

Notice of Meeting

Governance and Ethics Committee

Monday, 25th April, 2016 at 5.00 pm
in the Council Chamber Council Offices
Market Street Newbury

Date of despatch of Agenda: Friday, 15 April 2016

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Andy Day/Moira Fraser/Stephen Chard on (01635) 519459/519045/519462

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Agenda - Governance and Ethics Committee to be held on Monday, 25 April 2016
(continued)

To: Councillors Steve Ardagh-Walter, Jeff Beck (Vice-Chairman), Chris Bridges, Graham Bridgman, James Cole, Barry Dickens, Lee Dillon, Rick Jones, Anthony Pick and Quentin Webb (Chairman)

Substitutes: Councillors Billy Drummond, Sheila Ellison, Alan Macro and Tim Metcalfe

Agenda

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|--|-----------------|
| 1 Apologies To receive apologies for inability to attend the meeting (if any). | |
| 2 Minutes To approve as a correct record the minutes of the ordinary meeting of this Committee held on 08 February 2016 and the minutes of the special meetings of this Committee held on 08 February 2016, 17 February 2016, 22 February 2016 and 14 March 2016 . | 1 - 26 |
| 3 Declarations of Interest To remind Members of the need to record the existence and nature of any Personal, Disclosable Pecuniary or other interests in items on the agenda, in accordance with Members' Code of Conduct . | |
| 4 Forward Plan <i>Purpose: To consider the Forward Plan for the next 12 months.</i> | 27 - 30 |

Standards Matters

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| 5 Governance and Ethics Committee (Annual Report 2015/16) (C3034) <i>Purpose: To present the Annual Governance and Ethics Committee report to Full Council.</i> | 31 - 50 |
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Governance Matters

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| 6 External Audit Plan 2015-16 (GE3008a) <i>Purpose: To provide Members with a copy of the external audit plan from KPMG for 2015/16.</i> | 51 - 68 |
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Agenda - Governance and Ethics Committee to be held on Monday, 25 April 2016
(continued)

- 7 **Internal Audit - Work Plan 2016-19 (GE3008)** 69 - 104
Purpose: This report sets out the proposed plan of work for internal audit over the next three years and outlined the method used to compile the plan, which is based around risk.
- 8 **Corporate Parenting Panel (C3103)** 105 - 114
Purpose: This report proposes changes to the governance of the Corporate Parenting Panel to provide a robust framework that upholds the Council's statutory responsibilities in relation carrying out its responsibilities towards children and young people in care including care leavers.

Andy Day
Head of Strategic Support

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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

GOVERNANCE AND ETHICS COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 8 FEBRUARY 2016

Councillors Present: Steve Ardagh-Walter, Jeff Beck (Vice-Chairman), Graham Bridgman, James Cole, Barry Dickens, Lee Dillon, Rick Jones, Anthony Pick and Quentin Webb (Chairman)

Also Present: Tandra Forster (Head of Adult Social Care), Julie Gillhespey (Audit Manager), Kevin Griffin (Head of ICT & Corporate Support), David Holling (Head of Legal Services), Ian Priestley (Chief Internal Auditor) and Moira Fraser (Democratic and Electoral Services Manager)

Apologies for inability to attend the meeting: Chris Bridges, Andy Walker, Lesley Flannigan

PART I

21 Minutes

The Minutes of the meetings held on 23 November 2015, 09 December 2015 and 05 January 2016 were approved as a true and correct record and signed by the Chairman.

In relation to Minute 14 (23 November 2015) Risk Management – Revised Approach it was noted that Councillor James Cole was attending the Risk Management Group and that he would provide feedback to the Committee in due course.

22 Declarations of Interest

There were no declarations of interest received.

23 Forward Plan

The Committee considered the Governance and Ethics Committee Forward Plan (Agenda Item 4). Members requested that an update from Councillor Cole on the Risk Management Group be added to a future agenda (November 2016).

RESOLVED that the Governance and Ethics Committee Forward Plan, as amended, be noted.

24 Monitoring Officer's Quarterly Update Report to the Governance and Ethics Committee – Quarter 3 of 2015/16 (GE3033)

The Committee considered a report (Agenda Item 5) concerning local and national issues relating to ethical standards. The report brought to Members' attention any complaints or other problems within West Berkshire.

The Monitoring Officer brought the following key points to the attention of the Committee.

During Quarter 3 of 2015/16 one formal complaint had been received by the Monitoring Officer. This was a marked reduction on quarter two when 15 formal complaints had been received. Following the initial assessment by the Monitoring Officer, in consultation with the Independent Person, no further action was taken on the complaint (NPC5/15).

The investigation into a complaint against a parish councillor (NPC4/15) had been completed and would be discussed at an Advisory Panel meeting on the 11th February

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2016. The Advisory Panel would then make a recommendation to a special meeting of the Governance and Ethics Committee.

Dispensations were granted to seven Members in relation to the A339/Fleming Road Junction Compulsory Purchase Order during Quarter 3 of 2015/16 and a further two dispensations were granted in January 2016 in relation to the same matter. A dispensation was also granted to all Members present at the December 2015 Council meeting to discuss matters pertaining to Council Tax.

The number of declarations of gifts and hospitality by District Councillors increased significantly during Quarter 3 of 2015/16. This could be as a result of the annual reminder sent out before the Christmas period by the Monitoring Officer.

No training has been undertaken during this period and the next session would take place before the District Parish Conference on the 22 March 2016.

A task group has been set up to review the Code of Conduct and would report back to the April 2016 meeting.

At the time of writing the report a number of parishes had not as yet submitted their Register of Interest Forms. The Monitoring Officer was pleased to note that this situation had now been remedied and all forms had been received and would be placed on the Council's website in due course.

Councillor Bridgman commented that not all Members were aware of the requirement to declare gifts and hospitality where they were offered but declined. The Chairman noted that the Code of Conduct and Gifts and Hospitality Protocol were currently being considered by a Task Group and these issues would be discussed there and perhaps altered.

RESOLVED that the report be noted.

25 Amendments to the Constitution - Scheme of Delegation (C2981)

The Committee considered a report (Agenda Item 6) setting out proposed amendments to the Scheme of Delegation as part of the annual review of the Council's Constitution in light of legislative changes and current practice.

David Holling explained that the report proposed amendments to Part 3 of the Constitution, the Scheme of Delegation. The Scheme of Delegation summarised which part of the decision-making process (e.g. the Council, Executive, the Area Planning Committees, Licensing Committee/ Sub-Committee, the Governance and Ethics Committee and the Personnel Committee) was responsible for which function. This Scheme also set out the extent to which the powers and duties of the Council were delegated to Officers.

All Directors and Heads of Service had been asked to advise of any changes they required to the Scheme to ensure that the Council's Constitution was as up to date as possible. The report proposed a small number of changes for the Governance and Ethics Committee to consider prior to making a recommendation to Full Council. These were set out below:

The Head of Highways and Transport

- Changes proposed to strengthen paragraph 3.12.2 (Transport) in relation to Concessionary Fares.

The Head of Human Resources

- Changes proposed to paragraph 3.1.3 (Responsibility for Council Functions) to align the Constitution with the Discretionary Compensation Payments Policy. Requests for

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the Council to make enhanced severance payments or grant premature retirements on the grounds of efficiency would be considered and approved on an individual basis by the Personnel Committee. Where the total cost to the Council of a termination would exceed £10,000, the costs must first be approved by the Executive. Below £10,000, the costs must be approved by the Chief Executive in consultation with the Leader and Shadow Leader of the Council.

- It was proposed that the final bullet point under section 3.3.3 (Human Resources) be removed as Corporate Directors and Heads of Service had no delegated powers with regard to approval of compensation payments.

The Head of Finance

- It was proposed that the ninth bullet point in section 3.5.3 (Finance General) be deleted.
- Paragraph 3.5.7 (Local Government Finance Act 1988) third paragraph would be updated in line with legislative changes.

The Head of Adult Social Care

- An additional paragraph 3.7.3 (Better Care Fund) be included to allow the Head of Adult Social Care to approve Better Care Fund performance reporting to NHS England in consultation with the Chairman and Vice-Chairman of Health and Wellbeing Board.

The Head of Care Commissioning Housing and Safeguarding (CCH&S)

- Paragraph 3.8.10 (Energy Act 2011) to be deleted as the Council no longer had the Community Interest Company for Green Deal.
- An additional paragraph 3.8.10 (Disability) to be included appointing the Head of CCH&S to also act as a deputy in all matters in which it was appropriate for the Council to act and in accordance with any Court Orders made by the Court of Protection (paragraph 3.7.2). The Head of ASC needed it for Health and Welfare orders and the Head of CCH&S needed it for Property and Affairs orders.

The Head of Planning and Countryside

- Two additional paragraphs 3.14.16 (Section 1 Burial Act 1853) and 3.14.17 (Section 215 Local Government Act 1972) to be included for authority to enter into a closure of churchyards and transfer of maintenance responsibilities.

The Head of Culture and Environmental Protection

- Two additional paragraphs 3.15.17 (Section 1 Burial Act 1853) and 3.15.18 (Section 215 Local Government Act 1972) to be included for authority to enter into a closure of churchyards and transfer of maintenance responsibilities.
- Paragraph 3.14.5 (Berkshire Act 1986) moved to 3.15.8 (Berkshire Act 1986) to reflect that the Building Control Function had moved from the Planning and Countryside Team to this Service.
- Paragraph 3.15.1 (Authorisation) amended to reflect current practice.
- Paragraph 3.15.3 (Enforcement and Administration Legislation) to be updated to reflect current legislation.

The Head of Education Services

- Minor amendments to paragraph 3.16.2 (Admissions) and 3.16.3 (Attendance at School) to reflect current practice.

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- Ensure that paragraph 3.16.15 (Post 16 Years – Education and Training Provision) referred to the appropriate legislation.

The Head of Customer Services

- Paragraph 3.4 (Schedule of Proper Officer Appointments) amended to reflect that the Registration Service was now managed by this team.

Amendments had also been made to the Scheme of Delegation to reflect the merging of the Governance and Audit and Standards Committees.

(Councillor Lee Dillon arrived at 5.15pm)

David Holling confirmed that the Scheme of Delegation might need to change again if major changes to services took place as a result of the budget savings. It was therefore proposed to have a further review of the Scheme of Delegation in September/October 2016.

The following additional changes were requested at the meeting:

| Paragraph | Amendment | Reason |
|--------------------------------------|---|--|
| 3.1.3 (Table 2) – Page 44 last block | After the word 'pensions' in the functions column add severance payments/ premature retirements | To ensure that the amendment was reflected in the functions. |

RESOLVED that the amendments to the Scheme of Delegation set out in the report and those raised at the meeting be recommended to Full Council for approval.

26 Internal Audit - Interim Report 2015-16 (GE3007)

The Committee considered a report (Agenda Item 7) which provided an update on the outcome of internal audit work carried out during the first half of 2015/16.

Ian Priestley informed Members that The Public Sector Internal Audit Standards, as adapted by CIPFA's "Local Government Application Note" required the Chief Internal Auditor to make a formal report annually to the Council in order to present an opinion of the Council's internal control framework. In addition to the formal annual report the Chief Internal Auditor provided an interim report to the organisation in the course of the year. The interim report aimed to address emerging issues in respect of the whole range of areas to be covered in the formal annual report. This report provided an interim view looking at the first six months of the year.

A summary of the internal audit work that was currently underway was set out in Appendix A. Details of completed work was set out in Appendix B. Two follow up audits had been given an unsatisfactory opinion – Archiving of Council Records and Personal Budgets (Direct Payments).

The Heads of ICT and Corporate Support and Adult Social Care had therefore been invited to attend the meeting to answer any questions Members had in relation to the Archiving of Council Records and Personal Budgets (Direct Payments).

It was noted that time would be given for the recommendations from the audit to be sorted and then a follow up audit would take place. Julie Gillhespey explained that the follow up was a snapshot at the time the follow up was undertaken, and only one follow-up was undertaken unless they were specifically asked to carry out a further one. Ian Priestley advised that it was not planned to re-audit in respect of Personal Budgets

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(Direct Payments), and that due to a lack of resources in future follow-ups would be undertaken on a risk based approach. He noted that in 1998 the team had comprised ten auditors and there were only four in the current cohort.

Ms Gillhespey also explained that Portfolio Holders were given a copy of the draft audit report and worked with Heads of Service and Corporate Directors, if appropriate, to agree a way forward. Where unsatisfactory follow ups occurred the Heads of Service were asked to attend Governance and Ethics Committee meetings to provide reassurance that they were addressing the issues raised by the auditors. Mr Priestley mentioned that the bi-annual Internal Audit reports were also presented to Corporate Board, Operations Board and Governance and Ethics Committee meetings. He therefore wanted to reassure the Committee that there was a lot of Member involvement in the audit process.

Mr Priestley noted that no fundamental weaknesses had been identified in the Council's internal control framework through the work carried out by Internal Audit. Overall the internal control framework remained robust.

Archiving of Council Records

Ms Gillhespey explained that the main issue with this area was that some of the records in storage did not have a destruction dates and some of those that did have a destruction date were not being destroyed at the appropriate time. As a consequence the Council was incurring unnecessary costs.

Councillor Lee Dillon queried whether the issue was that the Council was not providing destruction dates or the providers were not doing it. Officers confirmed that both of these issues were occurring. When documents were originally sent to Reading Records no process was put in place for destroying documents as it was not a requirement at the time. In some cases the service provider was notifying the Council but services were not doing anything about it pro-actively.

David Holling also noted that the Council did not have the resources to shred documents and therefore there were costs associated with getting external providers to do this work on the Council's behalf. Councillor Dillon accepted that there needed to be a balance between the costs associate with archiving and those of shredding.

Kevin Griffin commented that the historic processes were inadequate. Work was being undertaken to redress the situation. Documents now included a destruction date. The Council was currently paying around £40k for archiving. Opportunities for reducing costs had been looked into. One of the opportunities identified was that MJF (a supplier) only charged £3 per box for storage compared to £9 per box at Reading Records. Simply transferring appropriate records from one provider to the other could therefore generate significant savings.

There had been some issues around resourcing this work but Officers were meeting on the 25 February 2016 to agree a way forward. It was being proposed that two weeks would be set aside in April to go through the documents at Reading Records and where appropriate some could be set aside for destroying and others transferred to MJF. The ICT Apprentice would be asked to assist with this work.

It was anticipated that around £17k could be saved though this work. Councillor Anthony Pick commented that if transferring the boxes would result in a two thirds reduction in the costs he would expect to see a greater reduction in costs. Kevin Griffin agreed to provide Members with greater clarity around these potential savings. It was possible that there

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might be some contractual costs involved and it was possible that greater savings could be achieved in subsequent years.

Councillor Steve Ardagh–Walter queried whether the Council made use of electronic storage. Officers explained that where appropriate this storage method was used.

Councillor Rick Jones queried whether the storage providers would be able to assist with the destruction of documents accepting that there would be a charge to do so. Kevin Griffin stated that this was something he could look into but that he was not sure if it was a service that they offered.

Councillor James Cole queried whether paper records were affected by the ‘right to be forgotten’. It was agreed that clarity would be sought from the Information Management Officer.

Personal Budgets (Direct Payments)

Councillor Jeff Beck noted that at the time of the follow up audit five of the 11 agreed recommendations had not been implemented and he was therefore not confident that they would be addressed, and without sight of the recommendations how did they know that the update given by the Head of Service related to the recommendations outstanding. Ms Gillhespey responded that the points on the update did cover the outstanding recommendations, and it looked like reasonable progress had been made.

Tandra Forster explained that there were two main issues. At the time of the audit the team doing the financial monitoring was not performing well and Officers were not keeping up with the annual reviews. In a few instances examples were found of funding being misspent or where clients were not spending their whole budgets. It was difficult to re-coup this funding but Officers were becoming more skilled at doing so.

The finances were now being monitored by the Client Financial Services that provided regular updates to the Adult Social Care (ASC) Management Team. In addition 75% of client care reviews had now been undertaken and it was anticipated that they would all be completed by year end. She was therefore confident that the appropriate mechanisms were in place to address the concerns raised.

Councillor Jeff Beck was surprised that some personal budgets were underspent. Ms Forster explained that direct payments was only a small part of what ASC did. Personal budgets had been set up to allow clients to procure their own services but it had become evident that some of them were reluctant to employ people because of all the issues that this raised. This initiative had been part of the Putting People First policy which had been set up at a time when there was more money in the system. The Head of ASC commented that use of e-payment cards, which would be less onerous for individuals, might also assist clients.

Councillor Steve ArdaghWalter asked for some indication of the magnitude of expenditure for direct payments. Tandra Forster agreed to provide the Committee with a written response to this query.

Councillor Rick Jones commented that direct payments were one element of a wider piece of work being undertaken under the Care Act and that he was satisfied with the progress that had been made.

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Members were concerned that the audit process was not sufficiently robust and they queried why unsatisfactory audits were not automatically subjected to a second review. Officers explained that it was the responsibility of the Service to implement the recommendations. The Audit Team did not have the capacity to undertake all the testing that was required in a second review in all instances. The Team opted to focus on assurance work. Ian Priestley commented that most authorities did not even undertake any follow up activity and that services were required to undertake self assessments.

The Chairman noted that it was the role of the Governance and Ethics Committee to hold the relevant Heads of Service to account.

Councillor Graham Bridgman made some general comments on the report. He stated that some of the numbers appeared to have gone awry. He also noted that the report included a number of acronyms which by convention should be written in full in the first instance followed by the acronym in brackets. There were also terms in the report which were not fully explained which made it difficult to read.

Members felt that it would be useful for them to have sight of the recommendations being referred to in the unsatisfactory follow up audits which would assist them with holding the Heads of Service to account.

Councillor Beck raised concerns about the statement in the conclusion to the report that no fundamental weaknesses had been identified given the unsatisfactory follow ups. The Chairman commented that there were only two audits that had resulted in unsatisfactory follow ups. Ian Priestley commented that this opinion was based on work across the Council and that the unsatisfactory follow ups were isolated exceptions. Generally speaking this was a well managed authority.

Councillor Lee Dillon queried whether it would be possible to agree a trigger at which an automatic second review would be implemented.

(Councillor Steve Ardagh-Walter left the meeting at 6pm)

Councillor Rick Jones stated that it was the role of the auditors to identify weaknesses and it was then up to the manager, Head of Service and Portfolio Holder to ensure that the recommendations were implemented. Ian Priestley reminded Members that most authorities did not undertake follow ups and they relied on management to implement the agreed recommendations. The 2016/17 Internal Audit Plan would include fewer follow ups as there were insufficient resources to undertake this work. Spending time on follow ups, which were time consuming due to the testing that was required, would result in less assurance work being done. Members queried whether Portfolio Holders should be invited to attend Governance and Ethics meetings when the Head of Service was compelled to do so.

It was suggested that in future were unsatisfactory follow ups were discussed the recommendations and associated actions be included in the paperwork for the meeting to assist Members with holding Heads of Service to account.

RESOLVED that:

- 1. The report be noted.**
- 2. Tandra Forster to provide Members with the levels of expenditure on Direct Payments.**

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3. Kevin Griffin to provide clarity on the savings that could be generated by transferring the archiving from one supplier to another.
4. Sue Ellis to provide clarity on the impact of the 'right to be forgotten' on stored documents.
5. The Year End report to take cognisance of the changes requested by Members.

27 Accounting Policies (GE3056)

The Committee considered a report (Agenda Item 8) which sought approval of the Accounting Policies that would be used to produce the Annual Accounts for the year ending 31st March 2016.

Officers explained that in the past the Accounting Policies had been approved at the same time as the final Annual Accounts. It had since been recommended that Members should have an opportunity to discuss the Accounting Policies prior to the production of the Annual Accounts.

The purpose of the Statement of Accounting Policies was to explain the basis of measurement that had been used in the preparation of the Financial Statements. They gave the reader of the Annual Accounts vital background information on the different Accounting Policies in place and helped the reader to follow the main Statements. The Financial Statements were produced in accordance with the code of practice, and then audited by the Council's external auditors KPMG.

RESOLVED that the Accounting Policies for producing the Annual Accounts for the year ending 31st March 2016 be approved.

(The meeting commenced at 5.00pm and closed at 6.15pm)

CHAIRMAN

Date of Signature

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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

EXTRAORDINARY GOVERNANCE AND ETHICS COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 8 FEBRUARY 2016

Councillors Present: Jeff Beck (Vice-Chairman), Graham Bridgman, James Cole, Lee Dillon, Rick Jones, Anthony Pick and Quentin Webb (Chairman)

Also Present: David Holling (Head of Legal Services) and Moira Fraser (Democratic and Electoral Services Manager)

Apologies for inability to attend the meeting: Councillor Steve Ardagh-Walter, Chris Bridges and Barry Dickens

PART I

28 Declarations of Interest

There were no declarations of interest received.

29 Request for Dispensation

The Committee considered a report (Agenda Item 3) which pertained to an application for a dispensation from Councillor Lynne Doherty to speak and vote at all Council and Executive meetings where the 2016/17 budget was discussed. Councillor Doherty's employer was in receipt of short break funding which would form a small part of the budget discussions. The amount equated to 0.00007% of the Council's total budget for the 2016/17 year.

The Monitoring Officer noted that it was the Member's employer which received some short breaks funding and the overall amount was a small proportion of the overall budget. Councillor Doherty also brought some knowledge of the arrangements in her role as Portfolio Holder which might be of assistance to Members of Council generally should there be debate on this particular line of the Budget. The Monitoring officer did not consider that Councillor Doherty had a disclosable pecuniary interest but at best an 'other interest' under the Council's Code of Conduct.

He stated that should the Committee be minded to grant a dispensation in this instance it be recommended that it should be limited to meetings of the Executive and Council at which the 2016/17 Budget was discussed only.

All three Independent Persons (IPs) were consulted.

Lindsey Appleton concurred with the view of the Monitoring Officer and stated that it was Councillor Doherty's employer that received the funding and the generic knowledge that she possessed as portfolio holder, could potentially aid discussions. She also concurred that Councillor Doherty did not have a disclosable pecuniary interest in this matter.

James Rees had made no comment on the report. Mike Wall stated that that he felt that a dispensation should not be granted on the grounds of perception. However, if a dispensation were to be granted it should be to speak but not vote.

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Barry Dickens had advised the Chairman that he was of the opinion that a dispensation should be granted to speak but not vote on this matter.

Councillor Jeff Beck and Quentin Webb noted that the funding was granted to her employer and not to the Councillor herself and therefore she should be able to participate fully in the debate.

Councillor Lee Dillon commented that he was generally in favour of granting dispensations but that he felt that Councillor Doherty should not speak or vote on that specific line of the budget discussions to ensure that there were no perception of bias. He would not like to see her advocating funding for her employer. Preventing her from discussing that particular item would not effect the political balance of the Council. He was however comfortable with her speaking and voting on the budget as a whole.

Councillor Anthony Pick stated that in his opinion it was important that Councillor Doherty participate fully in the debate given her responsibilities. Councillor Graham Bridgman commented that he felt that the report did not provide sufficient information. It was not clear what position Councillor Doherty was employed in. He would have preferred to see what the level of funding was in monetary terms and it was not evident what proportion of the organisations funding would be effected,

The Monitoring Officer commented that he was only able to include information that was given to him. It was noted that Councillor Doherty's Register of Interest form stated that she was employed by Homestart but did not indicate what position she held.

Councillor Rick Jones commented that he fully supported the granting of a dispensation to participate fully in the debate. He reminded Members that the line in the budget would be about reducing the grant to Councillor Doherty's employer. A reasonable person would therefore conclude that there was no bias involved. Councillor Quentin Webb asked the Committee if they wished to defer the decision until the information Councillor Bridgman was seeking could be provided. At the vote this proposal fell.

Members then agreed to vote on the proposals separately At the request of Councillor Bridgman it was agreed that Members would vote on participation at the Executive and Council separately.

RESOLVED that :

- 1. A Dispensation should be granted.**
- 2. At Full Council Councillor Doherty should be permitted to speak and vote on the entire budget.**
- 3. At Executive meetings Councillor Doherty should be able to speak and vote except where this specific line was discussed when she should be able to speak but not vote.**
- 4. The Dispensation be granted for all Council and Executive meetings where the 2016/16 budget was discussed (in the sole opinion of the Monitoring Officer) the same issue or matters arising from the same issue.**

(The meeting commenced at 6.17 pm and closed at 6.36 pm)

CHAIRMAN

Date of Signature

DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

SPECIAL GOVERNANCE AND ETHICS COMMITTEE

MINUTES OF THE VIRTUAL MEETING HELD ON WEDNESDAY, 17 FEBRUARY 2016

Councillors Present: Steve Ardagh-Walter, Jeff Beck (Vice-Chairman), Graham Bridgman, James Cole, Lee Dillon, Rick Jones, Anthony Pick and Quentin Webb (Chairman)

Also Present: Moira Fraser (Democratic and Electoral Services Manager)

Apologies for inability to attend the meeting: Chris Bridges

Councillors Absent: Barry Dickens

PART I

35 Declarations of Interest

Councillor Lee Dillon declared an interest in Agenda Item 3, and reported that, as he had an other interest he would not be taking part in the discussion or voting on this item.

36 Request for a Dispensation

(Councillor Lee Dillon declared an other interest in Agenda item 3 by virtue of the fact that he was employed by the same organisation as Councillor Franks.. As his interest was personal and prejudicial he took no part in the debate or voting on the matter).

The Committee considered a report (Agenda Item 3) which pertained to an application for a dispensation from Councillor Marcus Franks to speak and vote at Council and Executive meetings where the 2016/17 budget was being discussed.

The Monitoring Officer noted that the Councillor's interest arose as a result of his employment with a body whose funding might be affected by decisions of the Council. Councillor Franks had a good deal of knowledge and experience in this area and his participation might assist the Council in its decision making but Members needed to determine whether his proximity to his employer was such that members of the public would consider the public interest would not be served. The granting or otherwise of a dispensation would not impact on the quorum for Executive or Council.

All three Independent Persons (IPs) were consulted. Lindsey Appleton stated that Councillor Franks, "as Community Investment Co-ordinator would be too close to this subject and I feel he potentially has a conflict of interest. His proximity to the employer and indeed, the role he has there, is such that he could not be deemed impartial and therefore the public interest would not be served. I acknowledge he may have good knowledge and experience but feel public perception may be that a conflict exists. I would therefore be minded to not grant a dispensation.'

James Rees commented that the community would benefit from Councillor Franks' input into the discussion and therefore he should be permitted to speak but not vote at Council and Executive meetings where the 2016/17 budget was discussed.

Mike Wall was of the view that Councillor Franks should be able to speak but not vote at Council and Executive meetings where the 2016/17 budget was discussed.

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Councillor Anthony Pick stated that he felt that a dispensation should be granted to Councillor Franks to speak and vote at Council and Executive meetings where the 2016/17 budget was being discussed.

Councillors Jeff Beck and Graham Bridgman stated that a dispensation should be granted. They stated that provided that he declared an interest by virtue of his employment with Sovereign Housing, Councillor Franks should be able to speak at any meeting of the Executive or Council on any aspect of the 2016/17 budget. However he should not be able to vote at any meeting of the Executive or Council where the vote pertained only to a specific 2016/17 budget item relating in whole or in part to a housing association or housing associations generally including the Neighbourhood Warden Scheme. Provided that he declared an interest by virtue of his employment with Sovereign Housing, Councillor Franks should be able to vote at any meeting of the Executive or Council where the vote pertained to the 2016/17 budget in its entirety; or a specific 2016/17 budget item that did not relate in whole or in part to a housing association or housing associations generally. They agreed that the dispensations should be granted for all discussions on the 2016/17 budget.

Councillors James Cole, Steve Ardagh-Walter and Quentin Webb agreed that a dispensation should be granted but that the dispensation should be to speak but not vote in view of public perception. They concurred that the dispensation should pertain to any discussions on the 2016/17 budget.

Councillor Rick Jones also agreed that a dispensation should be granted but that it should be to speak but not vote at any meeting of Executive and Council, when the 2016/17 budget was featured on the agenda and that this condition should be applied to discussions about the budget in totality as well as individual budget lines.

RESOLVED that:

- 1. a dispensation should be granted.**
- 2. the dispensation will permit Councillor Franks to speak but not vote on items pertaining to discussions on the 2016/7 budget.**
- 3. the dispensation be granted for all Council and Executive meetings where the 2016/17 budget is discussed.**

(This was a virtual meeting)

CHAIRMAN

Date of Signature

DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

SPECIAL GOVERNANCE AND ETHICS COMMITTEE

MINUTES OF THE VIRTUAL MEETING HELD ON MONDAY, 22 FEBRUARY 2016

Councillors Present: Steve Ardagh-Walter, Jeff Beck (Vice-Chairman), Graham Bridgman, James Cole, Lee Dillon, Rick Jones, Anthony Pick and Quentin Webb (Chairman)

Also Present: Moira Fraser (Democratic and Electoral Services Manager)

Councillors Absent: Chris Bridges and Barry Dickens

PART I

37 Declarations of Interest

Councillor Lee Dillon declared an interest in Agenda Item 3, and reported that, as he had an other interest he would not be taking part in the discussion or voting on this item.

38 Request for a Dispensation

(Councillor Lee Dillon declared an other interest in Agenda item 3 by virtue of the fact that the request for a dispensation had come from him.. As his interest was personal and prejudicial he took no part in the debate or voting on the matter).

The Committee considered a report (Agenda Item 3) which pertained to an application for a dispensation from Councillor Lee Dillon to speak and vote at Council meetings where the 2016/17 budget was being discussed.

The Monitoring Officer advised that Councillor Dillon had no higher management responsibility in the Warden Service as he was employed in a different part of the employer's organisational structure. He felt that Members needed to determine whether members of the public would consider the public interest would not be served as a result of his position by the impact on his employer. The granting or otherwise of a dispensation would not impact on the quorum for Council.

All three Independent Persons (IPs) were consulted. Lindsey Appleton stated that as a direct employee of Sovereign Housing Councillor Dillon would have a potential conflict of interest. She acknowledged that his six years' experience and knowledge was relevant and that he was employed within a different organisational structure. She also acknowledged his declaration of non-pecuniary interests at Thatcham Town Council meeting. However she felt that his close proximity to the employer was clear and therefore the perception from the public would be such that public interest might not be deemed served. She was therefore minded not to grant a dispensation in this case.

James Rees commented that due to the potential perception of bias Councillor Dillon should be able to speak but not vote at Council meetings where the 2016/17 budget was discussed. He was also of the view that Councillor Dillon should be able to speak at Executive meetings where the budget was discussed.

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Mike Wall was of the view that Councillor Dillon should be able to speak but not vote at Council where the 2016/17 budget was discussed. He supported granting a dispensation for Councillor Dillon to speak at Executive meetings where the 2016/17 budget was discussed.

Councillor Anthony Pick stated that he felt that a dispensation should be granted to Councillor Dillon to speak and vote at Council meetings where the 2016/17 budget was being discussed and that he should be able to speak at Executive meetings where the 2016/17 budget was discussed.

Councillors Jeff Beck and Graham Bridgman stated that a dispensation should be granted. for all discussions on the 2016/17 budget. Provided that Councillor Dillon declared an interest, by virtue of his employment with Sovereign Housing Association, he should be able to speak at any meeting of the Executive or Council on any aspect of the 2016/17 budget. Councillor Dillon should not be able to vote at any meeting of the Council where the vote pertained only to a specific 2016/17 budget item relating, in whole or in part , to a housing association or housing associations generally ,including the Neighbourhood Warden Scheme. They stated that provided that he declared an interest by virtue of his employment with Sovereign Housing Association, he should be able to vote at any meeting of the Council where the vote pertained to the 2016/17 budget in its entirety; or a specific 2016/17 budget item that did not relate, in whole or in part, to a housing association or housing associations generally.

Councillors James Cole, Steve Ardagh-Walter and Quentin Webb agreed that a dispensation should be granted but that the dispensation should be to speak but not vote in view of public perception. They concurred that the dispensation should pertain to any discussions on the 2016/17 budget.

Councillor Rick Jones also agreed that a dispensation should be granted. He was of the opinion that Councillor Dillon should be able to speak but not vote at any meeting of Executive and Council, when the 2016/17 budget was featured on the agenda and that this condition should be applied to both full budget and individual line items.

RESOLVED that:

- 1. A dispensation should be granted;**
- 2. Councillor Dillon should be permitted to speak but not vote on items pertaining to discussions on the 2016/7 budget ;**
- 3. The dispensation be granted for all Council and Executive meetings where the 2016/17 budget is discussed.**

(This was a virtual meeting)

CHAIRMAN

Date of Signature

DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

GOVERNANCE AND ETHICS COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 14 MARCH 2016

Councillors Present: Chris Bridges, Graham Bridgman, James Cole, Lee Dillon, Rick Jones, Anthony Pick and Quentin Webb (Chairman)

Also Present: Sarah Clarke (Legal Services Manager), Linda Pye (Principal Policy Officer)

Apologies for inability to attend the meeting: Councillor Steve Ardagh-Walter, Councillor Jeff Beck and Barry Dickens

Councillor(s) Absent:

PART I

1 Declarations of Interest

Councillors Graham Bridgman and Chris Bridges declared an interest in Agenda Item 3, but reported that, as their interest was personal and not prejudicial or a disclosable pecuniary interest, they determined to remain to take part in the debate and vote on the matter.

2 NPC4/15

(Councillor Graham Bridgman declared a personal interest in Agenda item 3 by virtue of the fact that Stratfield Mortimer was within the Mortimer Ward for which he was a District Councillor and he was acquainted with the Subject Member, Complainant and the two witnesses. As his interest was personal and not prejudicial or a disclosable pecuniary interest he was permitted to take part in the debate and vote on the matter).

(Councillor Chris Bridges declared a personal interest in Agenda item 3 by virtue of the fact that he was a member of the neighbouring Parish Council. As his interest was personal and not prejudicial or a disclosable pecuniary interest he was permitted to take part in the debate).

The Committee considered the Investigator's report (Agenda Item 3) concerning the complaint in respect of Councillor Christopher Lewis (Subject Member) NPC4/15 from Mr Mike Dennett (Complainant) which had been submitted on 12th August 2015.

Sarah Clarke, the Legal Officer, stated that she had received a request from Councillor Graham Bridgman as to whether the Committee could have sight of two letters from the Subject Member dated 25th September 2015 and 2nd December 2015. The Legal Officer advised that these documents had been received outside of the five day rule and therefore could be considered if they were felt to be relevant. Councillor Bridgman had also asked for a copy of the covering e-mail dated 12th July 2015 which had been referred to in the Investigating Officer's report. However, as the Council had not received this e-mail, and the Investigating Officer did not have a copy of the said e-mail to hand, then it could not be made available to the Committee.

The Independent Investigator, Liz Howlett, introduced her report to the Committee:

The Investigating Officer stated that she had been asked by the Monitoring Officer at West Berkshire Council to investigate the following matters:

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- (1) Did Councillor Lewis use threatening language towards the Chairman (Councillor Dennett) and the Vice-Chairman (Councillor Julian Earl) in his letter of 10th July 2015?
- (2) Did the reference in the letter of 10th July 2015 to stating points publicly on Facebook in relation to the cost of clerking amount to harassment of the Council and the Clerk?
- (3) Did the letter of 12th July 2015 compound the issue by repeating the same points but, in addition, also make reference to unsubstantiated claims that the Parish Clerk had acted in a criminal manner?
- (4) Was there any evidence to justify the allegations of criminal behaviour?

Liz Howlett stated that it was important to focus on the complaint which had been submitted by Dr. Mike Dennett and the fact that there had been a lot of background prior to the complaint being submitted. The key issue was the tone and approach of one fellow Councillor towards others. Dr. Dennett had no issues with the criticisms around the processes and procedures in place at Stratfield Mortimer Parish Council and he had no problem with another Councillor raising those. What was an issue was the persistent and aggressive attitude of the Subject Member.

The letter of 10th July 2015:

There was no doubt from the witnesses point of view that the letter of 10th July 2015 was intended to be threatening. The intent might not have been threatening but the tone of the letter was certainly inappropriate. The Subject Member stated during the investigation that the letter of 10th July 2015 had been sent in error. However, Dr. Dennett had received this letter prior to the letter dated 12th July 2015.

Councillor Quentin Webb queried the timescale between the date of the letter being originally sent and the date when the error had been noted. The Investigating Officer responded that the Subject Member had not realised that the letter had been sent in error until the investigation into this complaint had started. She felt that it would have been some time around mid-November 2015. The Subject Member had then gone back through his e-mails and had subsequently determined that the letter of 10th July 2015 had been sent in error.

Despite the background in this matter Dr. Dennett said that he would have made the same complaint even if the writer had been a brand new Councillor who was unfamiliar to local government.

The first sentence of the 10th July 2015 letter referred to Councillor Lewis being 'on his best behaviour' as if this was something which should be commended rather than something which should be expected of a councillor.

Letter of 12th July 2015:

This letter had been sent intentionally and had been picked up from Mortimer library by Councillor Dennett. The letter of 12th July 2016 did not have the same personal and emotional language as the letter from 10th. However, it did contain three specific threats. There was a threat to go to the auditor, the threat to 'proceed independently' and the threat to place statements on the Mortimer Village Partnership Facebook page.

There appeared to be no semblance of collective responsibility and no sense of working with other councillors to resolve issues. The Investigating Officer was of the opinion that Councillor Lewis thought that he was acting in the best interests of the Council. The problem was that the language used, together with his abrasive attitude (as others perceived it) did not provide other Councillors with that reassurance. The language was

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threatening and the attitude was that allegations or statements had to be dealt with fully and promptly no matter how frequently or aggressively put forward.

Unsubstantiated claims of criminal behaviour:

These claims had been dealt with within the Investigating Officer's report. In relation to the licensing query the Investigating Officer had found it difficult to pin down the exact event and year about which the allegation was being made and it was also beyond the remit of this investigation. Councillor Lewis also maintained that a Councillor had failed to declare a disclosable pecuniary interest at a Council meeting and the clerk had granted a dispensation which she had no right to do and had therefore aided and abetted the crime. However, the Investigating Officer stated that the Localism Act made it very clear that it was the personal responsibility of the Councillor to declare an interest. The clerk could advise but no culpability at all rested with the clerk.

The Investigating Officer concluded that robust political debate was permitted in the Standards regime. However, the issue here was the lack of awareness of the Subject Member's approach and how his behaviour impacted on other people. She hoped that this process would help him to understand the consequences of his actions in future.

Councillor Anthony Pick queried what MVP stood for. It was noted that this referred to the Mortimer Village Partnership.

Councillor Graham Bridgman asked the Investigating Officer that if the Subject Member had sent a further e-mail on 12th July 2015 saying 'please ignore the previous e-mail' would that have changed the view of the letter dated 10th July 2015. The Investigating Officer confirmed that that would have had an impact. The Subject Member had not realised that the letter of 10th July 2015 had been sent in error until she had interviewed him in November 2015. It was only when she had raised this during the investigation that the Subject Member had looked back through his e-mails and found that he had sent the letter in error. Councillor Bridgman noted that the Investigating Officer had stated in her report that the letter of 12th July 2015 had contained three threats and the fact that the auditors had signed off the 2014/15 accounts without qualification that they had no concerns about salary, pension or sick pay arrangements in place at that time. He queried whether an auditor would delve into salary, pension or sick pay arrangements in detail. The Investigating Officer responded that in her opinion auditors would go into the figures in detail. Councillor Quentin Webb confirmed that the Financial Officer would have been responsible for putting the accounts together at the time. Councillor Lee Dillon queried whether the Parish Council had an internal auditor. It was confirmed that the Parish Council did have an internal auditor who would have checked the figures provided by the external auditor.

Councillor Graham Bridgman noted that the Investigating Officer had not met the clerk and yet she stated in her report that the clerk was 'a very experienced clerk and, with a high turnover of chairmen in recent years, she did have to ensure the council continued to operate effectively with relatively little supervision'. The Legal Officer urged caution as the Committee was straying into the conduct of the clerk which was not the subject of this investigation. The Investigating Officer stated that as she had not interviewed the clerk she could not comment on her competence per se, however, she was clearly experienced and was not new to the role.

Councillor Rick Jones felt that it was how the Code of Conduct was interpreted and that the vigorous pursuit of the public interest could justify the style used. He queried how the Subject Member had crossed the line. The Investigating Officer confirmed that there was nothing wrong with the majority of the text where he challenged the process but it was the manner and approach which had meant that he had crossed the line. A continual threatening and aggressive attitude eventually wore people down. The definition in the

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Code of Conduct of bullying and intimidating behaviour was set out in the report and in the Investigating Officer's view he crossed the line due to the tone and language used in the letters. Councillor Jones noted that the Code of Conduct carried some weight but he queried whether it was the intent of the sender or the way the receiver regarded the communication which tipped the balance. The Investigating Officer confirmed that it was generally the way the person who received it felt. If that person felt that they were being bullied then that would be the starting point. If someone was of an overly sensitive nature then some balancing might need to be taken into account. Councillor Jones could see from the background of the letters that the Subject Member might have felt frustrated if he was not able to obtain answers to the issues that he had raised. He therefore asked what options were available to councillors to get answers without behaving in an aggressive manner. The Investigating Officer stated that it had been accepted that some of the processes had been a concern and many of these would be picked up in a review of the Code of Conduct and internal processes. If a Councillor had issues which were not being picked up then he could always raise these at a meeting of the Parish Council through asking a question or requesting an item be included on the agenda.

Councillor Quentin Webb stated that he had looked at various definitions of bullying which could include terms such as 'brow beater' or 'bear down'. There were all sorts of different ways in which someone could be seen as bullying and that they could intimidate another person without speech. The Legal Officer referred to the definition of 'bullying and intimidating behaviour' which was set out in the Code of Conduct on page 37 of the agenda. Councillor Webb highlighted the fact that this definition did not make any reference to words/speech.

Councillor Anthony Pick referred to the letter of 12th July 2015 and in particular 2) Breach of Financial Regulations. If there had been a breach of the Financial Regulations then this was something that the auditor should have picked up. He hoped that Councillor Dennett would have responded to that but it was noted that no response from Councillor Dennett had been included in the pack. The Investigating Officer confirmed that she did not have a copy of a response from Councillor Dennett. These letters were indicative of a pattern of behaviour which started prior to the Subject Member being elected as a Councillor. He had written many letters as a member of the public and this was the way that he seemed to operate. However, in his role as a Parish Councillor he would have been entitled to receive answers to the questions that he had raised.

Councillor Chris Bridges felt that the issues in respect of the clerk should have been followed up as something did not seem right here. The Legal Officer explained that the remit of this complaint was not to investigate the clerk. Councillor Quentin Webb noted that there were some external influences but the Committee had to limit itself to the actual complaint itself. The Legal Officer noted that the Subject Member had made reference to previous documents in his letters of 10th and 12th July 2015 and therefore they could apply.

Councillor Lee Dillon noted that there was no mention in the Code of Conduct of collective responsibility as had been set out in the Investigating Officer's report. The Investigating Officer confirmed that she had been trying to elucidate what Dr. Dennett had been complaining about. He had stated that 'it was a matter of principle that Councillors should work together in a collegiate fashion rather than threaten each other.' Councillor Dillon also stated that one of the roles of a Councillor was to hold others to account for the better good of the community. In relation to the claims that the Subject Member had sent a 'persistent and relentless stream of communication' this was not substantiated as the pack contained only six letters which could not be considered a relentless stream over an eight month period. The Investigating Officer confirmed that there had been a long history of correspondence which was the reason why she had made reference to it. From Dr. Dennett's point of view this communication was certainly

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not a one-off. The Legal Officer clarified that Members were not being asked to consider the Investigating Officer's report as it merely set out the context of the complaint and the subsequent investigation. The Committee would need to determine whether they felt that the Subject Member had acted in a bullying and intimidating manner towards a fellow councillor.

Councillor Lee Dillon asked for clarification around the process. If a Councillor felt that a criminal act had been committed or there was some issue with the Financial Regulations then should they be reporting that? The Investigating Officer responded that if a Councillor believed that there had been criminal behaviour then they would have a duty to go to the Police. If it concerned the Financial Regulations then it should be raised at a Council meeting and a meeting should subsequently be arranged with the auditor.

Dr. Michael Dennett referred to page 7 of the agenda where it stated that '.. but I believe that Councillor Lewis has been scrupulously honest and that he believes he has acted, and is acting, in the public interest and in the best interests of the council.' Was there any proof that Councillor Lewis' actions were in the best interests of the council? The Investigating Officer stated that it was her opinion that it was not in the best interests of the council but that Councillor Lewis believed that it was.

The Subject Member raised issues around West Berkshire Council's Constitution and whether the correct procedures had been followed in relation to the complaint. The Legal Officer confirmed that the Council had followed the correct procedure and in any event this was not the right forum to raise those issues in. If Councillor Lewis was not satisfied with the procedure that had been followed then he should pursue a challenge through the courts.

The Subject Member confirmed that he had struggled with the Investigating Officer's report as it was not an impartial document and he asked if there were any weaknesses in Councillor Dennett's case. The Investigating Officer responded that she had set out clearly in the report that Councillor Lewis had been honest and had acted in the public interest. This was not necessarily a weakness in the case but there was an element of balance contained in the report. She did believe that he had acted in the best interests of Stratfield Mortimer Parish Council.

The Subject Member referred to page 6 of the Investigating Officer's report where it stated that the Monitoring Officer had been asked to investigate various matters. The initial assessment of the complaint had taken place on 10th September 2015 and had been undertaken by David Holling and Lindsay Appleton. That initial assessment had referred to the Subject Member using threatening language and the Investigating Officer had extracted that as the Terms of Reference for her investigation.

The Subject Member referred to page 26 of the agenda which set out the written decision of the Advisory Panel. On that page it stated that 'This was a complex and longstanding issue and it would therefore be appropriate for an independent investigator to look at the facts in so far as they were relevant to this particular complaint.' The Investigator's report was riddled with opinion and he felt that she should not have come to a conclusion. The Legal Officer confirmed that the Monitoring Officer would have expected the Investigating Officer to come to a conclusion.

The Subject Member asked if there was any evidence that he had used threatening language. The Investigating Officer had come to the conclusion, in her opinion, that he had used bullying and threatening behaviour. The complaint related to two letters which could hardly be considered as a persistent and relentless stream. Councillor Quentin Webb confirmed that the Committee would only be considering the two letters in question when making a decision but that it was relevant to hear any background facts.

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Councillor Julian Earl, Vice-Chairman of Stratfield Mortimer Parish Council presented his case as a witness:

Councillor Earl confirmed that he had not been a party to raising the complaint but he would have preferred to have known that Councillor Dennett intended to submit the complaint before doing so. He had become a Councillor in 2010 and he confirmed that there was a significant history of correspondence from the Subject Member, both as a member of the public and latterly as a Parish Councillor. This had had a wearing and detrimental effect on the members of the Parish Council. In response to a query, the Legal Officer confirmed that this was relevant background as there would have been an impact on those who had received the correspondence. In making a decision the Committee would only be taking into consideration the letters of 10th and 12th July 2015. Councillor Quentin Webb clarified that the Committee accepted that letters had been received and sent over a considerable period of time.

Councillor Earl confirmed that Councillor Lewis had sent a number of letters in draft form in the past for comments. Councillor Earl had commented specifically on the letter of 10th July 2015 and advised Councillor Lewis that the two issues he was referring to needed to be separated and that he should tone down the nature of the letter in order to take out the emotion.

Councillor Graham Bridgman queried when Councillor Earl had been aware of the letter of 10th July 2015. Councillor Earl stated that it must have been either 9th or 10th July 2015 when he had received the draft letter and he had then called Councillor Lewis and commented verbally. He had not been copied in on the final letter sent to Councillor Dennett on 12th July 2015 and was therefore not aware that it had been sent. Councillor Earl stated that he regarded the tone of that letter to be threatening, humiliating and insulting. Councillor Earl gave evidence that he considered himself to have a 'thick skin' and stated that the contents of the letter would be like 'water off a duck's back' as far as he was concerned. Councillor Earl stated that he thought that the letter was, however, bullying in nature, but confirmed that he did not feel personally bullied by it. Councillor Earl stated that Councillor Lewis saw things in a different way than other people and had a direct approach. He confirmed that he had had some robust discussions over the years with Councillor Lewis as he also respected straight talking. Since this hearing date had been arranged he had received a large number of calls from Councillor Lewis and had also seen him outside of Council meetings. In the end he had decided to block Councillor Lewis' number from his phone. This was regretful but he felt that he was being hassled at the time.

Councillor Lee Dillon referred to the letter of 10th July 2015 which had been included in the agenda pack and he asked Councillor Earl if that was the one that he had commented on. Councillor Earl responded that as far as he could recall that was the one he had commented on.

Councillor Anthony Pick asked if Councillor Earl had received a copy of the letter sent on 12th July 2015. Councillor Earl confirmed that he had not received a copy at the time but that he had seen it since. Councillor Pick asked what his reaction had been to that letter and would he have given the same advice as for the letter of 10th July 2015. Councillor Earl stated that the letter of 12th July 2015 seemed to be fairly straight forward and factual.

Councillor Anthony Pick stated that as a member of Newbury Town Council if he wished to raise an issue he would submit a question which would be placed on the agenda. Did such a process exist at Stratfield Mortimer Parish Council. Councillor Earl confirmed that that was the custom and practice although he was not sure what was in the Standing Orders at that time. In relation to minor matters for future agenda items it would have been possible to write to the Chair to request an item to be raised. Councillor Pick

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queried when the next meeting had been after 12th July 2015. Councillor Earl confirmed that meetings were held monthly on the second Thursday of each month but that there had been no meeting in August.

Councillor Graham Bridgman noted that Councillor Earl had received the letter of 10th July 2015 in draft form and had commented verbally. He asked when Councillor Earl had been aware that the letters of 10th and 12th July 2015 had been sent to Councillor Dennett. Councillor Earl was not sure of the actual date but he had certainly been aware when the complaint had been submitted.

The Subject Member stated that he was sorry that Councillor Earl had felt it necessary to block his calls and he regarded that as more of a breach of the Code of Conduct than this complaint.

Councillor Earl stated that he regarded the tone of that letter to be threatening, humiliating and insulting. Councillor Earl gave evidence that he considered himself to have a 'thick skin' and stated that the contents of the letter would be like 'water off a ducks back' as far as he was concerned. Councillor Earl stated that he thought that the letter was however bullying in nature, but confirmed that he did not feel personally bullied by it.

Councillor Tony Butcher, Chair of the Grievance Panel, presented his case as a witness:

Councillor Butcher confirmed that the Investigating Officer had interviewed Councillor Julian Earl and it was he who had suggested that she should also interview Councillor Butcher. Councillor Butcher had been a Councillor since October 2014. He had not met Councillor Lewis until the Council meeting in June 2015. The clerk had been on sick leave since March 2015 and a grievance had been received in June 2015. He had become heavily involved in that grievance. The Parish Council had tried to recruit another clerk but had not been able to do so. Councillor Dennett had therefore tried to fill in as best he could but it was a busy Council.

The letter of 10th July 2015 from Councillor Lewis referred to the fact that he had returned as a councillor and that he was sure that Councillor Dennett would agree that he had been 'on his best behaviour'. This context was important as Councillor Lewis had sent a letter demanding immediate action to the Chair of the Parish Council who was trying his best to keep the Council running. In relation to the reference to collegiate behaviour this was how issues should be raised and considered as a group and not by one individual.

After 12th July 2015 the solicitors acting in connection with the grievance had made a formal request in relation to access to the correspondence from Councillor Lewis of 10th and 12th July. Councillor Butcher was not sure how they had become aware of that correspondence as he had not been aware of it himself. Councillor Butcher had asked the Chair who had then shown him the letters from 10th and 12th July 2015. Councillor Butcher confirmed that his immediate reaction had been that this would cost the Parish Council more money as they were of a bullying and intimidating nature. Councillor Chris Bridges asked for confirmation that Councillor Butcher had not been aware of the letters until he had been approached by the third party solicitors. Councillor Butcher confirmed that that was the case. Councillor Butcher confirmed that once Stratfield Mortimer Parish Council had received the grievance from the clerk it had been reviewed internally following which it had been decided that it would be necessary for them to take legal advice. A long discussion had taken place via e-mail/phone with their solicitors who had given formal advice that the Parish Council should reveal the correspondence although they were not sure of its relevance.

The Subject Member asked Councillor Butcher whether if he wrote to the auditor asking her to check that everything which had been paid to the clerk whilst she had been on sick

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leave was in order would they be able to confirm that that was the case. Councillor Butcher responded that that would be a breach of the Legal Agreement and it would be improper to write to the auditor unless it had been raised by Council or a Committee. Following the Council meeting in September 2015 the minutes stated that payments and pension scheme issues were wholly in order.

Dr. Michael Dennett, Chair of Stratfield Mortimer Parish Council, presented his case:

Dr. Dennett confirmed that he had been elected as Chair of Stratfield Mortimer Parish Council in 2014 and had been re-elected in 2015. He noted that there had been a lot of comments around the audit process and that from March 2015 to the end of November 2015 he had also acted as Clerk and Financial Officer during which time he had been involved in the completion of the accounts.

Councillor Quentin Webb asked if he felt that the letters from Councillor Lewis had been sent to the Chair personally. Councillor Dennett confirmed that he had taken them personally as they had been addressed to the Chair.

Councillor Dennett stated that there was an issue around confidentiality in that it involved information in relation to employees which included salary etc. Advice had been received that this information was confidential and therefore it was difficult to be able to answer the questions raised by the Subject Member in his role as a member of the public. In the letters from Mr. Lewis in March 2015 he made comments about the clerk's terms of engagement, hours worked etc. These issues had been discussed at the Council meeting in Part II and therefore Councillor Dennett was not able to address Mr. Lewis' queries under the Freedom of Information Act.

Councillor Dennett confirmed that he had received an e-mail on the morning of Sunday 12th July 2015 with the letter dated 10th July 2015 attached. It was not a pleasant letter and had a dictatorial tone about what the Parish Council should do. Councillor Dennett had, as Chair, been trying to get the Parish Council to work as a team and this was a threat to the procedures of the Council.

In relation to the second letter of 12th July 2015 it was noted that Councillor Lewis was not a member of the Grievance Committee and therefore his comments on the situation were unsolicited. The Parish Council as a whole was the employer of the clerk and to have one councillor putting forward points was unnecessary and inappropriate. Councillor Lewis had obtained a copy of the clerk's contract of employment when he had not been a member of the Parish Council. Councillor Dennett stated that he had been upset about insinuations of possible criminal activity and he had found the letters to be quite intimidating. He had been forced to submit a complaint as the comments made had put the Council at risk and it was not the way for a Councillor to behave. It was out of character for Councillor Dennett to make a complaint but he felt that he had no option as the Council was being manipulated.

Councillor Dennett confirmed that he did not feel that Councillor Lewis had acted in the best interests of Stratfield Mortimer Parish Council. Councillor Dennett stated that he considered the letters to be a threat to him and he felt that Councillor Lewis was trying to get him to take action which he felt was inappropriate. Councillor Dennett explained to the Committee that many of the issues raised by Councillor Lewis in the letters dated the 10th and 12th July 2015 had been the subject of a report to Council in June 2015.

(The meeting was adjourned for lunch from 1.00pm to 1.30pm. Councillor Rick Jones left the meeting at 1.00pm and did not return for any further discussion or the vote on this issue).

Councillor Anthony Pick asked what the normal practice would be if a Councillor was concerned about an issue. Councillor Dennett confirmed that he could raise it with the

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Chair or the clerk informally or he could have asked for an item to be put on the Council or Finance and General Purposes Committee.

Councillor Lee Dillon asked if it was correct that the internal/external auditors' report had been accepted by the full Council meeting on 25th June 2015 without any concerns being raised. Councillor Dennett confirmed that that was the case. Councillor Dillon noted that Councillor Dennett had said that he felt that Councillor Lewis had not been acting in the best interests of the Parish Council and he therefore asked what he felt that Councillor Lewis' intentions were. Councillor Dennett was not sure but he admitted that Councillor Lewis was frustrated about not getting the information he wanted. Councillor Dillon asked if Councillor Dennett had responded to Councillor Lewis' letters. Councillor Dennett confirmed that he had responded on 11th August 2015 but only in a general nature.

Councillor James Cole noted that Councillor Dennett had received two letters and he asked whether Councillor Dennett had considered discussing them with the Vice Chair and Subject Member rather than submitting a complaint. Councillor Dennett confirmed that he had thought about it but the letters had been addressed to him as Chair and therefore he felt that it was up to him to deal with them. He had decided to act independently and submit a complaint. Councillor Chris Bridges recognised that taking on the role of Chair and clerk would have been a very difficult period and he noted that in previous letters to Councillor Dennett, Councillor Lewis had addressed him as 'Councillor Dennett' whereas in relation to the letters in question, 10th and 12th July 2015, these had been addressed as 'Dear Mike'. He therefore queried whether Councillor Lewis expected Councillor Dennett to come back on a personal note. Councillor Dennett replied that he had not paid much attention to that. However, he was regarded as the Chair but in meetings first names were often used.

Councillor Graham Bridgman noted that Councillor Dennett had stated that he found the letters of 10th and 12th July 2015 intimidating. He asked if Councillor Dennett was aware that he had received two different letters. Councillor Dennett confirmed that he had received an e-mail on Sunday 12th July 2015 with a letter attached. Councillor Bridgman stated that the wording of the e-mail suggested that he would get a letter via e-mail plus a hard copy and he therefore asked in hindsight if Councillor Dennett agreed that one could be the draft and the other letter the one that was actually meant to be sent. Councillor Dennett agreed that that was possible.

Councillor Anthony Pick stated that there would have been an induction process for new Councillors and he therefore asked if Councillor Dennett would have expected Councillor Lewis to have known how to process issues. Councillor Dennett admitted that the induction process had not been as thorough as usual due to the absence of the clerk. He had met with each new Councillor to sign the various forms and had produced a pack. He had planned to have a training session with the new Councillors but that had not taken place. However, the basic documentation was included in the pack and Councillor Lewis had been a Councillor before so should have been more au fait with the processes than the other new Councillors.

Councillor Chris Lewis, the Subject Member, presented his case:

Councillor Lewis stated that he had drafted the letter of 10th July 2015 on the 8th July and had sent it to Councillor Julian Earl for comment. He confirmed that he had attached the wrong letter to the e-mail by accident – the only letter intended for Councillor Dennett was the one dated 12th July 2015. The letter of 12th July 2015 was in four parts. In relation to the Final Salary Pension Scheme – the clerk had definitely been on a different scheme in 2006. Councillor Lewis realised he had gone over the line on the employment matter and had since had a confidential discussion on this issue. He still had concerns but not the same as at 12th July 2015. Breach of Financial Regulations – there was no record of any schedule of payments made to the clerk. These should be listed out and

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the sensitive ones redacted if necessary. The Freedom of Information Act should not apply to Councillor Lewis as 'an employer' of the clerk and therefore this was still a live issue. Councillor Lewis felt that he would have been entitled to raise this issue with the auditors. Possible criminal acts by the clerk – Councillor Lewis confirmed that he had been prepared to let matters drop if satisfied with the overall settlement and he felt that this should have been taken as a helpful remark rather than a threat. In relation to the costs of clerking this had gone up considerably and was, in his opinion, something that needed to be looked in to.

Councillor Lewis stated that the letter of 10th July 2015 had been written quickly and in error. Consequently he now wrote 'draft' on letters rather than the date until he was ready to send them.

Councillor Lewis had difficulty with the Investigating Officer's report as he felt that she should not have given an opinion. The two letters in question could hardly be regarded as a persistent and relentless stream of communication. The report talked of bullying and intimidation both of which were not acceptable. In terms of the licensing issue the Investigating Officer had said that it was difficult to pin down the date. However, his paragraph 40 clearly included the date of 5th July 2014 (Mortimer Fun Day) and therefore there was evidence. Councillor Bridgman noted that regardless of whether there was a valid licence for the Mortimer Fun Day, Councillor Lewis' concern had not been about whether there was a licence or not but about the investigation of that. In relation to the dispensation, Councillor Lewis had been advised that the Localism Act 2011 included a provision which gave authority to delegate to the clerk and therefore he had withdrawn this allegation. The Parish Council still did not have an up to date Code of Conduct.

Councillor Lewis again raised issues in relation to the process which had been followed. The Legal Officer was satisfied that the procedures in Parts 7 and 13 of the Council's Constitution had been followed and evidenced in the bundle. The decision notice would set out the reasons given by the Committee for their decision and if Councillor Lewis was not satisfied with the outcome he could then take it up in the High Court.

Councillor Lewis felt that Members of the Committee needed to look at what 'threatening' meant and he felt that there had not been a total breakdown of relationships.

Councillor Anthony Pick referred to page 17, paragraph 61 – he felt that the tone and approach used in that paragraph seemed to be aggressive. Councillor Lewis confirmed that that had been after the complaint had been submitted and therefore was not aggressive in the circumstances. Councillor Pick asked if in hindsight Councillor Lewis felt that he should have followed alternative routes. Councillor Lewis confirmed that he had raised his concerns verbally with the Chair and he still had doubts about the payments to the clerk. Councillor Pick stated that the auditors had agreed the accounts and he asked if Councillor Lewis was aware of that. Councillor Lewis confirmed that he was aware of that but that there was a possibility that they had got them wrong. Councillor Pick referred to the text in the letter of 12th July 2015 in relation to the cost of clerking and he asked Councillor Lewis if he accepted that if he had pursued this with the Parish Council or via Facebook then this would have been a breach of confidentiality. Councillor Lewis responded that figures should be provided to the nearest £5k for public records. If he had posted anything on Facebook then he would have taken cognisance of what the Information Commissioner stated could be released.

Councillor Lee Dillon noted that it was June 2015 when the audit report had been presented to the Parish Council for ratification. He asked if Councillor Lewis had voted on the accounts as this would have applied to a period prior to him becoming a Councillor. Councillor Lewis could not recall whether he had voted or abstained. He stated that as a new Councillor he had decided not to be too contentious in the first few months.

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With regard to the language in his letters it was noted that Councillor Lewis had sent the letter of 10th July 2015 to the Vice Chair for comments and that he had been asked to tone down his letters in the past – it was hoped that he would learn from that. Councillor Lewis said that he did not usually draft a letter and send it on the same day as he liked to allow a period of time for reflection. He would normally send around 10% of his draft letters to a third party for their comments. The letter of 12th July 2015 was the one that he had intended to send and in respect of the comment about posting on Facebook Councillor Lewis confirmed that he had been frustrated as he had asked for the figures on previous occasions.

Councillor James Cole asked if Councillor Lewis could have dealt with these issues by meeting with the Chair. Councillor Lewis confirmed that he had requested a meeting with the Chair but that request was declined. He had had an informal meeting with the Chair on 19th May 2015 as set out in paragraph 11 of page 50 of the agenda.

Councillor Graham Bridgman stated that Councillor Lewis had sent out a draft of a letter that libelled someone but that he had not realised that error for a number of months. He asked if Councillor Lewis accepted that as it was his mistake then he would be guilty of libel.

The Legal Officer in summarising stated that no new issues had been raised which would prevent this complaint being determined and she advised that the Committee would now retire to consider the matter. A Decision Notice would be drafted which would set out the findings and the reasons for that decision within five working days. In relation to sanctions the Subject Member had the opportunity to make a submission if he wished to do so without prejudice.

Councillor Lewis stated that he had lived in Mortimer for a number of years and if he was found guilty then he would be massively embarrassed as he was very active in village life. The sanction that would be most harmful would be the publication of a public notice in the newspaper. He confirmed that he had looked into the 'enhancement of interpersonal communications' course.

(The meeting was adjourned at 2.45pm in order for the Committee to deliberate and make their decision. The Subject Member, the Complainant and the two Witnesses left the room).

RESOLVED that:

The Committee determined that in response to the specific questions asked by West Berkshire Council:

- (1) **Did Councillor Lewis use threatening language towards the Chairman (Councillor Dennett) and the Vice-Chairman (Councillor Julian Earl) in his letter of 10th July 2015?** Yes, although it was noted that in evidence Councillor Earl had stated that it was 'like water off a duck's back' and that he had not felt bullied. It was accepted that the letter of 10th July 2015 had been sent in error but that language used in one part of this letter could be considered as bullying behaviour.
- (2) **Did the reference in the letter of 10th July 2015 to stating points publicly on Facebook in relation to the cost of clerking amount to harassment of the Council and the Clerk?** No.
- (3) **Did the letter of 12th July 2015 compound the issue by repeating the same points but, in addition, also make reference to unsubstantiated claims that the Parish Clerk had acted in a criminal manner?** Yes. The Committee agreed that one part of the letter of 12th July 2015 constituted a threat. However, this letter was not intended to be a second letter and therefore would not have repeated the points

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although it was accepted that Dr. Dennett would have seen them as separate letters. Advice had also been sought to tone down the draft letter of 10th July 2015.

- (4) **Was there any evidence to justify the allegations of criminal behaviour?** The Committee felt that they could not answer this question as no evidence had been presented.

The Committee agreed that there had been a breach of paragraph 3.1 of Stratfield Mortimer's Code of Conduct – 'treating a member in a way which might be regarded as bullying'.

Sanctions:

The Committee accepted the findings of the investigator that Councillor Lewis was not motivated by bad faith, and that he believed he was acting in the public interest. The Committee also had regard to the representations that had been made by the Subject Member as to sanctions.

The Committee decided that the following sanction should be applied:

- A letter would be sent to the Subject Member, Councillor Christopher Lewis by the Chairman of the Governance & Ethics Committee of West Berkshire Council. The letter would also advise the Subject Member that he needed to reflect on the tone of his letters and the way that he presented his arguments could be perceived by others.

The Committee noted the recommendations of the Advisory Panel as to sanctions, but felt that the above sanction was both appropriate and proportionate in the circumstances of this case.

(The meeting commenced at 10.30 am and closed at 4.20 pm)

CHAIRMAN

Date of Signature

Governance and Audit Committee Forward Plan June 2016 – June 2017

| No. | Ref No | Item | Purpose | Lead Officer | Lead Member | Governance/Audit/Ethics |
|-----------------------|--------|---|--|---------------|---|-------------------------|
| 20 June 2016 | | | | | | |
| 1. | C3066 | Changes to the Code of Conduct | To make any changes to the CoC if required following a scheduled review of the document. | David Holling | Chairman of Governance and Ethics (TBC) | Governance |
| 2. | C3134 | Changes to the Constitution - Part 11 (Contract Rules of Procedure) | To review and if appropriate amend Part 11 (Contract Rules of Procedure) following a request from the Procurement Board to do so | David Holling | Chairman of Governance and Ethics (TBC) | Governance |
| 22 August 2016 | | | | | | |
| 3. | GE3084 | Annual Governance Statement 2015-16 | To allow the Committee to review the Annual Governance Statement prior to signature by the Leader and Chief Executive | Ian Priestley | Communications, Democratic & Electoral Services, Finance Assurance, Legal, Human Resources, ICT (TBC) | Audit |
| 4. | GE3085 | Internal Audit Annual Report 2015/16 | To provide an opinion on the effectiveness of the Council's internal control framework | Ian Priestley | Communications, Democratic & Electoral Services, Finance Assurance, Legal, Human Resources, ICT (TBC) | Audit |
| 5. | GE3086 | Annual Governance Statement - Statement in Support by the Section 151 Officer | To provide evidence and independent verification of governance matters which may impact on the Annual Governance Statement from the viewpoint of the | Andy Walker | Communications, Democratic & Electoral Services, Finance Assurance, Legal, Human | Audit |

| No. | Ref No | Item | Purpose | Lead Officer | Lead Member | Governance/Audit/Ethics |
|-------------------------|--------|--|--|---------------|---|-------------------------|
| | | | Section 151 Officer. | | Resources, ICT (TBC) | |
| 6. | GE3087 | Annual Governance Statement - Statement in Support by the Monitoring Officer | To provide evidence and independent verification of governance matters which may impact on the Annual Governance Statement from the viewpoint of the Monitoring Officer. | David Holling | Communications, Democratic & Electoral Services, Finance Assurance, Legal, Human Resources, ICT (TBC) | Audit |
| 7. | GE3088 | West Berkshire Council Financial Statements 2015/16 including KPMG Opinion | To provide Members with the final copy of the Council's Financial Statements | Andy Walker | Leader of Council, Strategy & Performance, Finance (Roger Croft) | Audit |
| 8. | GE3089 | Monitoring Officer's Quarterly Update Report to the Governance and Ethics Committee – Quarter 1 of 2016/17 | To provide an update on local and national issues relating to ethical standards and to bring to the attention of the Committee any complaints or other problems within West Berkshire. | David Holling | Chairman of Governance and Ethics Committee (TBC) | Ethics |
| 28 November 2016 | | | | | | |
| 9. | C3068 | Changes to the Constitution | To review and amend Part 5 of the Constitution. | David Holling | Chairman of Governance and Ethics Committee (TBC) | Governance |
| 10. | GE3090 | Monitoring Officer's Quarterly Update Report to the Governance and Ethics | To provide an update on local and national issues relating to ethical standards and to bring to the | David Holling | Chairman of Governance and Ethics | Standards |

| No. | Ref No | Item | Purpose | Lead Officer | Lead Member | Governance/Audit/Ethics |
|-------------------------|--------|--|--|---------------|---|-------------------------|
| | | Committee – Quarter 2 of 2016/17 | attention of the Committee any complaints or other problems within West Berkshire. | | Committee (TBC) | |
| 06 February 2017 | | | | | | |
| 11. | GE3091 | Internal Audit - Interim Report 2016-167 | To update the Committee on the outcome of internal audit work. | Ian Priestley | Communications, Democratic & Electoral Services, Finance Assurance, Legal, Human Resources, ICT (TBC) | Audit |
| 12. | GE3092 | Monitoring Officer's Quarterly Update Report to the Governance and Ethics Committee – Quarter 3 of 2016/17 | To provide an update on local and national issues relating to ethical standards and to bring to the attention of the Committee any complaints or other problems within West Berkshire. | David Holling | Chairman of Governance and Ethics Committee (TBC) | Ethics |
| 13. | C3093 | Amendments to the Constitution - Scheme of Delegation | To review and amend sections of the Scheme of Delegation in light of legislative changes and current practice. | David Holling | Communications, Democratic & Electoral Services, Finance Assurance, Legal, Human Resources, ICT (TBC) | Governance |
| 24 April 2017 | | | | | | |
| 14. | GE3081 | Internal Audit Plan 2017/18 | To outline the proposed internal audit work programme for the next | Ian Priestley | Communications, Democratic & Electoral | Audit |

| No. | Ref No | Item | Purpose | Lead Officer | Lead Member | Governance/Audit/Ethics |
|------------------|--------|---|--|---------------|---|-------------------------|
| | | | three years | | Services, Finance assurance, Legal, Human Resources, ICT (TBC) | |
| 15. | GE3082 | External Audit Plan 2017-18 | To provide Members with a copy of the External Audit Plan for 2017-186. | Ian Priestley | Communications, Democratic & Electoral Services, Finance assurance, Legal, Human Resources, ICT (TBC) | Audit |
| 16. | C3083 | Monitoring Officer's Quarterly Update Report to the Governance and Ethics Committee –2016/17 Year End | To provide an update on local and national issues relating to ethical standards and to bring to the attention of the Committee any complaints or other problems within West Berkshire. | David Holling | Chairman of Governance and Ethics (TBC) | Ethics |
| June 2017 | | | | | | |
| 17. | | No items to date | | | | |

Governance and Ethics Committee (Annual Report 2015/16) - Summary Report

| | |
|---|--|
| Committee considering report: | Council |
| Date of Committee: | 19 May 2016 |
| Lead Member: | Chairman of the Governance and Ethics Committee |
| Date Portfolio Member agreed report: | Councillor Quentin Webb emailed on 14 April 2016 |
| Report Author: | David Holling |
| Forward Plan Ref: | C3034 |

1. Purpose of the Report

- 1.1 To present the Annual Governance and Ethics Committee report to Full Council.

2. Recommendations

1. Members are requested to note the content of the report.
2. Report to be circulated to all Parish/Town Councils in the District for information.

3. Implications

- 3.1 **Financial:** There are no financial issues arising from this report. However the costs associated with external investigations and a lack of internal resources may lead to a budget pressure. During 2015/16 these costs amounted to £12,789.00
- 3.2 **Policy:** Revised policy and changes to processes adopted at Council in May 2012 and reviewed in December 2013.
- 3.3 **Personnel:** There are no personnel issues associated with this report.
- 3.4 **Legal:** There are no legal issues arising from this report. The matters covered by this report are generally requirements of the Local Government Act 2000 in so far as appropriate and the Localism Act 2011 and its supporting regulations.
- 3.5 **Risk Management:** The benefits of this process are the maintenance of the Council's credibility and good governance by a high standard of ethical behaviour. The threats are the loss of credibility of the Council if standards fall.
- 3.6 **Property:** There are no property issues associated with this report.
- 3.7 **Other:** A diminution in standards of behaviour by elected Members could have a significant reputational impact on the Council.

4. Other options considered

4.1 None

5. Executive Summary

5.1 Following the enactment of the Localism Act 2011 a number of changes were made to the Standards Regime. As part of the governance arrangements it was agreed that the Monitoring Officer would make quarterly reports to Governance and Ethics Committee which set out the number and nature of complaints received and informed Members of any other activity that was taking place around the Code of Conduct regime. It was also agreed that an annual report would be presented to Full Council at the Annual meeting and that the year end report would be circulated to all Town and Parish Councils.

5.2 The key issues identified in the report are:

- At the Full Council meeting on the 02 July 2015 Members agreed to merge the Standards Committee and the Governance and Audit Committee into the Governance and Ethics Committee (G&EC).
- The Advisory Panel would be retained and would still be responsible for dealing with any complaints where evidence of breach of the Code of Conduct was identified following an investigation. The Advisory Panel made recommendations to the Governance and Ethics Committee.
- Three Independent Persons would be retained and they would be used on a rotational basis on the Initial Assessment Panel and Advisory Panel.
- The G&EC granted three dispensations to District Councillors during 2015/16 and the Monitoring Officer, under delegated authority, granted a dispensation to all West Berkshire Councillors to speak and vote on any items pertaining to Council Tax until may 2019.
- Training on the Code of Conduct was included in the District Councillor's Member Induction Programme post the May 2015 elections. Additional training was also provided to Town and Parish Councillors on the 17 June 2015 and 13 October 2015.
- All elected Members of the West Berkshire Council and all Town and Parish Councils have completed and submitted their Register of Interest forms.
- There has been a significant increase in the number of complaints received in 2015/16. Twenty six complaints were received in total compared to nine in 2014/15. Sixteen of these complaints pertained to district Councillors and ten to Parish or Town Councillors.
- Following the Initial Assessment of these complaints no further action was taken on twenty of them, a local resolution was sought in two cases, one was withdrawn, two were yet to be finalised and one was investigated.
- Two investigations were concluded in 2015/16 (one pertained to a case from 2014/15) and the cost of these external investigations amounted to

£12,789.00. The cost of these external investigations and a lack of internal resources could lead to a budget pressure should the trend continue.

- Both investigations pertained to Parish Councillors and it was not possible to recover these costs from the authorities concerned.

6. Conclusion

- 6.1 2015/16 following the elections in May 2015 brought a number of new Councillors to the Authority all of whom attended the induction training of the Code of Conduct. This also acted as a reminder to re-elected Councillors and provided a useful base for the new municipal year. Training was also provided to Parishes throughout the year again fulfilling the one of the many functions of the Committee to ensure that standards of conduct were maintained across the district.
- 6.2 The increase in complaints during the year whilst unusual when compared to relatively little activity of previous years is explained by multiple member complaints relating to one meeting. This was addressed effectively by the actions of the Monitoring Officer in consultation with the Independent Persons. A number of the complaints also arose at a time when elections were approaching which could have had a bearing on the increase although there is no evidence to confirm that was the case.
- 6.3 The Independent Persons continue to fulfil a very useful function as regards the ethical framework and have contributed a good deal of outside knowledge and common sense the decision making process. Their views will be considered during the forthcoming revisions to the Code of Conduct referred elsewhere on this agenda.

7. Appendices

- 7.1 Appendix A - Supporting Information
- 7.2 Appendix B – Gifts and Hospitality Register

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Governance and Ethics Committee (Annual Report 2015/16) – Supporting Information

1. Introduction/Background

- 1.1 The Localism Act 2011 was enacted on 15th November 2011 and it made fundamental changes to the system of regulation of the standards of conduct for elected and co-opted members of Councils and Parish Councils.
- 1.2 In order to ensure that the process was working effectively locally it was agreed that the Monitoring Officer would make quarterly reports to Governance and Ethics Committee which set out the number and nature of complaints received and inform Members of any other activity that was taking place around the Code of Conduct regime. It would also provide a means of updating the Committee on the progress of investigations.
- 1.3 It was also agreed that an annual report would be presented to Full Council at the Annual meeting and that the year end report would be circulated to all Town and Parish Councils. The annual report would include the quarter four activity. This report also includes a look forward to the forthcoming Municipal Year.

2. Governance Arrangements

- 2.1 At the Full Council meeting on the 02 July 2015 Members discussed merging the then Standards and Governance and Audit Committees and it was agreed that:
 - The two Committees would be merged to form a Governance and Ethics Committee;
 - A revised set of terms of reference of the Governance and Ethics Committee would be adopted;
 - The membership of the revised Governance and Ethics Committee would comprise ten members (eight District Councillors appointed on a proportional basis and two co-opted non-voting Parish/Town Councillors);
 - The structure of agendas would be arranged so as to ensure that the Parish Councillors would only need to attend the 'Standards' element of the meeting;
 - The Advisory Panel and Independent Persons would be retained;
 - Members would not be able to sit on both the Advisory Panel and the Governance and Ethics Committee;
 - Authority be delegated to the Monitoring Officer to amend all relevant parts of the Constitution to reflect the new governance structure;
 - The Monitoring Officer would be authorised to appoint three Independent Persons who would be used on a rotational basis on the Initial Assessment Panel and Advisory Panel.
- 2.2 The Advisory Panel (comprising 8 Members: 2 from the Administration, 2 from the main opposition party, 2 parish/town councillors and 2 independent persons) is responsible for dealing with any complaints where evidence of breach of the Code

of Conduct has been identified following an investigation. The Advisory Panel reports its findings to the Governance and Ethics Committee for a formal decision. The Advisory Panel is chaired by an Independent Person.

- 2.3 A revised Code of Conduct was adopted in December 2013. It was agreed that this Code would be reviewed three years later. A small Task Group has been set up to undertake this activity and it is anticipated that any changes will be brought to the 05 July 2016 Council meeting.

3. Independent Persons

- 3.1 Under Section 28 of the Localism Act 2011 the Council also has to ensure it has appointed at least one Independent Person who is consulted before any decision is made to investigate an allegation against any Member of the Council or any Parish Councillor. It was agreed at the Full Council meeting on the 27 September 2012 that the Independent Person may be consulted directly either by the person who has made the complaint or the person the complaint has been made about. Three Independent Persons have therefore been appointed in order to ensure that a conflict situation does not arise.

- 3.2 James Rees, Mike Wall and Lindsey Appleton were appointed as the Council's Independent Persons for the 2015/16 Municipal Year. It is proposed that these Independent Persons be retained for the 2016/17 Municipal Year if they are willing to continue.

- 3.3 A person is not considered to be "independent" if:-

- (i) They are or have been, within the last five years, an elected or co-opted Member or officer of the Council or of any Parish Council's within this area. This also applies to committees or sub-committees of the various Councils.
- (ii) They are a relative or close friend of a current elected, or co-opted, Member or officer of the Council or any Parish Council within its area, or any elected or co-opted member of any committee or sub-committee.
- (iii) The definition of relative includes the candidate's spouse, civil partner, grandparent, child etc.

In addition The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 require provisions to be made relating to the potential dismissal or disciplining of the Head of Paid Service, Monitoring Officer or Section 151 Officer. A panel needs to be set up to advise on matters relating to the dismissal of these Officers. The Act requires at least two Independent Persons who have been appointed under section 28(7) of the Localism Act 2011 to be appointed to the panel. The roles of the Independent Persons have therefore been updated to take cognisance of the legislative change.

4. Governance and Ethics Committee

- 4.1 The overall purpose of the Governance and Ethics Committee is to provide effective challenge across the Council and independent assurance on the risk management and governance framework and associated internal control environment to members and the public, independently of the Executive. The Governance and

Ethics Committee is also responsible for receiving the annual Audit Letter and for signing off the Council's final accounts.

4.2 The Committee is charged with promoting and maintaining high standards of conduct throughout the Council. They promote, educate and support Councillors (both District and Parish) in following the highest standards of conduct and ensuring that those standards are fully owned locally.

4.3 The roles and functions of the Governance and Ethics Committee are to:

1. consider and make recommendations to the Council on proposed changes to the Constitution;
2. consider any governance issues emanating from the Government and determine their effect on the Council's business and governance processes;
3. review the effectiveness of the Council's Risk Management arrangements, the control environment and associated Anti Fraud and Corruption arrangements;
4. seek assurance that action is being taken on risk related issues identified by auditors and inspectors;
5. be satisfied that the Council's assurance statements (currently produced annually by all Heads of Service) and the Annual Governance Statement properly reflect the risk environment and any actions required to improve it;
6. be satisfied that any Partnership that the Council enters into has robust Governance and Risk Management arrangements and that any risk to the Council from the Partnership is minimised;
7. approve the Internal Audit Strategy and Plan (to ensure that there is adequate coverage) and monitor performance (assessing whether adequate skills and resources are available to provide an effective function);
8. receive an interim and annual report from the Head of Internal Audit on work undertaken during the year;
9. consider any issues brought to the attention of the Committee, or Chair and Vice-Chair, by the Chief Internal Auditor at any time during the year;
10. consider reports of external audit and inspection agencies;
11. ensure that there are effective relationships between external and internal audit and inspection agencies and other relevant bodies and that the value of the audit process is actively promoted;
12. review the financial statements, including the suitability of accounting policies and treatments, provisions or adjustments;
13. review the external auditors annual audit letter, any other reports and opinion and monitor management action in response to issues raised. (Also comment on the external auditors planned work programme.);
14. promote and maintain high standards of conduct by Councillors and co-opted Members;
15. assist the Councillors and co-opted Members to observe the Members' Code of Conduct;

16. advise the Council on the adoption or revision of the Members' Code of Conduct;
17. monitor the operation of the Members' Code of Conduct;
18. advise, train or arrange to train Councillors and co-opted Members on matters relating to the Members' Code of Conduct;
19. grant dispensations to Councillors and co-opted Members on requirements relating to interests set out in the Members' Code of Conduct;
20. ensure arrangements are in place under which allegations of misconduct in respect of the Members' Code of Conduct can be investigated and to review such arrangements where appropriate;
21. exercise (15) to (21) above in relation to the Parish / Town Councils wholly or mainly in its area and the Members of those Parish / Town Councils.

4.4 During 2015/16 the Governance and Ethics Committee comprised the following Members:

- Steve Ardagh-Walter (Conservative)
- Jeff Beck (*Vice-Chairman*) (Conservative)
- Graham Bridgman (Conservative)
- James Cole (Conservative)
- Rick Jones (Conservative)
- Anthony Pick (Conservative)
- Quentin Webb (*Chairman*) (Conservative)
- Lee Dillon (Liberal Democrat)

- Sheila Ellison (Substitute) (Conservative)
- Tim Metcalfe (Substitute) (Conservative)
- Billy Drummond (Substitute) (Liberal Democrat)

4.5 The Governance and Ethics Committee has a special responsibility to the 56 Town and Parish Councils within the District. It is responsible for ensuring that high standards of conduct are met within the parishes and that all Parish and Town Councillors are aware of their responsibilities under their Codes of Conduct.

4.6 The District Councillors are therefore supported on the Governance and Ethics Committee by two co-opted Parish Councillors who are appointed in a non-voting capacity. During 2015/16 the Governance and Ethics Committee comprised the following Parish Councillors:

- Barry Dickens (co-opted non voting Parish Councillor)
- Chris Bridges (co-opted non voting Parish Councillor)

5. **Advisory Panel**

5.1 The Advisory Panel is responsible for dealing with complaints where evidence of a breach of the Code has been identified by an independent investigator and reports its findings to the Governance and Ethics Committee for formal decision.

5.2 The District Councillors on the Advisory Panel are representatives of both political groups within the Council and are not appointed in accordance with the

proportionality rules. During 2015/16 the Advisory Panel comprised the following District Councillors:

- Adrian Edwards (Conservative)
- Richard Crumly (Conservative)
- Mollie Lock (Liberal Democrat)
- Alan Macro (Liberal Democrat)

5.3 During the 2015/16 Municipal Year the following Parish Councillors were appointed to the Advisory Panel:

- Tony Renouf
- Darren Peace

6. The Monitoring Officer

6.1 In West Berkshire Council the role of the Monitoring Officer is a statutory post and rests with the Head of Legal Services. The Monitoring Officer has a key role in promoting and maintaining standards of conduct.

6.2 As well as acting as legal adviser to the Governance and Ethics Committee and Advisory Panel, the Monitoring Officer carries out the following functions:

- reporting on contraventions or likely contraventions of any enactment or rule of law and reporting on any maladministration or injustice where the Ombudsman has carried out an investigation;
- establishing and maintaining registers of Members' interests and gifts and hospitality;
- maintaining, reviewing and monitoring the Constitution;
- advising Members and Parish Councillors on interpretation of the Code of Conduct;
- conducting or appointing an external investigator to look into allegations of misconduct;
- performing ethical framework functions in relation to Parish Councils;
- acting as the proper officer for access to information;
- undertaking an initial assessment, in consultation with the Independent Person, when complaints relating to alleged breach of the Code of Conduct are received;
- making arrangements for relevant matters to be considered by the Governance and Ethics Committee and Advisory Panel;
- advising whether Executive decisions are within the policy framework; and
- advising on vices issues and maladministration, and in consultation with the Section 151 Officer financial impropriety, probity, and budget and policy issues to all Members.

7. The Work of the Committee 2015 – 2016

7.1 One of the functions of the Governance and Ethics Committee is to oversee the Council's Constitution. The Council is therefore asked to note that since April 2015

Part 2 (Articles of the Constitution), Part 3 (Scheme of Delegation), Part 4 (Council Rules of Procedure), Part 5 (Executive Rules of Procedure), Part 11 (Contract Rules of Procedure), Part 12 (Personnel Rules of Procedure), Appendices F (Protocol for Use of ICT Equipment Supplied to Members) and J (Protocol for Council Representation on Outside Bodies) to Part 13 (Codes and Protocols) and Part 14 (Member Allowances Scheme) have been amended by Full Council.

- 7.2 The Monitoring Officer under his delegated authority has authorised changes to the following parts of the Constitution since April 2015: Appendix A to Parts 5 (Executive Rules of Procedure), 6 (Overview and Scrutiny Rules of Procedure) and 7 (Regulatory and Other Committees Rules of Procedure), Part 1 (Summary and Explanation), Part 2 (Articles of the Constitution), Part 3 (Scheme of Delegation), Part 7 (Regulatory and Other Committees Rules of Procedure) and Part 10 (Finance Rules of Procedure)
- 7.3 The Head of Paid Service under his delegated authority has authorised changes to Part 15 (Management Structure).
- 7.4 Dispensations to speak and vote at Full Council meetings where discussions on the A339/ Fleming Road Junction Compulsory Purchase Order took place were granted to Councillors Howard Bairstow, David Goff, Adrian Edwards, Anthony Pick, Lynne Doherty, Mike Johnson, Jeff Beck, James Fredrickson and Jeanette Clifford by the Committee.
- 7.5 A dispensation to speak and vote at Executive and Council meetings where the 2016/17 budget was discussed was granted to Councillor Lynne Doherty by the Committee. Councillor Marcus Franks was granted a dispensation to speak but not vote at Executive and Council meetings where the 2016/17 budget was discussed. Councillor Lee Dillon was granted a dispensation to speak but not vote at Council meetings where the 2016/17 budget was discussed.
- 7.6 The Monitoring Officer, under delegated authority, granted a dispensation to all West Berkshire Councillors to speak and vote on any items pertaining to Council Tax. This dispensation will remain in place until May 2019.
- 7.7 Training on the Code of Conduct was included in the District Councillor's Member Induction Programme post the May 2015 elections. Additional training was also provided to Town and Parish Councillors on the 17 June 2015 and 13 October 2015.

8. Register of Interests

- 8.1 All elected Members of the West Berkshire Council and all Town and Parish Councils have completed and submitted their Register of Interest forms. District Councillors are reminded to review their interests on a regular basis and Parish Councils are reminded via their Clerks to complete and return Declarations of Interest forms to the Monitoring Officer in order that compliance with the Localism Act 2011 is maintained. The Council is under a duty to ensure that details of Parish Councillors interests are on the District Council's website in accordance with the Act.

9. Local Assessment of Complaints

Quarter 1 (April to June 2015)

- 9.1 During Quarter 1 of 2015/16 (April –June 2015) one formal complaint was received by the Monitoring Officer. The complaint (NPC3/15) was later withdrawn by the complainant.
- 9.2 In terms of existing complaints the Deputy Monitoring Officer, in consultation with the Independent Person, had concluded during quarter 2 of 2014/15 that a potential breach of the Code of Conduct might have occurred in relation to NPC4/14 and the matter was referred to an independent investigator to investigate. The initial findings of the investigator were reported to the Advisory Panel on the 23 March 2015. New information came to light after the agenda was published and as a result of this the Panel agreed to defer consideration of that item until the matter could be more fully investigated.
- 9.3 During Quarters 3 and 4 of 2014/15 two further, but related complaints (to NPC4/14), were received by the Monitoring Officer. The Monitoring Officer in consultation with the Independent Person concluded that in respect of both NPC5/14 and NPC1/15 the matters should also be referred for investigation. It was later agreed that all three complaints should be subject to a single investigation.

Quarter 2 (July to September 2015)

- 9.4 Fifteen formal complaints were received by the Monitoring Officer. Fourteen of the complaints related to District Councillors (NDC1/15, NDC2/15, NDC3/15, NDC4/15, NDC5/15, NDC6/15, NDC7/15, NDC8/15, NDC9/15, NDC10/15, NDC11/15, NDC12/15, NDC13/15, NDC14/15). All of the complaints related to planning matters. Following the initial assessment of these complaints it was determined by the Monitoring Officer in consultation with the Independent Person that no breaches had been identified and that no further action needed to be taken.
- 9.5 In order to try and prevent a recurrence of these complaints in respect of NDC1/15 to NDC6/15 the Monitoring Officer wrote to the subject members outlining the procedures surrounding declarations of interest at meetings and where appropriate to be mindful of conduct at site visits. In respect of complaint NDC7/15 the subject member was asked to write a letter of explanation to the complainant. This has been done. The Monitoring Officer wrote to the subject member of complaint NDC9/15 about appropriate conduct at meetings. In the case of NDC10/15 the Monitoring Officer wrote to the subject member about conduct at planning site visits.
- 9.6 One complaint was received about a parish councillor (NPC4/15). Due to the complex and longstanding nature of this issue it was decided that it would be appropriate for an independent investigator to look at the facts in so far as they were relevant to this particular complaint.
- 9.7 The findings of the investigator in relation to complaints NPC4/14, NPC5/14 and NPC1/15 were considered by the Advisory Panel on the 13th August 2015. The Advisory Panel, after a lengthy discussion, concurred with the investigator's finding that that no breach of the authority's Code of Conduct had occurred and therefore no further action should be taken in regards to NPC4/14 and NPC1/15. However they concluded that in relation to NPC5/14 they would recommend to the Governance and Ethics Committee that there had been a breach of the Code of Conduct.
- 9.8 The Governance and Ethics Committee met on the 3rd September 2015 to consider the complaint. After carefully considering both the written evidence submitted and the

oral evidence given at the hearing, the Committee found that in respect of NPC5/14 Mr Uduwera-Perera (the subject member) had breached Newbury Town Council's Code of Conduct by failing to treat others with respect and behaving in an intimidatory and/or bullying manner.

- 9.9 A formal public notice setting out the findings was published on both Newbury Town Council and West Berkshire Council's website and a public notice was placed in the Newbury Weekly News.

Quarter 3 (October to December 2015)

- 9.10 One formal complaint was received by the Monitoring Officer. This complaint related to a Parish Councillor (NPC5/15). Following the initial assessment of this complaint it was determined by the Monitoring Officer in consultation with the Independent Person that no breach had been identified and that no further action needed to be taken.

Quarter 4 (January to March 2016)

- 9.11 Nine formal complaints were received by the Monitoring Officer. Seven of these complaints (NPC1/16, NPC2/16, NPC3/16, NPC4/16, NPC5/16, NPC6/16 and NPC7/16) pertained to Parish Councillors and two to District Councillors (NDC1/16 and NDC2/16). A further complaint was also received but the complainant had decided not to pursue the complaint.

- 9.12 In respect of complaints NPC1/16, NPC2/16, NPC4/16, NPC7/16 and NDC1/16, at the Initial Assessment, it was agreed that no further action should be taken. In respect of NPC3/16 and NPC5/16 it was agreed that some other form of action should be taken. A decision around keeping the identity of the complainant confidential in respect of NPC6/16 is still awaited. Complaint NDC2/16 will be assessed on the 25 April 2016.

- 9.13 The Advisory Panel met on the 11 February 2016 to consider NPC4/15. They concurred with the findings of the Investigator that the Parish Council's Code of Conduct had been breached and agreed to refer a recommendation to the Governance and Ethics Committee who would make a final determination on this matter.

- 9.14 The Advisory Panel recommended that if the Governance and Ethics Committee concurred with the finding that a breach of the Code of Conduct has occurred the Panel would recommend that the following sanctions be applied:

1. A formal letter be sent from the Chairman of the Governance and Ethics Committee to the Subject Member about the impact his language and tone was having.
2. A Public Notice be placed in a local newspaper and on the Council's website
3. The Monitoring Officer write to the Parish Council to recommend that the Subject Member be sent on an 'enhancement of interpersonal communications' course, funded by the Parish Council, before resuming any duties on the Parish Council Committees.

- 9.15 A special meeting of the Governance and Ethics Committee took place on the 14 March 2016. After carefully considering both the written evidence submitted and the oral evidence given at the hearing, the Committee found that in respect of NPC4/15

Councillor Christopher Lewis had breached paragraph 3.1 of Stratfield Mortimer Parish Council Code of Conduct.

9.16 The Committee decided that a letter should be sent to the Subject Member, Councillor Christopher Lewis by the Chairman of the Governance and Ethics Committee of West Berkshire Council. The letter would also advise the Subject Member that he needed to reflect on the tone of his letters and that the way that he presented his arguments could be perceived by others. The Committee noted the recommendations of the Advisory Panel as to sanctions, but felt that the above sanction was both appropriate and proportionate in the circumstances of this case.

10. Year on Year Comparison of Complaints

10.1 Table 1 Number of District and Parish Councillor Complaints Received 2009/10 to 2015/16

| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|
| District Councillors | 4 | 4 | 5 | 8 | 2 | 2 | 16 |
| Parish Councillors | 7 | 5 | 6 | 10 | 5 | 7 | 10 |
| Total | 11 | 9 | 11 | 18 | 7 | 9 | 26 |

10.2 There has been a significant increase in the number of complaints received during 2015/16.

Table 2 Action Taken on Complaints Received 2009/10 to 2015/16

| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|
| No Further Action | 1 | 3 | 6 | 11 | 3 | 2 | 20 |
| Other Action | 5 | 2 | 3 | 2 | 1 | 3 | 2 |
| Investigation | 5 | 4 | 2 | 2 | 0 | 3 | 1 |
| Withdrawn/ not progressed | 0 | 0 | 0 | 3 | 3 | 1 | 1 |
| Awaiting outcome | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Total | 11 | 9 | 11 | 18 | 7 | 9 | 26 |

Table 3 Outcome of Items Investigated 2009/10 to 2015/16

| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 |
|------------------|-------|-------|-------|-------|-------|-------|-------|
| Breach | 2 | 1 | 2 | 0 | 0 | 1 | 1 |
| No Breach | 3 | 3 | 0 | 2 | 0 | 2 | 0 |
| Total | 5 | 4 | 2 | 2 | 0 | 3 | 1 |

10.3 During the 2015/16 Financial Year two investigations were completed conducted by external investigators. The first related to NPC4/14, NPC5/14 and NPC1/15 (reflected in the 2014/15 statistics) and the second to NPC4/15. While both these complaints pertained to Parish Councils the cost to the Council of undertaking this work was

£12,789.00. The payments were funded from the Head of Legal Services' Disbursement budget. There is currently no scope within the legislation to seek compensation from the parish councils. It is likely that if the current trend continues these costs will result in an ever increasing pressure on this budget. It has not been possible to identify internal resources to undertake this work.

11. Gifts and Hospitality

11.1 Appendix D (Gifts and Hospitality: A Code of Conduct for Councillors) to Part 13 of the Constitution (Codes and Protocols) states that 'Regular updates of declarations will be reported to the Governance and Ethics Committee as part of the quarterly performance monitoring reports'. A copy of the register for 2015/16 is therefore attached at Appendix B to this report.

11.2 In essence Members are required to:

- Register *every* individual gift or item of hospitality received, in their capacity as a Councillor, that is over £25 in value;
- Prior to accepting any hospitality with a value of £25 or more, a Councillor must seek authorisation from the Monitoring Officer;
- Members should be aware of serial givers or repeat offers of hospitality;
- registration of the gift or hospitality must be made *within 28 days of the date you received*;
- Failure to comply with the rules is a breach of the Members' Code of Conduct and could lead to a complaint being reported to the Monitoring Officer or the Standards Committee;
- The press and public have the right to inspect your gift and hospitality declaration forms;
- Where the spouse/partner of a Councillor is also a recipient of any gifts or hospitality the Councillor must ensure that the combined value is also recorded by the Monitoring Officer in accordance with the procedures.

12. Conclusion

12.1 2015/16 following the elections in May 2015 brought a number of new Councillors to the Authority all of whom attended the induction training of the Code of Conduct. This also acted as a reminder to re-elected Councillors and provided a useful base for the new municipal year. Training was also provided to Parishes throughout the year again fulfilling the one of the many functions of the Committee to ensure that standards of conduct were maintained across the district.

12.2 The increase in complaints during the year whilst unusual when compared to relatively little activity of previous years is explained by multiple member complaints relating to one meeting. This was addressed effectively by the actions of the Monitoring Officer in consultation with the Independent Persons. A number of the complaints also arose at a time when elections were approaching which could have had a bearing on the increase although there is no evidence to confirm that was the case.

12.3 The Independent Persons continue to fulfil a very useful function as regards the ethical framework and have contributed a good deal of outside knowledge and common sense the decision making process. Their views will be considered during the forthcoming revisions to the Code of Conduct referred elsewhere on this agenda.

Background Papers:

- Reports to Council 10 May 2012 and Special Council on the 16 July 2012
- New Terms of Reference for the Governance and Ethics Committee and Advisory Panel;
- A new Code of Conduct for West Berkshire District Councillors (Full Council December 2013).
- Quarter 1, 2 and Quarter 3 of 2015/16 Monitoring Officer's Reports to the Standards Committee
- Localism Act 2011

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval



Wards affected:

All

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim:

MEC – Become an even more effective Council

The proposals contained in this report will help to achieve the following Council Strategy priority(ies):

MEC1 – Become an even more effective Council

The proposals contained in this report will help to achieve the above Council Strategy aims and priorities by *(add text)

Officer details:

Name: David Holling
Job Title: Head of Legal Services (Monitoring Officer)
Tel No: 01635 519422
E-mail Address: dholling@westberks.gov.uk

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Members Register of Gifts and Hospitality 01 April 2015 to 31 March 2016

| Date Received | Member | Event | Offer | Value | Accepted? |
|---------------|----------------------|---|---|--------|-----------|
| 26.4.15 | Virginia von Celsing | West Berkshire brewery in Yattendon. | Beer | £100 | Yes |
| 02.06.15 | Peter Argyle | Armed Forces Briefing | Curry supper and wine - self and wife. | | Yes |
| 27.06.15 | Peter Argyle | Armed Forces Day | Buffet lunch with drinks - self and wife | | Yes |
| 08.07.15 | Adrian Edwards | South-East of England launch of the new English Heritage organ | Refreshments | £25.00 | Yes |
| 08.07.15 | Peter Argyle | Historic England Launch | Canapes and drinks - self | | Yes |
| 09.07.15 | Peter Argyle | Lord Lieutenant Evening | Canapes and drinks - self | | Yes |
| 10.07.15 | Peter Argyle | Bishop of Reading Dinner | Dinner and drinks - self | | Yes |
| 16.07.15 | Peter Argyle | Beating the Retreat | Canapes and drinks - self | | Yes |
| 29.07.15 | Peter Argyle | RAF Welford Open Day | Coffee (and cakes - no cakes) - self | | Yes |
| 03.08.15 | Peter Argyle | Readibus AGM | Buffet and soft drinks - self | | Yes |
| 19.08.15 | Peter Argyle | Bluebird Care Exhibition | Tea and cakes - self (not taken) | | No |
| 29.08.15 | Peter Argyle | Brihat Newa Muna | Lunch and drinks - self | | Yes |
| 08.09.15 | Peter Argyle | Earl of Wessex | Buffet lunch with drinks - self and wife | | Yes |
| 09.09.15 | Peter Argyle | Robert Sandilands School | Coffee (and cakes - no cakes) - self | | Yes |
| 10.09.15 | Graham Bridgman | GB is a walk leader with the Council's 'Walking for Health Scheme'. As such GB has a place on a coach for a free trip to Laycock Abbey. Coach paid for by WBC Public Health budget. Awaiting individual apportioned cost. | Coach trip to Laycock Abbey | £10.00 | Yes |
| 11.09.15 | Peter Argyle | Co-op Funeral Opening | Buffet lunch with drinks - self | | Yes |
| 11.09.15 | Peter Argyle | High Sherrif Evening | Drinks and canapes - self and wife | | Yes |
| 20.09.15 | Peter Argyle | Windsor Bandstand Opening | Coffee (and cakes - no cakes) - self and wife | | Yes |
| 21.09.15 | Peter Argyle | Bishop Licensing | Refreshments offered - not taken | | Yes |

| | | | | | |
|----------|--------------|--------------------------------|---|---------|-----|
| 21.9.15 | Hilary Cole | Newbury Show | Hospitality at Newbury Showground on Saturday. I was entertained to lunch by the President of the Society. I would put the cost of this at around £100 – this includes the lunch and entry to the Showground. | £100.00 | Yes |
| 30.09.15 | Peter Argyle | Museum AGM | Refreshments offered - not taken | | Yes |
| 01.10.15 | Peter Argyle | Homestart AGM | Buffet lunch - self | | Yes |
| 01.10.15 | Peter Argyle | Black History Launch | Light refreshments - self | | Yes |
| 04.10.15 | Peter Argyle | V.C. Unveiling | Refreshments offered - not taken | | Yes |
| 06.10.15 | Peter Argyle | Crown Court Service | Coffee, drinks and nibbles - self | | Yes |
| 06.10.15 | Peter Argyle | Corn Exchange VIP opening | Canapes and drinks - self and wife | | Yes |
| 6.10.15 | Anthony Pick | Corn Exchange VIP Launch Event | Reception | | Yes |
| 6.10.15 | Tony Linden | Corn Exchange VIP Launch Event | Reception | | Yes |
| 6.10.15 | Peter Argyle | Corn Exchange VIP Launch Event | Reception | | Yes |
| 6.10.15 | Jeff Beck | Corn Exchange VIP Launch Event | Reception | | No |
| 07.10.15 | Peter Argyle | Volunteer Open Day | Buffet and soft drinks - self | | Yes |
| 13.10.15 | Peter Argyle | Queen's Awards | Cakes and coffee - not taken | | Yes |
| 16.10.15 | Peter Argyle | West Berks Business Awards | Canapes, dinner wine & drinks - self and wife | | Yes |
| 21.10.15 | Peter Argyle | Purley Primary Event | Wine - self and wife | | Yes |

| | | | | | |
|----------|-----------------|---|--|------------|-----|
| 22.10.15 | Peter Argyle | SERFCA Awards | Buffet and drinks - self and wife | | Yes |
| 22.10.15 | Adrian Edwards | Wellington College awards ceremony organised by the South East Reserve Forces and Cadets Association in my role of Armed Forces Champion. | Reception - food and drink to the value of £25 | | Yes |
| 25.10.15 | Peter Argyle | Mayor of Bracknell reception | Buffet and coffee - self and wife | | Yes |
| 26.10.15 | Peter Argyle | LAC Awards | Buffet and coffee - self and wife | | Yes |
| 30.10.15 | Peter Argyle | Grim Reaper production | Tickets (£8 each) - self and wife | | Yes |
| 31.10.15 | Adrian Edwards | Berkshire Historic Environment Forum | Meeting and lunch - £10 payable by AE | | Yes |
| 04.11.15 | Peter Argyle | WW1 Exhibition | Drinks and canapes - self and wife | | Yes |
| 07.11.15 | Peter Argyle | Mega Diwali Celebration | Indian meal and soft drinks - self and wife + tickets | | Yes |
| 08.11.15 | Peter Argyle | Remembrance Service | Refreshments offered - not taken | | No |
| 12.11.15 | Peter Argyle | Remembrance Service | Refreshments offered - not taken | | No |
| 12.11.15 | Peter Argyle | My Cancer Launch | Canapes and drinks - self | | Yes |
| 16.11.15 | Peter Argyle | Vision Conference | Coffee and biscuits | | Yes |
| 20.11.15 | Peter Argyle | Pontifical Mass | Refreshments offered - not taken | | No |
| 27.11.15 | Peter Argyle | King or Cause | Wine - self and wife | | Yes |
| 04.12.15 | Peter Argyle | Little Heath | Buffet lunch - self | | Yes |
| 05.12.15 | Peter Argyle | Xmas Concert | Refreshments offered - not taken | | No |
| 08.12.15 | Peter Argyle | Graduation Awards | Canapes and drinks - self | | Yes |
| 08.12.16 | Graham Bridgman | Chairman of Padworth Parish Council - date to be advised | Meal and wine | Approx £35 | Yes |
| 09.12.15 | Peter Argyle | Carol Service | Refreshments offered - not taken | | No |
| 11.12.15 | Richard Crumly | KATS Christmas show | Ticket price (£8) to include a glass of mulled wine and a mince pie. | £8 | Yes |
| 11.12.15 | Richard Crumly | Newbury Lights Ceremony | A glass of mulled wine and a mince pie from Newbury Town Mayor | £5 | Yes |

| | | | | | |
|----------|----------------------|------------------------------------|---|------|-----|
| 12.12.15 | Peter Argyle | Xmas Concert | Wine - self and wife | | Yes |
| 13.12.15 | Peter Argyle | Thatcham Carols | Refreshments offered - not taken | | No |
| 14.12.15 | Peter Argyle | Theale Primary School | Buffet and tea/coffee - self | | Yes |
| 14.12.15 | Virginia von Celsing | Received in November | Flowers from resident, to thank for assistance in a planning application. | £25 | Yes |
| 15.12.15 | Roger Croft | Kennet School Presentation Evening | Bottle of wine and a bunch of flowers. | £20 | Yes |
| 17.12.15 | Peter Argyle | KS5 Awards | Canapes and drinks - self | | Yes |
| 20.12.15 | Peter Argyle | Newbury Carols | Refreshments offered - not taken | | No |
| 22.12.15 | Peter Argyle | Memorial to D. Holtby | Refreshments offered - not taken | | No |
| 3.3.16 | Adrian Edwards | Dennison Barracks | Lunch | 15 | Yes |
| 17.3.16 | Hilary Cole | The Watermill Theatre | Drinks reception and performance of One Million Tiny Plays About Britain. | <£25 | Yes |

External Audit Plan 2015-16 – Summary Report

| | |
|---|--|
| Committee considering report: | Governance and Ethics Committee |
| Date of Committee: | Governance and Ethics on 25 April 2016 |
| Portfolio Member: | Councillor Roger Croft |
| Date Portfolio Member agreed report: | 16 March 2016 |
| Report Author: | Ian Pennington, Director of KPMG |
| Forward Plan Ref: | GE3008a |

1. Purpose of the Report

- 1.1 The purpose of the report is to provide Members with a copy of the external audit plan from KPMG for 2015/16.

2. Recommendations

- 2.1 To note the attached plan and the two key objectives within the plan to audit/review and report on:
- 2.1.1 The Financial Statements including the Annual Governance Statement, providing an opinion on the accounts.
- 2.1.2 The use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in our use of resources.

3. Implications

- 3.1 **Financial:** N/A
- 3.2 **Policy:** N/A
- 3.3 **Personnel:** N/A
- 3.4 **Legal:** N/A
- 3.5 **Risk Management:** N/A
- 3.6 **Property:** N/A
- 3.7 **Other:** N/A

4. Other options considered

- 4.1 None

5. Executive Summary

5.1 This report has to go the Governance and Ethics Committee due to Accounting and Audit Regulations.

6. Conclusion

6.1 Please note the attached plan and the objectives within.

7. Appendices

7.1 Appendix A – External Audit Plan



External Audit Plan 2015/2016

West Berkshire
Council
March 2016

Financial Statement Audit



There are no significant changes to the Code of Practice on Local Authority Accounting in 2015/16, which provides stability in terms of the accounting standards the Council needs to comply with.

Materiality

Materiality for planning purposes has set at **£6 million** for the Council.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this has been set at £300,000 for the Council.

Significant risks

Significant risks are those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error. At this stage we have not identified any significant risks for these financial statements other than that required by auditing standards: management override of controls.

Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding have been identified as:

- Valuation of Property, Plant & Equipment; and
- Pension Assets and Liabilities.

See pages 3 to 5 for more details.

Value for Money Arrangements work



The National Audit Office has issued new guidance for the VFM audit which applies from the 2015/16 audit year. The approach is broadly similar in concept to the previous VFM audit regime, but there are some notable changes:

- There is a new overall criterion on which the auditor's VFM conclusion is based; and
- This overall criterion is supported by three new sub-criteria.

Our risk assessment is ongoing and we will report VFM significant risks during our audit. To date our risk assessment regarding your arrangements to secure value for money has identified the following VFM significant risks:

- Financial Resilience; and
- Better Care Fund/Care Act eligibility.

In addition we have identified one area of audit focus: the Council's progress towards implementing the action plan following Ofsted's inspection of Children's Services in 2014/15 which concluded that the Service was inadequate.

See pages 6 to 9 for more details.

Logistics



Our team is:

- Ian Pennington - Director
- Antony Smith - Manager
- Greg Morris – Assistant manager

More details are on **page 12**.

Our work will be completed in four phases from January to September and our key deliverables are this Audit Plan and a Report to those charged with Governance as outlined on **page 11**.

Our fee for the audit is £96,653 (£128,870 - 2014/2015) for the Council (see **page 10**).

Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2015/16 presented to you in April 2015, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Our audit has two key objectives, requiring us to audit/review and report on your:

- *Financial statements (including the Annual Governance Statement):* Providing an opinion on your accounts; and
- *Use of resources:* Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

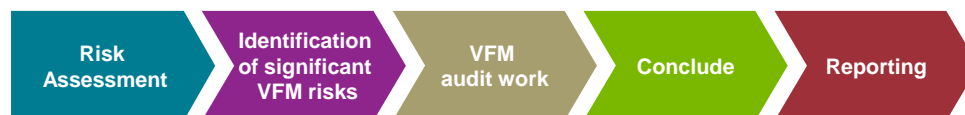
Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a five stage process which is identified below. Page 6 provides more detail on the activities that this includes. This report concentrates on explaining the VFM approach for the 2015/16 and the initial findings of our VFM risk assessment.



Financial Statements Audit Planning

Our planning work takes place during January to March 2016. This involves the following key aspects:

- Risk assessment;
- Determining our materiality level; and
- Issuing this audit plan to communicate our audit strategy.

Risk assessment

Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

The diagram opposite identifies, significant risks and other areas of audit focus, which we expand on overleaf. The diagram also identifies a range of other areas considered by our audit approach.



Keys: ● Significant risk ● Other area of audit focus ● Example other areas considered by our approach



Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error. Other than management override of controls (previous page) we have not yet identified any such risks for the Council's financial statements, but will continue to consider any issues through-out our audit.

Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

Assuring the Fair value of PPE

- Risk: In 2014/15 the Council reported Property, Plant and Equipment of £413 million. Local authorities exercise judgement in determining the fair value of the different classes of assets held and the methods used to ensure the carrying values recorded each year reflect those fair values. Given the materiality in value and the judgement involved in determining the carrying amounts of assets we consider this to be an area of audit focus.
- Approach: We will understand the approach to valuation, the qualifications and reports by the Council's external valuers and the judgements made by the Council in response to the information received (eg how the council considers changes in value between formal valuations). Where valuations are made other than at the year end we will review the Council's judgement in assessing movements from the valuation date.

Other areas of audit focus

Pension costs and liabilities

- Risk: In 2014/15 the Council reported Pension Assets of £218 million and Pension Liabilities of £468 million. Pension valuations require a significant level of expertise, judgement and estimation and are therefore more susceptible to error. This is also a complex accounting area. Given these factors and the materiality in values we consider this to be an area of audit focus.
- Approach: We will review the information provided to the actuary by the Council and the actuarial valuation and the related disclosures. We will also compare the assumptions made by your actuary to the benchmarks and to the assumptions used in 2014/15 for consistency.



Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgment to represent 'misstatements' unless the application of that judgment results in a financial amount falling outside of a range which we consider to be acceptable.

Reporting to the Governance and Ethics Committee

For the Council, materiality for planning purposes has been set at £6 million which is approximately 1.7% percent of gross expenditure. (1.4% of gross assets)

We design our procedures to detect individual errors. For the Council, this is £4.5 million for the year ended 31 March 2016, and we have some flexibility to adjust this level downwards.

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 Governance and Ethics Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

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

- In the context of the Council we propose to report all individual unadjusted differences greater than £300,000 to the Governance and Ethics Committee.
- We will also have regard to other errors below this amount if evidence of systematic error or if material by nature.

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



Background to approach to VFM work

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

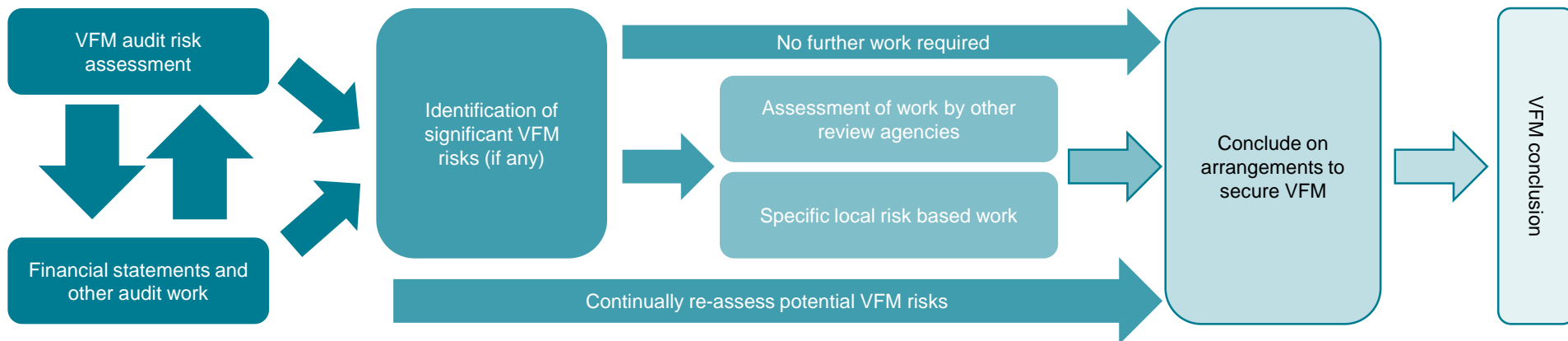
The VFM approach is fundamentally unchanged from that adopted in 2014/2015 and the process is shown in the diagram below. However, the previous two specified reporting criteria (financial resilience and economy, efficiency and effectiveness) have been replaced with a single criteria supported by three sub-criteria. These sub-criteria provide a focus to our VFM work at the Council. The full guidance is available from the NAO website at: <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>. Our approach to the value for money is recorded below:

Overall criterion: *In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.*

Informed decision making

Sustainable resource deployment

Working with partner and third parties





| VFM audit stage | Audit approach |
|---|---|
| VFM audit risk assessment | <p>We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Council. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>.</p> <p>In doing so we consider:</p> <ul style="list-style-type: none"> ■ The Council's own assessment of the risks it faces, and its arrangements to manage and address its risks; ■ Information from the Public Sector Auditor Appointments Limited VFM profile tool; ■ Evidence gained from previous audit work, including the response to that work; and ■ The work of other inspectorates and review agencies. |
| Linkages with financial statements and other audit work | <p>There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Council's organisational control environment, including the Council's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.</p> <p>We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.</p> |
| Identification of significant risks | <p>The Code identifies a matter as significant '<i>if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.</i>'</p> <p>If we identify significant VFM risks, then we will highlight the risk to the Council and consider the most appropriate audit response in each case, including:</p> <ul style="list-style-type: none"> ■ Considering the results of work by the Authority, inspectorates and other review agencies; and ■ Carrying out local risk-based work to form a view on the adequacy of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. |



| VFM audit stage | Audit approach |
|--|---|
| <p>Assessment of work by other review agencies</p> <p>and</p> <p>Delivery of local risk based work</p> | <p>Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.</p> <p>If such evidence is not available, we will instead need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:</p> <ul style="list-style-type: none"> ■ Meeting with senior managers across the Council; ■ Review of minutes and internal reports; ■ Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector. |
| <p>Concluding on VFM arrangements</p> | <p>At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.</p> <p>If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.</p> |
| <p>Reporting</p> | <p>On the following page, we report the results of our initial risk assessment.</p> <p>We will report on the results of the VFM audit through our ISA 260 Report. This will summarise any specific matters arising, and the basis for our overall conclusion.</p> <p>The key output from the work will be the VFM conclusion (i.e. our opinion on the Council's arrangements for securing VFM), which forms part of our audit report.</p> |



Significant VFM Risks

Those risks requiring specific audit attention and procedures to address the likelihood that proper arrangements are not in place to deliver value for money.

Financial Resilience

- Risk: Local Authorities are subject to an increasingly challenged financial regime with reduced funding from Central Government whilst having to maintain a statutory and quality level of services to local residents.
- Approach: We will review overall management arrangements that the Council has for managing its financial position. This will include the processes to develop a robust Medium Term Financial Strategy, ongoing monitoring of the annual budget, responsiveness to increasing costs of demand led services and changes in funding allocations; and the governance arrangements of how the figures are reported through to Full Council.

Better Care Fund/Care Act Eligibility

- Risk: The Better Care Fund was set up under the Care Act 2014. The aim is to encourage joint work across health and adult social care to ensure local people receive better care. Joint arrangements have been established with Newbury & District and North & West Reading Clinical Commissioning Groups (CCGs) to administer the local Better Care Fund (2015/16 budget £5.2 million). The Care Act also requires new national eligibility criteria which has expanded the number of clients that the Council has to support and the scope of the packages of care. The Council has been challenging this element of the Care Act through the courts and the final outcome is awaited. As the arrangements are new, crossing the health and social care boundary with organisations who have different legal structures there is a risk that the governance and accounting arrangements may not be well developed to manage this partnership arrangement appropriately.
- Approach: We will review the legal, governance and accounting arrangements that have been put in place to govern and administer the Better Care Fund within West Berkshire. These include the s75 agreement with the two local CCGs, the functioning of the governance structure that has been put in place under the Health and Wellbeing Board; and considering the position as regards the impact of national eligibility criteria.

Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

Action plan following Ofsted's inspection of Children's Services

- Risk: Ofsted inspected the Council's Children's Services during 2014/15, and concluded that the Service was 'inadequate'. The key driver to the rating was the high number of temporary staff within Children's Services, which is expensive and was seen to impact on the quality of care individual children received. Consequently, the Council has an action plan to address the issues identified by the Ofsted inspection. Given the nature of the Service we consider implementation of the action plan to be an area of audit focus.
- Approach: We will understand the progress that the Council has made to address the issues raised by Ofsted through implementation of the action plan.

Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified approach for 2015/16 have not yet been confirmed.

Elector challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.

Our audit team

Our audit team will be led by Ian Pennington (Director) and Antony Smith (Audit Manager). Ian provides continuity at a senior level and appendix 2 provides more details on specific roles and contact details of the team.

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team and the Governance and Ethics Committee. Our communication outputs are included in Appendix 1.

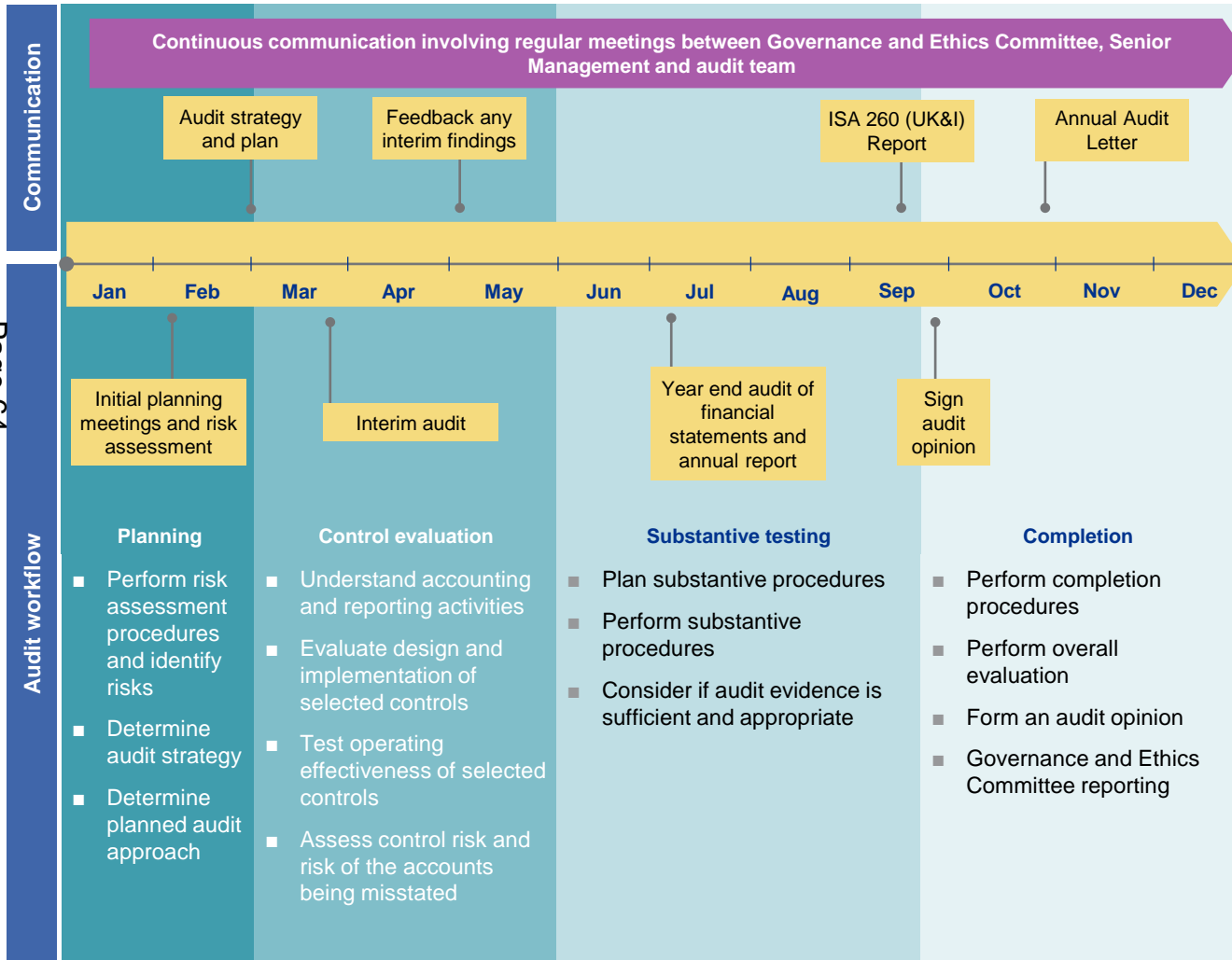
Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

Audit fee

Our Audit Fee Letter 2015/2016 presented to you in April 2015 first set out our fees for the 2015/2016 audit. This letter also sets out our assumptions. We have not considered it necessary to make any changes to the agreed fees at this stage.

The planned audit fee for 2015/16 is £96,653 for the Council. This is a reduction in audit fee of 25% compared with 2014/15.



Driving more value from the audit through data and analytics

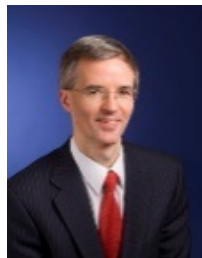
Technology is embedded throughout our audit approach to deliver a high quality audit opinion. Use of Data and Analytics (D&A) to analyse large populations of transactions in order to identify key areas for our audit focus is just one element. We strive to deliver new quality insight into your operations that enhances our and your preparedness and improves your collective 'business intelligence.' Data and Analytics allows us to:

- Obtain greater understanding of your processes, to automatically extract control configurations and to obtain higher levels assurance.
- Focus manual procedures on key areas of risk and on transactional exceptions.
- Identify data patterns and the root cause of issues to increase forward-looking insight.

We anticipate using data and analytics in our work around key areas such as accounts payable and journals.



Your audit team has been drawn from our specialist public sector assurance department. Ian Pennington provides continuity on the audit at a senior level. Antony Smith and Greg Morris are new to the audit team this year.



| | |
|-----------------|--|
| Name | Ian Pennington ian.pennington@kpmg.co.uk |
| Position | Director |
| | <p>'My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.</p> <p>I will be the main point of contact for the Governance and Ethics Committee, Chief Executive and Executive Directors.</p> |



| | |
|-----------------|---|
| Name | Antony Smith antony.smith@kpmg.co.uk |
| Position | Manager |
| | <p>'I provide quality assurance for the audit work and specifically any technical accounting and risk areas.</p> <p>I will work closely with Ian to ensure we add value.</p> <p>I will liaise with the Head of Finance and the Finance Team</p> |



| | |
|-----------------|--|
| Name | Greg Morris gregory.morris@kpmg.co.uk |
| Position | Assistant Manager |
| | <p>'I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.'</p> |

Independence and objectivity

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Governance and Ethics Committee.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 Integrity, Objectivity and Independence requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Further to this auditors are required by the National Audit Office's Code of Audit Practice to:

- Carry out their work with integrity, independence and objectivity;
- Be transparent and report publicly as required;
- Be professional and proportional in conducting work;
- Be mindful of the activities of inspectorates to prevent duplication;
- Take a constructive and positive approach to their work;
- Comply with data statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information.

PSAA's Terms of Appointment includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.

- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.
- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the PSAA's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

Confirmation statement

We confirm that as of 1 March 2016 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.



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This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment’s website (www.psa.co.uk).

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Ian Pennington the engagement lead to the Council, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA’s complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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Internal Audit - Work Plan 2016-19 - Summary Report

| | |
|---|--|
| Committee considering report: | Governance and Ethics Committee |
| Date of Committee: | Governance and Ethics Committee on 25 April 2016 |
| Portfolio Member: | Councillor James Fredrickson |
| Date Portfolio Member agreed report: | 16 th March 2016 |
| Report Author: | Ian Priestley |
| Forward Plan Ref: | GE3008 |

1. Purpose of the Report

- 1.1 This report sets out the proposed plan of work for internal audit over the next three years.
- 1.2 The report outlines the method used to compile the plan, which is based around risk.

2. Recommendation

- 2.1 The Committee should review and approve the work plan.

3. Implications

- 3.1 **Financial:** None
- 3.2 **Policy:** None
- 3.3 **Personnel:** None
- 3.4 **Legal:** None
- 3.5 **Risk Management:** Internal Audit work supports the risk management process by identifying weaknesses in systems and procedures and making recommendations to provide mitigation
- 3.6 **Property:** None
- 3.7 **Other:** None

4. Other options considered

- 4.1 None

5. Executive Summary

- 5.1 The purpose of this report is to set out a risk based plan of work for Internal Audit that will provide assurance to the Governance and Ethics Committee on the operation of the Council's internal control framework and support the Committee's review of the Annual Governance Statement.
- 5.2 The work of internal audit is regulated by the "Public Sector Internal Audit Standards" based on the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). These provide a:
- (1) Definition of Internal Auditing
 - (2) Code of Ethics
 - (3) International Standards for the professional practice of internal auditing (including interpretations and glossary)
- 5.3 The report covers the following points:
- (1) Audit objectives and outcomes
 - (2) How audit work is planned to ensure significant local and national issues are addressed.
 - (3) Basis for the opinion of the Chief Internal Auditor on the internal control framework
 - (4) Methods of providing and resourcing the service.
- 5.4 There are a number of changes to the priorities of the team that have been made in response to the reduced level of resource available to the team.
- (1) The audits of the "Key Financial Systems", in Customer Services and Finance, used to be carried out annually, partly because of the scale and materiality of them and partly as the Council's external auditor relied on the work Internal Audit does on these systems. However, the external auditor no longer requires us to audit these systems annually, and so they have been moved over to a cyclical basis.
 - (2) In the past all audits were subject to a follow up audit to measure the extent to which agreed recommendations had been implemented. In future only audits with weak or very weak opinions will always be followed up. Audits with a satisfactory opinion may be followed up if, in the opinion of internal audit or management, the weaknesses identified by the audit warrant a follow up.
 - (3) The frequency and depth of audits of schools will be reduced. Over recent years the Finance Service – Schools Accountancy Team - have delivered very effective training and support to schools, that is paid for by schools, and that will compensate for the reduced audit coverage.
- 5.5 The Public Sector Internal Audit Standards provide the following definition of Internal Audit:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

- 5.6 Translated into plain English, Internal Audit is there to help Services deliver the Council Strategy by identifying and helping to mitigate weaknesses in service delivery systems and procedures, whilst staying within the statutory framework that governs local authorities.
- 5.7 The objectives for Internal Audit are set out in the Audit Charter which forms an appendix to the Terms of Reference of the Governance and Ethics Committee. The full charter is attached at appendix A.
- 5.8 The main outcomes from the work of Internal Audit are:
- (1) Audit reports produced at the conclusion of each audit, for the relevant Head of Service and Director.
 - (2) Monitoring reports on progress with implementation of agreed audit recommendations.
 - (3) An annual assurance report and an interim update report for Management Board and Governance and Ethics Committee on the outcomes of Internal Audit work.
- 5.9 The work programme for Internal Audit for the period 2016-19 is attached at appendix B. The plan analyses the different areas of Council activity that Internal Audit feel require auditing. The Plan is laid out by, Corporate Audits, then by Head of Service and for each audit covers:
- (1) The key risks that the audit will cover
 - (2) The level of risk associated with the subject, as assessed by Internal Audit
 - (3) The complexity of the audit.
 - (4) The type of audit
 - (5) An initial estimate of the number of days that will be required to complete the audit, and the year in which the audit is planned
- 5.10 The process of putting the plan together is extensive in terms of the documents and people who are consulted. The following identifies the key drivers:
- (1) The views of stakeholders, Heads of Service, Corporate Board, Operations Board are key to identifying priorities for the team.
 - (2) The Council Strategy is reviewed to ensure that audit resources are used to support the delivery of Council objectives.

- (3) The Council's risk registers, particularly the Strategic Risk Register. This is used to highlight areas where assurance is required for controls that are in place to significantly reduce levels of risk to the Council.
- (4) Results of previous audit inspection and scrutiny work, by internal teams and external agencies, is considered.
- (5) Plans are made available to the Council's external auditor to ensure that there is no unnecessary duplication of effort.

5.11 The work programme is based on levels of risk. The risk registers are used to inform the level of risk where appropriate and this is supplemented by an audit view of risk. This takes account of:

- (1) Results of risk self assessments (Strategic and Operational Risk Registers);
- (2) Complexity/scale of system and processes / volume and value of transactions;
- (3) Fraud and corruption - eg the risk of fraud or corruption occurring;
- (4) Inherent risk - eg degree of change/instability/confidentiality of information;
- (5) Internal Audit knowledge of the control environment based on previous audit work.

5.12 The work of Internal Audit forms the basis of the opinion given by the Chief Internal Auditor on the Council's internal control framework. The work of Internal Audit is regulated by the Public Sector Internal Audit Standards. This sets out the standards and methods that should be applied in doing the work. At an operational level Internal Audit have a procedure manual that explains in detail how work is delivered. In addition an Audit Protocol is published to all Heads of Service setting out how the service operates. A copy of this is at Appendix C

5.13 There are a number of key elements to the process that ensure the output from audit is fit for purpose.

- (1) Consultation takes place at various stages of each audit with the service under review (Terms of reference, rough and formal draft and final reports and action plans are all discussed and agreed with the service under review)
- (2) Audits are followed up to ensure that agreed actions are implemented. (Method and approach to follow up work varies depending on the nature of the issues identified in the original audit)
- (3) All audit work is reviewed before being released. (The review process is ongoing during the course of each audit)
- (4) The External Auditor relies on the work of Internal Audit, and will raise any concerns in their annual audit letter, to date no concerns have been raised.

- 5.14 The work produced by Internal Audit is designed to identify and remedy weaknesses in the internal control framework. Weaknesses that are identified are categorised according to their severity (fundamental, significant, moderate and minor).
- 5.15 Taken together, the above provides a sound basis for the Chief Internal Auditor to provide an annual opinion of the internal control framework of the Council.
- 5.16 The Chief Internal Auditor now has the support of 4 FTE's. The service is provided entirely through in house provision.

6. Conclusion

- 6.1 The work of internal audit is designed to provide the Council with assurance on the state of the Council's internal control framework. The work is also designed to highlight and remedy weaknesses identified in the Council's service delivery systems.

7. Appendices

- 7.1 Appendix A – Internal Audit Charter
- 7.2 Appendix B – Internal Audit Plan
- 7.3 Appendix C – Internal Audit reporting protocol

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Appendix A

AUDIT CHARTER

1 Definition and Purpose of Internal Audit

- 1.1 The Public Sector Internal Audit Standards provide the following definition of Internal Audit.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

- 1.2 Internal Audit is a statutory service in the context of the Accounts and Audit Regulations, which state in respect of Internal Audit:
- 1.3 'A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper internal audit practices.'
- 1.4 The existence of an Internal Audit function does in no way diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in an efficient, secure and well ordered manner within the Authority.

2 Responsibility & Objectives

- 2.1 As an independent appraisal function within the Authority, the objectives of Internal Audit are:
- To review, appraise and report on the adequacy of internal controls as a contribution to the economic, efficient and effective use of resources.
 - Ascertain the extent of compliance with procedures, policies, regulations and legislation.
 - Provide reassurance to management that their agreed policies are being carried out effectively.
 - Facilitate good practice in managing risks.
 - Recommend improvements in control, performance and productivity in achieving corporate objectives.
 - Review the value for money processes, systems and units within the Authority.
 - Work in partnership with External Audit.
 - Identify fraud as a consequence of its reviews and deter crime.

3 Scope and Accountability

- 3.1 Internal Audit as a function will remain independent of the Authority's operational activities, and its auditors will undertake no operational duties. This will allow auditors to perform duties in a manner which facilitates impartial and effective professional judgements and recommendations.
- 3.2 The scope of Internal Audit allows for unrestricted coverage of the Authority's activities and access to all staff, records and assets deemed necessary in the course of the audit.
- 3.3 Accountability for the response to advice and recommendations made by Internal Audit lies with the management of the Authority. Management can accept and implement advice and recommendations provided or formally reject it. Internal Audit is not responsible for the implementation of recommendations or advice provided.
- 3.4 Internal Audit sits within the Finance Service and supports the statutory functions of the Head of Finance. However, Internal Audit is also accountable to the Governance and Ethics Committee for the delivery of assurance in relation to the Council's system of internal control.

4 Reporting

- 4.1 All audit assignments will be the subject of a formal report written by the appropriate auditor. The report will include an 'opinion' on the adequacy of controls in the area that has been audited.
- 4.2 A follow-up review will be undertaken where the overall opinion of a report is Satisfactory, Weak or Very Weak to ascertain whether actions stated by management in response to the audit report have been implemented in order to provide assurance that the control framework is now effective or flag up concerns where we consider this is not the case.
- 4.3 Internal Audit will prepare half yearly reports for the Governance and Ethics Committee and give an opinion on the Council's internal control framework.
- 4.4 Internal Audit will bring to the attention of the Governance and Ethics Committee any serious matters of concern that may arise in the course of audit work.

5 Resources

- 5.1 Internal Audit will prepare an Audit Strategy each year that sets out the aims and objectives of the service.

- 5.2 A detailed risk based plan of work will be prepared for information for the Governance and Ethics Committee, including the resources required to carry out the work. This will set out the key areas / risks that are to be subject to audit.

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| Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|-------------------------|--|--------------------------|------------|-------------------|---------|---------|---------|---------------------------|
|-------------------------|--|--------------------------|------------|-------------------|---------|---------|---------|---------------------------|

AUDIT PLAN RATIONALE

- 1) Frequency of review is based on the overall risk rating and when the previous review was carried out.
- 2) Level of audit resource is dependent on complexity of the area to be reviewed and the level of assurance required for the risks identified.
- 3) Risk assessment factors taken into account when determining the risk category:- degree of instability/complexity of system/sensitivity of information/likelihood of fraud or corruption/previous audit control opinion

AUDIT TYPE - KEY

- SR Strategic Risk
- KFS Key Financial System
- AFW Anti Fraud Work
- ACW Anti Corruption Work
- VFM Value for Money
- OR Operational Risk
- Sch Schools
- ADV Advisory

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|--|--|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Corporate Audits | | | | | | | | | |
| Mileage Claims - Compliance with Council procedures | a) Inaccurate/inappropriate claims resulting in theft/fraud | 1 | Medium | AFW | 2013-14 | | | | |
| Income collection - spot checks | a) Theft/Fraud | 1 | High | AFW | 2014-15 | | | | |
| Capital planning / programme / use of PMM | a) Ineffective project management - budgets exceeded/deadlines exceeded/outcome does not meet client needs b) Implementation and usage of PMM | 4 | High | SR | 2012-13 | | | | |
| Transparency code | Non compliance with the Transparency Code requirement ie not all data types are being published/inaccurate data is published/data is not published promptly. | 3 | Medium | SR | New | | 20 | | 20 |
| Capital Programme - Education Services | a) Ineffective project management - budgets exceeded/deadlines exceeded/outcome does not meet client needs | 4 | High | OR | 2015-16 | | | | |
| Establishing processes for Community Infrastructure Levy (CIL) | a) The Council is not effectively recording/monitoring CIL funds that are due/have been paid b) Policy targets are not met c) Corruption d) Income is not maximised | 4 | High | ADV | 2013-14 | | | | |
| NFI Investigation work | a) fraud by employees/residents | 2 | High | AFW | 2014-15 | 25 | 25 | 25 | 75 |
| Ensure information security | a) Non compliance with Data Protection Act b) Information not stored securely c) Personal information issued/sent to incorrect parties b) data could be amended/destroyed/sensitive data made | | High | SR | 2014-15 | | | | |
| Telecommunications | a) Inappropriate use of equipment/ineffective monitoring of personal calls resulting in unnecessary expenditure being incurred possibility of Fraud/abuse b) There isn't a consistent approach when determining who can be allocated telecoms equipment, therefore assessing the need for Telecoms equipment | 3 | Medium | AFW | 2010-11 | | 15 | | 15 |
| Procurement cards | Ineffective monitoring of card usage resulting in inappropriate expenditure being incurred | 2 | High | AFW/SR | 2012-13 | | | 15 | 15 |
| Grant Allocation/monitoring | a) Grants not awarded appropriately b) Grant allocations are not accurately recorded/effectively monitored. | 2 | Medium | SR | 2006-07 | 15 | | | 15 |
| Corporate Fraud Review | a) Council's approach to dealing with fraud does not meet the revised CIPFA guidance b) The Council is not being a pro-active as it could in deterring/highlighting fraud | 2 | Medium | AFW | 2013-14 | | | | |
| Archiving Council Records | a) Ineffective service provision b) Storage requirements not reviewed c) Unnecessary costs incurred | 1 | Medium | OR | 201415 | | | | |
| total | | | | | | 40 | 60 | 40 | 140 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|---|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Resources Directorate | | | | | | | | | |
| Travel Claims | a) Fraudulent claims b) Inaccurate payments | 1 | Medium | AFW | 2010-11 | | | | |
| total | | | | | | | | | |
| Head of Public Health and Wellbeing | | | | | | | | | |
| Public Health Unit | a) Non compliance with legislation b) Ineffective joint working arrangements resulting in poor budgetary control and/or service provision | 3 | High | SR | 2015-16 | | | | |
| total | | | | | | 0 | 0 | 0 | 0 |
| Head of Finance | | | | | | | | | |
| Insurance (claims management) | a) Inappropriate assessment of uninsured losses b) Inaccurate claims record for management information c) Ineffective claims | 2 | High | SR | 2015-16 | | | | |
| Governance / Risk Management | a) Non compliance with Legal requirements b) Ineffective framework for AGS reporting | 3 | High | SR | 2007-08 | | | 20 | 20 |
| Health and Safety | a) Non compliance with H&S Legislation - legal action/penalties | 2 | High | SR | 2012-13 | | | 15 | 15 |
| General Ledger (managed audit) | a) Inaccurate information for management decisions b) Budgets exceeded c) Qualified accounts | 2 | Medium | KFS | 2014-15 | 12 | | | 12 |
| Asset Management Strategy | a) Non compliance with legislation, b) Mis mgt of asset portfolio | 2 | Medium | SR | 2015-16 | | | | |
| Fixed Asset Register | a) Non compliance with accounting standards b) Qualified Accounts | 2 | Low | SR | 2010-11 | | 15 | | 15 |
| Budget Monitoring | a) Inaccurate Information b) poor decision making | 2 | High | SR | 2015-16 | | | | |
| MTFS (to incorporate Business Rates estimating and profiling) | a) Council's financial targets are not realised b) Budget pressures c) Increases in Council Tax | 4 | High | SR | 2013-14 | | | 15 | 15 |
| Treasury Management (managed audit) | a) Inappropriate cashflow decisions - income not maximised b) Legislation/Internal polices not complied with | 2 | Low | KFS | 2014-15 | | 12 | | 12 |
| Bank Reconciliation (cover Chaps payments) | a) Inappropriate transactions processed through the bank b) Inaccurate year end accounts c) Qualified opinion from External Auditors | 2 | Medium | OR | 2010-11 | | | 15 | 15 |
| VAT | a) Non compliance with Revenues & Customs requirements - financial penalties | 2 | Medium | OR | 2013-14 | | | | |
| Commercial Rents | a) Non compliance with legislation, b) Loss of income/increased void periods, c) Misappropriation of leases | 3 | High | OR | 2013-14 | | | | |
| Total | | | | | | 12 | 27 | 65 | 104 |

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APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|--|--|--------------------------|------------|-------------------|-----------|-----------|---------|---------------------------|
| Head of HR | | | | | | | | | |
| Recruitment (process) | a) Delays in appointing staff - disruption to service delivery b) Non compliance with employment legislation C) CRB failure | 2 | High | AFW/SR | 2012-13 | | | | |
| Absence Management | a) Council's sickness policy not being adhered to b) Inaccurate information for performance management | 2 | High | SR | 2011-12 | | 15 | | 15 |
| Code of Conduct / HR Policies & Procedures | a) Staff not being managed consistently/to the Council's standards required standards b) New managers not being aware of the required standards and related procedures | 1 | Low | SR | 2007-08 | | | | |
| Staff Training and Development (Corporate and Professional Training - across whole Council) | a) Failure to develop staff in accordance with good practice b) Failure to inform new employees of legislation, key corporate policies and procedures they need to be aware of adhere to c) VFM/cost effectiveness not taken into account within services when making spending decisions | 1 | Low | SR | 2014-15 | | | | |
| Total | | | | | | | 15 | | 15 |
| Head of Legal Services | | | | | | | | | |
| Legal Services | a) The collaborative agreement is not being effectively recorded/monitored b) Terms of the joint agreement are not being adhered to c) The service fails to retain its quality standard accreditation | 2 | Medium | OR | 2010-11 | | | | |
| Contract letting | a) Non-compliance with Contract rules of Procedure b) Non compliance with EU legislation (Remedies Directive) c) Corruption | 3 | High | ACW | 2014-15 | | | | |
| Contract monitoring | a) Non-compliance with Contract rules of Procedure b) Contract spec not met c) Contract costs exceeded | 3 | High | SR | 2007-08 | 20 | | | 20 |
| total | | | | | | 20 | | | 20 |

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APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|---|--|--------------------------|------------|-------------------|---------|-----------|---------|---------------------------|
| Head of Strategic Support | | | | | | | | | |
| Service Planning/targets and performance management | Service Delivery / intervention / legal obligations / performance indicators / linkages to Timelord | 4 | Medium | SR | 2013-14 | | | | |
| Equality Impact Assessments | a) Non compliance with national guidance b) Unaware of impact of changes in policy/decisions on local community c) lack of transparency/accountability d) Judicial review overturns decisions | 3 | Medium | SR | 2013-14 | | | | |
| Members expenses | a) Inappropriate payments, b) Over payments on budgets, c) Non compliance with legislation/policies | 1 | Medium | OR | 2014-15 | | | | |
| Complaints / Code of Conduct | a) Ineffective policies and processes in place, b) Non compliance with policies/processes | 3 | Medium | SR | 2012-13 | | | | |
| Data Protection / Freedom of Information | a) Non compliance with legislation b) No Standard approach for dealing with requests c) Adequate records not maintained of requests/responses | 3 | High | SR | 2014-15 | | | | |
| Intranet/Internet/Communication/Publications | a) Ineffective processes and procedures, b) Inappropriate information published - version control. | 2 | Medium | SR | 2011-12 | | | | |
| Civil Contingencies | a) Contingency arrangements not in place/not effective b) Lack of compliance with legislation | 2 | Medium | SR | 2011-12 | | 15 | | 15 |
| Electoral Services | a) Non compliance with legislation, b) Inappropriate entries on register, b) Incorrect payments/expenditure/charges | 2 | Low | OR | 2015-16 | | | | |
| total | | | | | | | 15 | | 15 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|--|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Head of Customer Services | | | | | | | | | |
| Payroll / PAYE (managed Audit) | a) Ghost employees set up b) Inaccurate payments made c) Inaccurate deductions made | 3 | High | KFS | 2014-15 | 15 | | | 15 |
| Accounts Payable (managed audit) | a) Inappropriate/fraudulent payments b) budgets exceeded | 2 | High | KFS | 2014-15 | | 15 | | 15 |
| Accounts Receivable (managed audit) | a) Council's cash flow affected b) Income not maximised | 2 | High | KFS | 2015-16 | | | 15 | 15 |
| Car Loans & Car Leasing | a) Inaccurate payroll deductions b) Non compliance with Inland Revenue requirements | 2 | Low | OR | 2013-14 | | | | |
| Income Collection/Recording Processes | a) Inaccurate processing of income - affecting cash flow decisions b) Fraud/theft c) Accounts could be qualified | 2 | Medium | AFW | 2006-07 | 15 | | | 15 |
| National Non-domestic Rates (managed audit) | a) Non compliance with legislation/local schemes for exemptions b) Income generation/collection not maximised c) Qualified accounts | 3 | High | KFS | 2014-15 | | | 15 | 15 |
| Housing Benefits (managed audit) | a) Non compliance with legislation b) Inaccurate/inappropriate payments made c) Accounts qualified | 3 | High | KFS | 2014-15 | | 15 | | 15 |
| Council Tax (managed audit) | a) Non compliance with legislation/local schemes for reductions b) Income generation/collection not maximised c) Accounts qualified | 3 | High | KFS | 2015-16 | | | 15 | 15 |
| Registrars Service | a) Ineffective budgetary control, b) Insufficient control of income, c) Insufficient control of assets, d) Inappropriate expenditure | 2 | Low | OR | 2014-15 | | | | |
| Total | | | | | | 30 | 30 | 45 | 105 |

APPENDIX B

Internal Audit Work Programme - 2016-19

Head of I.C.T. and Support Services

| Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|--|--|--------------------------|------------|-------------------|-------------|-----------|-----------|---------------------------|
| I.T. Strategy | a) Does not meet changing needs of the organisation b) Progress not measured/monitored - objectives not achieved | 3 | Medium | SR | 2007-08 | | | |
| Software licences | a) Non compliance with legislation (software licences) | 2 | Low | OR | 2003-04 | 15 | | 15 |
| Change Control Management | a) Inappropriate changes b) Changes do not meet the needs of users c) Changes not operationally effective | 3 | Medium | OR | 2005-06 | 15 | | 15 |
| Project Management (IT investment) | a) Systems do not meet business/user needs b) Escalation of costs/time to implement | 3 | Medium | SR | 2006-07 | | 20 | 20 |
| Post Implementation Reviews (IT investment) | a) Systems do not meet business/user needs b) Escalation of costs/time to resolve system issues | 3 | Medium | SR | 2013-14 | | | |
| Ensure continuous service (Disaster Recovery for I.T. Service) | a) Contingency plan not in place/not effective - service delivery affected | 3 | High | SR | 2011-12 | | | |
| PSN Compliance Certificate | a) Non compliance with Government I.T. Security requirements b) Not able to access government data/share data with other government bodies | 4 | High | SR | 2010-11 | | | |
| Ensure systems security | a) Non compliance with Data Protection Act b) Unauthorised access to data b) data could be amended/destroyed/sensitive data made public | 3 | High | SR | 2011-12 | 15 | | 15 |
| Manage problems and incidents (help desk) | a) Interruptions to service delivery b) Staff performance adversely affected | 3 | High | OR | 2012-13 | | | |
| EDI (BACs) | a) Inaccurate/inappropriate electronic transactions | 3 | Low | OR | Not audited | | | |
| Printing Service | a) Inefficient operations b) Delivery targets not met | 2 | Low | OR | 2014-15 | | | |
| Business Continuity Planning | a)Flu / fire / flood / terrorism / service delivery | 3 | High | SR | 2007-08 | | 20 | 20 |
| I.T. Asset Management | a) Loss of I.T assets - increased cost on replacement equipment | 3 | Medium | OR | 2007-08 | | 20 | 20 |
| Facilities Management | a) Poorly maintained facilities, compromised H&S, b) Theft of stock items, c) Ineffective out of hours service | 3 | Medium | OR | 2011-12 | | | |
| Superfast Broadband Project | a) Ineffective Contract Management b) Key deliverables not being achieved/achieved as per contract c) External Funding may be withdrawn | 4 | Medium | OR | 2014-15 | | | |
| Total | | | | | 30 | 55 | 20 | 105 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|---|--|--------------------------|------------|-------------------|---------|---------|---------|---------------------------|
| Communities Directorate | | | | | | | | | |
| Disclosure and Barring Service | a) Vulnerable adults/children could be put at risk due to the Council Scheme not meeting the requirements of the national guidance and/or local processes have not been established to ensure that backgrounds check are undertaken/recorded and updated. | 2 | High | SR | 2014-15 | | | | |
| Travel Claims | a) Fraudulent claims b) Inaccurate payments | 1 | Medium | AFW | 2011-12 | | | | |
| total | | | | | | | | | |
| Head of Adult Social Care | | | | | | | | | |
| Better Care Fund | a) Ineffective governance/communication between parties b) Effectiveness of arrangement not monitored - objectives not achieved/budgets exceeded. | 4 | High | SR | New | 20 | | | 20 |
| Care Act (Implementation of national eligibility criteria/carers assessments) | a) Care Act is not adhered to b) Assessments not undertaken timely/ care plans not put in place c) Client's/carers initial needs not met which could result in increased demand on services/budgets. | 3 | High | SR | New | 20 | | | 20 |
| Client Information and support covering services and providers | a) Care Act not adhered to b) Uninformed decisions/lack of choice on care support options which may lead to care plans not being achieved | 3 | Medium | OR | New | | | 15 | 15 |
| New Way of Working (the three key offers) | a) Care Act not adhered to b) Aims of the initiative are not met c) Processes are not sufficiently robust to achieve the stated aims | | High | SR | New | | 20 | | 20 |
| Agency Staff | a) Inappropriate people could be appointed - risk to client b) Budgets could be exceeded c) Standards of service required not met | 2 | High | OR | 2009-10 | | | 15 | 15 |
| Assessment of Needs/Purchase of Care - (MH/LD) | a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent | 3 | Medium | OR | 2008-9 | | | 15 | 15 |
| Assessment of need /Purchase of Care - Respite | a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent | 3 | Medium | OR | 2012-13 | | | | |
| Carers' Assessments/payments | a) Care Act is not adhered to b) Assessments not undertaken timely/ care plans not put in place c) Carers initial needs not met which could result in increased demand on services/budgets. | 3 | Medium | OR | New | | 15 | | 15 |
| Resource Centres (3) | Establishment reviews - key risks - budgetary control/appropriateness of expenditure | 1 | Low | OR | 2013-14 | | | 6 | 6 |
| Residential Homes - Elderly (4) | Establishment review - key risks - budgetary control/appropriateness of expenditure | 1 | Low | OR | 2010-11 | 6 | | | 6 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|--|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Assessment of needs/Purchase of care - Home Care | a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent | 3 | Medium | OR | 2006-07 | | 20 | | 20 |
| Assessment/Purchase of Care - Residential/Nursing | a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent | 2 | Medium | OR | 2001-02 | 15 | | | 15 |
| Shared Lives - Placements and Payments | a) Scheme not effectively managed b) Incorrect/inappropriate payments, c) Overspends on budget | 3 | Medium | OR | New | | 15 | | 15 |
| O/T - Equipment - pooled budget | a) Ineffective governance/communication between parties b) Effectiveness of arrangement not monitored - objectives not achieved/budgets exceeded | 2 | Medium | OR | 2011-12 | | | | |
| Personal Budgets (Use of payment cards) | a) Legislation/internal procedures not adhered to b) Inappropriate care packages c) Budgets could be overspent | 4 | High | ADV | New | 15 | | | 15 |
| Personal Budgets - Direct Payments | a) Legislation/internal procedures not adhered to b) Inappropriate care packages c) Budgets could be overspent | 3 | High | OR | 2013-14 | | | | |
| total | | | | | | 76 | 70 | 51 | 197 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|---|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Head of Care Commissioning, Housing and Safeguarding | | | | | | | | | |
| Client Financial Assessments | a) Non compliance with legislation/Council's policy b) Inaccurate charges calculated c) Ineffective income collection/recovery procedures | 3 | High | OR | 2008-09 | 20 | | | 20 |
| Residents Property (Appointeeship/Deputyship) | a) Misappropriation of client property b) Inaccurate records of level/type of property held c) Non compliance with legislation | 2 | High | OR | 2013-14 | | | | |
| Social Fund Reform (Community Care Grants/Crisis Loans) | a) Grants not awarded in accordance with legislation/Council procedures b) Inappropriate payments made c) Records not up-to-date/accurate | 2 | Medium | OR | 2014-15 | | | | |
| Brokerage/Care Commissioning Placement Processes | a) Value for money not obtained when choosing external providers b) Care provision not formalised/not monitored - escalation of costs/ care standards not met | 3 | High | OR | New | 20 | | | 20 |
| Contract Letting/Monitoring (Supporting People/Block Bed contracts) | a) Value for money not obtained when choosing external providers b) Care provision not formalised/not monitored - escalation of costs/ care standards not met b) Non compliance with EU legislation | 3 | Medium | OR | 2001-02 | | 20 | | 20 |
| Common Housing Register / Advice | a) Legislation is not adhered to b) Register not appropriately administered | 2 | Medium | OR | 2009-10 | | 15 | | 15 |
| Homelessness | a) Legislation not adhered to b) Accommodation is not obtained promptly/cost effectively | 2 | Medium | OR | 2011-12 | | | 15 | 15 |
| Renovation Grants/Disabled Facility Grants | a) Grants not awarded in accordance with legislation/Council procedures b) Inappropriate payments made c) Records not up-to-date/accurate | 2 | Medium | OR | 2015-16 | | | | |
| Deprivation of Liberty Safeguards | a) Legislation not adhered to b) Assessments inaccurate c) Supervision / review of contractors performing assessments inadequate | 2 | Medium | OR | New | 15 | | | 15 |
| CareDirector Project | a) System control weaknesses are identified after implementation b) Migrated data may be inaccurate | 4 | High | ADV | New | 15 | | | 15 |
| Total | | | | | | 70 | 35 | 15 | 120 |

APPENDIX B

Internal Audit Work Programme - 2016-19

Head of Education

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|--|--|--------------------------|------------|-------------------|---------|---------|---------|---------------------------|
| Secondary Schools | Review of key risks - budgetary control, income collection, control of assets, school governance | 2 | | Sch | Annual Programme | 15 | 10 | 10 | 35 |
| Primary Schools We may be able to save time on schools, and maybe do 10 x 4 days | Review of key risks - budgetary control, income collection, control of assets, school governance | 1 | | Sch | Annual Programme | 40 | 40 | 40 | 120 |
| Nursery Schools (2) to include Children's Centres | Review key risks: Compliance with legislation, accurate completion of grant claims | 1 | | Sch | 2012-13 | 4 | | 4 | 8 |
| Special Schools (2) | Review key risks: Compliance with legislation, budgetary control, control of assets, | 1 | | Sch | 2010-11 | 6 | 6 | | 12 |
| Alternative Curriculum | Review key risks: Budgetary control, appropriateness of expenditure | 1 | | OR | 2015-16 | | | | |
| Reintegration Service | Review key risks: Budgetary control, appropriateness of expenditure | 1 | | OR | 2015-16 | | | | |
| Children's Centres | a) Centres have not been set up in accordance with government guidelines b) governance arrangements between the Centre and | 2 | | OR | New | | 12 | | 12 |
| Formula funding / DSG | a) Non compliance with legislation, b) Ineffective budget builds | 2 | Medium | OR | 2009-10 | | | 20 | 20 |
| School Census | a) Submission of incorrect returns, b) Inaccurate funding | 1 | Medium | OR | 2012-13 | | | | |
| Family Support Packages for Disabled Children (to include short breaks) | a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets | 3 | Medium | OR | 2015-16 | | | | |
| School Admissions Policy | a) Non compliance with legislation, b) Unsuitable school offers, c) Invalid admissions data | 2 | High | OR | 2009-10 | | | | |
| Home to School Transport Entitlement | a) Employment of inappropriate individuals, b) Misallocation of free transport, | 2 | Low | OR | 2008-09 | | 15 | | 15 |
| Safeguarding in Schools | a) Schools are not adequately supported/trained by WBC | 2 | Medium | OR | 2008-09 | 15 | | 15 | 30 |
| Nursery Provision - central review | Review key risks: Compliance with legislation, accurate completion of grant claims | 1 | Low | OR | 2010-11 | | | | |
| After Schools Clubs | a) Non compliance with government targets/legislation, b) Misuse of grant funds, c) Activities are not effectively monitored | 3 | Medium | OR | 2007-08 | | | 15 | 15 |
| Special Education Needs and Disability (SEND) | a) Not meeting requirements of the new legislation/guidance b) Expenditure may not be effectively monitored | 3 | Medium | OR | New | 20 | | | 20 |
| School Library and Museum Services (Joint arrangement) | a) Contract not effectively monitored b) Service not meeting client needs c) Value for money not obtained | 2 | Low | OR | 2015-16 | | | | |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|--|--|--------------------------|------------|-------------------|------------|-----------|------------|---------------------------|
| Resource Units (7) | Review key risks: Compliance with legislation, budgetary control, control of assets. | 1 | High | OR | 2011-12 | | 5 | | 5 |
| Adult Education | a) Non compliance with legislation, b) Non achievement of targets and standards, c) Overspends on budgets | 2 | Low | OR | Not audited | | | | |
| Building Maintenance | a) Ineffective maintenance programme, b) Non compliance with legislation (internal, H&S, EU tendering policies) | 3 | High | OR | 2014-15 | | | | |
| Property Database - Assessment of implementation of phase 1 | a) System does not meet the defined outcomes for phase 1 b) Data is not up-to-date/inaccurate which could lead to incomplete/inaccurate system reports and inappropriate | 2 | High | OR | 2015-16 | | | | |
| Asset Project Management | a) Failure to deliver major projects on budget, timely manner, to meet need of clients, b) Non compliance with legislation | 4 | High | SR | 2015-16 | | | | |
| School Meals Contract | Review of schools not in the contract a) Non compliance with legislation, b) Not meeting service user requirements, c) Contract not effectively monitored. | 3 | Medium | OR | 2011-12 | | | 20 | 20 |
| total | | | | | | 100 | 88 | 124 | 312 |

APPENDIX B

Internal Audit Work Programme - 2016-19

Head of Children and Family Services

| Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|--|--------------------------|------------|-------------------|---------|---------|---------|---------------------------|
| Castlegate | 1 | Medium | OR | 2010-11 | 6 | | | 6 |
| Assessment of Need/Purchase of care - Residential | 3 | High | OR | 2008-09 | 15 | | | 15 |
| Assessment of needs/Purchasing Care - Respite | 3 | High | OR | 2013-14 | | | | |
| Personal Budgets/Direct Payments | 3 | High | OR | New | 20 | | | 20 |
| Assessment & collection of client contributions | 3 | Medium | OR | 2011-12 | | | | |
| Adoption - Recruitment, Placement and Allowances (Shared Service Arrangement) | 3 | Low | OR | New | | 15 | | 15 |
| Guardianship/Residence Orders | 2 | Medium | OR | New | 15 | | | 15 |
| Payment of Carers (foster carers) | 2 | Medium | OR | 2012-13 | | | | |
| S17 - Payment of Support Costs/Allowances | 2 | Medium | OR | 2015-16 | | | | |
| Child Care Lawyers (joint arrangement with Berkshire Authorities | 2 | Medium | OR | 2004-05 | | | 15 | 15 |
| Unaccompanied Children - Asylum Seekers | 3 | Medium | OR | 2004-05 | | 15 | | 15 |
| Agency Staff | 2 | Medium | OR | 2008-09 | | | 15 | 15 |
| Youth Centres (3) | 1 | Low | OR | 2010-11 | | | | |
| Offsite Activities - review of external provision of service | 1 | Medium | OR | 2005-06 | | | 15 | 15 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|---|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Supervision compliance checks | a) Non compliance with the Service's management processes b) ineffective performance management of staff and/or poor caseload monitoring and management | 1 | Medium | OR | 2013-14 | | | | |
| total | | | | | | 56 | 30 | 45 | 131 |
| Head of Prevention & Developing Community Resilience | | | | | | | | | |
| Turnaround Families Programme | a) Non compliance with requirements of the scheme b) Ineffective procedures to monitor and track outcomes c) Lack of evidence to validate grant payments claimed | 3 | Medium | OR | 2015-16 | 10 | 10 | 10 | 30 |
| Quality Assurance system | a) Service quality requirements are not being met and this is not highlighted/rectified which could result in service outcomes not being achieved b) Council criticised/legal action taken for not meeting duty of care | 1 | Medium | OR | New | | | | |
| Child Protection Conferencing Processes | a) Inappropriate arrangements in place, b) Non adherence to guidance, legislation. | 2 | Medium | OR | 2010-11 | | | | |
| total | | | | | | 10 | 10 | 10 | 30 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|--|---|--|--------------------------|------------|-------------------|---------|---------|---------|---------------------------|
| Environment Directorate | | | | | | | | | |
| Travel Claims | a) Fraudulent claims b) Inaccurate payments | 1 | Medium | AFW | 2010-11 | | | | |
| total | | | | | | | | | |
| Head of Culture and Environmental Protection | | | | | | | | | |
| Clean and Green agenda | a) Failure to deliver change b) failure to deliver cost savings | 4 | Medium | SR | 2012-13 | | | | |
| Waste Management and disposal PFI | a) Ineffective contract management resulting in increased costs/service quality issues b) Recycling initiatives not being met | 4 | High | SR | 2014-15 | | | 20 | 20 |
| Environmental Health Joint Arrangement covering:- | a) Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs | 3 | Medium | OR | New | | 20 | | 20 |
| Contract Management | | | | | New | | | | |
| Service requests for intervention | | | | | 2002-03 | | | | |
| Health and Safety | | | | | 2002-03 | | | | |
| Taxi Licensing | | | | | 2008-09 | | | | |
| Licensing Reform | | | | | 2012-13 | | | | |
| Trading Standards - Joint Arrangement covering:- | a) Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs | 3 | Medium | OR | 2013-14 | | | | |
| Contract Management | | | | | 2013-14 | | | | |
| Purchase/Disposal of samples | | | | | 2013-14 | | | | |
| Service requests for intervention | | | | | 2013-14 | | | | |
| Food Safety and Standards | | | | | 2013-14 | | | | |
| Building Control | a) Building Control Regulations are not adhered to b) Income is not maximised | 2 | Medium | OR | 2014-15 | | | | |
| Leisure Centre Management | a) Non compliance with legislation, b) Ineffective contract monitoring and management | 3 | High | OR | 2009-10 | 20 | | | 20 |
| Museums (1) | Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure. | 1 | Low | OR | 2004-05 | 8 | | | 8 |
| Archaeology | a) Non compliance with legislation and government guidelines, b) Ineffective communication between services | 2 | Low | OR | 2011-12 | | | | |
| Berkshire Archive Service | a) Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs | 2 | Low | OR | 2008-09 | | | 15 | 15 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|--|---|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Libraries Purchasing/stock control | a) Budgets overspent b) Inaccurate financial information for management decisions c) Stock may be misappropriated d) Purchasing arrangements are not cost effective | 3 | Medium | OR | 2014-15 | | | | |
| Libraries Income | a) Loss of stock is not reimbursed, resulting in additional expenditure b) Income collection not maximised | 3 | Medium | OR | 2010-11 | | 15 | | 15 |
| Shaw House | a) Facilities' use/income opportunities are not being maximised b) The facilities do not offer value for money c) Costs are not being effectively controlled | 3 | Medium | OR | 2008-09 | 15 | | | 15 |
| Adventure Dolphin & Outdoor Youth Activity | Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure. | 1 | Medium | OR | 2011-12 | | 10 | | 10 |
| total | | | | | | 43 | 45 | 35 | 123 |

APPENDIX B

Internal Audit Work Programme - 2016-19

Head of Highways and Transport

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|--|--|--------------------------|------------|-------------------|-----------|-----------|-----------|---------------------------|
| Structural Maintenance / Engineering | a) Non compliance with legislation, b) Ineffective maintenance programme | 3 | Medium | OR | 2012-13 | | | | |
| Major Road Repairs (Projects) | a) Projects/schemes targets not met, b) Non compliance with internal policies, plans | | Medium | OR | Not audited | | 20 | | 20 |
| Traffic Management | a) Projects/schemes targets not met, b) Non compliance with internal policies, plans | 3 | Low | OR | 2013-14 | | | | |
| Highway Term Contract (excluding major road projects) | a) Non compliance with H&S legislation, b) Ineffective contract monitoring, c) Non compliance with policies | 2 | High | OR | 2011-12 | | | 20 | 20 |
| Home to School Transport / CRB checks | a) Employment of inappropriate individuals, b) Misallocation of free transport, c) contracts for transport | 3 | High | OR | 2015-16 | | | | |
| Electrical (including Street Lighting) | a) Projects/schemes targets not met, b) Non compliance with internal policies, plans | 2 | Low | OR | Not audited | | | | |
| Street Naming/numbering | a) Income not maximised, b) Misappropriation of funds | 2 | Low | OR | 2004-05 | | | | |
| Concessionary Fares / Bus Passes | a) Fraud/theft, b) Non compliance with regulations | 2 | Medium | OR | 2014-15 | | | | |
| Parking | a) Non compliance with legislation, b) Loss of income c) Fraud/theft | 3 | High | OR | 2013-14 | | | 20 | 20 |
| Fleet Management | a) inefficient or inappropriate use of vehicles b) Ineffective contract management c) health and safety issues re roadworthiness of | 3 | High | OR | 2010-11 | 20 | | | 20 |
| Public Transport | a) Ineffective contract management resulting in poor quality of service/vfm not achieved/health and safety issues due to inappropriate drivers or vehicles being used. | 2 | Medium | OR | New | | 20 | | 20 |
| total | | | | | | 20 | 40 | 40 | 100 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| | Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|---|---|--|--------------------------|------------|-------------------|----------|-----------|-----------|---------------------------|
| Head of Planning and Countryside | | | | | | | | | |
| Enforcement | a) Planning Legislation is not adhered to b) Management information is not up-to-date/accurate | 2 | Low | OR | 2010-11 | | | | |
| Community Infrastructure Levy (CIL) | a) Planning Legislation/local schemes are not adhered to b) Policy targets are not met c) Corruption d) Income is not maximised | 4 | High | OR | New | | 20 | | 20 |
| S106 Obligations | a) Planning Legislation is not adhered to b) Council's Planning Policy is not followed c) Ineffective monitoring of planning | 4 | Medium | OR | 2007-08 | | | 15 | 15 |
| Grounds Maintenance Con. | a) Contract specification is not met b) Inappropriate/inaccurate payments could be made | 2 | Medium | OR | 2010-11 | | | 15 | 15 |
| Management of Parks and Commons - Partnership Arrangement | a) Non compliance with terms of the joint arrangement/ineffective monitoring of service provision | 2 | Low | ADV | New | | | 15 | 15 |
| total | | | | | | 0 | 20 | 45 | 65 |

APPENDIX B

Internal Audit Work Programme - 2016-19

| Key risks to be covered | Complexity (Using a scale of 1-4, 1 being least complex) | Risk Assessment Category | Audit Type | Date last audited | 2016-17 | 2017-18 | 2018-19 | TOTAL Days 2016- 2019 Est |
|--|--|--------------------------|------------|-------------------|------------|------------|------------|---------------------------|
| Other Chargeable work (non service specific) | | | | | | | | |
| Preparation of the audit plan/school visit programme | | | | | 10 | 10 | 10 | 30 |
| Monitoring the audit plan/school visit programme | | | | | 12 | 12 | 12 | 36 |
| Liaison with Portfolio Members | | | | | 3 | 3 | 3 | 9 |
| Governance and Ethics Committee | | | | | 3 | 3 | 3 | 9 |
| Audit Follow-ups | | | | | 60 | 60 | 60 | 180 |
| Audit Advice | | | | | 20 | 20 | 20 | 60 |
| School advice | | | | | 5 | 5 | 5 | 15 |
| SFVS Monitoring | | | | | 5 | 5 | 5 | 15 |
| External Professional Liaison | | | | | 5 | 5 | 5 | 15 |
| Total | | | | | 123 | 123 | 123 | 369 |
| Contingencies | | | | | 50 | 50 | 50 | 150 |
| Total | | | | | 50 | 50 | 50 | 150 |
| Planned Audit Days total | | | | | 680 | 713 | 708 | 2101 |
| | | | | | 687 | | | |

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Appendix C - INTERNAL AUDIT REPORTING PROTOCOL February 2016

1 Purpose and Scope

- 1.1 This document outlines the way internal audit will initiate, and report on work for the Council. This protocol relates only to Council Services, a separate protocol exists for Schools.
- 1.2 In terms of this protocol there are two types of audit work that will involve different approaches to reporting. These are:
 - Routine planned audits to provide assurance
 - Advisory work carried out at the request of the client
- 1.3 Two tables are attached which summarise the key elements of this protocol for each of the above.

2 Initiating work

- 2.1 The following highlights the key stages for commencing Internal Audits
- 2.2 Terms of reference will be issued for planned audit reviews that will set out the scope of the work to be carried out and confirm the reporting arrangements.

3 Reporting the results of Internal Audit work

- 3.1 The reporting process planned work has three key stages :-

Rough Draft Report;
Draft Report;
Final Report.
- 3.2 The rough draft will be issued to the Service Manager to check the factual accuracy, and to obtain their initial observations.
- 3.3 The formal draft will be issued once the Service Manager is satisfied with the accuracy of the report. The circulation of the formal draft report will ensure that all relevant people have had an opportunity to comment on the content of the report, prior to it being finalised.
- 3.4 We request comments/observations from all recipients, however, we treat the relevant Head of Service/Unit Manager as the main client, and as such we require a response as to whether the recommendations are agreed or otherwise before the report is finalised. Where a recommendation is not agreed, we require the Client's reasoning for this, and this detail is included in the Action Plan (attached at the back of the report) for future reference.
- 3.5 Where, during an audit, a serious problem is discovered which requires immediate attention, it may be necessary to issue an interim report. The Audit Manager will contact the Head of Service to discuss any such issues prior to an interim report being issued. At a minimum any issues of concern will be

Appendix C - INTERNAL AUDIT REPORTING PROTOCOL February 2016

raised at the point of identification. Some audit sections carry out a 'closure meeting/discussion at the end of the 'testing' stage of each audit to highlight the areas of weakness identified that will be included in the report. We do not do this, we use the 'rough draft report' as the basis of the initial discussion with managers, as this has been created after a thorough review process it ensures that the feedback is comprehensive and points are not missed.

- 3.6 The Terms of Reference for the audit give an indication of the timescales for issuing the rough draft report. This is for guidance only as there are numerous factors that can impact on us being able to meet these targets.

4 Follow Up of Audit Recommendations

- 4.1 A follow up process is required in order to be able to give management/members assurance that the agreed action plans have been implemented. All audits with weak or very weak opinions will be followed up. Audits with a satisfactory opinion may be followed up if, in the opinion of internal audit or management, the weaknesses identified by the audit warrant a follow up.
- 4.2 A follow-up review is carried out roughly six months after the audit report was finalised.

5 Reporting to the Governance and Ethics Committee

- 5.1 The Chief Internal Auditor will provide the Committee, on a half yearly basis with a report that will summarise the results of completed audits and follow up audits.
- 5.2 Where an audit is categorised as weak or very weak a written comment from Internal Audit will be provided to the Committee and a written response / comment / update will be sought from the Head of Service.
- 5.3 Where a follow up is classed as unsatisfactory then again written comment and response will be provided. In addition the Head of Service will normally be asked to attend the Governance and Ethics Committee to outline the reasons for the failure to implement the agreed action plan and answer Members questions on the audit.

6. Role of Portfolio Holders in the audit process

- 6.1 Portfolio Holders are involved in the audit process at their discretion and to the extent that they choose.
- 6.2 Portfolio Holders can choose to vary the extent of their involvement at any time. In addition if they wish they can vary their involvement on an audit by audit basis, by informing the Chief Internal Auditor.
- 6.3 The role of the Portfolio Holder in the audit process is to:

Appendix C - INTERNAL AUDIT REPORTING PROTOCOL February 2016

- Feed in any issues of concern at the start of the audit so that these can be considered by the auditor in scoping the review.
 - Support the relevant Head of Service in considering weaknesses identified during the audit and action plans proposed by the auditor at the conclusion of the audit
 - Support the Head of Service in implementing agreed action plans
- 6.4 The lead auditor is responsible to the Chief Internal Auditor for managing the audit in compliance with the “Public Sector Internal Audit Standards”. Responsibility for the content of the resulting audit report will remain with the relevant lead auditor and the Chief Internal Auditor.
- 6.5 The Head of Finance as s151 Officer has overall responsibility for ensuring that the Internal Audit service complies with the “Public Sector Internal Audit Standards”.

1 Audit Reviews to provide Assurance

| Client | Terms of reference | Rough Draft Report | Formal Draft Report | Final Report | Follow-up details |
|--------------------------------|---------------------------|--|---|--|--|
| S151 Officer (Head of Finance) | All cases | | Where there are fundamental weaknesses in the service | All cases | All cases |
| Service / Unit Manager | All cases | All cases | All cases | All cases | All cases |
| Head of Service | All cases | Only where serious issues relating to the service, i.e. lots of fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written | All cases | All cases | All cases |
| Corporate Director | All cases | | Where there are fundamental weaknesses in the service | All cases (except for schools) | All cases |
| Chief Executive | For his service areas | | Only where serious issues relating to the service, i.e. lots of fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written. | Any report with fundamental weaknesses | Any report with fundamental weaknesses |

| Client | Terms of reference | Rough Draft Report | Formal Draft Report | Final Report | Follow-up details |
|--------------------------------|---------------------------|---------------------------|---|---------------------|--------------------------|
| | | | The Chief Internal Auditor will decide on the necessity to issue a report at this level. | | |
| Service Portfolio Holder | All cases | | All cases | All Cases | All Cases |
| Portfolio Holder for Assurance | All cases | | All Cases | All cases | All Cases |
| Chief Internal Auditor | All cases | | All cases | All cases | All Cases |

2 Advisory/VFM Reviews

(The approach will be agreed with the Client prior to commencing a review, and to be noted in the terms of reference to provide clarity of how the findings are to be reported). Advisory reviews may arise from the need for advice on key controls in systems where the Service concerned is already aware that improvement is needed or where the systems are being changed by the service area, (eg a new ICT system is being implemented).

| Client | Terms of Reference | Rough Draft Report | Formal Draft Report | Final Report |
|------------------------|--------------------|--------------------|--|--------------|
| Line Manager | All cases | All cases | All cases | All cases |
| Head of Service | All cases | | All cases | All cases |
| Corporate Director | All cases | | | All cases |
| Chief Internal Auditor | All cases | | Relevant auditor will decide on the necessity to issue a report at this level where there are serious issues relating to the service, i.e. lots of fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written. | All cases |

Further escalation of the advisory / VFM reviews reporting to the Chief Executive and the relevant portfolio Member will depend upon the significance of issues / number of weaknesses identified and will be determined by the relevant auditor.

Due to the nature of the work an overall opinion will not be given for an advisory/VFM review. However, some of these reviews may warrant a follow-up audit, depending on the significance of the findings, where this is the case a progress categorisation will be given.

Corporate Parenting Panel

| | |
|---|--|
| Committee considering report: | Governance and Ethics Committee on 25 April 2016 Council on 19 May 2016 |
| Portfolio Member: | Councillor Lynne Doherty |
| Date Portfolio Member agreed report: | 11 March 2016 |
| Report Author: | Andy Day, Head of Strategic Support |
| Forward Plan Ref: | C3103 |

1. Purpose of the Report

- 1.1 This report proposes changes to the governance of the Corporate Parenting Panel to provide a robust framework that upholds the Council's statutory responsibilities in relation carrying out its responsibilities towards children and young people in care including care leavers.

2. Recommendation

- 2.1 That the Corporate Parenting Panel's governance be amended to include new membership and new terms of reference as set out in Appendix "B".

3. Implications

- 3.1 **Financial:** There are no financial implications associated with this change of governance arrangement.
- 3.2 **Policy:** The changes to the governance of the Corporate Parenting Panel will help to support the Council existing policies around Looked After Children.
- 3.3 **Personnel:** N/A
- 3.4 **Legal:** The new governance arrangements will meet the requirements of the Children's Act 1989.
- 3.5 **Risk Management:** N/A
- 3.6 **Property:** N/A
- 3.7 **Other:** N/A

4. Executive Summary

- 4.1 Corporate parenting is a statutory function of the Council. The leadership and commitment of Elected Members in their role as Corporate Parents is of critical importance in achieving good outcomes for children and young people in care.
- 4.2 The Ofsted inspection of Children's Services undertaken in March 2015 provided an overall judgement that Children Services in West Berkshire were inadequate. The inspection concluded, amongst other things, that the characteristics of good

leadership were not in place but that the local authority had recognised this and were taking action to address this.

- 4.3 One of the comments made by the Ofsted inspection team was that there was a need to “ensure that the corporate parenting Panel and children in Council care consistently contributed to improved outcomes for looked after children”.
- 4.4 A review of the current Corporate Parenting Panel arrangements has taken place and this report recommends proposals for strengthening those arrangements to ensure robust challenge and improved outcomes for Looked after Children in the district.
- 4.5 The review has therefore looked at membership, objectives, scrutiny mechanisms that are in place, performance monitoring and reporting mechanisms in order to provide a robust governance structure for the future.

5. Conclusion

- 5.1 This report proposes changes to the governance arrangements of the Corporate Parenting Panel in order to strengthen and provide a robust challenge and improved outcomes for Looked after Children in the district.

6. Appendices

- 6.1 Appendix A - Supporting Information
- 6.2 Appendix B – Equalities Impact Assessment

Corporate Parenting Panel – Supporting Information

1. Introduction/Background

- 1.1 Corporate parenting is a statutory function of the Council. The leadership and commitment of Elected Members in their role as Corporate Parents is of critical importance to the Council in achieving good outcomes for children and young people in care.
- 1.2 The Ofsted inspection of Children’s Services undertaken in March 2015 provided an overall judgement that Children Services in West Berkshire was inadequate. The inspection concluded, amongst other things, that the characteristics of good leadership were not in place but acknowledged that the local authority had recognised this and were taking steps to address this.
- 1.3 One of the comments made by the Ofsted inspection team was that there was a need to “ensure that the Corporate Parenting Panel and Children in Care Council consistently contributed to improved outcomes for looked after children”.
- 1.4 A review of the current Corporate Parenting Panel arrangements has taken place and this report recommends proposals for strengthening those arrangements to ensure robust challenge and improved outcomes for Looked after Children in the district.
- 1.5 The review has therefore looked at membership, objectives, scrutiny mechanisms that are in place, performance monitoring and reporting mechanisms in order to provide a robust governance structure for the future.

2. Options for Consideration

- 2.1 The option of doing nothing to review the current model of Corporate Parenting for West Berkshire was discounted given the Ofsted inspection.
- 2.2 The aim of the Corporate Parenting Panel is to ensure that Local Authorities meet their duties under the relevant legislation and statutory guidance that require Local Authorities to provide for, safeguard and promote the welfare of Children in Care, act corporately in relation to this role and ensure that all Members are aware of, and contribute to, their responsibilities in this area.
- 2.3 The Corporate Parenting Panel acts to assist the Council in continuing to fulfil its legal obligations and responsibilities towards children who are looked after and leaving care and provide the strategic direction to ensure that they are effectively supported to reach their potential through the provision of excellent parenting, high quality education, opportunities to develop their talents and skills, and effective support for their transition to adulthood.
- 2.4 The Panel has a responsibility to monitor and review the quality and effectiveness of services for children who are looked after delivered by Corporate Parents; the council,

partner agencies and commissioned services; to ensure that every child and young person looked after is supported to be safe, happy, healthy and to achieve their full potential. In addition, it has a key role in listening to the voice of children and young people looked after and leaving care.

3. Proposals

- 3.1 The proposal is to develop a new governance framework for the Corporate Parenting Panel that strengthens those arrangements to ensure robust challenge and improved outcomes for Looked after Children in the district. The review has therefore sought to address a number of issues and propose new aims, objectives, scrutiny mechanisms, performance monitoring, membership and reporting mechanisms.

Aims

- 3.2 The aim of the Corporate Parenting Panel is to ensure that the Council and its partners are carrying out their responsibilities towards the children and young people in their care including care leavers.
- 3.3 To uphold the statutory responsibilities as defined by law and our moral responsibilities as defined in the West Berkshire Pledge to Looked After Children.

Objectives

- 3.3 The key objectives of the Corporate Parenting Panel are to:
1. Ensure West Berkshire has a Looked After Children's strategy which links its priorities to The Pledge made to our Children in Care and aligns with the Council's overall primary Aims.
 2. Scrutinise key performance indicators to help inform the Council's effectiveness as a corporate parent and when necessary give effective challenge to ensure positive outcomes for our children.
 3. Improve the life chances of children and young people in care in line with their peers.
 4. Ensure the voice and views of our children and young people in care are heard either through attendance at Corporate Parenting Panel or in Children in Care Council meetings by the Panel Chair or other Panel Members.
 5. Ensure children have the opportunity to attend the Corporate Parenting Panel to present key topics in order to seek the support of members.
 6. Review the Council's Pledge to children and young people in care and leaving care on an annual basis to ensure its focus is retained on the needs of our children.
 7. Ensure the effective communication between Panel Members, the wider group of corporate parents, the Children in Care Council, our Looked After Children population alongside their parents/carers.
 8. Consider arrangements for Panel Member information and training.
 9. Make recommendations to the Council's Executive Committee as and when appropriate regarding matters to do with children and young people in Care.

Scrutiny Mechanisms

- 3.4 The Corporate Parenting Panel will make use of the following scrutiny mechanisms to assist with maintaining and improving the standards of services for children and young people who are in the care of West Berkshire Council.

Including the examination of the following key statutory performance measures:

- LAC health assessments
- LAC dental checks
- LAC access to CAMHS
- LAC reviews held on time
- LAC educational attainment
- Numbers of SGOs and adoptions
- Adoption timescales
- LAC placement stability
- LAC placements out of area/>20 miles
- LAC in non-family based settings
- Complete of Pathway Plans
- Completed SDQs
- Average SDQ score

- 3.5 Analyse and understand data relating to our looked after children and compare these findings to National Averages to ensure we are as a minimum comparable but aspire to be better

- 3.6 Use of anonymised case studies to highlight key national or local policy and practice issues Furthermore, approve on an annual basis the Statement of Purpose for Castle Gate.

- 3.7 Service Users should also be encouraged to attend the Panel.

Performance Monitoring

- 3.8 It is proposed that the Panel take a broad approach to monitoring the Council's performance. This will help to build knowledge and understanding of the wide range of issues involved. The panel is in place to satisfy themselves that the Service:

- (i) Provides Looked After Children and their parents with opportunities to express their views and feed these into service developments and improvements.
- (ii) Has taken steps to secure a range of care placements which deliver care and support and develop children and young people's cultural, religious and linguistic heritage.
- (iii) Provides feedback from statutory inspections and that they are acknowledged and acted upon.
- (iv) Ensures looked after children's health needs are addressed.

- (v) Makes sure looked after children are supported to achieve their full potential educationally.
- (v) Ensures looked after children have access a range of cultural and leisure activities.
- (vi) Ensures looked after children are prepared for leaving care and are supported thereafter.
- (vii) Uses the National Care Standards as a basis for scrutiny of services through Panel Members involvement in a sample of reviews and working groups.

3.9 Monitoring should also pick up on any areas of concern identified through discussions at Panel with children and young people, carers and staff as part of the research work of the Panel.

Membership

3.10 The Panel shall comprise of 9 Members, which should include the following:

- Lead Member for Children and Family Services
- Shadow Lead Member for Children and Family Services
- Foster Carer representative
- Health representative
- Educational partner
- 4 additional members
- 2 substitutes

3.11 Members of the Panel will be required to attend appropriate training and be subject to a check by the Disclosure and Barring Service. Arrangements will be made by the Panel for the direct and indirect involvement of looked after children and young people.

Officer Attendance at Panel

3.12 Attendance will be by appropriate senior Council Officers and statutory partners and will include the:-

- Director of Children Services
- Head of Children & Family Services
- Children & Family Services Manager for Looked After Children
- Virtual Head Teacher
- Other officers and partners as necessary.

Reporting Mechanisms

3.13 The Corporate Parenting Panel to meet, as a minimum, every three months.

- 3.14 The Corporate Parenting Panel, along with the Life Chances Team, will hold an annual event to celebrate our children and young people in care successes.
- 3.15 The Panel will have no direct decision-making powers but will make recommendations to the service and the Executive where appropriate.
- 3.16 The Chair will publish a quarterly newsletter to keep all Corporate Parent's updated on key issues, trends and support needs for our children.
- 3.17 The Panel will submit an Annual Report to the LCSB and Full Council on its work for the year.

4. Training

- 4.1 As part of developing this new governance framework it is also proposed that the scope and detail of the mandatory training for Members be reviewed to ensure that it is up to date and fully reflects the responsibilities that Members have as corporate parents.
- 4.2 In addition, it is considered to be important that officers also fully understand the implications on them as corporate parents. It is therefore suggested that an online training module in relation to corporate parenting responsibilities be added to the corporate list of online mandatory training for officers.

4. Conclusion

In response to the Ofsted inspection of Children's Services held in March 2015, it is considered appropriate to review the governance of the Corporate Parenting Panel. This report proposes a new governance structure that strengthens and provides a robust challenge and improved outcomes for Looked after Children in the district.

5. Consultation and Engagement

- 5.1 This report is in response to an Ofsted inspection which recommended changes to the governance around Looked after Children. It is not proposed to undertake formal consultation with stakeholders over governance changes although Ofsted will be advised of the changes proposed in this report as will the appropriate partners.

Background Papers:

Subject to Call-In:

Yes: No: X

The item is due to be referred to Council for final approval X

Wards affected: All

Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aims:

- X BEC – Better educated communities
- X P&S – Protect and support those who need it

The proposals contained in this report will help to achieve the following Council Strategy priority:

X P&S1 – Good at safeguarding children and vulnerable adults

Officer details:

Name: Andy Day
Job Title: Head of Strategic Support
Tel No: 01635 519459
E-mail Address: andyday@westberks.gov.uk

Appendix B

Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity.

Please complete the following questions to determine whether a Stage Two, Equality Impact Assessment is required.

| | |
|--|---------------------------|
| Name of policy, strategy or function: | Corporate Parenting Panel |
| Version and release date of item (if applicable): | |
| Owner of item being assessed: | Andy Day |
| Name of assessor: | Andy Day |
| Date of assessment: | 112 February 2016 |

| Is this a: | | Is this: | |
|------------|-----|--------------------------------------|-----|
| Policy | No | New or proposed | No |
| Strategy | /No | Already exists and is being reviewed | Yes |
| Function | Yes | Is changing | Ye |
| Service | /No | | |

| 1. What are the main aims, objectives and intended outcomes of the policy, strategy function or service and who is likely to benefit from it? | |
|---|--|
| Aims: | To review the governance arrangements of the Corporate Parenting Panel to ensure that they are fit for purpose going forwards. |
| Objectives: | To create a governance framework which is robust and one which challenges and improves the outcomes for Looked after Children in the district. |
| Outcomes: | To improve the outcome for Looked after Children in the District. |
| Benefits: | Improved governance will ensure that the Looked after Children in the district get the support that they deserve and are entitled to. |

| |
|--|
| <p>2. Note which groups may be affected by the policy, strategy, function or service. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</p> <p>(Please demonstrate consideration of all strands – Age, Disability, Gender</p> |
|--|

| Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.) | | |
|---|--|-----------------------------|
| Group Affected | What might be the effect? | Information to support this |
| Young People in care | The purpose of reviewing and proposing changes to the governance framework for the Corporate Parenting Panel is to improve the lives of our Looked after Children. | |
| Further Comments relating to the item: | | |
| | | |

| 3. Result | |
|---|------------|
| Are there any aspects of the policy, strategy, function or service, including how it is delivered or accessed, that could contribute to inequality? | /No |
| Please provide an explanation for your answer: | |
| Will the policy, strategy, function or service have an adverse impact upon the lives of people, including employees and service users? | /No |
| Please provide an explanation for your answer: The changes to the governance of the Corporate Parenting Panel are aimed at improving the outcomes for our Looked after Children. | |

If your answers to question 2 have identified potential adverse impacts and you have answered ‘yes’ to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage 2 Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the Equality Impact Assessment guidance and Stage Two template.

| 4. Identify next steps as appropriate: | |
|--|--|
| Stage Two required | |
| Owner of Stage Two assessment: | |
| Timescale for Stage Two assessment: | |
| Stage Two not required: | |

Name:

Date: