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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, 27 SEPTEMBER 2021

Councillors Present: Councillors Adrian Abbs, Rick Jones, Tony Linden, Thomas Marino (Chairman) and Claire Rowles

Also Present: Councillor Jeremy Cottam, Councillor Geoff Mayes, Sarah Clarke (Service Director (Strategy and Governance)), Julie Gillhespey (Audit Manager), Joseph Holmes (Executive Director - Resources) and Sean Murphy (Public Protection Manager), Stephen Chard (Democratic Services Manager), Bill Graham (Parish Council Representative), Jack Karimi (Democratic Services Officer) and David Southgate (Parish Council Representative)

Apologies for inability to attend the meeting: Councillor David Marsh

PART I

12 Minutes

Councillor Claire Rowles noted that she was present at the meeting on 26 July 2021 but the minutes did not correctly reflect that she was present in person. This would be corrected.

Councillor Rowles asked that the Councillors present virtually be shown separately from 'Also present'.

Councillor Tony Linden noted that on Page 4 he asked questions relating to the population of Reading West and the date of the creation of the Unitary Council. Joseph Holmes responded that it had been raised with the officer concerned and it was being picked up with a set of financial statements which would be raised with the Committee once the external audit had been completed.

Councillor Linden pointed out that on Page 5, his noting of the Berkshire Pension Fund being on time in the future had not been noted in the minutes.

The amended Minutes of the meeting held on 26 July 2021 were approved as a true and correct record and signed by the Chairman.

13 Declarations of Interest

There were no declarations of interest received.

14 Forward Plan

The Committee considered the Governance and Ethics Committee Forward Plan (Agenda Item 4).

Sarah Clarke noted that Councillor Andy Moore wished to table amendments to the Constitution to Council in December, and asked that that be added.

Councillor Claire Rowles asked where new items for Governance and Ethics Committee should be sent. Sarah Clarke responded that new items could be sent to either her or the Chairman.

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Councillor Adrian Abbs asked if the Influenza Plan should be moved forward to reflect the fact that it was unchanged since prior to the pandemic. Sarah Clarke responded that it was part of the Council's Strategic Risk Register which was scheduled to come bi-annually. Councillor Rick Jones agreed, but suggested that it be brought to the Health and Wellbeing Board first. Councillor Rowles agreed, and noted that OSMC was additionally looking at the Influenza Plan.

Councillor Rowles, noting that the Council was governed by routine items such as audits and appointment of external auditors, stated that the Committee's agenda was unambitious. Julie Gillhespey responded that she had prepared a report on the effectiveness of the Governance and Ethics Committee, noting that there were recommendations to make it more pro-active and less officer-led.

Councillor Abbs agreed with the suggestions of other Members, but asked whether the Governance and Ethics Committee was best-suited for audit and scrutiny. Sarah Clarke responded that OSMC provided the scrutiny role. Councillor Rowles responded that it was more due to the competencies of the committees, with OSMC taking a wider view and conducting scrutiny.

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

15 Internal Audit Interim Report 2021/22 Q1 (GE4091)

The Committee considered the Internal Audit Interim Report 2021/22 Q1 (Agenda Item 5).

Julie Gillhespey highlighted Section 4.5, which noted that there were no significant issues to report to the Committee for this period, and Section 5.2, which noted that there were no corporate audits with a less than satisfactory opinion, with the exception of a school which had received a weak opinion due to a need to strengthen income collection processes. Other than that, there was nothing of concern during the period.

Councillor Jeremy Cottam asked if the report included the I-College. Julie Gillhespey responded that the I-College was included, and had received a weak opinion. Julie Gillhespey added that there were no areas of significant concern, just areas for improvement, such as income collection and recording processes. There would be a follow-up in six months' time.

Councillor Claire Rowles asked whether recommendations were given to bodies which had received a 'satisfactory' opinion, to get them to a 'well controlled' opinion. Julie Gillhespey responded that recommendations for improvement were made, but they were not majorly significant, as 'satisfactory' was the benchmark.

Councillor Adrian Abbs asked if the Committee was acting under a two quarter delay to process audits. Julie Gillhespey noted that it was delayed by needing to go through the governance framework, and provided updates up to mid-June. Councillor Abbs asked if the new report was ready. Julie Gillhespey responded that it was not, as Q2 of the financial year would end at the end of September.

Councillor Rick Jones noted Appendix B, which went over the current audit and the current stage within the audit cycle, and asked what the different terms denoting progress meant. Julie Gillhespey responded that 'data matching' was the checking of report data, 'background' was preliminary research, and 'testing' was testing the scope of the body being audited. Her role was quality control, assessing the findings and making conclusions.

Councillor Rowles asked whether there was still a backlog in school visits due to the delay caused by Covid-19. Julie Gillhespey responded that of 15 delayed visits, two remained as outstanding. Councillor Rowles asked if there was a contingency for

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managing future delays due to Covid-19. Julie Gillhespey responded that school audits were unique because they were in person, whereas others were electronic, and that the greater concern was services prioritising issues other than audits.

David Southgate asked why Appendix C, the Anti-Fraud Work Plan, had empty spaces for audit work intended. David Southgate additionally noted that it was difficult to ascertain whether it was a large-scale audit project or a small one. Julie Gillhespey noted that it had been lifted from the Audit Plan, as they were specific parts of anti-fraud work.

RESOLVED that the report be noted.

16 Licensing Act 2003 and Gambling Act 2005 Delegations (LC4141)

The Committee considered the Licencing Act 2003 and Gambling Act 2005 Delegations report (Agenda Item 6).

Sean Murphy introduced the report, noting that the report would ultimately be approved by the Licensing Committee. The Committee was not being asked to approve the delegations, but to consider the proposals for the delegations that would be put before the Licensing Committee. The Licensing Act 2003 and Gambling Act 2005 were Constitutional issues. The report proposed an updated scheme of delegation for both acts, regulating licensing for establishments providing gambling or selling alcohol.

Councillor Claire Rowles asked whether Council would have final sign-off or whether Licensing Committee would deal with the issues. Sean Murphy noted that some competencies were reserved by Council, but that most issues were solely for the Licensing Committee.

Councillor Adrian Abbs asked for clarification as to why a section was highlighted in yellow or formatted in green. Sean Murphy noted that the highlighting had been left in the provided copy in error.

The Chairman asked if the two recommendations were still valid. Sean Murphy responded that they were not, and instead asked that Section 2.1 state that the Committee approve the proposed delegations, and that Section 2.2 be left for the Licensing Committee. Sarah Clarke responded that she was happy with those amendments, and the Committee recommended the proposed delegations to the Licensing Committee.

RESOLVED to recommend the proposed delegations to the Licensing Committee for approval.

(The meeting commenced at 18:30 and closed at 19:04)