

# Notice of Meeting

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## **Governance and Audit Committee**

**Monday, 27th September, 2010 at 5.00  
pm**

**in Committee Room 1 Council Offices  
Market Street Newbury**

Date of despatch of Agenda: Friday, 17 September 2010

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Moira Fraser on (01635) 519045  
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**Agenda - Governance and Audit Committee to be held on Monday, 27 September 2010**  
(continued)

**To:** Councillors Jeff Beck (Chairman), Paul Bryant, David Holtby, Tony Linden, Julian Swift-Hook, Tony Vickers (Vice-Chairman) and Quentin Webb

**Substitutes:** Councillors Brian Bedwell, Adrian Edwards, Keith Lock and Keith Woodhams

**Officers:** Andy Walker, Joseph Holmes, Andy Day, Ian Priestley, Rebecca Pett (KPMG), Greg McIntosh (KPMG)

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# Agenda

## Part I

	<b>Page No.</b>
1. <b>Apologies</b> To receive apologies for inability to attend the meeting (if any).	Verbal Report
2. <b>Minutes</b> To approve as a correct record the Minutes of the meeting of this Committee held on 06 September 2010 and the Special Meeting held on the 14 September 2010.	1 - 6
3. <b>Declarations of Interest</b> To receive any Declarations of Interest from Members.	Verbal Report
4. <b>KPMG Governance Report: Financial Statements 2009-10</b> <i>Purpose: To inform those charged with governance (The Governance and Audit Committee) of the findings from KPMG's external audit of the financial statements.</i>	7 - 10

Andy Day  
Head of Policy and Communication

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If you require this information in a different format, such as audio tape, or in another language, please ask an English speaker to contact Moira Fraser on telephone (01635) 519045, who will be able to help.



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

**GOVERNANCE AND AUDIT COMMITTEE**

**MINUTES OF THE MEETING HELD ON  
MONDAY, 6 SEPTEMBER 2010**

**Councillors Present:** Jeff Beck (Chairman), Paul Bryant, Julian Swift-Hook, Tony Vickers (Vice-Chairman) and Quentin Webb

**Apologies for inability to attend the meeting:** Councillor Tony Linden

**Councillor(s) Absent:** Councillor David Holtby

**Also Present:** Andy Day (Head of Policy and Communication)

**PART I**

**15. Minutes**

The Minutes of the meeting held on 28<sup>th</sup> June 2010 were approved as a true and correct record and signed by the Chairman subject to the inclusion of the following amendments:

**Minute 10** - The word “and” on line two of paragraph 3 be amended to read “an”.

**Minute 12** – The word “Finance” on line 6 to be lower case.

In relation to Minute 10, Heads of Service Assurance Statements, the Committee was provided with the following written response from the Head of Education in relation to the query raised by Councillor Keith Lock (Risk Register Ref 4 Education Services - Page 116)

Response Provided:

The risk of staff leaving for other jobs prior to fixed term contracts ending [ mainly planned for 31 March 2011 ] has now got caught up in the Council's strategy of making posts redundant in advance of fixed term contracts finishing, to contribute to redundancy costs. Most staff identified in this risk are now likely to leave the Council's employment on 31 Dec 2010.

Managers are managing this process with both staff and schools/clients, and it is not anticipated that many, if any, staff will leave before this new target date. School Improvement, one of the teams most affected, has already been working with schools to develop early 'buy-back' arrangements, so that we are able to retain a small core team of curriculum consultants to support raising standards.

As other budgets become squeezed however, due to further funding reductions, it is anticipated this risk will remain in the medium term.

**16. Declarations of Interest**

There were no declarations of interest received.

**17. Amendment to the Constitution - Extraordinary Council Meetings (C2040)**

The Committee considered a report which was submitted by the Liberal Democrat Group seeking an amendment to Paragraph 4.1.3 of the Council Rules of Procedure in relation to the calling of extraordinary meetings of Council.

The current Procedure Rule was drafted as follows:

“Extraordinary meetings may be convened by the Chairman of Council, the Monitoring Officer or by any five Members of the Council if they have signed a requisition presented to the Chairman of Council and he/she has refused to call a meeting or has failed to call a meeting within seven clear working days of the presentation of the requisition”.

The Committee considered that the current wording of paragraph 4.1.3 was ambiguous and was open to different interpretation. It was considered that the aim of the Procedure Rule was to ensure that a Council meeting was convened as quickly as possible. It was therefore suggested that Procedure Rule 4.1.3 was amended to read as follows:

“Extraordinary meetings may be convened by the Chairman of Council, the Monitoring Officer or by any five Members of the Council if they present a signed requisition to the Chairman of Council to call an extraordinary meeting. Such a meeting shall be called within five clear working days of the presentation of the requisition and be held within ten clear working days of the presentation of the requisition”.

**RESOLVED:** That Council be requested to consider amending Paragraph 4.1.3 of the Council Rules of Procedure as set out below.

“Extraordinary meetings may be convened by the Chairman of Council, the Monitoring Officer or by any five Members of the Council if they present a signed requisition to the Chairman of Council to call an extraordinary meeting. Such a meeting shall be called within five clear working days of the presentation of the requisition and be held within ten clear working days of the presentation of the requisition”.

(In accordance with the Council’s Procedure Rules Councillor Quentin Webb requested that his objection to the recommendation be recorded.)

**18. Petitions - Revised Scheme for West Berkshire (C2030)**

The Committee considered a report proposing the adoption of a formal Petition Scheme in accordance with the Local Democracy, Economic Development and Construction Act 2009.

The Committee expressed some concerns in relation to the draft Petition Scheme and considered that a further meeting was required in order to make the appropriate amendments to it, prior to requesting Council to adopt the Scheme. In addition to a number of comments in relation to grammar, the following were issues were also raised.

- Reference to Ward Members should be changed to Ward Councillors;
- The use of “he/she” should be consistently referenced in the Scheme;
- Paragraph 2 (c) iii to be amended to reflect the need for online petitions to include the name, address and postcode of each person supporting the petition;

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- Paragraph 3 (b) - Last sentence - Reference to “90 days” should read “90 calendar days”;
- Paragraph 3 (i) – Last line to be amended to read “submitted within the last 12 months”;
- Paragraphs 5 (a) and (c) - Reference to “working days” to read “clear working days”.
- Paragraph 8 (b) - This paragraph to be re-drafted to reflect the current position.
- Paragraph 14 - Reference to Committee to be amended to read “Commission”.

**RESOLVED:** That, a Working Group comprising Councillors Jeff Beck, Tony Vickers, Tony Linden and Quentin Webb, meet to agree revisions to the draft Petition Scheme prior to it being submitted to Council for formal adoption.

*(The meeting commenced at 5.30pm and closed at 6.45pm)*

**CHAIRMAN** .....

**Date of Signature** .....

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# DRAFT

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

## SPECIAL GOVERNANCE AND AUDIT COMMITTEE

### MINUTES OF THE SPECIAL MEETING HELD ON TUESDAY, 14 SEPTEMBER 2010

**Councillors Present:** Jeff Beck (Chairman), Paul Bryant, David Holtby, Tony Linden, Tony Vickers (Vice-Chairman) and Quentin Webb

**Also Present:** Councillor Adrian Edwards, David Holling (Head of Legal and Electoral Services), Moira Fraser (Democratic Services Manager)

**Apologies for inability to attend the meeting:** Councillor Julian Swift-Hook

#### PART I

##### 19. Declarations of Interest

There were no declarations of interest received.

##### 20. Petition Scheme for West Berkshire (C2030)

The Committee considered a report (Agenda Item 3.) concerning the adoption of a 'Petition Scheme' as required under the Local Democracy, Economic Development and Construction Act 2009 ("The 2009 Act"). The scheme had been discussed at the previous committee meeting where it had not been possible to finalise the draft policy. At the meeting it was agreed that a working party should be convened.

Following that meeting David Holling, the Council's Monitoring Officer had explained that the deadline for introduction of the scheme was 15th June 2010 and as the September Council meeting was the first full meeting of the Council following the implementation date, it was imperative that the scheme was adopted at this meeting. No guidance had emerged from the Coalition Government suggesting that the scheme should not be adopted. By adopting the scheme at the September meeting, the Council would be able to catch up and ensure that the e-petition requirement was in place by 15th December 2010. As Monitoring Officer, he had to ensure that the Council acted in accordance with legislation and direction from Government and he considered that this policy had to be adopted as soon as possible. It had therefore been agreed that a special meeting should be convened, rather than setting up a working party, in order to consider all the changes requested by individual Members and the Committee as a whole.

Members considered the document and requested a number of minor amendments to the document. These included:

- Correcting typographical errors,
- the inclusion of a contact telephone number for enquiries about the petition scheme,
- using the word 'Council' instead of 'authority',
- replacing the words 'decision-taker' with 'person or Committee making the decision' and
- amending the use of 'she/he' etc.

In addition Members requested that:

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- the sentence ‘Exceptions can be made in special cases at the discretion of the Council’s Monitoring Officer’ be added to paragraph 6(a) of the scheme,
- the sentence ‘The subject matter must relate to the West Berkshire District or to something over which the Council has responsibility or influence’ replaced the sentence ‘The subject matter must relate to something over which the Authority has some influence, or is an area over which it has responsibility’ in paragraph 2(c)(i),
- the words ‘or their nominated representative’ be added after ‘petition organiser’ in the third and fourth bullet points in paragraph 7(d)’ and
- add ‘vexatious’ into the list of reasons a petition might be rejected in paragraph 16(b).

The Members agreed that the following thresholds and timescales would be recommended to Council for approval:

- a valid petition would need to include 50 signatories (unless the Monitoring Officer agreed to a reduced threshold),
- petitions would remain open for 90 calendar days;
- Petitions for Debate would require 5,000 signatures or where it related to a local issue that affected no more than two electoral wards 500 petitioners per ward would be required to join the petition,
- Petitions to Hold an Officer to Account would require 750 signatures or where it related to a local issue that affected no more than two electoral wards, 375 petitioners would be required to sign up to the petition, and
- All petition organisers or their nominated representative would be permitted speaking rights of up to five minutes at Committee/Commission meetings.

Officers were asked to circulate the amended Petition Scheme to the Committee after the meeting, to ensure that all requested amendments were incorporated. The amended scheme would then be included in the Council agenda (without the tracked changes being highlighted) with a recommendation for approval.

**RESOLVED that** the amended Petition Scheme would be recommended to Full Council for approval at the 23 September 2010 meeting.

*(The meeting commenced at 9.00am and closed at 10.20am)*

**CHAIRMAN** .....

**Date of Signature** .....



<b>Title of Report:</b>	<b>KPMG Governance Report: Financial Statements 2009-10</b>
<b>Report to be considered by:</b>	Governance and Audit Committee
<b>Date of Meeting:</b>	27 September 2010
<b>Forward Plan Ref:</b>	N/a

**Purpose of Report:** To inform those charged with governance (the Governance & Audit Committee) of the findings from KPMG's external audit of the financial statements.

**Recommended Action:** To note and comment on the report.

**Reason for decision to be taken:** To ensure those charged with Governance have received the external audit governance report in accordance with statutory deadlines.

**Other options considered:** None

**Key background documentation:** West Berkshire Council Financial Statements 2009-10

<p>The proposals will also help achieve the following Council Plan Theme:</p> <p><input checked="" type="checkbox"/> <b>CPT13 - Value for Money</b></p> <p>The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:</p>
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Portfolio Member Details	
<b>Name &amp; Telephone No.:</b>	Councillor Keith Chopping - (0118) 983 2057
<b>E-mail Address:</b>	kchopping@westberks.gov.uk
<b>Date Portfolio Member agreed report:</b>	15 September 2010

Contact Officer Details	
<b>Name:</b>	Joseph Holmes
<b>Job Title:</b>	Chief Accountant
<b>Tel. No.:</b>	01635 519474
<b>E-mail Address:</b>	jholmes@westberks.gov.uk

# Executive Summary

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## 1. Introduction

- 1.1 The Council published its financial statements in late June 2010 following approval from the Governance and Audit Committee. The financial statements are then required to be audited by our independent external auditor, KPMG, with a report presented to those charged with governance (the Governance and Audit Committee) by 30<sup>th</sup> September.
- 1.2 KPMG audited WBC accounts during August and early September, as well as completing interim work during the Spring. It is the result of this work that is included in their report.
- 1.3 KPMG's audit fees are £276,000 in total. £35,000 of this relates to the audit of specific grants, such as Housing Benefits and the Teachers Pension return.
- 1.4 The attached report at appendix A is KPMG's full governance report for this committee in respect of the audit of the 2009-10 financial statements.
- 1.5 The key aspect of the report is that KPMG will issue an unqualified opinion, that the audit identified no adjustments that were of a material nature, that the 'non-significant' adjustments have been made by the Council and the quality of the accounts and audit working papers were high.

## 2. Proposals

- 2.1 The proposal is for the committee to note the contents of this report. KPMG have highlighted a number of recommendations which the Council is responding.

## 3. Conclusion

- 3.1 For the committee to note the report and ask the external auditor any questions concerning the audit of the financial statements.
- 3.2 The report concludes that there are no errors of a nature that KPMG would like to bring to the attention of those charged with governance.
- 3.3 It should be noted that, following the abolition of the Audit Commission by the coalition in August, it is likely that those charged with governance (the Governance and Audit Committee) will be required to appoint the external audit provider from 2012/13.

## Appendices

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Appendix A – KPMG ISA260+ governance report (to Follow)

## Consultees

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### Local Stakeholders:

**Officers Consulted:** Andy Walker (Head of Finance), Lesley Flannigan (Finance Manager, Financial Reporting), Corporate Board

### Trade Union:



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