

GOVERNANCE AND ETHICS COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 25 NOVEMBER 2019

Councillors Present: Jeff Beck (Chairman), James Cole, Barry Dickens, Jane Langford, Tony Linden, Thomas Marino, David Marsh, Geoff Mayes, Andy Moore and Joanne Stewart

Also Present: Jen Brunning (Senior Auditor, Finance and Property), Sarah Clarke (Head of Legal and Strategic Support), Shannon Coleman-Slaughter (Chief Financial Accountant), Julie Gillhespey (Audit Manager), Joseph Holmes (Executive Director - Resources), Richard Turner (Property Service Manager) and Andy Walker (Head of Finance and Property), Moira Fraser (Democratic and Electoral Services Manager)

Apologies for inability to attend the meeting: Councillor Adrian Abbs, Councillor Jeremy Cottam and Roger Hunneman

PART I

17 Minutes

The Minutes of the meeting held on 29 July 2019 were approved as a true and correct record and signed by the Chairman.

Members agreed to suspend standing orders in accordance with paragraph 7.12.4 of the Constitution to allow Barrie Morris, the Council's external auditor, to provide and update on Item 13. West Berkshire Council Financial Statements 2018/19

Mr Morris reported that there were still a small number of outstanding issues and they could not provide an opinion until this work had been completed.

Sarah Clarke noted that although work had started on the review of the Constitution the calling of the General Election had meant that some of the dates would have to be revised. She circulated a revised timetable for information.

18 Declarations of Interest

There were no declarations of interest received.

19 Forward Plan

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

The following amendments were noted:

1. GE3637 Financial Statements 2018/19 – Annual Audit Letter would be renamed as External Audit Opinion 2018/19 and it would be coming to the 20 April 2020 meeting.
2. GE3864 Internal Audit Interim Report 2020/21 would be coming the September 2020 meeting.

During the meeting the following additional amendments were made to the Forward Plan:

1. Property Database Asset Management Progress Report Post Audit Follow Up to the June 2020 meeting.
2. Asset Management Strategy/Plan Progress Report Post Audit Follow Up to the June 2020 meeting.
3. Update on Procurement Cards to the 03 February 2020 meeting.

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4. Financial Statements Report from Grant Thornton to the 03 February 2020 meeting.

Moira Fraser noted that the following meeting dates had provisionally been set for the 2020 calendar year:

- 03 February 2020
- 20 April 2020
- 16 June 2020
- 27 July 2020
- 07 September 2020
- 23 November 2020

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

20 Revised Draft Policies/Procedures covering Anti-Fraud and Corruption, Anti-Bribery and Money Laundering (GE3854)

Julie Gillhespey presented a report (Agenda Item 5) which sought approval for the revised content of the Anti-Fraud and Corruption, Anti- Money Laundering and Bribery Act policies.

Julie Gilhespey noted that there had only been minor amendments made to the Money Laundering and Anti-Bribery Policies as they still accorded with good practice and legislative requirements.

The Money Laundering Policy had been expanded to give examples to try and explain how it worked. The policy now showed that Joseph Holmes was the Money Laundering Reporting Officer and the Head of Legal and Strategic Support and the Head of Finance and Property would be deputising.

The Anti-Fraud Policy and Procedure had had a major revamp as good practice guidance had moved on quite a bit since the previous version was compiled. The Chairman had raised a number of observations on the content and as a result some minor changes would be made to the phraseology and references to gender. The table on page 41 (Roles and Responsibilities section) would be amended regarding the role of the this Committee and a sentence would be inserted on page 31 under section 16.1.

Ms Gilhespey explained that the policy required more emphasis on pro-active fraud work. Some of this work was covered as part of the usual audit plan work. In addition the Council had recently purchased some specialist data analytical software, which could be used to do more in-depth testing on data. The Council did not currently have an Anti-Fraud Work Plan despite it being recommended as good practice. Work would therefore be undertaken to compile a plan which would be brought to the Committee for approval. The Committee would also be updated on any fraud investigations that were undertaken and Members would be appraised of the more detailed information about any outcomes.

Training would be provided in respect of the policies and procedures. In addition more detailed and focussed hands on training would be provided to services where there was a greater risk of fraud occurring. Officers were in discussion with an external audit provider (SIAP) to organise them to carry out the training.

Members were supportive of the documents and thanked Officers for the work that had gone into their preparation.

RESOLVED that the revised policies be approved.

21 Review of Functions of the Governance and Audit Committee (GE3829)

Julie Gilhespey introduced the item (Agenda Item 6) and explained that Jen Brunning had been leading on the review. She explained that it was deemed to be good practice to do the review and had been highlighted in the report covering the external assessment of the Internal Audit Service undertaken the previous year. The review had not yet been completed and this item was intended to provide Members with an update on progress and would set out what was being proposed.

The terms of reference had been shared with the Chairman, Councillor Beck, in August and he was asked for any feedback.

Jen Brunning was the Senior Auditor who was undertaking the review. Officers felt that it was important to establish from Members how effective they felt the Committee was in meeting its objectives, and members were being asked to identify if there were any areas where they thought improvements could or should be made. Members would be issued with a short survey which officers were asking them to complete and return. The results of the survey and comparative data would be used to compile a report which would be presented to a future meeting.

Members noted the approach that was being proposed. They were supportive of the survey.

22 Internal Audit – Interim Report 2019/20 (GE3638)

Julie Gillhespey presented a report (Agenda Item 7) which gave an updated on the outcome of Internal Audit work carried out during quarters one and two of 2019-20.

Ms Gilhespey noted that of the nine reports finalised the majority were rated as satisfactory or above, there were only two where there were areas of control Officers were concerned about. She stressed that the areas of concern were rated as weak, not very weak and therefore it could be concluded that some elements were working well. Although there were two audits with a weak opinion, there had not been any significant issues of concern identified during the work undertaken in the period that impacted on the Council's overall control framework.

S106 – Weak audit

The roles and responsibilities of the Developer Contributions Team and service areas were clearly defined and understood. The processes for the day to day recording and monitoring of the S106 Agreements worked well. However the team were reliant on developers informing the Council when contributions were due rather than being proactive with carrying out site visits. There was also no governance group with specific responsibilities for overseeing the Developer Contributions fund and monitoring progress of each application and receipt of funds and expenditure incurred and relevant spend.

Residential Care – Purchase of Care - weak audit

The auditors noted that the Residential and Nursing Care Placements for Older People Policy accorded with the Care Act Guidance covering choice of accommodation. As part of the implementation of the Care Director system, guidance, procedures and flowcharts were developed which cover the Residential and Nursing Placement processes.

Contracts and Commissioning and the Care Placement Team were responsible for providing three quotes to care staff for possible residential placements. A specific form has been created for care management to use to submit their requests.

Members noted the content of the report and raised concerns about the weak audits although accepted that there were not any significant areas of concern.

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RESOLVED that the report be noted.

23 Exclusion of Press and Public

RESOLVED that members of the press and public be excluded from the meeting for the under-mentioned items of business on the grounds that they involved the likely disclosure of exempt information as contained in Paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006. Rule 8.10.4 of the Constitution also refers

24 Internal Audit – Interim Report 2019/20 (GE3638)

Paragraph 3 – information relating to financial/business affairs of a particular person)

The Committee considered an exempt report (Agenda Item 8) concerning two Unsatisfactory Follow Up Audits previously referred to in the Internal Audit Quarterly Update Report.

RESOLVED that the recommendations in the exempt report outlined at the meeting be agreed.

Other options considered: as outlined in the exempt report.

(The meeting commenced at 5.00 pm and closed at 6.20 pm)

CHAIRMAN

Date of Signature