- Undertaking tender verification to ensure accuracy and completeness of contracts ended and started on the transport system Routewise; including verifying accuracy of Limit Orders raised for the live contracts.
- Monitor compliance against the new control framework that provides an end-to-end link from tender, contract management, invoice payment and account reconciliations.
- Monitoring invoice processing and utilisation of the management information on progress against invoice payment process.
- Provide system migration assurance on the new ONE system as the service decommission Routewise.

7.31 **Revenues and Benefits System Migration Assurance** During quarter three, the team provided assurance on the Revenues and Benefits System Northgate. The objective for this review was to provide assurance on whether data migration from legacy systems (AVDC and WDC) into

Northgate and Info@Work is completed accurately and on time. This included reviewing data from all affected legacy systems following each migration and their reconciliation against data in the systems being implemented. The review was intended to provide confidence that all data was successfully migrated on time and with no integrity issues to mitigate the risk of data in the new systems being missing or incorrect ahead of Go-Live. Assurance outputs were summarised on completion of each task to ensure that any weaknesses or gaps are addressed in a timely manner. Continuous assurance was provided, such that issues identified are timely reported and rectified.

7.32 The system has now been implemented and is in operation for Aylesbury and Wycombe, the next phase began in January as Chiltern and South Bucks will be migrated onto the new system. A lessons learnt report was presented to management on completion of the implementation for AVDC and WDC, these learnings were for management to take on board as they start making plans to migrate Chiltern and South Bucks onto the new system.

7.33 **SEALR Project Assurance** In quarter four, the team was commissioned by the Deputy Chief Executive (Monitoring Officer) and Corporate Director for Planning, Growth and Sustainability to undertake an independent 'rapid' review of the South East Aylesbury Link Road (SEALR) project. The review provided an understanding of the cost position, and the governance arrangements including providing clarity on the reporting and decision-making arrangements along with the mechanisms in place for the escalation of any issues or cost increases/ pressures. Due to the urgency of the review, the work was undertaken as a desktop exercise consisting of a review of project documentation financial data and board papers. A report was produced for senior management, which identified a number of weaknesses and recommendations were made to improve the processes in place for delivering this project. All findings raised were accepted by management and action is being taken to make the required improvements.

7.36 **Agile Deliver Methodology Assurance** Internal Audit were commissioned by the Policy and Communications Service to assess how the Council uses the Agile methodology, on which projects and how it aligns with best practices. The Council previously used the PRINCE2 project management methodology to deliver their projects using the traditional "waterfall" methodology. However, IT projects, such as the Family Information Service and notably the Web Project (which sits under the Better Buckinghamshire Programme), are now adopting Agile delivery methodologies. The effective management of projects by the Council is essential to deliver change to time, cost and scope parameters to allow for successful benefits realisation. The review was based on documentation sent over by the Digital Delivery Team and various interviews with the

Team. The review specifically examined operational effectiveness concerning the following areas: Delivery alignment with best practice, Appropriateness of methodology, resourcing, and wider governance and stakeholder engagement. The review concluded that:

- The Digital Delivery Team uses Agile methodologies appropriately and is aligned with best practices. There is a clear focus on the end-user.
- It is occasionally difficult to coordinate the Digital Delivery Team's efforts and other services they depend on. However, a proposed solution is increasing the involvement of stakeholders in the development of user stories and epics.
- Reporting takes place both verbally and through reports. Various metrics can be used to measure the progress, performance, and overall benefits realisation of an Agile project. These can then be used to improve processes further.

7.37 **Client Transport Contracts Assurance** Internal Audit were commissioned by the Service Director for Transport Services to undertake an independent review to provide an opinion on the consistency of the onboarding process of operators onto the DPS (Dynamic Purchasing System) and subsequent awarding of contracts. Based on the work undertaken, five key recommendations were made which are being addressed as part of the service's improvement plan and progress is reported to the Improvement Board on a monthly basis.

7.38 **Other (External) Sources of Assurance:** Whilst the key source of assurance which informs the annual opinion is the independent audits undertaken by the Internal Audit team, there are other sources of assurance which are helpful to provide support for the opinion on the Council's Governance, Risk Management, and Internal Control. For 2021/22 these have included the following:

- Adults and Health Directorate have an annual external quality assurance audit which was established as part of the Better Lives Quality Assurance Framework. The overall conclusion from the auditor was positive indicating good continuous improvement being made by the service with evident progress from a practice perspective since the prior year audit.
- Children's Services were subject to an Ofsted visit in December 2021 which concluded that the service is no longer inadequate, however still required further improvements to be good. The report highlighted how effective the service operated to ensure that children were safeguarded during the COVID-19 pandemic, whilst also recognising the resourcing pressures which are expounded by the retention difficulties of both social workers and frontline

managers. An improvement plan has been developed to ensure that all areas of improvement are addressed by.

- A Special Educational Needs and Disabilities (SEND) inspection took place between February and March 2022 and was undertaken by Ofsted and the Care Quality Commission (CQC). The inspection raised significant concerns about the effectiveness of the area. As a result of the inspection findings, the local area was required to submit a Written Statement of Action (WSOA) to address significant areas of weakness. These relate to the provision of specific health services for children and young people with SEND. The local authority and the area's Clinical Commissioning Group (CCG) are jointly responsible for submitting the written statement to Ofsted. The Service is continuing with the wider improvement journey across the service to ensure the support children with SEND received across the county is high quality and effective. Efforts are being focused on improving the areas of significant weakness as highlighted by the inspection.
- IT services maintained their external accreditation for the following:
 - Public Services Network Code of Connection (PSN Coco)
 - NHS Data Security & Protection (DSP Toolkit)

Email assurance has been obtained for the authority using a companion reporting product (zED) together with National Cyber Security Centre (NCSC) Mailcheck tool. The use of zED is actively promoted by CTAG (the UK Cyber Technical Advisory Group) and is widely used in the UK Public Sector. zED is a purpose-written product for the broader UK Public Sector producing risk data and a rating (Buckinghamshire Council are 7th nationally). This data and rating show how Buckinghamshire meet the NCSC secure email guidance and the risk to us from other organisations.

8. Overall Conclusion

- 8.1 In providing the overall conclusion, it should be noted that assurance can never be absolute. The most that can be provided is a '**reasonable**' level of assurance that there are no major weaknesses in risk management, governance and systems of control. The Internal Audit function has maintained its independence and objectivity in the administration of its activities in accordance with the Internal Audit Charter and Public Sector Internal Audit Standards.

8.2 The Council, through the leadership of the Corporate Management Team and the challenge and scrutiny of the Audit and Governance Committee have actively promoted a strong culture of accountability, good governance, anti-fraud and established a robust process for monitoring the implementation of actions. Some areas of improvement have been identified from the risk-based audits, the assurance work and fraud investigations carried out in the year, however the Corporate Management Team continued to react quickly to put actions in place to mitigate the risks.

9. Professional Standards

9.1 In order to comply with Public Sector Internal Audit Standards (PSIAS) the Head of Internal Audit is required to develop and maintain an ongoing quality assurance and improvement programme (QAIP). The objective of the QAIP is to ensure that working practices continue to conform to professional standards. The results of the QAIP are reported to the committee each year as part of the annual report. The QAIP consists of various elements, including:

- Maintenance of a detailed audit procedures manual and standard operating practices
- Ongoing performance monitoring of internal audit activity
- Regular customer feedback
- Training plan and associated training and development activities
- Period self-assessment of internal audit working practices (to evaluate conformance to the standards)

9.2 The PSIAS require an external assessment of the service at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Buckinghamshire Council Internal Audit Service was subject to its first external quality assessment of conformance to the PSIAS in quarter three/four of 2021/22. The assessment was conducted by CIPFA, and the review concluded that:

*'It is our opinion that Buckinghamshire Internal Audit Service's self-assessment is accurate and as such we conclude that they **FULLY CONFORM** to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.'*

9.3 The table below shows Buckinghamshire Internal Audit Service's level of conformance to the individual standards assessed during this external quality assessment:

Standard/ Area Assessed	Level of Conformance
<p>Mission Statement</p> <p>The Mission of Internal Audit articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the Mission.</p>	<p>Fully Conforms</p>
<p>Core principles</p> <p>The Core Principles, taken as a whole, articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively. How an internal auditor, as well as an internal audit activity, demonstrates achievement of the Core Principles may be quite different from organisation to organisation, but failure to achieve any of the principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit's mission (see Mission of Internal Audit).</p>	<p>Fully Conforms</p>
<p>Code of ethics</p> <p>The purpose of The Institute's Code of Ethics is to promote an ethical culture in the profession of internal auditing. A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control and governance.</p>	<p>Fully Conforms</p>
<p>Attribute standard 1000: Purpose, Authority and Responsibility</p> <p>The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Mission of Internal Audit and the mandatory elements of the International Professional Practices Framework (the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards, and the Definition of Internal Auditing). The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.</p>	<p>Fully Conforms</p>
<p>Attribute standard 1100: Independence and Objectivity</p> <p>The internal audit activity must be independent and internal auditors must be objective in performing their work.</p>	<p>Fully Conforms</p>
<p>Attribute standard 1200: Proficiency and Due Professional Care</p> <p>Engagements must be performed with proficiency and due professional care.</p>	<p>Fully Conforms</p>
<p>Attribute standard 1300: Quality Assurance and Improvement Programme</p> <p>The chief audit executive must develop and maintain a quality assurance and improvement</p>	<p>Fully Conforms</p>

programme that covers all aspects of the internal audit activity.	
Performance standard 2000: Managing the Internal Audit Activity The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organisation.	Fully Conforms
Performance standard 2100: Nature of Work The internal audit activity must evaluate and contribute to the improvement of the organisation's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact.	Fully Conforms
Performance standard 2200: Engagement Planning Internal auditors must develop and document a plan for each engagement, including the engagement's objectives, scope, timing, and resource allocations. The plan must consider the organisation's strategies, objectives and risks relevant to the engagement.	Fully Conforms
Performance standard 2300: Performing the Engagement Internal auditors must identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives.	Fully Conforms
Performance standard 2400: Communicating Results Communications must include the engagement's objectives, scope, and results.	Fully Conforms
Performance standard 2500: Monitoring Progress The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.	Fully Conforms
Performance standard 2600: Communicating the Acceptance of Risks When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organisation, the chief audit executive must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board.	Fully Conforms

9.4 Whilst there were no areas of non-conformance to the standards, the CIPFA assessment identified some opportunities to enhance the way that the service operates in the following areas:

- expanding the use of data analytics and work towards whole population testing;
- produce a skills, competencies and qualifications matrix for the various levels of staff being

considered for the new structure, based on the guidance set out in the CIPFA publication “The Excellent Internal Auditor; Good Practice Guide to Skills and Competencies;

- include a section in the annual report on the progress made by the service in delivering the actions on its quality assurance programme action plan;
- provide greater clarity and demonstrate the link between the internal audit plan and the Council’s risks and objectives;
- prevent internal audit reports being sent to individuals other than those on the agreed distribution list, and to deter readers from extracting parts of the audit report and using them out of context; and
- the Service should consider adding a statement to each audit report confirming that the audit has been completed in accordance with the standards.

9.5 The QAIP has been updated to ensure that it captures the opportunities for improvement that were identified from the external assessment. Full details of the QAIP are given in **Appendix D**.

Appendix A - Summary of Internal Audit Activity

Directorate	Service	Audit Title	Status/Opinion
Corporate	Corporate	Governance	Cancelled - Delivered through work with Corporate Governance Manager
	Corporate	Business Cases	Cancelled – resource pressures within the Internal Audit team recommend that audit be undertaken in 22/23 as part of the Capital Programme audit
	Corporate	General Grants	On-going
	Corporate	Covid-19 Pre and Post Payment Assurance Plan	On-going; looking at assurance that we have taken reasonable steps to ensure that payments are made to legitimate clients.
	Corporate	Covid-19 Response	Continuous assurance on the Covid-19 grants that are received from government departments to support the Council's response to Covid-19.
Deputy Chief Executive	Policy and Comms	GDPR – Council wide audit	A new system is currently being implemented. Audit being deferred and will be undertaken once the system and processes are embedded in 22/23.
	Localities & Strategic Partnerships	Community Boards	A review is being undertaken by the Select Committee that highlighted areas of improvement – agreed to undertake the audit once the identified improvements have been implemented. Deferred to 22/23
	Legal/ Dem Services	Legal Process Review	Deferred to 22/23 – processes are currently being developed. Audit best placed to review once these are embedded. Recommend an audit in Q1/Q2 22/23
	Legal/ Dem Services	Member Declarations and Member Complaints Process	Final Report - Substantial
	Service Improvement	Assurance over Service Improvement Programme	Deferred – Business Assurance is currently undergoing a Service Review, therefore, to ensure objectivity the assurance is deferred to 22/23.
	Service Improvement	Digital	Final report Agile Delivery assurance.

Directorate	Service	Audit Title	Status/Opinion
Deputy Chief Executive	Service Improvement	Workstyle Strategy	Deferred to 22/23 per request from SLT – business case recently approved and strategy in early stages.
	Localities & Strategic Partnerships	Assets of Community Value	Final Report - Substantial
	Legal/ Dem Services	Elections	Final Report - Substantial
	Policy & Communication	Complaints	A new system is currently being implemented. Audit being deferred and will be undertaken once the system and processes are embedded in 22/23.
Resources	Finance	Pensions	Final Report - Substantial
	Finance	Capital Programme	Deferred to 22/23 – resource pressures within the Service due to sickness.
	Finance	Contract Management	Deferred to 22/23 – this is a Council wide audit and there are resource pressures within the services to support the audit.
	Finance	Asset Management	Cancelled per request from SLT – substantial work undertaken by external audit.
	Finance	Budget Management	Final Report - Substantial
	Finance/ HR	Expenses	Continuous review of expenses to identify suspicious transactions
	Finance	Accounts Payable	N/A follow-up of prior year actions
	Finance	Accounts Receivable	N/A follow-up of prior year actions
	Finance/ HR/ IT	Service Now Review	Deferred to 22/23 per request from SLT – the use of Service Now will be looked at as part of the service review – this is a low-risk area.
	Finance	SAP Interfaces	Mapping of systems that interface with SAP.
	Finance	Cash Receipting End-to - End Process Review	Final report assurance review of the Cash Receipting Capita Pay360 system upgrade
	Finance	Treasury Management	Final Report - Reasonable
	Finance	Debt Management	N/A follow-up of prior year actions

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Resources	Finance	General Ledger	Actions from the previous year have been followed up and an Assurance Pack within Corporate Finance has been developed that is continuously monitoring compliance. Audit cancelled for this year.
	Finance	Revs & Bens System Implementation Assurance	Phase 1 system implementation assurance completed.
			Phase 2 of the system implementation has commenced, and assurance is being provided throughout the project delivery.
	Finance	CTAX	Deferred to 22/23. New Revenues and Benefits system being implemented. Full audit to be undertaken once all legacies are migrated onto the new platform. Internal Audit are providing assurance on the system implementation.
	Finance	NNDR	
	Finance	CTRS/HB	
	Finance	Procurement	New procurement regulations being introduced – deferred to 22/23 once implemented.
	Finance	iCares Accounts Payable	Final Report - Reasonable
	Finance	iCares Accounts Receivable	Final Report - Reasonable
	HR	Payroll	Final Report - Reasonable
	HR	Apprenticeship Levy	Deferred to 22/23 per request from SLT – low risk.
	HR	IR35	Deferred to 22/23 – regular reporting on high-cost interims undertaken.
	IT	IT Asset Management	Final Report - Reasonable.
	IT	Cyber Security	Final Report - Reasonable
IT		Audit needs assessment. Review to determine IT audit work to be undertaken.	

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Planning, Growth & Sustainability	Property & Assets	Wycombe Old Library	Cancelled per request from SLT – project complete and value needed in service project governance assurance
	Property & Assets	Project Governance	TBC – DRAFT Report
	Housing & Regulatory Service	Enforcement (Housing)	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1
	Housing & Regulatory Service	Grant verification	Disability Facilities Grant - Completed
	Planning & Environment	Building Control	Deferred to 22/23 – Service review in progress.
	Planning & Environment	CIL/Section 106	Draft Report - Limited
	LEP	LEP Audit	New white paper released other areas to consider – additionally due to staff changes within LEP audit is being deferred to Q1.
	LEP	Grant Verification	Growth Hub Funding to LEPs – claim verification for FY20/21 funding. Completed
	Housing & Regulatory Service	Homelessness	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1.
	Strategic Transport & Infrastructure	SEALR	Project assurance in year request.
	Housing & Regulatory Service	Temporary Accommodation	Deferred to 22/23 per request from SLT, recruitment in progress as there are unfilled posts in the service – propose Q1
	Property & Assets	Property Maintenance	Deferred to 22/23 – Service review in progress.
	Planning & Environment	Climate Change	Separate assurance programme being developed that will be aligned to the Climate Change Strategy. Commence assurance delivery in 22/23.
	Property & Assets	Property Repairs and Renewals	Deferred to 22/23 – Service review in progress.

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Planning, Growth & Sustainability	Property & Assets	Health & Safety	Cancelled per request from SLT – assurance process in place to ensure adequate arrangements are in place and mechanism for reporting agreed.
	LEP	Grant Verification	EU Transition Business Readiness Growth Hub Funding to LEPs FY20/21. Completed
	LEP	Grant Verification	Supplemental Growth Hub Funding to LEPs FY20/21. Completed
	LEP	Grant Verification	Peer Network Funding to LEPs FY 20/21. Completed
Communities	Highways & Technical Services	Flood Management	Final Report - Reasonable
	Neighbourhood Services	Taxi Licensing	Final Report - Reasonable
	Neighbourhood Services	Crematorium	TBC – DRAFT Report
	Neighbourhood Services	Waste – Procurement and Disposal of Assets	Deferred to 22/23 due to the responsible team being subject to a Service Review.
	Highways & Technical Services	Parking	Deferred to 22/23 per request from SLT – new system and structure, need to embed processes. Recommend Q1/2
	Highways & Technical Services	Transport for Bucks	Service currently undertaking a large tender exercise – assurance work on-going.
	Transport Services	Home to School Transport – Contract Assurance	Contract Management assurance. Internal Audit were commissioned to undertake an independent review to provide an opinion on the consistency of the onboarding process of operators onto the DPS (Dynamic Purchasing System) and subsequent awarding of contracts.
	Transport Services	Home to School Transport	Deferred to 22/23 per request from SLT – new system will need to be embedded. Recommend Q2
	Transport Services	Grant Verification	Bus Subsidy Ring-Fenced (Revenue) Grant. Complete

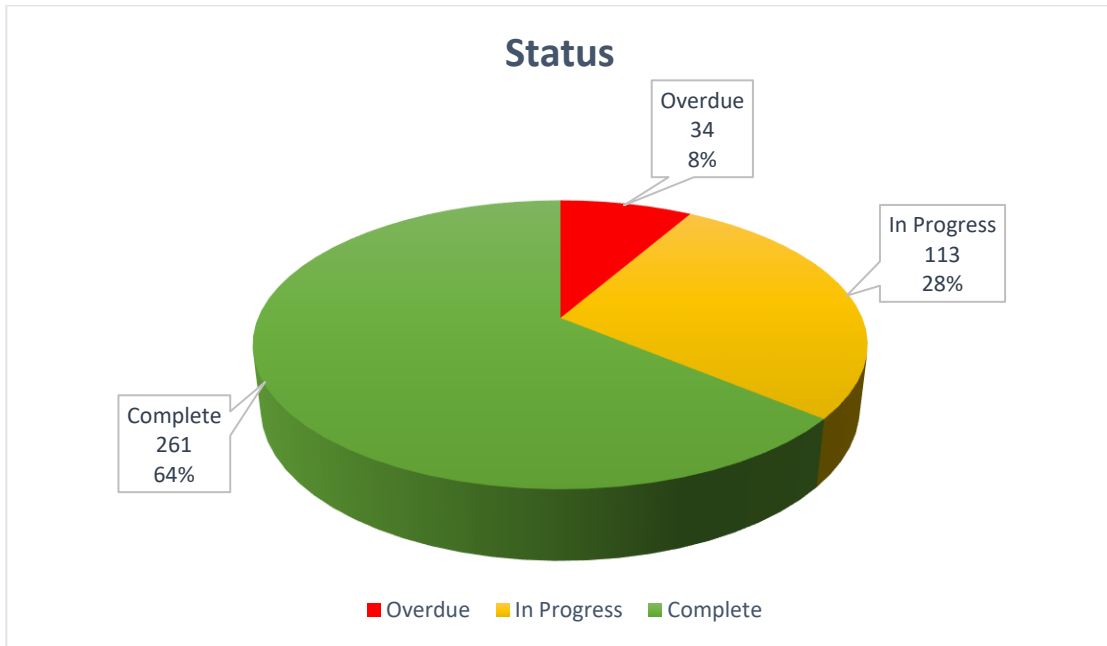
Directorate	Service	Audit Title	Objectives/Risk/Concerns
Communities	Neighbourhood Services	Household Recycling Centres	Deferred to 22/23 – new procurement in progress. Recommend review once new arrangements are in place
	Neighbourhood Services	Energy for Waste	Final Report - Reasonable.
	Highways & Technical Services	Grant verification	Highways Maintenance Challenge Fund Grant. Complete
Adults & Health	Quality Standards & Performance	iCares System – IT Application Controls Audit	Final Draft- Reasonable
	Integrated Commissioning	Direct Payments	Service currently undertaking improvement work – agreed to defer review to Q2/3
	Integrated Commissioning	Supplier Viability	Final Report - Reasonable.
	Adult Social Care	Implementation of Medications Policy – In-house services	Final Report - Reasonable
	Adult Social Care	Interface – Hospital Discharges and Social Care	Deferred from 21/22 per request from SLT – process is weak and social care are currently working to develop and improve process. Plan for Q1/2
	Quality Standards & Performance	Quality Assurance Framework (QAF)	Cancelled per request from SLT – framework is fully operational, and an annual external audit arrangement is in place. No concerns in this area.
	Integrated Commissioning	Choice and Charging Policy	Final Report - Reasonable
	Adult Social Care	Implementation of Medications Policy – Commissioned services (Follow-up)	Actions were implemented per the agreed actions, however at time of follow-up it was determined that actions are not being followed as there were superseded by COVID arrangements.
	Adult Social Care	Deprivation of Liberty Standards (DoLs) (Follow-up)	No opinion – All actions from the 19/20 audit were fully implemented.

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Children's Services	Education (Schools)	Booker Park	Final Report - Reasonable
		Speen School	Final Report - Reasonable
		Buckingham School	Final Report - Reasonable
		Cedar Park	Final Report - Reasonable
		Radnage CoE Infant School	Final Report - Reasonable
		Hazlemere CoE School	Final Report - Reasonable
	Social Care	Children's Homes	Final Report - Reasonable.
	Social Care	Social Work England Information Requests	Deferred to 22/23 per request from SLT – service currently developing a process. Assurance needed when process is embedded.
	Social Care	Care Leavers	Audit cancelled, need to be considered in light of the Ofsted findings.
	Social Care	Fostering Services	Audit cancelled, need to be considered in light of the Ofsted findings.
	Education	SEND – Complaints & SARs	Audit cancelled, need to be considered in light of the inspection findings.
	Education	Early Years - Entitlement for 2/3/4 yrs. and Claims Payment	Final Report - Reasonable
	Social Care	Commissioning of Residential placements	Final Draft- Reasonable
	Education	SEND Transport Eligibility	New audit requested by service – deferred to 22/23 due to SEND inspection
	Education	Grant Verification	DfT – Travel Demand Grant. Complete Schools Direct Salaried Grant (Ashmead Combined School). Complete Schools Direct Salaried Grant (Bedgrove Infant School). Complete
Social Care	Supported Families Programme Grant Verification	Completed in June for 65 families under Sustained and Significant Progress	

Directorate	Service	Audit Title	Objectives/Risk/Concerns
Children's Services	Social Care	Supported Families Programme Grant Verification	Claim made for 77 families under Sustained and Significant Progress
			Completed in June for 65 families under Sustained and Significant Progress
			Claim made for 77 families under Sustained and Significant Progress
			Claim made for 71 families under Sustained and Significant Progress
			Claim made for 84 families under Sustained and Significant Progress

A summary of the findings from the internal audit activity can be found in the confidential part of the report.

Appendix B – Summary Status of Audit Actions



Details on the overdue actions can be found in the confidential part of the report. It should be noted that 30 of the 35 audit actions which are highlighted as overdue relate to schools and will be followed up in September to allow schools to settle into the new academic year.

Appendix C – Definition of Opinions

Definition	Rating Reason
<p><u>Substantial</u> A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.</p>	<p>The controls tested are being consistently applied and risks are being effectively managed.</p> <p>Actions are of an advisory nature in context of the systems, operating controls and management of risks. Some medium priority matters may also be present.</p>
<p><u>Reasonable</u> There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently developed.</p> <p>Majority of actions are of medium priority, but some high priority actions may be present.</p>
<p><u>Limited</u> Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</p>	<p>There is an inadequate level of internal control in place and/or controls are not being operated effectively and consistently.</p> <p>Actions may include high and medium priority matters to be addressed.</p>
<p><u>No Assurance</u> Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.</p>	<p>The internal control is generally weak/does not exist. Significant non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Actions will include high priority matters to be actioned. Some medium priority matters may also be present.</p>
<p>Other Assurance – No Opinion</p>	

Appendix D – Internal Audit – Quality Assurance and Improvement Programme

The Buckinghamshire Internal Audit Team maintains appropriate ongoing quality assurance arrangements designed to ensure that internal audit work is undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS). These arrangements include:

- the maintenance of a detailed audit procedures manual;
- the requirement for all audit staff to conform to the Code of Ethics and Standards of Conduct Policy;
- regular performance appraisals;
- regular 1:2:1 meetings to monitor progress with audit engagements;
- induction programmes, training plans and associated training activities;
- attendance on relevant courses and access to e-learning material;
- the maintenance of training records and training evaluation procedures;
- membership of professional networks;
- agreement of the objectives, scope and expected timescales for each audit engagement with the client before detailed work commences (audit specification);
- file review by senior auditors and audit managers and sign-off at each stage of the audit process;
- the ongoing investment in tools to support the effective performance of internal audit work (for example data interrogation software);
- performance against agreed quality targets monitored and reported to each client on a regular basis;
and
- regular client liaison meetings to discuss progress, share information and evaluate performance.

The table below details the areas of improvement that the team are working on as identified from internal performance reviews, the self-assessment against the CIPFA checklist of conformance against the PSIAS and the Local Government Application Note, and from the opportunities identified from the external assessment. The improvement plan is reviewed by the Head of Business Assurance periodically to ensure that progress is being made and form part of the team's individual performance objectives.

Improvement Activity	Status
Self- Assessment against PSIAS	COMPLETE
Update Pentana guidance and IA Procedures on closing audit management actions	NOT STARTED
Update the audit manual to link in with Pentana - currently out of date	NOT STARTED
Develop standard annual reports for schools, including lessons learnt from fraud cases	NOT STARTED
Develop annual calendar of key dates for IA papers - forward plan	COMPLETE
Develop audit universe that we can refer to each year as part of planning - need to know gaps in our coverage	ON-GOING
Clarify process for managing audit actions with clear auditor responsibility	COMPLETE
DBS checks to be completed for all auditors	COMPLETE
Identify Pentana improvement - opportunities to have all docs driven from Pentana	ON-GOING
Develop progress reports for reporting on deliver of the plan, including changes made to the plan - monthly or quarterly into CIA	COMPLETE
Develop closer links with the fraud team - i.e., better use of the fraud risk register into IA work and development of annual plan	COMPLETE
NFI - develop a clear process/ timetable for managing exercise based on data sets to key service contacts	ON-GOING
Benchmark audit coverage for BMKFA against other FA to find opportunities for future audit work	COMPLETE
Develop the assurance framework and ensure three lines of assurance are fully understood by all	NOT STARTED
Update Grant Register and review progress as part of IA plan monitoring	COMPLETE
Develop Business Assurance Intranet page/ SharePoint space with key policies/ strategies and procedures	ON-GOING
Update Schools Web for IA and Fraud	NOT STARTED
Consultancy/ assurance engagements to be included as part of the plan and reported in annual report	COMPLETE
Develop customer satisfaction questionnaire - forms per Directorate and Client	NOT STARTED
Create a tracker for advice being given to services on an ad hoc basis - should note any new recommended controls	NOT STARTED
CPD tracker to be put in place for each auditor and Audit Manager to review as part of C4P	COMPLETE
Declarations of interest to be completed for each auditor and to be re-confirmed annually	NOT STARTED
Produce a skills, competencies, and qualifications matrix for the various levels of staff	ON-GOING
Include a section in the annual report on the progress made by the service in delivering the actions on its quality assurance programme action plan	COMPLETE
Expanding the use of data analytics and work towards whole population testing	ON-GOING
Provide greater clarity and demonstrate the link between the internal audit plan and the Council's risks and objectives,	COMPLETE
Prevent internal audit reports being sent to individuals other than those on the agreed distribution list	NOT STARTED

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Audit and Governance Committee

Date:	27 September 2022
Reference number:	N/A
Title:	2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan)
Cabinet Member(s):	N/A
Contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	Members are recommended to note the report
Reason for decision:	N/A

1. Executive summary

- 1.1 The purpose of the report is to present the 2022/23 Business Assurance Strategy update, including progress against the Internal Audit Plan.
- 1.2 The 2022/23 Internal Audit Plan has been reviewed to identify the key audit activities to be delivered considering the priorities within the Directorates and working with consideration the service reviews that are currently in progress.

2. Content of report

- 2.1 The Business Assurance Strategy; including the Internal Audit Plan was agreed by the Audit Board and by the Audit and Governance Committee in July 2022. The Internal Audit Plan was produced with reference to the Strategic and Directorate Risk Registers; and informed through discussion with the Senior Leadership Teams for

each Directorate, Heads of Finance, Section 151 Officer and the Deputy Chief Executive.

- 2.2 The Internal Audit Plan will continue to be dynamic in nature with activity reviewed and realigned on a regular basis to take account of new, emerging and changing risks and priorities.
- 2.3 Quarterly Business Assurance updates are presented to each Directorate Leadership Team providing updates on the planned audit and assurance activity, which are reviewed for appropriateness each time. We also seek the views of the directorates on the work of the Business Assurance Team to enable continuous improvement and ensure that we are meeting the needs and expectations of the organisation as best we can.
- 2.4 Progress against the approved Business Assurance Strategy has been presented to, and agreed by, the Audit Board (S151 Officer, Monitoring Officer and Director of Legal Services).

3. Other options considered

- 3.1 N/A.

4. Legal and financial implications

- 4.1 None.

5. Corporate implications

- 5.1 None.

6. Local councillors & community boards consultation & views

- 6.1 N/A

7. Communication, engagement & further consultation

- 7.1 N/A.

8. Next steps and review

- 8.1 An update on delivery of the Business Assurance Strategy and a summary of the internal audit output will be presented as a standing agenda item at Audit and Governance Committee meetings.

9. Background papers

9.1 2022/23 Business Assurance Strategy and Internal Audit Plan.

10. Your questions and views (for key decisions)

10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email democracy@buckinghamshire.gov.uk.

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BUCKINGHAMSHIRE COUNCIL

Business Assurance Update

Progress against the Internal Audit Plan 2022/23

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

September 2022

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1. Introduction

1.1 The Business Assurance Team is responsible for delivering the Council's Risk Management, Assurance, Internal Audit and Counter Fraud services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate. The team continues to work towards implementing the Council's Assurance and Risk Strategy through delivery of work programmes which include; assurance reviews of the Council's financial and operational systems, computer audit reviews, corporate and social housing fraud investigations, fraud awareness, corporate governance and risk management reviews, and compliance reviews to check adherence to policies, procedures and systems. The legislative framework and professional standards / guidelines we are required to adhere to include:

- Accounts and Audit Regulations 2015;
- Fraud Act 2006;
- Social Housing Fraud (Power to Require Information) Regulations 2014;
- Council Tax Reduction Schemes (Detection of Fraud and Enforcement) Regulations 2013; and
- Public Sector Internal Audit Standards (PSIAS).

1.2 This report outlines the work carried out by the Business Assurance Team for quarters one and two of 2022/23. The Internal Audit, Risk Management, Counter Fraud and Assurance work plans were produced with reference to the Strategic and Directorate Risk Registers and is prepared using a risk-based methodology that enables the provision of an independent opinion on the adequacy and effectiveness of the systems of internal control (comprising of risk management, corporate governance, financial and operational controls). The plans were also informed through discussions with the Senior Leadership Teams for each Directorate, Heads of Finance, Section 151 Officer and the Deputy Chief Executive (Monitoring Officer). Plans are also be reviewed quarterly in conjunction with Strategic and Directorate Risk Registers and presented to the Audit Board for consideration and comment prior to being reported to this committee.

1.3 The Business Assurance work plans continue to be dynamic in nature as they remain flexible and evolve throughout the year to reflect; the changing risks faced by the Council, the maturity of the assurance framework and to meet the needs of unplanned demands, especially in the

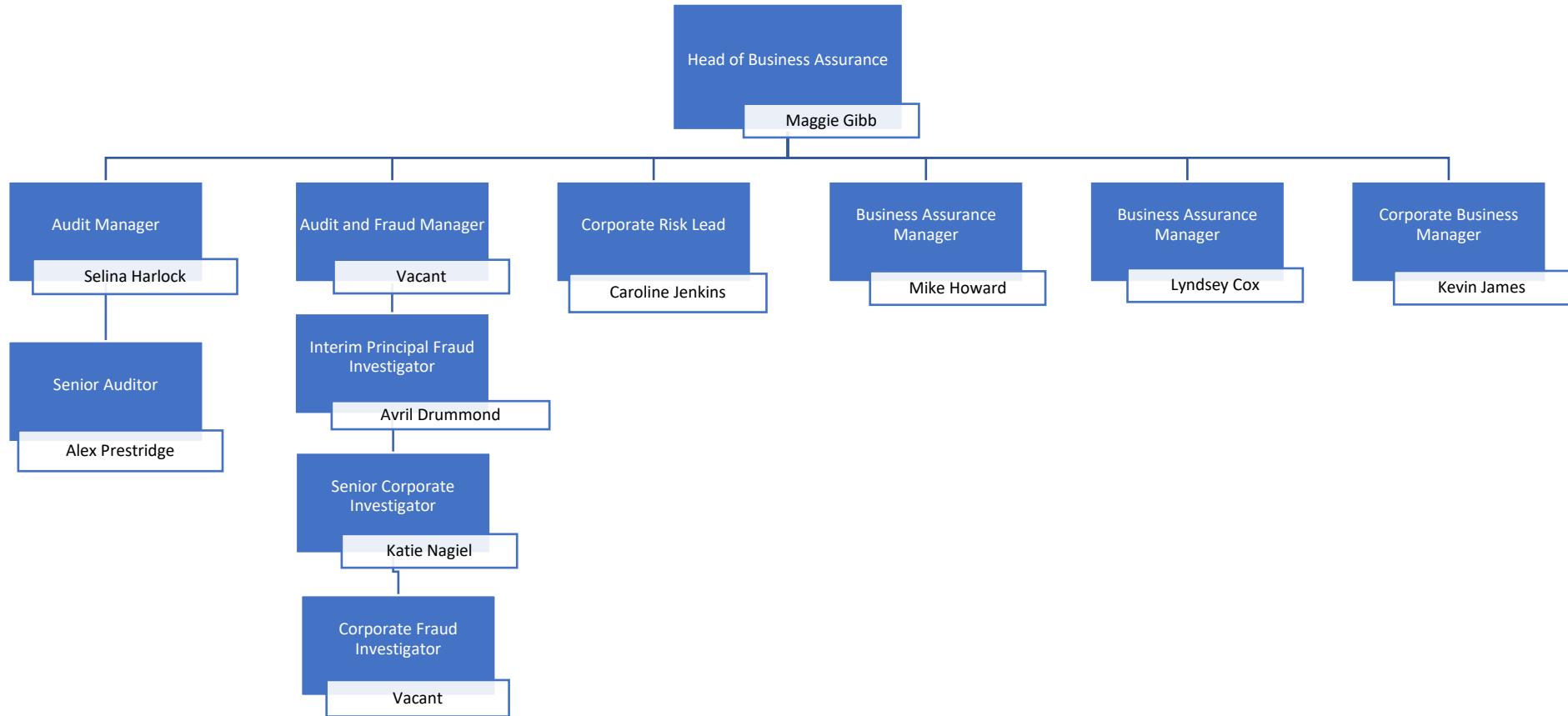
context of the response to and recovery from the Covid-19 pandemic; and other emerging priorities. Quarterly updates on Business Assurance activities have been presented to each directorate leadership team providing them with an overview of the Internal Audit activities including progress on implementation of audit actions; and a risk management update on escalated risks with status of risk reviews.

- 1.4 The Business Assurance Team is entering into the final phase of their Service Transformation Review, which is part of the Better Buckinghamshire Programme. The review has consisted of an ongoing evaluation of our current service delivery and is working towards designing a human-centred and future-focusses service that delivers on the needs of customers and the team (officers). The consultation phase concluded on 1st September where the new structures were confirmed and will go live on 1st November. The next phase involves appointing officers to posts and where applicable the recruitment process will commence.

2. Resources

- 2.1 There have been some recent resourcing changes to the Business Assurance team with the departure of the Audit and Fraud Manager and the return of the Corporate Risk Lead from maternity leave. We continue to resource work plans with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. The framework is hosted by the London Borough of Croydon and the audit service is currently provided by Mazars. This arrangement allows for a flexible approach and enables us to respond swiftly to urgent requests for resource such as for investigations. The framework also enables us to request specialist resource such as IT auditors and contract auditors where the in-house team do not have the appropriate technical skills.

Current Business Assurance Team Structure (new structure to be published on 1 November 2022)



3 Risk Management

- 3.1 The Business Assurance Team has continued to embed risk management across Buckinghamshire Council with all Directorates ensuring that risks are identified and uploaded onto Pentana, the corporate risk management system. We have also continued the review of risks ensuring that the magnitude of risks is understood and that there are appropriate internal controls and/or actions undertaken to mitigate risks and address some of the risk gaps identified.
- 3.2 The Business Assurance team has established an emerging risk register which is reported to Risk Management Group and the team are sharing knowledge to directorates' Risk Champions. The last meeting of the Risk Management Group was held on 5 September 2022, an update on this meeting will be provided in a separate report.
- 3.3 The team are currently drafting the Risk Management strategy which informs the Risk Management Framework consisting of a tailored Risk Reporting and Escalation Frameworks for each directorate to suit their business needs. The strategy will be presented to this committee at the next meeting scheduled for November.
- 3.4 The Business Continuity Management (BCM) function is now being delivered alongside the Risk Management function, and regular assurance reporting on BCM will be included in the Business Assurance Strategy update from November 2022.

4. Internal Audit

- 4.1 In order to make certain the audit efforts are focussed on those areas that are key, an audit planning model was used on the list of audits identified from the discussion with senior management, the review of risk registers and those identified through horizon scanning. The model is predicated on the basis that all risks are relative but that they can be compared by combining three key factors: -
- The size, importance or inherent risk in the area under review;

- The assessment of the effectiveness of the internal controls; and
- The likelihood of the consequences being detected if the risk does materialise.

Following this formulaic assessment, each audit engagement identified for inclusion in the 2022/23 Internal Audit Plan was 'RAG' rated and those that scored RED were deemed to be priority for delivery this year. The audit planning methodology is in line with the approach being taken by other authorities with the sector widely working towards more flexible audit plans to enable internal audit to be more responsive to changing risks, in turn maximising resource focus to meet the needs of the organisation as and when needed – Agile Auditing.

4.2 The 2022/23 Internal Audit Plan was approved by the committee at the July meeting and during quarter one and two the Internal Audit function has progressed with the audit and assurance activity that was carried over from the previous financial year and commenced the delivery of engagements from the current year's plan. Since the last update Internal Audit delivery has progressed as follows;

- for 2021/22 the carried forward activity has been completed and four final reports have been issued and two are at draft;
- from the 2022/23 the team have issued final reports for two engagements, one engagement is at draft reporting stage, two grant certifications have been completed and 11 audits are at the scoping stage; and
- from the assurance activity, four final reports have been issued and one is at draft reporting stage.

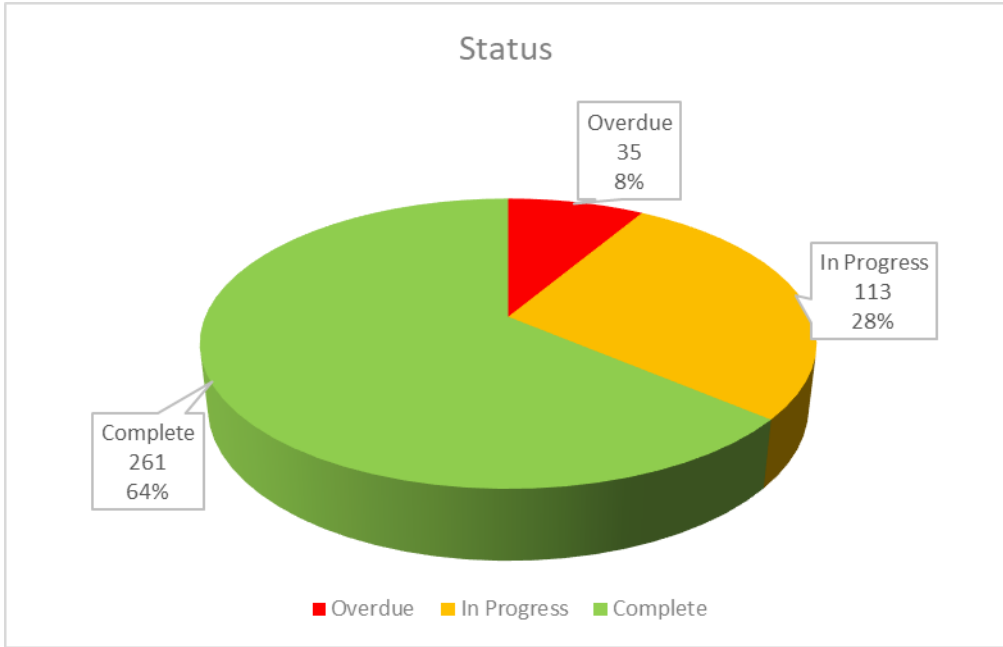
4.3 In quarter two the team has been developing the Schools' Audit Programme which identifies a schedule of schools to visit and audit during the current year. Through review of financial reports, complaints, Ofsted results and quarterly consultation with the Schools Improvement Team and Schools Finance; each maintained school is risk assessed based on this information and those with a high 'RAG' rating are selected for an audit. The schools identified for review along with the rationale for selection are detailed in the confidential part of the meeting.

The scope for the audit visit is standard across all the schools and will be looking at the following key risks areas; Governance and Leadership, Financial Management, Procurement, Income, Human Resources and Payroll, Business Continuity and Health and Safety.

An audit of William Harding School was conducted during quarter one, this audit was scheduled last year due to large number of audit actions that remained incomplete for a long period of time. The report is currently at the draft reporting stage and will be shared with the committee once it has been finalised.

4.4 Using the audit tool, 'Pentana', Internal Audit have been monitoring implementation of audit actions. Follow-up of management actions is a continuous task that is undertaken by the auditors alongside their assigned audit engagements. The chart below provides a summary on the implementation status of the audit actions:

Summary Status of Management Actions



4.5 Progress against implementing audit actions is reported to each of the Directorate leadership team meetings on a regular basis, and outstanding audit actions are reported to the Corporate Management Team (CMT). Of the 34 actions overdue, 30 are owned by schools and fell due at the start of the academic year, Internal Audit are giving schools a grace period as they settle into the new year and the auditors will begin liaising

with the schools at the end of September. An update on progress of implementing school audit actions will be presented to the committee in November.

- 4.6 The Audit Board, chaired by the Service Director of Finance (S151), reviewed progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan at a meeting held on 21 September 2022. Appendix 1 shows the current progress updated against the Internal Audit Plan.

5. Business Assurance

- 5.1 **Covid Grants**: The Business Assurance Team continue to progress with the COVID grant assurance as the requirements from central government for returns, reconciliations and pre/post assurance checks continue. The team liaise with the services and support in the collation of the required returns, reconciliations and certification where required. Since the last update to this committee three returns have been completed in line with guidelines and agreed deadlines. One grant reconciliation return is currently in progress and one post- payment assurance return is being completed.

There are currently two COVID grants that remain open and both grants are within the Deputy Chief Executive directorate. Internal Audit will continue to liaise with the services to ensure returns and required reconciliations are complete in line with guidelines and agreed deadlines.

- 5.2 **Children's SEND Payments Process Assurance**: In quarter one, the team have been progressing with an assurance review within Children's Services SEND team, which was commissioned due to a number of problems having been identified, including a significant backlog of queries received from schools and parents, inaccuracies of data within the ONE system, and inconsistent roles and responsibilities. The scope of work included:

- Detailed review of processes involved within Children's Services SEND provisions.
- Completion of process maps to show current roles and responsibilities, systems and documentation involved in each step.
- Observations outlining the pain points involved within key stages of the processes.
- Improvements to address pain points.

- An outline of the impact, difficulty and priority of the improvements provided.

The review found a number of issues which were classified under six key headers: Unclear Roles and Responsibilities, Query Backlog, Unreliable Data, Lack of Management Information, Lack of Key Performance Indicators and Excess of Spreadsheets. Recommendations on improvement initiatives have been made to the service and Business Assurance continue to support the team in the development of some of the improvement opportunities highlighted in the report.

5.3 **Southern Waste- Round Reorganisation Review:** During quarter two a review was commissioned of the issues and challenges faced as a result of the waste round reorganisation involving the delivery of waste bin collection services in the south of the county. Veolia are responsible for all of the waste collections in the south of the county and since May 2022 they commenced the new collection arrangements which were introduced following a round reorganisation of routes and collections. The reorganisation is aimed at delivering more efficient rounds, more robust collections, and a better waste collection service. Although disruptions were expected, this had proven to be a very challenging change (with 90% of residents impacted by a day or week change to their collection date), with issues far exceeding planned mitigations. The review considered:

- The operational planning arrangements in place prior to the commencement of the round reorganization.
- The key issues that led to the significant increase in the number of missed bins and complaints including when the influx of complaints started to increase.
- The governance structure in place to manage escalation as a result of the large influx of complaints, who was involved between both Veolia as well as Buckinghamshire Council, what escalation routes were in place and how key performance indicators were measured.
- The overall team structure that was in place as per the Veolia contract to service the south of the county. The team structure internal to the council that support Veolia in ensuring services are delivered, including the call centre team structure.
- The communication plans that were put in place to both internally and externally.
- The record and types of complaints received from the resident, the process to capture the complaints; the complaints resolution process and the types of response provided.

From the work undertaken a number of findings were raised with regard to the following key areas:

- Data and Round Design
- People and Resourcing
- Governance and Responsibilities
- Tools and Assets
- Stakeholders and Communications; and
- Processes and Controls.

The outcomes of the review have been reported to management and highlighted core areas which hampered the reorganisation, many of which had been the result of resource challenges. This impacted knowledge transfer, consistency of staff, staffing numbers and supervisory management. Through the interviews conducted during the review Business Assurance noted that there is a good working relationship between the Council and Veolia, further evidenced by the recovery attempts put in a place and commitment to achieving a long term, sustainable waste management operation. The overall success of this project will be derived over a much longer period of time and the coming weeks are crucial to restore trust across households and in the council. The service has developed a recovery plan and through regular review and reporting there is greater visibility of progress. The review of this major change project will be reported in detail to the Risk Management Group on 7 November 2022.

5.4 **SEND Eligibility Review:** Business Assurance are currently undertaking a review of Home to School Transport for SEND students. The objective of this review is to provide an evaluation of the adequacy and effectiveness of the process currently in place to assess the eligibility of students for travel assistance. The evaluation will include sample or population testing of students currently deemed eligible to confirm any instances of incorrect assessment. The review will culminate in the provision of improvement opportunities to facilitate effective and efficient adherence to the policies and relevant legislation going forward, as well as a high-level implementation plan. The review is evaluating the following key areas:

- Policies, Procedures and Training

- Claims Assessment and Approval
- Monitoring/Reviewing Changes in Circumstances
- Budget Monitoring

- Performance Monitoring and Reporting

5.5 **Project Assurance:** Following the findings raised from the South East Aylesbury Link Road (SEALR) review undertaken in quarter four, Business Assurance performed a project assurance review across all the teams within the Strategic Transport and Infrastructure Service. The objective of the review was to provide assurance on the arrangements in place that allow senior management to have complete, accurate and timely information on the progress of projects that are being delivered within the Strategic Transport and Infrastructure Service. A sample of projects was evaluated for each team and specific weaknesses or project gaps identified from the review were reported to the respective Head of Service to ensure that the weaknesses were addressed in a timely manner. The work undertaken focussed on six fundamental aspects of project and programme management; project planning, governance structure and control, project delivery, risk management and contract management, reporting/ management information and lessons learnt/continuous improvement. From the sample of projects evaluated, 44 findings were reported all identified from a thorough review of records held for the respective projects and interviews with key project officers.

The Strategic Transport and Infrastructure Service are currently going through their service review and the findings from this assurance activity will form part of the improvement programme for the service.

6 Counter Fraud

6.1 The Business Assurance Team has been working closely with the Revenues and Benefits Teams to investigate any potentially fraudulent Business Rate Grant Claims.

Business Rate Grant applications referred to Business Assurance	49 (0 this month)
Additional Restrictive/Restart Grant applications referred to Business assurance	56 (0 this month)
Number failed risk assessment (deemed to be low risk and so not investigated, or closed after initial investigation)	33
Number investigated (BRG and ARG) to date	49
Number of potential prosecution claims	10
Number of prosecution files being prepared for legal services as of 1 September 2022.	5 One case is currently awaiting a trial (which will be held w/c 26 September 2022), one case was sentenced and received a £21k fine in January 2022. A further case was heard in Court on 8 August 2022, the defendant pleaded not guilty and so the case will go to trial in January 2023. Two other cases have prosecution files currently being prepared.

Other cases currently under investigation are as follows:

- Council Tax Reduction cases received this month – three; and currently investigating nine in total.
- Single Person Discount cases received this month – one; and currently investigating nine in total.
- Blue Badge cases received this month one; currently investigating one in total.
- Disabled Facilities Grant received this month – zero; referrals closed this month – two, currently investigating zero in total
- Housing Fraud cases received this month - two, currently investigating eight in total.
- Planning application fraud cases received this month - zero, currently investigating zero.
- Insurance case received this month – zero, currently investigating one.
- School admissions cases received this month - zero, currently investigating one.
- Adult Social Care cases received this month - zero, currently investigating one.
- Council Tax liability cases received this month – zero, investigating one.
- Identity fraud cases received this month – zero, investigating zero.
- Omicron Grant cases received this month – zero, investigating three in total.
- Phishing scams or attempts this month: zero
- Direct payment cases received this month – zero, investigating one.
- Credit card misuse case received this month – zero, investigating zero.
- Building Control case received this month – zero, investigating zero.
- Requests for information: one.

- Several early morning visits have been completed with different Registered Housing Providers recently – namely Paradigm, Fairhive (previously Vale of Aylesbury), and Thrive Homes, to assist with reports of housing fraud, forging stronger links with the housing providers in the area. Furthermore, a newly formed Tenancy Fraud Forum has been organised for 14 September, to be held in Wycombe Council offices. Housing providers and Local Authorities have been invited to attend - this has been arranged in partnership with Hertfordshire and Oxfordshire Councils.

Appendix 1 - Summary of Internal Audit Activity

Corporate				
Corporate Priority Link	<ul style="list-style-type: none"> Increasing prosperity 			
Strategic Risks Link	<p>CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i></p>			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	
Cross-cutting	Assurance Framework	Develop a means of identify and mapping the main source of assurance across the Council and coordinating them to best effect.	N/A	
	Covid-19 Pre and Post Payment Assurance Plan	Undertake require assurance reviews and returns in line with government requirements.	N/A	
	Grants	Undertake grant certification in line with grant conditions	N/A	
Deputy Chief Executive				
Corporate Priority Link	<ul style="list-style-type: none"> Increasing prosperity Strengthening our communities 			
Strategic Risks Link	<p>CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i></p> <p>CMT -05: Changes in national & local policy landscape: <i>Government policy - If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.</i></p> <p>CMT- 07: Increased external financial pressures: Central <i>Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</i></p> <p>CMT - 06: Technology breaches/ failures: <i>Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.</i></p> <p>CMT - 08: Failure to deliver financial plans: <i>Challenging MTFP process and poor budget forecasting leading to an inability to know where the authority is financially; putting considerable pressure on reserves leading to inappropriate management action.</i></p>			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Policy & Communications	GDPR	Deferred from 21/22 plan. To ensure that the Council is compliant with GDPR requirements. To ensure that there is adequate process for the identification, review and reporting of a personal data breach.	HIGH	Not started

Policy & Communications	Complaints	Deferred from 21/22 plan. To ensure that there are robust and effective systems are in place for the complete, accurate and timely recording, processing, and acknowledging of complaints. Including effective monitoring framework, which delivers accurate, timely and relevant information for management review.	HIGH	Final Report - Reasonable
Legal & Dem Services	Legal Processes	Deferred from 21/22 plan. To ensure that there are adequate arrangements in place for the services to engage with the legal team, cases are recorded, monitored and costs tracked appropriately.	LOW	Not started
Policy & Communications	Community Boards	Deferred from 21/22 plan. To evaluate the governance arrangements, risk management and financial management is adequate, transparent and board objectives are monitored and reported on.	HIGH	Audit scoping in-progress
Policy & Communications	Devolution	Deferred from 21/22 plan. To evaluate the processes and procedures in place to ensure an effective transfer of services and assets to town and parish councils in line with the approved policy.	LOW	Not started
Service Improvement	Corporate Performance Framework	To assess the adequacy of the Council's performance and reporting arrangements.	LOW	Not started
Service Improvement	Helping Hand Programme Assurance	Evaluate the delivery of the programme and ensure that objectives are met, risks are adequately managed and value for money is evident.	MEDIUM	Not started
Service Improvement	Better Buckinghamshire Programme Assurance	Ensure that the programme is effectively managed to deliver set objective in a timely manner and within budget.	MEDIUM	Not started

Adults & Health

Corporate Priority Link	<ul style="list-style-type: none"> • Protecting the vulnerable • Strengthening our communities • Increasing prosperity 			
Strategic Risks Link	<p>CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i></p> <p>CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</i></p> <p>CMT – 05: Changes in the national & local policy landscape: Government policy - <i>If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.</i></p> <p>CMT- 07: Increased external financial pressures: <i>Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</i></p> <p>CMT - 10: Fraud and Corruption: <i>Lack of controls, awareness, policies, procedures, and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</i></p> <p>CMT – 14: Adult Social Care Statutory Services: <i>Budget reductions, increased demand/insufficient capacity - If budgets and capacity are not sufficient to deliver statutory responsibilities Then there may be unintentional adverse consequences to vulnerable adults.</i></p>			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update

Integrated Commissioning	Direct Payments	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Audit scoping in-progress
Adult Social Care	Continuing Health Care:	End to end process review evaluating arrangements in place with the CCG (includes client assessment/eligibility and financial management). This will be scheduled following the peer review by LGA.	HIGH	Not started
Adult Social Care	Seeleys Establishment Audit	Review of compliance with practice and set process and manuals. Work to be undertaken ahead of next CQC inspection to demonstrate progress against the improvement plan	MEDIUM	Not started
Integrated Commissioning	Disability Facilities Grant	Grant verification in line with the terms and conditions.	N/A	Not started
Integrated Commissioning	Commissioning and Financial Management of Spot Contracts	End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Not started
Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Not started
Public Health	Joint Strategic Assessment.	focus of review to be agreed with the service	TBC	Not started
Finance	A&H Debt Recovery (Unsecured Debt)	As debt recovery was paused during the pandemic and the debt recovery process has been moved to Finance Operations team, the audit will be reviewing adequacy and effectiveness of controls	MEDIUM	Not started

Children's Services

Corporate Priority Link	<ul style="list-style-type: none"> Protecting the vulnerable Strengthening our communities Increasing prosperity
Strategic Risks Link	<p>CMT- 01: Governance failure: <i>Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</i></p> <p>CMT – 02: Ofsted/ Improvement Plan: <i>IF we fail to successfully implement our improvement plan THEN we are at risk of receiving a third Inadequate judgement from Ofsted causing reputational damage to the council. More importantly, children and families will not receive the support they require in order to improve their outcomes.</i></p> <p>CMT- 04: Major contract commissioning and/or market failure: <i>Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</i></p> <p>CMT- 07: Increased external financial pressures: Central <i>Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</i></p> <p>CMT - 06: Technology breaches/ failures: <i>Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber attack, loss of data or breach of data protection If systems fail, data is lost or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.</i></p> <p>CMT - 10: Fraud and Corruption: <i>Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</i></p> <p>CMT – 13: SEND: <i>IF we do not ensure our SEND service is compliant with the objectives of the SEND reforms introduced in 2014 THEN we will not improve outcomes for children. In turn, this will impact on the outcome of our SEND inspection creating a reputational risk for the Council.</i></p>

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
	<p>CMT- 01: Governance failure: Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</p> <p>CMT – 02: Ofsted/ Improvement Plan: IF we fail to successfully implement our improvement plan THEN we are at risk of receiving a third Inadequate judgement from Ofsted causing reputational damage to the council. More importantly, children and families will not receive the support they require in order to improve their outcomes.</p> <p>CMT- 04: Major contract commissioning and/or market failure: Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</p>			
Education	Schools Thematic Review	Review of key controls for sample of schools selected per the risk assessment.	HIGH	Audit scoping in-progress
Social Care	Direct Payments (including clawbacks)	End to end process reviewing adequacy and effectiveness of controls in place	HIGH	Audit scoping in-progress
Education	SEND Ofsted Improvement Plan Assurance	Evaluate the completeness adequacy of the improvement plan against the findings raised in the Ofsted report.	MEDIUM	Not started
Social Care	Social Care Ofsted Improvement Plan Assurance	Evaluate the completeness adequacy of the improvement plan against the findings raised in the Ofsted report.	MEDIUM	Draft Report
Education	SEND Process review – Focused on ECCOH	End to end review of processes and evaluation of controls to identify inefficiencies in process and improvements to data quality.	HIGH	Not started
Social Care	Section 17 Payments	End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Not started
Social Care	Supported Families Programme	Grant Verification	N/A	Not started
Education	Related Party Transaction Assurance (SFVS)	verification work in line with DfE guidance	N/A	Not started
Communities				
Corporate Priority Link	<ul style="list-style-type: none"> Protecting the vulnerable Improving our environment 			
Strategic Risks Link	<p>CMT- 01: Governance failure: Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</p> <p>CMT- 04: Major contract commissioning and/or market failure: Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</p>			

CMT- 07: Increased external financial pressures: *Central* Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.

CMT - 06: Technology breaches/ failures: Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.

CMT - 10: Fraud and Corruption: Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.

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Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Highways & Technical Services	Parking On/Off Street	End to end review of processes and evaluation of controls on the new system.	HIGH	Audit scoping in-progress
Transport Services	Home to School Transport	End to end review of processes and evaluation of controls on the new system.	HIGH	Audit scoping in-progress
Neighbourhood Services	Household Recycling Centres	New contract in place, review of processes at the HRC; and contract management with new contractor.	MEDIUM	Not started
Neighbourhood Services	Business Licenses and Permits – Process review	End to end review of processes and evaluation of controls on the new system.	LOW	Not started
Neighbourhood Services	Waste Management	End to end review of processes and evaluation of controls on the new system.	HIGH	Not started
Culture, Sports & Leisure	Higginson Park	Financial Controls Audit	LOW	Not started
Culture, Sports & Leisure	Farnham Park	Financial Controls Audit	LOW	Not started
Highways & Technical Services	New Highways Contract Assurance	Provide assurance on the processes being proposed for the new contract arrangement	HIGH	Not started

Planning, Growth & Sustainability

Corporate Priority Link	<ul style="list-style-type: none"> Strengthening our communities Increasing prosperity Improving our environment Protecting the vulnerable
Strategic Risks Link	CMT- 01: Governance failure: Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.

CMT- 04: Major contract commissioning and/or market failure: Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.

CMT – 05: Changes in the national & local policy landscape: Government policy - If the Government introduces new policies that affect Buckinghamshire residents such as Domestic Abuse, Education Reforms, Planning Reforms, Business Rate Retention & Health & Social Care Integration then these may place additional pressures on Council services.

CMT- 07: Increased external financial pressures: **Central** Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.

CMT – 08: Failure to Deliver Financial Plans: Challenging MTFP process and poor budget forecasting leading to an inability to know where the authority is financially; putting considerable pressure on reserves leading to inappropriate management action.

CMT – 09: Insufficient Capacity: Reduced capacity and increased levels of stress If there continues to be an increase in volume of activity at the same time as resource in the organisation decreases Then there may be an impact on the wellbeing of the workforce and increased levels of stress, and a failure to deliver services.

CMT – 10: Fraud and Corruption: Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.

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Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Housing & Regulatory Services	Enforcement (Housing)	Audit deferred from 21/22 audit plan. End to end process reviewing adequacy and effectiveness of controls in place.	MEDIUM	Not started
Housing & Regulatory Services	Homelessness and Temporary Accommodation	Audit deferred from 20/21 & 21/22 audit plan, merged with Temporary Accommodation audit. This area has not been looked at before and it's a high-profile area in terms of the significant financial spend and reputational risk resulting from housing people in temporary and emergency accommodation for lengthy periods	HIGH	Audit scoping in-progress
Planning & Environment	Building Control	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing including finance, regulatory compliance and performance.	MEDIUM	Not started
Property & Assets	Property Maintenance	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Not started
Property & Assets	Property – Reactive Works	Audit deferred from 20/21 & 21/22 audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Not started
Housing & Regulatory Services	Disability Facilities Grant (Use of the funding)	Audit deferred from 20/21 & 21/22 audit plan. Review the process for commissioning housing adaptations and the use of the DFG fund. To include review of contractors used, VfM.	MEDIUM	Not started
LEP	LEP & BBF Assurance	Evaluation of key financial controls	MEDIUM	Not started
Strategic Transport & Infrastructure	Project Assurance	Strategic Transport & Infrastructure review of project management controls include reporting and escalation arrangements in place within the service.	HIGH	Final Report

Finance	K2 Systems Audit	Large volume and value of transactions processed, therefore an evaluation of key controls will be undertaken.	HIGH	Not started
Resources				
Corporate Priority Link	<ul style="list-style-type: none"> Strengthening our communities Increasing prosperity 			
Strategic Risks Link	<p>CMT- 01: Governance failure: Lack of clarity around governance arrangements. If proper governance arrangements are not clear and effective, then outcomes and objectives may not be achieved and there could be a reputational and/or financial impact on the Council with the potential for major service disruption and failure to meet statutory requirements. There can be a number of causes of governance failure such as increased pressures through number of elected members, boundary review, service pressures and the response to/recovery from the Covid-19 pandemic.</p> <p>CMT- 04: Major contract commissioning and/or market failure: Supply chain issues/financial viability of suppliers/poor contract management/market failure/quality assurance of providers. If there is failure in the market/supply chain/contract management, Then Service failure may result, and the Council will fail to act effectively as a Commissioning Authority.</p> <p>CMT- 07: Increased external financial pressures: Central Government funding - local government finance reform, levelling up agenda implications, business rates reset and uncertainty over financial devolution. Level of government grants known until 2022. Beyond 2022 Council budgets likely to face increasing financial pressures.</p> <p>CMT - 06: Technology breaches/ failures: Lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection If systems fail, data is lost, or data protection breached Then the Council will suffer severe reputational and financial damage and data could be used inappropriately.</p> <p>CMT - 10: Fraud and Corruption: Lack of controls, awareness, policies, procedures and inability/lack of capacity to respond. If the authority is targeted either internally or externally and are unaware or unable to respond then this could result in adverse publicity, a financial loss and an inability to deliver statutory services.</p>			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Business Operations	Blue Badges, Administration and Enforcement	To ensure that badges are only issued to residents who satisfy one or more of the eligibility criteria (as updated by the Disabled Persons (Badges for Motor Vehicles) (England) (Amendment) Regulations 2019 (S.I. 2019 No. 891) on 30 August 2019 to include 'hidden' disabilities) set out in the legislation that governs the scheme.	LOW	Not started
Business Operations	Business Support – Accounts Payable and Accounts Receivables	Review of financial controls and compliance to corporate procedures.	HIGH	Not started
Business Operations	Shop4Support	End to end sales process review	MEDIUM	Not started
HR & OD	Teachers Pensions – new system in place	New system in place, review process and controls in place	MEDIUM	Not started
HR & OD	Payroll Follow-up	Ensure that the actions from the 2021/22 audit have been fully implemented.	MEDIUM	Not started
HR & OD	Learning and Development	To review organisational spend on learning and development to ensure consistency and quality of training.	HIGH	Not started
Finance	Capital Programme	To ensure business cases are adequate, approved and projects on the programme are sufficiently monitored.	HIGH	Audit scoping in-progress
Finance	Procurement Compliance	Ensure that procurement rules are clearly documented and followed in all procurement exercises.	MEDIUM	Not started

Finance	Year End Assurance - Journals and Accruals	Compliance with financial controls	LOW	Not started
Finance	Pensions	Evaluation of key controls	LOW	Not started
Finance	Completeness and Effectiveness of the Finance Assurance Pack	Evaluation of the adequacy of controls monitoring and assessment on the effectiveness of the assurance pack.	MEDIUM	Not started
Finance	Scheme of Delegation – Financial and Non-Financial delegations	Evaluation of the Scheme of Delegation to ensure that these are understood by all and complied with when making decisions.	MEDIUM	Not started
Finance	Council Tax	Evaluation of key financial controls	HIGH	Not started
Finance	National Non-domestic Rates	Evaluation of key financial controls	HIGH	Not started
Finance	Council Tax Reduction Scheme/ Housing Benefits	Evaluation of key financial controls	HIGH	Not started
Finance	Key Financial Systems	Evaluation of key financial controls	MEDIUM	Not started
IT	IT/Infrastructure Resilience – Per Audit Needs Assessment	A number of IT/Infrastructure resilience-related risks feature in the Council’s IT Risk Register. The audit will address; consideration of the impact of the pandemic on IT/infrastructure resilience, People, process and technology perspective, including a high-level review of the IT architecture and technology in place.	HIGH	Audit scoping in-progress
IT	Disaster Recovery and Backups – Per Audit Needs Assessment	Disaster recovery was noted as having a residual risk score of 10 in the Council’s IT risk register with a fully tested strategy and plan required to provide the Council assurance that full business continuity can be provided. This audit would test controls in regard to backup scope, frequency, offsite location, testing and recovery.	HIGH	Audit scoping in-progress
IT	Change/Patch Management	This audit will consider the following: - Change to infrastructure and applications are governed through a consistent policy/process; - The change process addresses the request, impact, authorisation, testing, deployment of changes; - Comparison with LG peers concerning good change control practice commonly identified; - Patch management is undertaken across the estate in a complete, accurate and timely manner.	HIGH	Audit scoping in-progress

Counter Fraud Plan

Proactive/ Probity Activity	NFI data matches	Support services with collating the NFI data and determining an approach for prioritising the instances that require investigation.
	Blue badge abuse	Investigate blue badges that have been in place for long periods and ensure that these are valid.
	Covid grant recovery	Undertaking post payment assurance and identify and investigate instances of possible false claims
	Schools	Lessons learnt from 21/22 investigations to be shared with all schools and presented via schools forum.
	Fraud awareness training	Hold formal sessions to groups across the Council to raise awareness of what the Business Assurance Team’s responsibilities are in relation to fraud and counter-fraud, different types of fraud, fraud risks, whistleblowing procedures etc.
	Internal Communication on Fraud	Send messages across the Council to promote 'good practice' and raise awareness of potential indicators of fraud and staff responsibilities.
	Policy Reviews	Review and refresh the key fraud policies, including; Anti-Fraud and Corruption Policy.
Reactive Activity	Assess cases referred via whistleblowing channels and investigate where necessary.	
	Embed the case management system	

Continuous Improvement	Fraud networking and chairing of key networks	
	External Clients	No. of Days
BMKFA	Audit plan approved and date for audit delivery agreed with the clients. Plan to be delivered by February 2022 ahead of their external audit.	110
Academies	Audit plans approved and key days for audit delivery agreed with the Academies	30



Audit and Governance Committee

Date:	27 September 2022
Reference number:	N/A
Title:	2021/22 Draft Annual Governance Statement
Cabinet Member(s):	N/A
Contact officer:	Nick Graham, Director of Legal & Democratic Services Glenn Watson, Principal Governance Officer
Ward(s) affected:	N/A
Recommendations:	Members are recommended to approve the Annual Governance Statement 2021/22.
Reason for decision:	It is a statutory requirement to adopt an Annual Governance Statement.

1. Executive summary

- 1.1 This report contains the draft Annual Governance Statement (AGS) for 2021/22. This is the second AGS for Buckinghamshire Council and relates to the second year of the Council's operation as a unitary authority. Recovery from the Covid-19 pandemic was a key feature of the year.
- 1.2 The purpose of an AGS is to comment on the effectiveness of a council's governance arrangements for the year in question. Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) advises that an AGS should be high level, strategic, meaningful and brief. An AGS sits alongside a council's published Statement of Accounts for the same year.
- 1.3 The CIPFA guidance advises that an AGS should contain an Opinion as to the effectiveness of the governance arrangements, given by the Chief Executive and

Leader of the Council. The draft AGS contains such an Opinion for 2021/22 based on the assurances contained within it:

“the Council’s governance arrangements in 2021/22 were sound and provide a robust and effective platform for achieving the Council’s priorities and challenges in 2022/23. It is our opinion that this has remained the case despite the very real challenges of providing services during a period of recovery from the COVID-19 pandemic.”

- 1.4 The draft AGS was endorsed by the Corporate Management Team on 15 September 2022.

2. Content of report

- 2.1 The draft AGS has resulted from feedback from Business Managers and Directorate Leadership Teams; from members of this Committee and from the Corporate Management Team. The Annual Governance Statement (AGS) has also been drafted with due consideration to sources of assurance on internal control. It also complies with CIPFA guidance in containing:
- a) An assessment of effectiveness
 - b) An Opinion on that effectiveness
 - c) An Action Plan for 2022/23, and comments on that for 2021/22
 - d) A Conclusion
- 2.2 The draft also reflects the conclusions reached in various annual, and other, reports received by Council, Cabinet and Committees which relate to aspects of governance during 2021/22. This has included:
- a) Chief Finance Officer’s Statutory Reports to Budget Setting Councils of 2021/22 and 2022/23
 - b) Corporate Plan Refresh Report to Council in February 2022
 - c) Buckinghamshire Council Annual Report to Annual Meeting in May 2022
 - d) Annual Scrutiny Report 2021/22
 - e) Audit & Governance Committee Annual Report in April 2022; and reports to the same Committee on internal audit and assurance process (March and May 2022)
 - f) Community Boards Annual Report April 2022
 - g) OFSTED re-inspection report (inspection period 6 December 2021 to 17 December 2021) and associated Cabinet, Select Committee reports.
- 2.3 The report also reflects the work of this Committee in overseeing governance. It highlights, for example:

- a) The work of the Risk Management Group (of this Committee) reviewing strategic and directorate risks; and meeting with Cabinet Members and Directors about risks, concerns and actions. Such challenge led, for example, to an annual risk review for Climate Change;
- b) Regular reviews of the Constitution undertaken through a Constitution Review Group of the Chairmen and Vice-Chairmen of this Committee and the Standards & General Purposes Committee;
- c) Recommencement of the Internal Audit Plan, post-Covid;
- d) CIPFA's opinion that our Internal Audit Service's self-assessment was accurate, conformed to the requirements of the Public Sector Internal Audit Standards and reflected good practices underpinning the formation of the new authority, alongside the issues that arose as a result of Covid
- e) Twice-yearly reporting to the Committee on compliance with Contract Procedure Rules – including waivers and breaches. This enables transparency, analysis and learning – particularly around the circumstances of breaches;
- f) The Committee's commitment to learning from the implications for good governance arising from the inspections of other authorities e.g. from public interest reports, reports to councils from Chief Finance Officers (known as 'Section 114 reports') and from commissioners appointed by the Government to review an authority.

2.4 The activity of the Committee in overseeing governance during the current year will of course be reflected in the AGS for 2022/23, which will be drafted in early 2023.

3. Other options considered

3.1 It is a legal requirement to produce an AGS and there is clear guidance from CIPFA as to the elements that an AGS should contain.

4. Legal and financial implications

4.1 The Council is required to produce an Annual Governance Statement under the Audit and Accounts Regulations 2015. Approval of the AGS by members should be achieved by the end of September 2022.

5. Corporate implications

5.1 The AGS reflects the effectiveness of the Council's governance during 2021/22 and looks sets out priority actions for improving governance in 2022/23.

6. Local councillors & community boards consultation & views

6.1 N/A

7. Communication, engagement & further consultation

7.1 N/A.

8. Next steps and review

8.1 Approval of the AGS by this Committee fulfils the legal requirement for members to adopt the AGS ahead of the required signature by the Leader of the Council and the Chief Executive.

9. Background papers

9.1 CIPFA's 'Delivering Good Governance in Local Government: Framework' (2016 Edition).

Buckinghamshire Council

2021/22 Annual Governance Statement (AGS)

September 2022

INTRODUCTION

On 1 April 2020, we became a new organisation, establishing the single Buckinghamshire Council, providing all council services to our Buckinghamshire residents as one team. The “go-live” of the new, single Unitary authority had coincided with the first period of lockdown due to the Covid- 19 pandemic. After twelve months of living under the shadow of a global pandemic and the challenges it brought, and continues to bring, this context very much dominated the Council’s second full year of operation in 2021/22 as we sought to build on our successes.

In May 2021, elections were held which resulted in the election of 147 councillors, a further step in the development of the new Council.

This is the second Annual Governance Statement (AGS) for Buckinghamshire Council and conveys the breadth of work undertaken by staff across the Council to comply with the various standards in place for public services whilst responding to the pandemic.

This review includes:

- A commentary on the effectiveness of the Council’s governance in 2021/22 and how we – against the core principles;
- Governance arrangements in relation to the COVID-19 pandemic;
- Internal Audit function during 2021/22;
- Our statutory governance roles;
- Review of actions for 2020/21Actions for 2022/23.

We have reviewed the overall effectiveness of the Council’s governance in the second year of our operation, building on our work to develop teams with different cultures and processes and with regard to the COVID-19 pandemic challenges we continued to face.

The Action Plan sets out additional actions we will be taking alongside our ongoing focus on the law and standards to deliver continuous improvement.

STATEMENT OF OPINION

It is our opinion that the Council’s governance arrangements in 2021/22 were sound and provide a robust and effective platform for achieving the Council’s priorities and challenges in 2022/23. It is our opinion that this has remained the case despite the very real challenges of providing services during a period of recovery from the COVID-19 pandemic

SIGNATURES

Signed on behalf of Buckinghamshire Council:

	Date		Date
Rachael Shimmin	XX/09/22	Martin Tett	XX/09/22
Chief Executive		Leader of the Council	

Scope of Responsibility

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 and efficiently.

We also have a duty under the [Local Government Act 1999](#) to put in place proper arrangements for:

- the continuous improvement of our functions
- the governance of our affairs, including those of the Local Government Pension Scheme, which includes arrangements for the management of risk.

The Council has approved and adopted a Constitution, and has several internal documents, which set out the corporate governance framework for the Council consistent with the principles of the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government”.

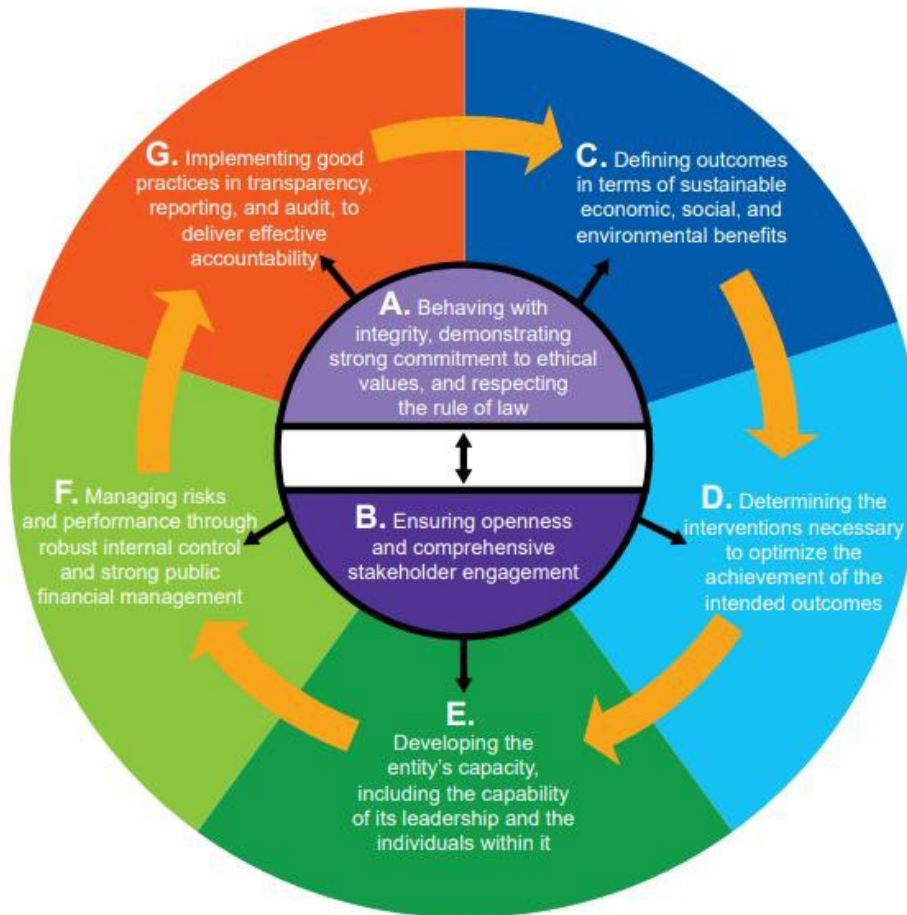
The AGS reviews the effectiveness of the governance processes, systems and records we have put in place to oversee the discharge the Council’s responsibilities.

The AGS explains how Buckinghamshire Council has complied with the Governance Framework. It also meets the requirements of [Regulation 6 of the Accounts and Audit Regulations 2015](#) in relation to the publication of the statement of internal control.

Core Principles of Good Governance

Good Governance in the Public Sector comprises the arrangements in place to ensure that the intended outcomes for all interested parties are defined and legally achieved. In delivering good governance, both the Council, and individuals working for and with the Council, aim to achieve the Council’s objectives while acting in the public interest.

The core principles defined in the “Delivering Good Governance in Local Government” framework are set out in the graphic below:



Buckinghamshire Council’s Governance Framework

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

The second year of the new Unitary authority has focused on building the processes, cultures and values of the Council.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It could not eliminate all risk of not achieving policies, aims and objectives and

could therefore only provide a reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- identify and prioritise the risks to the Council of not meeting its policies, aims and objectives
- evaluate the likelihood and potential impact of those risks being realised, and to
- manage them efficiently, effectively and economically.

The Chief Internal Auditor undertakes the required annual self-assessment of the Council's Internal Audit function, against the Public Sector Internal Audit Standards.

The External Auditor attends meetings of the Audit & Governance Committee.

There are regular meetings throughout the year of our Statutory Officers (Head of Paid Service, Monitoring Officer, Chief Finance Officer and Chief Internal Auditor) to review and monitor governance issues.

The Council's Corporate Management Team (CMT) has a separate budget board meeting; and all meetings of CMT have legal and finance input into their discussions.

Policy, Planning and Decision Making

The Corporate Plan 2020 - 2025 is focused on delivery of four key priorities:

- strengthening our communities.
- improving our environment.
- protecting the vulnerable.
- increasing prosperity.

The Corporate Plan sets out our strategic direction for the next three years, outlining our ambitions and priorities to make Buckinghamshire the best place to live, raise a family, work and do business. Underpinning the Corporate Plan is a set of Strategic Priorities for each of the Council's six directorates which set out how services will contribute to the Corporate Plan priorities and how success or impact will be measured over the course of a year

Buckinghamshire Council has 147 councillors, 3 for each of the 49 wards. These councillors are from different political parties and have different roles in the decision-making process.

All councillors agree to follow the member code of conduct and the rules for making decisions set out in our constitution.

Within the Constitution, Schemes of Delegation to members and officers, Financial Procedure Rules and other supporting procedures clearly define how decisions are taken and highlight the processes and controls required to manage risks with appropriate review procedures

Details of the Council's committee structure can be found here.

Financial Management

Strong Financial Management is critical to ensuring the financial sustainability of the Council, in demonstrating that Value for Money is delivered in the services provided and that the priorities of

the Council are delivered. The Council operates in an uncertain environment and this uncertainty has led to major failings in other Councils. The Council's Financial Management Strategy sets out how we work to manage this uncertainty and ensure the Council's aims and objectives can continue to be delivered into the future. There is strong external assessment of the Council's financial capability with areas for improvement captured in Finance Improvement Plan.

Given that the financial outlook nationally continues to look challenging with an even higher degree of uncertainty, it is imperative that the Council keeps to its standards of governance: retaining a clear, strong focus is key, with robust reporting and an equally robust review of financial controls.

The challenges that we face are not unique and it is also important that the Council keeps itself informed of learning from other councils' experiences. This will continue to inform the Council's actions.

The CIPFA Financial Management Code details the elements considered as key in demonstrating good financial management within public sector organisations and underpins our Financial Management Strategy.

Seven pillars of Financial Management at Buckinghamshire Council:

- Leadership behaviours.
- The finance service as business partners.
- Robust financial planning processes.
- A strong governance framework.
- Clarity of accountability across the organisation.
- A commercial approach to financial management.
- Decision-making which supports financial sustainability.

Partnership with the Voluntary, Community and Social Enterprise Sector (VCSE) – Reset, Resilience and Restoration

There is VCSE representation on all of Buckinghamshire's key partnerships, but one new board was created because of the exemplary strategic approaches taken in the pandemic. The VCSE Recovery Board was established as part of the 3R framework (Reset-Resilience-Restoration). It brings together senior officers from key organisations to provide invaluable insight, a planned response and a constructive call to action. The VCSE Recovery Board has four key roles:

- Provide senior representation of key VCSE organisations for strategic and tactical 'calls to action' with a solution focused approach.
- Share insight to assess the impact of COVID-19 on Buckinghamshire's communities and the VCSE's.
- Enable more joined up thinking for community resilience and future emergency responses and help drive forward action in a more coordinated manner.
- Focus on maximising resources including identifying opportunities and mobilising volunteers.

Key Roles

Key role for developing and maintaining the governance framework are:

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The Council	<ul style="list-style-type: none"> ➤ Approves the Corporate Plan ➤ Approves the Constitution ➤ Approves key policies ➤ Approves the budget
Cabinet	<ul style="list-style-type: none"> ➤ Main decision-making body of the Council ➤ Made up of the Leader of the Council and a number of Cabinet Members with responsibility for different portfolios
Audit and Governance Committee	<ul style="list-style-type: none"> ➤ Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment ➤ Approves annual Financial Statements and the Annual Governance Statement
Standards and General Purpose Committee	<ul style="list-style-type: none"> ➤ To oversee and develop the Council's Councillor Code of Conduct and the overall standards of conduct and ethics of Members and co-opted Members of Buckinghamshire Council
Select Committees (4)	<ul style="list-style-type: none"> ➤ The select committees each fulfil a check and challenge function for decisions and policies made by the Cabinet.
Corporate Management Team (CMT)	<ul style="list-style-type: none"> ➤ The Chief Executive has overall accountability for the governance framework ➤ Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues, overseeing the implementation of Council policy ➤ Accountability for developing and maintaining the Council's governance and risk framework
Chief Finance (S151) Officer	<ul style="list-style-type: none"> ➤ Leads and directs the financial strategy of the Council and ensures the Council controls and manages its money well, being suitably qualified and experienced ensuring the Finance Team is fit for purpose
	<ul style="list-style-type: none"> ➤ Accountable for developing and maintaining the Council's internal control and counter-fraud framework ➤ Contributes to the effective corporate management and governance of the Council ➤ Attends formal 1:1s with CEO, and attends all CMT meetings
Monitoring Officer	<ul style="list-style-type: none"> ➤ Advises the Council on ethical issues, standards, and powers to ensure The Council operates within the law and statutory Codes of Practice ➤ Overall responsibility for the maintenance and operation of the Whistle blowing Policy and contributes to the effective corporate management and governance of the Council

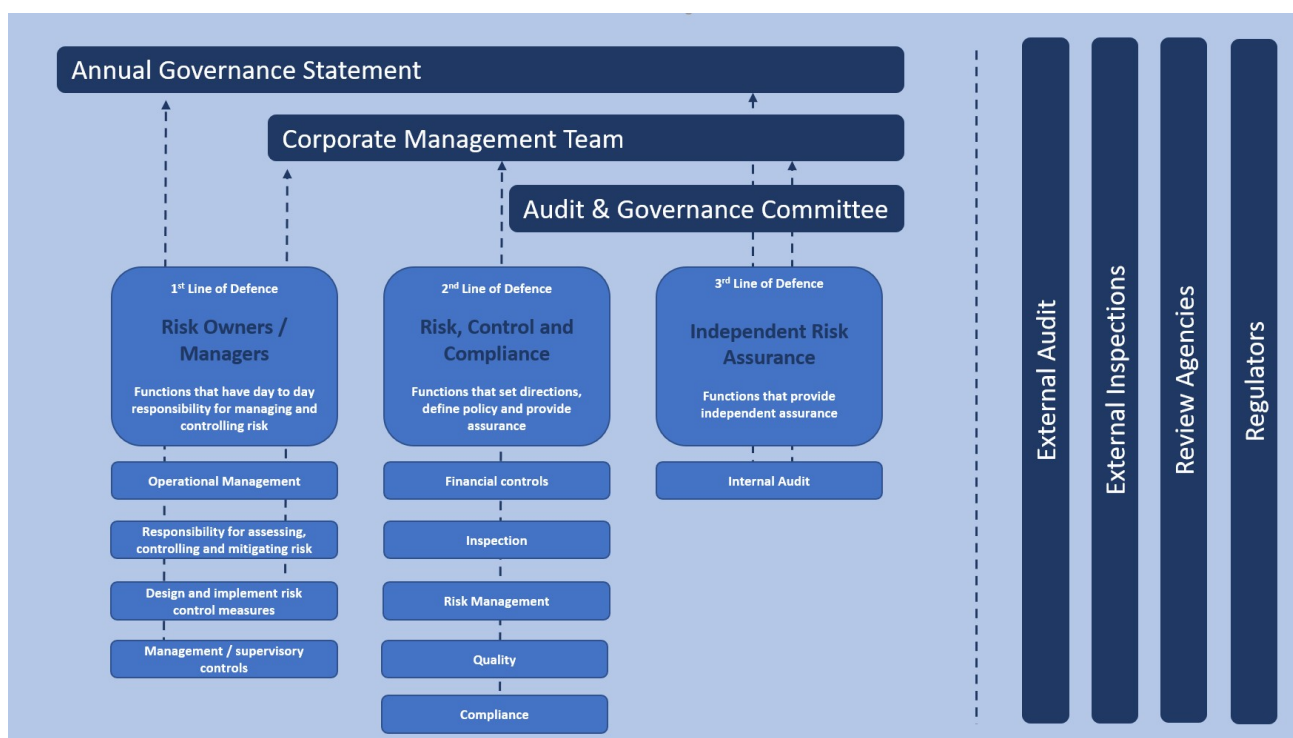
Managers	<ul style="list-style-type: none"> ➤ Responsible for developing, maintaining, and implementing the Council’s governance, risk, and control framework ➤ Contribute to the effective corporate management and governance of the Council
Internal Audit	<ul style="list-style-type: none"> ➤ Provides independent assurance and opinion on the adequacy and effectiveness of the Council’s governance, risk management and control framework ➤ Delivers an annual programme of risk-based audit activity, including counter fraud and investigation activity ➤ Makes recommendations for improvements in the management of risk
External Audit	<ul style="list-style-type: none"> ➤ Audits / reviews and reports on the Council’s financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion)

In preparing the Annual Governance Statement the Council has:

Reviewed the Council’s existing governance arrangements against the revised CIPFA / SOLACE ‘Delivering Good Governance in Local Government framework - 2016 Edition’ good practice guidance

The review of effectiveness is informed by the three lines of defence:

- senior managers within the Council who have responsibility for the development and maintenance of the governance environment;
- the Head of Internal Audit;
- inspections made by external auditors and other review agencies and inspectorates).



The key sources of assurance that inform this review and where it is obtained from are outlined below:

Where do we need assurance?					
Compliance	Standards of Conduct and Behaviour	Risk Management	Financial Management	Services Delivered	Effectiveness of Internal Controls

Where do we get assurance from?

Constitution	Audit & Governance Committee, Council, Scrutiny	Internal and External Audit	Risk Management Strategy and Framework	Performance Management System / Reporting	Complaints, Counter Fraud and Whistleblowing	Independent and External Sources (e.g. OFSTED, CIPFA)
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Effectiveness Against the Core Principles of Good Governance

What follows is a summary of our key governance framework and an assessment of its effectiveness over the 2021/22 year.

NB As part of our actions for 2022/23, the Council is achieving a Local Code of Corporate Governance which will set out the council's governance framework in more detail.

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

- Members and officers recognise the importance of compliance with the Constitution, specifically the Finance and Contract Procedure Rules; Scheme of Delegation and Codes of Conduct; all of which are reviewed and updated regularly. Where there have been instances of non-compliance or areas of concern, these are identified, reported through appropriate channels and managed effectively under established policies and processes and where necessary escalated for action.
- Statutory responsibilities across the Council are discharged openly and proactively, examples include having key statutory officers in place including the Monitoring Officer, S151 Officer, Head of Paid Service and the Senior Information Risk Owner (SIRO)).
- The Council has Complaints, Whistleblowing, Anti-Fraud and Corruption and Anti-Money Laundering policies in place which are monitored through the Audit and Governance Committee.
- The Council is committed to reviewing the Constitution each year and has established a Constitution Review Group of the Chairmen and Vice-Chairmen of the Standards & General Purposes Committee and the Audit & Governance Committee

Effectiveness:

- The Council adopted a new Member Code of Conduct based on the national Model Code; and held post-election Member Code of Conduct training for councillors
- A full post-election induction programme for councillors took place to build essential knowledge to underpin decision-making, good governance and community representation
- The Audit and Governance Committee's refreshed work programme contained a focus on the timeliness of code of conduct processes and the nature of the complaints received and their outcomes. Additional resourcing was given to

overseeing code of conduct complaints. An internal audit of the Members' Registers of Interests took place – which resulted in a positive assessment.

- The Council carried out an annual review of the Constitution. Oversight of the Constitution is shared between the Audit and Governance Committee and the Standards and General Purposes Committee. The power to change the Constitution is reserved to full Council via recommendation from the Standards and General Purposes Committee. The Monitoring Officer also has delegated authority to make amendments to ensure the Council conducts itself lawfully, and minor amendments where appropriate. A Constitution Members Working Group consisting of the Chairmen and Vice-Chairmen of both the Audit and Governance Committee and the Standards and General Purposes Committee met a number of times to consider proposed changes. Feedback was obtained from appropriate members and officers. All roles have responded rapidly and flexibly in reaction to the pressures of the Covid pandemic and changing legislation; examples of which have been seen in delivering vaccinations, testing and lockdown practices.
- The Council demonstrated a zero tolerance to fraud and corruption. Millions of pounds of grant money have been awarded to thousands of businesses and built in pre-authorisation counter fraud checks arranged to minimise fraud; the system was refined and improved with each round of funding and officers resisted pressure to pay before suitable arrangements were embedded to ensure best use of grants.

B. Ensuring openness and comprehensive stakeholder engagement

- The Council's partnership arrangements include the Buckinghamshire Growth Board (developing a strategic vision and producing the Recovery and Growth Programme); the Buckinghamshire Local Enterprise Partnership (a business-led 'partnership of equals' building sustainable economic growth); and the Integrated Care Partnership bringing health and care professionals together (to look after physical, social and mental health needs).

Effectiveness:

- The Council managed a safe and legal transition back to 'meetings in public' but retained the benefit of live streaming these main meetings (Cabinet, Council, Committees). The recordings as well as the minutes and meeting papers are on our website.
- Compliance has been forefront and demonstrated in the main through the Council's response to the Covid pandemic with communications across several media channels and at an unprecedented level of frequency; daily at peak times and to a variety of stakeholders. An example of which were the regular updates from the Chief Executive to keep members and officers informed of responses to major events and activities, such as the transition to the new Unitary Authority and the Covid pandemic, and the Leader's regular e-newsletter to residents which provided critical information about the local situation and response to the pandemic.
- The Council continued its involvement in the Local Resilience Forum. The Forum has moved out of Major Incident status on 23 February 2021 in response to a decrease in pressure across the Thames Valley Local Resilience Forum partners, but the response structure remained in place at this time. The move out of Major Incident was a positive change and demonstrated the hard work across the area to respond to Covid.
- Public Health continued to be at the forefront of engagement with all stakeholders during the pandemic.
- Stakeholders are able to take part in public consultations or surveys [here](#).
- Elections were successfully held in May 2021 in a legally compliant, Covid-safe way to this Council (147 members) and for parish council and police and crime commissioner positions – encouraging safe and inclusive voting and counting.
- An election petition was made in challenge to a particular parish election result, but this was not upheld by the Court which confirmed the integrity of the election procedures
- The Council participated in the public consultations on the Electoral Review of Buckinghamshire Council undertaken by the Local Government Boundary Commission for England. This first consultation was about the number of councillors to be elected from May 2025. The Council's suggested number of 120 was not followed by the Commission which itself recommended 98 councillors. The Council then began a response to the second consultation – on a pattern of wards for 2025 onwards. This will continue into 2022/23. The Council was supported in this with an inclusive cross-party Electoral Review Working Group of councillors.
- The Council's 16 Community Boards were pivotal in the Council's ambition to strengthen local connections and work with our communities on local issues. The real success was in the improved and new relationships bringing together local people, town and parish councils, communities, organisations and businesses with a shared ambition to improve where they live or work. Priorities this year were focused on supporting the Council and the community to improve the environment and support economic recovery as a result of the pandemic.
- Public consultations continued to take place on council services, with Business Intelligence design and analysis: including those related to draft neighbourhood plans

and the development of the Buckinghamshire Local Plan (3000 responses to the latter's pre-engagement survey)

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

Effectiveness:

- In responding to the Covid-19 pandemic, the Council continued to re-prioritise work during 2021/22 and managed employees across the workforce to meet service needs in addition to redeployment to NHS roles to support the testing and vaccination programmes.
- Learning from this period about ways of working has been evaluated to ensure the right blended approach going forward. This includes the return to office working and the support for employee wellbeing.
- The use of digital technology continued; customers were encouraged to further self-serve online although our venues opened again to receive people in person
- Inevitably, the impact of Covid tested that financial resilience in 2020/21 and will continue to do so in coming years. Overall, government funding has covered the additional costs / reduced income resulting from the pandemic. The medium and longer-term planning elements of the financial plans were challenging in 2021/22 with the one-year spending review. Scenario planning and careful monitoring remained important.

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

- Decisions are taken in accordance with the Constitution either by elected members or by delegation to officers. Reports are considered by Legal and Finance before decisions are made

to ensure they present the information required for members to make a reasoned decision.

- Responding to Covid emergency decisions followed approved processes and a protocol for virtual public meetings was adopted.

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

- The Corporate Management Team was well established before the Unitary authority went live on 1 April 2020, with the Service Director management structure also in place and this arrangement was consolidated during 2021/22
- Officers and Members understand their respective roles, these are set out in job descriptions and the Constitution. These responsibilities and accountabilities are understood and reviewed on a regular basis.
- A mandatory training programme is in place which all officers are required to complete.
- The Better Buckinghamshire Service Review (transformation) programme launched soon after transition. The programme has a clear methodology and involves a systematic review of each individual service area over a three-year period to design and implement new service models, as well as a number of cross cutting projects focused on organization wide capacity.

Effectiveness:

- A Leadership Development Programme was begun for senior managers, to build leadership capacity. Supplemented with the Being a Bucks Manager programme required for all managers
- Procurement Team delivered substantial training to managers on procurement, contract management and modern slavery in the supply chain
- Procurement Team, albeit with limited resources, supported procurement governance through a record number of cases, from initial project registration to tendering evaluation, contract award and contract management, although resources

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

- The economic and societal impacts of the global pandemic created the context for the Council's budget for 2021/22
- The Council continued to operate in a framework of strong financial governance including the Constitution and its Financial Procedure Rules; supported by a clear set of strategic documents, bolstered by detailed financial instructions giving guidance on key financial processes
- Each serviced has an allocated Finance Business Partner
- The Audit & Governance Committee provides a rigorous focus on risk and has established a Risk Management Group to report to it. The Audit and Governance Committee is responsible for approving the Risk Management Strategy, and the Risk Management Group monitors the effective implementation of the strategy
- Services pro-actively input into the annual audit programme, strategic, operational and project risk reviews. Both strategic and operational risks are reviewed regularly by senior managers and Corporate Directors and are reported through to the Risk Management Group (sub-group of Audit and Governance Committee).
- Risks are managed within services using the Corporate Risk Management system, Pentana, and each directorate has an agreed Risk Escalation Framework.
- Internal Audit sets a risk assessed programme annually identifying the key areas for review and the need for assurance.

- The Audit Board (S151 and Monitoring Officers, Head of Audit and Director of Legal) oversees the Internal Audit Plan and approves all changes to priorities.
- The Statutory Officers Group (Chief Executive, S151 and Monitoring Officers, Director of Legal and Governance and the Head of Business Assurance (& Chief Auditor)) meet every six weeks and has oversight of current fraud investigations, high risk cases, data breaches, member complaints and other statutory matters.

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

- As a public body, the Council has a high level of transparency in its activities and reporting and complies with the relevant legislation.
- Information is reported and shared through various routes including Council, Cabinet, Scrutiny Committees and with partners.

- Contracts awarded and procurement information is updated monthly on our websites and full, detailed, and timely feedback is available to all unsuccessful bidders.
- The Information Governance Group oversees the implementation of Information Security policies based on best practice.
- The externally chaired Children’s Services Improvement Board provides robust oversight of the implementation of the improvement plan.
- The externally chaired Adults and Health Practice and Quality Board provides robust oversight of the quality of practice within this directorate.

Effectiveness:

- During 2021/22, we refreshed our Corporate Plan 2020-25. This was needed to reflect key events and changes, such as the pandemic, in our priorities since the plan was drafted in 2019/20. The refreshed plan provides the building blocks to our success and sets out the Council’s strategic priorities and how we can achieve these. It is used to inform cabinet portfolio priorities, service, and team planning – setting out the challenges and vital opportunities we will focus on to support the county to recover, build resilience and reset. Supporting this plan will be a number of strategies and policies which will detail how we will deliver our ambitions and priorities.

5. Action Plan

It should be noted that governance issues facing the organisation are not necessarily always a result of weaknesses within the internal control framework. The following are the key matters arising from the review of 2021/22 including the outcome of the actions set out in last year’s AGS.

A number of new actions are planned for 2022/23 to further strengthen the Council’s governance alongside the standing arrangements already in place.

The AGS Action Plan of priorities for 2022/23 is set out in appendix 1.

2020/21 AGS Action Plan

Significant progress had been made to address the issues identified in the 2020/21 AGS. The updates are provided in Appendix 2.

Conclusion

The opinion of the Chief Finance Officer is that the Council continues to operate robust internal controls and good public financial management. Further action is required to manage financial pressures and develop strategies to meet the long-term financial challenges that face the Council. There has been no re-course for the Chief Finance Officer to exercise his statutory powers and the Council complies with its financial regulations and procedures together with relevant codes of practice and guidance.

It is the opinion of the Monitoring Officer, that the Council has complied with its Constitution and its corporate governance arrangements are sound

David Skinner
Director of Corporate Finance (S151)
xx 2022

Sarah Ashmead
Deputy Chief Executive (Monitoring Officer)
xx 2022

Appendix 1 – Specific priority actions for 2022/23

Governance Issue	Action to be taken	Responsible Officer	Timescale
Children's Services	<p>Following the re-inspection by OFSTED and the improved rating for the Council ('requires improvement to be good'), the Council is committed to acting on the recommendations for action:</p> <ol style="list-style-type: none"> 1) Agreeing a Cabinet-agreed Action Plan 2) Ensuring follow-through of the Action Plan (viewable here) by: <ol style="list-style-type: none"> a) using existing Quality Assurance Framework and Check & Challenge process to review practice and monitor progress on a regular basis b) action leads to provide six-weekly updates which will consider progress alongside Performance and Impact Reporting (including data trends, quality assurance and key performance indicators) c) progress against this plan will also be a standing item on each Improvement Board Agenda. 	Corporate Director of Children's Services	<p>Approved July 2022</p> <p>Six-weekly update reports</p> <p>Milestones in the action plan range from June 2022 to March 2023</p>
Shareholder Committee	<p>Establishment of a Shareholder Committee (a committee of the Cabinet) under the Council's decision-making arrangements for 2022/23</p> <p>Delivery of training for Directors and for Members of the Shareholder Committee</p> <p>Creation of specific guidance on Conflicts of Interest to guide the Committee and the Council in the consideration of appointments to directorships and to the Committee</p>	Director of Corporate Finance	<p>Completed July 2022</p> <p>September 2022</p> <p>September 2022</p>
Electoral Review of Buckinghamshire Council	<p>The Council to engage fully in the public consultations on the future pattern of wards for Buckinghamshire Council (effective from May 2025) by:</p> <ol style="list-style-type: none"> a) recommending a pattern of wards b) commenting fully on the Commission's own proposals 	Deputy Chief Executive	<p>Achieved April 2022 with revision in July 2022</p> <p>October-November 2022</p>

<p>Local Code of Corporate Governance</p>	<p>Creation of a Local Code of Corporate Governance. While not a statutory requirement, achieving an up-to-date Local Code is considered 'best practice'. The Code is intended to describe the Council's governance framework and will support future Annual Governance Statements which assess the effectiveness of governance. Creation of the Code was reprioritized to 2022/23.</p> <p>a) Creation of a draft Local Code of Corporate Governance</p> <p>b) Review and adoption by the Audit & Governance Committee</p>	<p>Deputy Chief Executive</p>	<p>September- October 2022</p> <p>November 2022</p>
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Appendix 2 – Review of the Action Plan for 2020/21

Governance Issue	Action to be taken	Responsible Officer	Outcome
Children’s Services	The current Improvement Plan, dated October 2020, demonstrates that the service has sustained improvements achieved to date. This is in a background of continued upward demand in both the volume and complexity of casework as a direct consequence of Covid-19. The service has maintained grip and control of performance through weekly reporting on management oversight and virtual contact by team.	Corporate Director of Children’s Services	Ofsted Inspection in December 2021 has resulted in a “requires improvements to be good” judgement and the recommended actions are being implemented.
Governance	A Local Code of Corporate Governance to be developed and embedded in line with the CIPFA Delivering Good Governance Framework.	Director of Legal and Governance Services	Postponed to the Autumn of 2022 but preparatory work to create a draft for implementation during 2022/23 has begun.
Governance	Complete a review of the Council’s Shareholder arrangements for the Wholly Owned Companies. Review effectiveness of newly formed Stakeholder Group.	Director of Corporate Finance (S151)	Completed March 2022. A Shareholder Committee – a committee of Cabinet – has been established to provide formal oversight to represent the Council’s interest as shareholder. Additional governance arrangements to be developed from September 2022.



Audit and Governance Committee

Date:	27 September 2022
Reference number:	N/A
Title:	Risk Management Group Update
Cabinet Member(s):	N/A
Contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Internal Auditor)
Ward(s) affected:	N/A
Recommendations:	Members are recommended to note the report.
Reason for decision:	summarise why the recommended option is preferred

1. Executive summary

- 1.1 The purpose of the report is to provide an update on the Risk Management Group (RMG) meeting held on 5 September 2022.
- 1.2 The Council's Risk Management Framework including the Terms of Reference for the Risk Management Group was approved by the Audit and Governance Committee in June 2021.

2. Content of report

- 2.1 The Deputy Chief Executive (DCE) attended the meeting along with the Service Directors for Partnerships, Policy and Communications, Legal and Democratic Services, Major Projects and Service Improvement. The Head of Finance for the DCE directorate was also in attendance.
- 2.2 The DCE directorate has a well-established Risk Escalation Framework, with risk being a standing item at the senior leadership team meetings. All Risk Escalation

Frameworks are due for review and update during Q3 of 2022/23 to ensure they remain fit for purpose.

2.3 The key risk themes were as follows:

- **UKR-10 Future accommodation options for Ukraine Guests** - IF future accommodation options for Ukraine guests are not planned and communicated in advance of the initial six month sponsorship term, then sponsors and guests will be unable to plan effectively and demand for temporary accommodation may increase.
- **DCE-SI-08 Managing the demand for Community Support Provision** - IF the Welfare/Economic impacts of COVID and cost of living crisis continue to develop THEN there will be an increasing Financial Vulnerability issues faced by residents which is likely to result in increasing demand for Community Support / Local Emergency Support (LES) provision and if not effectively managed and resourced could result in increased demand and costly intervention from other LA support services.
- **DCE-SI-10 Utilisation of Government Grants**- IF there are not robust procedures to ensure effective utilisation of Government Grants THEN a significant financial risk will develop within the Community Support Service which will impact on its ability to provide the necessary support required.
- **DCE-SI-13 - Engagement with the Opportunity Bucks programme** - IF there is insufficient senior-level support for the programme across the Council and partners, and collective resources are not used to drive and deliver the programme in target areas, including the alignment of existing initiatives THEN the impact of the programme will be reduced, outcomes for residents in these areas will not be sufficiently improved and demand on Council and partner services will continue to increase.
- **DCE-MP-01 - External Companies Governance** - IF we don't have proper Governance arrangements in place and transparent reporting THEN this could lead to adverse financial implications and reputational damage.
- **DCE-LD-17 – Democratic and Electoral Services – Elections Act 2022** – IF there is any further delay in guidance/statutory instruments on the Elections Act changes THEN there is a high risk that some/all of the new requirements cannot be delivered to the standard electors deserve due to the need to train staff and allocate sufficient resources.

IF there is insufficient awareness of the new requirement for electors to show an acceptable form of ID at the polling station from May 2023 THEN there is a high risk

that electors are disenfranchised. No elections are due locally in May 2023, but Parliamentary Elections can now be called at any time of the Government's choosing which places significant pressure to deliver the 5/6 parliamentary constituency elections in Buckinghamshire within the very short 25 day timescale. There is a high risk of increased difficulties recruiting sufficient staff for polling duties due to increased responsibilities arising from Voter ID and the handling of postal votes at polling stations. There is a high risk of increased volumes of overseas registrations and absent votes placing greater pressure on the electoral core team during the already very short election timetable.

IF there is insufficient awareness of the changing voting and candidacy rights of European Citizens from June 2023 THEN there is a risk of increased pressure on electoral services and polling staff arising from newly disenfranchised electors attempting to vote. IF there is insufficient awareness of the strengthened laws on intimidation, undue influence, postal vote handling by electors and campaigners THEN there is a risk of electoral offences being committed.

- 2.4 The risks were discussed in detail, as well as the mitigating actions being challenged by the RMG.
- 2.5 Risks which had been de-escalated or closed were included in the report from the DCE directorate.
- 2.6 The Group considered the latest version of the Fraud Risk Register and were advised that it was broadly similar to the previous year. The risks had been reviewed and actions updated by the Fraud Team, and this will be subject to a "deep dive" review once the new Audit, Assurance and Fraud Manager is appointed.
- 2.7 The Group also considered the latest version of the Strategic Risk Register which had been discussed by CMT the previous week. The cost of living crisis and energy price rises were highlighted and work was ongoing with CMT to scope the level of risks this posed.
- 2.8 A "horizon scanning" paper was presented to RMG which included new and emerging risks for discussion, including displaced persons, inflation and the introduction of care costs cap.
- 2.9 The emerging risks document is updated on a regular basis by the Corporate Risk Lead and is discussed with the Risk Champions.

3. Other options considered

- 3.1 This should include information on the pros and cons of each option.

4. Legal and financial implications

4.1 None.

5. Corporate implications

None

6. Local councillors & community boards consultation & views

6.1 N/A.

7. Communication, engagement & further consultation

7.1 N/A.

8. Next steps and review

8.1 The next meeting of the Risk Management Group is to be held on 7 November 2022.

9. Background papers

None

Date	Items
28 July 22	<ol style="list-style-type: none"> 1. Action log 2. Appointments to the Risk Management Group Verbal Report 3. 20/21 Accounts Verbal Update 4. Treasury Management Annual Report 2021/2022 5. Annual Governance Statement Verbal Update 6. Internal Audit Charter 7. Work programme 8. 2022/23 Business Assurance Strategy (including Internal Audit Plan) 9. Business Assurance Strategy Update (Q1) 10. Contract Procedure Rules - Waivers & Breaches (part confidential) 11. 21/22 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
27 September 22	<ol style="list-style-type: none"> 1. Action log 2. Buckinghamshire Council Statement of Accounts 20/21 3. Farnham Park Sports Fields Charity Annual Report and Financial Statements 21/22 4. Higginson Park Trust Fund Accounts 21/22 5. 21/22 Annual Report of the Chief Internal Auditor 6. 22/23 Business Assurance Strategy Update 7. Audit Committee – Review of Effectiveness 8. Annual Governance Statement – Process 9. Risk Management Group Update 10. Work Programme 11. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential) 12. 21/22 Annual Report of the Chief Internal Auditor - Summary of Completed Audits and Audit Action Tracker (confidential)

23 November 22	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts 21/22 Update 2. Buckinghamshire Council Pension Fund Accounts 21/22 Update 3. Annual Business Continuity Management Update 4. Risk and Business Continuity Management Strategy 5. Whistleblowing Policy 6. Anti-Fraud and Corruption Policy 7. Anti-Money Laundering Policy 8. Business Assurance team structure update 9. Risk Management Group update 10. 2022/23 Business Assurance Strategy Update (incl. Internal Audit Plan) 11. Work programme 12. Action log 13. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
1 February 23	<p><i>Items TBC</i></p> <ol style="list-style-type: none"> 1. Audit Committee – Review of Effectiveness
29 March 23	<i>Items TBC</i>
10 May 23	<i>Items TBC</i>

Audit and Governance Committee action log

Last updated: 22 September 2022

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
1	Business Continuity Management That target completion dates to be provided for the BCPs being undertaken in the Communities and PG&S areas	Maggie Gibb	30-Nov-21	30-Jun-22	Meetings have been arranged with lead officers in PGS and Communities, with BCPs to be completed end March. Update July 22: Good progress has been made in the completion of BCPs across all directorates, and this will be completed by end July. Business Continuity Management is now fully transitioned to Business Assurance. Update Sept 22: BCPs in place for all directorates, next steps on critical services testing is being developed to identify gaps/weaknesses for improvement.		Ongoing
2	Local Member Engagement That an update be provided on assessing member engagement in Cabinet and Cabinet Member decisions. This piece of work may be undertaken by the newly in post Principal Governance Advisor. Consideration should also be given to sharing this report with the Finance and Resources Select Committee.	Maggie Gibb / Governance Officer	25-Jan-22	30-Jun-22	Update Sept 22: Work to be progressed as part of Corporate Governance review being undertaken by Principal Governance Advisor.		Ongoing
3	Treasury Management Annual Report That a table be circulated to provide greater context to borrowing costs and financial performance referred to within the officer report presented to the meeting on 28 July	Julie Edwards	28-Jul-22	01-Sep-22	Update Sept 22: The table has been drafted and will be issued to members by 23/09		Ongoing
4	Treasury Management Member Refresh To liaise with LINK Treasury Management Advisors to set up a refresher session for Members on Treasury Management	Julie Edwards / Richard Ambrose	28-Jul-22	27-Sep-22	Update Sept 22: Link session arranged for next audit committee in November.		Complete
5	Draft Annual Governance Statement To seek views from Committee Members on the contents of the Annual Governance Statement 2021/22	Glenn Watson	28-Jul-22	27-Sep-22	Update Sept 22: Committee member views sought 10/08/22. Two responses received from the Chairman & Vice Chairman. Comments included in the draft AGS 2021/22 for Committee on 27/09/22. Action complete.		Complete
6	Business Assurance new team structure To present the new team structure, following service review to the Committee at its meeting on 27 September	Maggie Gibb	28-Jul-22	27-Sep-22	Update Sept 22: Consultation completed and agreed structure goes live 1st November. This will be presented at the next committee in November.		Ongoing

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Agenda Item 12

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