

# Notice of Meeting

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## Governance Committee

**Tuesday 16 July 2024 at 6.30 pm**

in the Roger Croft Room, Council Offices,  
Market Street, Newbury

**Note:** This meeting can be streamed live here: <https://www.westberks.gov.uk/governanceethicscommitteelive>

Date of despatch of Agenda: Wednesday, 10 July 2024

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Ben Ryan on 01635 519052  
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WestBerkshire  
C O U N C I L

## Agenda - Governance Committee to be held on Tuesday, 16 July 2024 (continued)

- To:** Councillors Erik Pattenden (Chairman), Howard Woollaston (Vice-Chairman), Dominic Boeck, Jeremy Cottam, Laura Coyle, Billy Drummond, Owen Jeffery, David Marsh, Christopher Read, Simon Carey and David Southgate
- Substitutes:** Councillors Anne Budd, Dennis Benneyworth, Carolyne Culver, Paul Dick, Janine Lewis and Stephanie Steevenson
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# Agenda

## Part I

		Page No.
1	<b>Apologies</b> To receive apologies for inability to attend the meeting (if any).	
2	<b>Minutes</b> To approve as a correct record the Minutes of the meeting of this Committee held on 16 April 2024 and 9 May 2024.	1 - 6
3	<b>Declarations of Interest</b> To remind Members of the need to record the existence and nature of any personal, disclosable pecuniary or other registrable interests in items on the agenda, in accordance with the Members' <a href="#">Code of Conduct</a> .	
4	<b>Forward Plan</b> <i>Purpose: To consider the Forward Plan for the next 12 months.</i>	7 - 8
5	<b>Monitoring Officer's Annual Report</b> To provide the annual report on matters relating to standards and conduct and to bring to the attention of Members a summary of complaints or other problems within West Berkshire.	9 - 18
6	<b>Internal Audit Plan 2024-27</b> To set out a risk-based plan of work for Internal Audit.	19 - 52
7	<b>Treasury Management Annual Report</b>	To Follow



## Agenda - Governance Committee to be held on Tuesday, 16 July 2024 (continued)

The Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA TM Code) requires the Council to approve both mid-year and annual treasury management reports. This report provides an overview of the treasury management activity for financial year 2023/24 as at 31st March 2024.

- |    |   |           |
|----|---|-----------|
| 8  | <b>2024/25 KPMG Audit Planning Report</b><br>To provide those charged with governance an overview of the external audit work programme for the 2023-24 audit year including Calve for Money work  | To Follow |
| 9  | <b>Revised Whistleblowing Policy</b><br>To reflect change in service ownership from HR to Internal Audit, as well as to include reference to whistleblowing concerns that may be raised external to the Council   | 53 - 66   |
| 10 | <b>Annual Governance Statement</b><br>To set out the Annual Governance Statement (AGS) for the Council for 2023-24 for approval. The AGS summarises the key governance issues for the Council and the action plan to address these.   | 67 - 88   |
| 11 | <b>Governance Committee Annual Report</b><br>This report is an annual summary of the activities of the Governance Committee for the 2023-24 municipal year.   | 89 - 94   |
| 12 | <b>Strategic Risk Register Q4 2023/24</b><br>To highlight the corporate risks (as at the end of March 2024) that need to be considered by Corporate Board and Operations Board and to outline the actions that were being taken to mitigate those risks.  | 95 - 116  |
| 13 | <b>Exclusion of Press and Public</b><br>RECOMMENDATION: That members of the press and public be excluded from the meeting during consideration of the following items as it is likely that there would be disclosure of exempt information of the description contained in the paragraphs of Schedule 12A of the Local Government Act 1972 specified in brackets in the heading of each item. <a href="#">Section 10 of Part 10 of the Constitution refers.</a> |           |

## Part II

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|----|---|-----------|
| 14 | <b>Strategic Risk Register Q4 2023/24</b> | 117 - 152 |
|----|---|-----------|



**Agenda - Governance Committee to be held on Tuesday, 16 July 2024** *(continued)*

To highlight the corporate risks (as at the end of March 2024) that need to be considered by Corporate Board and Operations Board and to outline the actions that were being taken to mitigate those risks.

Sarah Clarke  
Service Director: Strategy and Governance

West Berkshire Council is committed to equality of opportunity. We will treat everyone with respect, regardless of race, disability, gender, age, religion or sexual orientation.  
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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

**GOVERNANCE COMMITTEE**  
**MINUTES OF THE MEETING HELD ON**  
**TUESDAY, 16 APRIL 2024**

**Councillors Present:** Erik Pattenden (Chairman), Howard Woollaston (Vice-Chairman), Jeremy Cottam, Billy Drummond, David Marsh, Christopher Read, David Southgate and Iain Cottingham

**Also Present:** Sophia Brown (Grant Thornton), Joseph Holmes (Executive Director – Resources), Shannon Coleman-Slaughter (Chief Financial Accountant), Julie Gillhespy (Audit Manager), Thomas Radbourne and Benjamin Ryan (Democratic Services Officer)

**Apologies for inability to attend the meeting:** Councillor Dominic Boeck, Councillor Laura Coyle, Councillor Owen Jeffery and Simon Carey

**PART I**

**10 Minutes**

The Minutes of the meeting held on 29 January 2024 were approved as a true and correct record and signed by the Chairman.

**11 Declarations of Interest**

There were no declarations of interest received.

**12 Forward Plan**

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

**RESOLVED** that the Governance Committee Forward Plan be noted.

**13 Internal Audit Update Report - Quarter Three 2023/24 (G4486)**

The Committee considered a report (Agenda Item 5) concerning Internal Audit Update Report - Quarter Three 2023/24 Ms Julie Gillhespy introduced the report.

Councillor Chris Read queried whether there were any tools that could help speed up the process of the anti-fraud work plan. Ms Gillhespy explained that the process needed human intervention to evaluate the reports from a national database.

**RESOLVED** to note the contents of the report.

**14 Financial Year End 2023-24 Year End Planning Document (G4504)**

The Committee considered a report (Agenda Item 6) concerning Financial Year End 2023-24 Year End Planning Document. Ms Shannon Coleman-Slaughter introduced the report.

Councillor Iain Cottingham expressed frustration over the lack of audit for the 2023 – 2024 financial accounts, emphasising the need for West Berkshire Council (the Council) to have audited accounts. The Councillor held Grant Throton accountable for not upholding the terms of their contract.

## GOVERNANCE COMMITTEE - 16 APRIL 2024 - MINUTES

Councillor Jeremy Cottam questioned whether the Council would get a refund from Grant Thornton for the undelivered audit and called for the Council to withdraw from the contract.

Councillor David Marsh asked whether another auditor could be found.

Councillor Read queried why revenue prepayments were raised from £5,000 to £10,000. Ms Coleman-Slaughter explained that it would bring the figure in-line with the rest of the Council.

Councillor Howard Woollaston proposed to approve the accounting policies which will be applied in the production of the Council's 2023/24 Financial Statements as shown in Appendix A of the report, and this was seconded by Councillor Billy Drummond.

The proposal was put to a vote, and it was **RESOLVED that** the accounting policies which will be applied in the production of the Council's 2023/24 Financial Statements as shown in Appendix A of the report.

### 15 **External Auditor's Interim Annual Report Financial Years 2021/22 and 2022/23 (G4535)**

The Committee considered a report (Agenda Item 7) concerning External Auditor's Interim Annual Report Financial Years 2021/22 and 2022/23. Ms Coleman-Slaughter introduced the report and Ms Sophia Brown provided a presentation from Grant Thornton.

Councillor Cottam asked why the audit had not been carried out and Ms Brown explained it was not her intention to abandon the Council adding that the team did not have enough time to review all of the accounts.

Mr Joseph Holmes explained that the Council was awaiting a government disclaimer, which would state the Council was not at fault for the lack of audit. Until the disclaimer was issued the new contractor, KPMG, could not carry out the work, which was forecasted to be in early autumn, however the work would not be carried out in time. Mr Holmes emphasised that West Berkshire Council was one of 30% of Councils to produce their figures on time.

Councillor Cottam exclaimed that the whole system was running blind through a difficult financial period and the lack of an external audit left the Council in a difficult situation. The Councillor questioned why the Council was not notified sooner.

Councillor Woollaston stressed that this was the second year of accounts not to be audited and wanted reassurance that KPMG would audit the accounts.

Councillor Cottingham reassured members that in a meeting with KPMG he was satisfied they had the correct provisions to deliver an audit. He reaffirmed that the audit was a critical part of Councillors financial integrity, which was important as they looked after public money. The Councillor criticised competitive tendering as a reason for the lack of deliverability and explained that Grant Thorton was not able to carry out a light audit.

Mr David Southgate asked what the plan was going forward and Mr Holmes explained that the previous accounts are to be disclaimed, but the longer the Council has to wait the greater the risk of next years accounts not being done.

Ms Brown reasoned that Grant Thorton did not want to leave the Council behind and noted that only 25% of Councils had been audited. She explained that they could not do a light audit as this would go against legislation and that they were awaiting the wording for the disclaimer. Ms Brown stated that West Berkshire Council was in a better place than some Councils, because of the hard work of the Finance Team.

## GOVERNANCE COMMITTEE - 16 APRIL 2024 - MINUTES

Councillor Cottingham added that the lack of an external audit had an operational risk, as any external organisation looking to do business, may not want to take on a contract with a Council with unaudited accounts. He called into question how much work Grant Thornton had carried out in the period and questioned the effect the Council's Financial Review Panel had on curbing the overspend.

Ms Brown stated that the team that carried out the Value for Money work were separate from the audit team and that it had been noted that the tightening of budget controls had been effective.

Councillor Cottam asked about the recommendations within the report and Mr Holmes stated that these were what the report noted as being discussed within the Council.

Councillor Cottingham explained that long-term and short-term borrowing required a balance that would depend on the interest rates available from the public works board and that a good balance would be healthy for the accounts.

Councillor Stephanie Steevenson asked whose responsibility it was to act upon the highlighted problem areas for overspend. Mr Holmes explained that the areas highlighted were from an internal report and that these were reviewed quarterly by the Executive and Scrutiny Commission.

Councillor Cottingham emphasised the importance of financial efficiency and that the Council had a duty to be responsible as they were dealing with public money. The Council provided 700 services, and it was noted that they were looking at benchmarking to help improve the areas that are not delivering value for money.

Councillor Drummond queried whether the procurement waivers were to be seen by the Governance Committee and Mr Holmes confirmed that the waivers were not part of the terms of reference, but they would go to the Executive.

The Chairman expressed that the current state of auditing was not acceptable and stated the Committee would write to Grant Thornton expressing dissatisfaction.

**RESOLVED** to note the contents of the report.

### 16 CIPFA Financial Management Code

The Committee considered a report (Agenda Item 8) concerning CIPFA Financial Management Code. Mr Holmes introduced the report.

Councillor Read asked about the financial resilience assessment. Mr Holmes explained that CIPFA had a good financial resilience summary, and the Council would assess whether it would be worth to have an external review by CIPFA to help provide clear indicators.

Councillor Steevenson asked whether KPMG would deliver, and Mr Holmes stated that KPMG would not meet the September deadline and were due to start in November. He added that the accounts could only be audited once the previous year's accounts were disclaimed.

Councillor Woolaston quoted a previous study which pinpointed West Berkshire Council as the 8<sup>th</sup> most financially resilient and queried how concerned the Council should be now. Mr Holmes explained that the study looked at a broad range of factors. At the time of speaking the Council had some of the lowest levels of reserves in the country, however the Council was not alone. Mr Holmes explained that in an ideal world the Council would have around 12 million pounds within its reserves.

Councillor Cottingham explained that internal audits tended to be optimistic, recalling the need for an external audit.

**GOVERNANCE COMMITTEE - 16 APRIL 2024 - MINUTES**

Councillor Woollaston questioned whether KPMG had any Key Performance Indicators (KPIs) within their contract and Mr Holmes stated that the contract was commissioned externally by Public Sector Audit Appointments, so he was unsure of the specifics. Mr Holmes explained that he would find out the specifics for the Committee.

**RESOLVED** to note the contents of the report.

*(The meeting commenced at 6.30 pm and closed at 7.40 pm)*

**CHAIRMAN** .....

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



**DRAFT**

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

**GOVERNANCE COMMITTEE  
MINUTES OF THE MEETING HELD ON  
THURSDAY, 9 MAY 2024**

**Councillors Present:** Howard Woollaston (Vice-Chairman), Dominic Boeck, Laura Coyle, Billy Drummond, Owen Jeffery, David Marsh and Christopher Read

**Apologies for inability to attend the meeting:** Councillor Erik Pattenden and Councillor Jeremy Cottam

**PART I**

**17 Election of the Chairman**

**RESOLVED** that Councillor Erik Pattenden be elected as Chairman for the 2024/2025 Municipal Year.

**18 Appointment of the Vice-Chairman**

**RESOLVED** that Councillor Howard Woollaston be elected as Vice-Chairman for the 2024/2025 Municipal Year.

*(The meeting commenced at 9.00 pm and closed at 9.05 pm)*

**CHAIRMAN** .....

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

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## Provisional Governance Committee Forward Plan 16 April 2024 – 16 July 2024

16 July 2024						
1.	G4551	Internal Audit Plan 2024-27		Julie Gillhespey		
2.	G4520	Treasury Management Annual Report		Shannon Coleman-Slaughter		
3.	G4508	2024/25 KPMG Audit Planning Report		Shannon Coleman-Slaughter		
4.	G4548	Strategic Risk Register Q4 2023/24		Catalin Bogos		
5.	G4552	Revised Whistleblowing Policy		Julie Gillhespey		
6.	G4564	Annual Governance Statement		Joseph Holmes		
7.	C4574	Governance Committee Annual Report		Joseph Holmes		
8.	C4559	Monitoring Officers Report		Sarah Clarke		
9.						
10.						
1 October 2025						
11.	G4508	2022-2023 External Auditors Report		Joseph Holmes		
12.	G4543	Draft Financial Statements 2023/24 and Going Concern Assessment		Shannon Coleman-Slaughter		
13.		Annual Internal Audit Report		Julie Gillhespey		
14.	EX4547	Risk Management Strategy 2024-2027		Catalin Bogos		
15.		Constitutional Update		Sarah Clarke		
19 November 2025						
16.						

**Governance and Ethics Committee Forward Plan 27 June 2022 – 20 March 2023**

<b>28 January 2025</b>						
17.	G4549	Strategic Risk Register Q2 2024/25		Catalin Bogos		
18.	G4521	Mid-Year Treasury Report				

# Monitoring Officer’s Annual Report 2023/24 – Conduct and Ethics

<b>Committee considering report:</b>	Governance Committee
<b>Date of Committee:</b>	16 July 2024
<b>Portfolio Member:</b>	Councillor Jeff Brooks
<b>Report Author:</b>	Sarah Clarke
<b>Forward Plan Ref:</b>	C4559

## 1 Purpose of the Report

- 1.1 To provide the annual report on matters relating to standards and conduct and to bring to the attention of Members a summary of complaints or other problems within West Berkshire. The report highlights that standards of conduct by councillors in West Berkshire remains high.

## 2 Recommendation

- 2.1 Members are requested to note the content of the report, which will also be circulated to all Parish/Town Councils in the District for information.

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	There are no financial issues arising from this report. However the costs associated with external investigations may lead to a budget pressure.
<b>Human Resource:</b>	None
<b>Legal:</b>	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.
<b>Risk Management:</b>	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. Adherence to the requirements of the Code of Conduct also reduce the risk of the Council’s decisions being subject to legal challenge.			
<b>Property:</b>	None			
<b>Policy:</b>	None			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Environmental Impact:</b>		X		
<b>Health Impact:</b>		X		
<b>ICT Impact:</b>		X		
<b>Digital Services Impact:</b>		X		

<b>Council Strategy Priorities:</b>		X		
<b>Core Business:</b>		X		
<b>Data Impact:</b>		X		
<b>Consultation and Engagement:</b>	Finance & Governance Group			

## 4 Executive Summary

- 4.1 This report is the Monitoring Officer's annual report for the Governance Committee, which will be presented to Full Council on July. The report will also be circulated to all Town and Parish Councils.
- 4.2 The key findings identified in the report are:
- (a) Standards of ethical conduct across the district remain good.
  - (b) The number of gifts and hospitality declared by officers is on a par with pre-Covid numbers, although there has been a reduction in the number of gifts declared by Members.

## 5 Supporting Information

### Introduction

- 5.1 The Localism Act 2011 made fundamental changes to the system of regulation of the standards of conduct for elected and co-opted members of Councils and Parish Councils.
- 5.2 In order to ensure that the process was working effectively locally, Council agreed that the Monitoring Officer should produce an annual report which would be presented to Council and the Governance Committee. The report would 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.

### Background

- 5.3 During the Municipal Year 2023/24 the Governance Committee was comprised of eleven members (nine District Councillors appointed on a proportional basis and two co-opted non-voting Parish/Town Councillors).
- 5.4 The Advisory Panel initially comprised ten Members: two from the Liberal Democrat party, two from the Conservative Party, two from the Green Party, two parish/town

councillors and two Independent Persons. This was updated following the formation of a Minority Opposition Group.

- 5.5 Details of the membership of the above for 2023/24 was agreed at the Annual Council meeting and details are available at: [\(Public Pack\)To Follow - Minutes, Allocation of Seats and Outside Bodies Agenda Supplement for Council, 25/05/2023 19:00 \(westberks.gov.uk\)](#).
- 5.6 The Members Code of Conduct governs the standards of conduct expected of elected Councillors, and this is supported by a number of documents including:
- Terms of Reference for the Governance Committee and Advisory Panel;
  - Gifts and Hospitality Protocol;
  - Complaints procedures for breaches of the Code of Conduct;
  - Dispensations procedure;
  - Social Media Protocol.

Further details can be found in the Constitution at: [Council Constitution - West Berkshire Council](#).

### Independent Persons

- 5.7 Under Section 28 of the Localism Act 2011 the Council has a duty to ensure that it has appointed at least one Independent Person who is consulted before it makes a decision on an allegation it has determined to investigate. 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. Three Independent Persons have therefore been appointed in order to ensure that a conflict situation does not arise.
- 5.8 A person is not considered to be "independent" if:-
- 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 Councils within this area. This also applies to committees or sub-committees of the various Councils.
  - 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.
  - The definition of relative includes the candidate's spouse, civil partner, grandparent, child etc.
- 5.9 Council appointed Mike Wall MBE, Alan Penrith and Lindsey Appleton as the Council's Independent Persons for the 2023/24 Municipal Year. All three Independent Persons have agreed to remain as Independent Persons for the 2024/25 Municipal Year.
- 5.10 The Council is asked to recognise the significant contribution of the Independent Persons and thank them for their ongoing contributions.

### Governance Committee



5.11 The overall purpose of the Governance 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 Committee is also responsible for receiving the annual Audit Letter and for signing off the Council's final accounts.

5.12 The Committee is also 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. The roles and functions of the Governance Committee are set out in the Constitution (Part 2 Articles of the Constitution).

5.13 The Governance Committee has a special responsibility regarding the 55 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.

5.14 The District Councillors are therefore supported on the Governance Committee by two co-opted Parish Councillors who are appointed in a non-voting capacity, along with substitute councillors. During 2023/24 the Governance Committee included the following Parish Councillors:

- Bill Graham (co-opted non-voting Parish Councillor)
- David Southgate (co-opted non-voting Parish Councillor)
- Anne Budd (substitute co-opted non-voting Parish Councillor)

5.15 The Council is asked to recognise the contribution of the Parish Councillors and thank them for their contributions.

### Advisory Panel

5.16 The Advisory Panel is responsible for dealing with complaints where evidence of a breach of the Code has been investigated by an independent investigator. The Advisory Panel considers the investigators report. The views of the Advisory Panel are reported to the Governance Committee, which makes the formal decision in respect of any allegations which have been investigated where it is considered that a breach of the relevant code of conduct has occurred.

5.17 The District Councillors on the Advisory Panel were representatives of all three political groups within the Council and are not appointed in accordance with the proportionality rules. During 2023/24 the Advisory Panel comprised the following District Councillors:

Liberal Democrats (2 Members)	Lee Dillon, Geoff Mayes
Conservative Group	Jane Langford, Jo Stewart
Minority Opposition Group (2 Members)	Carolyne Culver, David Marsh

5.18 During the 2023/24 Municipal Year the following Parish Councillors were appointed to the Advisory Panel:

- Anne Budd

5.19 The Council is asked to thank the Parish Councillors for agreeing to be members of the Panel and their contribution for the one occasion it met.

### The Monitoring Officer

5.20 The Monitoring Officer is a statutory post and in West Berkshire rests with the Service Director Strategy & Governance. The Monitoring Officer (Sarah Clarke) in 2023/24 was supported by three deputies (Nicola Thomas, Leigh Hogan (part year), and Sharon Armour (part year)). The Monitoring Officer has a key role in promoting and maintaining standards of conduct. The Monitoring Officer also has a statutory responsibility to establish and maintain a register of interests for members and co-opted members of the authority. The Monitoring Officer acts as legal adviser to the Governance Committee and Advisory Panel.

5.21 The Monitoring Officer, under delegated authority, granted a dispensation to all West Berkshire Councillors in 2023/24 to speak and vote on any items pertaining to Council Tax.

### Local Assessment of Complaints against Councillors

5.22 Quarter 1 – 2023/24

During this period one complaint was received and processed by the Monitoring Officer. The complaint (NPC10/23) pertained to a Parish Councillor. Following the initial assessment, it was agreed that no further action should be taken on the complaint.

5.23 Quarter 2 – 2023/24

During this period three complaints were received and processed by the Monitoring Officer. All of the complaints (NPC11/23, NPC12/23 and NPC13/23) pertained to Parish Councillors. Following the initial assessment, it was agreed that no further action should be taken on two of the complaints, and one complaint was referred for informal resolution.

5.24 Quarter 3 - 2023/24

During this period no complaints were received.

5.25 Quarter 4 - 2023/24

During this period eight complaints were received and, to date, two have been processed by the Monitoring Officer. Six of these complaints (NDC01/24, NDC02/24, NDC03/24, NDC06/24, NDC07/24 and NDC08/24) pertain to District Councillors. The initial assessment has been held for two of the complaints and it was agreed that both would be referred for informal resolution. However, one of these complaints is being progressed to an independent investigation.

There were two complaints (NPC04/24 and NPC05/24) submitted about Parish Councillors. The initial assessments have yet to take place.

Year on Year Comparison of Complaints

Table 1 – The Number of District and Parish Council Complaints received 2018/19 – 2023/24

<b>Table 1</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
<b>District Councillors</b>	1	9	12	20	16	6
<b>Parish Councillors</b>	20	5	21	12	6	6
<b>Co-Optees</b>	1	0	0	0	0	0
<b>Total</b>	22	14	33	32	22	12

Table 2 - Action Taken on Complaints received 2018/19 to 2023/24

	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>
<b>Withdrawn/not progressed</b>	4	5	7	0	2	0
<b>No Further Action</b>	14	7	24	28	16	8
<b>Other Action</b>	2	2	2	1	2	3
<b>Investigation</b>	2	0	0	3	2	1
<b>Outcome Awaited</b>	0	0	0	0	0	0
<b>Total</b>	22	14	33	32	22	12

5.26 Table 2 shows that, in respect of the complaints processed to date during 2023/24, in two thirds of the cases no further action was taken on the complaint, with the remaining third referred for informal resolution or investigation.

### Learning Points Arising from Complaints

5.27 The number of complaints has reduced in the past year. However, to date, a higher proportion have resulted in the need for informal resolution and/or investigation than in previous years.

5.28 The complaints received arose from different circumstances, although many complaints alleged a lack of respect from the subject member. Although the complaints have not yet been upheld, this is a helpful reminder of the need to be respectful when communicating with others

### Register of Interests

5.29 Following the election in May 2023 all elected Members of West Berkshire Council completed and submitted their Register of Interest forms, and updates have been received to a number of these since that time. These forms have been published on the Council's website. A number of interests that have been declared by Members have been withheld from publication where the Monitoring Officer has been satisfied that the interest is a sensitive interest in accordance with the provisions of section 32 of the Localism Act 2011.

5.30 District Councillors are reminded to review their interests on a regular basis and to notify the Democratic Services Manager of any amendments.

5.31 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.

### Gifts and Hospitality

5.32 The Gifts and Hospitality Protocol is incorporated into the Members Code of Conduct and is set out in Appendix H to Part 13 of the Constitution (Codes and Protocols).

5.33 Officers are also subject to restrictions on those Gifts and Hospitality that are deemed to be acceptable under the Officers' Code of Conduct, which is set out in Part 13 of the Constitution. Like Members, Officers are required to declare gifts or hospitality received.

5.34 The intention of the rules governing Gifts and Hospitality is to ensure that the Council can demonstrate that no undue influence has been applied or could be said to have been applied by any service user, supplier or anyone else dealing with the Council and its stewardship of public funds. The rules therefore set out the obligations imposed on Members and Officers to declare relevant gifts and hospitality which have been offered to or received by them.

5.35 It should be noted that in addition to the risk that there could be a perception of impropriety, the acceptance of a gift or hospitality could amount to an offence under the Bribery Act 2010.

5.36 The Bribery Act 2010 creates a number of offences where a gift or other benefit is given or offered, which may amount to an offence of bribing another person, and/or of being bribed. Therefore, if Members or Officers are offered a 'gift' or other benefit by a third party, this could amount to an offence not just by the person offering the gift, but also by the Member or Officer concerned and by the Council. It is important to note that offences under this legislation can be committed by a person offering a gift or reward, even if the gift is not accepted.

5.37 In view of the above, it is very important that both Officers and Members understand the potentially serious implications of accepting gifts when it is not appropriate to do so.

5.38 There were 14 declarations of gifts or hospitality received by Members during the year 2023/24. This represents a decrease on the previous year although it should be noted that declarations are frequently made of gifts or hospitality received that is below the value that requires that to be declared (i.e. £25). Members have been reminded of the need to declare any gifts or hospitality received in accordance with the Gifts and Hospitality Protocol. This information is published on the Council website.

5.39 There was also an increase in the number of gifts and hospitality declared by officers with 73 declarations made during 2023/24, which is a considerable increase from 45 declared in the previous year but is more closely aligned with pre-Covid numbers. The vast majority of gifts received were small token gifts with the total value of gifts declared being less than £1k, and the average value being £13. The highest value hospitality received was a £200 dinner at Newbury racecourse, which was received by the CEO.

5.40 The number of gifts or hospitality received by each directorate, and the number refused can be summarised as follows:

Directorate	Number of Declarations	Number refused
CEO	3	0
People - Adults	62	0
People - Children	2	0
Place	0	0
Resources	6	1
<b>TOTAL</b>	<b>73</b>	<b>1</b>

5.41 In the last municipal year, the majority of gifts and hospitality declared was in the Place Directorate, but that was due to the fact that Libraries and Culture were deemed to be in Place, but that Team is now located in People (Adults), which accounts for the difference.

## Proposals

5.42 Members are asked to note the content of the report.

5.43 It is proposed that this report also be circulated to all Town and Parish Councils for information.

## 6 Other options considered

6.1 Not to produce a report. There is no duty to publish this report. However, it is important that public trust and confidence is maintained in public authorities, and it is considered that this report provides transparency regarding standards and conduct.

## 7 Conclusion

7.1 There have been a number of training sessions on the Code of Conduct over the 2023/24 municipal year, and these have been well attended, with Members very engaged with the sessions. This is a positive step by Members and should continue.

7.2 There has been a reduction in the number of complaints, and standards of Member conduct remain very good in West Berkshire. This is a credit to all councillors in the district, who should be applauded.

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## Internal Audit Plan 2024-2027

Committee considering report:	Governance Committee
<b>Date of Committee:</b>	16 July 2024
<b>Portfolio Member:</b>	Councillor Iain Cottingham
<b>Report Author:</b>	Julie Gillhespey (Audit Manager)
<b>Forward Plan Ref:</b>	G4551

### 1 Purpose of the Report

The Public Sector Internal Audit Standards (PSIAS) require the Council’s Audit Plan and Internal Audit Charter to be approved by those charged with governance within the Council. The purpose of this report is to set out a risk-based plan of work for Internal Audit (IA) that will provide assurance to the Governance Committee on the operation of the Council’s governance, risk management and internal control frameworks, and support the Committee’s review of the Council’s Annual Governance Statement.

### 2 Recommendation

That the Governance Committee discuss and approve the Proposed Audit Plan and Audit Charter.

### 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	None
<b>Human Resource:</b>	None
<b>Legal:</b>	None
<b>Risk Management:</b>	Internal Audit work helps to improve risk management processes by identifying weaknesses in systems and controls and making recommendations to provide mitigation and improve service delivery processes.

<b>Property:</b>	None			
<b>Policy:</b>	None			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Environmental Impact:</b>		X		
<b>Health Impact:</b>		X		
<b>ICT Impact:</b>		X		
<b>Digital Services Impact:</b>		X		
<b>Council Strategy Priorities:</b>		X		
<b>Core Business:</b>		X		



<b>Data Impact:</b>		X		
<b>Consultation and Engagement:</b>	Directorate Management Teams and Corporate Board.			

## 4 Executive Summary

- 4.1 The PSIAS require the Council’s Audit Plan and Internal Audit Charter to be approved by the Governance Committee. The purpose of this report is to set out a risk-based plan of work for Internal Audit (IA) that will provide assurance to the Governance Committee on the operation of the Council’s governance, risk management and internal control frameworks, and support the Committee’s review of the Council’s Annual Governance Statement.
- 4.2 The objectives for IA are set out in West Berkshire Council’s Internal Audit Charter (Appendix A). This document is reviewed and refreshed each year where appropriate. There were only minor amendments made this year to reflect the change in report opinion categories introduced last year.
- 4.3 The Internal Audit Reporting Protocol (Appendix B) sets out how the team will communicate with its clients. There were only minor amendments needed this year to reflect the change in audit opinion categories and removal of reference to Head of Service post title.
- 4.4 As set out in the Reporting Protocol we treat the relevant Service Director as the main client. With recent restructures within the Resources Directorate, this has resulted in the two Service Director posts having an increased number of audits per year, the Audit Manager is highlighting her concern that this is likely to impact on timeliness of responses to audit reports. The Audit Manager will monitor the situation and flag up if there are subsequent increased delays in progressing audit reports.
- 4.5 The proposed work programme for IA for the period 2024-2027 is attached at Appendix C. The plan analyses the different areas of the Council’s activity that IA have assessed as needing to be audited.
- 4.6 The plan over the three-year period shows the level of resource is sufficient to meet the planned programme of work.
- 4.7 Good practice as stated in CIPFA’s Fighting Fraud and Corruption Locally requires an Annual Anti-Fraud Work Plan to be prepared which links to the Audit Plan, a draft plan is attached as Appendix D.
- 4.8 The PSIAS require the Audit Manager to assess and identify areas for improvement for the Internal Audit function each year, these are set out in Appendix E.
- 4.9 In order for an informed decision to be made regarding the proposed work programme, the detailed report sets out the role of IA together with supporting information as to how the plan is compiled.

## 5 Supporting Information

### Introduction

- 5.1 The key purpose of this report is to set out a risk-based plan of work for Internal Audit (IA) that will provide assurance to the Governance Committee on the operation of the Council's governance, risk management and internal control frameworks, as well as support the Committee's review of the Annual Governance Statement.
- 5.2 The purpose is also to present the Audit Charter for review and approval.

### Background

- 5.3 The work of IA is regulated by the Public Sector Internal Audit Standards (PSIAS) which set out the following: -
- (1) Definition of Internal Auditing;
  - (2) Code of Ethics;
  - (3) International Standards for the professional practice of internal auditing.
- 5.4 The objectives for IA are set out in West Berkshire Council's Internal Audit Charter (Appendix A). This document is reviewed and refreshed each year where appropriate. There were only minor amendments made this year to reflect the change in report opinion categories introduced last year.
- 5.5 The main outcomes from the work of IA are:
- (1) Audit reports produced at the conclusion of each audit, issued to the relevant Service Director and Executive Director.
  - (2) Monitoring reports on progress with implementation of agreed audit recommendations.
  - (3) An annual assurance report and interim update reports for Corporate Board and the Governance Committee on the outcomes of IA work.

These reporting requirements together with who should be included in the circulation are formally set out in the Internal Audit Reporting Protocol (Appendix B). There were only minor amendments made this year to reflect the change in report opinion categories introduced last year, and removal of reference to the Head of Service post title.

- 5.6 As set out in the Reporting Protocol we treat the relevant Service Director as the main client, and as such we require a response from them as to whether the recommendations are agreed or otherwise before a report is finalised. With recent restructures within the Resources Directorate, this has resulted in the two Service Director posts having an increased number of audits per year, double the number of those in other Departments, and a higher number for these departments/services than in previous years, the Audit Manager is highlighting her concern that this is likely to impact on timeliness of responses to audit reports. One option would be to treat the relevant service lead as the key client, although this then runs the risk of Service Directors not being fully aware of content of audit reports for their department. The Audit Manager will monitor the situation and flag up if there are subsequent increased delays in progressing audit reports.

- 5.7 The work programme for IA for the period 2024-2027 is attached at Appendix C. The plan analyses the different areas of the Council's activity that IA have assessed as needing to be audited. The Plan is broken down by Corporate Audits, then by Service Director (as they are treated as the main client for each piece of work). The information for each audit covers: -
- (1) The key risks involved in that area;
  - (2) The level of risk associated with the subject, as assessed by IA;
  - (3) The type of audit, setting out any direct links with the Council Strategy and Corporate Risk Register.
  - (4) Date last reviewed;
  - (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.
- 5.8 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 i.e. Executive Directors, Service Directors, 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 are reviewed 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 (including the annual reports from External Audit) are considered.
- 5.9 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;
  - (2) Complexity/scale of system and processes / volume and value of transactions;
  - (3) Fraud and corruption – e.g. the risk of fraud or corruption occurring;
  - (4) Inherent risk – e.g. degree of change/instability/confidentiality of information;
  - (5) IA knowledge of the control environment based on previous audit work.
- 5.10 The work of IA forms the basis of the annual opinion given by the Audit Manager on the Council's governance, risk management and internal control framework. The work of IA is regulated by the PSIAS; these set out the standards and methods that should be applied in carrying out audit work. At an operational level there is an Audit Manual which sets out in detail how work is to be undertaken, recorded, quality controlled and managed.

5.11 There are a number of key elements to the audit process that ensure the output 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, where appropriate, 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 supervised/reviewed and signed off at key stages of the process, this is to ensure the scoping is appropriate and to check the accuracy, completeness and quality of the work undertaken (as per the Audit Manual standards);
- (4) An external review of the IA team is required every five years to ensure the team complies with the professional practices of Internal Audit as stated in the PSIAS.

5.12 The work produced by IA is designed to identify and provide remedial action for weaknesses in the governance, risk management and internal control frameworks. Weaknesses that are identified are categorised according to their severity (fundamental, significant, moderate, and minor).

5.13 Taken together, the above provides a sound basis for the Audit Manager to provide an annual opinion on the Council's governance, risk management and internal control frameworks.

5.14 The Audit Team consists of five staff; the Audit Manager, a Principal Auditor, two Senior Auditors and one Auditor post.

5.15 The Audit Team has a performance target to achieve at least 80% of the agreed work programme for the year. In-year updates are provided to senior officers and Committee, with a detailed year end analysis of work undertaken compared with planned which is included in the Internal Audit Annual Report.

### **Audit Work Plans for 2024/25**

5.16 Appendix C sets out the proposed work plan for Internal Audit. The plan over the three-year period shows the level of resource is approximately in line with the number of days in the planned programme of work.

5.17 Good practice as stated in CIPFA's Fighting Fraud and Corruption Locally requires an Annual Anti-Fraud Work Plan to be prepared which links to the Audit Plan. A draft Fraud Plan is attached at Appendix D.

5.18 The PSIAS require IA to have a Quality Assurance and Improvement Programme. Section 5.10 of this report sets out the overarching approach to quality assurance. An ongoing self-assessment has identified one area for improvement, which is set out in an Improvement Plan at Appendix E.

## Proposals

- (a) That the Governance Committee approve the planned work programme for IA, and the Audit Charter.

## 6 Other Options Considered

None, the Public Sector Internal Audit Standards (PSIAS) require the Council's Audit Plan and Audit Charter to be approved by the Governance Committee.

## 7 Conclusion

This report sets out the proposed work for IA over the next three years. In order for an informed decision to be made regarding the work programme, this report sets out the role of IA together with supporting information explaining how the plan is compiled.

## 8 Appendices

- 8.1 Appendix A – Internal Audit Charter;
- 8.2 Appendix B - Internal Audit Reporting Protocol;
- 8.3 Appendix C - Internal Audit Plan 2024 to 2027;
- 8.4 Appendix D - Anti-Fraud Work Plan 2024/25;
- 8.5 Appendix E - Improvement Plan 2024/25.

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### Officer details:

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## AUDIT CHARTER

### 1 Definition and Purpose of Internal Audit

- 1.1 The Public Sector Internal Audit Standards (PSIAS) 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
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- 1.2 Compliance with the PSIAS is mandatory for Internal Audit in local government. Internal Audit within a local authority is a statutory function as outlined in the Accounts and Audit Regulations 2015, which require each local authority to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper practices.
- 1.3 The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

### 2 Scope of Internal Audit Work

- 2.1 The scope of Internal Audit activities encompasses, but is not limited to, objective examination of evidence for the purpose of providing independent assessments to the Governance Committee and management, on the adequacy and effectiveness of governance, risk management and control processes for the Council. Internal Audit assessments cover the following:-
- Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.
  - The level of compliance with procedures, policies, regulations and legislation.
  - The results of operations and programmes are consistent with established goals and objectives.
  - Operations and programmes have been established to enable compliance with policies, procedures, laws and regulations.
  - A review of the value for money processes, systems and units within the Authority.
  - Information and the means used to identify, measure, analyse and classify and report such information are reliable and have integrity.
  - Resources and assets are acquired economically, used efficiently, and appropriately protected.

- 2.2 Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.
- 2.3 The existence of an Internal Audit function does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted efficiently, effectively and securely within the Council.

### **3 Other Types of Audit Work**

- 3.1 Internal Audit is responsible for developing and promoting the requirements of an Anti-Fraud and Corruption Strategy, and as such have ownership of the Council's Anti-Fraud and Corruption Policy. The Internal Audit team provide training to both members and officers to promote awareness of fraud and the Council's Anti-Fraud Policy.
- 3.2 As required under the Council's Anti-Fraud and Corruption Policy, Whistleblowing Policy, Financial Rules and HR Disciplinary Procedures, Internal Audit should be notified of any suspected cases of fraud/corruption. Internal Audit will be responsible for carrying out any investigations into such cases as deemed appropriate after consultation with the Council's S151 Officer (Executive Director - Resources) and Monitoring Officer (Service Director - Strategic Support).
- 3.3 Internal Audit may carry out work of an advisory nature (consultancy work), where their expertise in control and risk mitigation has been requested by a service/client. The nature and scope of such work is intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility for the overall design and implementation. Examples include counsel, advice, facilitation and training.

### **4 Core Principles and Professional Practices of Internal Auditing**

- 4.1 The Core Principles, taken as a whole, articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively:-
- Demonstrates integrity.
  - Demonstrates competence and due professional care.
  - Is objective and free from undue influence (independent).
  - Aligns with the strategies, objectives, and risks of the organisation.



- Is appropriately positioned and adequately resourced.
  - Demonstrates quality and continuous improvement.
  - Communicates effectively.
  - Provides risk-based assurance.
  - Is insightful, proactive, and future-focused.
  - Promotes organisational improvement.
- 4.2 Internal auditors in UK public sector organisations must conform to the Code of Ethics set out in the PSIAS. If individual internal auditors have membership of another professional body then he or she must also comply with the relevant requirements of that organisation.
- 4.3 Internal auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's *Seven Principles of Public Life*.
- 4.4 The Internal Audit team will govern itself by ensuring adherence to the requirements of the PSIAS. The Audit team will regularly confirm compliance with the standards in reports to senior management and the Governance Committee, and include a statement to this effect in each audit engagement report issued.

### **5 Authority**

- 5.1 Internal Audit reports to the Service Director, Strategy and Governance. However, Internal Audit is also accountable to the Governance Committee (the "Board" in PSIAS terms) for the delivery of assurance in relation to the Council's system of internal control.
- 5.2 The Audit Manager is the designated Chief Audit Executive in PSIAS terms. The Audit Manager reports functionally to the Governance Committee and has a direct reporting line to the Service Director, Strategy and Governance who is the Council's Monitoring Officer and is a full member of the Council's senior management team, Corporate Board.
- 5.3 To establish, maintain, and assure that the Council's Internal Audit Team has sufficient authority to fulfil its duties the Governance Committee will:-
- a) Approve the Internal Audit Charter;
  - b) Approve the risk-based internal audit plan and level of resources;
  - c) Receive communications from the Audit Manager on the Internal Audit team's performance compared to the plan and any other related matters;
  - d) Make appropriate inquiries of management and the Audit Manager to determine whether there is inappropriate scope or resource limitations relating to audit work.

- 5.4 The Audit Manager will have direct access to the Governance Committee Chairman and the Chief Executive.
- 5.5 The Governance Committee authorises the Internal Audit team to:-
- a) Have full, free and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any audit, subject to accountability for confidentiality and safeguarding of records and information.
  - b) Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
  - c) Obtain assistance from the necessary personnel of the Council, as well as other specialised services from within or outside of the Council in order to complete the audit engagement.

### **6 Independence and Objectivity**

- 6.1 Internal Audit as a function will remain independent of the Authority's operational activities, and its auditors will undertake no operational duties. Accordingly internal auditors will not implement internal controls, develop procedures, initiate or approve transactions external to Internal Audit, or engage in any other activity that may impair their judgement. This will allow auditors to perform duties in a manner which facilitates impartial and effective professional judgements and avoids conflict of interest.
- 6.2 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.
- 6.3 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 them. Internal Audit is not responsible for the implementation of recommendations or advice provided.
- 6.4 The Audit Manager will ensure that the Internal Audit team remains free from all conditions that threaten the ability of the internal auditors to carry out their responsibilities in an unbiased manner. The Audit Manager will confirm to the Governance Committee at least annually the organisational independence of the Internal Audit team.
- 6.5 The Audit Manager will disclose to the Governance Committee any interference and related implications in determining the scope of internal audit work, carrying out the audit or reporting the results.

### **7 Reporting**

- 7.1 All audit assignments will be the subject of a formal report written by the appropriate auditor. The majority of reports will include an 'opinion' on the adequacy of controls in the area that has been audited (exceptions being Compliance Checks and Advisory Reviews).
- 7.2 A follow-up review will be undertaken where the overall opinion of a report is 'No Assurance' or 'Limited Assurance'. Where a 'Reasonable Assurance' opinion is given then a follow up may be carried out if felt necessary, by either management or Internal Audit. The follow up will 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 it is considered this is not the case.
- 7.3 Internal Audit will prepare quarterly reports for senior management and the Governance Committee regarding:-
- a) The Internal Audit team's purpose, authority and responsibility;
  - b) The Internal Audit team's plan and performance relative to the plan;
  - c) The Internal Audit team's conformance with the PSIAS;
  - d) Significant risk exposures and control issues, including fraud risks, governance issues and other issues requiring attention;
  - e) Results of audit work;
  - f) Resource requirements;
  - g) Any response from management which is considered unacceptable compared with the associated risk.

### **8 Quality Assurance and Improvement of the Internal Audit Service**

- 8.1 The Internal Audit team will maintain a quality assurance and improvement programme that covers all aspects of Internal Audit work. The programme will include an evaluation of the Internal Audit Team's conformance with the PSIAS. The programme will also assess the efficiency and effectiveness of the Internal Audit Team and identify opportunities for improvement.
- 8.2 The Audit Manager will communicate to senior management and the Governance Committee on the quality assurance and improvement programme. This will include the results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent Assessor from outside the Council.

**9 Resourcing of the Internal Audit Team**

- 9.1 The Audit Manager is responsible for ensuring that the Audit Team is adequately resourced in order to be able to provide an informed annual opinion on the Council's Internal Control framework.
- 9.2 Where the Audit Manager has concerns over the level of audit resource this is formally flagged up with senior officers and members as part of submission of the draft Audit Plan for approval and progress monitoring reports.

(Reviewed and updated April 2024)

## **Internal Audit Reporting Protocol**

### **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 main 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 set out the recipients for the above types of audit work.
- 1.4 The lead auditor for each audit as well as the Audit Manager are both responsible 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 Audit Manager.

### **2 Initiating Internal Audit work**

- 2.1 Prior to commencing an audit, contact will be made with the relevant Service Director informing them of the intention to commence the audit and ask for feedback on the timing, any observations they would like to make to inform scoping of the audit.
- 2.2 Terms of reference will be issued for planned audit reviews that set out the scope of the work to be carried out and confirm the reporting arrangements. These will be issued in draft/consulted on prior to the audit work commencing.

### **3 Reporting the results of Internal Audit work**

- 3.1 The reporting process for planned assurance work has three key stages:-  
Rough Draft Report;  
Draft Report;  
Final Report.
- 3.2 The rough draft will be issued to the relevant service manager(s) to check the factual accuracy, and to obtain their initial observations on the findings and recommendations.
- 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.

### Internal Audit Reporting Protocol

- 3.4 We treat the relevant Service Director/Unit Manager as the main client, and as such we require a response from them as to whether the recommendations are agreed or otherwise before a 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 issue is discovered which requires immediate attention, it may be necessary to issue an interim report. The Audit Manager will contact the Service Director to discuss any such issues prior to an interim report being issued. At a minimum, any such issues of concern will be raised at the point of identification.
- 3.6 If the Audit Manager considers that an issue could be a significant risk to the Council that needs flagging up, this will be immediately notified to the S151 Officer and Monitoring Officer. These officers will then consider the need for further escalation/whether an urgent meeting of the Governance Committee is required so members are notified of the issue promptly.
- 3.7 Some audit sections carry out a 'closure meeting/discussion at the end of the 'testing' stage of each audit to give initial feedback and to highlight the areas of weakness identified that will be included in the report. We do not do this as standard, 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.
- 3.8 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. We have however set out our internal targets for trying to produce a rough draft report, for corporate reviews this is six months after the audit has commenced, and for a school audit this is six weeks after the on-site visit.

#### **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 Limited Assurance or No Assurance opinions will be followed up. Audits with a Reasonable Assurance opinion may be followed up if, in the opinion of Internal Audit or management, the weaknesses identified during the audit warrant a follow up.
- 4.2 A follow-up review is usually instigated six months after the audit report was finalised, the timescale for completion will vary as it is dependent on the number of recommendations made and level of further testing required.

## **Internal Audit Reporting Protocol**

### **5 Reporting to the Governance Committee**

- 5.1 On a quarterly basis the Audit Manager will provide the Committee with a report that summarises the results of audits and follow up audits completed during the period.
- 5.2 Where a follow up is categorised as unsatisfactory a summary of the progress/issues outstanding will be provided by Internal Audit. In addition, the Service Director will normally be asked to attend the Governance Committee to outline the reasons for the failure to implement the agreed action plan and to provide plans on how they intend to improve the situation. Members of the Committee may request Internal Audit to carry out a second stage Follow-up if they require further assurance that progress has been made with taking action on the outstanding points.

### **6. Role of Portfolio Holders in the audit process**

- 6.1 Portfolio Holders are copied in on the proposed Terms of Reference for each engagement together with being copied in on the final version of the report.
- 6.2 The role of the Portfolio Holder in the audit process is to:
- 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 Service Director in considering weaknesses identified in the audit report together with the recommended actions.
  - Support the Service Director in implementing agreed action plans.
- 6.3 In order that portfolio holders can support their service when considering audit findings, and are fully informed of audit issues in a timely manner, Service Directors should share/discuss draft report findings with them. In order to ensure that this requirement is being followed Internal Audit will prompt managers of the need to do this when issuing draft reports.

(Reviewed April 2024)

## 1) Audit Assurance Reviews

<b>Client</b>	<b>Terms of reference</b>	<b>Rough Draft Report</b>	<b>Formal Draft Report</b>	<b>Final Report</b>	<b>Follow-up details</b>
<b>S151 Officer (Executive Director - Resources)</b>	All cases		Other services - where there are fundamental weaknesses identified	All cases	All cases
<b>Service Director for Strategy and Governance (Line Management for Internal Audit/Monitoring Officer)</b>	All cases		All cases for the SD's service areas Other services - where there are fundamental weaknesses identified	All cases	All cases
<b>Service / Unit Manager</b>	All cases	All cases	All cases	All cases	All cases
<b>Service Lead</b>	All cases	Only where serious issues relating to the service, i.e. fundamental weaknesses or issues of concern relating to the service manager. Such issues would normally be raised before the report is written	All cases		
<b>Service Director</b>	All cases	Only where serious issues relating to the service, i.e. 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
<b>Executive Director</b>	All cases		Where there are fundamental weaknesses in the service	All cases	All cases
<b>Chief Executive</b>	Only where the C/Ex has requested the work		Only where the C/Ex has requested the work or if there are significant issues that need to be highlighted - The Audit Manager will decide on the necessity to issue a report at this level.	Cases where there are significant issues that need to be highlighted.	Cases where there are significant issues that need to be highlighted.
<b>Service Portfolio Holder</b>	All cases		Service Director will be advised by Audit to share/discuss any less than satisfactory opinions with their portfolio holder at the draft report stage.	All cases	All cases



<b>Client</b>	<b>Terms of reference</b>	<b>Rough Draft Report</b>	<b>Formal Draft Report</b>	<b>Final Report</b>	<b>Follow-up details</b>
<b>Portfolio Holder for Internal Audit</b>	Depending on the preference of the portfolio holder.			Depending on the preference of the portfolio holder.	Depending on the preference of the portfolio holder.

## 2) Advisory/VFM Reviews

(The approach will be agreed with the client prior to commencing a review, and will 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).

<b>Client</b>	<b>Terms of Reference</b>	<b>Rough Draft Report</b>	<b>Formal Draft Report</b>	<b>Final Report</b>
Line Manager	All cases	All cases	All cases	All cases
Service Lead	All cases		All cases	All cases
Service Director	All cases		All cases	All cases
Executive Director	All cases		Cases where there are significant issues that need to be highlighted.	All cases
S151 Officer	All cases		All cases for their Directorate  Cases where there are significant issues that need to be highlighted.	All cases
Service Director – Strategy and Governance	All cases		All cases for their Dept.  Cases where there are significant issues that need to be highlighted.	All cases

Further escalation of the advisory / VFM reviews to include 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 in consultation with the Audit Manager. 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.

INTERNAL AUDIT PLAN OF WORK 2024/25 to 2026/27

Key risks to be covered

Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
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**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 (where a direct link to Council Strategy Key Themes for Improvement)
- CR Corporate Wide Risk
- OR Operational Risk
- AFW Anti Fraud Work
- KFS Key Financial System
- ACW Anti Corruption Work
- VFM Value for Money
- ADV Advisory
- EST Establishment Audit (Audit Programme of work for specific type of establishments e.g. schools, residential care homes)
- CRR - Used where the item appears on the Corporate Risk Register

**METHOD OF REVIEW - KEY**

- FR Full Risk Based Audit
- SR Short Focussed Review
- DA Data Analytics Review

		Key risks to be covered	Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Corporate Audits</b>											
<b>Audit No.</b>											
1	Mileage Claims - Compliance with Council procedures	a) Inaccurate/inappropriate claims resulting in theft/fraud	Medium		AFW	2015-16			15		15
2	Income collection - spot checks	a) Theft/Fraud	low		AFW	2014-15				10	10
3	Commercialisation Projects	a) Legality of operations not fully explored or validated b) Governance arrangements have not been clearly defined/established to monitor achievement of stated aims and objectives c) Ineffective oversight to ensure that the projects deliver as intended	Medium		CR	2019-20			15		15
4	Compilation and Monitoring of the Capital Programme	a) Capital Programme not linked to corporate priorities b) Programme progress/costs not effectively managed resulting in overspends and delayed or poor outcomes c) Ineffective project management - budgets exceeded/deadlines exceeded/outcome does not meet client needs	Medium		CR	2022-23					
5	Customer Engagement Strategy	a) The Council has not set out how it intends to improve engagement with its customers (external and internal) b) Plans to achieve the improvement in engagement are not clearly defined, measured and/or reported c) Customer satisfaction are not adequately taken into account/services do not meet customer needs or expectations	Medium		SR	NEW			10		10
6	IR35	a) Non compliance with legislation b) Inaccurate calculations could result in financial penalties and interest being incurred	Medium		OR	2022-23				15	15
7	Internal Corporate Governance - Decision Making Structure	a) Decision making not in line with legislation/good practice. b) Decision making structure not clearly set out and understood, risk of decisions not being made timely/outcomes not being recorded and communicated effectively and accurately.	High		SR	Partial Review in 2022-23	FR	20			20
8	Financial Governance	a) Governance and oversight processes have not been strengthened to reflect the increase financial risk to the organisation. b) Lack of robustness and effectiveness of Budget Board processes b) Lack of effective challenge of spending request/decisions, financial decision making, budget monitoring reports and savings achieved. c) Income targets are not achievable/not met and this is not identified and/or not challenged.	High	SRR	SR	NEW	FR	20			20
8	Risk Management	a) Non compliance with Legal requirements b) Ineffective framework for AGS reporting c) Ineffective framework for overseeing the Council's governance rules i.e. the Constitution	Medium		CR	2020-21			15		15
9	NFI Investigation work	a) fraud by employees/residents (Mandatory National Exercise the Council has to participate in)	Medium		AFW	2022-23	N/A	25	25	25	75
10	GDPR	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 public	Medium	CRR	CR	2018-19/external review 2023			15		15
11	Procurement cards	Ineffective monitoring of card usage resulting in inappropriate expenditure being incurred	Medium		AFW/SR	2019-20	SR	12			12
12	Transformation/Digitalisation Agenda	a) There isn't a clear direction/programme set out for the Council's Transformation Agenda b) Transformation Programme is not clearly set out c) Efficiency savings/customer experience improvement are not being identified/maximised c) Programme delivery is not effectively managed resulting in slippage/ aims and goals of the various projects not achieved	High		SR	2019-20	SR	15			15
13	West Berkshire Lottery	a) The scheme does not achieve the anticipated benefits b) Reputational risk if the scheme is not effectively and appropriately managed c) Ineffective planning/utilisation of funds raised	Medium		AFW/OR	2023-24	SR	8			8
14	Effectiveness of the Governance and Ethics Committee	a) The Committee does not operate in accordance with good practice (CIPFA Guidance) b) The Committee does not have adequate scope and responsibility to effectively oversee the Council's governance framework. c) The Committee is not provided with sufficient and timely information to be able to make informed decisions	Medium		CR	2019-20				10	10
15	Use of Social Media	a) The Council is unaware of its social presence and is unreactive/provides ad-hoc and inconsistent responses. b) Reputational Damage, unfavourable or confidential information released. C) Poor corporate image portrayed by employees/members.	High		CR	2023-24					
16	Business Continuity	a) Council has not clearly defined its approach to dealing with an emergency b) Service delivery impacted c) Recovery timeframes increased d) Residents may suffer financial	High	CRR	CR	2022-23				20	20
17	Community Municipal Investment Bond	a) The scheme does not achieve the anticipated benefits b) Reputational risk if the scheme is not effectively and appropriately managed c) Ineffective planning/utilisation	Medium		CR	2023-24					
<b>total</b>								<b>100</b>	<b>95</b>	<b>80</b>	<b>275</b>

Key risks to be covered			Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Resources Directorate</b>											
<b>Service Director Finance, Property and Procurement</b>											
1	Compliance with CIPFA's Financial Management Code	a) Poor/inaccurate financial planning resulting in S14 notice, b) Government Intervention c) Qualified Accounts	Medium		CR	New				15	15
2	General Ledger	a) Inaccurate information for management decisions b) Budgets exceeded c) Qualified accounts	Medium		KFS	2022-23				15	15
3	Fixed Asset Register	a) Non compliance with accounting standards b) Qualified Accounts	High		ADV	2020-21				15	15
4	IFRS 16 (Accounting for Leases)	a) Non-compliance with accounting standards b) Qualified Accounts	Medium		OR	NEW	SR	12			12
5	Budget Monitoring	a) Inaccurate Information b) poor decision making	High		CR	2021-22			15		15
6	MTFS (to incorporate Business Rates estimating and profiling)	a) Council's financial targets are not realised b) Budget pressures c) Increases in Council Tax	Medium		SR	2022-23					
7	Treasury Management	a) Inappropriate cash flow decisions - income not maximised b) Legislation/Internal policies not complied with	Medium		KFS	2021-22			15		15
8	Bank Reconciliation (cover Chaps payments)	a) Inappropriate transactions processed through the bank b) Inaccurate year end accounts c) Qualified opinion from External Auditors	Medium		OR	2017-18	SR	12			12
9	VAT	a) Non compliance with Revenues & Customs requirements - financial penalties	Medium		OR	2023-24					
10	Insurance (claims management)	a) Inappropriate assessment of uninsured losses b) Inaccurate claims record for management information c) Poor management information/Ineffective claims management	Medium		CR	2015-16	FR	15			15
11	Building Maintenance	a) Ineffective maintenance programme, b) Non compliance with legislation (internal, H&S, EU tendering policies)	Medium		OR	2021-22					
12	Asset Management Strategy/Plans	a) Non compliance with legislation, b) Ineffective management of asset portfolio	High		CR	2016-17	SR	12			12
13	Commercial Rents (excluding property investment portfolio)	a) Non compliance with legislation, b) Loss of income/increased void periods, c) Misappropriation of leases	Medium		OR	2022-23					
14	Facilities Management	a) Ineffective contract management which could result in lack of compliance with regulations b) Poor response to requests for service, resulting in staff Health and Safety issues.	Low		OR	Partial coverage 2021-22				12	12
15	Health and Safety	a) Non compliance with H&S Legislation - legal action/penalties	Low		CR	2012-13				12	12
16	Accounts Payable	a) Inappropriate/fraudulent payments b) budgets exceeded	High		KFS	2021-22			15		15
17	Accounts Receivable	a) Council's cash flow affected b) Income not maximised c) Ineffective debt management	High		KFS	2022-23				15	15
18	Income Collection/Recording Processes	a) Inaccurate processing of income - affecting cash flow decisions b) Fraud/theft c) Accounts could be qualified	Low		AFW	2016-17			15		15
19	National Non-domestic Rates	a) Non compliance with legislation/local schemes for exemptions b) Income generation/collection not maximised c) Qualified accounts	High		KFS	2023-24				15	15
20	Council Tax	a) Non compliance with legislation/local schemes for reductions b) Income generation/collection not maximised c) Accounts qualified	High		KFS	2019-20	FR	15			15
21	Council Tax Reduction Scheme	a) Non compliance with legislation/local schemes for reductions b) Income generation/collection not maximised	Medium		AFW	2019-20					
22	Housing Benefits (to include Council Tax Hardship Fund)	a) Non compliance with legislation b) Inaccurate/inappropriate payments made c) Accounts qualified d) Non compliance with Hardship Fund Grant rules/local scheme rules e) Grants inappropriately awarded/accounted for	Medium		OR	2015-16	SR	15			15
23	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	Medium		OR	2017-18	FR	15			15
24	Contract Letting/Monitoring - Care Packages	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	High		OR	partial coverage in 2017-18			15		15
25	Contract letting - Other than Care Packages	a) Non-compliance with Contract rules of Procedure b) Non compliance with EU legislation (Remedies Directive) c) Value for money not obtained	Medium		ACW/VFM	2023-24					
26	Contract monitoring - Other than Care Packages	a) Non-compliance with Contract rules of Procedure b) Contract spec not met c) Contract costs exceeded	Medium		CR	2019-20				20	20
27	Implementation of Social Value Policy	a) ineffective roll out of the policy so contracts are awarded without taking into account social value benefits b) Non compliance with Public Services (Social Value) Act 2012 and Council Policy.	Medium		SR	New			15		15
<b>Total</b>								<b>96</b>	<b>90</b>	<b>119</b>	<b>305</b>

		Key risks to be covered	Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Service Director - Strategy and Governance</b>											
1	Recruitment and Retention	a) Lack of strategic direction to meet recruitment issues b) Delays in appointing staff - disruption to service delivery c) Non compliance with employment legislation d) Employment checks not effective/adhered to	High	SRR	AFW/SR	2012-13	FR	15			15
2	Absence Management	a) Council's sickness policy not being adhered to b) Inaccurate information for performance management	Low		CR	2011-12			12		12
3	Workforce Strategy	a) Long term vision not clearly defined b) Outcomes not defined/measurable c) Strategy is not achieved and therefore impact on the Council achieving its workforce aims and objectives	High		SR	2022-23				12	12
4	Staff Performance Management Framework	a) Staff potential not maximised/not focussed on achieving Council plan outcomes of being Employer of Choice b) Council Behaviours Framework not being adhered to/managed effectively b) Poor performance not identified/not managed effectively	Medium		SR	New	FR	15			15
5	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	Medium		SR	2014-15			15		15
6	Payroll	a) Ghost employees set up b) Inaccurate payments made c) Inaccurate deductions made	High		KFS	2023-24			15		15
7	Apprenticeship Levy/Use of the Apprenticeship Service	a) Non compliance with legislation b) Budgets do not reflect the increase in costs c) Payment calculations are not correct d) Apprenticeship levy paid is not used therefore funds are lost	Low		SR	2017-18			12		12
8	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	Medium		SR	2021-22				12	12
9	Service Planning/targets and performance management	a) Service delivery expectations and targets not clearly defined and/or not measured and reported. B) Potential for intervention if services do not meet legal obligations/quality thresholds c) Reputational risk of poor service delivery/not achieving	Medium		SR	2021-22				15	15
10	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	Low		SR	2013-14					
11	Members expenses	a) Inappropriate payments, b) Over payments on budgets, c) Non compliance with legislation/policies	Medium		OR/AFW	2020-21				12	12
12	Complaints Policy	a) Ineffective policies and processes in place, b) Non compliance with policies/processes c) Customer dissatisfaction with Council Services d) Reputational damage	Medium		SR	2012-13	FR	15			15
13	Freedom of Information	a) Non compliance with legislation b) No Standard approach for dealing with requests c) Adequate records not maintained of requests/responses	Low		SR	2014-15			12		12
14	Management of the Internet/Intranet	a) Ineffective processes and procedures, b) Inappropriate information published - version control c) Poor search engine resulting in ineffective searches for information	Medium		SR	2023-24					
15	Electoral Services	a) Non compliance with legislation, b) Inappropriate entries on register, b) Incorrect payments/expenditure/charges	Medium		OR	2021-22				15	15
16	Land Charges	a) Non compliance with legislation b) Income collection processes are not effective	Medium		OR/AFW	2007-08	FR	15			15
17	Project Management Oversight - Role of Programme Group/Board (ICT investment)	a) Systems do not meet business/user needs b) Escalation of costs/time to implement c) Poor customer service experience	High		ADV	2021-22					
18	Post Implementation Reviews Oversight	a) Systems do not meet business/user needs b) Escalation of costs/time to implement	High		SR	2013-14				15	15
19	Coroner's Shared Service	a) The shared service is not effectively managed resulting in poor service quality and the Council not achieving VFM for the costs paid for the service. b) Lack of compliance with terms and conditions of the agreement and this is not identified/rectified.	Medium		OR	NEW	FR	15			15
20	Change Control Management	a) Inappropriate changes b) Changes do not meet the needs of users c) Changes not operationally effective	Medium		OR	2016-17			15		15
21	System Security - Corporate Systems access	a) Non compliance with Data Protection Act b) Unauthorised access to data b) data could be amended/destroyed/sensitive data made public	High		SR	2021-22				15	15
22	System Security - firewalls/traffic management/anti-virus software	a) Systems and data could be inappropriately accessed - data destroyed or manipulated b) Ransomware attack - no access to systems/data	High	CRR	SR	Partial 2011-12	FR	15			15
23	ICT Asset Security	a) More staff working from home - increased risk of loss of assets b) Asset records may not accurately record all assets/assets may not be accounted for c) Assets may not be stored securely	Medium	CRR	SR	2023-24					
24	Ensure continuous service (Disaster Recovery for I.T. Service)	a) Contingency plan not in place/not effective - service delivery affected	Medium		SR	2011-12	FR	15			15
25	Manage problems and incidents (help desk)	a) Interruptions to service delivery b) Staff performance adversely affected	Medium		OR	2012-13			15		15
26	Printing Service	a) Inefficient operations b) Delivery targets not met	Low		OR	2014-15				12	12
	<b>Total</b>							<b>105</b>	<b>96</b>	<b>108</b>	<b>309</b>

		Key risks to be covered	Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>People Directorate</b>											
<b>Executive Director Adult Social Care</b>											
<b>Service Director Adult Social Care</b>											
1	Better Care Fund	a) Ineffective governance/communication between parties b) Effectiveness of arrangement not monitored - objectives not achieved/budgets exceeded.	Medium		CR	2019-20			20		20
2	Assessment of Needs/Purchase of Care - (MH/LD)	a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	Medium		OR	2023-24					
3	Support for Carers (including respite care)	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	Medium		OR/AFW	2021-22				15	15
4	Resource Centres (3)	Establishment reviews - key risks - budgetary control/appropriateness of expenditure	Low		EST	2022-23		8			8
5	Residential Homes - Elderly (3)	Establishment review - key risks - budgetary control/appropriateness of expenditure	Medium		EST	2023-24				10	10
6	Assessment of needs/Purchase of care - Home Care	a) Legislation is not adhered to b) Inappropriate care packages c) Ineffective contract management/budgets could be overspent	Medium		OR	2022-23					
7	Assessment/Purchase of Care - Residential/Nursing	a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	Medium		OR	2017-18	FR	15			15
8	Shared Lives - Placements and Payments	a) Scheme not effectively managed b) Incorrect/inappropriate payments, c) Overspends on budget	Medium		OR/AFW	2021-22					
9	Personal Budgets (Direct Payments/Use of payment cards)	a) Legislation/internal procedures not adhered to b) Inappropriate care packages c) Budgets could be overspent	High		OR/AFW	2022-23					
10	Client Financial Assessments	a) Non compliance with legislation/Council's policy b) Inaccurate charges calculated c) Ineffective income collection/recovery procedures	Medium		OR	2017-18	FR	15			15
11	Residents Property (Appointeeship/Deputyship)	a) Misappropriation of client property b) Inaccurate records of level/type of property held c) Non compliance with legislation	Medium		OR/AFW	2022-23					
12	Liberty Protection Safeguards	a) Legislation not adhered to b) Assessments inaccurate c) Supervision / review of contractors performing assessments inadequate	High	CRR	OR	2020-21			15		15
13	The Three Key Offers Model	a) Care Act not adhered to b) Aims of the initiative are not being effectively managed/outcomes may not be met c) Processes are not sufficiently robust to achieve the stated aims	Medium		SR	New	FR	20			20
<b>total</b>								<b>50</b>	<b>43</b>	<b>25</b>	<b>118</b>

**Service Director - Communities and Wellbeing**

1	Public Health Joint Agreement Governance	a) Non compliance with legislation b) Ineffective joint working arrangements resulting in poor budgetary control and/or service provision	Medium		OR	2015-16	FR	15			15
2	Joint Needs Assessment/Health and Wellbeing Strategy	a) Non compliance with legislation b) Failure to deliver a programme of work to address the stated aims and goals	Medium		SR	2015-16			12		12
3	Commissioning/contract management	a) contracts are poorly managed, leading to poor performance and overspending against budgets. b) Lack of compliance with the Council's Contract Rules of Procedure and/or contracts fail to achieve value for money, leading to overspending and poor performance	Medium		SR	2023-24					
4	Leisure Centre Management	a) Non compliance with legislation, b) Ineffective contract monitoring and management c) Health and Safety risk for service users	Medium	CRR	OR	2017-18	FR	20			20
5	Museums (1)	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Low		OR/AFW	2016-17				8	8
6	Berkshire Archive Service	a) Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs	Low		OR	2008-09				10	10
7	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	Medium		OR	2023-24					
8	Libraries Income	a) Loss of stock is not reimbursed, resulting in additional expenditure b) Income collection not maximised	Low		OR/AFW	2020-21					
9	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	Low		OR/AFW	2016-17			12		12
10	Registrars Service	a) Ineffective budgetary control, b) Insufficient control of income, c) Insufficient control of assets, d) Inappropriate expenditure	Low		OR/AFW	2020-21					
<b>total</b>								<b>35</b>	<b>24</b>	<b>18</b>	<b>77</b>

		Key risks to be covered	Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Executive Director Children's Services</b>											
<b>Service Director Education and SEND</b>											
1	Secondary Schools (3)	Review of key risks - budgetary control, income collection, control of assets, school governance			EST	One audit per year		10		10	20
2	Primary Schools (60)	Review of key risks - budgetary control, income collection, control of assets, school governance			EST	Annual Programme		70	70	70	210
3	Nursery Schools (2)	Review of key risks - budgetary control, income collection, control of assets, school governance			EST	2022-23					
4	Special Schools (2)	Review of key risks - budgetary control, income collection, control of assets, school governance			EST	2022-23		8			8
5	i-College	Review key risks: Budgetary control, governance, appropriateness of expenditure, income collection procedures			EST	2020-21					
6	Family Hubs	a) Centres have not been set up in accordance with government guidelines b) governance arrangements between the Centre and key stakeholders have not been established c) Financial administration processes have not been clearly defined/established	Medium		OR	2023-24					
7	Formula funding / DSG	a) Non compliance with legislation b) Ineffective budget builds/monitoring of funds	High		OR	2009-10	FR	20			20
8	School Census	a) Submission of incorrect returns b) Inaccurate funding	low		OR	2012-13				12	12
9	Disability Support (to include short breaks/respice)	a) Non compliance with legislation b) Inappropriate packages c) Overspends on budgets	Low		OR	2015-16			12		12
10	School Admissions Policy	a) Non compliance with legislation b) Unsuitable school offers c) Invalid admissions data	Low		OR	2009-10			12		12
11	Home to School Transport Entitlement	a) Non compliance with statutory duty (to promote the use of sustainable travel and transport/make transport arrangements for all eligible children b) Mis-allocation of free transport c) Lack of policy and/or inconsistency in allocating spare transport provision to other pupils	Low		OR	2023-24					
12	Nursery Provision - Early Years Grant	Review key risks: Compliance with legislation, accurate completion of grant claims	Medium		OR	2020-21				15	15
13	Special Education Needs and Disability (SEND) Assessments	a) Not meeting requirements of the new legislation/guidance b) Expenditure may not be effectively monitored	High	CRR	OR	2022-23				15	15
14	School Library and Museum Services (Joint arrangement)	a) Contract not effectively monitored b) Service not meeting client needs c) Value for money not obtained	Low		OR	2015-16					
15	Adult Education	a) Non compliance with legislation, b) Non achievement of targets and standards, c) Overspends on budgets	Low		OR	Partially covered in 2018-19			10		10
16	Castlegate	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure	Low		OR	2018-19			8		8
17	Assessment of Need/Purchase of care - Residential	a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets	Medium		OR	2008-09			15		15
18	Personal Budgets/Direct Payments	a) Legislation/internal procedures not adhered to b) Inappropriate care packages c) Budgets could be overspent	High		OR/AFW	2019-20	FR	15			15
20	Offsite Activities - review of external provision of service	a) Non compliance with legislation, b) Poor risk assessment c) Inappropriate activities undertaken	Low		OR	2005-06			10		10
<b>total</b>								<b>123</b>	<b>137</b>	<b>122</b>	<b>382</b>



Key risks to be covered			Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Service Director Children's Social Care</b>											
1	Assessment & collection of client contributions	a) Non compliance with legislation, b) Incorrect assessments, c) Contributions not being requested	Low		OR	2022-23					
2	Adoption - Recruitment, Placement and Allowances (Shared Service Arrangement)	a) Non compliance with legislation, b) Ineffective procedures to monitor the shared arrangement	Medium		OR	2021-22					
3	Guardianship/Residence Orders	a) Non compliance with legislation, b) Incorrect/inappropriate payments, c) Overspends on budget	Medium		OR	2017/18			15		15
4	Payment of Carers (foster carers)	a) Non compliance with legislation, b) Incorrect/inappropriate payments, c) Overspends on budget	Medium		OR/AFW	2021-22				15	15
5	S17 - Payment of Support Costs/Allowances	a) Non compliance with legislation, b) Incorrect/inappropriate payments, c) Overspends on budget	Medium		OR	2015-16	SR	12			12
6	Child Care Lawyers (joint arrangement with Berkshire Authorities)	a) Incorrect submission of charges to WB, b) Ineffective communication with Children's services, c) Cases wrongly undertaken by WB, d) Costs incorrectly supported	Low		OR	2023-24					
7	Unaccompanied Children - Asylum Seekers	a) Non compliance with legislation, b) Asylum seekers/care leavers are not adequately supported, c) Inadequate financial controls re payment of allowances/fraud.	Medium		OR	2018-19				15	15
8	Supporting 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	Medium		OR	2020-21	N/A	12	12	12	36
9	Initial Referral framework, management and oversight	a) Referral criteria not clearly defined/ does not meet legislative/statutory guidance requirements b) Risk Assessment tools are not clearly defined/shared with partner safeguarding organisations c) Children at risk may not be identified consistently/children in need cases may escalate to child protection cases.	Medium		CR	NEW	FR	20			20
<b>total</b>								<b>44</b>	<b>27</b>	<b>42</b>	<b>113</b>

	Key risks to be covered	Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Place Directorate</b>										
<b>Service Director Development and Regulation</b>										
<b>Public Protection Partnership (From April 2022 - Bracknell Forest and West Berkshire)</b>										
1	Contract Management/Governance	a) Ineffective governance - Non compliance with terms of the joint arrangement b) ineffective monitoring of quality of service provision and costs	Medium	OR	2018-19	FR	15			15
2	Health and Safety/Trading Standards	a) Not meeting statutory obligations b) Poor service delivery/customer dissatisfaction	Low	OR	2013-14			10		10
3	Licensing	a) Not meeting statutory obligations b) Poor service delivery/customer dissatisfaction	Medium	OR	2020-21				15	15
4	Civil Contingencies Joint Arrangement	a) Non compliance with Civil Contingencies Legislation b) Ineffective Governance of the Joint Arrangement	Medium	CRR	CR	2023-24				
5	Development Management	a) Planning Legislation is not adhered to b) Government targets are not met c) Corruption d) Income is not maximised	Medium		AFW/ACW	2023-24				
6	Building Control	a) Non compliance with Regulations b) ineffective monitoring of quality of service provision and costs	Medium	OR	2019-20				15	15
7	Enforcement	a) Planning Legislation is not adhered to b) Management information is not up-to-date/accurate	Low	OR	2010-11				10	10
8	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	High	OR	2019-20			15		15
9	S106 Obligations	a) Planning Legislation is not adhered to b) Council's Planning Policy is not followed c) Ineffective monitoring of planning obligations	Medium	OR	2019-20			15		15
10	Common Housing Register	a) Legislation is not adhered to b) Housing not offered to those in greatest need c) Register not effectively administered	Medium	OR/AFW	2021-22					
11	Homelessness Prevention/Management	a) Legislation not adhered to b) Accommodation is not obtained promptly/cost effectively c) Housing debts not appropriately managed	High	OR	2023-24					
12	Purchase and Utilisation of Council Properties	a) Purchase and use of Council's own properties for Housing needs is not monitored/reviewed to ensure business case objectives have been met b) Value for	Medium	OR	2020-21					
13	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	Medium	OR/AFW	2015-16	FR	15			15
14	Economic Development	a) Lack of strategic direction b) Plans/targets not clearly set out to meet objectives c) Poor communication across the district d) Grants not effectively managed	Medium	SR	New			15		15
15	Housing Resettlement Schemes/grants	a) Lack of strategic direction on plans to meet central government funding requirements b) Grants not utilised in accordance with legislation/Council procedures c) Poor record keeping to support grant utilisation/achievement of targets	Medium	OR	New	FR	15			15
<b>Total</b>							<b>45</b>	<b>55</b>	<b>40</b>	<b>140</b>

		Key risks to be covered	Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Service Director - Environment</b>											
1	Environment Strategy/Delivery Plan	a) The Council may not achieve its environment/green aims and objectives if it has not set out a strategy and associated plan on how to achieve them b) Governance arrangements have not been clearly defined/established to manage achievement of stated aims and objectives c) Performance measures are not SMART and/or not set for all objectives to help ensure the objectives are achieved	High	SRR	SR	2022-23				15	15
2	Structural Maintenance / Engineering	a) Non compliance with legislation, b) Ineffective maintenance programme	Low		OR	2012-13					
3	Major Road Repairs (Projects)	a) Projects/schemes targets not met, b) Non compliance with internal policies, plans	Low		OR	Not audited				12	12
4	Traffic Management	a) Projects/schemes targets not met, b) Non compliance with internal policies, plans	Low		OR	2013-14					
5	Highway Term Contract (excluding major road projects/including Street lighting)	a) Non compliance with H&S legislation, b) Poor performance is not identified/rectified c) Costs are not monitored/VFM is not achieved	Medium		OR	2019-20	FR	20			20
6	Home to School Transport / CRB checks	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 b) Ineffective utilisation of transport capacity/route planning	Medium		OR	2022-23					
7	Street Works/Traffic Regulation Orders/Section 38 Charges	a) Legislation not adhered to b) Income not maximised c) Misappropriation of funds	Medium		OR/AFW/ACW	2022-23					
8	Concessionary Fares / Bus Passes	a) Fraud/theft, b) Non compliance with regulations	Medium		OR/AFW	2020-21					
9	Parking	a) Non compliance with legislation, b) Loss of income c) Fraud/theft	High		OR/AFW	2021-22			15		15
10	Fleet Management	a) inefficient or inappropriate use of vehicles b) Ineffective contract management c) health and safety issues re roadworthiness of vehicles	Medium		OR	2023-24					
11	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 ) Income collection procedures are not robust resulting in fraud/loss of income	Medium		OR/AFW	2017-18	FR	15			15
12	Waste Management and disposal PFI	a) Ineffective contract management resulting in increased costs/service quality issues b) Recycling initiatives not being met	High		SR	2021-22				15	15
13	Grounds Maintenance Contract	a) Contract specification is not met b) Inappropriate/inaccurate payments could be made	High		OR	2020-21			15		15
15	Sports Pitch Hire	a) Income levels not maximised b) Income records inadequate c) Income is lost/stolen	Low		AFW	2020-21(risk assessment only)					
	<b>total</b>							<b>35</b>	<b>30</b>	<b>42</b>	<b>107</b>

Key risks to be covered

		Risk Assessment Category	Appears on Corporate Risk Register	Audit Type	Date last audited	Method of Review	2024-25	2025-26	2026-27	TOTAL Est. Days 2024-2027
<b>Other audit work (non service specific)</b>										
1	Preparation of the audit plan/school visit						15	15	15	45
2	Monitoring the audit plan/school visit programme						12	12	12	36
3	Assurance Mapping						2	2	2	6
4	Annual Grant Sign off Work						15	15	15	45
5	F&G Group/Reports for Governance Committee						12	12	12	36
6	Audit Follow-ups						20	20	20	60
7	Audit Advice						15	15	15	45
8	School advice						10	10	10	30
9	SFVS Monitoring						5	5	5	15
10	External Professional Liaison						5	5	5	15
11	Fraud and related training courses						5	5	5	15
	<b>Total</b>						<b>116</b>	<b>116</b>	<b>116</b>	<b>348</b>
	Contingencies						45	45	45	135
	<b>Total</b>						<b>45</b>	<b>45</b>	<b>45</b>	<b>135</b>
	<b>Planned Audit Days</b>						<b>794</b>	<b>758</b>	<b>757</b>	<b>2309</b>
	<b>Actual Staff Days Available</b>						<b>769</b>	<b>769</b>	<b>769</b>	<b>2307</b>

**Anti-Fraud Work Plan**

**(Drawn together from entries in the Audit Plan for 2024/25)**

<b><u>Audit Name</u></b>	<b><u>Work Focus</u></b>
National Fraud Initiative (NFI) Investigation Work	Review of data matches to assess whether fraudulent.
Procurement Cards	Check that cards are issued and used in accordance with the Council's Policy/Procedures, focussing on potential for inappropriate/fraudulent use.
The People's Lottery	Check that there is a contract in place with the lottery service provider, and that it is effectively managed, in order to reduce the risk of reputational damage and funds being misappropriated/inappropriately used.
Personal Budgets (Direct Payments/Use of payment cards) (Education Service)	Personal Budgets may be used inappropriately/fraudulent documentation could be provided for expenditure incurred.
Council Tax Hardship Fund	Check that grant applications have been appropriately checked/vetted and that grants have been awarded accurately/appropriately.
Disabled Facilities Grants	Check that grants awarded in accordance with legislation/Council procedures, that inappropriate payments have not been made.

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**Internal Audit Improvement Plan (2024/25)**

<b><u>Area for Improvement</u></b>	<b><u>Action Taken/Required</u></b>	<b><u>Measure/Timeframe</u></b>
1) Assess the scope of each audit to see if the use of some form of data analytics would be the preferred approach and/or a useful addition.	Identified as an area for improvement over last two years. We have made some progress with assessing where data analytics may be helpful/support an audit, we need to get into the routine of regularly assessing this as part of our planning/scoping of an audit.	Ongoing.

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# Revised Whistleblowing Policy and Procedure

<b>Committee considering report:</b>	Governance Committee
<b>Date of Committee:</b>	16 <sup>th</sup> July 2024
<b>Portfolio Member:</b>	Councillor Iain Cottingham
<b>Report Author:</b>	Julie Gillhespey (Audit Manager)
<b>Forward Plan Ref:</b>	G4552

## 1 Purpose of the Report

- 1.1 The Council’s Whistleblowing Policy required updating to reflect change in service ownership from HR to Internal Audit, as well as to include reference to whistleblowing concerns that may be raised external to the Council.
- 1.2 The Terms of Reference for the Governance Committee state the Committee’s role is to have oversight of fraud risk and how it is being managed, this therefore includes review and approval of the Council’s policies and procedures relating to the management of fraud.

## 2 Recommendation

Governance Committee to discuss and approve the content of the revised policy.

Implication	Commentary
<b>Financial:</b>	None
<b>Human Resource:</b>	None
<b>Legal:</b>	None
<b>Risk Management:</b>	For the policy to be effective, the Council’s approach to risk management needs to continue to develop and strengthen awareness of and response to fraud risks.
<b>Property:</b>	None

<b>Policy:</b>	None			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Environmental Impact:</b>		X		
<b>Health Impact:</b>		X		
<b>ICT Impact:</b>		X		
<b>Digital Services Impact:</b>		X		
<b>Council Strategy Priorities:</b>		X		
<b>Core Business:</b>		X		

<b>Data Impact:</b>		X		
<b>Consultation and Engagement:</b>	Governance and Finance Group.			

### 3 Executive Summary

- 3.1 The Council’s policy covering Whistleblowing was last reviewed in 2021. It was agreed last year that ownership of the policy would better sit with Internal Audit. The rationale being that Internal Audit were the owning service of other fraud related policies, and the service often responsible for undertaking investigations as a result of a whistleblowing concern being raised.
- 3.2 The focus of the previous version of the policy and procedure was on internally raised whistleblowing issues, it has been identified that the policy would benefit from inclusion of information on how to raise and manage concerns raised externally.
- 3.3 The review also resulted in a streamlining of previous content as there was an element of duplication and lack of clarity around some processes.

### 4 Supporting Information

#### Introduction/Background

- 4.1 The Council’s policy covering Whistleblowing was last reviewed in 2021. It was agreed last year that ownership of the policy would better sit within Internal Audit rather than HR, as they are the owning service of other fraud related policies, and the service often responsible for undertaking investigations as a result of a whistleblowing issue being received. Also, Internal Audit provide the Council’s training on fraud awareness and whistleblowing.
- 4.2 A full review of the policy was undertaken to add content on how an external whistleblower can raise concerns with the Council, and guidance for managers on how this should be recorded and managed. New sections relating to this are 1.3 to 1.5 of the policy, as well as new content added to the Whistleblowing Disclosure Form (Appendix A to the Policy).
- 4.3 As part of the review there was a streamlining of content, removal of duplication and adding clarity of stages/processes to assist managers who may be the first point of contact when a concern is raised.

#### Proposals

- 4.4 Governance Committee review and approve the revised policy and procedure.
- 4.5 We note that the awareness and effectiveness of the policy also requires ongoing internal promotion as part of fraud risk awareness in the Council’s approach to risk

## Revised Whistleblowing Policy and Procedure

management. Internal Audit have also hosted annual fraud awareness and whistleblowing training for staff and Members to regularly promote awareness.

### 5 Other options considered

Not applicable, the revised policy requires discussion/approval.

### 6 Conclusion

- 6.1 The Council's Whistleblowing Policy has been revised to include reference to issues being raised external to the Council, streamline the overall content, and change ownership for HR to Internal Audit.

### 7 Appendices

- 7.1 Appendix A – Whistleblowing Policy and Procedure.

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#### Subject to Call-In:

Yes:  No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

#### Officer details:

Name: Julie Gillhespey  
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# Whistleblowing Policy and Procedure

## Document Control

<b>Document Ref:</b>	HRDCRC002	<b>Date Created:</b>	Aug 2013
<b>Version:</b>	5	<b>Date Modified:</b>	December 2023
<b>Revision due</b>	December 2026		
<b>Author:</b>	Julie Gillhespey	<b>Sign &amp; Date:</b>	
<b>Owning Service</b>	Internal Audit (Strategy and Governance)		
<b>Equality Impact Assessment: (EIA)</b>	Date undertaken:	N/A	
	Issues (if any):		

## Change History

Version	Date	Description
1	September 2006	New Policy
2	August 2013	Revised version following amendments arising from the Enterprise and Regulatory Reform Bill 2013
3	December 2019	Note added referring to structure arrangements in HR.
4	July 2021	New HR Service Lead details added
5	December 2023	General review of content but also to reflect ownership has moved to Internal Audit. Content also amended to include reference to external sources of whistleblowing.



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## 1. Purpose

1.1 It is important to the Council that any fraud, misconduct or wrongdoing by employees, workers, members or volunteers of the Council, or by those providing services on behalf of the Council is reported and properly dealt with.

1.2 The Public Interest Disclosure Act (PIDA) enables individuals to raise concerns where they have a reasonable belief that:

- A criminal offence;
- A miscarriage of justice;
- An act creating a risk to health and safety;
- A breach of other legal obligation;
- Damage to the environment;
- Concealment of any of the above;

is being, has been or is likely to be committed, and it is in the public interest to disclose it, without fear of dismissal, victimisation or detriment. This policy and procedure set out how such concerns should be raised and managed within the Council.

1.3 PIDA protects employees who make a whistleblowing disclosure from harassment or victimisation as long as when making a disclosure they believe they are acting in the public interest. If the matter only affects the individual, then it is not a disclosure covered by PIDA. However, it is likely to be covered by one of the other Council policies listed below:-

- Individual employee's work related issues – Grievance Procedure;
- Concerns regarding member conduct – Members Code of Conduct;
- Concerns about Council service provision – Complaints Policy and Procedure;
- Concerns regarding safety of vulnerable adults or children – Safeguarding Policy and Procedure.

1.4 Whistleblowing usually refers to issues being raised internally by members of staff who have become aware of a potential wrongdoing. There may however, be occasions where a member of the public has a concern about a possible wrongdoing involving a Council employee/contractor/volunteer and wishes to report it. Members of the public can contact the Council using this Policy to report any serious concerns or disclosures over wrongdoing.

1.5 Where this policy refers to a "whistleblower", it refers to both internal and external disclosures. Unlike disclosures made by employees, PIDA does not provide legal protection for disclosures made by members of the public. However, the Council will take reasonable and appropriate action to protect the anonymity of members of the public when they make a disclosure.

## 2. Applicability

This Policy applies to:

- 2.1 All employees working for the Council, except those working in schools, as schools should have their own whistleblowing policy or formally agreed to adopt the Council's.
- 2.2 Other persons including elected members, consultants, agency staff, volunteers and contractors working for the Council, external organisations working with or providing services on behalf of the Council.

- 2.3 For the purposes of this policy and procedure those specified in 2.1 and 2.2 will be referred to collectively as 'workers'.
- 2.4 This Policy and Procedure is in addition to/supports the Council's Anti-Fraud and Corruption Policy, Anti-Bribery Policy and Anti Money Laundering Policy (published on the Council's Intranet and Internet), copies also available from the Council's Internal Audit Team.

### **3. Roles and Responsibilities**

- 3.1 The overall responsibility and ownership of this policy and procedure within the Council rests with the Chief Executive.
- 3.2 The Audit Manager has overall responsibility for the maintenance and operation of this policy and procedure.
- 3.3 It is the responsibility of each worker to familiarise themselves with and adhere to this Policy. It is the responsibility of managers to ensure that volunteers/agency workers/ contractors and partner organisations are made aware of the existence of this policy and procedure (as part of inductions/contract terms and conditions etc).

### **4. Policy**

- 4.1 The Council is committed to the highest standards of openness, probity and accountability.
- 4.2 The Council encourages all employees, members and volunteers to be aware of the importance of preventing and eliminating wrong-doing at work, and to raise serious concerns using the procedure set out in this document.
- 4.3 The Council will ensure these concerns are taken seriously and investigated thoroughly, promptly and confidentially, and that appropriate remedial action is taken.
- 4.4 The Council will protect workers who, based on a reasonable belief, raise concerns under this procedure from dismissal, victimisation or detriment because they have made a disclosure.

### **5. Types of Concerns Covered by this Policy**

- 5.1 As a worker you may be the first to realise that there may be something seriously wrong taking place/about to take place. It may be tempting to do nothing as you may feel that voicing your concerns would appear disloyal to colleagues or the Council. You may also be afraid that it may lead to repercussions against yourself. However, it is important that you raise your concerns promptly so that the Council can take action to rectify them and that the risk of adverse outcomes is minimised.
- 5.2 Concerns covered by the Public Interest Disclosure Act are listed in section 1.2 above, and may be something that makes you feel uncomfortable in terms of something that:
- Is against the law;
  - Puts someone at risk;
  - Breaches the Council's standards, policies or procedures;
  - Is against the Council's Rules of Procedure, or policies and procedures;
  - Falls below established standards of practice;
  - Amounts to improper conduct.



## **6. How are You Protected when Raising a Concern?**

- 6.1 The Council will not dismiss you because you have raised a concern under this procedure, and will protect you against victimisation or other detriment, so long as you have a reasonable belief that the wrong-doing is being, has been, or is likely to be committed, and it is in the public interest to disclose it. The information that you give should be true to the best of your knowledge, information and belief.
- 6.2 You are not expected to investigate the concern yourself, just to be able to explain the reasons for your concern. It is not necessary for a worker to have proof/evidence that wrong doing is being, has been, or is likely to be committed; a reasonable belief is sufficient.
- 6.3 Any investigation into concerns of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that may already affect you.
- 6.4 The Council will keep the matter confidential as far as possible. Where an investigation confirms the allegations, workers may be required to attend hearings as witnesses.
- 6.5 Anyone (including managers and co-workers) found to subject a worker who has made a protected disclosure, to inappropriate action under a formal procedure, bullying, harassment, victimisation or detriment, may be subject to disciplinary or other appropriate action.
- 6.6 An instruction to cover up wrong doing is a disciplinary offence. Workers should report any instances in which they are told not to raise or pursue any concern, even where they are told not to by a person in authority such as a manager.

## **7. Malicious allegations**

- 7.1 Information given should be true to the best of your knowledge, information and belief. Maliciously making a false allegation is a disciplinary offence and as such would be handled under the Council's Disciplinary Procedure.

## **8. How to Raise a Concern - General**

- 8.1 Concerns may be raised verbally or in writing. In order for the issue to be fully investigated the following information is needed:
  - The background history of the concern/events that have taken place (giving relevant names, post titles and dates);
  - The reason the whistleblower is concerned about the situation.

A form is provided at **Appendix A to this document** that can be used by anyone within or outside of the Council to raise concerns, use of the form is not obligatory to raise a concern but helps the whistleblower to consider the key information that will be requested once the issue is raised.

- 8.2 Individuals raising a concern are encouraged to put their name to their allegation as anonymous allegations are much harder to investigate, especially if there is very limited information provided.

- 8.3 Where an anonymous concern is received by email, contact will be made via this route, requesting whether the person is willing to provide further details of their concerns/whether they are willing to engage in an investigation process. The email from the Council will make it clear that it may be very difficult/may not be possible to investigate an issue, if the person has given very limited information and is not willing to provide anything further.
- 8.4 Where allegations are raised anonymously, they will be considered at the discretion of the Audit Manager in consultation with at least one senior officer set out in Section 10.5. Decisions taken not to investigate, together with the reasons why, will be fully recorded.
- 8.5 Where a person asks to remain anonymous, the Council will aim to respect this request, but cannot guarantee that it will be able to do so once an investigation is instigated, especially if the issue needs to be reported externally, for example to the police.
- 8.6 Where the Chief Executive is the subject of the allegation, the allegation will be considered by the Audit Manager in consultation with the Leader of the Council.

### **Raising a Concern (Within the Council)**

- 8.7 Workers should initially report concerns to their line manager, or where they are concerned that their manager is involved in the wrong-doing, to their manager's manager, or via the whistleblowing helpline as specified in section 9. below.
- 8.8 Similarly, non-employees (e.g. agency workers or contractors) should raise a concern in the first instance with their main contact within the Council, which is usually the person to whom they directly report.
- 8.9 A worker may request that the meetings are held away from his/her normal place of work. Where possible you should agree with the worker where the meeting will be held. They also have the right to be accompanied at meetings by a trade union representative or work colleague.
- 8.10 Managers should not ignore anonymous disclosures but seek advice from the Audit Manager in such cases.

### **Raising a Concern Externally (e.g. Members of the Public)**

- 8.11 Contact details for reporting a concern are set out in the next section.
- 8.12 For any external concerns received by any other officer/manager within the Council, they should then notify the Audit Manager of all such cases as soon as possible so that they can be dealt with in a timely manner.

## **9. Whistleblowing Help Line**

- 9.1 Where a worker has concerns but is unsure whether to raise them, or where he/she believes that senior management is involved in the wrong doing, he/she should seek advice from the Council's Audit Manager.
- 9.2 The Audit Manager should be notified of all externally raised issues that may need to be treated under this Whistleblowing Policy/Procedure.

9.3 The Council's Internal Audit Team is responsible for investigating any whistleblowing complaints/concerns received by the Council. Any such issues can be raised with the Council by email (Whistleblowing@westberks.gov.uk), or telephone (direct line number 01635 519455).

## **10. Procedure for Dealing with Concerns**

10.1 The manager who was initially made aware of the concern will hold a meeting with the worker as soon as possible to acknowledge the concern has been raised and clarify the details, with the aim for this to take place within 10 working days of the concern being raised with them.

10.2 Where the matter can be resolved simply, for example where there has been a misunderstanding or misinterpretation of an event, the manager will explain this to the employee, check that the employee is satisfied that the matter is resolved and keep a record of the outcome. The manager should make a full record of the issue raised, how it was resolved and when the issue was discussed/clarified with the worker.

10.3 Where the manager believes the matter should be taken further, or is not clear if this may be required, he/she should seek advice from the Audit Manager within 10 working days of being made aware of the issue by the worker, who will advise on the next stages.

10.4 The Audit Manager will assess the potential seriousness of the issue that has been raised with them, whether it falls within the Council's Whistleblowing Policy or should be dealt with under another more appropriate route, and determine who is best placed to investigate the matter e.g. the Internal Audit Team.

10.5 The Audit Manager will notify one or more of the senior managers listed below about the matter (depending on the nature of the allegation), and liaise with them on how to proceed with investigating the concern:

- Chief Executive
- Monitoring Officer (Service Director Strategy and Governance)
- S151 Officer (Executive Director, Resources)
- HR Service Lead

10.6 Within 10 working days of the Audit Manager being notified of a concern, he/she will contact the person who raised the query to:

- Clarify information provided/Request further information where applicable;
- Mention how it is proposed to deal with the matter/whether further investigation will take place, and if not, why this is;
- If the whistleblower is a worker, inform them of staff support mechanisms.

10.7 No-one implicated in the allegations will be involved in conducting the investigation, and if urgent action is required this will be taken before a formal investigation is instigated.

10.8 Where investigation confirms that wrong-doing has occurred the worker may be required to attend hearings to give evidence.

10.9 The process for dealing with external concerns will follow the same stages as set out in 10.4 to 10.6 above.

## **11. Recording and Monitoring Concerns Raised**

- 11.1 The Audit Manager will maintain a log of all allegations of wrongdoing that are raised with them, and be responsible for monitoring progress/outcomes of all investigations instigated under this whistleblowing Policy/Procedure.
- 11.2 The Audit Manager, in consultation with relevant senior officers set out in section 10.5 will determine whether the issue needs to be reported externally:-
- referred to the police;
  - form the subject of an independent inquiry;
  - referred to a regulatory agency;
  - referred to a government department.
- 11.3 Where a manager has referred an issue to the Audit Manager, and it has been agreed further investigation is required, the Audit Manager will, subject to any legal constraints, update the manager of the outcome of any investigation.
- 11.4 The whistleblower will also be informed of the outcome of the investigation and any action that will be taken as a result, subject to any legal constraints.

## **12 Taking the Matter Further**

- 12.1 Where the whistleblower who raised the concern is not satisfied with the action that has been taken, he/she should contact the Audit Manager setting out why they believe this is the case. The Audit Manager will consider what, if any, further action is required, seeking advice from those listed in 10.5 above as appropriate. The whistleblower will be notified of how the matter will be taken forward.
- 12.2 If a whistleblower is still not satisfied, he/she has the option to report the matter to a relevant external body/authority. The legislation sets out a number of bodies to which qualifying disclosures may be made. These include:
- HM Revenues and Customs
  - The Financial Services Authority
  - The Office of Fair Trading
  - The Health and Safety Executive
  - The Environment Agency
  - The Director of Public Prosecutions
  - The Serious Fraud Office

You should make sure you do not disclose sensitive personal information about an individual/individuals, or sensitive business information. If in doubt you should contact the whistleblowing help line (section 9).

## **13 Failure to Comply with the Council's Whistleblowing Policy and Procedure**

- 13.1 Workers are expected to report concerns. For some categories of employees failing to report a concern may be failing in their professional duty and be in breach of legislation; this may result in disciplinary action being taken.

## **14 Ensuring Remedial Action is Taken**

- 14.1 The Audit Manager in consultation with one of the senior managers set out in 10.5 will identify the relevant manager(s) who will be responsible for ensuring that any remedial action deemed necessary is implemented. This may include reporting the matter to an appropriate government department, regulatory agency and/or the police.

**Appendix A**

**Whistleblowing Disclosure Form**

This form is intended for use by any individual working for the Council (including elected members, contractors, agency workers and volunteers) and members of the public who wish to raise an issue about serious wrong-doing. You must have a reasonable belief in any allegations that you make, and raising the issue must be deemed to be made in the public interest.

This form is intended to be used to report wrong-doing within the organisation (for example, financial irregularities or health and safety concerns), rather than to raise a personal grievance. There are occasions where an issue is raised which may fall under both the Council's Whistleblowing Policy and Grievance Policy, if, after reading both of these policies you are unclear as to which applies, the Audit Manager will be able to advise.

Once you have submitted this form, the Council's Whistleblowing Procedure will be invoked. This will result in an investigation, which will not involve anyone (for example, your line manager) you may have implicated in the details provided below.

In certain circumstances, you can request that your complaint is kept anonymous. Where possible, the Council will respect such a request, but cannot guarantee that it will be able to do so once an investigation is instigated.

**For Workers** - This form should be completed and sent to your line manager/manager's manager or the Audit Manager by email stating "confidential" in the subject line.

**For Issues Raised Externally** - This form should be sent to the Council's Audit Manager (contact details set out in 10.5).

<b>Name of person raising the concern (not a mandatory requirement but will assist with any investigation)</b>	
<b>In what capacity you have become aware of the issue – (worker/member/contractor/volunteer/member of the public)</b>	
<b>If an employee - post title/service</b>	
<b>Date concern submitted</b>	
<b>If an employee concern, does it relate to your line manager?</b>	Yes/No

**Please Set out Details of the Potential Wrongdoing you Wish to Raise**

Please set out the details of the issue that you wish to raise, providing examples where possible, particularly dates, times, locations of events and the identities of those involved. You may attach additional sheets if required.

**Please Set Out How you Consider Raising the Issue is in the Public Interest**

**Declaration (for workers)**

I confirm that the above statements are true to the best of my knowledge, information and belief. I understand that, if I knowingly make false allegations, this may result in the Council taking disciplinary action against me.

**Form completed by (not a mandatory requirement)**

**For completion by the Council**

Date form received by the Council

Name of recipient/post title

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# Annual Governance Statement 2023-24

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<b>Committee considering report:</b>	Governance Committee
<b>Date of Committee:</b>	16 July 2024
<b>Portfolio Member:</b>	Councillor Iain Cottingham
<b>Report Author:</b>	Joseph Holmes – Executive Director (Resources)
<b>Forward Plan Ref:</b>	G4564

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## 1 Purpose of the Report

- 1.1 The report sets out the Annual Governance Statement (AGS) for the Council for 2023-24 for approval. The AGS summarises the key governance issues for the Council and the action plan to address these. The AGS is required to be approved by those charged with governance, the Governance Committee at West Berkshire, under the Accounts and Audit Regulations 2015.
- 1.2 The AGS will form part of the Council's financial statements and will be considered by the Council's external auditors, KPMG as part of their annual audit for 2023-24. The Government have brought forward the deadline for the production of the financial statements for the previous financial year (2022-23) to 31<sup>st</sup> May and this deadline now remains for the current year. This document has been included in the draft financial statements though can be amended as part of the revisions to the financial statements during the KPMG external audit. The AGS will form part of the final financial statements for approval by the Governance committee upon receipt of the external audit of the 2023-24 financial statements.

## 2 Recommendation

- 2.1 For the Governance Committee to approve the AGS.

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	None directly

<b>Human Resource:</b>	None directly			
<b>Legal:</b>	This report is a requirement that it must be considered by the Governance Committee under the accounts and audit regulations 2015.			
<b>Risk Management:</b>	See the main report detailing the action plan to mitigate overall risks raised in the AGS			
<b>Property:</b>	None directly			
<b>Policy:</b>	None directly			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Environmental Impact:</b>		X		
<b>Health Impact:</b>		X		



<b>ICT Impact:</b>		X		
<b>Digital Services Impact:</b>		X		
<b>Council Strategy Priorities:</b>		X		The AGS supports the Council Strategy through focussing on areas to help improve its delivery
<b>Core Business:</b>	X			The AGS focusses on areas that can improve core business
<b>Data Impact:</b>		X		
<b>Consultation and Engagement:</b>	The Council’s Finance and Governance Group, Corporate Board and the portfolio holders with responsibility for finance and governance.			

## 4 Executive Summary

- 4.1 The Annual Governance Statement (AGS) is a core document that sets out the Council’s governance arrangements and a review of their effectiveness. The AGS must be reviewed and approved by the Governance Committee annually and is published with the financial statements.
- 4.2 The review for 2023-24 has highlighted four key areas to include in the AGS with an accompanying action plan:
1. Financial resilience (remaining from 2022-23)
  2. Delivering the better value in Special Educational Needs and Disability services programme
  3. Delivery and expansion of the Transformation programme
  4. Embedding Senior Management structures to provide clear and consistent direction and stewardship for the organisation
- 4.3 The above have been identified as areas where progress needs to be made during the forthcoming year to enhance the Council’s governance processes and continue to deliver Best Value. These four key areas have been informed by the experience of the previous year, the Corporate Risk register, key items highlighted by internal and external auditors and significant external reviews e.g. the Local Government Association peer review and Care Quality Commission Review.

## 5 Supporting Information

### Introduction

5.2 This report outlines the purpose of the Annual Governance Statement (AGS) and explains how the necessary assurance to support the AGS has been obtained. This should enable the Committee to make an informed judgement as to the effectiveness of the process that the Council has followed in conducting the annual review of the system of internal control within the Council.

### Background

5.3 The AGS is designed to provide stakeholders of the Council with assurance that the Council has operated within the law and that the Council has met the requirements of the Accounts and Audit Regulations:

“The Council shall conduct a review at least once in a year of the effectiveness of its system of internal control”.

5.4 A copy of the AGS for 2023-24 is attached to this report, for review, at Appendix A.

5.5 The Council relies on a number of sources of information to carry out the review of the system of internal control and effectiveness. These include:

- Service risk registers and the Corporate Risk Register (that is presented to the Committee bi-annually)
- The Internal Audit Manager’s annual report
- Reports from external regulators, e.g. OFSTED, Care Quality Commission, Grant Thornton and KPMG (the Council’s former and current External Auditor), the LGA (peer review process).

5.6 This evidence provides the assurance that enables the Leader and Chief Executive to sign the AGS with confidence.

5.7 A key element of the review of the system of internal control is the identification of any weaknesses or risks in the system, along with recommendations to mitigate such issues. Then in the subsequent year a further report is made on progress with implementing agreed recommendations.

5.8 The Annual Governance Statement for 2022-23 outlined the following issues of focus, and the below includes some commentary on progress against these in the 2023-24 financial year:

Item from 2022-23	Progress during 2023-24	Included in the 2023-24 AGS

<p><b>Financial resilience</b> – ensuring adequate levels of reserves, the achievability of savings, and the identification of further savings in light of a very high savings requirement and very high inflation for the 2022-23 financial year.</p>	<p><i>The financial resilience of the Council has continued to deteriorate during 2023-24. The year end financial statements show a reduced General Fund balance of £3m. The Revenue Budget approved for 2024-25 shows an increase to this balance of £1.9m with the MTFS showing further increases to the General Fund.</i></p> <p><i>This remains as the most significant governance risk to the Council. Per reviews undertaken of Councils that have issued s114 reports, governance as a whole has been the key unifying theme<sup>1</sup>.</i></p>	<p><b>Yes</b></p>
<p><b>Staff recruitment and retention</b> – ensuring sufficient staffing levels to deliver services without a significant impact on the customer in light of national shortages in some business critical service areas. Move the focus away from agency and interim structures into a higher proportion of WBC employed staff</p>	<p>The introduction of the Financial Review Panel (FRP) in July 2023 has led to a significant reduction in the use of agency staff. The total agency costs have reduced from £12m in 2022-23 to £9.5m in 2023-24. In Children’s social care, the percentage of posts covered by agency staff has reduced from 34% in 2023 to 1x% in April 2024 through significant efforts within the service and Human Resources.</p> <p>Interim structures have been reduced with, as at June 2024.</p>	<p>No</p>
<p><b>The delivery of a Transformation programme</b> - Delivering and monitoring of a transformation programme and funding to demonstrate it meets criteria and improves services. Link to business case for each project.</p>	<p>Business cases have been developed and are starting to be deployed through the transformation programme. These include the repurposing of a former care home yielding £1m of cost avoidance and forecast savings in excess of £250k</p>	<p><b>Yes - amended</b></p>
<p><b>New governance structure</b> - the roll out, understanding and compliance with this new structure</p>	<p>The new structure has been rolled out and is being reviewed further by</p>	<p>No</p>

<sup>1</sup> <https://www.local.gov.uk/publications/research-councils-experience-finance-S114>

<p>to enable faster operational decisions to be made and support the delivery of the Council Strategy.</p>	<p>the Chief Executive in light of the LGA Peer Review. Though not fully embedded, it has brought greater clarity in decision making across the Council.</p>	
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## Proposals

5.9 In light of the issues raised during the year and after a review of effectiveness, the following **four** areas are the focus for 2024/25:

- **Financial resilience** – ensuring adequate levels of reserves, the achievability of savings, and the identification of further savings in light of a very high savings requirement and very high inflation for the 2022-23 financial year.
- **Delivering the better value in Special Educational Needs and Disability services programme<sup>2</sup>**– ensuring that the Council delivers, using the £1m Government grant, a programme to identify and reduce costs in the High Needs Block. The deficit on the High needs Block (within the Dedicated Schools Grant) has been growing in recent years and is only being kept outside of the Council’s general fund through a Government accounting adjustment.
- **The delivery of an expanded Transformation programme** - Delivering and monitoring of the core transformation programme, ensuring there is sufficient resourcing for this, and ensuring wider transformation across the Council to deliver services more efficiently and effectively. This includes a clear link to business case with demonstrable benefits for each project.
- **Embedding Senior Management structures to provide clear and consistent direction and stewardship for the organisation** – building on the appointments to the Senior Leadership Team, and ensuring there is clarity over the strategic direction of the Council and its operational priorities.

## 6 Other options considered

The production of the AGS is a requirement to be completed annually and the Council must comply with its production. The Council could opt not to complete an AGS alongside the annual financial statements though this would be in contravention of the Accounts and Audit regulations.

## 7 Conclusion

7.1 A key function of the Governance Committee is to review and approve the AGS for 2023-24 prior to it being signed off by the Chief Executive and Leader of the Council, and review the conclusion reached.

<sup>2</sup> <https://www.dbvinsend.com/participating-local-authorities>

7.2 To be able to review the AGS the Committee needs to examine the evidence, highlighted in the AGS and Code of Local Governance, that is provided to the Governance Committee as well as other committees and Council bodies.

## 8 Appendices

8.1 Appendix A – Annual Governance Statement

8.2 Appendix B – Code of Local Governance

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### Background Papers:

CIPFA/SOLACE framework <https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

LGA Peer Review – tbc

CQC inspection - tbc

### Officer details:

Name: \*(add text)  
Job Title: \*(add text)  
Tel No: \*(add text)  
E-mail: \*(add text)

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## Appendix A

### Appendix A – Annual Governance Statement

#### 1. Scope of Responsibility

- 1.1 West Berkshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. West Berkshire Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, West Berkshire Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 This Statement explains how West Berkshire Council has complied with the Code and also meets the requirements of regulation 6(1)(a) of the Accounts and Audit Regulations 2015 in relation to the review of its system of internal control in accordance with best practice, and that the review be reported in an Annual Governance Statement.

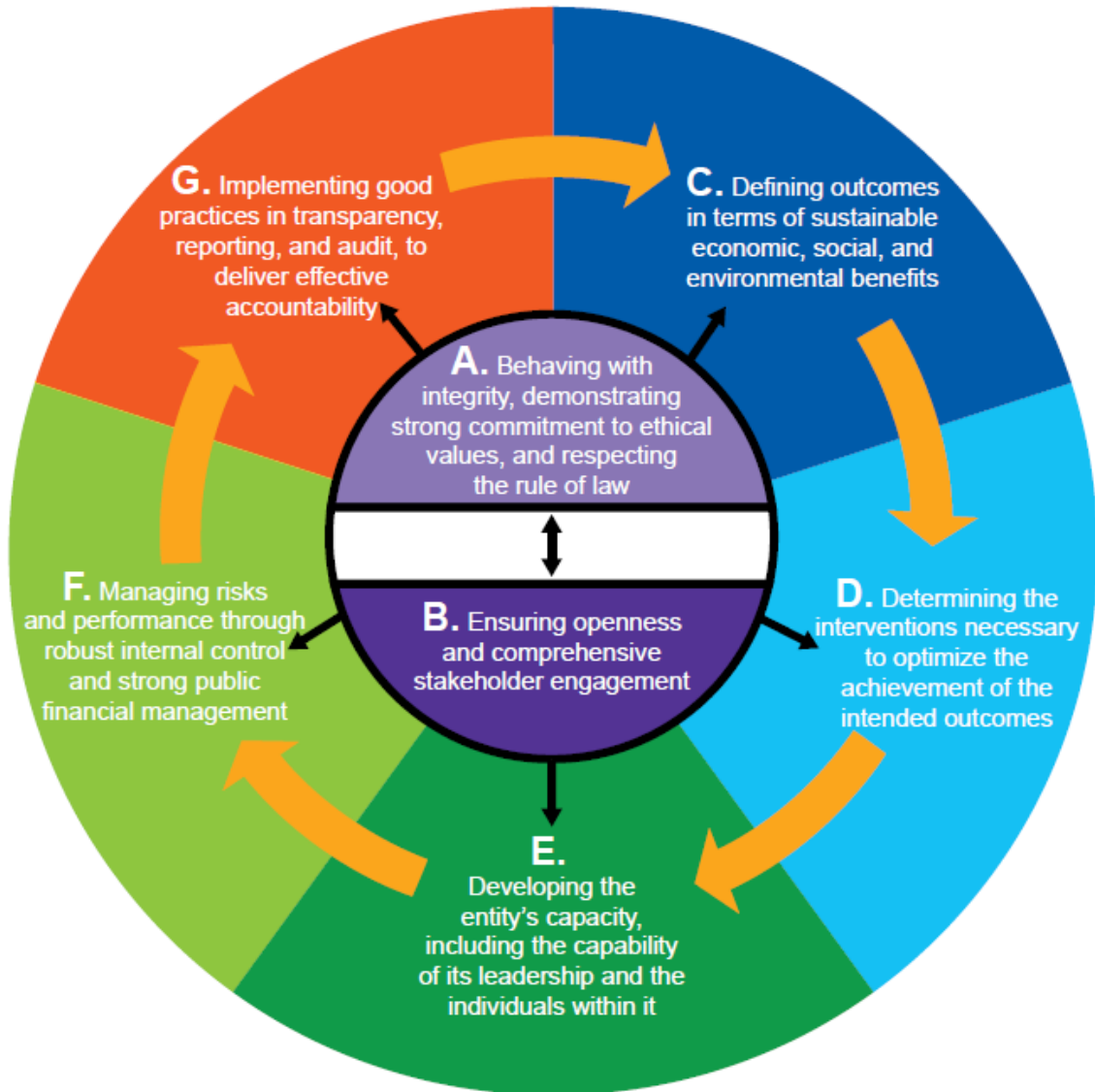
#### 2. The Purpose of the Governance Framework

- 2.1 The purpose of the governance framework is to ensure that the authority directs and controls its activities in a way that meets standards of good governance and is accountable to the community. It does this by putting in place an organisational culture and values which drive a responsible approach to the management of public resources, supported by appropriate systems and processes, and ensuring that these work effectively. It works with the Council's Performance Management Framework to ensure that the Council has in place strategic objectives reflecting the needs of the community and is monitoring the achievement of these objectives through delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of West Berkshire Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at West Berkshire Council for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts. The

Governance Committee approved a Code of Local Governance at its meeting in April 2021 which supports the framework for the compilation of the Annual Governance Statement.

### 3. The Principles of Good Governance

3.1 The CIPFA/SOLACE framework Delivering Good Governance in Local Government sets out seven core principles of good governance, these are:



### 4. Methodology for preparing the Annual Governance Statement

4.1 The Annual Governance Statement has been prepared using a process similar to that used in previous year, including;

- Review of the proposed annual Internal Audit report opinion and quarterly internal audit progress reports.
- The work of the Finance and Governance Group reviewing the Constitution on annual basis and referring changes to the Governance and Ethics Committee and Council

- The Governance Committee approves the Annual Governance Statement at the same time as the final approval of the financial statements and is signed off by the Chief Executive and Leader of the Council.
- Review of the Corporate risk Register by the Corporate Board (quarterly) and Governance Committee (twice yearly)
- Responding positively to external regulators such as OFSTED, the Information Commissioner, the Local Government Ombudsman, the Care Quality Commission (CQC) and external auditor Grant Thornton.

## 5. The Governance Framework

5.1 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements form our local code of Governance and these are underpinned by the CIPFA / SOLACE framework above and core principles of good governance which are:-

- Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managed risk.
- Developing the capacity and capability of Members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability

5.2 The Council has arrangements for managing risk in its Risk Management Strategy which was endorsed by the Governance Committee and approved by the Executive in April 2021. A revised Risk Management Strategy will come through to the Executive during 2024. During the 2023-24 financial year the Council has had both a LGA peer review and a Care Quality Commission inspection. The results of both can be found **INSERT LINK**

## Review of effectiveness

8.3 The authority has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Heads of Service / Service



Directors who have responsibility for the development and maintenance of a sound governance environment and is supported by the Corporate Programme Office. This review is articulated in the Code of Corporate Governance approved by the Governance and Ethics Committee in April 2021, and the Code of Corporate Governance has been included in appendix B.

- 8.4 It is important to reflect on the previous year's key areas for improvement and its impact on governance. The main item that has dominated the year 2023-24 has been financial sustainability. The tail end of very high levels of inflation, combined with high use of agency staff in certain service areas (especially in children's & families, adult social care homes and planning and regulation) and growing demand for services (housing, Home to School Transport and children's services) have led to a very large overspend on services of £8.7m. This has been mitigated in part through short term uses, e.g reserves, review of MRP provision and the flexible use of capital receipts, but has still meant an overspend of £3.1m. This means that the Council's general fund reserve has reduced to £4.1m which is far below the minimum level set of £7m. There has been significant investment in services for 2024-25. For example, over £12m has been added for social care costs, and the budget overall does forecast an increase in reserves of £1.9m. Though this will still mean a general fund reserve below the minimum recommended, it is showing reserves heading in the right direction. This item has been retained within the AGS due to the forecast lower levels of financial reserves that the Council holds for unforeseen financial events, and so the greatest risk of requiring exceptional financial support from Central Government.
- 8.5 During 2023-24 the Council has been included in the Department for Education's 'delivering better value' (DBV) programme for Special Education Needs and Disability services. This national programme has three tranches, with West Berkshire in tranche 3. Any Council in this programme has been highlighted as having a significant deficit on the High Needs Block element of the Dedicated Schools Grant and that this needs to be reduced. At present, an accounting treatment exists to 2025-26 whereby the deficit is not a cost of the Council. Once this treatments ends, and with the deficit as it stands, the Council would very likely be issued with a s114 notice and effective bankruptcy. Therefore, through the DBV programme and the accompanying funding provided by Central Government, the Council must consolidate a plan to reduce the deficit in the future and minimise any financial risk to the local taxpayer.
- 8.6 The transformation programme has been articulated and delivery has commenced against this. The AGS includes a revised action around this agenda to highlight the need for inclusion of other programmes in the Council, especially in overspending services in Adult's social care, children's social care and education to reduce expenditure and increase cost control. Therefore, the action has been included to have greater oversight of delivery in these areas to increase effectiveness, economy and efficiency. The LGA peer review also highlighted the need for the Senior Leadership Team to provide greater clarity of direction and stewardship and this has been included in the AGS as it is so intrinsic to good governance.
- 8.7 The issue of timeliness of external audit certification of the financial statements has not been included for the AGS for 22-23 but may well be for 2023-24. At the time of writing, the 2020-21 financial statements audit was completed but the previous external auditor, Grant Thornton wrote to the Council in early 2024 to set out that they would not complete the audit of the 2021-22 and 2022-23 accounts. GT will therefore 'disclaim' the Council's

accounts, though the Council has made it clear that this needs to be on a ‘no fault’ basis from the Council, especially as West Berkshire was one of a minority of Councils to produce our 2022-23 financial statements on time and have them issued in the public domain by the 31<sup>st</sup> May 2023.

8.8 The Government’s decision to bring forward the completion deadline for Council’s for the production of financial statements to the 31<sup>st</sup> May (but leave a four month plus period for external audit to complete their audit) is unlikely to help the position in the short term and that condenses more audit work into a short period, as well as increasing the pressures on local government finance teams to complete the financial statements in line with Government deadlines.

**7. Key Governance areas for improvement**

7.1 The Council faces a number of issues and areas of significant change that will require consideration and action as appropriate over the coming years and these are:

Issue	Detail	Action	Owner / Date
Financial Resilience	Ensuring adequate levels of reserves, the achievability of savings, and the identification of further savings in light of a very high savings requirement and very high inflation for the previous financial years.	Monthly monitoring of 2024-25 savings proposals Quarterly reporting to the Executive and Scrutiny commission In year star chamber process for any overspending services	Executive Director (Resources) – February 2025
<b>Delivering the better value in Special Educational Needs and Disability services programme</b>	ensuring that the Council delivers, using the £1m Government grant, a programme to identify and reduce costs in the High Needs Block. The deficit on the High needs Block (within the Dedicated Schools Grant) has been growing in recent years and is only being kept outside of the Council’s general fud through a Government accounting adjustment.	Comprehensive and costed plan to deliver reducing High Needs Block overspends	Executive Director (People – CFS) – March 2025

<p><b>The delivery of an expanded Transformation programme</b></p>	<p>Delivering and monitoring of the core transformation programme, ensuring there is sufficient resourcing for this, and ensuring wider transformation across the Council to deliver services more efficiently and effectively. This includes a clear link to business case with demonstrable benefits for each project.</p>	<p>Identification and deliver of transformation schemes included in the current year and next year's budget proposals</p>	<p>Service Director (Transformation)</p>
<p><b>Embedding Senior Management structures to provide clear and consistent direction and stewardship for the organisation</b></p>	<p>building on the appointments to the Senior Leadership Team, and ensuring there is clarity over the strategic direction of the Council and its operational priorities.</p>	<p>Deliver the actions included in the Local Government Association Peer Review <b>INSERT LINK WHEN AVAILABLE</b></p>	<p>Chief Executive</p>

**8. Assurance Summary**

- 8.1 Good governance is about operating properly. It is the means by which the Council shows that it is taking decision for the good of its residents, in fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the effective delivery of good quality services that meet the needs of the users. It is fundamental to demonstrating that public money is well spent. Without good governance, the Council would find it difficult to operate services successfully.
- 8.2 The Internal Audit Opinion for 2023/24 is that the Council's framework of governance, risk management and management control is 'reasonable' and that audit testing carried out during the year has demonstrated controls to be working in practice. The assessments contained within this document highlight that there are effective arrangements in place to deliver good governance but that four key areas are highlighted to further improve our governance.
- 8.3 We propose, over the coming year, to take steps to help address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

**Leader of the Council**

Date: 31<sup>st</sup> May 2024

**Chief Executive**

Date: 31<sup>st</sup> May 2024

## Code of Local Governance - Appendix B

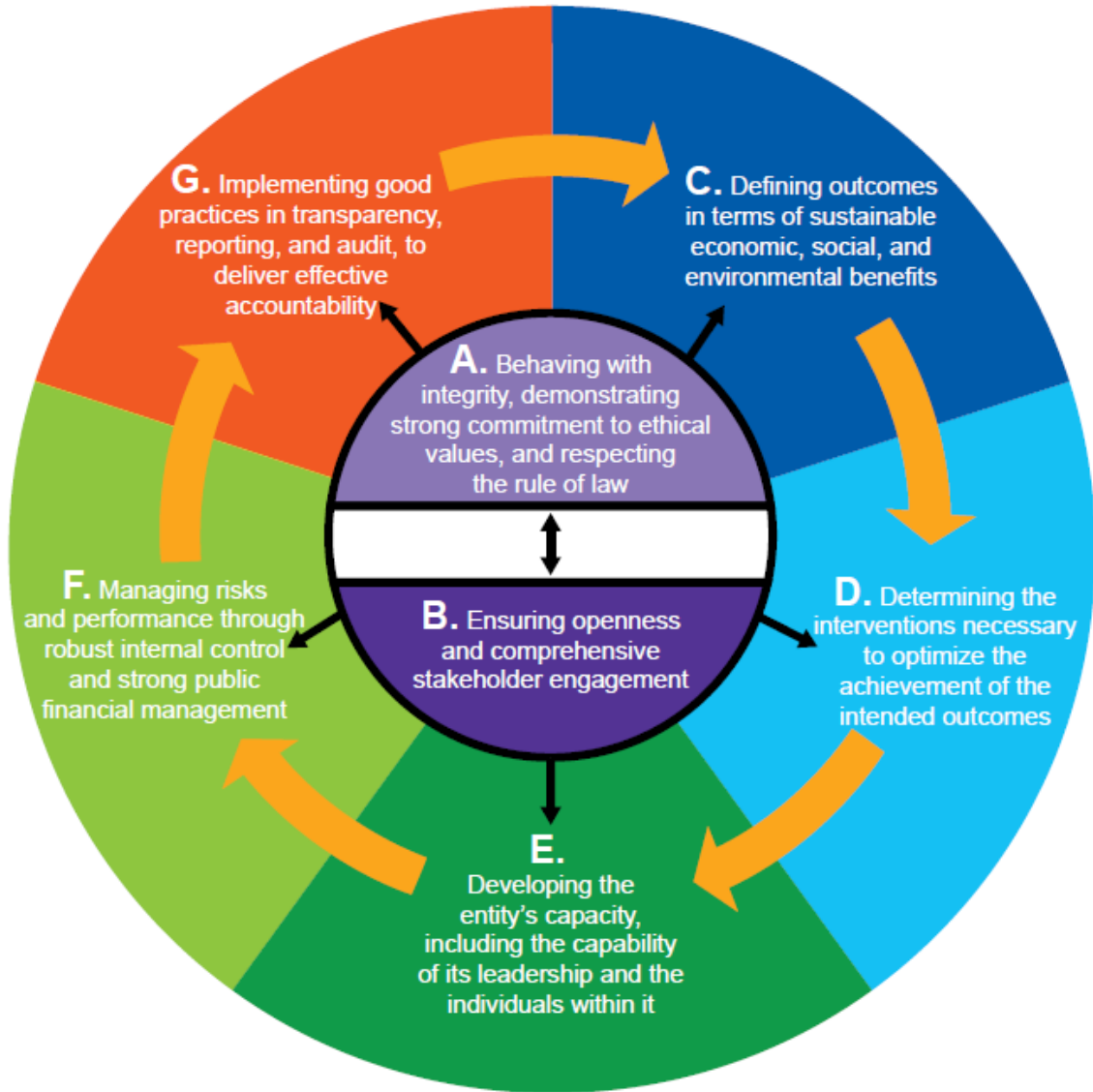
### 1. Executive Summary

- 1.1 Governance is about how the Council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises systems, processes, cultures and values by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads the community. The Leader of the Council and Chief Executive have a special relationship role as custodians of the Council's governance arrangement, but good governance is also the responsibility of all Members and Officers.
- 1.2 The Chartered Institute of Public Finance and Accountancy, ("CIPFA") and the Society of Local Authority Chief Executives ("SOLACE") have published a framework document for Corporate Governance in Local Government, April 2016. The Council is committed to the principles of good corporate governance through the adoption and maintenance of a Local Code of Corporate Governance, as recommended by the CIPFA/SOLACE Framework.
- 1.3 This Local Code of Corporate Governance therefore sets out and describes the West Berkshire Council's commitment to corporate governance and identifies arrangements that will ensure its effective implementation and application in all aspects of the Council's work. This Local Code of Corporate Governance will be reviewed by the Statutory Officers through the Finance and Governance Group annually.

### 2. Supporting Information

#### Background

- 2.1 The Council should have an overarching code of corporate governance, and for West Berkshire this is based on the CIPFA/SOLACE framework. The framework "Delivering Good Governance in Local Government" sets out seven core principles of good governance, these are:



### 3 The Governance Framework

3.1 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements form our local code of Governance and these are underpinned by the CIPFA / SOLACE framework above and core principles of good governance which are:-

- Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

- Taking informed and transparent decisions which are subject to effective scrutiny and managed risk.
  - Developing the capacity and capability of Members and officers to be effective.
  - Engaging with local people and other stakeholders to ensure robust public accountability
- 3.2 The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of the Executive, portfolio holders, each committee and Members and officers. The Council has approved a protocol governing relationships between Members and Officers as part of its Constitution and has adopted codes of conduct for both Officers and Members which facilitate the promotion, communication and embedding of proper standards of behaviour. Officers have job descriptions and there are clearly defined schemes of delegation, all of which are reviewed from time to time.
- 3.3 The Council's Constitution incorporates clear guidelines to ensure that business is dealt with in an open manner except in circumstances when issues should be kept confidential. Meetings are open to the public except where personal or confidential matters are being discussed. All Executive /committee agendas, minutes and portfolio holder decisions are published promptly on the Council's website. In addition, senior officers of the Council can make decisions under delegated authority. The over-arching policy of the Council is decided by the full Council.
- 3.4 The Overview and Scrutiny Management Committee and Governance and Ethics Committee hold Portfolio Holders to account for delivery of the Council's policy framework within the agreed budget, and protocols are in place for any departure from this to be properly examined.
- 3.5 The Council engages with its communities through a number of channels, including consultation events, surveys and campaigns relating to specific initiatives.
- 3.6 The Council Strategy is supplemented by more detailed information on the key projects and programmes of work that the authority will be delivering during the year – with actions to achieve priority outcomes set out in service plans. More detailed service plans are drawn up by teams across the Council, with objectives set for individual members of staff through the annual appraisal process. This process also looks at the development and training needs of staff, with a programme of training then put in place to meet these needs.
- 3.7 Progress against the Council Strategy outcomes and budgets is monitored regularly by the Corporate Board and Portfolio Holders. The Overview and Scrutiny Commission receives regular reports focusing on delivery of key projects and programmes of work and drawing attention to other areas where progress is exceeding, or falling short of targets. Portfolio Holders also monitor progress of delivery, especially through the Corporate Programme Board.

- 3.8 The Council has an officer Strategic Leadership Team (Corporate Board) to monitor financial performance, service performance, the progress of key corporate projects and risk management and to oversee the implementation of recommendations from Internal Audit reports.
- 3.9 The Council publishes an Annual Financial Report (the Statement of Accounts) annually within the statutory timescales. The Annual Financial Report incorporates the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.
- 3.10 The Council is subject to independent audit by Grant Thornton and receives an Annual Audit Letter reporting on findings. The Council supplements this work with its own internal audit function and ad hoc external peer reviews. The Governance & Ethics Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.
- 3.11 The Council has arrangements for managing risk in its Risk Management Policy.

## 4 Review of effectiveness

- 4.1 The authority has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Service Directors/Heads of Service who have responsibility for the development and maintenance of a sound governance environment.
- 4.2 Staff awareness training has been undertaken to ensure that the Council complies adequately with the provisions of the General Data Protection Regulation (GDPR) and Freedom of Information Acts, and Equality requirements.
- 4.3 The Council has appointed the Executive Director (Resources) as the Section 151 officer with the statutory responsibility for the proper administration of the Council's financial affairs. CIPFA/SOLACE advises that the S151 officer should report directly to the Chief Executive and be a member of the 'Leadership Team', of equal status to other members. The Executive Director (Resources) is a member of the Executive Leadership Team.
- 4.4 The Council has appointed the Service Director (Strategy & Governance) as the statutory "Monitoring Officer" and has procedures to ensure that the Monitoring Officer is aware of any issues which may have legal implications.
- 4.5 All Executive reports are reviewed by the S151 and Monitoring Officer. All reports to Executive are required to demonstrate how the subject matter links to the Council Strategy and highlight resource implications. Officers are also asked to draw out risk, equality, environmental, management and legal issues as appropriate. Similar procedures are in place for the other Council Committees.



- 4.6 The Council has whistle-blowing and anti-fraud and corruption policies. It has a formal complaints procedure and seeks to address and learn from complaints. The Council's Governance Committee deals with complaints relating to the conduct of Members.
- 4.7 Members' induction training is undertaken after each election. Members also receive regular updates and training on developments in local government.
- 4.8 Key roles in maintaining and reviewing the effectiveness is undertaken by:

**The Council** is collectively responsible for the governance of the Council and the full Council is responsible for agreeing the Constitution, policy framework and budget. Manages risk in making operational and governance decisions together with proposing and implementing the policy framework, budget and key strategies.

**The Executive** receives regular monitoring reports on revenue and capital expenditure and on key performance measures.

**Governance Committee** approves the annual audit plan, monitors the internal control environment through receipt of audit reports and the AGS, and keeps an overview of arrangements for risk management. It also approves this Statement and the Statement of Accounts.

**External Audit** external audit is provided by Grant Thornton. Whilst the external auditors are not required to form an opinion on the effectiveness of the Council's risk and control procedures, their work does give a degree of assurance following the annual audit of the Council's financial accounts.

**Internal Audit** The internal audit team provide the Council with an internal audit service which includes the Council's entire control environment. The Internal Audit Manager takes account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving the Council's objectives.

The Internal Audit Plan is based on the Risk Register and identifies Internal Audit's contribution to the review of the effectiveness of the control environment. The process includes reports to the Governance Committee on progress of audits. Regular summaries are also produced of the outcome of each audit, together with reviews of whether agreed recommendations have been implemented. Internal Audit provides an annual opinion on the internal control environment and issues that should be included in the AGS

There is a requirement for internal audit to undertake an annual self-assessment and independent external assessment every five year. Any areas of non-conformance must be reported as part of their annual report and opinion. In the light of feedback we have concluded that internal audit is an effective part of the Council's governance arrangements.

## 5 Proposals

- 5.1 To achieve and maintain good governance, the Council will seek to apply each of the six core principles above, along with their supporting principles, in the following way:

Principle	Evidence
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<ul style="list-style-type: none"> <li>• Members code of conduct</li> <li>• WBC values</li> <li>• Role of monitoring officer</li> <li>• Council policies e.g. anti-fraud</li> </ul>
Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> <li>• New Consultation and Engagement strategy</li> <li>• Providing clear decision making process</li> <li>• Review of the Constitution</li> <li>• Consultation process with key stakeholders</li> <li>• Openness of Council meetings</li> <li>• Access to information</li> </ul>
Defining outcomes in terms of sustainable economic, social, and environmental benefits	<ul style="list-style-type: none"> <li>• Health &amp; Wellbeing Strategy</li> <li>• Council Strategy</li> <li>• Support strategies and delivery plans e.g. Environment Strategy, Economic Development Strategy</li> </ul>
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> <li>• Regularly quarterly reporting on key strategies e.g. performance reporting</li> <li>• Corporate Programme Board and regularly monitoring and management of overall list of projects</li> <li>• Ensuring strong link between Council Strategy and the Medium Term Financial Strategy (MTFS)</li> </ul>
Developing the entity's capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> <li>• Recent Senior Management Review</li> <li>• Performance management system</li> <li>• Leadership and Management development through the Workforce Strategy</li> </ul>

<p>Managing risks and performance through robust internal control and strong public financial management</p>	<ul style="list-style-type: none"> <li>• Robust quarterly monitoring of performance, finance and strategic risk register</li> <li>• Public scrutiny of the above at Executive, Overview &amp; Scrutiny Management Commission and the Governance &amp; Ethics Committee</li> <li>• Annual review and approval of financial statements and progress reporting on action plans</li> <li>• Role of internal and external audit</li> </ul>
<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> <li>• Review of constitution</li> <li>• Internal audit reporting to Governance on a regular basis and an annual report from the Internal Audit manager</li> <li>• Implementing the outcome of the Redmond Review (to G&amp;E Committee in Feb. 2021)</li> <li>• Committee reports containing clear sections on consultation / risk management</li> <li>• Annual report from the Governance Committee to Full Council</li> <li>• Annual monitoring officer report to Full Council</li> </ul>

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# Governance Committee annual report – 2023-24

<b>Committee considering report:</b>	Council
<b>Date of Committee:</b>	18 July 2024
<b>Portfolio Member:</b>	Councillor Iain Cottingham
<b>Report Author:</b>	Joseph Holmes (Executive Director, Resources)
<b>Forward Plan Ref:</b>	C4574

## 1 Purpose of the Report

This report is an annual summary of the activities of the Governance Committee for the 2023-24 municipal year. The report is intended for Full Council to provide a summary of key areas that the Committee has considered during the Municipal Year 2023-24 as well as some of the actions and changes that have occurred due to the Committee’s activities.

## 2 Recommendation

For Full Council to note the report

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	None identified
<b>Human Resource:</b>	None identified
<b>Legal:</b>	None identified
<b>Risk Management:</b>	None identified
<b>Property:</b>	None identified
<b>Policy:</b>	None identified

	Positive	Neutral	Negative	Commentary
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		No decisions required in the paper
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Environmental Impact:</b>		X		None identified
<b>Health Impact:</b>		X		None identified
<b>ICT Impact:</b>		X		None identified
<b>Digital Services Impact:</b>		X		None identified
<b>Council Strategy Priorities:</b>		X		None identified
<b>Core Business:</b>		X		None identified
<b>Data Impact:</b>		X		None identified
<b>Consultation and Engagement:</b>	Corporate Board; finance governance group.			

## 4 Executive Summary

- 4.1 This report is an annual summary of the activities of the Governance Committee for 2023-24. The report is for Full Council to provide a summary of key areas that the Committee has considered during the Municipal Year 2023-24 as well as some of the actions and changes that have occurred due to the Committee’s activities. A key area of concern was the work of the Council’s external auditors during the year leading to the likely, at the time of writing, disclaimer opinion from Grant Thornton (the Council’s external auditor) for the 2021-22 and 2022-23 financial years, as well as the consequential impact on delays to the 2023-24 external audit work (to be completed by the Council’s new external auditors KPMG).
- 4.2 As well as the summary included in the supporting information below, the Committee also has oversight of Standards issues and this report needs to be read in conjunction with the Monitoring Officer’s report for 2023-24.
- 4.3 Members also had training on key areas of the remit of the Committee during the Municipal Year.

## 5 Supporting Information

### Introduction

- 5.1 The summary below highlights the key items that have come to the Committee over the previous year and what action was taken as a result of these. The summary is of the themes and individual reports highlighted alongside commentary on the action taken

### Summary Table of activities for 2023-24

Theme	Summary of reports	Actions
Internal Audit	<p>The committee received the annual report for 2022-23 and has received updates quarterly during 2023-24. The overall conclusion has been ‘reasonable assurance’ can be given for 2022-23 and that during 2023-24 there have been a range of audit opinions with the majority providing satisfactory levels of assurance.</p> <p>The Council commissioned an external assessment of its internal audit function (completed by CIPFA). This concluded that the Council ‘fully conformed’ with the internal audit requirements and the committee congratulated the internal audit team on this work.</p>	<p>Reports were noted and the external assessment results praised.</p>

<p>Financial Statements and External Audit</p>	<p>The committee approved the financial statements for 2020-21 in September following the completion of Grant Thornton’s work for that financial year.</p> <p>The committee has not received a report from grant Thornton (the Council’s external auditors until the audit year 2022-23) on their completed audit. The Committee were informed that Grant Thornton would not complete their 2021-22 work nor start the 2022-23 audit. The Government have consulted on ‘disclaiming’ all incomplete audits up until 31.3.2023. The committee was very concerned by this situation and asked a range of questions about why it had occurred.</p> <p>The committee received a report on preparations for the 2023-24 financial statements preparations. This was on the back of the Council being one of 30% of Councils nationally producing their financial statements on time for 2022-23.</p>	<p>The committee approved the financial statements for 2020-21</p> <p>The committee made a variety of recommendations, including seeking to gain assurance around the future audit contractual arrangements, writing to Grant Thornton (GT) expressing the committee frustrations and seeking assurance on the ‘non fault’ disclaimer opinion, and ensuring that the new external auditors were aware of GT’s work.</p>
<p>Value for Money work – External Audit</p>	<p>The committee received a formal letter from the Grant Thornton about their concerns over financial sustainability. The committee discussed this at length to gain assurance over remedial actions that the Council was taking.</p> <p>The Committee received a report of the External Auditor’s (Grant Thornton) work on Value for Money for 2021-22 and 2022-23. The auditor’s judgement highlighted one significant weakness on financial sustainability in respect of its low levels of reserves, with no significant weaknesses for governance</p>	<p>The committee noted the report</p>



	or improving economy, efficiency and effectiveness.	
Treasury Management	The committee received the mid-year report and the strategy report for the year ahead to consider. The committee asked a range of questions around the Council’s arrangements.	The committee debated the paper
Risk Management	The committee received bi-annual updates and for the first time in many years, included a part I paper on risk management progress with an updated ‘heat-map’ of risks. Members asked a range of questions around ‘de-escalation’ and management risk effectively.	The committee debated the paper
CIPFA Financial Management Code	The committee considered management’s self-assessment against the CIPFA financial management code and noted that this will be used by KPMG (the Council’s new external auditors) as part of their assessment of the Council.	The committee debated the paper
Constitution updates	The committee considered amendments to the Joint Public Protection Committee	The committee reviewed and approved the paper to Full Council
Annual Governance Statement (AGS)	The committee considered the AGS for 2022-23 and noted that changes included within it and discussed timescales for some of the key actions.	The committee approved the AGS subject to the final audit of the financial statements (see above point raised with GT)

## 6 Other options considered

There is the option to have no annual report of the work of the Governance and Ethics Committee though this has been rejected on the basis that it is important there is a summary of the Committee’s work during the year.

## 7 Conclusion

- 7.1 The Committee have considered a variety of reports as well as approving reports for Full Council to consider. There has been significant input from members of the committee and the independent member to question officers and external auditors on the reports that have been presented, with a number of reports then being provided to Full Council to support the Council's governance framework. A significant amount of the committee's work was considering reports, which were very late, from the Council's external auditors and the implication that these have for the Council on Value for Money and delays, and non delivery, of the audit of the financial statements.
- 7.2 The committee was pleased to note the positive outcome of the independent assessment of the Council's internal audit team.

## 8 Appendices

None

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### Background Papers:

Governance committee papers

### Subject to Call-In:

Yes:  No:

- |   |                                     |
|---|-------------------------------------|
| The item is due to be referred to Council for final approval  | <input checked="" type="checkbox"/> |
| Delays in implementation could have serious financial implications for the Council                              | <input type="checkbox"/>            |
| Delays in implementation could compromise the Council's position  | <input type="checkbox"/>            |
| Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months | <input type="checkbox"/>            |
| Item is Urgent Key Decision   | <input type="checkbox"/>            |
| Report is to note only  | <input checked="" type="checkbox"/> |

**Wards affected:** All

### Officer details:

Name: Joseph Holmes  
Job Title: Executive Director (Resources)  
Tel No: 01635 503540  
E-mail: Joseph.holmes1@westberks.gov.uk

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# Risk Management Q4 2023/24 Report

<b>Committee considering report:</b>	Governance Committee
<b>Date of Committee:</b>	16 July 2024
<b>Portfolio Member:</b>	Councillor Iain Cottingham
<b>Report Author:</b>	Catalin Bogos – Performance, Research and Consultation Manager

## 1 Purpose of the Report

- 1.1 To highlight the corporate risks (as at the end of March 2024) that need to be considered by Corporate Board and Operations Board and to outline the actions that were being taken to mitigate those risks. In particular, to note the two financial risks, maintaining the highest score (16), one of them as a result of the aggregation of financial risks from a number of services. To note two new risks escalated and three risks de-escalated from the Corporate Risk Register. Details regarding the Corporate Risks are provided in Figure 1 CRR Heat Map together with the method used to score risks for the Council which is included in Appendix C.

## 2 Recommendation

- a) That, Governance Committee, Corporate Board and Operations Board note the current (March 2024) position and actions undertaken to minimise the impact for existing 17 risks on the Corporate Risk Register (CRR), as a result of two new risks being escalated and three risks being de-escalated from the Corporate Register during the reporting period.

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	None directly, although the Corporate Risk Register highlights the source of a number of pressures.

<b>Human Resource:</b>	None directly, although the Corporate Risk Register highlights the source of a number of potential issues.			
<b>Legal:</b>	None directly, although the Corporate Risk Register highlights the source of a number of potential issues.			
<b>Risk Management:</b>	The report outlines the key risks that Corporate Board are monitoring / managing at present.			
<b>Property:</b>	None directly, although the Corporate Risk Register highlights the source of a number of potential issues.			
<b>Policy:</b>	There are no policy implications associated with this report.			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
<b>Environmental Impact:</b>		x		
<b>Health Impact:</b>		x		

<b>ICT Impact:</b>		x		
<b>Digital Services Impact:</b>		x		
<b>Council Strategy Priorities:</b>	x			Risk management activities support the delivery of the objectives relevant to the Council Strategy priorities and other business as usual areas.
<b>Core Business:</b>				n/a
<b>Data Impact:</b>		x		
<b>Consultation and Engagement:</b>	The report is based on the updated Service Risk Registers provided by Heads of Service/Service Directors. The updating of the Service Risk Registers includes a requirement that changes are discussed at the relevant Directorate Management Team meetings and approved by relevant Portfolio Holder. Corporate Management Team receives a copy of this report.			

## 4 Executive Summary

- 4.1 This report summarises a range of information relating to the Corporate Risk Register (CRR) and analyses any developments and emerging risks. It updates Corporate Board, Operations Board and the Governance Committee on key issues and actions that they should be aware of. Individual support and training had been provided for new/interim managers to update and submit their risk registers.
- 4.2 The key risks on the Corporate Risk Register relate to regulatory changes nationally (e.g. the responsibilities for Special Educational Needs and Disabilities), international context (cyber-attacks and state of the economy), plus a number of other local risks.
- 4.3 Changes to the internal and external context of the Council, progress in delivering the Council Strategy 2023-27 and actions progressed to strengthen the risk mitigation, resulted in changes to risk exposure compared to the previous quarter. There are two new, high risks escalated (one rated 12 and one rated 9), three risks de-escalated, one risk increased the risk rating, and three risks reduced their risk ratings and are de-escalated this quarter.
- 4.4 For five of the risks (some relating to financial pressures and some to staffing issues) there was limited mitigation action available by the end of the quarter to be able to reduce the gross rating (e.g. Gross and current rating are the same). However, the services have set targets to reduce the rating for four risks by implementing controls in

the future. Unfortunately, there are no additional controls available to reduce the rating of one of the top financial risks.

- 4.5 Mitigation actions were put in place and reduced risks' likelihood and/or impacts from gross to actual (as at the end of March 2024) rating for the majority of the risks. Furthermore, mitigation actions have prevented an increase of the 'Current' risk ratings between Q3 and Q4 for all, except one, corporate financial risk (3).
- 4.6 Focusing on the Corporate Risk Register, the updates are provided on risks grouped in the following categories:
  - i. At the end of the quarter, there were 17 risks on the CRR for Corporate Board to actively manage, review or monitor (figures in brackets refer to risk ID Number):
    - a. Top risks / current (as at March 2024) risk severity:
      - There were two risks rated the maximum score of 16: a financial risk (1) escalated last year. This is an overarching risk reporting cumulatively financial risks in several services. There is also the new financial risk (2) rated 16.
      - b. Despite mitigation actions already implemented, there were six risks (compared to five in the previous quarter) with a current (March 2024) rating of 12 (see *Figure 1*).
      - c. One financial risk (3), previously on the CRR, has increased the 'current risk rating' (as at end of March 2024) from 8 for the previous quarter to 12 at the end of Q4.
      - d. However, 14 risks had maintained the previous rating, which would suggest that mitigation actions were being progressed to prevent it to increase.
      - e. Three of the risks (all three proposed for de-escalation) had reduced the 'current' (March 2024) rating from previous quarter.
      - f. Risk exposure - The number of risks on the CRR had reduced to 17 during Q4 (compared to 18 at Q3).
    - ii. There were two new risks escalated to the CRR.
    - iii. There were three risks proposed for de-escalation from the CRR.

## 5 Supporting Information

### Introduction

- 5.1 This is the quarter 4 (Q4) assurance report for 2023/24 that provides Corporate Board (CB), Operations Board (OB) and Governance Committee with an overview of new risks and provides an update on the previously reported strategic risks, including if there are any proposed for de-escalation to service or directorate risk registers.
- 5.2 The Corporate Risk Register (CRR), available from Figure 1, is designed to summarise all major risks escalated by Directors and Heads of Service for action or active monitoring at corporate level. Starting in Q3 last year, the CRR is reported online for officers as part of the integrated Risk, Performance and Project management system InPhase.
- 5.3 The method used to score risks, including with reference to the risk appetite for the Council, is detailed as part of the Risk Management Strategy 2021 – 2024 (available from <https://www.westberks.gov.uk/policies#Corporate-wide%20strategies>) (see also an extract at Appendix C).

### Background

- 5.4 Whilst continuing to manage the response to new emerging risks, all services have provided updated service risk registers.

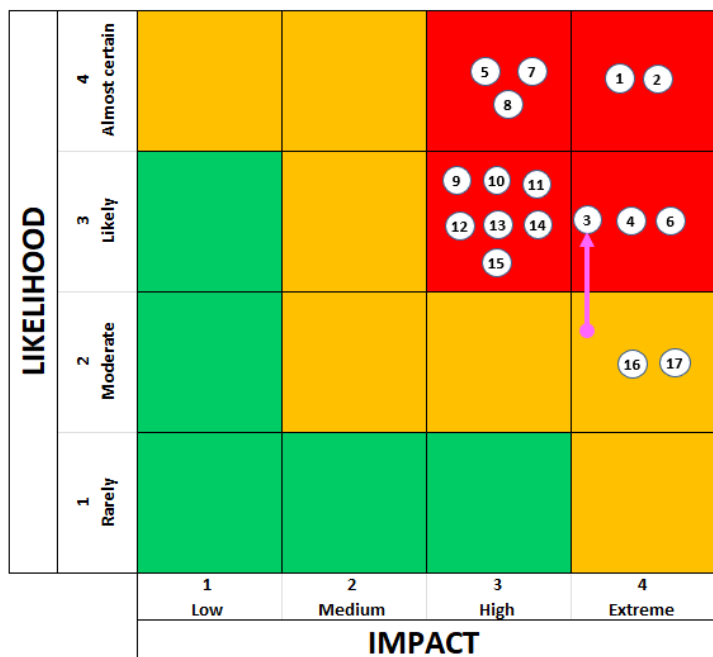
### Demand and Inflation budget pressures

- 5.5 At quarter 4, there continued to be significant consequences from the impact of inflation and increase in quantity of demand or complexity of demand on several services. The Council continues to monitor the situation and is focusing on implementing stronger controls and mitigation actions. At the Full Council's meeting in February 2024, members approved the Medium Term Financial Strategy which includes provision to replenish General Reserves by £6m to improve the Council's financial resilience.

### Risks on the Corporate Risk Register

- 5.6 The main changes to the CRR are illustrated in Figure 1 and Table 1 below. The risks are ranked based on the current (Q4 March 2024) risk score.

Figure 1. Corporate Risk Register Heath Map



Legend: Arrows show change from previous rating (blue for reduction and pink for increase)

1	Financial
2	Financial
3	Financial
4	Assets (Physical & Information)
5	NEW: Financial
6	Reputational
7	Reputational
8	Reputational
9	Personal / Staff / Customer
10	Reputational
11	Financial
12	Reputational
13	NEW: Reputational
14	Financial
15	Reputational
16	Personal / Staff / Customer
17	Reputational

Table 1. Corporate Risk Register - details

No. (New / Remove)	Risk	Current SCORE			Target Score
		Change Q3 – Q4	as at Q3	as at Q4	
1.	Financial	↔	16	16	12
2.	Financial	↔	16	16	16
3.	Financial	↑	8	12	12
4.	Assets (Physical & Information)	↔	12	12	6
5. New	Financial	n/a	new	12	9
6.	Reputational	↔	12	12	4



No. (New / Remove)	Risk	Current SCORE			Target Score
		Change Q3 – Q4	as at Q3	as at Q4	
7.	Reputational	↔	12	12	9
8.	Reputational	↔	12	12	8
9.	Personal / Staff / Customer	↔	9	9	6
10.	Reputational	↔	9	9	6
11.	Financial	↔	9	9	9
12.	Reputational	↔	9	9	9
13. New	Reputational	n/a	new	9	9
14.	Financial	↔	9	9	6
15.	Reputational	↔	9	9	4
16.	Personal / Staff / Customer	↔	8	8	6
17.	Reputational	↔	8	8	6

**Analysis – the number of risks on the CRR, risks escalated and de-escalated**

5.7 The number of risks on the Corporate Risk Register, new risks escalated and risks de-escalated each quarter are highlighted in the following table:

	2022/23			2023/24			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Number of Risks, including:	18	17	14	15	16	18	17
New	1	1	0	4	1	3	2

To de-escalate	0	2	3	3	0	1	3
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5.8 At the end of Q4, there were two ‘new entries’ escalated from Directorate/Department Risk Registers: a *Financial risk (5)* and a *Reputational risk (13)*. (see paragraph 5.6).

5.9 There were three risks proposed to be de-escalated from the CRR:

No. (Remove)	Risk	Current SCORE			Target Score
		Change Q3 – Q4	as at Q3	as at Q4	
Remove A.	Legal	↓	12	n/a	n/a
Remove B.	Financial	↓	9	8	4
Remove C.	Financial	↓	6	n/a	n/a

**Analysis – risk severity**

5.10 The financial risk, impacting a number of services and the Council overall, remains rated with the highest risk rating of 16 (maximum financial impact and maximum likelihood). Further actions have been completed during Q4 to control expenditure, including the approval of the Medium Term Financial Strategy. In addition, the other financial risk remains on the risk register rated maximum rating (16), and with limited further mitigation available to the Council (target risk rating remains at 16).

5.11 In terms of change in actual risk severity over the last two quarters, based on Current (as at the end of the quarter) Rating (See Appendix C):

- (1) Between Q3 and Q4 the process to mitigate likelihood and impact resulted in preventing the increase in risks’ rating, rather than reducing rating, for 14 of the 15 risks previously on the Corporate Risk Register. Three of the risks that were on the Register at Q3 have reduced the risk rating, all three proposed for de-escalation.
- (2) Eight risks (compared to seven risks at the end of the previous quarter) were tolerated at a high rating of 12 or above. One of these risks was added on the register during Q4. This would suggest that active control measures are preventing an increase of the assessed likelihood and/or impact for the risks already on the CRR, but one new high risk has emerged during the quarter.

5.12 In terms of the Gross, Current and Target rating of the risks on the CRR at the end of Q4:

- (1) Mitigation actions already in place had reduced the assessed Gross rating to Current (March 2024) rating for 12 of the 17 risks, but five of them are tolerated at the Gross level.
- (2) Further mitigation actions are planned to further reduce the exposure from the Current (March 2024) rating to a lower Target rating for 12 of the 17 risks.
- (3) This would suggest that, where possible, mitigation actions had been put in place and were effective in reducing the assessed rating (from Gross to Current rating) for most of the risks and to ensure the rating was not increasing for the majority of the remaining ones. However, there were some areas, all high risk where it was not possible to implement quickly such mitigation measures and to reduce the level of risk from Gross to Current.
- (4) Further actions were possible and already planned to further reduce risk exposure.

### **Analysis – horizon scanning**

- 5.13 **Regional Risk Register** - At regional level, the Community Risk Register for Thames Valley has been updated and includes a number of risks identified in December 2022. Directors and Heads of Service have been reminded about considering this in the local risk assessment process. The register can be accessed from this link:  
<http://www.thamesvalleyrf.org.uk/assets/risk%20register/tvlrf%20risk%20register%20oct%202016.pdf>
- 5.14 **National Risk Register** - At national level, HM Government published an updated version of the National Risk Register (August 2023 edition). Directors and Heads of Service have been asked to consider this in the local risk assessment process. The National Risk Register can be accessed from this link:  
<https://www.gov.uk/government/publications/national-risk-register-2023>
- 5.15 **High Demand Trend** – contextual performance information shows that the increasing demand trend since 2022/23 and into the current financial year has peaked in Q2, in particular regarding social care and there are signs of reducing pressure, albeit the level remained above pre-Covid period. Despite a resilient local economy, there is pressure in terms of demand on the housing services and adult social care (see Q4 Performance report for further details).

### **Other assurance work**

- 5.16 A training session was provided for members of the administration and G&E committee.
- 5.17 A series of meetings have taken place to provide advice and support to risk owners and risk approvers during Q4.
- 5.1 Risks from the CRR have been linked to the Priorities of the Council Strategy using functionality available in the risk, performance and project management system (InPhase).

## Proposals

5.18 There were two risks escalated onto the CRR this quarter.

5.19 Corporate Board and Operations Board note the current (as at the end of March 2024) position and actions undertaken to minimise the impact of the 17 risks on the CRR and specifically the high score ones:

(i) **Risks rated 16:** Two Financial risks: (1) and (2)

(ii) **Risks rated 12:** There were six risks (three Reputation risks, two Financial risks and one Asset risk) rated with the second highest score.

5.20 There were three risks to be de-escalated from the CRR this quarter.

5.21 Corporate Board and Operations Board note further actions proposed to minimise the impact of existing risks on the CRR.

5.22 To note the progress with risk mitigation actions.

## 6 Other options considered

n/a

## 7 Conclusion

5.23 During Q4, the significant financial impact on budgets continued, due to high volume and complexity of demand. Two new risks were escalated, one at the second highest rating and one at rating of nine. For five risks on the CRR it was not possible to implement further mitigation measures by the end of Q4 so these were impacting at their gross level. However, for four of these five risks the services are working towards additional controls' implementation aiming to further reduce the risks rating.

5.24 Actions were being progressed for mitigation of the risks that were included on the CRR. As a result, increases in current (end of quarter 4) ratings compared to the previous quarter have been prevented in all but one cases.

5.25 During Q4, two risks had been identified for escalation on the CRR for Corporate Board to consider. There were three risks proposed for de-escalation from the CRR.

5.26 The other risks on the CRR show that there were a number of issues that continued to pose a potential risk to the Council and these have been detailed in this report including the updates on mitigation actions.

## 8 Appendices

8.1 Appendix A – Equalities Impact Assessment

8.2 Appendix B – Data Protection Impact Assessment

8.3 Appendix C – Risk Thresholds for West Berkshire Council

**Background Papers:**

West Berkshire Risk Management Strategy

West Berkshire Council Strategy 2023 – 2027

**Subject to Call-In:**

Yes:  No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

**Officer details:**

Name: Catalin Bogos  
Job Title: Performance, Research and Consultations Manager  
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## Appendix A

### 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 as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:**
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

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

<b>What is the proposed decision that you are asking the Executive to make:</b>	This assurance report is for Corporate Board and the Governance Committee to note key issues relating to risks escalated on the Corporate Risk Register.
<b>Summary of relevant legislation:</b>	n/a
<b>Does the proposed decision conflict with any of the Council’s key strategy priorities?</b>	No
<b>Name of assessor:</b>	Catalin Bogos
<b>Date of assessment:</b>	31/05/2024

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>No</b>	<b>New or proposed</b>	<b>No</b>
<b>Strategy</b>	<b>No</b>	<b>Already exists and is being reviewed</b>	<b>No</b>
<b>Function</b>	<b>Yes</b>	<b>Is changing</b>	<b>No</b>
<b>Service</b>	<b>No</b>		

<b>What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	Assurance is provided that the critical risks facing the Council are identified and appropriately managed.
<b>Objectives:</b>	To ensure decision making bodies are informed of the escalation and de-escalation of risks on/from the CRR and the mitigation actions in place or planned to mitigate the risks on the CRR.
<b>Outcomes:</b>	Critical risks facing the organisation are managed in accordance to the Council’s risk appetite for different types of risks.

<b>Benefits:</b>	Optimum risk mitigation action is in place to support the achievement of the Council's objectives.
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**Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.**

(Please demonstrate consideration of all strands – Age, Disability, Gender 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
Age		
Disability		
Gender Reassignment		
Marriage and Civil Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		

**Further Comments relating to the item:**

n/a

Result	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b>	
n/a	



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 Two 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](#).

Identify next steps as appropriate:	
Stage Two required	No
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	

Name: Catalin Bogos

Date: 31/05/2024

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Please now forward this completed form to Pam Voss, Principal Policy Officer (Equality and Diversity) ([pamela.voss@westberks.gov.uk](mailto:pamela.voss@westberks.gov.uk)), for publication on the WBC website.

## Appendix B

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service/Department:	Strategy and Governance
Team:	Performance, Research and Risk
Lead Officer:	Catalin Bogos
Title of Project/System:	n/a
Date of Assessment:	31/05/2024

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<p><b>Will you be processing SENSITIVE or “special category” personal data?</b></p> <p><i>Note – sensitive personal data is described as “ data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be processing data on a large scale?</b></p> <p><i>Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project or system have a “social media” dimension?</b></p> <p><i>Note – will it have an interactive element which allows users to communicate directly with one another?</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will any decisions be automated?</b></p> <p><i>Note – does your system or process involve circumstances where an individual's input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>Will you be using any novel, or technologically advanced systems or processes?</b></p> <p><i>Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised</i></p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Heading

\*(add text)

**IMPACT**

Impact Rating	Financial loss to Council	Personal / Staff or Customers	Assets / Physical / Information	Reputation	Legal (litigation, regulatory, contract)
<b>4</b>	£1m +	Death	Loss of main building / Loss of main ICT system – eg Email / Payroll / network	Adverse publicity nationally HSE / Fire Authority prosecution	Likelihood of successful legal challenge
<b>3</b>	£500k - £1m	Major injury / hospitalisation	Partial loss off main building or total loss of minor building. Temporary loss of major ICT system – up to one week, total loss of minor ICT system	External agency criticism – EG Auditor, Ofsted etc HSE / Fire Authority enforcement action	Possibility of successful legal challenge
<b>2</b>	£100k - £500k	Major financial loss £1,000+ Illness eg stress / minor accident / RIDDOR	Partial loss of minor building. Temporary loss of minor ICT system – up to one week. Loss of Major system – up to one day	Ombudsman complaint upheld	Possibility of legal challenge, outcome balanced
<b>1</b>	Less than £100k	Minor Financial loss up to £1,000 / complaint / Grievance	Loss of minor ICT system - up to one day	Adverse publicity locally	Possibility of legal challenge, likely to be unsuccessful

## LIKELIHOOD

Likelihood Rating	Incidents	Probability
<b>4</b>	Very Likely – This risk is presently affecting the Council	81% - 100%
<b>3</b>	Likely – This risk is very likely to affect the Council	51 - 80%
<b>2</b>	Possible – This risk is will possibly affect the Council	21% - 50%
<b>1</b>	Unlikely – This risk is unlikely to affect the Council	0 - 20%

## RISK TREATMENT

Risk Level	Gross Score	Net Score	Escalation	Response
<b>High</b>	12-16	9-16	Add to Directorate or Corporate Risk Register	Allocate to Director to oversee and Head of Service implement agreed actions. Where no effective actions are identified, add to the Key Issues list for regular monitoring by Corporate Board.
<b>Medium</b>	8-16	4 - 8	Identify assurance that identified controls are effective	Allocate to Director to oversee and Head of Service to put in place Controls Assurance
<b>Low</b>	1 - 8	1 - 3	None	Consider at next annual review

IMPACT

4	<b>Extreme impact – Rarely</b> <b>4</b>	<b>Extreme impact – Moderate</b> <b>8</b>	<b>Extreme impact – Likely</b> <b>12</b>	<b>Extreme impact – Almost certain</b> <b>16</b>
3	<b>High impact – Rarely</b> <b>3</b>	<b>High impact – Moderate</b> <b>6</b>	<b>High impact – Likely</b> <b>9</b>	<b>High impact – Almost certain</b> <b>12</b>
2	<b>Medium impact – Rarely</b> <b>2</b>	<b>Medium impact – Moderate</b> <b>4</b>	<b>Medium impact – Likely</b> <b>6</b>	<b>Medium impact – Almost certain</b> <b>8</b>
1	<b>Low impact – Rarely</b> <b>1</b>	<b>Low impact – Moderate</b> <b>2</b>	<b>Low impact – Likely</b> <b>3</b>	<b>Low impact – Almost certain</b> <b>4</b>

1

2

3

4

LIKELIHOOD

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# Agenda Item 14

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