

DRAFT

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

GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 25 SEPTEMBER 2023

Councillors Present: Howard Woollaston (Vice-Chair, in the Chair), Dominic Boeck, Jeremy Cottam, David Marsh, Christopher Read, Stephanie Steevenson, and Louise Sturgess

Also Present: Simon Carey (Independent Person), Bill Graham (Parish Council Representative) and David Southgate (Parish Council Representative)

Officers Present: Sarah Clarke (Service Director, Strategy & Governance) Julie Gillhespey (Audit Manager), Joseph Holmes (Executive Director - Resources), Gordon Oliver (Principal Democratic Services Officer) and Sadie Owen (Principal Democratic Services Officer)

Also in attendance: David Johnson (External Auditor-Grant Thornton)

Apologies for inability to attend the meeting: Councillor Erik Pattenden, Councillor Iain Cottingham and Councillor Owen Jeffery

1 Apologies

Apologies were received from Councillor's Erick Pattenden, Iain Cottingham and Owen Jeffery.

2 Minutes

Councillor Howard Woollaston requested that the minutes of the special meeting reflect that he was not present due to a conflict of interest.

The Minutes of the meetings held on 26 June 2023 were approved as true and correct records and signed by the Chairman.

3 Declarations of Interest

There were no declarations of interest received.

4 Forward Plan

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

Julie Gillhespey requested that a report detailing the 'Outcome of the External Assessment of Internal Audit' be added to the November agenda.

Joseph Holmes noted that there would be a Treasury Management Mid-Year Review paper at the November meeting and an Investment and Borrowing Strategy paper at the January meeting.

In response to a query from Councillor David Marsh, it was explained that there was an intention to reconvene the Constitution Review Task Group. Members were requested to nominate candidates for the task group to be approved by Governance Committee at future meeting.

RESOLVED that: the Governance Committee Forward Plan be noted.

5 Monitoring Officer's Annual Report 2022/23 - Conduct and Ethics (C4412)

Sarah Clarke introduced a report (Agenda Item 5), which was due to be presented to Council in October and related to conduct and ethics. It was noted that standards of ethical conduct across the district remained good.

Sarah Clarke reported that in 2022/23 there had been notification of twenty-two complaints which had been a drop of ten from the previous year. It was felt that generally there was no overall pattern to the complaints, but that social media appeared in many, which was not something that was unique to West Berkshire.

It was recognised that there was a need for officers ensure better communication with the parties involved in a complaint once a matter was referred for investigation.

Councillor Stephanie Steevenson referred to page 22 of the agenda pack and queried why there were still three 'outcome awaited' cases for the years 2019/20 and 2020/21. Sarah Clarke clarified that there were currently no outstanding complaint investigations or outcomes awaited and would correct the report prior to referring it to Council.

Councillor Dominic Boeck suggested that there were 62 town and parish councils, rather than the 56 referred to at section 5.15 of the report. Sarah Clarke suggested that it was because parish meetings did not have elected members, and so different rules would apply. Councillor Boeck suggested that there were seven parish meetings and consequently the figures remained incorrect.

Councillor David Marsh queried whether it was acceptable for complaints to be received from anywhere, particularly outside West Berkshire. Sarah Clarke commented that under the Localism Act 2011, the Council was required to have procedures in place to consider allegations and did not provide the facility to exclude complaints from beyond the district boundary. It was however noted that within the framework of the constitution there was the ability to reject any complaints considered vexatious or malicious.

Councillor Marsh referred to instances that an informal resolution required an apology, but the apology was not forthcoming, and queried whether there were any sanctions that could be imposed or an alternative way to pursue the matter. Sarah Clarke commented that there was no power to compel a member to apologise or comply with the suggested resolution.

Councillor Marsh suggested that subject access requests should be actioned within a strict time period and queried the reason that one case that he was aware of had not been actioned even after six months, Sarah Clarke confirmed that the Council was required to respond within a set deadline and commented that there were a combination of factors leading to delays but that she would revert to Councillor Marsh with an update from the officer leading the case.

Councillor Marsh queried whether the code of conduct was fit for purpose, particularly in relation to Members' communications on social media. Sarah Clarke responded that the Code of Conduct would be fully reviewed when the Constitution Review Task Group progressed to part 13 of the Constitution.

Simon Carey referred to page 18 of the agenda pack and section 5.7 which stated that 'It was agreed by Council 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'. Simon Carey queried why the Council had agreed to allow the complainant to consult the Independent Person, when parliament did not make the provision for this. Sarah Clarke agreed to make a note of the query and raise it with the Constitution Review Task Group when the matter was reviewed.

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Simon Carey referred to section 5.33, table 1 of the report and noted that of the twenty-two complaints received only four had been upheld, which had been similar to previous years. Simon Carey queried whether those complaints not upheld had been analysed with a view to providing examples to future complainants of those allegations unlikely to be progressed as a valid complaint. It was clarified that the four cases had not been upheld but had been deemed to have passed the complaint threshold. Sarah Clarke confirmed that analysis was undertaken and agreed to take the matter away with a view to producing some examples of allegations that would not pass the threshold.

In response to a query from Councillor Chris Read, Sarah Clarke clarified that membership of the Advisory Panel was determined annually by Council.

Sarah Clarke clarified that complaints were against individuals and that should a complaint be received relating to a parish council it would be rejected as the Council had no authority over parish councils.

RESOLVED that:

- Members note the content of the report.
- Note that the report would be circulated to all Parish/Town Councils in the District for information.

6 Annual Report - Governance and Ethics Committee (C4323)

Joseph Holmes introduced a report (Agenda Item 6), which provided an annual summary of the activities of the Governance Committee for the 2022-23 municipal year.

Councillor Stephanie Steevenson queried whether the delays relating to the work of the external auditors was a nationwide problem. Joseph Holmes confirmed that it was, noting that for 2021/22, only 12% of local authority audits had been signed off. It was suggested that this was due to a number of reasons; notably the pandemic, greater oversight by the Financial Reporting Council, significant additional focus for external auditors to look at infrastructure assets, and, particular to West Berkshire, delays to the Royal Borough of Windsor and Maidenhead Council's audit which had an impact as they ran the Berkshire Pension Fund.

RESOLVED that Governance Committee noted the report.

7 Internal Audit Update Report (G4430)

Julie Gillhespey introduced a report (Agenda Item 7), which updated the Committee on the status of Internal Audit work as at the end of quarter one 2023/24. Julie Gillhespey highlighted page 36 of the agenda pack which noted that no significant issues of concern had been identified through audit work during the period.

Councillor Louise Sturgess queried whether there was a scale within each of the opinion gradings. Julie Gillhespey responded that they were based on professional opinion, supported by a scoring methodology, but that there were only five ultimate gradings.

Simon Carey queried whether recommendations were followed up. Julie Gillhespey explained that there was a follow up process six months after the initial audit report was finalised, for any 'less than satisfactory' audits. Such a process would review progress on every finding, but the focus would be on those that had raised the most concern.

Julie Gillhespey explained that some audits were pure compliance work against set procedures, however a lot of work depended on the audit team identifying and testing against anticipated processes and controls and key risks with reference to both external legislation, internal policies and their own professional judgement. Joseph Holmes further added that the Council underwent external assessment of the audit framework by the

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Chartered Institute of Public Finance and Accountancy (CIPFA) to check the processes used.

Parish Councillor David Southgate referred to Appendix B of the report which referenced a number of current audits that were dated 2022/23, with a comment suggesting that the audits would be completed by the next quarter. Parish Councillor Southgate suggested that specific aspirational dates should be recorded against each audit. Julie Gillhespey noted that a similar comment had been made the previous year and that at the Committee's suggestion a time analysis of audits was undertaken which showed the majority had been completed in a reasonable time. Where there were delays for an audit there was no underlying consistent reason for each delay. Parish Councillor Southgate suggested that applying an aspirational date to each audit may expose departments that were delaying the team's work and encourage compliance and assistance.

RESOLVED that Governance Committee noted the report.

8 External Audit Annual Audit Report - 2020/21 (G4455)

Joseph Holmes introduced a report (Agenda Item 8), which provided members with the final annual audit report provided by Grant Thornton in respect of their external review of the 2020/21 Financial Statements.

David Johnson, of Grant Thornton noted that there had been a change in audit approach in 2021, whereby previously reporting would have been by exception, but that now it was based on the three criteria of financial sustainability, governance and improving economy, efficiency, and effectiveness. It was noted that the value for money executive summary noted that there were no significant weaknesses to report.

David Johnson reported that work had now been completed on the 2020/21 financial statements and that an opinion would be issued soon to close the review.

David Johnson acknowledged that the delay to the reporting was unsustainable and commented that the next value for money report would cover the two-year period of 2021/22 and 2022/23. It was noted that the current financial sustainability and deficit position in the forecast outturn of the Council would be noted as a potential significant risk.

Councillor Jeremy Cottam queried whether David Johnson felt that the Executive was reacting sufficiently to the projected overspend. David Johnson responded that he was not able to comment but that the two-year combined review was commencing and that one of the areas reviewed would be how the Executive had managed the current financial situation.

In response to a query from Councillor Cottam as to how well recommendations were being implemented by the Council, David Johnson commented that the forthcoming audit would be reviewing implementation and progress against previous recommendations.

Councillor Jeremy Cottam proposed and Councillor Dominic Boeck seconded the recommendations within the report.

RESOLVED that:

- Authority to approve the 2020/21 Financial Statements is delegated to the Council's Executive Director for Resources (S151 Officer) in consultation with the Chair of the Governance Committee, adjusting the financial statements for the changes included within the Grant Thornton reports and updated for revised signatures of the new political administration.
- That the Committee approves the letter of representation included in appendix B.

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9 Internal Audit Annual Assurance Report 2022/23 (GE4359)

Julie Gillhespey introduced a report (Agenda Item 9), and highlighted section 4.4 which noted that from the assurance work undertaken and other sources of control/governance information, the Audit Manager was able to conclude that reasonable assurance could be given that the governance, risk management and control framework remains robust.

Councillor Chris Read noted that business continuity had received a weak audit report and queried what the main issue had been. Julie Gillhespey commented that when reviewed the area had been a 'work in progress' but had been subject to delays due to obtaining responses from a variety of service areas. It was however explained that quarterly update reports on the business continuity progress were reviewed by Corporate Board and consequently there was regular oversight of the matter.

Councillor Louise Sturgess queried whether schools that had received a weak rating were provided with any support to assist them to achieve a higher rating., Julie Gillhespey explained that it was not the role of the audit team to implement the recommendations, but that sufficient guidance was provided to assist with the implementation.

Simon Carey referred to section 5.8. of the report and the increase in vacancies at senior manager level during the year, and subsequent increase to the level of interim and acting up arrangements for those senior management positions. Simon Carey queried whether the Monitoring officer had oversight of the situation. Joseph Holmes explained that the Chief Executive would have general oversight of senior management recruitment, however due to its significance the risk had also been included within one of the top four corporate risks to the council. In mitigation it was noted that a new Executive Director would be joining the Council within weeks and that the interim posts were being held by internal personnel rather than external consultants, which would assist with succession planning.

RESOLVED that: Governance Committee noted the report.

(The meeting commenced at 6.30 pm and closed at 8.00 pm)

CHAIRMAN

Date of Signature