



Audit and Governance Committee agenda

Date: Wednesday 27 September 2023

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, P Brazier, R Carington, M Dormer, N Hussain, D King, W Raja, S Rouse, N Thomas and S Wilson

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18	Date of the next meeting Tuesday 7 November 2023 at 10 a.m.	
19	Exclusion of the public Resolved: 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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Agenda Item 3
Buckinghamshire Council
Audit and Governance
Committee

Minutes

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON WEDNESDAY 5 JULY 2023 IN THE OCULUS, BUCKINGHAMSHIRE COUNCIL, GATEHOUSE ROAD, AYLESBURY HP19 8FF, COMMENCING AT 10.00 AM AND CONCLUDING AT 1.05 PM

MEMBERS PRESENT

R Newcombe (Chairman), L Clarke OBE (Vice-Chairman), D Anthony, P Brazier, N Hussain, D King, S Rouse, N Thomas and S Wilson

OTHERS IN ATTENDANCE

T Butcher

Agenda Item

1 APPOINTMENT OF VICE-CHAIRMAN

Prior to the start of the formal agenda, the Chairman, on behalf of the Committee congratulated the Risk team on their excellent achievement of having recently won the Risk Team of the Year Award at the Association of Local Authority Risk Managers Annual Awards.

RESOLVED:

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

2 APOLOGIES

Apologies for absence had been received from Councillors R Carington, M Dormer and W Raja.

3 DECLARATIONS OF INTEREST

Councillor L Clarke OBE declared a personal interest in item 8, Pension Fund Accounts 2020/21, in that she was in receipt of a Buckinghamshire Council administered pension.

4 MINUTES

RESOLVED:

That the minutes of the meetings held on 10 and 17 May 2023 be approved as a correct record.

5 BUCKINGHAMSHIRE COUNCIL STATEMENT OF ACCOUNTS 2020/21 AND 2021/22 UPDATE

The Committee received an update on the 2020/21 and 2021/22 Statement of Accounts. Mr Mark Stocks, Audit Partner, Grant Thornton, External Auditor was in attendance for this item. Mr David Skinner, Section 151 Officer introduced the item. Prior to the update, the Chairman explained that with the number of sets of accounts being dealt with at the same time there was a risk of the Committee not having a clear understanding of where they were with having approved and commented on the different accounts including, the overall Council accounts, the Pension Fund Accounts, Housing Benefit Claim certifications and accounts for Higginson Park and Farnham Park charities. As a result, Mr Skinner would produce a matrix which would be updated each meeting to detail each financial year and the various items that the Committee was required to consider for each and the dates this had been done.

ACTION: Mr Skinner to produce a document to detail each financial year and the various accounts and associated reports which had been/were due to be presented to the Committee. This would be drafted prior to the next meeting.

Key points raised during the update and in discussion included:

- Since the time of the previous meeting, audit work remained on track to meet the anticipated December 2023 date for sign off of the 2020/21 accounts and April 2024 for sign off of the 2021/22 accounts. Cleansed data for cash and cash equivalents had been sent to the external auditor along with the sampling evidence requested on long term debtors. The team was also on track with providing information on short term debtors and creditors. Evidence was being collated as required on samples of long-term creditor fees and charges.
- The national position with outstanding audits remained cause for concern. In relation to 2021/22 accounts, 74% of local authorities remained outstanding with their accounts whilst around 30% of 2020/21 accounts remained outstanding. Given this was the case nationally, Government and regulatory bodies were considering a solution to the national position which could accelerate things, although at this stage the solution was not clear.
- Mr Stocks confirmed that there were sufficient external audit resources to complete the audit. The external auditors work with the NHS had concluded and the focus was now on local Government audit. In terms of internal resourcing, the significant amount of work being undertaken by the team was emphasised, however Members were advised that staffing levels had increased and members of the finance team had been repurposed to provide additional capacity so there was a satisfaction that there was sufficient capacity.
- The Committee heard that the work completed on the 2020/21 accounts to date had not raised any fundamental issue in terms of the accounts or declared provisional outturn positions. Assurance was given that there was a sound system of internal control and the fundamental position was strong.

RESOLVED:

That the update be noted.

6 2020/21 HOUSING BENEFIT GRANT CLAIM CERTIFICATION

The Committee considered a report which provided a review of the Housing Benefit Subsidy Claim for 2020/21. Mr David Skinner, Section 151 Officer and Mr Mark Stocks, Audit Partner, Grant Thornton, External Auditor presented the item. As this was the first year of the merged Buckinghamshire Council, the Housing Benefit Records had remained on four separate legacy systems, which presented its own risks and challenges. Therefore, testing had been performed equally across all four systems and Cumulative Audit Knowledge and Experience (CAKE) was carried out for 13 areas in total. The outcome of all the testing had resulted in a small

adjustment of £1k to the Housing Benefit subsidy claim and a roll forward of 10 areas of CAKE testing into the 2021/22 audit.

The Council was responsible for compiling grant claims and returns in accordance with the requirements and timescales set by Department for Work and Pensions (DWP). Grant Thornton, as the Council's external auditor, annually reviewed the grants the Council claimed through a grant certification process.

The nature and complexity of the Housing Benefit scheme linked to the volume of claims (83,473 changes during 2020/21) meant that most local authorities would have had some errors identified through their annual subsidy claim audit.

During discussion, points raised included:

- The report was a positive report, with a small adjustment of £1k on an £80m claim. This was particularly pleasing as the systems had since been consolidated which further increased confidence in processes.
- This was a highly complex claim which involved significant checking. The position was monitored monthly and scrutinised regularly by the management team. The rigorous testing regime provided internal assurance which had then been evidenced in the external audit report.
- The 2021/22 housing benefit audit work was well underway with the majority of testing having been completed.
- The Committee was advised that there was a rolling programme of training for staff, and regular meetings were held between the revenue and benefits service and housing service area to identify issues and share lessons learned to enhance training in the future.
- It was noted that 100% checking had been in place for April and May 2023 and that now the consolidated system was being used, the checking routine would be subject to review and potentially subject to a future report to the Committee.

RESOLVED:

That the report be noted.

7 ANNUAL AUDIT REPORT 2021/22

The Committee considered the external auditors interim annual report for 2021/22. Under National Audit Office (NAO) Code of Practice regulations, external auditors were also required to make a Value for Money assessment to consider that local authorities have put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The report provided detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit. Mr David Skinner, Section 151 Officer and Mr Mark Stocks, Audit Partner, Grant Thornton, External Auditor presented the item.

The external auditor's conclusion of the Council's Value for Money detailed assessment was provided in Appendix A.

Points raised during discussion included:

- As noted above, the Council had increased staffing capacity and had produced an articulated plan which it was delivering against to catch up on the accounts. The report would remain interim, as had the 2020/21 annual audit report, until the relevant years accounts were able to be signed off.
- Overall, the report was positive. In terms of financial sustainability there was satisfaction

with how the Council was balancing its budget and was not drawing on reserves to fund recurrent expenditure. There were no governance concerns, although it was noted that there was not as much governance around subsidiary companies during 2021/22 as there was presently. In relation to economy, efficiency and effectiveness the Corporate Plan was clear and progress was noted within Childrens Care Services.

- The management response on strengthening internal audit resourcing was explained in that resourcing had been strengthened through the team's restructure and any audits that had to be deferred had been replaced with other important audits. It was noted that there would be a change of approach to deferred audits in the current year.
- The management response for the SEND recommendation would be clarified further prior to the report being finalised to ensure there was clarity around the internal audit/external audit/SEND audit inspection regimes.
- The Committee discussed complaints reporting, and whilst the overall number of complaints was reported to the Standards and General Purposes Committee, the Committee agreed that a report on payments out to complainants should be presented to this Committee for both the 2022/23 and 2023/24 financial years in line with the requirements of the Constitution. It was explained that there had been some increases seen to complaint levels following the covid lockdown period where complaints were suspended, however levels had since subsided and returned to a level in keeping with previous years.

ACTION: That a report on payments out to complainants be added to the work programme for an appropriate meeting of this Committee in 2023/24.

- The Committee heard that the Buckinghamshire Shareholder Committee had been set up by Cabinet and had been in operation for around a year, overseeing subsidiary companies' business plans and finances and producing an annual report to Cabinet. The Committee requested that an annual report on companies' governance be presented to an appropriate meeting in the 2023/24 financial year. It was confirmed that company directors had received the appropriate training in September 2022 and this training would take place annually.

ACTION: That an annual report on companies' governance be added to the work programme for an appropriate meeting of this Committee in 2023/24.

- It was explained that the external auditor had used benchmarking information to assess overall service expenditure referred to within the performance review, monitoring and assessment section of the report. The Committee was advised that from an external audit perspective it was those red rated performance indicators that the Council and/or Committee may wish to focus further on. The Chairman advised that the formulation of KPI's was a governance issue and suggested a report on this subject come to the Committee at a future meeting to ensure KPIs were fit for purpose. The monitoring of KPIs was subject to scrutiny by the relevant select committee.

ACTION: That a report on the formulation of key performance indicators be added to the work programme for an appropriate meeting of this Committee in 2023/24.

- The Committee noted that Community Boards were incorrectly described within the Partnership Working section of the document and highlighted that all ward members within the Board areas were Board Members.
- A Member queried the wording of 'follow-up of previous recommendations' number 1, which noted that the Committee disagreed with the recommendation. The Chairman explained that this disagreement was around the 'continued keen focus' wording as it was difficult to evidence that this was necessary given that the recommendation arose from a 2020/21 report and we were now into the 2023/24 year. The Member suggested that this recommendation be re-instated with the appropriate level of wording due to his concerns around budget management and finances in the current climate.
- The Committee agreed that the report was positive and captured the relevant

information, although would require a comprehensive check to ensure it was accurate, comprehensible throughout and reflected the points raised above to ensure areas such as the SEND audit clarification, Community Boards, Risk Management Group membership, and finances were accurate.

ACTION: Mr L Ashton to provide a list of the above points to Mr D Skinner to produce a draft paper to circulate to Members for agreement by the end of July 2023 for forwarding on to Mr M Stocks to incorporate the comments and changes.

RESOLVED:

That the findings in the report by the external auditor attached at Appendix A on the Council arrangement for securing Value for Money (VfM) in its use of resources, the recommendations made and management's response be noted with the above amendments to be made for inclusion in the final version of the report.

8 PENSION FUND ACCOUNTS 2020/21

The Committee received the Buckinghamshire Pension Fund Accounts to 31st March 2021 and the associated Audit Findings Report. Councillor Tim Butcher, Deputy Cabinet Member for Accessible Housing and Resources presented the report.

The Buckinghamshire Pension Fund Accounts and Net Assets Statement showed that in the year to 31st March 2021 the value of the Buckinghamshire Pension Fund increased by £725m to £3.638bn. Grant Thornton had substantially completed the audit and they had not identified any adjustments to the financial statements that impacted the Buckinghamshire Pension Fund's net asset position. Grant Thornton anticipated issuing an unqualified audit report opinion. The report appended to the agenda pack summarised the income, expenditure and returns on investments for the financial year 2020/21.

There had been three main changes to the draft Audit Findings Report considered by the Committee in September 2021. These were detailed in the report and involved: Page 10 significant judgement or estimate Level 2 investments £3,410m; Page 23 reclassification of cash in the current and prior period and Page 26 Note 3 – Contributions.

Following questions raised by Members, the Committee was advised that the Pension Fund Committee would be receiving the report following this meeting and should any issue arise from that meeting it would be fed back to this Committee. It was confirmed that there were no liability driven investments within the portfolio.

The Committee received assurance that the Council was not in breach of any regulations, whilst there was guidance on when accounts should be signed off, this was not statutory.

RESOLVED:

- 1. That the audited Statement of Accounts for Buckinghamshire Pension Fund for the year ended 31st March 2021 be reviewed and noted.**
- 2. That management's proposed treatment of areas identified by the auditor be approved.**
- 3. That the Buckinghamshire Pension Fund Statement of Accounts 2020/21 be approved and final sign off of the Statement of Accounts be delegated to the Chairman of the Audit and Governance Committee and the S151 Officer subject to:**
 - No material changes in the accounts or material findings by the Pension Fund Committee**
 - Final sign off by the external auditors of Buckinghamshire Council accounts 2020/21.**

9 TREASURY MANAGEMENT ANNUAL REPORT 2022/23

The Committee considered the Treasury Management Annual Report 2022/23 which provided a summary of the Council's treasury position on 31st March 2022 and 31st March 2023. 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. Councillor Tim Butcher, Deputy Cabinet Member for Accessible Housing and Resources presented the report.

In overall budget terms, the Council ended up £3.806m net better off during the year, the increase in interest rates meant that the Council achieved £2.890m more investment income than budgeted for. The Council spent £8.379m on interest for external borrowing activity in the financial year, an underspend of £916k compared to the budget of £9.295m. The budget assumed that the Council would undertake new borrowing in 2022/23, although no new borrowing had been undertaken. Another factor was the continuation of the Council's internal borrowing strategy to reduce risks and keep external financing costs low. 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 PWLB borrowing had increased and so new borrowing would cost slightly more. The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. The report appended to the agenda pack contained tables summarising the 31st March 2023 year end position for interest on external borrowing and interest receivable on term deposits / Money Market Funds.

The report also provided a detailed overview of funds held by treasury portfolio, an overview of external borrowing and a detailed picture of the treasury cash position.

RESOLVED:

That the Treasury Management Annual Report 2022/23 be noted.

10 ANNUAL GOVERNANCE STATEMENT 2022/23

The Committee received the Annual Governance Statement (AGS) for 2022/23 which was presented by Mr Glenn Watson, Principal Governance Officer. The Committee was advised that the purpose of an AGS was to comment on the effectiveness of a council's governance arrangements for the year in question. An AGS should be public facing. Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) noted that the AGS should be high level, strategic, meaningful and brief. It should be written in an open and readable style.

The AGS must be published alongside the Statement of Accounts and should reflect the governance in the year just concluded. The AGS was normally prepared alongside the timeline for producing the Statement of Accounts. While the Council's Accounts for 2022/23 are not scheduled to be completed during this year, the Council's External Auditors need to see an agreed version of an Annual Governance Statement during the preparation of their assessment.

An AGS should contain an Opinion as to the effectiveness of the governance arrangements, signed by the Chief Executive and the Leader of the Council. This draft AGS contains such an Opinion for 2022/23 based on the assurances contained within it: "The Council's governance arrangements in 2022/23 were sound and provide a robust and effective platform for achieving the Council's priorities and challenges in 2023/24."

Members of the Committee during 2022/23 were invited to submit their views on the key areas of governance during that year and on any areas of preferred focus for 2023/24. Comments received had been reflected in the draft which complied with CIPFA guidance. The draft also reflected various annual, and other, reports prepared for Council, Cabinet and Committees which related to aspects of governance during 2022/23 as noted in the covering report.

The Committee was of the view last year that the final version of this year's AGS should receive a design in keeping with the Council's other publications. This was in hand. The Council's Design Team would accordingly create a design for the approved or revised content. A separate non-statutory Code of Governance, evidencing the Council's governance arrangements, was being prepared for consideration by the Committee at its next meeting.

Points raised during discussion included:

- A Member requested that the AGS be checked through for consistency in its references to the Senior Management Team and Statutory Officers. It was also requested that within references to Community Boards and High Wycombe Town Committee, unparished areas should be mentioned.
- On page 41 of the reports pack, it was requested that under 'where do we get assurance from?', the Standards and General Purposes Committee also be included. Further, on page 45 of the reports pack, it was noted that the team had completed 19 grant assurance reviews or claims verifications and it was asked that how many this figure was out of also be referenced.
- A Member requested that further detail on how the Council's subsidiary companies were managed be included within the AGS along with ensuring the names of the companies were included and clear.
- The Committee discussed whether reference should be included to note that Buckinghamshire Council's Select Committee Chairmen and Vice-Chairmen were all from the ruling political party. It was also discussed whether the appropriate role of scrutiny, in terms of checking and challenging decisions should be included in the AGS. The Chairman noted that the Principal Governance Officer would need to be careful in covering these areas within the AGS as the document focused on 2022/23 and not the current position, the document would need to remain politically impartial.
- A Member requested that the second paragraph on page 47 of the reports pack be given further thought, as the training statistics were difficult to fully understand without the context of how many the staff figures were out of. It was also questioned whether the paragraph on the Monarchy was required in the AGS.
- A Member noted that a key responsibility of the Council was to carry out its statutory obligations in the most efficient, cost-effective way and queried whether this should be included within the introductory section as a key priority.
- Within the action plan, the Committee challenged whether the Communities and Localism Select Committee was the right Committee to deal with the Community Board review, particularly the governance risk around the dispersal of funds to Community Boards and it was requested that this be reviewed.
- The Committee also noted that the Corporate Director for Children's Services had been assigned several actions and queried the timeline and how these would be managed.
- Within the action on Community Governance Reviews it was requested that the fourth bullet point be amended to include reference to local Councillors. A suggestion was also made to add a further bullet point to understand Buckinghamshire Council's commitment to the Community Governance Reviews.

ACTION: Mr G Watson to produce an updated version of the AGS, in the latest design format taking into consideration all of the above points. This draft was to be circulated in advance of the next Committee meeting, with the intention of the AGS being signed

off at that meeting.

RESOLVED:

That the draft Annual Governance Statement 2022/23 be noted and was to be presented at the next Committee meeting in September 2023 subject to further amendments being made based on the comments raised above.

11 AUDIT COMMITTEE - REVIEW OF EFFECTIVENESS

The Committee received the Audit Committee Review of Effectiveness. Audit committees were a key component of an authority's governance framework. Their purpose was to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. The Committee's role in ensuring that there was sufficient assurance over governance risk and control gave greater confidence to all those charged with governance that those arrangements were effective. In accordance with CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 appended at Appendix 1, an evaluation of the effectiveness of Buckinghamshire Council's Audit and Governance Committee had been undertaken, and areas for improvement had been identified.

CIPFA's Self-Assessment of Good Practice checklist provided a high-level review that incorporated the key principles set out in their Position Statement and guidance document Audit Committees: Practical Guidance for Local Authorities and Police. Where an audit committee had a high degree of performance against the good practice principles, it was an indicator that the committee was soundly based and had in place a knowledgeable membership. These were the essential factors in developing an effective audit committee.

The results of the self-assessment exercise, carried out by some members of the Audit and Governance Committee and a sample of officers who support the committee, could be seen in Appendix 2. The majority of the good practice principles were assessed as "fully complies" and required no further improvement. An Improvement Plan had been drafted following the self-assessment and a collaborative discussion held between Members and officers to address the actions required where the good practice principles had been assessed as "partially complies" or "does not comply" and therefore required improvement.

The improvement plan would be monitored and updated on a regular basis and presented at the Audit and Governance Committee as a standing item on the agenda. The Committee noted that as part of the improvement plan the external auditor and chief auditor would make themselves available prior to each meeting should Members wish to raise any questions or discuss specific issues. Members were also advised that a training evaluation of Members would be done as part of the improvements to be made and training for all Members would be arranged in due course.

RESOLVED:

That the report be noted.

12 INTERNAL AUDIT CHARTER

The Committee considered the Internal Audit Charter, which was appended in full to the agenda pack. 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 Charter was presented to the Committee annually. 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. There had been minor amendments made, which included amending and updating job titles.

Key points raised during discussion included:

- Within the key performance indicators appended to the report, a Member queried whether the measure of success of client satisfaction and whether they accepted recommendations was suitable as this appeared to go against the nature of internal audit.

ACTION: Ms M Gibb to review the KPI on this particular point, assess how it works over the coming year and report back to the Committee when the Charter is next reviewed.

- The Committee heard that audit actions were reported to CMT regularly, and there was a strong view amongst the Chief Executive and CMT that implementation of audit actions be followed through and taken forward. The Committee emphasised that there needed to be reciprocal obligations of performance objectives for CMT and Directors.
- In section 13.1, it was raised that the reference to 'Buckinghamshire Fire & Rescue Service' should read 'Buckinghamshire and Milton Keynes Fire & Rescue Service'.
- Paragraph 8.2 was clarified to the Committee in that the internal audit team included responsibility for the risk management team and insurance and business continuity, these areas of work were audited by an independent body and it was ensured that the team was not auditing its own work.
- The Committee heard that the Chief Auditor has direct access to the Chairman of the Committee, the Chief Executive and External Auditors should anything need to be escalated. The team complied with the public sector internal audit standards which was clear on independence and objectivity.

RESOLVED:

That the Internal Audit Charter be approved subject to the above amendments.

13 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

L Clarke OBE

N Hussain

R Newcombe

N Thomas

14 RISK MANAGEMENT GROUP UPDATE

The Committee received an update on the Risk Management Group meeting held on 12 June 2023. The Corporate Director for Planning, Growth and Sustainability (PGS) along with the Service Director for Economic Growth and Regeneration, the Business Strategy Manager, and the Head of Finance for PGS were in attendance. Since PGS last attended RMG, there had been some structural changes within the directorate within the Transport Infrastructure and Funding service having been dispersed. The functions of that team which related to holding High Speed Two Railway (HS2) and East West Railway (EWR) to account and managing the delivery of highways infrastructure projects had moved to the Communities Directorate. The function of that team which related to Transport Strategy and Funding had moved into the Planning and Environment Service. The key risk themes from the meeting were detailed within the report. The

risks were discussed in detail, as well as the mitigating actions being challenged by the members.

RESOLVED:

That the update be noted.

15 2023/24 DRAFT BUSINESS ASSURANCE STRATEGY (INCL. INTERNAL AUDIT AND COUNTER FRAUD PLAN)

The Committee received the 2023/24 Draft Business Assurance Strategy which included the proposed internal audit plan. The Internal Audit plan was produced with reference to the Strategic and Directorate Risk Registers and had been 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). 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 remaining audits in the plan that were RAG rated 'medium' or 'low' would be carried out based on availability of resource and other urgent requests.

A number of contingency days had been included to allow time to react to ad-hoc and unplanned requests for assurance or fraud work. Any proposed changes to the plan would be reported to the Audit Board and Audit and Governance Committee for approval. Quarterly updates were presented to each of the directorates, and the planned audit and assurance activity was reviewed for appropriateness each time. Views of the directorates were also sought on the work of the Business Assurance Team to enable continuous improvement and ensure that the needs of the organisation were being met as best possible.

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

Points raised during discussion included:

- There was an intent to reduce audit deferrals as much as possible, and where there was a need to defer an audit for a justifiable reason this would be reported to the Committee.
- The audits had been RAG rated to ensure that all the red rated audits were delivered, with the medium and lower priority reviews to be completed where capacity allowed.
- Available resources were highlighted in the strategy, this included the internal resource as well as the access to the London Audit Framework who could be approached should additional resource be required or auditors who specialised in certain areas. The Committee was informed that an officer was currently acting up as the Audit Lead, and this could become permanent with a senior auditor then being recruited. The Assurance Lead role had been unsuccessful in getting appropriately skilled applicants, an issue impacted by higher salaries offered elsewhere in the market.
- A Member advised that at 2.1 of the report, three lines of defence were referred to, although only two were detailed. It was suggested that the third line of defence which was internal audit and assurance be added.
- In section 4.2, it was noted that there was a typo and that 'SOLCACE' should read 'SOLACE'.

RESOLVED:

That the 2023/24 Business Assurance Strategy and Internal Audit Plan be approved subject to the above amendments in respect of sections 2.1 and 4.2.

16 2022/23 BUSINESS ASSURANCE STRATEGY UPDATE (INCLUDING INTERNAL AUDIT PLAN)

The Committee considered a report which provided an update on the internal audit work being undertaken by the Business Assurance Team as the team moved toward completion of the 2022/23 plan. Delivery of the Business Assurance work plans helped ensure that there was an appropriate governance and control framework in place and that risk management was embedded across the council to enable the achievement of set objectives. Ms Maggie Gibb, Chief Auditor and Head of Business Assurance presented the report.

Following questions, the Committee was assured that scoping work had commenced on the two previously deferred IT audits and had been agreed with the client. Members also requested a review of the wording on page 83 of the reports pack to reflect the change from the Clinical Commissioning Group (CCG) to an Integrated Care Partnership (ICP).

ACTION: Ms M Gibb to update the wording of the above.

RESOLVED:

That the report be noted.

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

The Committee considered the contract procedure rules, waivers and breaches update. Mr Mark Preston, Assistant Director, Finance attended to present the report. This report provided a quarterly summary in relation to compliance with the Council's Contract Procedure Rules (CPR's), compliance with the Public Contracts Regulations 2015 and summarised the waivers and breaches.

The number of contract waivers granted in the last quarter to March 2023. Were detailed within the report along with details of what the high waivers were in respect of. No breaches had been reported to the Statutory Officers in the period since the last report.

In respect of procurement and contract management training, an additional 83 training sessions had been attended in Q4 2022/23 bringing the 2022/23 total so far to 341 and a cumulative total since 1st April 2020 to 1,479. The team had also developed and launched a new 'Tender Process' module in March which encompassed an overview of the regulations and things to consider; the tender documents; tendering timeline; step-by-step review of the Open Procedure.

In May 2022 the Procurement Bill was published in Parliament. The proposed date for the Bill to clear the legislative process was Spring 2024. Procurement had established a project in readiness that would be rolled out once the Bill was finalised and updates on progress and deliverables would be provided.

During discussion, points raised included:

- The Procurement team was regularly attending monthly directorate budget board meetings and presenting figures around work being undertaken and contracts which were coming up. This had been working well in practice and provided Service Directors and Corporate Directors with a clear picture of forthcoming contracts.
- In relation to training, the team was working on regularly reporting training statistics for future reports to the Committee. Within the 2022/23 financial year, 53 contract managers who were on the contract management application out of 136 had attended at

least one training session during the year. Others may well be experienced officers who had attended in previous years. Statistics would continue to be developed and training information put in an improved context for Members on a regular basis.

- The Committee was pleased to note that there had been no breaches to report within this period and paid thanks to the team. A suggestion was made that in the future where there were not any breaches, a nil report be submitted within the confidential part of the agenda.
- Members suggested that it would be useful to provide categorisation of waivers to identify in number terms, reasons why directorates may be applying for a higher number of waivers, even where they had been advised in good time of contract renewals.
- A Member raised concern that most high value waivers came from critical services such as Adult Social Care, Children's Services and Housing and noted that a trend analysis would be helpful to understand the reasons for this and whether this related to a lack of competition in the market. The Committee was advised that the team was liaising with other local authorities to find a workable solution on enhancing the marketplace in these sorts of circumstances and the need to be aware of the local and wider market was recognised.

RESOLVED:

That the report and the work of the strategic procurement team be noted.

Note 1: Councillor N Hussain left the meeting at 12.06 p.m.

18 ACTION LOG

The Committee considered the latest action log as attached to the agenda pack and agreed that the following actions could be closed:

- 3. 2022/23 Business Assurance Strategy update
- 12. Pension Fund Accounts 2021/22
- 14 and 15. Audit and Governance Committee Annual Report to Council

Further points noted included:

- 8. General (accessibility) - to remain open as an external audit report received for this meeting remained in smaller font size than size 12.

RESOLVED:

That the action log be noted

19 WORK PROGRAMME

The Committee considered the work programme which covered the items for the following meeting. The full 2023/24 work programme would be circulated prior to the next meeting. A Member suggested a deeper dive into the Council's approach to mandatory training across directorates and how it was decided what training was mandatory and how this was managed against risks the Council was dealing with. The focus of this would be on the risk aspect rather than delivery.

As discussed under earlier agenda items, Members also requested that reports on subsidiary companies governance (annual), complaints (payments out) for the current and previous financial year, and formulation of KPIs be included on the 23/24 work programme.

ACTION: Ms M Gibb to update the work programme based on the above.

RESOLVED:

That the work programme be noted.

- 20 DATE OF THE NEXT MEETING**
Wednesday, 27 September 2023 at 10 a.m.
- 21 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 22, 23, 24, and 25 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 22 – Confidential Minutes of the Audit and Governance Committee held on 10 May 2023
Minute 23 – Contract Procedure Rules – NOT REQUIRED
Minute 24 – 2022/23 Audit Actions Update and Completed Audits
Minute 25 – Action Log (confidential)
- 22 CONFIDENTIAL MINUTES**
RESOLVED:
That the confidential minutes of the meeting held on 10 May 2023 be approved as a correct record.
- 23 CONTRACT PROCEDURE RULES - WAIVERS AND BREACHES (6 MONTH UPDATE)**
This item was not required as there were no breaches to report in the period since the previous occasion the report was presented to the Committee.
- 24 2022/23 AUDIT ACTIONS UPDATE AND COMPLETED AUDITS**
The Committee held a detailed discussion on audit actions and completed audits that had taken place since the last meeting of the Committee.

RESOLVED:
That the report be noted.
- 25 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 and Governance Committee

Date: 27th September 2023

Title: Statement of Accounts Update

Relevant councillor(s): N/A

Author and/or contact officer: David Skinner (S151)

Ward(s) affected: Not applicable

Recommendations: Members are requested to note the report.

Reason for decision: Not applicable

Executive summary

- 1.1 This report provides the Committee with an update on the audit of the Main Council Statement of Accounts for the financial year 2020/21.
- 1.2 Department for Levelling Up Housing & Communities (DLUHC) proposed approach to resolve local audit delays and its impact on the Council.
- 1.3 Updated key milestones for clearing audit backlog.
- 1.4 Summary of Audit Progress 2020/21 to 2022/23 attached at Appendix 1.

Main Council Statement of Accounts 2020/21 update

- 1.5 On 29th March 2023 the committee was provided with a written update on the Council's main Statement of Accounts for 2020/21 with the anticipated completion of the audit by the end of December 2023. The key highlights of the report are summarised below:-
 - agreed approach with the auditor on format of the working papers to address issues around significant absolute values;
 - The timescale for submission of these for the six areas highlighted by the auditors; and

- The audit approach on testing covering three main areas : limited testing on opening balance; in-year transactions and limited testing on the cleansed data.
- 1.6 Regular verbal updates have been provided at each of the committee meetings since then.
 - 1.7 The closing team at the Council has made good progress and have submitted the revised working papers for five out of the six areas along with evidence of the sampling selected by the auditors. Work continues to cleanse the data for Other Operating Expenditure (OPEX) and we are expecting to submit this by end of September.
 - 1.8 The Grant Thornton Audit team has been off site since May 2023, they are expected to resume the audit at the Council in October 2023 and are still on track to complete the audit of Main Statement of Accounts for 2020/21 by the end of December 2023.

DLUHC proposed approach to resolve local audit delays and it's impact

- 1.9 On 18th July 2023, Minister Rowley issued a letter to the sector following the work done by DLUHC along with colleagues from Financial Reporting Council (FRC). The focus of this work was to address the significant backlog of local audits in England and develop a sustainable solution to the timeliness challenges.
- 1.10 The combined total outstanding local audits, as at July 2023 dating back to 2015-16 was 520: for financial year 2020/21 was 145 (31%) and for 2021/22 was 347 (74%). This demonstrates that Buckinghamshire Council is not in a unique situation especially considering the challenges of Unitary during Covid such as: Opening Balances; multiple Legacy Systems; the Golden Staple and consequent realignment of budgets and actuals; increased Value and Volume of transactions resulting Covid grant income; Loss of closing staff and continuity.
- 1.11 The proposal is for the National Audit Office (NAO) and DLUHC to set a series of statutory deadlines to clear the delayed audits for 2015/16 to present. Auditors would be required to report at these dates, providing as much assurance as possible, but limiting the scope of the opinion where aspects or sections of the accounts are not supported by sufficient, appropriate audit evidence. Auditor's Statutory powers (e.g. Public Interest Reports and Statutory Recommendations) and the requirement to report on Value for Money (VfM) arrangements will remain a high priority.
- 1.12 Please see timetable on the next page setting out the proposed backstop statutory dates where accounts will either need to be approved or receive some kind of qualification. A lot of this will depend on the detail in various changes to legislation that are being considered. We need to see the draft proposed legislation to

understand the impact both on the council as preparers of accounts and also importantly on the standards regime for auditors.

Year	Proposed Statutory deadline	BC Existing Dates	Comments
2015/16-2019/20	31/12/23	Not applicable	All accounts prior to 2020/21 have been approved.
2020/21	31/3/24	December 2023	We are still on track for completion by December 23.
2021/22	31/3/24	April 2024	We only need to bring forward the planned deadline by 1 month. The practicality of this will depend on the legislative changes that are being considered and also the completion of 2020/21 accounts. Will be kept under review.
2022/23	30/9/24	December 2024	Following conversation with the auditors this will be tight timescales and will depend on the legislative changes, however it is achievable.
2023/24	31/3/25	April 2025	This will be achievable as the prior year audit (2022/23) is moved forward by 3 months.

1.13 In respect of resourcing to deliver, this timetable will be tight for us as the team will be flat out to deliver however it is still achievable especially in the light of the progress we have made with the auditor on 2020/21. We may need some additional capacity and there is a risk of burnout that will need to be monitored especially if there is sickness etc. Resourcing may be more of an issue for the auditor as they normally move staff between LA and NHS audits.

1.14 It is also noted in the Minister’s letter that there is a need for prior year comparators to be covered by an unqualified audit opinion and achieving this for 2022/23 will be important for ensuring that the most recent audit contracts can begin without the risk of further delay. For the Council this will impact financial year 2023/24 as we have extended the current contract with Grant Thornton for a year to ensure continuity is maintained whilst we work to clear the backlog.

1.15 **Longer Term Change** – In order to prevent a recurrence of the backlog, the Department will progress work with number of organisations including the FRC, the NAO, Chartered Institution of Public Finance and Accountancy (CIPFA), and the Local Government Association (LGA) to address challenges. The list below summarises some of the issues being or will be addressed but it is not exhaustive:

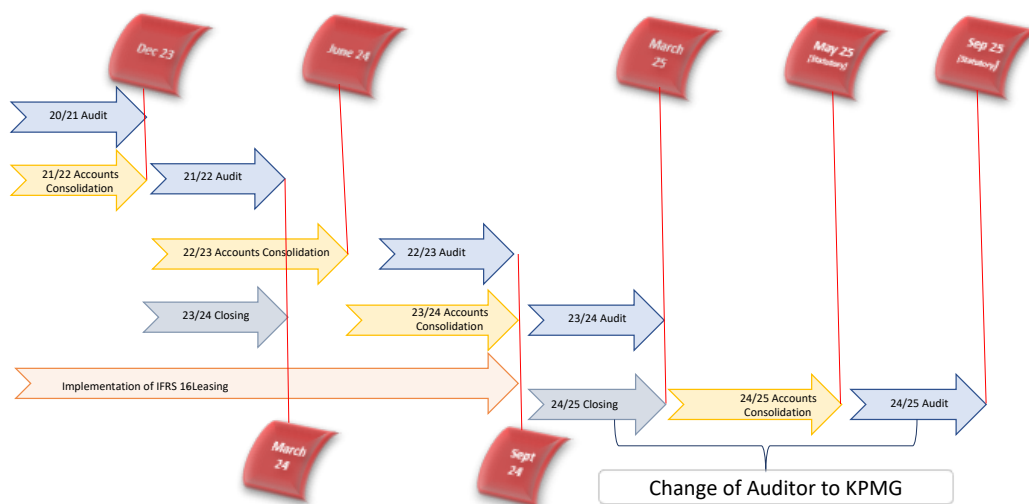
- Devise a reporting framework for audit firms and local bodies to resolve issues ahead of statutory deadlines.
- FRC is already leading work to improve competition, capability and supply within the audit market and committed to produce a workforce strategy by the end of the 2023 calendar year, which will identify gaps and barriers across the local audit system that are hindering the development of future capacity and agree actions and solutions to unblock these with stakeholders.
- Addressing perception that both audit and regulatory expectations relating to the audit of non-investment assets and lack of consensus within the system over how to address this.
- Will consider whether the level of work required for the current reporting and disclosures obligations on account preparers, which then require audit and oversight, is proportionate to their value to the user of the accounts, given the potential financial or governance risks are relatively low and whether it is a wise use of taxpayers' money.
- The Comptroller & Auditor General (C&AG) is considering changes to the Code of Audit Practice relating to certain balances in the accounts to prevent continued local audit delays while a broader solution is sought. Potential changes would be time limited and would need to be supported by wider changes to standards and regulation.
- His Majesty's Treasury (HMT) is conducting a thematic review of the valuation of non-investment assets such as roads and office buildings for financial reporting purposes across the public sector. The review is seeking to evaluate the advantages and disadvantages of the current valuation regime and consider the appropriate measurement options.
- CIPFA is exploring changes to the Code of Practice on Local Authority Accounting, in order to enable a more proportionate approach to the accounting requirements for non-investment assets and pension valuations for a local authority context.
- FRC has committed to set out annually its planned regulatory programme, areas of focus and how its inspection activity serves the public interest through alignment with the significant financial, accounting and governance risks facing local bodies.

1.16 **Consultation** - The proposals will be subject to further work and engagement across the sector over the Summer, including with Section 151 Officers, Chief Executive Officers, elected representatives, the LGA and audit firms. As a Council we will provide input and liaise with the Chair of this Committee for a view.

Updated Key Milestones to clear audit backlog

- 1.17 Following proposals by the department to address local audit delays detailed in paragraphs 1.8 to 1.12, a revised timetable as summarised below has been agreed with the auditor and will be reviewed in the light of the progress on 20/21 audit and any legislative changes.

Key Milestones— August 2023 to September 2025



Summary of Audit Progress 2020/21 to 2022/23

- 1.18 The table at Appendix 1 provides a summary and an update on Audit Committee activity in respect of External Audit progress.

Other options considered

- 1.19 Not applicable

Legal and financial implications

- 1.20 Not directly related to this report.

Corporate implications

- 1.21 Not applicable

Consultation and communication

- 1.22 Not applicable

Next steps and review

- 1.23 Engagement in the consultation process on proposals to address local audit delays.

Background papers

- 1.24 Ministerial letter and briefing paper.

Summary of External Audit Progress for 2020/2021 to 2022/2023			
Activity	2020/2021	2021/2022	2022/2023
Audit Plan & Fee Letter - Main Council Accounts	Noting - 23 Nov 22	TBC	TBC
Audit Plan & Fee Letter - Pension Fund Accounts	Noting - 28 July 21	Noting - 29 Mar 23	Due September 23
Audit Risk Assessment - Main Council Accounts	Consider & Comments 23 Nov 22	TBC	TBC
Annual Governance Statement - Main council Accounts	Approved with delegation 11 May 22	Approved 23 Nov 22	Draft considered 05 July 23 Amended due Sept 23
Audited Statement of Accounts (including External Audit findings Report) - Main Council	TBC	TBC	TBC
Audited Statement of Accounts (including External Audit findings Report) - Pension Fund	Approved with delegation 5 July 23	Approved with delegation 10 May 23	Due September 23
Management representation letter - Council & Pension Fund (not due until main accounts are ready for approval)	TBC	TBC	TBC
Value for Money Assessment - Auditors Annual Report	Consider & Comments 1 Feb 23	Consider & Comments 5 July 23	TBC
Housing Benefit Grant Claim Certification	Noting - 05 July 23	Due September 23	Due January 24
Farnham Park Sport Field Charity Accounts	Approved with delegation 30 Nov 21	Approved 27 Sept 22	Due September 23
Higginson Park Charity Accounts	Approved with delegation 25 Jan 22	Approved 27 Sept 22	Due September 23

Buckinghamshire Pension Fund audit plan

Year ending 31 March 2023

Buckinghamshire Pension Fund
23/08/2023

Contents



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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Pension Fund or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. 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.

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Key matters



National context

For the general population, rising inflation, in particular for critical commodities such as energy, food and fuel, is pushing many households into poverty and financial hardship, including those in employment. The pressures on household income have raised concerns that members will look at their pension contributions as a way of cutting back on their monthly costs. The cost-of-living crisis is having a detrimental impact on pension savings, with some even dipping into their savings to supplement short-term needs and some members are also requesting early access to their pension after age 55 as a means to manage their financial commitments. The cost of living crisis makes it even more important that lowly paid workers have access to a good quality pension.

In planning our audit, we will take account of this context in designing a local audit programme which is tailored to your risks and circumstances.

Fund Performance

During the year, the Fund has continued to implement the investment strategy. Over the 1-year period the fund has seen a negative return of -4.4% in respect of net assets, with the primary driving force behind this change losses on disposal of investments and changes in the market value of investments of £203m.

Triennial Valuation

The Triennial Actuarial Valuation sets out the contribution rate for each employer in the Fund and helps ensure solvency of the Pension Fund. This will ensure long term value for beneficiaries and employers within the Fund. The funding position at 2022 shows a much stronger position than in 2019. The result of this is that the fund's net liability has decreased from £2.2bn to £266m as at 31/03/2023.

Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, is set out in this plan.
- We hold annual financial reporting workshops for our clients to access the latest technical guidance and interpretation, to discuss issues with our experts, and to create networking links with other clients to support consistent and accurate financial reporting across the sector.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Buckinghamshire Pension Fund ('the Pension Fund') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Buckinghamshire Pension Fund. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Pension Fund's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance committee).

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Pension Fund to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Pension Fund is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Pension Fund's business and is risk based.



Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management Override of Controls
- Valuation of Level 3 Investments

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £48.0m (PY £39.1m) for the Pension Fund, which equates to 1.3% of your gross assets as at 31/03/2023. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

- Materiality: £48.0m
- Trivial: £2.4m

A separate materiality has been set for the Fund account. This has been set at £17.0m which equates to 10% of gross fund expenditure as at 31/03/2023.

- Materiality: £17.0m
- Trivial: £850k

Audit logistics

Our final visit will take place in August to September 2023. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our proposed fee for the audit will be £43,375 (PY: £46,050) for the Pension Fund, subject to the Pension Fund delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

New Auditing Standards

There are two auditing standards which have been significantly updated this year. These are ISA 315 (Identifying and assessing the risks of material misstatement) and ISA 240 (the auditor's responsibilities relating to fraud in an audit of financial statements). We provide more detail on the work required later in this plan.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams 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	Reason for risk identification	Key aspects of our proposed response to the risk
ISA240 revenue/expenditure risk - Rebutted	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue and/or expenditure.	<p>Having considered the risk factors set out in ISA 240, and the nature of the revenue streams of the Pension Fund, we have determined that it is likely that the presumed risk of material misstatement due to the improper recognition of revenue can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including London Borough of Sutton, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for the Pension Fund.</p>

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Management override of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	<p>We will:</p> <ul style="list-style-type: none"> • Evaluate the design effectiveness of management controls over journals; • Analyse the journals listing and determine the criteria for selecting high risk unusual journals; • Test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • Gain an understanding of the accounting estimates and critical judgements applied by management and consider their reasonableness with regard to corroborative evidence; and • Evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.
Valuation of Level 3 investments	By their nature Level 3 investment valuations lack observable inputs. These valuations therefore represent a significant estimate by management in the financial statements due to the size of the numbers involved (£133m) and the sensitivity of this estimate to changes in key assumptions.	<p>We will:</p> <ul style="list-style-type: none"> • Evaluate management's processes for valuing Level 3 investments; • Review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these types of investments; to ensure that the requirements of the Code are met; • Independently request year-end confirmations from investment managers and the custodian;

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of Level 3 investments cont..	Under ISA 315 significant risks often relate to significant non-routine transactions and judgemental matters. We therefore identified valuation of Level 3 investments as a significant risk, which was one of the most significant assessed risks of material misstatement.	<p>We will:</p> <ul style="list-style-type: none"> • For a sample of investments, test the valuation by obtaining and reviewing the audited accounts, (where available) at the latest date for individual investments and agreeing these to the fund manager reports at that date. Reconcile those values to the values at 31 March 2022 with reference to known movements in the intervening period; • In the absence of available audited accounts, we will evaluate the competence, capabilities and objectivity of the valuation expert; and • Where available review investment manager service auditor report on design and operating effectiveness of internal controls.

Other risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of Level 2 Investments	<p>While level 2 investments do not carry the same level of inherent risks associated with level 3 investments, there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly.</p> <p>We therefore identified the valuation of the Fund's Level 2 investments as other risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Gain an understanding of the Fund's process for valuing Level 2 investments and evaluate the design of the associated controls; • Review the nature and basis of estimated values and consider what assurance management has over the year end valuations provided for these investments; • Review the reconciliation of information provided by the individual fund managers, custodian and Pension Scheme's own records and seek explanations for variances; • independently request year-end confirmations from investment fund managers and custodian; and • Review investment fund managers service auditor report on design effectiveness of internal controls.

Other risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Actuarial Present Value of Promised Retirement Benefits disclosure – IAS 26	<p>The Fund discloses the Actuarial Present Value of Promised Retirement Benefits within its Notes to the Accounts. This represents a significant estimate in the financial statements.</p> <p>The Actuarial Present Value of Promised Retirement Benefits is considered a significant estimate due to the size of the numbers involved (net liability of £2.19bn million as at 31 March 2022 and £266m as at 31 March 2023) and the sensitivity of the estimate to changes in key assumptions. The Pension Fund engage the services of Barnett Waddingham as a qualified actuary to develop an IAS 26 compliant estimate of the disclosure.</p> <p>We therefore identified valuation of the Fund's Actuarial Present Value of Promised Retirement Benefits as an other risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • Update our understanding of the processes and controls put in place by management to ensure that the Fund's Actuarial Present Value of Promised Retirement Benefits is not materially misstated; • Evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • Assess the competence, capabilities and objectivity of the actuary who carried out the Fund's valuation; • Assess the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability; • Test the consistency of disclosures with the actuarial report from the actuary; and • Undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.

Other risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Local Government Pension Scheme triennial valuation	<p>Regulation 62 of the Local Government Pension Scheme (LGPS) requires pension fund administering authorities to obtain an actuarial valuation of the fund's assets and liabilities every three years. Triennial funding valuation reports as at 31 March 2022 were required to be obtained by 31 March 2023.</p> <p>The LGPS is a complex pension scheme with numerous participants, investment portfolios, and various financial and actuarial assumptions. The valuation process involves assessing the fund's assets and liabilities, projecting future cash flows, and making assumptions about investment returns, inflation rates, life expectancies, and other variables.</p>	<p>We will:</p> <ul style="list-style-type: none"> • review the methods used to calculate the estimate, including the models used • review the actuarial reports and assess the reasonableness of the assumptions made in the reports. • perform tests on the accuracy and completeness of the data used in the valuation process, including member data. This includes examining source documents and reconciling data to supporting records. • evaluate the adequacy and accuracy of the disclosures related to the LGPS triennial valuation within the financial statements.

Other matters

Other work

The Pension Fund is administered by Buckinghamshire Council (the 'Council'), and the Pension Fund's accounts form part of the Council's financial statements.

Therefore, as well as our general responsibilities under the Code of Practice a number of other audit responsibilities also follow in respect of the Pension Fund, such as:

- We read any other information published alongside the Council's financial statements to check that it is consistent with the Pension Fund financial statements on which we give an opinion and is consistent with our knowledge of the Authority.
- We consider our other duties under legislation and the Code, as and when required, including:
 - Giving electors the opportunity to raise questions about your 2022/23 financial statements, consider and decide upon any objections received in relation to the 2022/23 financial statements;
 - Issue of a report in the public interest or written recommendations to the Fund under section 24 of the Act, copied to the Secretary of State.
 - Application to the court for a declaration that an item of account is contrary to law under Section 28 or for a judicial review under Section 31 of the Act; or
 - Issuing an advisory notice under Section 29 of the Act.
- We carry out work to satisfy ourselves on the consistency of the pension fund financial statements included in the pension fund annual report with the audited Fund accounts.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Progress against prior year audit recommendations

We identified the following issues in our 2021/22 audit of the Pension Fund's financial statements, which resulted in 4 recommendations being reported in our 2021/22 Audit Findings Report.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
High	<p>IT Deficiencies</p> <p>Inappropriate developer access to the production environment</p> <p>1. Allocation of SAP_ALL and SAP_NEW profiles to service and dialog accounts</p> <ul style="list-style-type: none"> SAP_ALL profile had been allocated to 13 service accounts and 2 dialog accounts. SAP_NEW profile has been allocated to 9 service accounts and one dialog account. <p>2. The standard SAP account DDIC has not been locked</p> <ul style="list-style-type: none"> The SAP DDIC account by default has the highest system privileges and is often associated with background processes, our review identified that this account whilst set as a system account, is also being used for 'firefighting purposes' and is not locked. 	<p>We recommend that management implement the recommendations made by the IT team in a timely manner as these are significant deficiencies.</p> <p>Management response</p> <p><i>Item 1 - Response: These are Service users that have access to all Company codes as these user ids are used to run background jobs. For SAP_ALL only two dialog users have this access which is granted for the completion of batch jobs only. For SAP_NEW only one dialog user has this access which is granted for the completion of batch jobs only.</i></p> <p><i>Item 2 - Response: This user is used for upgrade purposes only and not for firefighting. The account has been locked.</i></p>

Controls

- High - Significant effect on financial statements
- Medium - Limited Effect on financial statements
- Low - Best practice

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
High	<p>IT Deficiencies Continued...</p> <p>3. Inappropriate user access rights allocated to users and generic accounts</p> <p>a. Transaction codes (T-codes) are used to execute particular tasks in SAP. The PFCG T-code is used for maintaining and managing roles and authorisation data; and the SU01 T-code is used for user maintenance.</p> <p>b. 21 users had been assigned the SU01 transaction code.</p> <p>c. 22 users had been assigned the PFCG transaction code.</p> <p>d. The generic user account SAPSUPPORT had also been assigned the SU01 and PFCG transaction codes with an end date of 01/12/2021.</p> <p>e. The generic user account SAPSUPP had also been assigned the SU01 and PCFG transactions codes with an end date of 25/04/2021.</p>	<p>Management response</p> <p>a. No comment required.</p> <p>b. This is to allow Admin Service Desk users to perform user maintenance and user creation.</p> <p>c. This is to allow admin colleagues to assign roles. Roles are assigned to a user's post and not directly to a user.</p> <p>d. This is a firefighter role which is used for SAP Support and is only unlocked for a short period of time as and when required.</p> <p>e. This is a firefighter role which is used for SAP Support and is only unlocked for a short period of time as and when required.</p>

Controls

- High - Significant effect on financial statements
- Medium - Limited Effect on financial statements
- Low - Best practice

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
<p>Medium</p>	<p>From our testing of management expenses, we identified that expenses which are in other currencies such as EURO and USD were not translated to GBP, hence creating foreign exchange differences which were trivial. The supporting documents which were provided by management did not tie up and resulted in a difference of £452k between the amount in the accounts and the evidence which management provided. A fund manager expense of £76k was not included as part of management expenses.</p> <p>Although the errors resulting from the above issues are immaterial to the 21/22 accounts, if management do not address the issues identified, this could lead to higher errors in the future.</p>	<p>We recommend that management put in place controls to ensure that all expenses are properly recorded, translated to the correct currency and agree to the supporting documents</p> <p>Management response</p> <p><i>The template for calculating investment management expenses was improved to include formulae to translate Euros and US dollars to GBP. Also, an analytical review was undertaken to check the totals were correct.</i></p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
<p>Medium</p>	<p>We identified from our testing of employer body changes, that for Action for Children, the Barnet Waddingham report showed it as a newly admitted body in 19/20, however the pension fund did not show it as an admitted body until 21/22 due to delays in receiving a signed admission agreement and the pension fund updating their systems.</p> <p>Chartwells Ltd (Oakgrove School) cessation report shows cessation on 31/07/2020 from the Barnet Waddingham report when the last member left, however the Pension fund did not remove it as an admitted body until 21/22 due to delays in receiving a cessation report and the pension fund updating their systems.</p>	<p>Management should have controls in place to ensure that Note 21 (List of admitted and scheduled bodies correctly reflects employer bodies which have joined or left pension fund during the year</p> <p>Management response</p> <p><i>The cessation reports and admission agreements were collated as part of the process of drafting the accounts and the start / cessation dates checked. Since the actual cessation payment / receipt could be later than the cessation date in the report a body could still be part of the Fund even though they don't have any active members.</i></p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Medium	<p>Errors identified from member data controls testing</p> <ul style="list-style-type: none"> We identified 2 starters which were created in error via iConnect as the team was learning how to use the iConnect system when the system initially went live. The starters should not have been included on the Starters list. We identified 15 starters where system records and statutory notices were created or sent out at a later date than the employment date. This was due to late setup in Altair. We also identified 5 samples where statutory notices were not sent out due to system error with the starters not being flagged as needing statutory notice. 	<p>We recommend that management put in place controls to ensure that starters and leavers information are correct and there is no double counting. Statutory notices should be sent from the Fund to the new members informing them of their membership to the Fund. Leaver notification form should be received for the employee confirming a leave date and signed by a member of staff at the employer body before leaver entitlement is determined.</p> <p>Management response</p> <p><i>Starters - we have a procedure where these are identified in two ways. Firstly, where no data is submitted for an active record via i-Connect (IC), an automatic reconciliation workflow is created named 'Actives not updated'. This will identify whether this is a leaver or identify that a duplicate record was created. Where it is duplication, the Employer Liaison Team (ELT) merge the records and delete the duplicate. For all new records created, an iSTART workflow is also created which the Pensions Assistants review in order to add any service history data or create aggregation workflow where appropriate. They also check that it is a genuine new starter. If it isn't, the above IC reconciliation workflow may already exist for ELT to address. If not, the Pensions Assistants create a MERGE workflow so it can be dealt with.</i></p>

Controls

- High - Significant effect on financial statements
- Medium - Limited Effect on financial statements
- Low - Best practice

Progress against prior year audit recommendations

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Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
<p>Medium</p>	<p>We were able to confirm that for the samples tested, the issues above did not affect the contributions amount and the correct contribution was still paid by the employers and the employees. It is best practice for management to ensure system records are updated on time as this can lead to an error in the future.</p> <p>The Pension fund also incorrectly classified an undecided leaver as leaver.</p>	<p>Management response</p> <p><i>Leavers – there is no requirement in the LGPS Regulations for a Scheme Employer to provide an Administering Authority with a hard copy Leaver Notification Form. Employers inform BPF of all leavers via IC and this meets the requirement set out in Section 1 of the LGPS Payroll Guide. Each authorised user at the Scheme Employer has an individual log on for IC. When they access IC and submit their monthly data, including leavers, there is an audit trail showing the full submission, date & time of submission and the details of the authorised employee at the Scheme Employer who made the submission.</i></p> <p><i>Statutory Notifications – the issue with Statutory Notifications has been resolved. The content and format of the Statutory Notification and procedures are being reviewed.</i></p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description	Planned audit procedures
<p>1 Determination</p> <p>We have determined financial statement materiality based on a proportion of the gross assets as at 31/03/2023 for the Pension Fund. Materiality at the planning stage of our audit is £48.0m, which equates to 1.3% of your gross assets as at 31/03/2023.</p> <p>We have set a lower materiality for certain fund account balances based on a proportion of the gross expenditure as at 31/03/2023 for the Pension Fund. This is £17.0m, which equates to 10% of your gross expenditure as at 31/03/2023.</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements – assist in establishing the scope of our audit engagement and audit tests – determine sample sizes and – assist in evaluating the effect of known and likely misstatements in the financial statements
<p>2 Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description

Planned audit procedures

3 Other communications relating to materiality we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) '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 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

We report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

In the context of the Pension Fund, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £2.4m (PY £2.0m). In respect of the fund account, an individual difference could normally be considered trivial if it is less than £850k.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Governance Committee to assist it in fulfilling its governance responsibilities.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Overall materiality	Amount (£)	Qualitative factors considered
Materiality for the financial statements	48,000,000	This benchmark is determined as a percentage of the Funds Investment Assets, which has been set at approximately 1.3%.
Performance materiality	30,600,000	Performance Materiality is based on a percentage (70%) of the overall materiality.
Trivial matters	2,400,000	This balance is set at 5% of overall materiality

Fund Account materiality	Amount (£)	Qualitative factors considered
Materiality for the Fund Account	17,000,000	This benchmark is determined as a percentage of the Funds expenditure, which has been determined as 10%
Performance materiality	11,900,000	Performance Materiality is based on a percentage (70%) of the overall materiality.
Trivial matters	850,000	This balance is set at 5% of overall materiality

Lower specific materiality for the fund account will be applied to the audit of all fund account transactions, except for investment transactions, for which materiality for the financial statements as a whole will be applied.



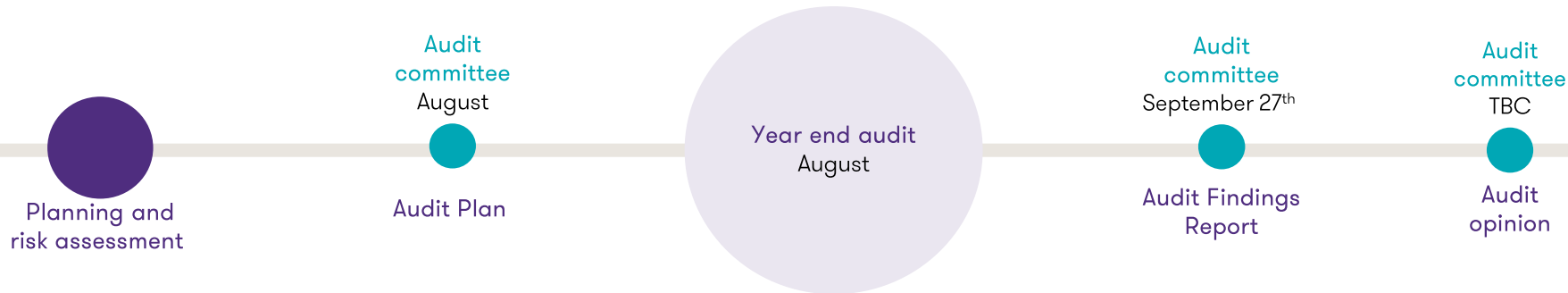
IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We say more about ISA 315 Revised on slide 17.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
SAP	Financial reporting	<ul style="list-style-type: none"> Detailed ITGC assessment (design effectiveness only)
Altair	Pensions Admin	<ul style="list-style-type: none"> Detailed ITGC assessment (design effectiveness only)

Audit logistics and team



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Mark Stocks, Key Audit Partner

Provides oversight of the delivery of the audit including regular engagement with Governance Committees and senior officers

Audited Entity responsibilities

Where audited entities do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to :

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.



Hal Parke, Audit Manager

Plans and manages the delivery of the audit including regular contact with senior officers.

Audit fees and updated Auditing Standards including ISA 315 Revised

In 2017, PSAA awarded a contract of audit for Buckinghamshire Pension Fund to begin with effect from 2018/19. The fee agreed in the contract was £x. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2022/23 audit. For details of the changes which impacted on years up to 2021/22 please see our prior year Audit Plans.

The major change impacting on our audit for 2022/23 is the introduction of ISA (UK) 315 (Revised) - Identifying and assessing the risks of material misstatement ('ISA 315'). There are a number of significant changes that will impact the nature and extent of our risk assessment procedures and the work we perform to respond to these identified risks. Key changes include:

- Enhanced requirements around understanding the Council's IT Infrastructure, IT environment. From this we will then identify any risks arising from the use of IT. We are then required to identify the IT General Controls ('ITGCs') that address those risks and test the design and implementation of ITGCs that address the risks arising from the use of IT.
- Additional documentation of our understanding of the Council's business model, which may result in us needing to perform additional inquiries to understand the Council's end-to-end processes over more classes of transactions, balances and disclosures.
- We are required to identify controls within a business process and identify which of those controls are controls relevant to the audit. These include, but are not limited to, controls over significant risks and journal entries. We will need to identify the risks arising from the use of IT and the general IT controls (ITGCs) as part of obtaining an understanding of relevant controls.
- Where we do not test the operating effectiveness of controls, the assessment of risk will be the inherent risk, this means that our sample sizes may be larger than in previous years.

These are significant changes which will require us to increase the scope, nature and extent of our audit documentation, particularly in respect of your business processes, and your IT controls. We will be unable to determine the full fee impact until we have undertaken further work in respect of the above areas. However, for an authority of your size, we estimate an initial increase of £3,000. We will let you know if our work in respect of business processes and IT controls identifies any issues requiring further audit testing. There is likely to be an ongoing requirement for a fee increase in future years, although we are unable yet to quantify that.

Audit fees and updated Auditing Standards including ISA 315 Revised

The other major change to Auditing Standards in 2022/23 is in respect of ISA 240 which deals with the auditor's responsibilities relating to fraud in an audit of financial statements. This Standard gives more prominence to the risk of fraud in the audit planning process. We will let you know during the course of the audit should we be required to undertake any additional work in this area which will impact on your fee.

Taking into account the above, our proposed work and fee for 2022/23, as set out below, is detailed overleaf [and has been agreed with the Director of Finance].

Audit fees

	Actual Fee 2020/21	Actual (or estimated) Fee 2021/22	Proposed fee 2022/23
Buckinghamshire Pension Fund Audit	£38,000	£46,050	£43,375
IAS 19 Letters	£8,000	£8,000	£9,100
Total Fee	£46,000	£54,050	£52,475

Assumptions

In setting the above fees, we have assumed that the Pension Fund will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit Fees

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees	Estimated Fee
Scale Fee	£23,650
ISA 540	£3,600
Investments valuation	£5,625
Journals testing	£2,000
ISA 315	£3,000
Payroll testing	£500
Triennial valuation	£5,000
Total audit fees (excluding VAT)	£43,375

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Pension Fund.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings	
Respective responsibilities of auditor and management/those charged with governance	•		ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•		
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•	This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•	
Significant matters in relation to going concern	•	•	We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.
Significant findings from the audit		•	
Significant matters and issue arising during the audit and written representations that have been sought		•	

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud (deliberate manipulation) involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with 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 financial statements does not relieve management or those charged with governance of their responsibilities.



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Report to Audit & Governance Committee

Date:	27 th September 2023
Reference number:	N/A
Title:	The Higginson Park Charity Annual Report and Financial Statements 2022/23
Relevant councillor(s):	Cllr Clive Harriss
Authors:	Mark Preston (Deputy 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 2023 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 2022/23.

Content of Report

The Annual Report and the Financial Statements for the year ended 31 March 2023 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.

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

The total net worth of Higginson Park Charity has decreased by £140k from £7,430k in 2022 to £7,290k in 2023. This was mainly due to depreciation costs of £194k on the tangible fixed assets, offset by net operating profits of £55k.

Other options considered

N/A

Legal and financial implications

Financial Implications

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

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

None.

Consultation and communication

None.

Next Steps and Review

None.

Background papers

Appendix 1: Annual Report and Financial Statement

Appendix 2: Report to Management

Appendix 3: Letter of Representation

Charity Number: 284420

HIGGINSON PARK CHARITY

Trustee's Annual Report and Financial
Statements for the year ended
31 March 2023

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

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The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

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 : Mark Preston
Assistant Director of Finance

Address : The Gateway
Aylesbury
Bucks
HP19 8FF

Solicitor : 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 2023

TRUSTEE'S ANNUAL REPORT

The Trustee submits the Report and Financial Statements for the year ended 31 March 2023. 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 2023

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

The positive trajectory in terms of visitor numbers to the leisure facilities has continued this year, with demand for swimming lessons continuing to be strong, and the picture has been similar with regards to outdoor events and activities. Attendances at Court Garden Leisure Complex during 2022/23 were 117,896, which is slightly higher than the levels of attendance seen pre-pandemic.

Improvement projects carried out during this period have included resurfacing of the tennis courts and a new liner to the swimming pool, as well as a number of general repairs, maintenance and fire safety works. Additionally, an area of the park was reurfed following a Christmas event that was trialled over a two week period in December; the costs of these works were covered by the event organisers but the impact of these improvements benefit all users.

The Park successfully retained its Green Flag award in 2022/23. This award recognises excellence in parks management and is testament to the hard work of all those involved in maintaining the facilities.

The Higginson Park Charity

Trustee's Annual Report for the year ended 31 March 2023

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. The Management Fee income contribution from Places for People Leisure to the Trust was £94,000.

Income from events and car parking was also very positive and continues to show the popularity of the park for visitors and event organisers.

Conversely, the lettings income has continued to be affected by the vacant office space in Court Garden House following the loss of one of the tenants during the previous financial year (due to the company going into administration). This space is currently being marketed.

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 £193,014.

Going Concern Statement

The Charity has total funds of £7.29m as at 31 March 2023. 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

As set out above, new tenants are being sought for vacant office space in Court Garden House, noting that the market for office accommodation is more challenging post-pandemic.

Following stakeholder engagement, procurement and planning work during FY2022/23, the refurbishment of the very popular children's play area has recently been completed; this is set to be extremely popular based on early feedback.

Future plans include continuing to invest in repairs and maintenance to the facilities, including repairs to the moorings alongside the Thames, as well as ensuring that Higginson Park maintains its Green Flag Award for the foreseeable future.

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

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

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;
- 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.

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

Staff are properly trained to manage the operational risks that are inherent within the area that the Charity works within.

Reserves Policy

In 2022/23, 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 £371k (2022: £316k). 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 £6,919k (2022: £7,114k).

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

Mark Preston, Assistant Director of Finance

27 September 2023

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

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 2023 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:

- Give a true and fair view of the state of the charity's affairs as at 31 March 2023 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 2023

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 2023

- 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 2023

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

27 September 2023

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

STATEMENT OF FINANCIAL ACTIVITES FOR THE YEAR END 31 MARCH 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
Income					
<i>Income from charitable activities</i>					
Operation of exercise facilities and park	3	216	0	216	112
<i>Income from other trading activities</i>					
Commercial trading	4	92	0	92	125
Grant income		0	0	0	105
Total income		308	0	308	342
Expenditure					
<i>Costs of raising funds:</i>					
Commercial trading		8	0	8	43
<i>Expenditure on charitable activities:</i>					
Operation of exercise facilities and park	5	245	194	439	384
Total expenditure		253	194	447	427
Net operating income / (loss)		55	(194)	(139)	(85)
Gains / (losses) on revaluation of fixed assets	8	0	(1)	(1)	287
Net movement in funds for the year		55	(195)	(140)	202
Reconciliation of funds					
Total Funds brought forward		316	7,114	7,430	7,228
Total funds carried forward		371	6,919	7,290	7,430

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

BALANCE SHEET AS AT 31 MARCH 2023

	Note	Charity 2023 £'000	Charity 2022 £'000
Fixed assets			
Tangible assets	8	6,816	7,010
Total fixed assets		6,816	7,010
Current Assets			
Debtors	9	247	444
Cash at Bank and in Hand		250	
Total current assets		497	444
Liabilities			
Creditors: Amounts falling due within one year	10	-23	-24
Net Current assets		474	420
Total assets less current liabilities		7,290	7,430
Net assets		7,290	7,430
The funds of the charity:			
Restricted income funds	13	6,919	7,114
Unrestricted income funds		371	316
Total charity funds		7,290	7,430

Approved and signed on behalf of the Trustee by

Mark Preston, Assistant Director of Finance

27 September 2023

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

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

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 2023

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 2023

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 2023 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 didn't receive any grants in 2022/23

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS – continued

3 Income from charitable activities

	Unrestricted funds 2023 £'000	Unrestricted funds 2022 £'000
Income from other recreation or leisure-time occupation	216	112
Total income from charitable activities	216	112

4 Income from other trading activities

	Unrestricted funds 2023 £'000	Unrestricted funds 2022 £'000
Income from other property	37	87
Income from events	55	38
Total income from other trading activities	92	125

5 Analysis of expenditure on charitable activities

	Facilities for physical exercise £'000	Other recreation or leisure- time occupation £'000	2023 Total £'000	2022 Total £'000
Car Park Costs		18	18	14
Depreciation	194		194	191
Maintenance to grounds		36	36	35
Repairs / Maintenance		57	57	28
Support costs (see note 7)	114	20	134	116
Total	308	131	439	384

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

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	2023 Total £'000	2022 Total £'000
Costs	(308)	(131)	(439)	(384)
Physical exercise	-	-	-	-
Recreation or leisure- time	-	198	198	112
Net cost funded from other income	(308)	67	(241)	(272)

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 occupation	Total	Basis of apportionment
Governance	-	-	-	Allocated on time
Insurance	8	2	10	Allocated on risk
Accountancy, legal and other professional services	7	1	8	Allocated on time
General office	98	17	115	Allocated on time
Utilities	1	-	1	
Total	114	20	134	

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

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 2022	1,352	7,025	442	8,819
Additions	-	-	-	-
Revaluations	(1)	-	-	(1)
As at 31 March 2023	1,351	7,025	442	8,818
Depreciation and impairments				
As at 1 April 2022	-	(1,367)	(442)	(1,809)
Charge for the year	-	(193)	-	(193)
As at 31 March 2023	-	(1,560)	(442)	(2,002)
Net book value				
As at 1 April 2022	1,352	5,658	-	7,010
As at 31 March 2023	1,351	5,465	-	6,816

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 2023 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

	2023	2022
	£'000	£'000
Other debtors	247	444
	247	444

10 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Deferred income	23	24
	23	24

The Higginson Park Charity
Trustee's Annual Report for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS – continued

11 Deferred income

Deferred income comprises advance payments from commercial leases.

	£'000
Balance as at 1 April 2022	28
Amount released to income earned from commercial trading	(28)
Amount deferred in year	<u>23</u>
Balance as at 31 March 2023	<u>23</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 £'000	Unrestricted £'000	Total £'000
Balance at 1st April 2022	7,114	316	7,430
Income in the year	0	308	308
Gains / (losses)	(1)	0	(1)
Expenditure in the year	(194)	(253)	(447)
Deferred Income			0
Balance as at 31 March 2023	<u>6,919</u>	<u>371</u>	<u>7,290</u>

Comparatives for movements in charitable funds

	Restricted £'000	Unrestricted £'000	Total £'000
Balance at 1st April 2021	7,018	210	7,228
Income in the year	-	342	342
Gains / (losses)	287	-	287
Expenditure in the year	(191)	(236)	(427)
Deferred Income	-	-	-
Balance as at 31 March 2022	<u>7,114</u>	<u>316</u>	<u>7,430</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 2023

NOTES TO THE FINANCIAL STATEMENTS – continued

13 Analysis of net assets between funds

	Restricted	Unrestricted	Total
	£'000	£'000	£'000
Tangible fixed assets	6,816	0	6,816
Net current assets	103	371	474
	6,919	371	7,290

14 Related Party Transactions

During the financial year 2022/23 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 2022/23 Buckinghamshire Council provided £nil funding (£nil in 2021/22) for the operational activities of the Charity.

A balance was due from Buckinghamshire Council to The Higginson Park Charity as at 31 March 2023 which amounted to £120k (2022: £316k).

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/AK/MD

7 September 2023

Dear Sirs

Report to Management

During the course of our audit for the year ended 31 March 2023 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 22 May 2023, 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 directors 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.

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



Liz Horton
 Joint Managing Director

[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. 6668743

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

SIGNIFICANT MATTERS RELEVANT TO OUR AUDIT FOR THE YEAR ENDED 31 March 2023

Audit approach

There were no changes to our audit approach as set out to you in our letter dated 22 May 2023.

Summary of significant audit findings

Significant risk area identified at planning	Findings and recommendations	Management response
Revenue recognition	N/A	
Management override	N/A	

Other areas where issues were identified during the audit	Findings and recommendations	Management response
Charitable Expenditure	Invoices should be raised for works that are recharged from Buckinghamshire Council	Agreed
Refurbishment contract conclusion	There were invoices for the final elements of the refurbishment that had not been included on the financial statements. These were under materiality and we have not adjusted the financial statements. These will need including in 2023-2024. There is also a small underspend. Please confirm this will be refunded to the Council by People for Places	Agreed

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.

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

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

27 September 2023

Dear Sirs

The Higginson Park Charity
Financial statements for the year ended 31 March 2023

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 2023. 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 10 July 2023 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.

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

Stocks are stated at the lower of cost and net realisable value.

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.

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.

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.

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 faithfully,

Signed on behalf of the board/trustees by

[Mark Preston, Assistant Director of Finance and Deputy Section 151](#)

Director/Trustee

27 September 2023

SUMMARY OF UNADJUSTED MISSTATEMENTS

Effect on Profit and Loss Account and Balance Sheet				
Details	P&L account		Balance sheet	
	Income £	Expenditure £	Assets £	Liabilities £
B/f unadjusted errors		(15,850)		15,850
Under accrual of audit fee		7,300		(7,300)
Insurance		10,350		(10,350)
Final refurb invoice				
Fixed assets			65,788	
Current assets			(65,788)	
Pool liner invoice				
Fixed assets			3,700	
Current assets			(3,700)	
Final balance of grant for refurbishment no used - due to BC	35,654		(35,654)	
Total unadjusted misstatements	35,654	-	(35,654)	-



Report to Audit & Governance Committee

Date:	27 th September 2023
Reference number:	N/A
Title:	Farnham Park Sports Fields Charity Annual Report and Financial Statements 2022/23
Relevant councillor(s):	Cllr Clive Harriss
Authors:	Mark Preston (Deputy 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 2023 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 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 2022/23.

Content of report

1.1 The draft Annual Report and the Financial Statements for the year ended 31 March 2023 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 decreased by £188k from £480k in 2022 to £292k in 2023. The net operating loss for the year was £188k (after allowing for depreciation of £74k) compared to a net operating surplus of £3k in 2021/22 (£124k depreciation). The main reason for the movement was an increase in operating costs due to the impacts of high inflation (particularly prevalent in the hospitality and leisure sectors), employee costs and the application of VAT on payroll. As can be seen in the Trustees' report, income was also affected by extreme weather, requiring 50 days of full or partial closure for the golf course. The increased operating costs were mitigated via additional income achieved across the wider Culture, Sport and Leisure service.

Other Options Considered

1.5 N/A

Legal and financial implications

1.6 Financial Implications: All the financial implications are included in the main body of the report and Appendices.

1.7 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

1.8 None

Consultation and communication

1.9 None

Next steps and review

1.10 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 2023

FARNHAM PARK SPORTS FIELDS CHARITY NO 308164

Annual Report and Accounts For the year ended 31 March 2023

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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 Corporate Trustee	
Principal Officers	Chief Executive	Sophie Payne Service Director Culture, Sport & Leisure of Buckinghamshire Council
	Treasurer	Mark Preston (from July 2023) Assistant Service Director of Finance & Deputy 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 1971 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 at affordable prices and
- operates the South Buckinghamshire Golf Course on a public pay and play basis, whilst also accommodating two self-managed golf clubs

Objectives for Year

The key objectives for 2022/23 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 in 2022-23 comprised of one adult and one junior size rugby pitch; four adult, one youth and seven junior football pitches; four softball and two baseball pitches; and a children's play area (operated by Farnham Royal Parish Council). The site is also used by local residents for recreational purposes and in particular dog walking.

During 2022/23 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 eight football clubs hiring pitches on a season and casual basis. The number of teams from these clubs amounted to 27 teams, an increase of more than 10% in comparison to 2021-22. The SB Phoenix First Team moved up to Step 7 of the football pyramid (league system), following promotion in 2022. This led to some changes to pitch layout and how these matches were played due to the rules for the Thames Valley Premier League.

Farnham Park Playing Fields has seen increasing numbers in terms of participation. The total number of football and rugby matches played during the year exceeded 400 (up from 330 in 2021/22). With additional training sessions throughout the season (September to April), there were over 11,000 participants, not including spectators.

In addition, baseball and softball attracted over 20,000 participants during their season (March to October).

During 2022/23 a range of works were completed, including the replacement of boiler systems in the changing rooms and in the rugby clubhouse, and the installation of improved signage for Farnham Park Playing Fields, including new entrance signs to increase visibility. Works were also carried out to improve the quality of the playing pitches to support increased use and maximise income. The feedback from the local football clubs who regularly play at Farnham Park Playing Fields has been very positive, and similarly there have been some excellent comments from Farnham Royal Rugby club about the improvements in the quality of their rugby pitches.

This was a more challenging year for golf, largely due to extremes of weather. The summer 2022 heatwaves saw unprecedented high temperatures and extreme heat weather warnings issued by the Government, followed by heavy rainfall in the autumn and a prolonged period of snow and ice in December. This resulted in a larger than normal number of course closures (50 days full or partial closure) and a corresponding impact on the number of rounds played (31,277 rounds; around 5,000 fewer than in 2021/22, which had seen the highest number of rounds played since 2007/08).

Offering a high-quality course at a competitive price continues to be imperative to the success of the golf operation particularly in light of the cost-of-living challenges for residents. Looking ahead consideration will need to be given to opportunities to help mitigate the weather impacts of climate change.

Trustee's Annual Report

Financial Review

Review of Year

During 2022/23 the Charitable Trust generated income totalling £1,296K and spent £1,484k giving a net deficit for the year of £188K. 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	65	71	6
Expenditure	-174	-295	-121
Depreciation	-11	-30	-19
	-120	-254	-134
South Buckinghamshire Golf Course			
Income	646	647	1
Expenditure	-564	-775	-211
Depreciation	-41	-43	-2
	41	-171	-212
South Buckinghamshire Catering			
Income	219	222	3
Expenditure	-318	-348	-30
Depreciation	-1	-1	-
	-100	-127	-27
Management Fee Income	395	278	-117
	395	278	-117

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.

As outlined above, adverse weather impacted income and also brought increased costs, due to the number of trees that had to be removed across the two sites due to disease, wet ground and root damage.

In common with the wider leisure and hospitality sector, there were significant increases in utility costs, with costs for the clubhouse in excess of 150% of original budget, as well as wider inflationary pressures. The increase in depreciation costs (£21K higher than budget) was because of an increase in acquisition of fixed assets.

Salary costs were also higher than budget as virtually all staff transferred to Buckinghamshire Council terms and conditions, which saw an increase in basic salary, plus allowances; as well as the application of VAT on payroll.

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

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Fixed Assets	3,918	3,928
Current Assets	540	547
Clubhouse Loan from Buckinghamshire Council	-1,196	-1,290
Other Liabilities	-2,970	-2,705
	292	480

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 £1,283K (2021/22 £1,114K). 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 £235K (2021/22 £247K).

Usage: The Restricted Funds consist of the Farm Cottage Fund set aside for any redevelopment of the Playing Fields and 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

The Trust continues to work with a Padel Tennis company which has submitted a planning application for the building of two floodlit Padel Tennis courts. Subject to planning permission being granted, it is anticipated that construction of the courts will be in 2023-24.

BaseballSoftballUK are continuing their investment into their facilities, and have now created a fifth softball field, and are looking to develop the site further.

The Trust and the Council will continue to develop 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, and VAT concerns. There are no plans to make any changes in the support levels currently provided by the Council in 2023-24.

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 Mark Preston, the Assistant Director of Finance and Deputy 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 2023 at their meeting on 27th September 2023

Approved and signed on behalf of the Corporate Trustee by:

Mark Preston
Assistant Service Director of Finance & Deputy s151 Officer

Date: 27th September 2023

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	2022/23 Unrestricted Funds £'000	2022/23 Restricted Funds £'000	2022/23 Endowment Funds £'000	2022/23 Total Funds £'000	2021/22 Unrestricted Funds £'000	2021/22 Restricted Funds £'000	2021/22 Endowment Funds £'000	2021/22 Total Funds £'000	
*a	Donations and Grants	78	-	-	78	61	-	-	61
	Income and Endowments								
	Income from charitable activities								
	- Farnham Park Sports Fields	71	-	-	71	69	-	-	69
	- South Buckinghamshire Golf Course	647	-	-	647	663	-	-	663
	- South Buckinghamshire Catering	222	-	-	222	181	-	-	181
*b	Income from non-charitable activities	278	-	-	278	283	-	-	283
	Total income and endowments	1,218	-	-	1,218	1,196	-	-	1,196
	Expenditure								
	Charitable activities								
	- Farnham Park Sports Fields	-293	-2	-	-295	-246	-	-	-246
	- South Buckinghamshire Golf Course	-775	-	-	-775	-600	-	-	-600
	- South Buckinghamshire Catering	-340	-8	-	-348	-284	-	-	-284
	- Depreciation – Tangible Assets	-65	-2	-7	-74	-63	-	-61	-124
	- Profit on disposal of Tangible Assets	8	-	-	8	-	-	-	-
	Total expenditure on charitable activities	-1,465	-12	-7	-1,484	-1,193	-	-61	-1,254
	Net movement in funds	-169	-12	-7	-188	64	-	-61	3
	Total funds brought forward	-1,114	247	1,347	480	-1,178	247	1,408	477
	Total funds carried forward	-1,283	235	1,340	292	-1,114	247	1,347	480

*a This is the amount received from Buckinghamshire Council Reserved Fund (2022 amount received from 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 2023	March 2023	March 2023	March 2023	March 2022
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
	£'000	Farm Cottage Sale £'000	£'000	£'000	£'000
Fixed Assets					
8	-	-	-	-	-
9	2,560	18	1,340	3,918	3,928
	2,560	18	1,340	3,918	3,928
Current Assets					
10	15	-	-	15	9
11	217	-	-	217	412
	308	-	-	308	126
	540	-	-	540	547
Current Liabilities					
12	-831	-	-	-831	-566
	-2,356	217	-	-2,139	-2,139
13	-97	-	-	-97	-100
	-3,284	217	-	-3,067	-2,805
	-2,744	217	-	-2,527	-2,258
	-184	235	1,340	1,391	1,670
Long Term Liabilities					
13	-1,099	-	-	-1,099	-1,190
Net Assets	-1,283	235	1,340	292	480
	-1,283	-	-	-1,283	-1,114
	-	235	-	235	247
14	-	-	1,340	1,340	1,347
Total Funds	-1,283	235	1,340	292	480

Signed on behalf of the Corporate Trustee

Mark Preston
Assistant Director of Finance & Deputy s151 Officer

Date: 27th September 2023

Statement of Cash Flow

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

	2022/23 £'000	2021/22 £'000
Cash flows from operating activities		
Net movement for the financial year	-188	3
Adjustments for:		
Depreciation of tangible assets	74	75
Impairment of tangible assets	-	49
Profit on disposal of tangible assets	-8	-
Interest Paid	30	19
(Increase)/decrease in stocks	-6	-
(Increase)/decrease in debtors	195	30
Increase/(decrease) in creditors	265	-216
Net cash provided by (used in) operating activities	<u>362</u>	<u>-40</u>
Cash flows from investing activities		
Purchase of tangible assets	-64	-9
Sale of tangible assets	8	-
Net Cash provided by (used in) financing activities	<u>-56</u>	<u>-9</u>
Cash flows from financing activities:		
Repayments of loan from Buckinghamshire Council	-94	-98
Interest Paid	-30	-19
Net Cash provided by (used in) financing activities	<u>-124</u>	<u>-117</u>
Change in cash and cash equivalents in the year	<u>182</u>	<u>-166</u>
Cash and cash equivalents at the beginning of the year	<u>-2,013</u>	<u>-1,847</u>
Cash and cash equivalents at the end of the year	<u>-1,831</u>	<u>-2,013</u>
Split by:		
Cash at Bank	308	126
Amount due to Buckinghamshire Council	-2,139	-2,139
	<u>-1,831</u>	<u>-2,013</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 2022.
- 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.
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 All expenditure is accounted for on an accruals basis. All expenses including support costs are allocated or apportioned to the applicable expenditure headings.

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.

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.

Pension Contributions 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.
The Charitable Trust accounts for this scheme as if it was a defined contribution scheme.
The amount charged to the SoFA represents contributions payable to the scheme in respect of the accounting period.

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 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.

Assets are measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.

Notes to the Accounts

Assets - continued

Tangible fixed assets for use by the Charitable Trust	<p>These are capitalised if the cost is above £5,000 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>
---------------------------------------	---

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

*excludes depreciation and profit or loss on disposal of fixed assets

	Sports Field £'000	Golf Course £'000	Catering £'000	Golf Management £'000	Grounds Maintenance £'000	2022/23 Total £'000	2021/22 Total £'000
Employees	9	20	173	300	310	812	630
Premises	30	102	4	3	22	161	93
Transport	-	-	-	-	23	23	19
Supplies & Services	49	65	96	63	97	370	341
Bad Debt Provision	-	-	-	-	-	-	3
Interest	-	30	-	-	-	30	19
Support Costs:							
Human Resources	1	1	-	-	-	2	6
Finance	3	6	-	-	-	9	9
ICT	-	1	-	-	-	1	1
Property & Facilities	-	1	-	-	-	1	-
Governance	3	6	-	-	-	9	9
	95	232	273	366	452	1,418	1,130
Allocation of general costs (see note a)	200	543	75	(366)	(452)	-	-
	295	775	348	-	-	1,418	1,130

- a) The general golf management and ground maintenance costs are reallocated within the charitable activities in the Statement of Financial of Financial Activities (SoFA) on page 10.
- b) 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 2022/23 (2021/22 no expenses).

5. Audit Costs

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

	2022/23 £'000	2021/22 £'000
Auditors' fees for reporting on the accounts	15	18
	15	18

Notes to the Accounts

6. Paid Employees

There was an average of 18 (2021/22: 18) staff who worked at the Farnham Park Sports Fields and the South Buckinghamshire Golf Course during 2022/23. This includes full-time, part-time and casual staff.

	2022/23 £'000	2021/22 £'000
Wages and salaries	475	443
National insurance	47	41
Pension costs	119	113
Overtime	4	7
Temporary Staff	51	13
Apprenticeship Levy	2	2
Other employee costs	12	11
	710	630
Irrecoverable VAT on employee costs	102	-
	812	630

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands were as follows:-

	2022/23	2021/22
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-

As staff are contracted by Buckinghamshire Council there are additional costs relating to irrecoverable VAT of £102K on the recharging of the salary costs to Farnham Park Sports Fields.

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 £119K (2021/22 £113K). There were no outstanding contributions payable to the fund as at 31 March 2023.

Contributions of at least £119K are estimated to be payable in the year ending 31 March 2024.

Notes to the Accounts

8. Intangible Fixed Assets – Software

	2022/23 £'000	2021/22 £'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 PE	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	385	4,680
Additions	-	-	-	-	20	44	64
Disposals	-	-	-	-	-	(19)	(19)
Balance c/f	327	293	420	858	2,417	410	4,725
Accumulated Depreciation and Impairment Provisions							
Balance b/f	-	131	56	-	279	286	752
Depreciation charge	-	7	7	-	42	18	74
Disposals depreciation	-	-	-	-	-	(19)	(19)
Balance c/f	-	138	63	-	321	285	807
Net Book Value							
Brought forward	327	162	364	858	2,118	99	3,928
Carried forward	327	155	357	858	2,096	125	3,918

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 2023.

Investment in Fixed Endowment Assets

During 2022/23 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 2023	At 31 March 2022
	£'000	£'000
Not later than one year	25	26
Later than one year not later than five years	46	67
Later than five years	-	-
	71	93

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

	2022/23	2021/22
	£'000	£'000
Minimum lease payments	30	30
	30	30

10. Stock

All stock held by the Charitable Trust are classified as finished goods. Stock recognised as an expense during the year was £95K (2021/22: £93k).

Notes to the Accounts

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

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Amounts due for rent of facilities	20	18
Amounts due from Buckinghamshire Council	120	330
Other amounts due	24	27
Prepayments and accrued income	59	51
Bad Debts Provision	-6	-14
	217	412

Amounts due from Buckinghamshire Council in 2022/23 relate to management fees due.

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

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Trade Creditors	665	331
Other creditors and accruals	12	82
Audit fee	15	18
Deferred season ticket and Flexi-card income	139	135
	831	566

Trade Creditors includes invoices raised by Buckinghamshire Council totalling £655K (2022 £331K) which were unpaid at the year end:

Deferred income

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Deferred income as of 1 April	135	54
Received in the year	194	270
Credited to statement of financial activities	-190	-189
Total deferred income as of 31 March	139	135

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 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 2023	At 31 March 2022
	£'000	£'000
Not later than one year	97	100
Later than one year not later than five years	410	412
Later than five years	689	778
Total Liability	1,196	1,290
Interest repayment on the loan was	30	19

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 2023	At 31 March 2022
	£'000	£'000
Not later than one year	76	76
Later than one year not later than five years	29	103
Later than five years	-	3
	105	182

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

	2022/23	2021/22
	£'000	£'000
As at 31 March included in debtors:-		
Other debtors receivable from Buckinghamshire Council		
Management fee	120	330
As at 31 March included in creditors:-		
Trade Creditors payable to Buckinghamshire Council (Note a)	655	331
Funding payable to Buckinghamshire Council	2,139	2,139
Loans payable to Buckinghamshire Council	1,196	1,290
For the year ended 31 March included within		
The Statement of Financial Activities:-		
Interest Payable on loans to Buckinghamshire Council	30	19
Management fee income	278	283
Funding from Buckinghamshire Council Reserved Fund	78	-
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	126	182	-	308
Amounts due to related party (BC)	-2,139	-	-	-2,139
Total cash and cash equivalents	<u>-2,013</u>	<u>182</u>	<u>-</u>	<u>-1,831</u>
Loan from Bucks Council due within one year	-100	3	-	-97
Loan from Bucks Council due more than one year	-1,190	91	-	-1,099
Total net debts	<u><u>-3,303</u></u>	<u><u>276</u></u>	<u><u>-</u></u>	<u><u>-3,027</u></u>

18. Contingent liability

Following a reassessment by Buckinghamshire Council, having obtained professional advice, VAT was charged on payroll recharges to Farnham Park Sports Fields for 2022/23 of which £102K represented irrecoverable VAT. Buckinghamshire Council are currently undertaking a review as to whether to raise a recharge of VAT on prior years' payroll costs. As this is currently under review, it is deemed inappropriate to include a provision for irrecoverable VAT on past payroll recharges at this stage as any provision, if any is required, cannot at this stage be quantified. This position will be kept under review.

19. Events after the Balance Sheet Date

For the 2022/23 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 2023 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 2023 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 report

Farnham Park Sports Fields

Year ended 31 March 2023



Strictly Private & Confidential

The Trustee
Farnham Park Sports Fields
The Gateway
Gatehouse Road
Aylesbury
Bucks HP19 8FF

Our ref: DWC/PEM/AM15009
September 2023

Dear Sir

Farnham Park Sports Fields
Audit findings for the year ended 31 March 2023

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 auditor 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. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, including those in respect of the preparation of financial statements.

There is more detail in respect of the responsibilities of the auditor and those charged with governance within our engagement letter. Our standard terms and conditions can be found at <https://www.azets.co.uk/terms-of-business>.

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 Philip Moretti.

Yours faithfully

David Cary
Senior Statutory Auditor
Azets Audit Services

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1. Executive summary

Audit overview

This table summarises the significant matters arising from the statutory audit of Farnham Park Sports Fields for the year ended 31 March 2023 for those charged with governance.

Audit opinion	<p>We do not propose any modifications to our audit opinion which is unqualified.</p> <p>We have no matters to report regarding the adoption of the going concern basis or inadequate disclosures relating to material uncertainties.</p> <p>Our audit work is substantially complete and there are currently no matters which would require modification of our audit report, subject to the outstanding matters detailed below:</p> <ol style="list-style-type: none"> 1. Signed financial statements, approved by the Board. 2. Signed letter of representation approved by the Board. 3. Confirmation that there are no further balance sheet events.
Key findings on audit risks and other matters	<p>We have reported our audit findings and adjustments made in this report.</p> <p>We are pleased to report that the audit progressed well from our perspective and to a reasonable timetable.</p>
Audit adjustments	<p>We are required to communicate all actual and potential adjustments, other than those considered to be clearly trivial, to management and to request that management corrects them.</p> <p>Audit adjustments can be seen in the reconciliation to accounts below.</p> <p>The aggregate impact of adjusted misstatements on the Statement of Financial Activities was £41,609.73.</p> <p>The aggregate impact of unadjusted misstatements on the statement of financial activities, were they to be processed, would result in an increase to the charity's deficit of £15,842.07 which is immaterial to the financial statements.</p>
Accounting systems and internal controls	<p>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.</p> <p>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 in this report. We have highlighted various observations but no material weaknesses or significant deficiencies were noted.</p>

2. Significant audit findings

This section of our report includes a summary of significant audit findings relating to significant risk areas identified at planning and other risk areas that required special consideration or arose during the course of the audit.

Significant risk areas identified at planning

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- our risk assessment procedures identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or
- are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

Significant risks at the financial statement level

The below table summarises conclusions in relation to significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Key risk area	Audit Approach	Conclusions
<p>Management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk</p> <p>Risk of material misstatement: High</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> • Review of accounting estimates, judgements and decisions made by management; • Testing of journal entries; • Review of any unusual significant transactions; 	<p>Based on the work undertaken we noted no override of controls that could have a material impact on the financial statements</p>

Going Concern

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

Risk of material misstatement: **High**

Procedures performed to mitigate risks of material misstatement in this area will include

- Review of management's going concern assessment including review of budgets/ forecasts.
- Review of post year end management accounts and other information
- Obtained confirmation of continuing support from Buckinghamshire Council

Based on the evidence provided, and discussions held, we have concluded that management's use of the at basis is appropriate.

Significant risks at the assertion level for classes of transaction, account balances and disclosures

The below table summarises conclusions in relation to significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures.

Key risk area	Audit Approach	Conclusions
<p>Completeness of income and revenue recognition</p> <p>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.</p> <p>Risk of material misstatement: High</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <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 in the accounting records. 	<p>Based on the work undertaken we noted no evidence of material understatement of income in the financial statements.</p>

Other identified risks

The below table summarises conclusions in relation to other identified risks which although are not considered to be significant required specific consideration during the audit.

Identified risk of material misstatement	Audit approach	Conclusion
<p>Debtor valuation</p> <p>Due to the nature of the customers there may be an impact on the recoverability of debts</p> <p>Inherent risk of material misstatement: Medium</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> Discussed the policy on refunds for unavailability of facilities and the recoverability of amounts due from debtors as at the year end 	<p>Based on the work undertaken we noted no evidence of material misstatement in the financial statements.</p>

3. 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

The Charity has prepared the financial statements on the going concern basis. Management believe that the financial statements should be prepared on the going concern basis.

Management's assessment covers a period of at least 12 months from expected date of approval of the accounts and includes assurances of continuing support throughout that period from Buckinghamshire Council.

Audit work performed

We have reviewed management's going concern assessment which includes the budget for 2023/24, and the continuing support of Buckinghamshire Council.

We have confirmed management's going concern assumptions through discussions at the planning and clearance stages and obtained written representations

Disclosures

We have reviewed the disclosures set out in the financial statements and consider them to be satisfactory.

Conclusion

We concur with management's assessment that it is appropriate to continue to adopt the going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.

4. Audit communication

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.

Accounting policies

The accounting policies used in preparing the financial statements are unchanged from the prior year. These have been deemed appropriate for the audited period.

Presentation and 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 entity. We identified a number of reclassification adjustments and some presentational issues in the financial statements, and these have all been amended.

Overall, we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.

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 trustees 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.

Written representations

The final letter of representation has been provided to the Board to sign at the same time as the financial statements are approved.

Related parties

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

Confirmations from third parties

All requested third party confirmations in respect of stock and bank confirmations have been received.

5. Adjusted misstatements

Adjusted audit differences

Our summary of adjusted audit differences is presented below. We have discussed these with management and confirmed they should be adjusted for.

No	Detail	Assets	Liabilities	Equity	SOFA
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of Adjustments					
1	Cost of addition	44,280.00			
	Depreciation on addition	(4,428.00)			4,428.00
	Profit on disposal of asset				(8,400.00)
	Cost of asset disposal	(19,435.00)			
	Accumulated depreciation of disposal	19,435.00			
	Equipment/machinery/Purchase P & L				(35,880.00)
	Purchase of new tractor and depreciation thereon and part exchange of existing vehicle.				
2	Cost of addition	19,750.00			
	Depreciation on addition	(1,975.00)			1,975.00
	Restricted funds reallocation re				
	Equipment/Machinery/Purchase P&L				(19,750.00)
	Capitalisation of boiler/shower from Heat Quick direct and depreciation thereon originally allocated against restricted funds				
3	Accruals		(14,880.00)		
	Audit fees (P&L)				14,880.00
	Provision for Azets fees as per pre audit letter £12,400+VAT				
4	Prepayments	5,800.00			
	Income				(5,800.00)
	Amend posting estimation of recharges to be invoiced to tenants				
5.	Other debtors	23,835.50			
	Other creditors		(23,835.50)		
	Reclassification of VAT on balance sheet to debtors				

6	Donations and grants		(77,724.00)
	Materials		33,384.00
	Building repairs and maintenance.		8,460.00
	Equipment/Machinery purchase		35,880.00
	Reallocation of monies received from the Buckinghamshire Council Reserved Fund		
7	Income from charitable activities		(42,941.00)
	Expenditure from charitable activities		42,941.00
	Reallocation to reconcile management fee charged to Buckinghamshire Council for the year		
8	Wages and salaries		6,937.27
	Other creditors	(6,937.27)	
	Provision for holiday pay accrual as at 31 March 2023		
9	Trade debtors	(8,346.38)	
	Provision for bad debts	8,346.38	
	Slough Town FC bad debt provision now restated as actual bad debt		
10	Fixed asset cost B/fwd	49,564.00	
	Fixed asset accumulated depreciation B/fwd	(49,564.00)	
	Adjustment to Fixed asset register and opening fixed assets in the financial statements in relation to 2022 impairment provision		
Total net increase in Funds			£(41,609.73)

6. Unadjusted misstatements

Unadjusted audit differences

Our summary of unadjusted audit differences is presented below. We have discussed these with management and confirmed that all unadjusted differences are collectively and individually under materiality.

No	Detail	Assets	Liabilities	Equity	Profit / (loss)
		Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £	Dr / (Cr) £
Details of unadjusted audit differences					
1	Trade creditors		(16,071.86)		
	Expenditure on charitable activities				(15,842.07)
	VAT	229.79			
	Expenditure posted after the year end in Xero relating to the year ended 31 March 2023 and therefore potential to provide for				
Total net reduction in Funds					(15,842.07)

7. Internal controls

Control environment

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses and the matters reported below are limited to those deficiencies that we have identified during the audit.

Control weaknesses and recommendations

Control weaknesses and recommendations identified from our current year work are summarised below. The control weaknesses are categorised into three risk ratings as shown in the key.

Key

- 1. Significant deficiency
- 2. Other deficiency
- 3. Other observations

Table of control weaknesses and recommendations

Risk rating	Control weakness identified	Implication	Recommendation	Management Response
1	N/A	N/A	N/A	N/A
2	Existence and write down of fixed assets	As in previous years a review of the records identified additions and disposals not previously reflected on the fixed asset register	The fixed asset register should be reviewed on a regular basis by individuals on site to identify any discrepancies and those individuals should ensure they notify the individuals responsible for accounting whenever any change in assets held occurs.	Noted. Operational management to notify Finance colleagues when an update to the fixed asset register is required. Finance will then update accordingly.

2	Setting off of income against expenditure	<p>There needs to be avoidance of netting off monies donated or received, given to be utilised for specific purposes as charities should in most circumstances recognise income gross. An example is funds from the Buckinghamshire Restricted fund of £78K which were originally matched off against the subsequent expenditure in the accounting records and therefore netted off in the financial statements</p>	<p>Ensure different nominal ledger codes are used in the accounting records for funds received and the subsequent related costs as this should assist in ensuring they are then appropriately reflected in the Statement of Financial Activities</p>	Noted.
3	Depreciation	<p>As mentioned last year 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</p>	<p>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</p>	Noted. Management to review useful economic lives as recommended.
3	Land and buildings	<p>We note that an insurance valuation of the land and buildings is due in 2023/24.</p>	<p>We would recommend that this valuation be reviewed for accounts purposes at 31/3/24 to ensure that if the value is impaired an appropriate impairment provision is made.</p>	Noted. Valuation to be reviewed and if required, an impairment provision to be processed in future.

3	Charity Annual return	<p>The Charity Annual Return for the year ended 31 March 2022 was shown as filed 163 days late. We are advised that this was due to the requirement to resubmit the return. The lateness of the submission will be recorded permanently on the Charity Commission website.</p>	<p>Consideration to be given as to having procedures in place to avoid the Charity Annual return not being submitted within 10 months of the year end</p>	<p>Noted. Once fully signed, management aim to submit return immediately thereafter.</p> <p>Note that issue was not about promptness of the original filing but due to an error in the original upload. The process going forward will include a check that the correct information is uploaded.</p>
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8. Independence and ethics

In accordance with our profession’s ethical requirements and further to our audit planning letter issued confirming audit arrangements there are no further matters to bring to your attention in relation to our integrity, objectivity, and independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC’s Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Audit and non-audit services

The following services excluding VAT were provided in the year to 31 March 2023 and to 31 March 2022.

Audit services	Fees 2023 £	Fees 2022 £
Audit of charity	12,400	10,000
Total audit services	12,400	10,000

Non-audit service	Fees 2023	Fees 2022	Type of threat	Safeguard
VAT advisory services	£950	£Nil	Management / self-review	Advice provided by a member of a separate VAT Team

A large version of the AZETS logo, centered on the page. The 'A' is green with a white horizontal bar, and the 'Z' is a green checkmark-like shape. The word 'AZETS' is in a bold, white, sans-serif font.

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Finance Service

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19 September 2023
Ref: (optional)

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 2023. 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 21 March 2023, 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 March 2023 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.
29. We also confirm our plans for future action required to enable the charity to continue as a going concern are feasible.
30. 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.

OTHER MATTER

31. We confirm that management fees totalling £278K for 2022/23 were charged to the Buckinghamshire Council in relation to work carried out on their behalf by the Trust.
32. We confirm that monies received from the Buckinghamshire Reserved fund totalling £78K are non-refundable.

33. We confirm that Farnham Park Sports Fields have not received confirmation as at the date of signing the financial statements as to whether or not Buckinghamshire Council will be issuing VAT invoices in relation to historic payroll recharges and therefore it would be impractical to try and quantify and provide for additional irrecoverable VAT in these financial statements. In our opinion the disclosure in note 18 to the financial statements on contingent liability is therefore appropriate.

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:

Mark Preston, Assistant Director of Finance and Deputy s151 Officer

Date:



Audit and Governance Committee

Date:	27 September 2023
Reference number:	N/A
Title:	Annual Governance Statement 2022/23
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:	To approve the Annual Governance Statement 2022/23.
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 2022/23 (Annex 1). The AGS has been revised since the last meeting in two ways: firstly, to incorporate comments from the Committee made in July 2023, as appropriate; and secondly, to put the Statement into a designed, publication format consistent with the Council's other publications.
- 1.2 The purpose of an AGS is to comment on the effectiveness of a council's governance arrangements for the year in question. An AGS should be public facing. Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) says it should be high level, strategic, meaningful and brief.
- 1.3 The AGS must be published alongside the Statement of Accounts and should reflect the governance in the year just concluded. The AGS is normally prepared alongside

the timeline for producing the Statement of Accounts. While the Council's Accounts for 2022/23 are not scheduled to be completed during this year, our External Auditors nevertheless need to see an agreed version of an Annual Governance Statement during the preparation of their assessment.

1.4 As reported at the last meeting, the Statement contains all the elements expected of an AGS under the guidance issued by the Chartered Institute for Public Finance and Accountancy (CIPFA):

- an opinion as to the effectiveness of the governance arrangements;
- a review of the effectiveness of the arrangements in 2022/23, with examples;
- a conclusion;
- action plans – reviewing the actions for 2022/23 and setting out actions for 2023/24.

1.5 The overall Opinion, noted by the Committee in July, is:

“The Council's governance arrangements in 2022/23 were sound and provide a robust and effective platform for achieving the Council's priorities and challenges in 2023/24.”

2. Revisions to the Annual Governance Statement

2.1 Following comments made by the Committee in July, the AGS has now been **updated** to include the following:

1. Page 7 and throughout, **Terminology**: consistent use, now, of the terms 'Corporate Management Team' and 'Chief Executive'.
2. Page 9, **Community Boards and Town Committee**: third bullet added referring now not just to Community Boards and High Wycombe Town Committee but to the Council's work with parishes and unparished areas
3. Page 12, **Where do we get assurance**: now referring to “Regulatory Committees” (i.e. inclusive of A&G Committee and Standards & General Purposes Committee) as sources of assurance. NB Descriptions of these two committees already occur on page 8.
4. Page 13, **Death of the Sovereign**: includes clearer reference as to how this involved 'governance' i.e. the Council had to engage with Operation London Bridge. (“Local authorities have a key role to play in communicating and commemorating these events *through specific plans*. Buckinghamshire Council *successfully delivered these plans*”).
5. Page 24, **Conclusion – Monitoring Officer/S151**: now including photos of both officers alongside their names.
6. Page 31, **Community Governance Reviews** (Action Point): now refers

specifically to consultation *with councillors* too not just communities (“Undertake effective communication and consultation with affected communities *and local councillors*”).

7. Page 31, **Audit & Governance Committee** (Action Points): now refers to the Committee’s wish to review:
 - the link between risk and whether mandatory officer training is sufficiently in place to help mitigate such risks (“Consider the links between risks and the need for mandatory officer training in certain areas”);
 - the governance around write-offs (“A review of governance arrangements for achieving an overview of write-offs”)
8. Page 32, **Community Board Reviews** (Action Point): now refers to the potential for the Select Committee review of Community Boards to look at the spending of Community Board budgets (“Finalise a further review of Community Boards arrangements and effectiveness, potentially including spending, under the oversight of the Communities & Localism Select Committee”).

2.2 According to the CIPFA guidance, the Annual Governance Statement should be “written in an open and readable style”. To meet this, the Committee previously determined that, this year, the AGS should be presented in a properly designed format, consistent with the Council’s other publications. This has been done.

2.3 The Committee is therefore asked to approve Annex 1 as the Council’s Annual Governance Statement 2022/23.

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. There are no financial implications arising from the recommendation in this report.

5. Corporate implications

5.1 The AGS reflects the effectiveness of the Council’s governance during 2022/23 and sets out priority actions planned for 2023/24.

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 an 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.

8.2 Once finalised, the AGS would sit alongside the Council's Statement of Accounts. It will also be made available on the Council's website and in hard copy form at each of the Council's offices and libraries.

9. Background papers

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



Annual Governance Statement (AGS) 2022/2023



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Introduction

We want to make Buckinghamshire the best place to live, raise a family, work and do business.

Our key priorities are:

- **Strengthening our communities**
- **Protecting the vulnerable**
- **Improving our environment**
- **Increasing prosperity**



Delivering these requires good governance - for our residents, employees, businesses, service users and councillors. Our Corporate Plan provides the building blocks to our success. Supporting the Plan are number of strategies and policies showing how we will deliver our ambitions, and our 'Local Code of Governance' will set these out in more detail.

It has remained an extraordinarily difficult time for local government and for the many differing and diverse communities, businesses, and sectors we serve. Cost-of-living and inflationary pressures alongside new and increasing demands on council services have dominated the past year, at a time when recovery from the Covid-19 pandemic remains a priority.

At the third anniversary as Buckinghamshire Council, we are continually improving our systems and services, supporting and empowering our communities, and responding to external conditions in a way that inspires hope and creates opportunity for all. We will continue to adapt, building on the positive changes we have already made.

Good governance is essential to that. It underpins both our approach and our commitment to engage with local communities and partners.

This Annual Governance Statement looks honestly at how effective our governance has been during 2022/23. It also looks ahead to some of our governance priorities and improvements for 2023/24.

Statement of opinion

We are pleased to confirm our opinion that the Council's governance arrangements in 2022/2023 were sound and provide a robust and effective platform for achieving the Council's priorities and challenges in 2023/2024.



Signature

Martin Tett

Leader



Signature

Rachael Shimmin

Chief Executive

Governance at Buckinghamshire Council

Governance means: the values, culture, processes and systems by which the Council is controlled, directed and through which we deliver services for our communities. Governance means carrying out our activities in accordance with the law and proper standards, and that public money is properly accounted for, and used well.

We 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, with other governance policies and practices. Together they form our 'corporate governance framework'. This Annual Governance Statement reviews the effectiveness of that framework, mindful of the CIPFA's "**Seven Principles of Good Governance**".



Essential elements of governance

As a local authority, the responsibility for good governance is shared by councillors and officers.

Buckinghamshire Council has **147 councillors**, three 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.

Five important strands of governance interlink: together they aim to ensure that decisions are taken soundly in a resourced and managed environment, with strong internal and external controls.

1. Making decisions
2. Holding decision-makers to account through scrutiny
3. Financial management and external audit
4. Managing risks through internal control
5. Senior Management Team and Statutory Officers

1. Making decisions

The Council as a whole sets the budget and policy framework of the Council. The executive – through the Cabinet – takes the key decisions within that framework. Within the Constitution, the ‘Schemes of Delegation’ give certain roles to councillors and to officers. For example, the Financial Procedure Rules and other supporting procedures clearly define how decisions are taken and highlight the processes and controls required to manage risks. The Council’s democratic decision-making structure can be found here.

2. Holding decision-makers to account through scrutiny

Scrutiny provides the legal power for councillors to look into issues of concern for residents, holding decision-makers to account for the decisions they are making. Scrutiny is not decision-making but acts as a check and balance to the executive, which takes the majority of key decisions on behalf of the Council. There are also specific powers for scrutiny to hold the NHS to account within health scrutiny. Scrutiny at Buckinghamshire Council is carried out by six Select Committees.

3. Managing the Council’s finances

Strong financial management is critical to ensuring the financial sustainability of the Council. Our framework reflects that. The Constitution contains the Financial Procedure Rules which set the principles for managing the Council’s financial affairs. A set of strategic documents form the second level of financial governance, with a third tier represented by detailed financial instructions to provide clear guidance on the operation of key financial processes. All documents are regularly reviewed and updated to ensure they remain current and fit for purpose, reflecting changes in the external environment and also in the Council itself.

The Council operates in an uncertain environment. This has led to major failings in other councils. The Council's Financial Management Strategy sets out how we work to manage this uncertainty and to ensure the Council's aims and objectives continue to be delivered into the future. There is strong external assessment of the Council's financial capability and areas for improvement are captured in the Finance Improvement Plan. The "CIPFA Financial Management Code" sets out the key elements for demonstrating good financial management in the public sector. This underpins our Financial Management Strategy.

The **External Auditor** is legally required to satisfy themselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. They would report to the Council if any significant matters came to their attention. The External Auditor also attends meetings of the Audit and Governance Committee.

4. Managing risks through Internal Control

The system of internal control is designed to manage risk to a reasonable level. It could not eliminate all risk of not achieving policies, aims and objectives. It can, though, provide a reasonable if not an absolute assurance of effectiveness. The system of internal control is based on an ongoing process 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 and Governance Committee.

5. Senior Managers and Statutory Officers

The Council's **Corporate Management Team** – comprising the Chief Executive, her directors and statutory officers - 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. 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.

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

- Rachael Shimmin – Chief Executive and Head of Paid Service
- Sarah Ashmead – Monitoring Officer
- David Skinner – Chief Finance Officer (the 'Section 151 Officer')
- Maggie Gibb – Chief Internal Auditor

In addition, the Council has a statutory officer overseeing each of Adults and Children's services, both reporting directly to the Chief Executive.

Governance – key roles:

The Council	<ul style="list-style-type: none"> ● Approves the Corporate Plan ● Approves the Constitution ● Approves the budget and policy framework of the Council
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 ● Supported by Deputy Cabinet Members
Audit and Governance Committee	<ul style="list-style-type: none"> ● Provides 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 ● Attended by the Section 151 Officer
Standards and General Purposes Committee	<ul style="list-style-type: none"> ● Oversees 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 (6)	<ul style="list-style-type: none"> ● The select committees each fulfil a check and challenge function for decisions and policies made by the Cabinet helping the Council to assess its performance and learn lessons. <ul style="list-style-type: none"> » Children's and Education Select Committee Covering the portfolio areas of: Education and Skills, Youth Provision and Children's Services. » Communities and Localism Select Committee Covering the portfolio areas of: Communities, Culture, Regulatory Services, Sports and Leisure. » Finance and Resources Select Committee Covering the portfolio areas of: the Leader of the Council, Resources, Property and Assets. » Growth, Infrastructure & Housing Select Committee Covering the portfolio areas of: Planning and Enforcement, Housing and Homelessness, Town Centre Regeneration. » Health and Adult Social Care Select Committee Covering the portfolio areas of: Adult Social Care and Communities and Public Health. » Transport, Environment and Climate Change Select Committee Covering the portfolio areas of: Transport, Logistics and Environment and Climate Change.
Shareholder Committee	<ul style="list-style-type: none"> ● A sub-committee of Cabinet. The Shareholder Committee manages the shareholding interests in the Council's trading companies and joint ventures ● Appoints and removes directors to the companies, issues best practice guidance and arranges training ● Monitors the performance of the companies



Community Boards and Town Committee	<ul style="list-style-type: none"> • 16 advisory Community Boards in local areas provide a forum for discussing local issues, making recommendations to decision-making bodies, and overseeing allocated spending • A High Wycombe Town Committee exists to consider and advise the Council on any issues affecting the High Wycombe Town area. The Committee is an advisory body and does not have decision making powers • The Council also works closely with Parish and Town Councils and unparished communities
Corporate Management Team (CMT)	<ul style="list-style-type: none"> • The Chief Executive (CEO) and Corporate Directors • CMT has overall accountability for the governance framework • CMT 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 • Accountability for developing and maintaining the Council's governance and risk framework
Chief Finance (S151) Officer	<ul style="list-style-type: none"> • Responsible for managing the Council's finances and providing expert financial advice to the Council • 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 Whistleblowing Policy and contributes to the effective corporate management and governance of the Council

Director of Adult Services	<ul style="list-style-type: none"> ● The Children Act 2004 requires every upper tier local authority to appoint a Director of Adult Services (DASS) ● Provides key professional leadership role for staff working in adult social care services ● Ensures accountability of services to local communities through consultation with local people and, in particular, users of services ● Statutory member of the Health and Wellbeing Board and the Buckinghamshire Adults Safeguarding Board ● Delivers the Council's part in: <ul style="list-style-type: none"> » Improving preventative services and delivering earlier intervention » Managing cultural change to give people greater choice and control over services » Tackling inequalities and improving access to services » Increasing support for people with the highest levels of need
Director of Children's Services	<ul style="list-style-type: none"> ● The Children Act 2004 requires every upper tier local authority to appoint a Director of Children's Services (DCS). ● Discharges the education and children's social services functions of the local authority (set out in section 18(2) of the Children Act 2004) including <ul style="list-style-type: none"> » Children and young people receiving education or children's social care services in the area; and » All children looked after by the local authority or in custody ● Works with other local agencies to improve outcomes for children and young people.
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 ● Responsible for developing and implementing the Anti-Fraud and Corruption Policy and monitoring the investigation of any reported issues ● Ensures all suspected or reported irregularities are dealt with in accordance with the Anti-Fraud and Corruption Policy; identifies improved controls ● 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) ● Provides an opinion on the accounts and use of resources, including the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion) ● Statutory duty to ensure that the Council has adequate arrangements in place for the prevention and detection of fraud, corruption and theft

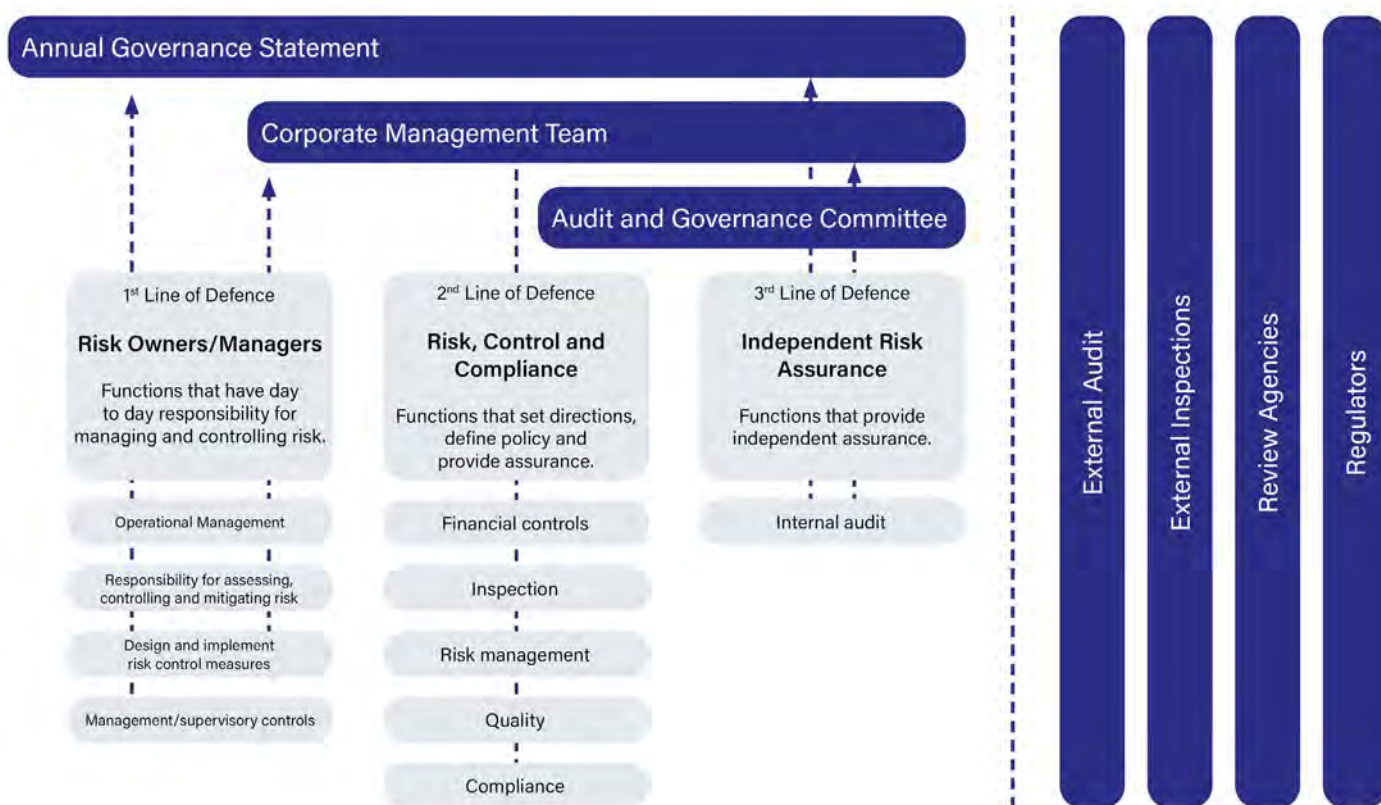


Preparing the Annual Governance Statement

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 **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 and other professional leads including the Chief Finance Officer, Director of Human Resources and Director of Information Technology;
- Internal Audit and other inspections made by external auditors, independent review agencies and inspectorates.



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

Where do we need assurance?

Compliance	Standards of conduct and behaviour	Risk management	Financial management	Service delivery	Effectiveness of internal controls
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Where do we get assurance from?

Constitution	Regulatory committees, 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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Photo: The Proclamation of King Charles III, Market Square, Aylesbury

Effectiveness of our governance in 2022/2023 – an overview

Here are some examples of 'governance' during the year.

The Jubilee, the Death of Queen Elizabeth II and the Accession of King Charles III

This year was hugely significant for our Monarchy. The joy of the Jubilee was followed by great sadness and mourning at the passing of Queen Elizabeth. The accession of King Charles was a historic event, nationally and locally. Local authorities have a key role to play in communicating and commemorating these events through specific plans. Buckinghamshire Council successfully delivered these plans, working worked closely with the Lord Lieutenant and our partners.

At a Council meeting in September 2022, the Chairman highlighted the overwhelming response from people across Buckinghamshire to the death of the Queen. The Council followed its plans in making the arrangements for memorial services, vigils, spaces to place tributes and setting up books of condolences. The Proclamation of King Charles was duly made on Sunday 11 September on the steps of Exhibition Suite, Market Square, Aylesbury by the High Sheriff, Debbie Brock. Proclamations were also given across Buckinghamshire, for example in Beaconsfield, Buckingham, Chesham, Denham, High Wycombe, Marlow, Newton Longville and Wendover.



Statement of Accounts

The Council's Statements of Account for the years 2020/21 and 2021/22 still require finalising. Buckinghamshire Council experienced delays in accounts sign-off along with many other councils for a variety of factors including increased complexity, changing regulatory requirements of both councils and auditors, and staffing shortages. There are about 630 delayed audit opinions outstanding in England. Strengthened resources within the Council and from our external auditors have been committed to finishing these important tasks. The opening balances for 2020/21 had taken a significant amount of time. This would not be the case for the 2021/22 accounts but they cannot be finalised until those for 2020/21 are completed. The Council's Audit & Governance Committee has provided essential challenge on this during 2022/23 and has required a 'lessons learned' report on conclusion of the work.

The Council's financial position is sound. The Annual Report from our external auditor, Grant Thornton, confirms that "the Council has a good record of financial management". It noted that a three-year planning cycle is in place, starting in 2022/23. The report said:

A restructure of the finance service, including the appointment of a new Chief Accountant, strengthened the professional support for this work, as did the commissioning of firms to provide additional expertise. Our auditors also dedicated resource to completing this work.

"Overall, the Council has a strong capacity to manage variances over the short to medium term. We are satisfied that the Council has appropriate arrangements in place to ensure it manages risk to its financial sustainability."

Treasury Management

The Audit and Governance Committee undertook the scrutiny role for the development of future Treasury Management Strategy prior to its presentation to Council for approval in February 2023. It also received mid-term and annual reports on the extent of compliance with the approved Treasury Management strategy and an analysis of the performance against the targets set. During the year it recommended the Treasury Management strategy and performance monitoring reports for Council approval.

Children's Services

OFSTED Review

In December 2021, OFSTED's inspection of our Children's Services issued a rating that improved from 'inadequate' to 'requires improvement to be good'. OFSTED held an annual conversation with the Council in July 2022 under the Inspecting Local Authority Children's Services (LACS) inspection framework. In preparation for that meeting, the Council shared its own self-assessment and performance data for both children's social care and education. Feedback from OFSTED was positive and the Council's self-assessment was accepted in full. In October 2022, OFSTED conducted a Focused Visit, under the LACS framework, that looked at our services and support offered to care leavers. This was not a graded inspection but OFSTED identified a number of positive practices including:

- support to care leavers in Buckinghamshire having improved since the last inspection; and
- leaders in Buckinghamshire having an understanding of the strengths of the service, the areas for development and the future challenges.

As a result of our improvement journey, a 'whole system' Children's Services Transformation Programme has been developed in order to help realise our shared ambition to deliver good quality services to children.

See the Annex 1 for further information on our actions.

Special Educational Needs and Disabilities Service

A Special Educational Needs and Disabilities (SEND) inspection took place between February and March 2022 by OFSTED and the Care Quality Commission. As a result, the Council was required to submit a Written Statement of Action (WSOA) to address significant areas of weakness. These related to the provision of specific health services for children and young people with SEND. The Council and the Clinical Commissioning Group were jointly responsible for submitting the WSOA. This was approved in August 2022. A WSOA Working Group was established reporting to the Integrated Services Board. The Department for Education carried out its first monitoring visit in December 2022 and gave positive feedback on progress with some recommendations for continued focus. Reflecting on this, our External Auditors were also satisfied that the Council had good arrangements in place to monitor and assess our response to the regulator. See Annex 1 for more information on our actions.



Business Assurance

The Business Assurance Strategy, including the Internal Audit Plan, was agreed by the Audit Board and approved by the Audit and Governance Committee in July 2022. The 2022/23 Internal Audit, Risk Management, Assurance and Counter Fraud work plans were produced with reference to the strategic and directorate risk registers; and informed through discussion with Senior Leadership Teams for each directorate.

A new Business Assurance structure went 'live' from 1st November. Work plans have been resourced through a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. This arrangement allowed us to request specialist resource such as IT auditors and contract auditors and gave flexibility to respond to urgent requests, such as investigations. The Business Assurance Team is responsible for delivering the Council's Risk Management, Assurance, Internal Audit, Counter Fraud, Insurance and Business Continuity services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate.

The team continued to deliver work programmes including: assurance reviews of the Council's financial and operational systems, computer audit reviews, corporate and social housing fraud investigations, fraud awareness training, corporate governance and risk management reviews, and compliance reviews to check adherence to policies, procedures, and systems.

Workstreams saw the following progress:

● **Risk Management**

Deep dive risk reviews continued across certain service areas. This was to ensure risks were relevant and current, were updated with realistic target scores, and had internal controls as well as mitigating actions. A key theme of the team's work was gaining greater visibility of how programme and project risks are being captured and escalated across the directorates. This included ensuring that major projects and programmes were captured on the corporate risk management system. Following feedback from the Medium-Term Financial Planning (MTFP) and Budget Scrutiny processes, the team also began to review the key financial risk process across the organisation, including the reporting to Directorates and the Corporate Management Team budget boards. The Risk Management Group (sub-group of the Audit and Governance Committee) met seven times during the year and reviewed the

effectiveness of the risk management process within each of the directorates as well as regularly reviewing the strategic, key financial and fraud risk registers. A Risk Management Group update was provided to the Audit & Governance Committee throughout the year.

● **Business Continuity Management (BCM)**

In November 2022, we held Exercise Faraday, an exercise to test and exercise our preparedness against planned or unplanned power outages as we suspected we may experience some of these events over the winter period given Central Government planning assumptions. The exercise consisted of a scenario built over two days with a final workshop to review lessons identified. We had approximately 30 responses across the organisation to the exercise and a well participated workshop.

Work began to implement the new Buckinghamshire Council Corporate Resilience Framework and Standards. This included taking on board some of the recent lessons learnt from 'Exercise Faraday'. Development also began of a new BCM Framework as well as refreshing the corporate Business Continuity Plan (BCP). This includes a new BCP template to ensure structure, readiness, and consistency. The Council Resilience Group, which provides governance over the Corporate Resilience Framework and Standards met in February 2023 to discuss activities within the three areas of: organisational resilience, emergency resilience and community resilience. This included discussion around cyber resilience and climate change.

- **Internal Audit**

The Internal Audit plan which was approved as part of the Business Assurance Strategy, highlighted a more fluid approach in the delivery of the audit plan to respond to the needs of the council. The Internal Audit Plan was regularly reviewed through discussions with Directorate Leadership Teams and the Audit Board to help ensure that the assurance activities are continuously aligned and focused on emerging issues/risks. Any significant deviation from the approved Internal Audit Plan was communicated through the periodic activity reporting process. Whilst we deferred/ cancelled eight audit engagements from the current plan, the team agreed to conduct five unplanned assignments which were requested by the services in response to key risks/issues being faced.

As of 13 March 2023, only five out of 395 (1%) audit management actions were overdue for implementation. The Internal Audit Team also implemented a new audit system which was a key action from the CIPFA External Assessment.

- **Business Assurance**

The Business Assurance Team continued to deliver Covid-19 grant assurance as the requirements from central government for returns, reconciliations and pre/post assurance checks continued. The team liaised with the services and supported in the collation of the required returns, reconciliations and certification where required. In addition, the team have completed 19 grant assurance reviews or claim verifications: this involved evaluation of expenditure activity to ensure accuracy and compliance with grant conditions. Several assurance engagements were also finalised, including: the Customer Relationship Management (CRM) System Programme; the Temporary Accommodation Review; and the New Highways Contract.

- **Counter Fraud**

The Business Assurance Team's procedures alone cannot guarantee the detection of fraud and corruption, nor can it give an overall assurance opinion on counter fraud. Managers therefore 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 the Fraud Team deploy resources to investigate these. Whilst responding to fraud allegations raised internally and externally, the team also had a proactive schedule of activity that includes Fraud Awareness Training and probity reviews.

Scrutiny

Scrutiny at Buckinghamshire Council is carried out by six Select Committees. Each Select Committee has a different remit and each examines local services across the public sector. The Committees are made up of elected Councillors who are not part of the Council's Cabinet, together with some co-opted representatives from relevant local organisations. The Annual Scrutiny Report 2022/23 highlighted the scope of the work of the committees, including the completion of several important serviced reviews, including:

- Pathways into SEND Services (Children's and Education Select Committee): in light of the SEND inspection outcome, the Select Committee decided to set up a Review Group of five Councillors to look at the pathways to services for children and young people with SEND.
- Community Board Review (Communities and Localities Select Committee): to review the effectiveness of the Boards.
- Budget Scrutiny Inquiry (Finance and Resources Select Committee): a key part of the Committee's annual work programme, the review involved questioning leading members and officers about the draft budget proposals.
- Call-in requests (Growth & Infrastructure Select Committee): call-in is an important mechanism in the Council's constitution which allows backbench councillors to challenge Cabinet decisions. Two decisions subject to call-in requests were considered by the Committee as follows:
 - proposed residential development at the site of the former Buckinghamshire County Council Sports and Social Club
 - Little Marlow Lakes Country Park
- Primary Care Networks, PCNs (Health and Adult Social Care Select Committee): 17 recommendations to help PCNs in their development including governance and oversight.
- Pollution in Buckinghamshire's Rivers and Chalk Streams (Transport, Environment and Climate Change Select Committee): report to Cabinet made 10 recommendations: 8 to Cabinet, 1 to the water companies and 1 to the Environment Agency. The inquiry was featured as good practice in a case study for carrying out scrutiny by the Centre for Governance & Scrutiny (CfGS).

Community Boards

During 2022/23, our 16 Community Boards began to move away from what was perceived as grant giving Boards to focus on projects which are identified through the discussions at the Boards. The local priorities are identified through the Boards and a high number of projects to deliver the priorities are now being established and delivered through Board action groups. The overall management of the budgets and performance data has vastly improved, with clear and accurate record keeping. Board meetings have also continued to develop and strengthen with many taking place face-to-face engaging directly with partners and residents.



Contract Procedures and Waivers

The Council's Contract Procedure Rules govern the Council's contract management. During the year, the Procurement and Supplier Relationship Management Team provided service areas with a monthly report of all contracts. In addition to this, a quarterly update report of all contracts over £50k, due to expire within the next 18 months, was sent to Contract Managers. The Team proactively followed up to ensure appropriate action was being taken. Six monthly reports of contract procedure rule waivers and breaches were made to the Audit and Governance Committee.

A waiver of the procedures is not a negative act, it can be a tool for the Council to get a quick solution at best value and are subject to a high level of assurance. When a waiver is requested, service areas are required to complete mandatory actions to reduce both the risk of future waivers and breaches.

Compliance checking is undertaken to ensure these actions are followed up and that those members of staff involved in purchasing activity are both adequately trained and ensuring contracts are up to date.

The Committee expressed concern in the year that a breach of the Contract Procedure Rules had occurred. The Committee also requested and received an update on what action Procurement had taken on incidences of past breaches.

Contract Management Training for Managers was a priority in the year. An additional 243 training sessions had been attended by managers in Q1 and Q2 2022/23 alone, bringing the total since 1st April 2020 to 1,318.

South Waste Round Reorganisation May to September 2022

The waste collection services in the south of the county are delivered through a contractual arrangement between the Council and Veolia ES Ltd (Veolia). A reorganisation of the collection rounds was included as part of the agreed contractual terms and a reorganisation commenced on 9th May 2022. The round reorganisation was based on over 90% of the residents in the south of the county having a day or week change to their waste collections. It was recognised and planned that this was a large change and would lead to increased levels of missed bins and customer interaction with the council via the customer contact centre for a short period of time.

Despite a positive early start and an effective communications programme, the level of disruption far exceeded expectations which continued beyond all anticipated timeframes. The scale and persistence of the performance issues caused real inconvenience and understandable frustration for affected residents and presented significant operational, communications and reputational issues for the Council.

As a result of these significant impacts on the council and residents, an audit of the process, governance arrangements, operational decision making, and performance management was commissioned and undertaken by Mazars our independent auditor. They prepared a report of the findings including recommendations which were used to inform the Council's Lessons learned action plan. The report and action plan were presented to the Council's Risk Management Group who also made recommendations which were used to inform the development of a small scale round reorganisation in the North Waste service which was implemented with no problems.



Managing our Council Companies

During the year, the Council significantly strengthened its governance of the Council's three companies and one joint venture. Following best practice, the Council's Cabinet created a sub-committee – called the 'Shareholder Committee' – to manage the Council's shareholding interests. The first meeting took place in July 2022 and the Committee commissioned training for all of the Council's company directors and members of the Committee. The Committee developed a set of *Conflicts of Interest Guidance* for officers and councillors potentially serving as company directors. This was approved in January 2023 and circulated to serving directors. The Committee has also set out an approach to selecting and appointing directors and maintaining a pool of councillors or officers who might serve as directors in future. The Committee has a work programme which includes reviewing the performance of each company.

The companies are:

- Aylesbury Vale Estate (50% ownership) – a joint venture with Akeman Property
- Buckinghamshire Advantage (100% BC ownership)
- Consilio Property Ltd (100% BC ownership)
- London Road Business Park Management Ltd (100% BC ownership)

Learning Lessons

The Council has been keen to learn from other councils' experience of governance. This has included learning lessons from the reports issued about some councils' governance arrangements. For example, an external review of Nottingham City Council led to the issuing of national guidance on good governance on the oversight of council companies: we put this into practice in establishing the Shareholder Committee; and the Committee did likewise in developing governance protocols in-year. The Audit & Governance Committee has agreed that 'learning lessons' should be a key feature of its work programme in 2023/24.

Electoral Boundary Review

During 2022/23, the Council responded to several consultations issued by the Local Government Boundary Commission for England on the future shape of this Council's wards – the areas represented by councillors. Whether proposing a pattern of wards or responding to the Commission's own proposals, the Council had clear governance arrangements in place. Full Council approved each response. It did so having received recommendations from our Standards & General Purposes Committee. The Committee, in turn, had received worked-up suggestions from a cross-party Electoral Review Working Group reporting to the Committee.

The responses were guided by the need to balance the statutory criteria of community identity, effective local governance, and electoral equality: that is, ensuring that councillors represent roughly the same number of electors. The Council responded on time to each stage. The new wards come into effect at the May 2025 local elections and will see councillor numbers reduced from 147 to 97. That will, of course, have its own governance implications for decision-making and the practicalities of community engagement: see Annex 2 for more information.

Parish and Town Council Charter

During the year, the Council launched our Town and Parish Council Charter, working on 22 pilots and an additional 80 opportunities to devolve assets to town and parish councils. We also appointed a dedicated officer to lead on engagement with town and parish councils.

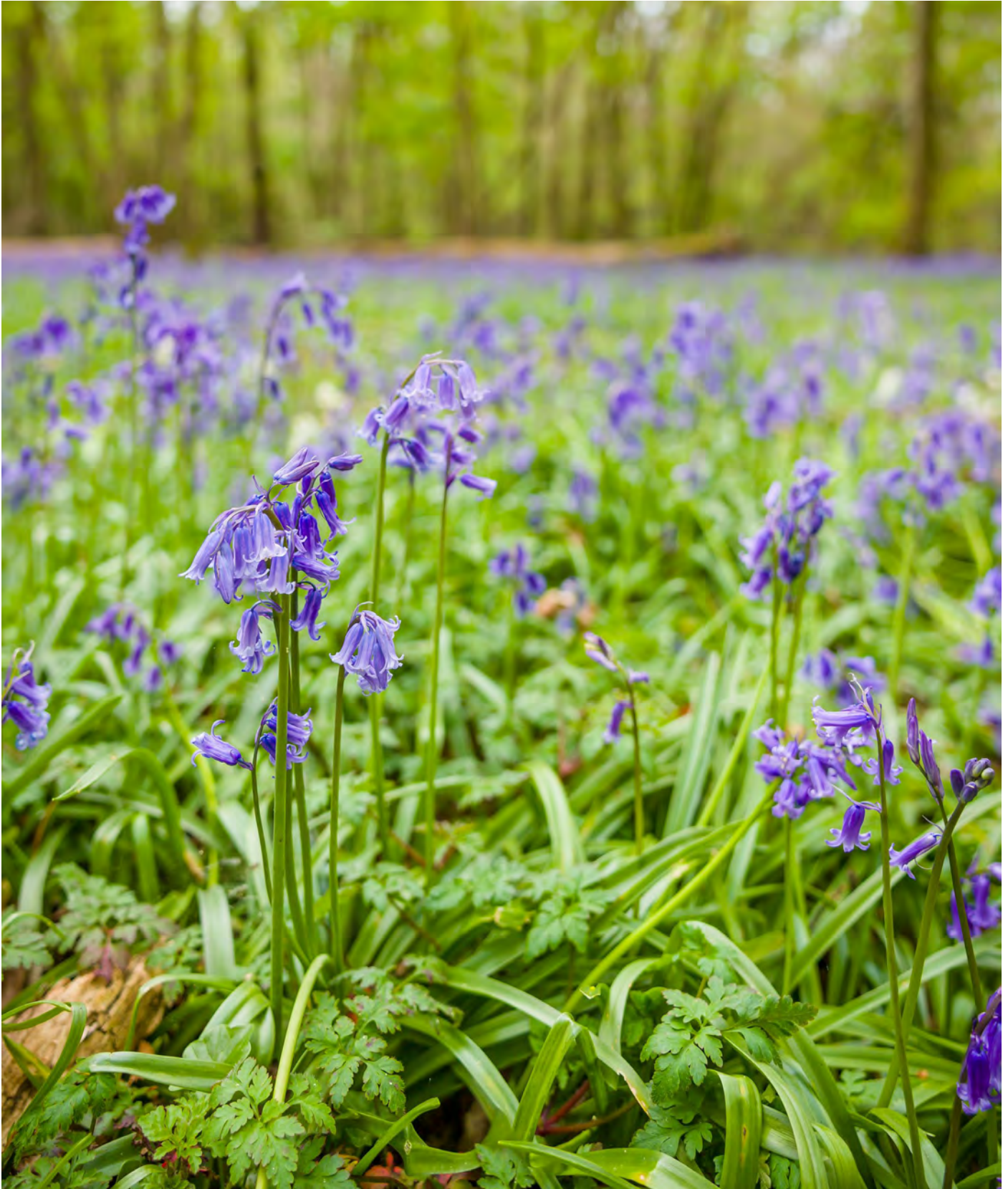
Place Based Growth Board

In February 2023, Cabinet agreed to establish a Place Based Growth Board which will ensure close working with some of our key partners towards an agreed vision for future economic growth and development in Buckinghamshire. This board will provide a more streamlined and integrated place-based growth approach and furthers Buckinghamshire's ambition to lead the way in defining what best in class integration looks like for economic delivery. The areas of strategic focus, each with their own board sitting beneath the Growth Board, are: Place and Regeneration; Opportunity Bucks; Skills; Enterprise and Investment.



Action Plans

An update on the Actions from 2021/22 is included at Annex 1. The AGS Action Plan priorities for 2023/24 are set out in Annex 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 need for the Chief Finance Officer to exercise his statutory escalatory powers. 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)



Sarah Ashmead

Deputy Chief Executive (Monitoring Officer)

Annex 1 – Review of Action Plan for 2022/23

Governance Issue	Action to be taken	Responsible Officer	UPDATE ON ACTION
<p>Children's Services</p>	<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 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. 	<p>Corporate Director of Children's Services</p>	<p>Met. Additional progress:</p> <ol style="list-style-type: none"> 1. The annual conversation with OFSTED was held in July 2022. Feedback received from Ofsted at the end of the annual conversation was positive and the Service's self-assessment was accepted in full. 2. In October 2022, in line with the inspection of local authority children's services (ILACS) framework, Ofsted conducted a Focused Visit that looked at our services and support offered to care leavers. Whilst this was not a graded inspection, Ofsted has now published their findings from this visit. The full report can be accessed here; however, some key governance headlines below: <ol style="list-style-type: none"> a. Caseloads for some practitioners who are supporting care leavers are high. This makes it more challenging for them to undertake meaningful direct work with young people. b. While care leaver participation has been strengthened in Buckinghamshire, their voices at corporate parenting panel are inconsistent. c. Leaders in Buckinghamshire understand the strengths of the service, the areas for development and the future challenges. d. Care leavers are strongly encouraged to engage in education and training. This is a real strength in Buckinghamshire. e. Gaps in service provision, different thresholds between children and adult services or insufficient planning mean that some care leavers' emotional health three needs are not met in a timely way.

			<p>f. Care leavers, including those over 18 who are at risk of or experiencing exploitation, benefit from effective multi-agency risk management meetings and specialist, meaningful direct work via the exploitation team.</p> <p>g. Comprehensive performance data is used to support the progress of work effectively across the service. Check and challenge meetings help to provide leaders with an additional line of sight to practice.</p> <p>h. Senior leaders made a conscious decision to target quality assurance activity at areas of greatest risk within the wider children's service.</p> <p>i. The revised care leaver offer is clear and accessible and includes an aspirational emphasis on education. One care leaver told inspectors, 'I feel so lucky to be a Bucks care leaver.'</p> <p>6. Inspectors also identified areas of practice that need to improve, as outlined in Appendix 2.</p>
Children's Services	<p>Following the first inspection by OFSTED and the Care Quality Commission of the services and support provided across Education, Health and Care in Buckinghamshire for children and young people with special educational needs and/or disabilities – SEND – the Council is committed to:</p> <ol style="list-style-type: none"> 1) Implementing the Written Statement of Action in response to the inspection findings. 2) the Children's Services Continuous Improvement Board overseeing the Written Statement of Action, providing appropriate external challenge to drive improvement at pace and scale. 3) Implementing the monitoring arrangements and liaising with the Department for Education, at the agreed frequency (every 4-6 months) who will assess and support our progress. 	Corporate Director of Children's Services	<p>Met. Additional progress:</p> <ol style="list-style-type: none"> 1. Since finalising the WSoA significant work has been undertaken to establish the infrastructure and monitoring mechanisms. This has included: <ol style="list-style-type: none"> a. The development of detailed operational plans with metrics to capture the specific activity and targets that underpin the published high level WSoA. b. Alignment of activity with the wider SEND improvement programme to prevent duplication, ensure interdependencies are understood, and wider priorities continue to be addressed. c. The development of a dashboard to track Key Performance Indicators and visually evidence progress. d. Allocation of a dedicated project manager to oversee progress and escalate issues where this is insufficient. An additional health funded project support officer role is also in the process of being created. e. Establishment of a WSoA governance structure, including a monthly meeting with leaders across education, health, care and parent representatives, as well

	<p>4) Maintaining our Quality Assurance work and improvement programme activity, overseen by the SEND Integrated Services Board</p>		<p>as a SEND Improvement Board that will scrutinise progress and ensure accountability.</p> <p>f. Wide scale mapping of existing resources and support available across the local area for children and young people with SEND.</p> <p>g. An under 5s Task and Finish Group has been created, with key professionals across the Local Area to identify key improvement actions, prioritising early identification of need, by providing the right support at the right time for children under 5 regardless of wait times.</p> <p>2. As part of ongoing monitoring, our first meeting with the DfE to review progress within the WSoA was held in December 2022. This was an opportunity to provide an update on each action identified within the WSoA, to ensure progress is being achieved at pace and reflect any evidence available, demonstrating a positive impact to the lived experience of children and young people.</p> <p>3. Feedback following this meeting was positive; however, progress needs to be maintained within all workstreams to ensure improvement work continues at pace. Progress against the WSoA will continue to be monitored through day-to-day project management, monthly reporting to the WSoA Group, and presentations at the SEND Improvement Board which continues to meet every 6-8 weeks.</p>
<p>Shareholder Committee</p>	<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> <p>Establish the role of Audit & Governance Committee in reviewing the governance for the Council's trading companies.</p>	<p>Director of Corporate Finance</p>	<p>Met - Completed July 2022</p> <p>Met - Completed September 2022</p> <p>Met - Completed in March 2023:</p> <p>Met - Annual report on the governance of companies added to the Audit & Governance Committee forward plan – consistent with the Committee's existing terms of reference to review the Council's governance generally</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> <p>a) recommending a pattern of wards</p> <p>b) commenting fully on the Commission's own proposals</p>	Deputy Chief Executive	<p>Met – Completed April 2023</p> <p>Responses formulated through agreed means:</p> <ul style="list-style-type: none"> - cross-party working group to Standards & General Purposes Committee - Committee to Full Council - Following consultation with local members <p>Responses met Local Government Boundary Commission timeframes:</p> <ul style="list-style-type: none"> - April 2022 (proposals to the Commission) - November 2022 (commenting on the Commission's proposals) - April 2023 (response to Commission's further, limited consultation) <p>All responses based on the legal criteria, supported by evidence and mapping, and worked up from proposals recommended by a cross-party working group of the Standards & General Purposes Committee. Commission's final decision expected 30 May 2023 (see Appendix 2 for follow up actions during 2023/24)</p>
Local Code of Corporate Governance	<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>Review and adoption by the Audit & Governance Committee</p>	Deputy Chief Executive	<p>In progress</p> <p>Template circulated to Business Managers, Statutory Officers and CMT for presentation to Audit & Governance Committee for comment – July 2023</p>

Annex 2 – Action Plan for 2023/24

These represent areas of particular focus for 2023/24. The Action Plan does not detail the full, day to day conduct of governance activity; that is listed instead in the Code of Governance.

Governance Issue	Action to be taken	Timescale	Responsible Officer
Children's Services – arrangements for care leavers	<ol style="list-style-type: none"> 1) To follow through on the improvements suggested by Ofsted Inspectors: <ol style="list-style-type: none"> a. The number, quality and impact of audits and the extent to which care leavers' voices are included in this work to help underpin learning. b. The number of 22- to 25-year-olds who are aware of the local offer and accessing support. c. The consistent voice of care leavers at Corporate Parenting Panel. d. The sense of permanence and stability for care leavers in staying put arrangements. 2) The service will continue to follow a cycle of improvement, reviewing and testing our practice and oversight to ensure that the Service is making progress and creating actions to address our priority areas. 3) The Improvement Board, under the Independent Chairmanship of John Coughlan, CBE, to continue its remit to: <ol style="list-style-type: none"> e. challenge the pace and quality of progress, in terms of both actions and their impact. f. To provide, where appropriate, scrutiny and direction to secure the improvements required. g. To challenge the pace and quality of progress, in terms of both actions and their impact. h. To seek assurance that service risks are being managed appropriately. i. To hold to account all Partners and ensure identified actions are carried out in a timely manner demonstrating impact on the lives of children and young people. j. To facilitate external oversight and transparency of the improvement process 	<p>September 2023</p> <p>Monthly</p> <p>Quarterly</p>	<p>Corporate Director of Children's Services</p>

Children's Services – actions to implement the 'Written Statement of Actions' (SEND)	<p>Embedding the actions/practices agreed with inspectors (in the Written Statement of Actions, WSoA) for children and young people with special educational needs and/or disabilities:</p> <p>Progress against the WSoA will continue to be monitored through:</p> <ul style="list-style-type: none"> • project management • reporting to the WSoA Group, and • presentations at the SEND Improvement Board which continues to meet every 6-8 weeks 	<p>Day to day Monthly 6-8 weekly</p>	<p>Corporate Director of Children's Services</p>
Statement of Accounts	<p>4) Achieve manifest progress to achieving duly signed-off Statements of Account for the years:</p> <ul style="list-style-type: none"> • 2020/21 • 2021/22 <p>5) Make in-year progress for the preparation of the accounts for 2022/23</p> <p>6) Written reports to each scheduled meeting of the Audit & Governance Committee during 2023/24 to update on progress</p> <p>7) Lessons learned report to be considered by the Audit & Governance Committee at the conclusion of the 2020/21 accounts</p>	<p>December 2023 April 2024 December 2024</p> <p>January/March 2024</p>	<p>Chief Finance Officer</p>
Business Assurance Team	<p>1) Developing the new Business Continuity Management (BCM) Framework including the Cyber Resilience Framework</p> <p>2) Refresh the Corporate Business Continuity Plan (BCP)</p>	<p>September 2023</p> <p>September 2023</p>	
Shareholder Committee	<p>Review the operation of the Council's governance arrangements for the Shareholder Committee, including:</p> <ul style="list-style-type: none"> • Refreshed training for all members of the Committee and the Council's appointed directors • Identify a pool of potential directors – with training • Review business plans of each company/joint venture • Review the risk management arrangements for the companies • Review the effectiveness of the Guidance on Conflicts of Interest • Continue to learn from best practice 	<p>September 2023</p> <p>October 2023 Company per meeting June 2023 January 2024 October 2023</p>	<p>Chief Finance Officer, Monitoring Officer</p>
Electoral Review of Buckinghamshire Council – governance implications	<p>To assess the governance implications arising from the outcome of the Electoral Review: Establish a project plan for reviewing the implications/options</p> <p>Indicative areas to include:</p> <ul style="list-style-type: none"> - Governance: sustainable meeting structure - Community Board: scope/shape - Cllr Development/Support: needs - Communications: change/scope - Constitution: likely changes 	<p>September 2023 October 2023 – March 2024</p>	<p>Director of Legal & Democratic Services</p>

	<ul style="list-style-type: none"> - Members Allowances: review plan - Scheme of Delegation: additional delegations needed 		
Community Governance Reviews	<p>Following publication of the final Electoral Review outcomes, schedule and undertake any relevant Community Governance reviews (of parish arrangements) in accordance with legislation.</p> <ul style="list-style-type: none"> • Proactively agree decision-making routes for assessing and adopting Community Governance Reviews • Establish project timeframes for Reviews • Publish relevant terms of reference for each Review • Undertake effective communication and consultation with affected communities and local councillors 	<p>July 2023</p> <p>December 2023 December 2023 January – March 2024</p>	Director of Legal & Democratic Services
Local Code of Corporate Governance	<ol style="list-style-type: none"> 1) Adopt and publish a Local Code of Corporate Governance; and 2) Use the Local Code as an integral springboard for preparing the 2023/24 Annual Governance Statement. 	<p>July-September 2023 Jan-March 2024</p>	Director of Legal & Democratic Services
Audit & Governance Committee – review of annual reports	<p>A) The Committee’s work programme to include scheduled annual reviews of key governance areas, including:</p> <ul style="list-style-type: none"> • Shareholder Committee - governance arrangements • Regulation of Investigatory Powers Act (RIPA) usage – the implementation of the Council’s RIPA policy • Lessons learned from other authorities – implications for governance of best practice reviews. • Review the inclusion of record-keeping and document retention in relation to Contract Procedure Rules Waivers & Breaches • Annual Governance Statement reviewed updated and published in timely manner; • Consider the links between risks and the need for mandatory officer training in certain areas; and • A review of governance arrangements for achieving an overview of write-offs <p>B) Agree a position on the involvement of an ‘Independent Member’ of the Committee.</p>	<p>November 2023 November 2023</p> <p>January 2024</p> <p>March 2024</p> <p>September 2023 March 2023</p> <p>March 2024</p>	Director of Legal & Democratic Services

Major change projects	Further develop the culture and practice of good governance at the heart of our Major Projects, and the integral role of the Risk Management Group.	March 2024	Director of Major Projects
Community Board Reviews	Finalise a further review of Community Boards arrangements and effectiveness, potentially including spending, under the oversight of the Communities & Localism Select Committee	Communities & Localism Select Committee work programme	Deputy Chief Executive - Policy and Communications
Support for elected members	Consider improvements to communications in support of members, including <ul style="list-style-type: none"> • Review compliance with service responsibilities to keep local councillors to informed of issues affecting their ward • Improvements to achieve sustainable, joined-up communications to councillors on issues affecting the council • Review services' responsiveness to councillor queries for information, and assess options for improving the capture and culture of councillor feedback on local issues • Review of the scope of mandatory training 	March 2024	Director of Legal & Democratic Services
Transparency of member groups	Increase the transparency for members of groups/bodies set up by the Cabinet, Council and Committees: <ol style="list-style-type: none"> 1) Publicise and maintain on the Intranet a list of current bodies (e.g. sub-committees, task and finish groups, member-officer working groups, informal cross-party working groups, select committee review groups) to which members are appointed 2) Give an indication of their purpose, membership, longevity and their parent body. 	December 2023	Director of Legal & Democratic Services
Electoral preparation for a general election	Continue reviewing plans and resources in readiness for any General Election which may take place in 2024.	Monthly	Returning Officer



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Audit and Governance Committee

Date:	27 September 2023
Reference number:	N/A
Title:	Local Code of Governance
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:	<p>1) To approve the Local Code of Governance for Buckinghamshire Council, as at Annex 1;</p> <p>2) To ask the Service Director Legal and Democratic to maintain the Local Code throughout the year;</p> <p>3) To review the Local Code annually, following adoption.</p>
Reason for decision:	It is considered best practice for councils to adopt a Local Code of Governance. This report recommends a Code that is compliant with that best practice guidance. It sets out evidence of the Council's current governance under each of seven principles.

1.1 Executive summary

- 1.1 This report invites the Committee to adopt a Local Code of Governance for Buckinghamshire Council (Annex 1). The adoption of a Code is not a statutory requirement but is recognised as national best practice. A code does not introduce new governance arrangements; nor does it provide a commentary; that role falls to the Annual Governance Statement. Rather, the Code is a description of the

governance already in place, itemising evidence to demonstrate how the Council complies with the seven Principles of Good Governance.

- 1.2 The Code is a single source of information to enable the public, councilors, partners, stakeholders and officers better to understand the Council's governance arrangements. Adopting a Code is consistent with the Council's Best Value Duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

2. Background - the 'good governance principles'

- 2.1 The 1992 Cadbury Committee report set out recommendations to mitigate corporate risk failures and defined corporate governance as the 'system by which organisations are directed and controlled'.
- 2.2 Many of these recommendations were adopted by public sector bodies and were complemented by the development of the Committee on Standards in Public life (the 'Nolan principles') to promote ethical standards across the whole of public life in the UK.
- 2.3 Building on this, the *Delivering Good Governance Framework 2016* was developed for local government by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The Framework sets out seven "Principles of Good Governance" each of which is expanded upon through "sub-principles."
- 2.4 The intention of the Framework is that a council should use it to demonstrate its existing good governance by "developing and maintaining a Local Code":

"To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in this Framework. It should therefore develop and maintain a local code of governance/governance arrangements reflecting the principles set out." (*Framework*, paragraph 11, page 5).
- 2.5 The Framework is not statutory and there is no legal obligation to adopt a Code, nor to follow a particular format for doing so.

3. The Principles and the Code

- 3.1 The seven Principles under the *Framework* are set out as A-G below. The Code

at Annex 1 cites evidence in relation to each. Establishing a Code is a beginning not an end. Understandably, the evidence cited will change over time. The aim is not to approve a once-for-all document but a working Code which can be “maintained” throughout the year albeit with formal annual review and approval by this Committee. It will also become a useful tool when carrying out future Annual Governance Statement reviews.

The seven principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the Council’s capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

3.2 The format of the Code at Annex 1 follows the CIPFA Framework by:

- 1) Giving an overview of the essential elements of governance at Buckinghamshire
- 2) Evidencing the good governance in place

3.3 The Code does so by itemising and, where possible, linking to the evidence. The Committee is invited to consider and approve the Local Code of Governance. The Code is necessarily detailed and while the Committee may have views on the evidence cited, it is envisaged that the Committee may wish to adopt the Code and delegate authority to the Service Director Legal and Democratic to maintain it throughout the year, with annual review and approval undertaken by the Committee.

4. Context of the Code – Best Value Duty

4.1 Learning lessons about governance – the Council’s own and from wider local government experience – is integral both to the Council’s Best Value Duty and to this Committee’s remit. A Local Code is another tool to aid such learning at local level, providing visibility and accountability.

4.2 It also contributes to the ongoing emphasis on learning and improvement as

evidenced through the creation, recently, of the [Office for Local Government](#).

5. Legal and Financial Implications

- 5.1 The recommendations in this report do not raise any legal or financial implications. There is no legal obligation to adopt a Local Code and therefore no set timeframe for doing so. However, the best practice guidance is clear that a Local Code can be helpful in the preparation of the statutory Annual Governance Statement. This Committee has delegated responsibility for governance matters required by statute or guidance.

6. Corporate implications

- 6.1 The Local Code is useful in setting out the Council's current governance arrangements and can be used by the public, stakeholders, partners, councillors and staff to understand the Council's governance better. Adopting a Code now will enable it to be taken into account in preparing the Annual Governance Statement 2023/24.

7. Local councillors & community boards consultation & views

- 7.1 N/A

8. Communication, engagement & further consultation

- 8.1 N/A.

9. Next steps and review

- 9.1 If approved, the Local Code of Governance will be published on the Council's website and a hard copy deposited at the Council's offices and libraries. An annual review report will be brought to the Committee.

10. Background papers

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



Buckinghamshire Council Code of Governance September 2023



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1. Introduction
2. What is governance?
3. The Seven Principles of Good Governance
4. Overview of Governance
5. Table – Evidence of Good Governance

CODE OF GOVERNANCE

Introduction

This is **Buckinghamshire Council's Code of Governance**. It sets out the Council's governance framework, taking the seven Principles of Good Governance and giving evidence as to how the Council meets each one.

The Code is a companion to the Council's Annual Governance Statement.

- The Code *illustrates* the Council's governance
- The Annual Governance Statement *reviews the effectiveness* of that governance in any given year.

1. What is governance?

Governance means: the values, culture, processes and systems by which the Council is controlled, directed and through which we deliver services for our communities. Governance means carrying out our activities in accordance with the law and proper standards; and that public money is used well and properly accounted.

2. The Seven Principles of Good Governance

The *Delivering Good Governance in Local Government Framework* was published by CIPFA (the Chartered Institute of Public Finance and Accountancy) in 2016. The Framework sets out **seven key principles** against which authorities can demonstrate how they comply.

The Principles are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
- E. Developing the Council's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Sub-principles give more detail about the levels of governance expected. The Code of Governance sets out:

- the **principles** in the first two columns of the Table – as expressions of the Council’s commitment to good governance
- our **supporting evidence** in the right-hand column of the Table – showing how we meet the principles.

3. Overview of governance

Councillors and decision making

Buckinghamshire Council has **147 councillors**, three 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](#).

The Council’s budget and policy framework is approved by **Council**. The **Cabinet**, led by the Leader of the Council takes all key decisions to implement the framework. **Select Committees** have an important role in holding the Cabinet to account and in developing or reviewing policy. The Council also has a series of **committees** which take decisions on particular functions such as planning, licensing, audit and standards. Sixteen **community boards** bring the council, groups, organisations and local people together to look at local issues and find ways of improving them together.

Partnership Working

The Council works proactively with **local partners**. Most of our public sector partners work across the same geography and serve the same population. This provides great opportunities to join up and improve services. We are committed to partnership working, focusing on shared priorities, and encouraging collaboration, sharing intelligence, and driving change and tackling key issues in a more coordinated way. Examples of key partnerships include:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Buckinghamshire Growth Board • Local Enterprise Partnership • Integrated Care Partnership and health partners • Town and Parish Councils, our local MPs • Buckinghamshire Cultural Partnership | <ul style="list-style-type: none"> • Our Armed Services through our Armed Services Covenant • Schools, colleges, universities and lifelong learning • Police, fire and rescue • Housing providers • Natural Environment Partnership |
|--|--|

Senior Leadership Team

The ***Council's Corporate Management Team*** comprises the Chief Executive and her directors. The Team 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.

Statutory Officers and Internal Control

The Council's governance is supported and guided by statutory officers:

- the Head of Paid Service (our Chief Executive) - responsible for directing the council's resources
- the Monitoring Officer – responsible for the lawfulness and fairness of the council's decision making
- the Chief Finance Officer, responsible for ensuring the council conducts its financial affairs properly
- the Chief Internal Auditor also has an important role in overseeing the Council's internal control arrangements.

This Code shows how the Council delivers good governance in practice. We have shown the evidence under each of the Seven Principles of Good Governance.

It is approved annually by the Audit & Governance Committee. Next Review Date: September 2024

Principle 1 – Officers and Councillors behave with integrity and that the Council demonstrates a strong commitment to ethical values		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
Behaving with integrity	1.1.1 Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	<p>The Corporate Plan The Council's Values:</p> <ul style="list-style-type: none"> - Proud (showing care, setting high standards) - Ambitious (confident in our ability to meet challenges) - Collaborative (working with partners, making connections) - Trustworthy (accountable, behaving professionally) <p>Our Leaders' behaviours ('LEADER'):</p> <ul style="list-style-type: none"> - Lead, Emotionally Intelligent, Authentic, Drive Performance, Encourage development, Role model - Council's Senior Leadership Team - Member Code of Conduct (Constitution Part H, 2) - Arrangements for dealing with complaints against councillors (Constitution Part H, 3) - Employee Code of Conduct (Constitution Part I, 4) - Councillor Induction Programme - Officer Induction Programme - Council complaints processes - Protocol on Member-Officer Relations (Constitution Part H, 4) - Terms of reference of committees (Constitution Part D): <ul style="list-style-type: none"> o Audit & Governance Committee o Standards & General Purposes Committee o Buckinghamshire Shareholder Committee (training for directors, conflicts of interest guidance, appointments protocol)

Principle 1 – Officers and Councillors behave with integrity and that the Council demonstrates a strong commitment to ethical values		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
		<ul style="list-style-type: none"> - Statutory Officer roles - Head of Paid Service; Chief Finance Officer; Monitoring Officer - Statutory Officers Group - monthly
	<p>1.1.2 Ensuring members take the lead in establishing specific values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p>	<ul style="list-style-type: none"> - Member Code of Conduct (Constitution Part H, 2) - Arrangements for dealing with complaints against councillors Constitution Part H, 3 - Employee Code of Conduct (Constitution Part I, 4) - Member Induction Programme - Officer Induction Programme - Council complaints processes - Protocol on Member-Officer Relations (Constitution Part H, 4) <p>Terms of reference of committees (Constitution Part D):</p> <ul style="list-style-type: none"> - Audit & Governance Committee - Standards & General Purposes Committee <p>Buckinghamshire Shareholder Committee (training for directors, conflicts of interest guidance, appointments protocol)</p>

Principle 1 – Officers and Councillors behave with integrity and that the Council demonstrates a strong commitment to ethical values		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	1.1.3 Leading by example and using the above values as a framework for decision making and other actions	Our Leaders' behaviours ('LEADER'): <ul style="list-style-type: none"> - Lead, Emotionally Intelligent, Authentic, Drive Performance, Encourage development, Role model Member Code of Conduct (Constitution Part H , 2) Employee Code of Conduct (Constitution Part I , 4)
	1.1.4 Demonstrating, communicating and embedding the values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<ul style="list-style-type: none"> - Financial Procedure Rules (Constitution Part I, 7) - Financial Regulations - Procurement Code and Strategic Procurement Team - Supplier Management Policy - Pay Policy Statement
1.2 Demonstrating strong commitment to ethical values	1.2.1 Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> - Terms of reference (Constitution Part D): <ul style="list-style-type: none"> o Standards & General Purposes Committee - Officer and member induction - Member Code of Conduct (Constitution Part H, 2) - Arrangements for dealing complaints against councillors Constitution Part H, 3 - Employee Code of Conduct (Constitution Part I, 4)

Principle 1 – Officers and Councillors behave with integrity and that the Council demonstrates a strong commitment to ethical values

Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	1.2.2 Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation’s culture and operation	<ul style="list-style-type: none"> - Member Code of Conduct (Constitution Part H, 2) - Arrangements for dealing with complaints against councillors Constitution Part H, 3 - Employee Code of Conduct (Constitution Part I, 4) - Member Induction Programme - Officer Induction Programme - Council complaints processes - Protocol on Member-Officer Relations (Constitution Part H, 4)
	1.2.3 Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	<ul style="list-style-type: none"> - Statutory Officer roles - Head of Paid Service; Chief Finance Officer; Monitoring Officer - Statutory Officers Group - monthly - Key governance policies: <ul style="list-style-type: none"> o Anti-Fraud & Corruption; o Complaints; o General Data Protection; o Anti-Money Laundering; and o Whistleblowing Policy o Whistleblowing Policy for Schools o Modern Slavery Statement
	1.2.4 Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation	<ul style="list-style-type: none"> - Financial Procedure Rules (Constitution Part I, 7) - Financial Regulations - Procurement Code and Strategic Procurement Team - Supplier Management Policy

Principle 1 – Officers and Councillors behave with integrity and that the Council demonstrates a strong commitment to ethical values		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
1.3 Respecting the rule of law	1.3.1 Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> - Member Code of Conduct (Constitution Part H, 2) - Arrangements for dealing with complaints against councillors (Constitution Part H, 3) - Employee Code of Conduct (Constitution Part I, 4) - Member Induction Programme - Officer Induction Programme - Council complaints processes - Protocol on Member-Officer Relations (Constitution Part H, 4)
	1.3.2 Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements	<ul style="list-style-type: none"> - Statutory Officer roles - Head of Paid Service; Chief Finance Officer; Monitoring Officer - Statutory Officers Group - monthly - Senior Leadership Team
	1.3.3 Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<ul style="list-style-type: none"> - Senior Management Team - Report templates (legal and financial implications for all meetings of Council, Cabinet or the main committees). - Statutory Officer roles - Head of Paid Service; Chief Finance Officer; Monitoring Officer - Legal Services
	1.3.4 Dealing with breaches of legal and regulatory provisions effectively	Terms of reference of committees (Constitution Part D): <ul style="list-style-type: none"> - Audit & Governance Committee - Standards & General Purposes Committee

Principle 1 – Officers and Councillors behave with integrity and that the Council demonstrates a strong commitment to ethical values

Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	1.3.5 Ensuring corruption and misuse of power are dealt with effectively	<ul style="list-style-type: none"> - Member-Officer Constitution Review Group (including chairs and deputy chairs of these committees) - Whistleblowing Policy - Whistleblowing Policy for Schools - Anti-Fraud & Corruption Policy - Business Assurance Strategy and Internal Audit Plan

Principle 2 – Ensuring that the Council’s procedures facilitate openness and comprehensive stakeholder engagement		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
2.1 Openness	2.1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness	<ul style="list-style-type: none"> - Modern.gov publication of meetings calendar, agendas, reports and minutes and - Cabinet Forward Plan - Constitutional rights of address and petition to Council, Cabinet and Committees: - Public participation (Part B) - Procedure Rules for each body (Parts C, D, E and G)
	2.1.2 Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	<ul style="list-style-type: none"> - Webcasts of formal meetings (live and retained online) - Code of Data Transparency – compliance - FOI/EIR Compliance. - Constitutional rights of address and petition to Council, Cabinet and Committees: <ul style="list-style-type: none"> o Public participation (Part B) o Procedure Rules for each body (Parts C, D, E and G) o Limited use of exempt reports
	2.1.3 Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<ul style="list-style-type: none"> - Scheme of delegation for officer decisions (Constitution Part I, 2) - Recommendations in reports - based on reasoned arguments; legal/financial implications; alternative options - Work programmes for each committee, updated at each meeting

Principle 2 – Ensuring that the Council’s procedures facilitate openness and comprehensive stakeholder engagement		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	2.1.4 Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	<ul style="list-style-type: none"> - Consultation and Engagement Policy - Consultation and engagement forward plan and service leads - Outcome of public consultation and engagement activities
2.2 Engaging comprehensively with institutional stakeholders	2.2.1 Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	<ul style="list-style-type: none"> - Consultation and engagement forward plan and service leads
	2.2.2 Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<ul style="list-style-type: none"> - Buckinghamshire Growth Board - Local Enterprise Partnership - Community Boards (x 16) - Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board - Integrated Care Partnership - Voluntary, community and social enterprise (VSE) - Strategic Framework 2021/2024

Principle 2 – Ensuring that the Council’s procedures facilitate openness and comprehensive stakeholder engagement		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	<p>2.2.3 Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> – trust – a shared commitment to change – a culture that promotes and accepts challenge among partners. <p>and that the added value of partnership working is explicit</p>	<ul style="list-style-type: none"> - Strategic Partnership Boards - Safeguarding Adults Board - Safeguarding Children's Partnership - Health and Wellbeing Board - Safer Buckinghamshire Board - Safer Buckinghamshire Strategy - Thames Valley Police and Crime Panel - Children and Young People Partnership Plan - Youth Offending Service (multi-agency) - Communities and Localism Select Committee - oversight of partnerships (Constitution Part G, 1) The Council's Values ('Collaboration')
2.3 Engaging with individual citizens and service users effectively	<p>2.3.1 Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes</p>	<ul style="list-style-type: none"> - Outcome of public consultation and engagement activities - Customer Partnership Panel
	<p>2.3.2 Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement</p>	<ul style="list-style-type: none"> - Consultation and Engagement Team - Consultation and Engagement Policy - Consultation and engagement forward plan and service leads

Principle 2 – Ensuring that the Council’s procedures facilitate openness and comprehensive stakeholder engagement		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	2.3.3 Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	- Outcome of public consultation and engagement activities
	2.3.4 Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account	- Consultation and engagement forward plan and service leads - Outcome of public consultation and engagement activities
	2.3.5 Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	- Consultation and Engagement Team - Consultation and Engagement Policy
	2.3.6 Taking account of the impact of decisions on future generations of tax payers and service users	- Budget Planning

Principle 3 - The Council defines outcomes in terms of sustainable economic, social, and environmental benefits		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
3.1 Defining outcomes	3.1.1 Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"> - Corporate Plan and Corporate Plan Refresh - Medium Term Financial Plan - Service level plans - Forward Plan of all executive and key decisions - Budget Planning
	3.1.2 Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<ul style="list-style-type: none"> - Equality Policy - Equality impact assessments - Equality and environmental implications – contained in reports to meetings
	3.1.3 Delivering defined outcomes on a sustainable basis within the resources that will be available	<ul style="list-style-type: none"> - Legal, financial, environmental and equality implications – contained in reports to meetings
	3.1.4 Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> - Alternative options – contained in reports to meetings
	3.1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	<ul style="list-style-type: none"> - Forward Plan of all executive and key decisions - Committee and Select Committee Forward Plans - Select Committee process - holding executive to account - Service users forums

Principle 3 - The Council defines outcomes in terms of sustainable economic, social, and environmental benefits

Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
3.2 Sustainable economic, social and environmental benefits	3.2.1 Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision	<ul style="list-style-type: none"> - Corporate Plan and Corporate Plan Refresh - Medium Term Financial Plan
	3.2.2 Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints	<ul style="list-style-type: none"> - Corporate Plan and Corporate Plan Refresh - Medium Term Financial Plan - Risk Management Strategy - Pre-election guidance
	3.2.3 Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<ul style="list-style-type: none"> - Corporate Plan and Corporate Plan Refresh - Service level plans
	3.2.4 Ensuring fair access to services	<ul style="list-style-type: none"> - Equality Impact Assessments - Equality implications section in reports to meetings

Principle 4 - The Council determines the interventions necessary to optimise the achievement of intended outcomes		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
4.1 Determining interventions	4.1.1 Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided	<ul style="list-style-type: none"> - Format of reports and recommendations to Cabinet and other decision-makers - based on reasoned arguments; legal/financial implications; alternative options; with evidence/mitigations of risk
	4.1.2 Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	<ul style="list-style-type: none"> - Consultation and Engagement Team - Consultation and Engagement Policy
4.2 Planning interventions	4.2.1 Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> - Reporting cycles for council and service priorities - Budget Process - Medium Term Financial Plan

Principle 4 - The Council determines the interventions necessary to optimise the achievement of intended outcomes		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	4.2.2 Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	<ul style="list-style-type: none"> - Consultation and Engagement Team - Consultation and Engagement Policy - Adults & Health Practice and Quality Board - Buckinghamshire Education Strategy 2022-2027 - Children's Services Continuous Improvement Board - Buckinghamshire 'Better Lives Strategy 2022-25' - Children's Transformation Programme and Board
	4.2.3 Considering and monitoring risks facing each partner when working collaboratively, including shared risks	<ul style="list-style-type: none"> - Risk Management Strategy - Risk Management Working Group
	4.2.4 Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances	<ul style="list-style-type: none"> - Council Resilience Group - Corporate Resilience Framework - Business Continuity Management Team - Scheduled exercises - Local Resilience Framework
	4.2.5 Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<ul style="list-style-type: none"> - Performance management framework
	4.2.6 Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> - People Plan 2020-2025
	4.2.7 Preparing budgets in accordance with objectives, strategies and the medium-term financial plan	<ul style="list-style-type: none"> - Medium Term Financial Plan

Principle 4 - The Council determines the interventions necessary to optimise the achievement of intended outcomes		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	4.2.8 Informing medium, and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	<ul style="list-style-type: none"> - Medium Term Financial Planning Process (and three-year planning cycle) - Buckinghamshire Capital & Investment Strategy 2022-23 - Finance Business Partner for each service - Directorate Budget Boards
4.3 Optimising achievement of intended outcomes	4.3.1 Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> - Medium Term Financial Planning Process (and three-year planning cycle) - Finance Business Partner for each service - Directorate Budget Boards
	4.3.2 Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	<ul style="list-style-type: none"> - Medium Term Financial Planning Process (and three-year planning cycle) - Finance Business Partner for each service - Directorate Budget Boards
	4.3.3 Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	<ul style="list-style-type: none"> - Buckinghamshire Capital & Investment Strategy 2022-23
	4.3.4 Ensuring the achievement of 'social value' through service planning and commissioning	<ul style="list-style-type: none"> - Social Value policy

Principle 5 - Developing the Council's capacity, including the capability of its leadership and the individuals within it		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
5.1 Developing the Council's capacity	5.1.1 Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	<ul style="list-style-type: none"> - Corporate Plan and Corporate Plan Refresh quarterly performance reports - Corporate Investment Boards (overview of capital programme). Supported by three boards: <ul style="list-style-type: none"> - Property (including Schools) - IT - Highways - Medium Term Financial Planning Process - Treasury Management Strategy - Buckinghamshire Capital & Investment Strategy 2022-23
	5.1.2 Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently	<ul style="list-style-type: none"> - Format of reports and recommendations to Cabinet and other decision-makers - based on reasoned arguments; benchmarking as appropriate; legal/financial implications; alternative options; with evidence/mitigations of risk
	5.1.3 Recognising the benefits of partnerships and collaborative working where added value can be achieved	Corporate Plan: Moving forward together: valuing partnerships

Principle 5 - Developing the Council's capacity, including the capability of its leadership and the individuals within it		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	5.1.4 Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none"> - People Plan 2020-2025 - Leadership development programme - Performance management arrangements - Staff development programme - Member Induction Programme - Officer Induction Programme
5.2 Developing the capability of the entity's leadership and other individuals	5.2.1 Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	<ul style="list-style-type: none"> - Constitution - Scheme of Delegation - Councillor-officer protocol - Senior Leadership Team
	5.2.2 Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body	<ul style="list-style-type: none"> - Constitution - Scheme of Delegation
	5.2.3 Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority	<ul style="list-style-type: none"> - Constitution - Scheme of Delegation

	<p>5.2.4 Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged • ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis • ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	<ul style="list-style-type: none"> - Leadership development programme - Performance management arrangements - Staff development programme - Member Induction Programme - Officer Induction Programme - Coaching for Performance - Continuing Professional Development - Coaching pool - Upskilling apprenticeships
	<p>5.2.5 Ensuring that there are structures in place to encourage public participation</p>	<ul style="list-style-type: none"> - Consultation and Engagement Team - Consultation and Engagement Policy

Principle 5 - Developing the Council's capacity, including the capability of its leadership and the individuals within it		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
		<ul style="list-style-type: none"> - Consultation and engagement forward plan and service leads - Outcome of public consultation and engagement activities published on the council's consultation and engagement platform - Constitution – public participation in meetings <ul style="list-style-type: none"> - Access to information procedure rules - Procedure Rules for each body - Freedom of Information and Subject Access Processes - Corporate and councillor complaints processes
	5.2.6 Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<ul style="list-style-type: none"> - External Auditor - OFSTED and Care Quality Commission Inspections - Senior Leadership Team
	5.2.7 Holding staff to account through regular performance reviews which take account of training or development needs	<ul style="list-style-type: none"> - Coaching for Performance (programme of appraisal and review)

Principle 5 - Developing the Council's capacity, including the capability of its leadership and the individuals within it

Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	<p>5.2.8 Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</p>	<ul style="list-style-type: none"> - Cabinet Portfolio for Health and Wellbeing, including Equality, Diversity and Inclusion - Equality, Diversity and Inclusion Annual Report - Wellbeing advice - Appraisal process - Employee assistance programme - confidential advice, assistance and counselling - Health & Safety Action Plans - Health & Safety Champions - Physical Health & Mental Health Staff Networks - Occupational Health Service - Capability and Performance Improvement

Principle 6 - Managing risks and performance through robust internal control and strong public financial management		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
6.1 Managing risk	6.1.1 Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	<ul style="list-style-type: none"> - Medium Term Financial Planning Process (and three-year planning cycle) - Buckinghamshire Capital & Investment Strategy 2022-23 - Finance Business Partner for each service - Directorate Budget Boards - Financial and Contract Procedure Rules - CIPFA Financial Management Code - Directorate schemes of financial delegation - Audited annual statement of accounts - Chief Finance Officer/S151 Officer annual report to Council

Principle 6 - Managing risks and performance through robust internal control and strong public financial management		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	6.1.2 Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	<ul style="list-style-type: none"> - Risk Management Strategy - Corporate and Directorate Risk Registers - Strategic Risk register and processes - Audit & Governance Committee oversight and regular reporting - Risk Management Group - three members of the Audit & Governance Committee with the Section 151 Officer, Monitoring Officer and Chief Internal Auditor): reporting to the Audit & Governance Committee - CMT oversight of risks - Directorate/service risk registers - Allocated risk owners - Public Sector Internal Audit Standards - periodic self-assessment (last 2021/22 - positive) - Pentana Risk Management System
	6.1.3 Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none"> - Risk Management Strategy - Risk Management Group
6.2 Managing performance	6.2.1 Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	<ul style="list-style-type: none"> - Service delivery plans - KPIs (Red, Amber, Green ratings) - tracking progress of activities - Performance Scorecard

Principle 6 - Managing risks and performance through robust internal control and strong public financial management

Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	<p>6.2.2 Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook</p>	<ul style="list-style-type: none"> - Risk Management Strategy - Corporate and Directorate Risk Registers - Strategic Risk register and processes - Audit & Governance Committee oversight and regular reporting - Risk Management Group - three members of the Audit & Governance Committee with the Section 151 Officer, Monitoring Officer and Chief Internal Auditor): reporting to the Audit & Governance Committee - CMT oversight of risks - Directorate/service risk registers - Allocated risk owners. - Public Sector Internal Audit Standards - periodic self-assessment (last 2021/22 - positive) - Pentana Risk Management System

Principle 6 - Managing risks and performance through robust internal control and strong public financial management		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	<p>6.2.3 Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (Or, for a committee system)</p> <p>Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</p>	<ul style="list-style-type: none"> - Select committees - Budget Scrutiny Inquiry Task and Finish Group - Audit & Governance Committee - Standards & General Purposes Committee - Community Boards x 16 - Evidenced based decision making and partnership working - Constitution – procedure rules for each class of meeting (Cabinet, Scrutiny, Committee)
	6.2.4 Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	<ul style="list-style-type: none"> - Cabinet and Committee forward plans and action logs
	6.2.5 Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)	<ul style="list-style-type: none"> - Constitution <ul style="list-style-type: none"> o Contract Procedure Rules o Financial Procedure Rules o Procurement Strategy
6.3 Robust internal control	6.3.1 Aligning the risk management strategy and policies on internal control with achieving objectives	<ul style="list-style-type: none"> - Risk Management Strategy
	6.3.2 Evaluating and monitoring risk management and internal control on a regular basis	<ul style="list-style-type: none"> - Internal Audit Plan - Internal Audit Annual Report to Audit & Governance Committee

Principle 6 - Managing risks and performance through robust internal control and strong public financial management		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
		<ul style="list-style-type: none"> - Business Continuity Framework - Counter Fraud Team - Anti-Fraud and Corruption Strategy and Anti Money Laundering Policy - reviewed by Audit & Governance Committee - Shareholder Committee - oversight of risks (council companies - Aylesbury Vale Estates; Buckinghamshire Advantage; Consilio)
	6.3.3 Ensuring effective counter fraud and anti-corruption arrangements are in place	<ul style="list-style-type: none"> - Counter Fraud Team - Anti-Fraud and Corruption Strategy and Anti Money Laundering Policy - reviewed by Audit & Governance Committee
	6.3.4 Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	<ul style="list-style-type: none"> - Internal Audit Plan - Business Assurance Team - Chief Internal Auditor
	<p>6.3.5 Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body:</p> <ul style="list-style-type: none"> • provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment. 	<ul style="list-style-type: none"> - Constitution <ul style="list-style-type: none"> ○ Terms of reference of Committees ○ Audit & Governance Committee - Risk Management Group (reporting to Audit & Governance Committee) - Annual report of Audit & Governance Committee to Council

Principle 6 - Managing risks and performance through robust internal control and strong public financial management		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	<ul style="list-style-type: none"> that its recommendations are listened to and acted upon 	
6.4 Managing data	6.4.1 Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<ul style="list-style-type: none"> - Information Governance Group to monitor compliance - Mandatory staff training on data protection and cyber security - GDPR review of all data collection - information asset registers - Privacy Policy - Data Protection Officer and Cauldicott Guardian
	6.4.2 Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<ul style="list-style-type: none"> - Data Sharing Protocols - Information Management Team - Information Governance Group
	6.4.3 Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> - Information Asset Registers - Information Management Team
6.5 Strong public financial management	6.5.1 Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	<ul style="list-style-type: none"> - Financial strategy - Financial procedure rules - Financial instructions - Financial scheme of delegation
	6.5.2 Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	<ul style="list-style-type: none"> - Medium Term Financial Plan - Constitution <ul style="list-style-type: none"> o Financial Procedure Rules

Principle 7 - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
7.1 Implementing good practices in transparency, reporting, and audit to deliver effective accountability	7.1.1 Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<ul style="list-style-type: none"> - Report templates to all formal meetings - Options considered for each report - Legal, financial and other implications included
	7.1.2 Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	<ul style="list-style-type: none"> - Report templates and guidelines to officers - Publication Scheme - Code on Data Transparency – compliance
7.2 Implementing good practices in reporting	7.2.1 Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way	<ul style="list-style-type: none"> - Annual Scrutiny Report - Chief Finance Officer/Section 151 Officer Statutory Report: to Budget Council, February each year - Customer First Programme annual report - Annual reports of Cabinet, Committees, Annual Scrutiny Report and Community Boards and Shareholder Committee
	7.2.2 Ensuring members and senior management own the results reported	<ul style="list-style-type: none"> - Reports – clear member and officer accountability - Action logs – each decision-making body - Forward plans – identifying issue, author and decision makers

Principle 7 - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability		
Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
	7.2.3 Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)	<ul style="list-style-type: none"> - Annual Governance Statement - Audit & Governance Committee work programme - Standards & General Purposes Committee work programme
	7.2.4 Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate	<ul style="list-style-type: none"> - Audit & Governance Committee
	7.2.5 Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations	<ul style="list-style-type: none"> - Performance Framework
7.3 Assurance and effective accountability	7.3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	<ul style="list-style-type: none"> - Audit & Governance Committee
	7.3.2 Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon	<ul style="list-style-type: none"> - Internal Audit Plan - Internal Audit Annual Report to Audit & Governance Committee - Business Continuity Framework - Counter Fraud Team - Anti-Fraud and Corruption Strategy and Anti Money Laundering Policy - reviewed by Audit & Governance

Principle 7 - Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

Supporting Principles:	Buckinghamshire Council commits itself to:	Evidence that the Council complies with these requirements:
		Committee
	7.3.3 Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<ul style="list-style-type: none"> - External Auditor - OFSTED and Care Quality Commission Inspections - Audit Inspections
	7.3.4 Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	<ul style="list-style-type: none"> - Business Assurance Team
	7.3.5 Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met	<ul style="list-style-type: none"> - Constitution – partnership arrangements - Corporate Plan – partnership working



Report to Audit and Governance Committee

Date:	27 September 2023
Title:	Annual RIPA Report
Author and/or contact officer:	Nick Graham, Service Director – Legal and Democratic
Ward(s) affected:	All
Recommendations:	The Committee is asked:

1. **To note the outcome of the review of the Council’s arrangements for its use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA) by the Investigatory Powers Commissioner’s Office (IPCO)**
2. **To note the update on the use of powers available under RIPA**

Reason for decision: Member oversight of the use of RIPA powers and policies are part of governance arrangements in relation to exercise of the Council’s functions.

1. Executive summary

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) governs the acquisition and disclosure of communications data and the use of covert surveillance by local authorities.
- 1.2 The Council uses powers under RIPA to support its core functions for the purpose of prevention and detection of crime where an offence may be punishable by a custodial sentence of 6 months or more or the offence is related to the underage sale of alcohol and/or tobacco.
- 1.3 RIPA powers cover the use of directed surveillance and the use of covert human intelligence sources (CHIS). The acquisition of communications data is now dealt with under the Investigatory Powers Act 2016 and is not covered within this report.
- 1.4 RIPA sets out the procedures that the Council must follow if it wishes to use surveillance techniques in order to support core function activities.

- 1.5 The Home Office Covert Surveillance and Property Interference Revised Code of Practice (August 2018) recommends that elected members, whilst not involved in making decisions or specific authorisations should review the Council's use of the legislation and provide approval to its policies.

2. Background

Regulation of Investigatory Powers Act 2000

- 2.1 The Council can only use powers under RIPA to support its core functions for the purpose of prevention and detection of crime. RIPA procedures must be used where there is any covert surveillance in relation to an investigation of an offence punishable by a custodial sentence of 6 months or more or the offence is related to the underage sale of alcohol and/or tobacco.
- 2.2 Where used, RIPA powers are usually undertaken by enforcement teams and Trading Standards.
- 2.3 Covert surveillance can include but is not limited to monitoring of social media, audio or visual recording of individuals either by CCTV or by officers, test purchases or other surveillance.
- 2.4 RIPA procedures require an internal approval by an Authorised Officer to ensure the proposed use of RIPA powers is 'necessary and proportionate'. A judicial approval is then required by the Magistrates Court before surveillance can be carried out. There are strict time limits for how long surveillance can continue, renewal of authorisations and requirements for record keeping.
- 2.5 The Council has a Covert Surveillance Policy and Procedure which governs the Council's use of RIPA. This is available on the Council's website.
- 2.6 The Council is required to have a Senior Responsible Officer to maintain oversight of RIPA arrangements, procedures and operations. Buckinghamshire Council's Senior Responsible Officer is the Service Director, Legal and Democratic Services.

Investigatory Powers Commissioner's Office

- 2.7 The Investigatory Powers Commissioner has a statutory responsibility for reviewing the use of investigatory powers by public authorities throughout the United Kingdom.
- 2.8 As part of this oversight IPCO carry out regular inspections, usually every 3 years, to ensure compliance with surveillance powers. This will involve consideration of both the arrangements in place, governance and use of the powers. Feedback and recommendations for improvement will be made where considered appropriate.

In addition IPCO require annual statistical data each year. The Annual Report is published on the IPCO website at the following link
<https://www.ipco.org.uk/publications/annual-reports/>

3. Matters to Consider

3.1 The Council was inspected by IPCO in September 2020 and the outcome of that inspection was reported to this committee on 18 November 2020. Inspections usually take place every 3 years and the next inspection was therefore due this year. IPCO contacted the Council over summer with a number of questions and based on responses to them and subsequent engagement with the Inspector IPCO was satisfied that there was, and will be, ongoing compliance with RIPA and also the Investigatory Powers Act 2016 and that a further inspection this year was not required.

3.2 Since creation of Buckinghamshire Council RIPA powers have been used twice. These details were provided to the Inspector who was satisfied with the processes used but did suggest further details could be added to authorisation applications when the criteria for different types of surveillance may apply. This will be done in future.

3.3 Details of the applications that the Council has made since 1 April 2020 are:

The number of applications made for a Directed Surveillance authorisation	2
The number of Directed Surveillance authorisations successfully granted	2
The number of Directed Surveillance authorisations that were cancelled	2
The number of Directed Surveillance authorisations extant at the date of this report	0

3.4 The Council's use and exercise of its RIPA powers is governed by its Covert Surveillance Policy and Procedure. In September 2020 the Policy was commended subject to one minor change. This change was implemented and the details of named officers and their responsibilities in relation to RIPA have also been updated. In view of this it has not been considered necessary to review the content of the Policy itself but a review is proposed for the coming year.

3.5 An annual report will be brought to this committee to ensure ongoing oversight by members. It is proposed that this takes place at the first meeting of the committee after January each year after the annual statistics return is made to IPCO.

4. Other options considered

4.1 None.

5. Legal and financial implications

5.1 RIPA provides extensive powers for public authorities which are necessarily intrusive. It is an important part of the Council's governance arrangements that officers adhere to the Council's policies and the law when using these powers. An additional safeguard is regular inspection by IPCO.

6. Corporate implications

6.1 RIPA is only used as a last resort within the Council, but officers do need to be aware of these powers, and be appropriately trained in their use and authorisation. A training programme is in place to address this with relevant officers.

7. Local councillors & community boards consultation & views

7.1 Not applicable.

8. Communication, engagement & further consultation

8.1 Not applicable.

9. Next steps and review

9.1 A review of the Policy will be undertaken and a report will be brought back to the Committee on any recommended changes and the use of RIPA generally.

10. Background papers

10.1 None.

IPCO

Investigatory Powers Commissioner's Office

PO Box 29105, London
SW1V 1ZU

Ms Rachael Shimmin
Chief Executive
Buckinghamshire Council
Walton Street Offices
Walton Street
Aylesbury
HP20 1UA

30th August 2023

Dear Ms Shimmin,

Thank you for providing IPCO with your response to the matters identified at points 1 to 10 of my Secretariat's letter dated 4th July 2023. I am also grateful for the subsequent engagement with my Inspector as they followed up on the information you had provided. This was with Ms Maria Damigos (Principal Solicitor) and related to feedback on the two authorisations granted since the previous inspection in 2020.

I am satisfied that your reply provides your assurance that ongoing compliance with RIPA 2000 and the Investigatory Powers Act 2016 will be maintained. As such, your Council will not require further inspection this year.

I would ask that you ensure that the key compliance issues continue to receive the necessary internal governance and oversight through yourself and your Senior Responsible Officer: policy refreshes; annual updates to your Elected Members; ongoing training and awareness raising; internal compliance monitoring by lead managers within their business areas; and the retention, review and destruction (RRD) of any product obtained through the use of covert powers (Records and Product Management in accordance with the Safeguards Chapters of the relevant Codes of Practice).

Your Council will be due its next inspection in 2026, but please do not hesitate to contact my Office if IPCO can be of assistance in the intervening period.

Yours sincerely,



The Rt. Hon. Sir Brian Leveson
The Investigatory Powers Commissioner

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Report to Audit and Governance Committee

Date:	27 September 2023
Title:	Chief Auditor Annual Audit Opinion 2022/23
Relevant councillor(s):	N/A
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 2022/23 and the overall ‘reasonable’ opinion on the adequacy and effectiveness of the Council’s governance, risk management and internal control environment for 2022/23
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 2022/2023. 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 The 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.
- 2.5 Based on the work performed during 2022/23, the Chief Auditor's experience, the cumulative knowledge gained through our ongoing liaison with officers, senior management, and the current climate in which the Council is operating, it is the Chief Auditor's opinion the adequacy and effectiveness of the Council's internal control, risk management and governance framework was of **reasonable assurance**.
- 2.6 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 2022/23.
- 2.7 Appendix 1 (**to follow**) provides the basis for the Chief Auditor's opinion and details the work carried out during 2022/23 to support the conclusion of reasonable 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 None.

9. Background papers

9.1 2022/23 Business Assurance Strategy (incl. 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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Report to Audit and Governance Committee

Date:	27 September 2023
Title:	23/24 Business Assurance Strategy Update (incl. Internal Audit Plan)
Relevant councillor(s):	N/A
Author and/or 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 report provides an update on the Internal Audit work being undertaken by the Business Assurance Team against the approved 2023/24 plan.
- 1.2 The 2023/24 Internal Audit Plan has been reviewed to identify the key audit activities to be delivered considering the priorities within the Directorates and working around any key service priorities.
- 1.3 Delivery of the overall Business Assurance work plans, including Internal Audit, help ensure that there is an appropriate governance and control framework in place and that risk management is embedded across the Council to enable the achievement of set objectives.

2. Content of report

- 2.1 The Business Assurance Strategy, including the Internal Audit Plan was agreed by the Audit Board and approved by the Audit and Governance Committee in July 2023. The 2023/24 Internal Audit work plan was produced with reference to the strategic and

directorate risk registers; and informed through discussion with Senior Leadership Teams for each directorate.

- 2.2 Quarterly reporting to directorate leadership teams/boards, CMT and the Audit Board continue to take place which helps to keep work plans under continuous review to reflect emerging risks and priorities across the Council. We routinely seek the views of the directorates on the work of the Business Assurance Team to enable continuous improvement and ensure that work being delivered is meeting the needs and expectations of the organisation.
- 2.3 The internal audit plan has had to remain fluid to respond to new/emerging risks and priorities. Whilst some audits are deferred from the original plan, there is still adequate coverage to meet the organisations assurance requirements. Alternative assurance mechanisms (other than internal audit) are also in place to support the overall assurance framework.
- 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 2023/24 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

Including Progress against the Internal Audit Plan 2023/24

Maggie Gibb

Head of Business Assurance (& Chief Internal Auditor)

September 2023

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1. Introduction

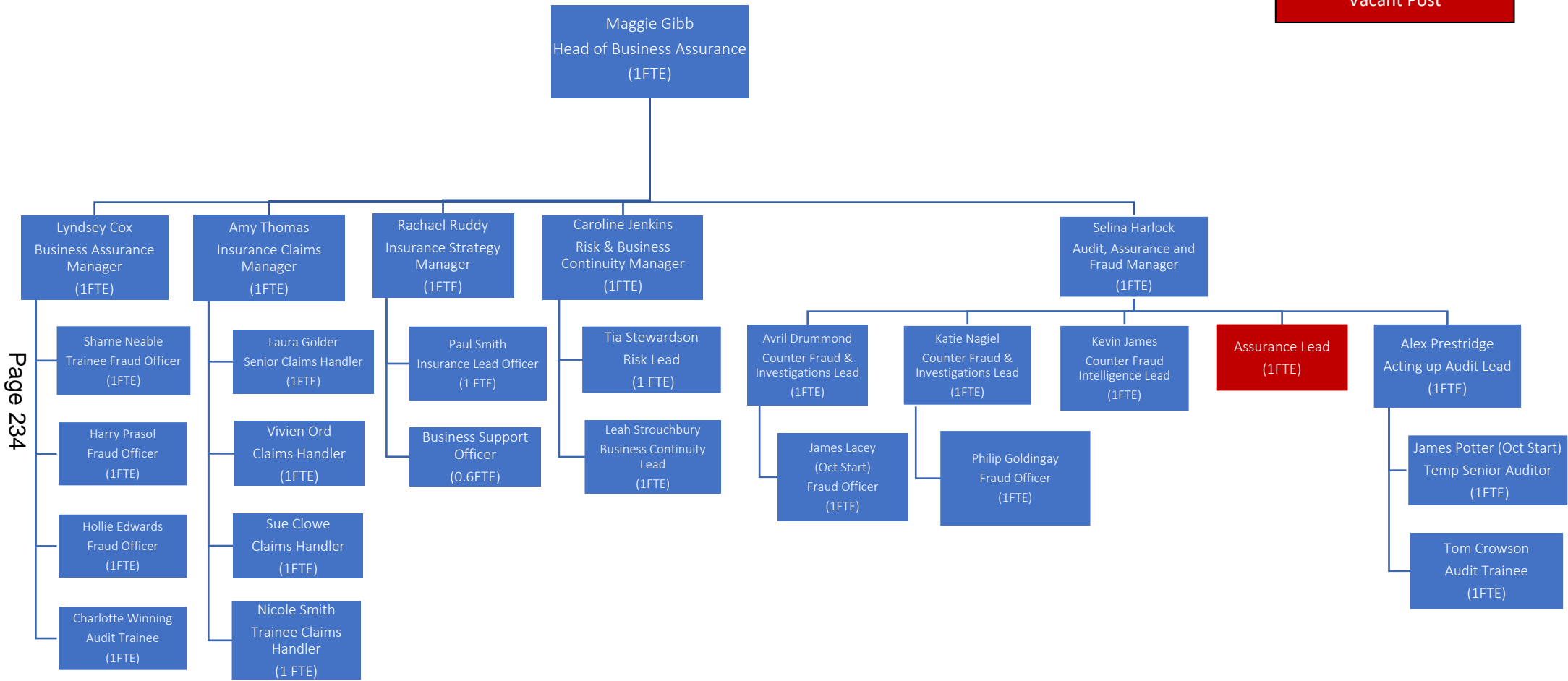
- 1.1 The Business Assurance Team is responsible for delivering the Council's Risk Management, Assurance, Internal Audit, Counter Fraud, Insurance and Business Continuity services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate.
- 1.2 This report outlines the work carried out by the Business Assurance Team for the financial year 2023/24 to date. The Business Assurance work plans remain flexible in nature as they 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 and other emerging priorities. Quarterly updates on Business Assurance activities continue to be presented to each directorate leadership team providing them with an overview of the Internal Audit and other assurance activities including progress on implementation of audit actions and an update on escalated risks and mitigating actions.

2. Resources

- 2.1 We have successfully recruited to the majority of posts within the Business Assurance structure with just one vacancy yet to be filled. We continue to resource work plans with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. This arrangement enables us to request specialist resource such as IT auditors and contract auditors, whilst allowing for a flexible approach that enables us to respond swiftly to urgent requests for resource such as for investigations.

Business Assurance Team Structure:

Vacant Post



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3. Risk Management

- 3.1 Risk Management continues to be embedded across the Council with all Directorates ensuring that risks are identified and uploaded onto the corporate risk management system in a timely manner; as well as horizon scanning and keeping a watching brief on emerging risks. We have now set out our management training sessions for 2023/24 that will be delivered across the organisation to ensure that officers continue to be aware of their roles and responsibilities in relation to risk management.
- 3.2 Deep dive risk reviews continue across certain service areas to ensure risks are relevant and current, are updated with realistic target scores, and have internal controls as well as mitigating actions.
- 3.3 The new project risk management process is due to be rolled out across the organisation to ensure that there is greater visibility of how programme and project risks are being captured and escalated across the directorates. This includes ensuring that major projects and programmes are captured on the corporate risk management system and that there are consistent protocols in place in relation to project risk management.
- 3.4 Work is due to commence shortly on the review risk appetites, monitoring, reporting and escalation processes within the directorates.
- 3.5 The Risk Management Group was last held on 17 July 2023. An update on this meeting will be provided in a separate report.

4. Business Continuity Management (BCM)

- 4.1 We continue to focus on the implementation of the new Buckinghamshire Council Corporate Resilience Framework and Standards with the draft versions of the BCM Framework and Policy along with the Corporate Business Continuity Plan (BCP) approved by the Corporate Management Team (CMT) on 29 June 2023. This includes new BCP templates to ensure structure, readiness, and consistency.
- 4.2 In the last quarter the Council Resilience Group, who provide governance over the Corporate Resilience Framework and Standards, have been focussing on the Council's cyber resilience. This included the development of Cyber Resilience Framework, in conjunction with IT and the Resilience Service, to provide an overarching view of how the Council prepares for, responds to, and recovers from cyber incidents that may affect the Council. On the 25 July 2023, the organisation undertook Exercise Skynet. This was an exercise to test the Council's preparedness for, response to and recovery from a cyber incident, ensuring that there is a common awareness, knowledge and understanding surrounding a cyber incident and the implications of no IT, no access to data and data breaches. The next steps will be for Business Assurance to work with directorate / service areas to further explore the risks and impacts and following on from this, further develop their Business Continuity Plans (BCPs) as well as incorporate any changes into the BCM Framework and Policy and the Corporate BCP.
- 4.3 The Summer Framework and Cell continues to be in operation until the end of September 2023. Although to date there has not been any significant incidents during the summer, the Summer Cell has provided a forum to highlight any potential risks and ensure that service areas were prepared.

5. Internal Audit

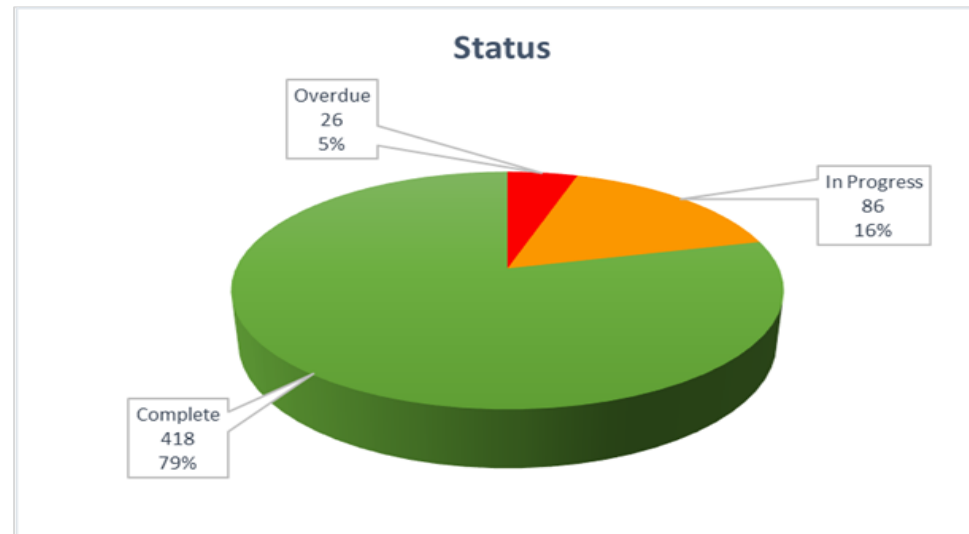
- 5.1 The Internal Audit Function, supported by Mazars (through the APEX London Audit Framework) has been progressing with the delivery of the approved 2023/24 audit engagements. The Internal Audit plan was produced with reference to the Strategic and Directorate Risk Registers and prepared using a risk-based 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 plan was 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).
- 5.2 Whilst we have an agreed Internal Audit Plan, this will be continuously reviewed to ensure that it remains dynamic to reflect the changing risks faced by the Council. The plan will continue to be influenced by external organisations and statutory bodies we work with and provide assurance to. The plan will also be reviewed quarterly in conjunction with Strategic and Directorate Risk Registers. Any significant deviation from the approved Internal Audit Plan is communicated through the periodic activity reporting process.
- 5.3 The formulaic audit planning model which was applied in the development of the approved Internal Audit Plan enabled us to RAG rate each audit engagement, with those rated HIGH (RED) deemed priority to deliver in the year. **Appendix 1** details the 2023/24 Internal Audit Plan which includes all the internal audit engagements that are RAG rated RED based on the Audit Planning Model score. We have also had a supplementary list of auditable areas (**Appendix 2**) that were identified as part of the 2023/24 planning process but have been RAG rated MEDIUM or LOW for delivery per the Audit Planning Model. This list will be kept under continuous review and audits that are MEDIUM rated may be added to the plan for delivery based on resource capacity and service priorities, this will be subject to discussions with the respective directorate leadership teams, Audit Board and Audit & Governance Committee approval.
- 5.4 In the last quarter the Internal Audit 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, 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. Two school audit reviews were completed before the end of the academic year and reports will be finalised during September.

5.5 The team has also continued to finalise the carried forward audits from 2022/23 Internal Audit Plan, the outcomes of these reviews are included in the confidential part of this meeting. From the 2023/24 Internal Audit Plan there are eight engagements that are currently in progress and eight grant certification reviews have been completed.

5.6 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:

Chart 1 - Summary Status of Management Actions



5.4 As at 1 September 2023, there are 26 out of 530 (5%) audit management actions which are overdue for implementation and 86 actions that are in-progress. All 26 actions that are overdue are held within the Children's Service directorate; of which 21 actions relate to schools. It has been recognised that a number of school actions fell due towards the end of term which impacted on the engagement from schools. The Internal Audit team will ensure that agreed due dates take into account key term dates that may impact on implementation deadlines being met. A detailed report on the overdue actions is provided as part of the confidential papers.

Management are aware of the actions and progress updates are being provided to Internal Audit on a regular basis. Progress against implementing audit actions is reported to each of the directorate leadership team on a regular basis, and outstanding audit actions were reported to the Corporate Management Team (CMT) on 21 September 2023.

5.5 The Internal Audit Team have also been progressing with the implementation of the new audit system which was a key action from the CIPFA External Assessment. All records have been migrated from the previous system and the team are now undertaking all new audits on the new system. The team is working on developing key reporting requirements for all key stakeholders, this includes information on agreed management actions that form part of the quarterly reporting to directorates.

5.6 We have two Service Level Agreements in place to deliver the internal audit services for Buckinghamshire and Milton Keynes Fire Authority (BMKFA) and Insignis Trust Academy (IAT). The team continues to progress with the delivery of the agreed audit activity for 2023/24 which regular updates being presented to their respective board/ audit committees.

5.7 The Audit Board, chaired by the Service Director of Finance (S151), reviews progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan. **Appendix 1** shows the current progress updated against the Internal Audit Plan.

6. Business Assurance

6.1 The Business Assurance Team continues to progress with the COVID grant assurance as the requirements from central government to carry out post assurance checks continue. The team liaise with the services and support in the collation of the required returns, reconciliations and certification where required.

6.2 Since the last committee update, the team have finalised two assurance engagements and these are summarised below:

Helping Hand Programme

6.2.1 Helping Hand (HH) was created in late 2020 in response to Covid pandemic related challenges and supported by a grant funded by Department of Working Pensions (DWP). HH focus on supporting vulnerable people in the community through various avenues and in collaboration with a growing support network. The service evolved from what was a core Local Welfare Support Service, with a base service delivery budget of just over £100,000 prior to the Covid pandemic, to a service whose main activity was the disbursement of Government Funding which, over the last 2 years, has been just under £4.8 million per annum. The primary purpose of the team was to ensure funds were disbursed in a timely manner to residents who needed it the most, via an application-based offer, in line with grant funding requirements from Government usually covering a period of six months at a time. In 2022, the service commenced a restructure with a view to establishing a permanent offer that could meet the needs of residents now and into the future. The timing of the assurance review was welcomed to provide an objective review of the service, to evaluate progress against continuous improvement activity delivered and to inform and shape continuous improvement activity for the future.

6.2.2 To support the relevance and efficiency of the current HH function, including how they can transition from a programme to business as usual, the Assurance team carried out an end-to-end programme assurance review of the team. The scope focussed on the following:

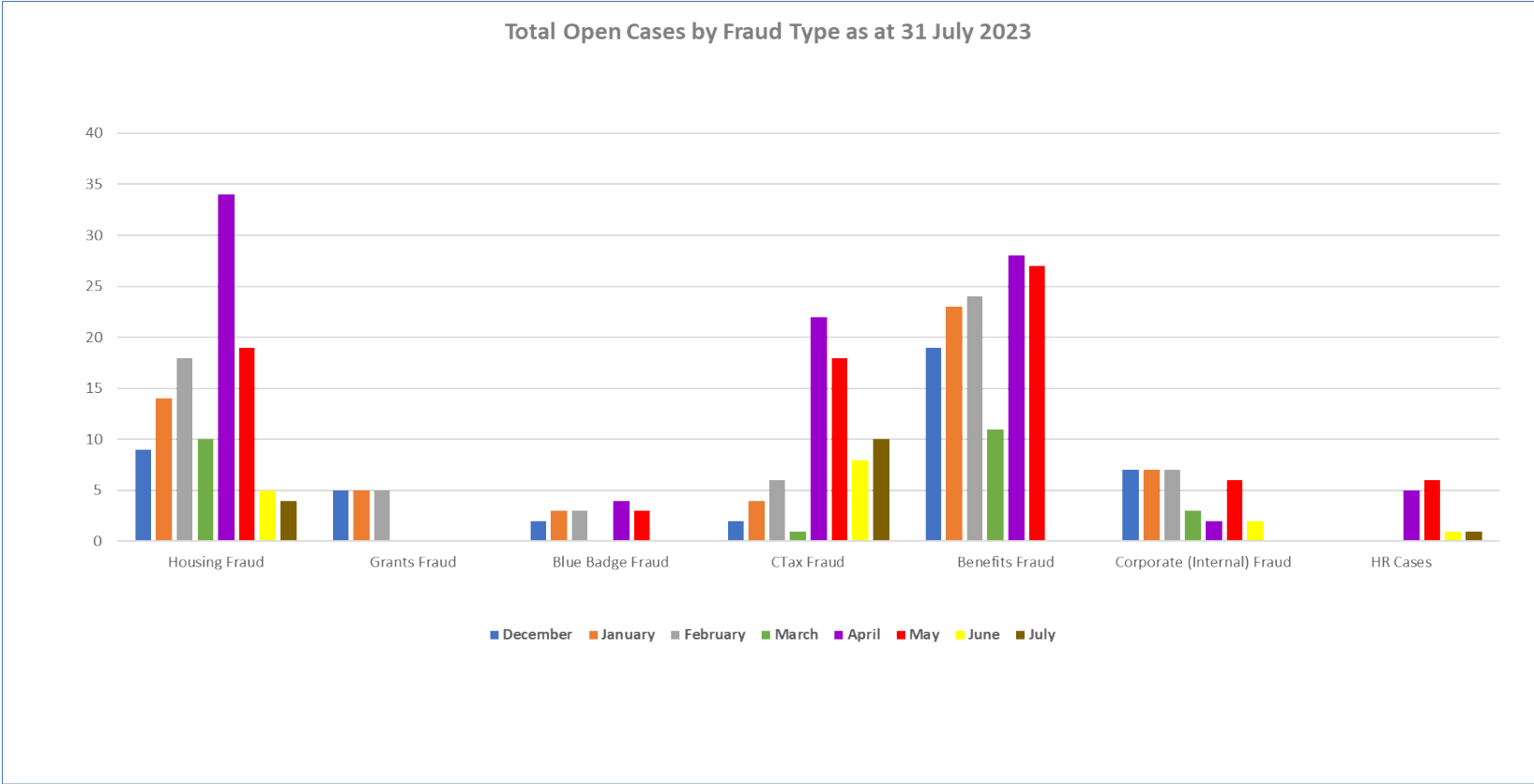
- Review of team documentation around key processes, tools, and resources.

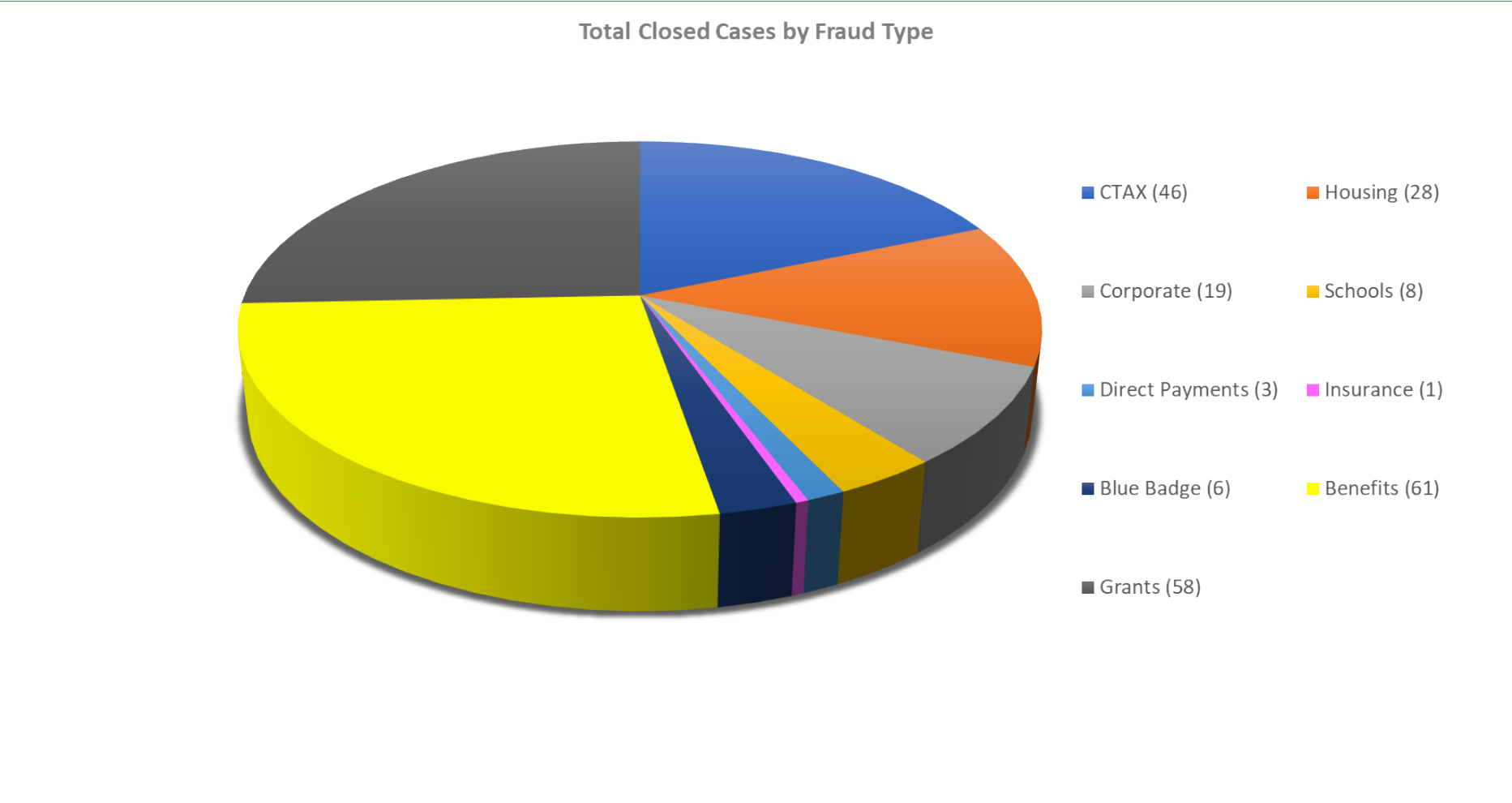
- Conduct interviews with key stakeholders involved with the team to gain a deeper understanding of strategic direction, governance, procurement, funding and award of funds, communications and change management, improvement opportunities, and risks and challenges.
- Understand current ways of working and the culture of the team.
- Identification of gaps in the current approach with our recommended solutions.
- Identification of risks to effective transition from a programme to business as usual.

6.2.3 Overall, the review identified eight areas of good practice, which were highlighted to the service, and areas of improvement which the service are working to address were identified across key theme areas including process and controls and people, systems and toolkit.

7. Counter Fraud

7.1 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 the Fraud Team deploy resources to investigate these. Whilst responding to fraud allegations raised internally and externally, the team also had a proactive schedule of activity that includes fraud awareness training and probity reviews. Counter Fraud activity is reported to the Statutory Officers Group on a monthly basis with cases details provide on progress being made on all cases. The tables below provide a summary of the fraud cases that the team have been managing:





Appendix 1– 2023/24 Internal Audit and Counter Fraud Plan

Corporate				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
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	On-going
	Project/Programme Support	To ensure that there is a framework in place to effectively and efficiently deliver projects/ programmes across the organisation.	HIGH	Scoping in progress.
	Contract Management	To provide assurance on the management of the identified suppliers to ensure that the contract is being managed in line with Council requirements; in order to maximise their value and manage risk whilst delivering the outcomes and benefits envisaged.	HIGH	Q4
	MTFP	To evaluate the adequacy and effectiveness of the MTFP process, the review will consider the governance arrangements, the modelling, savings targets, business cases, risk management and delivery/ management of the MTFP.	HIGH	Fieldwork in progress
Deputy Chief Executive				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Policy, Partnerships & Communications	Partnership Arrangements	Partnerships are an effective way for the Council to achieve its objectives, but they give rise to new and different risks, which need to be recognised, evaluated, and effectively managed. The review will assess the partnership arrangements in place and ensure they contribute towards the achievement of the Council's objectives.	HIGH	Q3
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.	HIGH	Scoping in progress. Fieldwork commencing in September
Major Projects	Companies Governance	To ensure that there are adequate governance arrangements in place to monitor the performance of the Council's companies, to make certain that risks are effectively managed, and objectives are being achieved.	HIGH	Scoping in progress.

Adults & Health

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Adult Social Care	Charging Policy	To provide assurance that the Council’s Charging Policy is being effectively applied, this will include evaluating income maximisation.	HIGH	Fieldwork in progress
Adult Social Care/ Integrated Commissioning	Continuing Health Care:	Review effectiveness of updated process following outcomes of the review of CHC function across the whole BOB. Audit to consider policies and procedures, client assessments/ eligibility and financial controls. This audit has been deferred for the last two years.	HIGH	Q4
Adult Social Care	Direct Payments	Review of financial controls (monitoring protocols) for all the payment methods within the Direct Payments, including use of virtual wallet.	HIGH	Q4
Integrated Commissioning	Commissioning and Financial Management of Spot Contracts	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	HIGH	Scope agreed – fieldwork commencing in October
Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	HIGH	Scope agreed – fieldwork commencing in October
Finance	A&H Debt Recovery (Secured 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.	HIGH	Q3
Finance	Financial Controls Review	Evaluation of the Scheme of Delegation to ensure that these are understood by all and effectively and consistently complied with, and decisions are taken with those with approved authority.	HIGH	Q4

Children's Services				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Education	Schools Thematic Review	Schools Thematic Review – Sample of schools to be selected for review through consultation with the School Finance Team and the School Improvement Team. (8 schools planned)	HIGH	Two school reports at draft
Finance	Schools Financial Assurance	Lessons learnt from previous year audits – evaluate the arrangements in place that enable effective oversight of school's financial controls and management.	HIGH	Q4
Social Care	Personal Budgets	End to end process reviewing adequacy and effectiveness of controls in place for the administration and management of personal budgets	HIGH	Q3
Education	School Commissioning	To ensure that there is a framework in place to commission schools that meet the needs of the children in a cost-effective manner.	HIGH	Q4
Education	SEND Process Review –	End to end review of processes and evaluation of controls to identify inefficiencies in process and improvements to data quality. Deferred from 22/23 due an on-going consultation.	HIGH	Fieldwork in progress
Social Care	Supported Families Programme	Undertake grant certification in line with grant conditions	N/A	Two grant certifications complete
Education	Related Party Transaction Assurance (SFVS)	Verification work in line with DfE guidance	N/A	N/A

Communities				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Neighbourhood Services	Waste Fees & Charges	Review will consider all cash and income collection income financial control arrangements across waste management.	HIGH	Q3
Integrated Transport	Commercial Licensing	End to end review of processes and evaluation of controls on the new system.	HIGH	Q3
Highways & Technical Services	Major Infrastructure Projects	Review the adequacy and effectiveness of the governance and risk management framework in place to manage major infrastructure projects.	HIGH	Scoping in progress
Highways & Technical Services	Streetworks	To provide post TUPE assurance and ensure that key issues faced by the team prior to the TUPE have been addressed and processes are operating effectively and efficiently.	HIGH	Q4
Culture, Sports & Leisure	Tree Management	To provide assurance that the Council has an appropriate governance arrangements, strategies, and underlying systems to assess the condition of trees and undertake necessary treatment or works based on the outcomes of such assessments.	HIGH	Q4
Highways & Technical Services	New Highways Contract Assurance	Post go-live assurance on the new contract arrangements, ensuring there are adequate financial management, contract management, risks management and governance controls in place.	HIGH	Fieldwork in progress
N/A	Grant Certification	Grant certification work within Public Transport Services and Highways	N/A	N/A

Planning, Growth & Sustainability				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Housing & Regulatory Services	Management of the Housing Waiting list	New management structure in this area. Audit will include a review of the application, assessment, and allocation process.	HIGH	Scoping in progress
Housing & Regulatory Services	Homelessness and Temporary Accommodation	Re-visit following the work from the assurance review, the 22/23 audit that identified a number of control gaps and any outcomes from the Task & Finish group. Q4	HIGH	Q4
Property & Assets	Property Maintenance and Reactive Works	Audit deferred from previous audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Scoping in progress
Planning & Environment	Energy Contracts	New framework with new governance approach, the audit will evaluate the controls in place and assess the effectiveness of the framework.	HIGH	Scoping in progress
Property & Assets	One Uniform Project	End to End review of new processes, to ensure that there is an adequate control framework in place.	HIGH	Q4
Planning & Environment	HIF Highways Projects	To consider new arrangements and assess effectiveness of the new control framework and ensure that there is adequate governance.	HIGH	Q4
N/A	Grant Certification	Grant certification work within Public Transport Services and Highways	N/A	Six grant certifications completed

Resources				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
HR & OD	Teachers Pensions – new system in place	New system in place, review process and controls in place	HIGH	Q3
HR & OD	Payroll	Evaluation of the key financial controls.	HIGH	Q3
Finance	Key Financial Systems – Control Framework Review	Evaluation of the financial control framework with assess the adequacy and completeness of the system of control	HIGH	Fieldwork in progress
	Key Financial Systems Audits	<p>Evaluation of the adequacy and the effectiveness of the systems of internal control across the key financial systems:</p> <ul style="list-style-type: none"> • Feeder systems • Treasury Management • Pensions • CTax & NNDR (Including Income Reconciliations) • CTax Reduction Scheme • Housing Benefits • Purchasing Cards • Account Payables • Account Receivables (invoicing and debt recovery) • Suspense and Control Accounts • Budget Monitoring and Reporting • General Ledger 	HIGH	Scoping in progress
IT	IT/Infrastructure Resilience – including a review of the Cyber Resilience Framework	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	Q4 –to be undertaken following the completion of the BCM cyber resilience review

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	Scoping in progress – fieldwork commencing in October
IT	Change/Patch Management	This audit will consider; - 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; and Patch management is undertaken across the estate in a complete, accurate and timely manner.	HIGH	COMPLETE Substantial

Appendix 2 – 2023/24 Supplementary Internal Audits

Corporate			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Cross-cutting	De-commissioning of legacy systems	Ensure that there are adequate arrangements to effectively decommission systems and safeguard data, ensuring compliance with GDPR and local retention policies.	MEDIUM
Deputy Chief Executive			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Policy, Partnerships & 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.	MEDIUM
Asylum & Migration	Afghan Resettlement – Grant Audit	To ensure that the funding is being fully maximised and used in line with the grant conditions.	MEDIUM
Asylum & Migration	Homes for Ukraine	To provide assurance that the Council has created appropriate systems to promote, support and administer the Homes for Ukraine offering.	Fieldwork in Progress
Adults & Health			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Adult Social Care	Section 75 Mental Health	Ensure that processes are in line with statutory requirements and changes to S75 have been fully implemented.	MEDIUM
Public Health	Joint Strategic Assessment.	To ensure that partner arrangements and the Health and Wellbeing Board are operating effectively to meet their statutory obligation.	MEDIUM
Children's Services			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Education	Adult Learning	Grant funded. Review programme compliance with Ts&Cs and monitoring of outcomes	MEDIUM
Education	Fair Access	To ensure that the Fair Access Protocols are operating effectively and efficiently, with adequate governance arrangements in place.	MEDIUM

Communities			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Neighbourhood Services	Household Recycling Centres	New contract in place, review of processes at the HRC; and contract management with new contractor.	MEDIUM
Neighbourhood Services	Concessionary Fares	End to end review of processes and assess the accuracy and completeness of management information.	LOW
Integrated Transport	Client Transport	To provide assurance that a robust internal control environment is in place to support the allocation, payment, and monitoring of personal travel budgets and the post-16 scheme.	MEDIUM
Culture, Sports & Leisure	Higginson Park Trust	Financial Controls Audit – review financial processes on the new system.	MEDIUM
Culture, Sports & Leisure	Farnham Park Trust	Financial Controls Audit – review financial processes on the new system.	MEDIUM
Highways & Technical Services	Section 106	Review work with parishes (link with review in progress within PG&S on S106)	MEDIUM
Planning, Growth & Sustainability			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Property & Assets	Building Control – New Tax Collection Process	New responsibilities delegated to the Council on tax collection – review of the process and how the collect funds are reconciled and paid	MEDIUM
Housing & Regulatory Services	Disability Facilities Grant (Use of the funding)	Review the process for commissioning housing adaptations and the use of the DFG fund. To include review of contractors used, VfM.	MEDIUM
LEP	LEP Financial Controls	Evaluation of key financial controls.	MEDIUM
Resources			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
HR & OD	Teachers Pensions – new system in place	New system in place, review process and controls in place	MEDIUM
Finance	Enterprise Zone	Reviewing of billing arrangements, accounting arrangements and reconciliations	MEDIUM
Finance	Accounts Payable and Accounts Receivables	Evaluation of key financial controls; including processes followed by Business Support	MEDIUM
Finance	Chip & Pin Machines Audit	Evaluation of general controls testing including security of devices	MEDIUM

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Report to Audit and Governance Committee

Date:	27 September 2023
Title:	Risk Management Group Update
Relevant councillor(s):	N/A
Author and/or 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:	N/A

1. Executive summary

- 1.1 The purpose of the report is to provide an update on the Risk Management Group (RMG) meeting held on 17 July 2023.
- 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 For the RMG meeting held on 17 July 2023, the Head of Business Assurance presented the Strategic Risk Register along with Key Financial Risks from across all directorates.
- 2.2 The RMG considered the Strategic Risk Register which is regularly reviewed by the Corporate Management Team (CMT) and noted the new risks and changes to existing risks.

The strategic risks were as follows:

- 2.3 **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, service pressures and the increased risk of fraud/corruption during the cost-of-living crisis.
- 2.4 **CMT-02 Children’s Services Ambition to be Good (formerly Ofsted inspection / improvement plan)** – IF we fail to successfully embed our improvement activity and transformation plans for the service THEN we are unlikely to deliver upon the Council’s vision to provide consistently good services to Buckinghamshire’s children and young people.
- 2.5 **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.
- 2.6 **CMT-05 Changes in the national and 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.
- 2.7 **CMT-06 Technology breaches / failure** - 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.
- 2.8 **CMT-08 Failure to set a robust and balanced budget and deliver financial plans** - Challenging Medium Term Financial Planning (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.
- 2.9 **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.

- 2.10 **CMT-13 SEND** - IF we do not make sufficient progress against the Written Statement of Action (WSOA) THEN this will impact on the quality of services provided to children and families.
- 2.11 **CMT-14 Adult Social Care Statutory Services** - IF Adult Social Care's statutory responsibilities are not delivered on THEN there may be unintentional adverse consequences to vulnerable adults and to the Council.
- 2.12 **CMT-17 High Speed 2 (HS2) Impact on communities and environment** - IF the Council does not secure the best possible mitigation of the HS2 construction and long-term impacts THEN there will be an increase in negative impacts on the community and Buckinghamshire's environment.
- 2.13 **CMT-25 Energy Costs** - Given the current economic uncertainties around Energy prices, IF electricity and gas expenditure exceed budgets, THEN this will create an additional financial burden for the Council and may require further service reductions / savings to be made.
- 2.14 **CMT-26 Housing Infrastructure Fund (HIF)** - Risk of a failure to deliver the requirements of the HIF contracts between the Council and Homes England. This will mean that critical infrastructure and associated housing sites do not come forward. The Council then faces risks related to repaying costs, funding shortfalls in finances and jeopardising the five-year housing land supply.
- 2.15 **CMT-27 Placement Sufficiency for Children** - IF there is not sufficient placement available for children in care and care leavers, including Unaccompanied Asylum-Seeking Children and those in unregulated provision THEN continued shortage of supply will lead to further excessive costs, poor placement choice, more Buckinghamshire children being placed further away from the county, further unregulated placements being made and poor outcomes.
- 2.16 **CMT-28 Delivery of Climate Change and Air Quality Strategy** - IF the Climate Change & Air Quality Strategy action plan is not delivered on programme THEN we may not achieve our carbon reduction targets leading to reputational damage for the Council.
- 2.17 **CMT-29 Impact of Climate Change on Council Services** - IF Council services do not consider climate change in service and business continuity planning THEN Council services may not be suitably prepared to manage the impacts of a changing climate, leading to worse outcomes for the environment, public health and service delivery.
- 2.18 **CMT-30 Delivery of Major Change Projects** - IF there is insufficient capacity, with the correct expertise and skills, assigned to major change projects/implementation of major new contracts/new systems/service changes THEN this may lead to failure to deliver the desired outcomes of the change project. This could have an adverse impact on services to customers increasing the reputational risk.

2.19 **CMT-31 Lack of Delivery of Affordable Housing** - The Council has a duty to provide a planning framework for the development of housing in Buckinghamshire, and accommodation for those who are homeless. S106 will provide affordable housing managed by Registered Providers, therefore developers will have a role to play in meeting housing demand. IF there is not sufficient supply to meet demand for housing needs including substantive temporary accommodation and asylum seekers THEN this may exacerbate pressures as there would be a continuing or increased requirement for nightly paid temporary accommodation.

2.20 **CMT-32 Adults – Managing Demand** – IF demand for services increases beyond forecasts, THEN there is a risk of an overspend on the budget.

2.21 The risks were discussed in detail, as well as the mitigating actions being challenged by the members.

3. Other options considered

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

4. Legal and financial implications

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 22 September 2023.

9. Background papers

9.1 None.

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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Audit and Governance Committee action log

Last updated: 19 September 2023

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
1	<p>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.</p>	Maggie Gibb / Governance Officer	25-Jan-22	27-Sep-23	<p>Update September 2023: this falls to Cabinet for consideration.</p> <p>Update Sept 22: Work to be progressed as part of Corporate Governance review being undertaken by Principal Governance Advisor.</p> <p>Update Nov 22: Work to be achieved by end of March 2023; initial scoping taking place with Deputy Monitoring Officer and to be taken forward by Principal Governance Officer.</p>		Ongoing
2	<p>Farnham Park Sports Field Charity and Higginson Park Trust To ensure that the 22/23 accounts, and subsequent years are signed by a separate officer to the S151 officer on behalf of the Council as Trustee</p>	Dave Skinner	27-Sep-22	30-Sep-23	<p>Update September 23: Actions completed. Separation in place for September approvals.</p> <p>Update July 23: The 2022/23 accounts will be ready for approval for September committee and The Assistant Director of Finance – Pensions, Procurement and Rev & Bens will sign these accounts when ready.</p> <p>Update March 23: The Assistant Director of Finance (Pensions, Procurement and Revenues & Benefits) will sign the 2022/23 accounts for the Farnham Park Sports Field Charity and Higginson Park Trust as a deputy s151 officer and who is completely independent of the 2 organisations.</p> <p>Update Jan 23: Proposal is that one of the Assistant Directors will sign off FPT and HPT accounts and they have sufficient seniority as Deputy S151's. Will need to think about how this works with preparation and separation of duties but that will be the working premise</p> <p>Update Nov 22: Alternative officer being considered</p>		To be closed
3	<p>Buckinghamshire Statement of Accounts 20/21 A comprehensive lessons learned report to be produced and presented to the Committee at the appropriate time.</p>	Dave Skinner	01-Feb-23	31-Dec-23	<p>Update September 23: Lessons Learned report to be considered upon completion of 2020/21 accounts. No further actions required at this time</p> <p>Update July 23: this is an ongoing continuous improvement process and lessons learnt are already being implemented for the 2021/22 and 2022/23 accounts. The audit of 2020/21 account is not yet completed and therefore the report to the audit committee on lessons learnt will be made once the audit is complete.</p> <p>Update March 23: A comprehensive list of lessons learnt is being compiled as the audit of the 2020/21 accounts progresses and considered in preparation for the audit of the 2021/22 and 2022/23 accounts.</p>		Ongoing

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
4	<p>External Auditors Annual Report To establish what would be most appropriate for the Committee to review in terms of the Council's subsidiary companies, whether there would require a change to the terms of reference of this committee and produce an annual report on companies' governance.</p>	Dave Skinner / Glenn Watson	01-Feb-23	17-Jan-24	<p>Update September 23: The Audit & Governance Committee's remit for considering the Council's governance arrangements are deliberately widely drawn. They include the remit to: "Consider the Council's corporate governance arrangements and make recommendations to ensure compliance best practice". This includes the arrangements for the governance of the Council's subsidiary companies. An annual report will be brought to the Committee on the sufficiency of the Council's company governance arrangements and planned developments. This is currently scheduled for the November 2023 meeting; however the Committee may wish to consider this in January 2024 fully to assess the outcome of a planned Internal Audit on company governance in Quarter 3 and the Shareholder Committee's self-assessment against national best practice 'governance checklist' (in October 2023). The draft Annual Governance Statement 2022/23 includes an action for bringing company governance to the attention of the Committee as part of its existing remit. No change to the existing terms of reference is needed to achieve this. Any wish for a separate reference to company governance could be made to the Monitoring Officer and Constitution Review Group</p> <p>Update July 23: The Audit & Governance Committee's remit for considering the Council's governance arrangements are deliberately widely drawn. They include the remit to: "Consider the Council's corporate governance arrangements and make recommendations to ensure compliance best practice". This includes the arrangements for the governance of the Council's subsidiary companies. As such, it is intended later in the 2023/24 council year to bring forward an annual report on company governance to this Committee. This is consistent with the draft Annual Governance Statement 2022/23 which includes an action for bringing company governance to the attention of the Committee (November 2023) as part of its existing remit. No change to the existing terms of reference is needed to achieve this. Any wish for a separate reference to company governance could be made to the Monitoring Officer and Constitution Review Group.</p> <p>Update March 23: The Audit & Governance Committee's remit for considering the Council's governance arrangements are deliberately widely drawn. They include the remit to: "Consider the Council's corporate governance arrangements and make recommendations to ensure compliance best practice". This includes the arrangements for the governance of the Council's subsidiary companies. As such, it is intended later in the 2023/24 council year to bring forward an annual report on company governance to this Committee. This is consistent with the Annual Governance Statement 2021/22 which included an action for bringing company governance to the attention of the Committee as part of its existing remit. No change to the existing terms of reference is needed to achieve this. Any wish for a separate reference to company governance could be made to the Monitoring Officer and Constitution Review Group.</p>		Ongoing
5	<p>Contract Procedure Rules - Waivers and Breaches (2) To review how training statistics were presented in future reports to give a wider understanding of overall take up.</p>	Simon Davis	01-Feb-23	01-Sep-23	<p>Update September 23: Training statistics to be reported at Directorates Budget Boards. It will allow directors to discuss effectiveness, take up of courses, and additional requirements. A new course was launched in August 23: Introduction to Procurement & SRM. It is both an induction to new starters and refresher for current staff. The overall training strategy is in development for implementation from September 23. It includes courses overhaul, performance indicators, use of well-established Government training and new courses on the upcoming procurement regulations.</p> <p>Update July 23: Reporting of training stats are being given wider context as part of an internal review of procurement training. Courses are currently being overhauled to ensure we keep relevance and accommodate any sector changes.</p> <p>March 23: Training delivery statistics are being reviewed with further contextual data being considered.</p>		Ongoing
6	<p>General To arrange a session open to all Committee Members to cover the different technical areas and terms dealt with by the Committee.</p>	Maggie Gibb / Dave Skinner / Leslie Ashton	01-Feb-23	29-Mar-23	<p>Update July 23: This session will be picked up as part of the wider audit and governance training for the Committee which will be arranged in due course.</p> <p>Update March 23: Planning for this session is underway and session will be scheduled in April/May.</p> <p>Update 29 March 23: This training will be arranged for a date after the Council AGM in May so that any Membership changes can be picked up</p>		Ongoing
7	<p>General (accessibility) To ensure reports contained within reports are of at least font size 12</p>	Mark Stocks / Leslie Ashton / report authors	29-Mar-23	10-May-23	<p>Update August 23: action to remain open to ensure Grant Thornton reports are using the appropriate font, BC reports continue to be checked for formatting.</p> <p>Update July 23: Action to remain open as Grant Thornton reports supplied for July meeting still in smaller font.</p> <p>June 23: Grant Thornton have been reminded to use appropriate font size and all internal reports will continue to be checked moving forward.</p> <p>Update April 23: Buckinghamshire reports are being checked for font size. This has been raised with the Committee Services team to cover all Council Committee papers.</p>		Ongoing

No.	Action required	Lead	Date raised	Due date	Action taken	Date resolved (grey when resolved)	Status
8	Statement of Accounts 2020/21 To circulate figures of bad debt to the Committee	Dave Skinner	29-Mar-23	10-May-23	Update September 23: Bad debt report to be considered at future meeting Update May 23: Further thought being given as to how to present the figures to Members		Ongoing
9	Anti-Fraud & Corruption Policy and Anti Money Laundering Policy To be updated and brought back to the next Committee	Maggie Gibb / Selina Harlock	29-Mar-23	10-May-23	Update September 23: Deferred to November 23 Update June 23: All policies will be presented to A&G for approval in September. Work is ongoing with HR to review and update the Whistleblowing Policy.		Ongoing
10	Anti-Money Laundering Policy To present statistics on funds recovered at a future meeting	Maggie Gibb / Selina Harlock	29-Mar-23	10-May-23	Update September 23: To be included in 23/24 Annual Fraud Report.		Ongoing
11	2022/23 Business Assurance Strategy Update To provide further information and statistics on Risk Management Training delivery.	Maggie Gibb	17-May-23	05-Jul-23	Update September 23: to be provided to November meeting		Ongoing
12	Statement of Accounts 2020/21 and 2021/22 To produce a document to detail each financial year and the various accounts and associated reports which had been/were due to be presented to the Committee, including dates.	Dave Skinner / Hasina Shah	05-Jul-23	27-Sep-23	Update September 23: update agreed with Chairman and to be presented at each committee meeting incorporates this request		Ongoing
13	Annual Audit Report 2021/22 To provide a list of the points raised under this item to Mr D Skinner to produce a draft paper to circulate to Members for agreement by the end of July 2023 for forwarding on to Mr M Stocks to incorporate the comments and changes.	Dave Skinner / Mark Stocks/ Leslie Ashton	05-Jul-23	27-Sep-23	Update September 23 : Leslie Ashton sent the list of points to Dave and Hasina after the last meeting, Hasina drafted the suggested changes and these were circulated by email to the committee on 4th August. Only Richard N came back with comments, but he was happy with the suggested changes.		To be closed
14	Annual Governance Statement 2022/23 To produce an updated version of the AGS, in the latest design format taking into consideration points raised during the 5/7 Committee meeting. This draft to be circulated in advance of the next Committee meeting, with the intention of the AGS being signed off at that meeting.	Glenn Watson	05-Jul-23	27-Sep-23	Update September 23: the Committee approved the draft Annual Governance Statement in July 2023 with some minor changes suggested. These have been made; and have now been incorporated into a newly designed document which is consistent with the Council's other publications. The revised version is being circulated to Committee members ahead of the September 2023 'sign off' meeting.		To be closed
15	Internal Audit Charter To review the KPI in respect of whether a measure of success should include client satisfaction, assess how this works over the coming year and report back to the Committee when the Charter is next reviewed.	Maggie Gibb	05-Jul-23	31-Mar-24	Update September 23: included as part of the Internal Audit Improvement Plan which is part of the Public Sector Internal Audit Standard.		To be closed
16	2022/23 Business Assurance Strategy Update To review of the wording in the update report to reflect the change from the Clinical Commissioning Group (CCG) to an Integrated Care Partnership (ICP).	Maggie Gibb	05-Jul-23	27-Sep-23	Update September 23: This will be updated in future reports		Ongoing
17	Work Programme To update the work programme to include items on the Council's approach to mandatory training, subsidiary companies governance, complaints (payments out), and formulation of KPIs.	Maggie Gibb	05-Jul-23	27-Sep-23	Update September 23: Review in progress update at the November meeting		Ongoing

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Report to Audit and Governance Committee

Date:	27 September 2023
Title:	23/24 Work Programme
Relevant councillor(s):	N/A
Author and/or contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Auditor)
Ward(s) affected:	N/A
Recommendations:	Members are recommended to note the work programme
Reason for decision:	N/A

1. Executive summary

- 1.1 The 23/24 Work Programme details the forward plan of items to be presented to the Audit and Governance Committee during this municipal year.
- 1.2 The programme includes a number of standing items, annual/bi-annual/quarterly reports as well as ad-hoc items requested by the committee.

2. Content of report

- 2.1 23/24 Work Programme for the Audit and Governance Committee (Appendix 1).

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 The Work Programme will be reviewed and updated ahead of the next Audit and Governance Committee meeting.

9. Background papers

9.1 It is a legal requirement to make available background papers relied on to prepare a report and these should be listed at the end of the report (copies of background papers for executive decisions must be provided to democratic services). **Hyperlinks to papers published online should be used where possible. Where there are no background papers, insert none.**

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.

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 23/24

Date	Items
27 September 23	<ol style="list-style-type: none"> 1. Action log 2. Buckinghamshire Council Statement of Accounts Update 3. Buckinghamshire Pension Fund - 22/23 Audit Plan and Fee Letter 4. Buckinghamshire Pension Fund – 22/23 Audited Statement of Accounts 5. Housing Benefit Grant Claim Certification 21/22 6. Farnham Park Sports Fields Charity Annual Report and Financial Statements 22/23 7. Higginson Park Trust Fund Accounts 22/23 8. 22/23 Annual Governance Statement 9. Local Code of Governance 10. RIPA Report 11. 22/23 Chief Auditor Annual Audit Opinion 12. 23/24 Business Assurance Strategy Update (incl. Internal Audit Plan) 13. Risk Management Group Update 14. Action Log 15. Work Programme 16. 22/23 Chief Auditor Annual Audit Opinion - Summary of Completed Audits and Audit Action Tracker (confidential)
7 November 23	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts Update 2. External Audit Risk Assessment 3. Treasury Management Mid-Year update 4. Annual Governance Statement Action Plan 5. Audit Committee – Review of Effectiveness Action Plan 6. Whistleblowing Policy 7. Anti-Fraud and Corruption Policy 8. Anti-Money Laundering Policy 9. Risk Management Group update 10. 2023/24 Business Assurance Strategy Update (incl. Internal Audit Plan) 11. Work programme 12. Action log 13. 23/24 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 23/24

<p>17 January 24</p>	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts Update 2. Treasury Management Strategy 3. External Auditors Annual Report 4. Risk Management Group update 5. Annual Governance Statement Action Plan 6. Audit Committee – Review of Effectiveness Action Plan 7. 2023/24 Business Assurance Strategy Update (incl. Internal Audit Plan) 8. Contract Procedure Rules - Waivers & Breaches (part confidential) 9. Work Programme 10. Action Log 11. 23/24 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
<p>6 March 24</p>	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts Update 2. Constitution Working Group Update 3. 2023/24 Business Assurance Strategy Update (incl. Internal Audit Plan) 4. Annual Governance Statement Action Plan 5. Audit Committee – Review of Effectiveness Action Plan 6. Risk Management Group update 7. Work Programme 8. Action Log 9. 22/23 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential)
<p>8 May 24</p>	<ol style="list-style-type: none"> 1. Buckinghamshire Council Statement of Accounts Update 2. Pension Fund Accounts 23/24 3. 2024/25 Internal Audit Plan Update 4. 2023/24 Business Assurance Strategy Update (incl. Internal Audit Plan) 5. Audit & Governance Committee Annual Report to Council 6. Audit Committee – Review of Effectiveness Action Plan 7. Annual Governance Statement Action Plan 8. Action Log 9. 23/24 Business Assurance Strategy Update: Completed Audits and Audit Actions Summary Report (confidential) 10. 22/23 Fraud Cases Update (confidential)

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