

DRAFT

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

GOVERNANCE COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 29 APRIL 2025

Councillors Present: Erik Pattenden (Chairman), Howard Woollaston (Vice-Chairman), Dominic Boeck, Jeremy Cottam, Billy Drummond, Owen Jeffery, David Marsh, and Stephanie Steevenson

Also Present: Jonathan Brown (KPMG), Anne Budd (Substitute for David Southgate – Parish Council Representative), Simon Carey (Independent Member – Audit), Sam Chiverton (Zoom Host), Chris Dagnall (Senior Financial Controller (Interim)), Julie Gillhespey (Audit Manager), Elizabeth Griffiths (Deputy Section 151 Officer), Ed Mills (KPMG), Beatriz Teixeira (Performance, Research and Consultation Manager), Nicola Thomas (Deputy Monitoring Officer and Service Lead, Legal and Democratic Services), and Darius Zarazel (Principal Democratic Services Officer)

Apologies for inability to attend the meeting: Councillor Laura Coyle and David Southgate (Parish Council Representative)

PART I

1 Minutes

RESOLVED: That the Minutes of the meeting held on 28 January 2025 were approved as a true and correct record and signed by the Chairman.

RESOLVED: That the Minutes of the meeting held on 11 March 2025 were approved as a true and correct record and signed by the Chairman subject to the below amendments:

- Paragraph 9 of Section 2, amend 'brining' to 'bring'
- Paragraph 9 of Section 2, amend 'oversite' to 'oversight'

2 Declarations of Interest

There were no declarations of interest received.

3 Forward Plan

The Committee considered the Governance Committee's Forward Plan (Agenda Item 4). Satisfied with the plan, they agreed that it could be noted.

4 KPMG External Audit Plan and Strategy: 2024-25

The Committee considered a report (Agenda Item 5) concerning KPMG's external audit plan and strategy for 2024-25.

The representative from KPMG introduced the report and noted that the details were similar to that in the previous year's report. However, he highlighted that the level of materiality had slightly increased due to quarter three forecasts from management and that the level of materiality for the audit was therefore considered to be £12.7m. This figure was the threshold for determining if misstatements were significant enough to affect KPMG's opinion on the accounts. Additionally, he indicated that misstatements of £635,000 and above would be reported to the Governance Committee.

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It was also highlighted that KPMG considered the significant audit risks from the previous year to still be applicable, those being around the valuation of land and investments, management overriding controls, pensions, and the fraud risk of management moving expenditure at year end in order to meet targets. The Committee was informed that the audit for 2024/25 would be using the IFRS 16 audit standard which would mean that any leases which would previously have been held off the balance sheet, would now be included. Although the representative from KPMG indicated that they did not believe that it would be highly material, as this was a new standard, it was still considered to be an audit risk. In addition, the Council's new payroll system was also flagged as being a potential audit risk.

On the value for money risk assessment, the representative from KPMG indicated that they had not received all the needed information from management prior to the meeting, so this report would aim to be taken to the next meeting of the Committee. In addition, KPMG noted that they were awaiting guidance from central government about some of the issues that had arisen as a result of the audit backstop arrangement – such as how they would be dealing with opening balances. However, they were preparing a contingency plan if this was not cleared up by the time their audit was due.

Finally, KPMG highlighted the independence declaration in the report which confirmed that they were acting independently and objectively when it came to the Council's audit.

In response to a question about the nature of the guidance that KPMG were waiting on central government for, the representative from KPMG indicated that they were expecting some form of alteration on the guidance to allow them to draw a line under past statements regarding reserves. If this was not provided, there was the potential risk that KPMG would need to test back to the last audited statements. He indicated that KPMG were awaiting the outcome of a consultation on the issue.

Members questioned the level of misstatements which would trigger them being brought to the Committee's attention, noting that £635,000 was a very large figure. However, they were assured that this figure was derived from a percentage of overall expenditure and was a standard used across the audit space and was also in line with the risk profile of similar organisations. This level would only be changed if there was a clear justification for a lower level and Members noted that this justification was not present in the case of West Berkshire Council.

Overall, as the Committee was satisfied with the report, they agreed to note KPMG's External Audit Plan and Strategy for 2024-25.

5 Internal Audit Update Report - Quarter Three 2023/24

The Committee considered a report (Agenda Item 6) concerning the internal audit update report for quarter three 2024/25.

The Audit Manager introduced the report and highlighted that there had been no significant issues of concern arising from the work that had been completed in the quarter. She highlighted that the audit team had a target to achieve 80 per cent of the audits on the approved audit plan by the end of the year and that, at this point, they were projected to complete 87 per cent.

Members were informed that there had been zero no assurance, one limited assurance, two reasonable assurance, and three substantial audits over the quarter. However, there had been an unsatisfactory follow-up which was noted as going to receive another follow-up in six months. The Committee noted that a follow-up would be carried out after a limited assurance audit rating.

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The Committee thanked the work of the internal audit team and welcomed the news that they were ahead of their audit plan target. As they were satisfied with the report, the Committee agreed to note the Internal Audit Update Report for Quarter Three 2024/25.

6 Internal Audit Draft Plan 2025-28

The Committee considered a report (Agenda Item 7) concerning the internal audit draft plan for 2025-28.

The Audit Manager introduced the report and highlighted that it was a requirement to obtain the Committee's approval for the audit plan and charter. She highlighted to Members that new professional standards, implemented from April, fed into the revision of the audit charter. In addition, the new audit strategy would help to assist the internal audit team in taking a longer-term view of audit work.

Members noted the suggestion that there be an informal meeting between the Audit Manager and the Committee Members, without senior Council Officers present, in order to create a forum for more open communication. The Committee agreed that the Chairman would look to arrange an optional meeting between Members and the Audit Manager at a suitable time.

On a question about if the new audit framework would put additional workload pressure on Officers, the Audit Manager confirmed that the changes primarily related to the method of working, not necessarily the scope of the work, but that there was now an emphasis on proactive advisory work.

Overall, as the Committee was satisfied with the report, they agreed to approve the recommendations.

RESOLVED: That the Committee approve the Proposed Audit Plan and Internal Audit Charter.

7 Amendments to the Constitution to Support Changes to Overview and Scrutiny Arrangements

The Committee considered a report (Agenda Item 8) concerning amendments to the Constitution to support changes to the Council's overview and scrutiny arrangements.

The Deputy Monitoring Officer and Service Lead for Legal and Democratic Services introduced the report and highlighted that since the publication of the agenda, it had been proposed that each of the three new Scrutiny Committee's would comprise of nine Members. In addition, it was suggested that the new arrangements would begin operation immediately upon their approval at Annual Council, rather than on 1 September 2025.

The Committee was informed that currently, the Council had been operating two Scrutiny Committees – the Scrutiny Commission and the Health Scrutiny Committee – and that the proposal was to move to a three-committee model – a Resources and Place Scrutiny Committee, Children and Young People Scrutiny Committee, and a Health and Adult Social Care Scrutiny Committee. In addition, the three current advisory groups – the Transport Advisory Group (TAG), the Planning Advisory Group (PAG), and the Environment Advisory Group (EAG) – were proposed to be replaced by a single Policy Development Group (PDG) which would be a group of the Executive. These Committee changes would more closely align the Council's Scrutiny structure with other councils of a similar size.

Members welcomed the move to the three-committee structure but raised concerns about the proposed size of the committees. Debating the potential number of Members on each Committee, they agreed that nine Members on each of the three Scrutiny

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Committees would be too large as it would result in a significant proportion of all Council Members needing to sit on a Scrutiny Committee. The Committee agreed that the number proposed would place an even greater workload on Members who would, in turn, not be able to provide as much attention as was needed to these important areas. It was also indicated that the current Chairman of the Health Scrutiny Committee believed that seven was a sufficient number.

Overall, due to the workload and time needed to properly invest in these new Scrutiny Committees, the Committee agreed to recommend to Council that each of the new Committees would be more appropriate if they were comprised of seven members.

Members also expressed reservations about the lack of detail on the impact these changes would have on Officer resources. Emphasising the need for proper resourcing in order to achieve the maximum potential of these new Committees, Members requested assurances that the Democratic Services workload would be reviewed. In response, the Deputy Monitoring Officer and Service Lead for Legal and Democratic Services indicated that the Council was conducting an internal review of workloads in order to highlight areas of pressure and to ensure that adequate support could be provided for the new structure. As new scrutiny functions would be taking place, it was noted that additional scrutiny resources, at principal level, would be required.

Questions were also raised about the timeline for implementation of the new scrutiny arrangements. The Committee emphasised the importance in the proper consideration of these changes and that actioning the proposed committees immediately after Annual Council would not provide sufficient time for this. Therefore, the Committee could not agree with the recommendation as proposed. As some Members indicated that the initially proposed 1 September date for implementation was also an ambitious timeline, the Committee agreed that the timescale should be removed from their recommendation to Council.

Members also questioned the wording about the Chairing of the new Committees as it was not clear if the opposition groups would retain Chairmanship.

The Committee moved on to discuss the Policy Development Group (PDG) and emphasised that there was a lack of clarity about this in the report. Specifically, they highlighted that there was no confirmation about how many Members would be on it, what the political proportionality would be, what powers it would have, how often and on what specific dates it would meet, or about how it would relate to the new Scrutiny Committees. Although it was noted that the Terms of Reference for the Group was being confirmed internally, and that the PDG was an Executive Group rather than one needing to be approved by Council, the Committee believed that this proposal had not been presented in sufficient detail and that these points should be clarified prior to the approval of the new Scrutiny Committees.

On a point of clarity about the Crime and Disorder Committee, Members noted that this responsibility had been taken on by the Scrutiny Commission and the hope was that the new structure would make the functions of each Committee clearer. In addition, it was requested that point 4.3 on page 157 be amended as 'looked after children' was not the term used by the Council.

Members noted that, as per recommendation B, the amendments to the Constitution to facilitate these changes would be delegated to the Monitoring Officer.

Overall, the Committee was not satisfied with the recommendations as presented. Although the three Scrutiny Committee structure was considered to be a positive improvement to the Scrutiny functions of the Council, it was agreed that the timeline for their implementation was inappropriate and that the number of Members on the

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Committee should be seven, rather than nine. For these reasons they agreed to amend the proposed recommendation to Council.

RESOLVED: That the Committee recommend to Council that it:

- (a) approves the proposed changes to the Scrutiny Model, replacing the two existing committees (Scrutiny Commission and Health Scrutiny Committee), with three committees as follows:
 - Resources and Place Scrutiny Committee
 - Children and Young People Scrutiny Committee
 - Health and Adult Social Care Committee
- (b) delegates amendments to the Constitution that are necessary to accommodate the above changes to the Scrutiny Model (outlined in Section 5 of this report) to the Monitoring Officer in consultation with the Constitution Review Task Group
- (c) approves the updated programme of public meetings required to accommodate the above changes to the Scrutiny Model (as set out in Appendix C to the report)
- (d) that the three Committees be comprised of seven Members.

(This was recommended due to the consideration of time and workload that would be placed on Members)

8 Planning Appendix Constitutional Update

The Committee considered a report (Agenda Item 9) concerning Constitutional changes to the Planning Appendix.

The Deputy Monitoring Officer and Service Lead for Legal and Democratic Services introduced the report and highlighted that it followed from the routine programme of the Constitution Review Task Group. She noted that the planning appendix would be absorbing some of the planning related sections from the codes and protocols section which had been removed in the last update to the Constitution. In addition, the Planning Appendix had been updated to ensure that decisions taken would be compliant with updates to the legal framework. It was also noted that the Planning Advisory Group had reviewed and contributed to the proposed amendments.

Members highlighted a number of typographical errors in the report, such as the need to capitalise Development Plan and to add 'whichever' before 'level the application is being considered' in point 14.3 on page 17.

In addition, on points 14.1 and 14.2 on page 16 of the Supplement Pack, the Committee discussed the most appropriate way of ensuring that Members were not predetermined in situations where they had heard the application in a previous Committee meeting – such as when an application was taken to both an Area Planning Committee and the District Planning Committee. The Committee agreed to propose that both points 14.1 and 14.2 end after, 'may well change their mind.'

Some Members questioned the need for specific details relating to conduct in Planning Committees, and that it was excessive and indicated that there was a lack of trust in Members.

In response to a question on why other attendees on site visits were not permitted to express opinions regarding the merits of the application, the Deputy Monitoring Officer and Service Lead for Legal and Democratic Services highlighted that site visits should be conducted in the same way that a committee would be conducted, and that the proposed updates would be clarifying that point. She also noted that some legislation had been referenced in the report but was not in the list of legislation and would look to correct this.

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Members were also assured that the reference in point 19.10.4, on page 22, would be inserted, but that this point had been suggested in order to allow for a proposal at a Planning Committee to be presented again following further debate.

In response to a question about if the timescale for implementation was appropriate, as the report had been through the Policy Advisory Group, the Constitution Review Task Group, and other internal procedures, the papers was considered ready to be adopted on 1 June 2025.

Overall, as the Committee was satisfied with the report, they agreed to recommend that the changes be adopted by Council.

RESOLVED: That the Committee recommend to Council that it approves, subject to the agreed amendments:

- (a) Part 6.8 Planning Appendix be adopted as set out in Appendix A to this report;
- (b) Part 11 Scheme of Delegation be updated as set out in Appendix B to this report;
- (c) to delegate to the Monitoring Officer, in consultation with the Chairman of the Constitution Review Task Group, the power to update Parts 6.8 and 11 of the Constitution to ensure that this reflects the new rules, and to make any minor additional corrections to the parts of the Constitution to ensure consistency in terminology and presentation; and
- (d) that the changes to the Constitution detailed in this report, take effect from 1 June 2025.

9 Strategic Risk Register Q3 2024/25

The Committee considered a report (Agenda Item 10) concerning the Council's Strategic Risk Register for Q3 2024/25.

The Performance, Research and Consultation Manager introduced the report and highlighted that one financial risk had the highest risk level of 16, two risks had been reduced, one additional new risk had been added to the Corporate Risk Register, and one asset-related risk have been closed. She provided assurances to the Committee that risk management activities in the Council, including around training on the new Risk Management Strategy, was ongoing.

Members noted that the national risk register had been updated, and that this had been reflected in the report with all risk owners invited to revisit the register and account for the changes in their assessments.

As the Committee was satisfied with the public section of the report, they agreed to proceed into Part II.

10 Exclusion of Press and Public

RESOLVED: That members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraphs 3 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the [Local Government \(Access to Information\)\(Variation\) Order 2006](#). [Section 10, Part 10 of the Constitution also refers.](#)

11 Strategic Risk Register Q3 2024/25

The Committee considered the exempt report (Agenda Item 12) concerning the Strategic Risk Register for Q3 of 2024/25.

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The Committee discussed the risks on the risk register, new risks, and the movement of risks on the Risk Matrix.

Overall, as the Committee was satisfied with the report, they agreed to note the Strategic Risk Register Q3 2024/25.

(The meeting commenced at 6.30pm and closed at 8.01pm)

CHAIRMAN

Date of Signature