

Notice of Meeting



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Governance Committee

Tuesday 28 April 2026 at 6.30 pm
in the Council Chamber Council Offices,
Market Street Newbury

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Date of despatch of Agenda: Monday 20 April 2026

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Gordon Oliver on 01635 519486

e-mail: Gordon.Oliver1@westberks.gov.uk

Further information and Minutes are also available on the Council's website at

www.westberks.gov.uk



Agenda - Governance Committee to be held on Tuesday 28 April 2026 (continued)

To: Councillors Erik Pattenden (Chairman), Howard Woollaston (Vice-Chairman), Dominic Boeck, Jeremy Cottam, Laura Coyle, Carolyne Culver, Billy Drummond, Owen Jeffery, Stephanie Steevenson, Simon Carey and David Southgate

Substitutes: Councillors Anne Budd, Adrian Abbs, Dennis Benneyworth, Paul Dick, Janine Lewis and Alan Macro

Agenda

Part I		Page No.
1	Apologies To receive apologies for inability to attend the meeting (if any).	1 - 2
2	Minutes To approve as a correct record the Minutes of the meeting of this Committee held on 27 January 2026.	3 - 8
3	Declarations of Interest 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' Code of Conduct .	9 - 10
4	Forward Plan Purpose: To consider the Forward Plan for the next 12 months.	11 - 14
5	Action Log Purpose: To be informed about the actions taken from past meetings.	15 - 18
6	Internal Audit Update Report - Quarter Three 2025/26 Purpose: To update the Committee on the status of Internal Audit work as at the end of quarter three 2025/26.	19 - 40
7	Formation of an Audit and Risk Committee Purpose: This report proposes the formation of a new Audit and Risk Committee to provide a stronger and clearer focus on financial management and risk assurance, with the consequent merging of the Governance and Personnel Committees.	41 - 58



- 8 **Risk Management Q3 2025/26** 59 - 68
Purpose: To highlight the 17 corporate risks (as at the end of December 2025) that need to be considered by the committee and outline the actions that were being taken to mitigate those risks, in accordance with the West Berkshire Council Risk Management Strategy, and to call attention to changes observed in the Corporate Risk Register (CRR) during the reference period, more specifically, those related to a change in scoring or to the closure or inclusion of a risk in the register.
- 9 **Exclusion of Press and Public**
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. [Section 10 of Part 10 of the Constitution refers.](#)

Part II

- 10 **Strategic Risk Register** 69 - 88
(Paragraph 3 – information relating to financial/business affairs of particular person)
(Paragraph 5 – information relating to legal privilege)
(Paragraph 5 – information relating to proposed action to be taken by the Local Authority)

Sarah Clarke .

Sarah Clarke
Executive Director - Resources

If you require this information in a different format or translation, please contact Gordon Oliver on telephone 01635 519486.



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Governance Committee – 28 April 2026

Item 1 – Apologies for Absence

Verbal Item

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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 27 JANUARY 2026

Councillors Present: Erik Pattenden (Chairman), Howard Woollaston (Vice-Chairman), Dominic Boeck, Jeremy Cottam, Laura Coyle, Carlyne Culver, Billy Drummond, Owen Jeffery and Alan Macro (Substitute) (In place of Stephanie Steevenson)

Also Present: Councillor Iain Cottingham, Sarah Clarke (Executive Director (Resources)), Martyn Sargeant (Service Director (Strategy & Governance)), Shannon Coleman-Slaughter (Service Director for Finance, Property and Procurement, Section 151 Officer), Julie Gillhespey (Audit Manager) and Chris Dagnall (Senior Financial Controller (Interim)), Simon Carey (Independent Person (Audit)), David Southgate (Parish Council Representative), Jonathan Brown (KPMG), and Gordon Oliver (Principal Policy Officer (Scrutiny & Dem Services))

Apologies for inability to attend the meeting: Councillor Stephanie Steevenson

PART I

1 Minutes

The Minutes of the meeting held on 30 September 2025 were approved as a true and correct record and signed by the Chairman.

The Minutes of the meeting held on 18 November 2025 were approved as a true and correct record and signed by the Chairman.

2 Declarations of Interest

There were no declarations of interest received.

3 Forward Plan

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

4 Action Log

The Committee reviewed the Action Log (Agenda Item 5) and noted the updates on actions from the previous meetings.

Members asked when the Constitution would be made available as a single PDF document. It was confirmed that this had been done.

Action: Officers to send Members a link to the Constitution PDF.

Sarah Clarke confirmed that she was in the process of collating documents on the Arbitas project and would send these to the Task and Finish Group shortly

5 KPMG: Draft Auditor's Annual Report (2024-25)

Jonathan Brown presented the KPMG Draft Auditor's Annual Report 2024-25 (agenda item 6).

GOVERNANCE COMMITTEE - 27 JANUARY 2026 - MINUTES

The following issues were raised in the debate:

- Members asked about the reasons for the worsening DSG deficit. It was explained that demand for services was outstripping the funding received.
- KPMG was asked whether any findings related to financial control, demand management or weaknesses in forecasting in Children and Family Services and SEND. It was confirmed that recommendations did not link to those areas specifically, as the audit covered combined numbers.
- Members raised concerns about the Transformation Programme and its ability to deliver net savings. The Council had been unable to find alternative providers to run its Care Homes or Resource Centres.
- There was a question about the status of work on management override controls. It was confirmed that work was ongoing to look at journals, with a handful of items outstanding. Work was expected to be completed before the end of February.
- Members asked about use of the sliding scale used throughout the document. It was explained that this was intended to show whether the council's approach was cautious, neutral or optimistic. For example, the council's valuations of land and buildings were slightly on the optimistic side, but still within an acceptable range.
- Members noted the use of a blue square with an exclamation mark to denote significant audit risk, but suggested this could be confusing if not reserved for particularly serious issues.

Action: KPMG to review the use of symbols where there was limited risk.

- It was requested that the two KPMG reports be presented at separate meetings in future, as reviewing both together was demanding.

Action: KPMG to consider bringing their reports to separate meetings in future years.

- Members noted that the council's debt was approaching the total value of its land and building assets and asked if this was a problem. It was explained that these were just one category of assets and that this was not a concern. However, the level of usable reserves was considered a problem.
- Members queried whether the forecast budget gap of £30 million (page 31) included the recent local government settlement.

Action: Officers to confirm if the budget gap included the recent local government settlement.

- The report identified six control deficiencies and Members asked how the council compared to similar authorities. It was explained that deficiencies related to management review of expenditure and actuarial assumptions were common across councils, but the unauthorised approval of capital grants was not and this was considered a higher risk. The number of control deficiencies was slightly higher than for similar councils.
- Clarification was sought regarding fees. It was explained that scale fees were set by the Public Sector Audit Appointments contract. The standard fee assumed that everything would be found to be acceptable, but extra fees would be required to cover additional work (e.g., auditing the payroll system), and to investigate issues uncovered by the audit. It was estimated that the additional fees would be around £20,000.

GOVERNANCE COMMITTEE - 27 JANUARY 2026 - MINUTES

- Members asked when the individual responsible for the unauthorised approval of capital grants had left the council. It was confirmed that the officer left in July 2025.

RESOLVED to note the KPMG Draft Auditor's Annual Report 2024-25.

6 Internal Audit Update Report - Quarter Two 2025/26

Julie Gillhespie (Audit Manager) presented the Internal Audit Update Report Quarter 2 2025-26 (Agenda Item 7).

The following issues were raised in the debate:

- Members queried whether the conversion of schools to academies had impacted the school reserve fund deficit, and how much of the issue was attributable to this rather than financial problems in individual schools. It was explained that a recent academy converter had a large surplus balance, but current projections indicated that further conversions would not have significant impacts. However, this situation would be monitored.
- Concern was expressed that the potential for the School Reserve Fund to go into deficit had not been factored into financial forecasting. It was acknowledged that this risk had not previously been included in the Medium Term Financial Strategy, but had now been flagged for future inclusion. New processes were being implemented to improve forecasting and monitoring.
- Members asked whether the reasons for schools going into deficit were understood. It was explained that the High Needs Block deficit was a national issue, but a statutory override meant that councils did not need to count these deficits against their main budgets. Internal Audit's concern was with the Schools Block, where increasing deficits and reducing surpluses were contributing to the overall decline in balances. Costly SEND provision and falling pupil numbers were key drivers. A larger piece of work was underway to understand the full impact.
- A number of concerns had been raised in relation to Section 17 funding, which provided discretionary financial support for children in need. Clarification was sought on what "limited assurance" meant in relation to the Section 17 support. It was explained that this was an opinion on the control environment, indicating that several weaknesses had been identified in relation to financial controls, specifically ambiguity between Finance and service areas regarding what should be coded against Section 17 budgets. It was confirmed that the issue with controls did not affect the delivery of support to children.
- Reference was made to the risk matrices in Appendix E, and Members highlighted the importance of correct coding for Section 17 expenditure.

RESOLVED to note the report.

7 Treasury Management Mid-Year Review Report 2025/26

Chris Dagnall (Interim Senior Financial Controller) presented the Treasury Management Mid-Year Review Report 2025-26 (Agenda Item 8).

The following issues were raised in the debate:

- Members noted the £42 million of borrowing in the first half of the year and asked how this compared with previous years. Officers did not have the comparative figures to hand but indicated that overall borrowing had decreased by year-end compared to the half-year position. It was explained that high borrowing in the first part of the year was likely due to short-term borrowing and refinancing.

GOVERNANCE COMMITTEE - 27 JANUARY 2026 - MINUTES

Action: Officers to provide borrowing figures for H1 2024/25.

- It was noted that the Council was making use of short-term borrowing until interest rates fell below the weighted average cost of borrowing (currently around 3.9%). The current rate Public Works Loan Board rate was approximately 5%.
- In relation to the headings in table 4.5, it was suggested that "approved capital programme" might be clearer if labelled as "budget". Officers agreed to clarify this in future tables.

Action: Amend the headings in table 4.5.

- Members sought clarification regarding the reasons for overspends in Adult Social Care and Community Services.

Action: Officers to provide further information regarding the overspends.

- It was noted that CIL funds were not fully allocated. Officers explained that CIL spending depended on the progress of specific projects and that forecasts would be updated as projects progressed. It was confirmed that the Council would seek to use CIL funds before seeking to borrow.
- Members highlighted the grants totalling £29.4 million that were approved in 2025-26, and requested more information about their sources.

Action: Officers to provide additional information regarding the grants.

RESOLVED to note the report.

8 Financial Year-End 2025-26 (Year-End Planning Document)

Chris Dagnall (Interim Senior Financial Controller) presented the Financial Year End 2025-26 (Year End Planning Document) (Agenda Item 9).

The following issues were discussed in the debate:

- Members commented that it would be helpful for the Appendices to have their own entries in the document outline to facilitate navigation.
- Members asked if a more up-to-date figure would be available for the DSG accumulated deficit and if the "to be confirmed" figures in the report would be updated when the budget was published. Officers confirmed that the DSG deficit was expected to have increased beyond £16.1 million and that the updated figure will be included in the forthcoming budget papers. It was also confirmed that the "to be confirmed" figures were placeholders and would be populated with final amounts and percentages towards year end.

RESOLVED:

- To approve the draft accounting policies that will be applied in the production of the Council's 2025/26 Draft Statement of Accounts (Appendix A).
- To note:
 - a) KPMG is the Council's external auditor. 2024/25 is the second year of a five-year contract with KPMG. As of December 2025, the audit team is in the process of undertaking their review of the Council's 2024/25 financial performance as summarised in that year's Statement of Accounts. The 2024/25 external audit review commenced in mid-October 2025, and the Council expects that this will be completed in February 2026. The statutory deadline for Council/auditor approval of the 2024/25 Statement of Accounts is 28 February 2026.

GOVERNANCE COMMITTEE - 27 JANUARY 2026 - MINUTES

- b) The Council must publish a 2025/26 Draft Statement of Accounts by 30 June 2026. The public inspection period for the 2025/26 financial statements will commence in early July 2026, immediately following publication of the Accounts.
- c) The internal year-end timetable, which will support the Council’s collation of the 2025/26 Draft Statement of Accounts (Appendix B).

9 Risk Management Q2 2025/26 Report - Part I

Martyn Sargeant (Service Director - Strategy and Governance), presented the Risk Management Quarter 2 2025-26 Report Part One (Agenda Item 10).

Members had no questions in relation to this report.

RESOLVED:

- That the Committee be informed of the current (as at the end of September 2025) position and actions undertaken to minimise the impact for existing 16 risks on the Corporate Risk Register (CRR), which are described in Appendix B and detailed in Appendix C, in the confidential Part II of this report.
- That the Committee confirm the suitability of the new approach of CRR visualisation which incorporates risk appetites to assesses each individual risk in relation to the levels deemed acceptable by the Council’s Risk Management Strategy.
- That the Committee approves the proposed rectification of the omission in the Council Strategy to determine the risk appetite for personal, staff or customer risks as cautious until the time comes for the overall review of the current strategy (2024-2027).

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

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

(Paragraph 5 – information relating to legal privilege)

RESOLVED to note the report.

(The meeting commenced at 6.30 pm and closed at 7.58 pm)

CHAIRMAN

Date of Signature

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Governance Committee – 28 April 2026

Item 3 – Declarations of Interest

Verbal Item

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**WEST BERKSHIRE COUNCIL
GOVERNANCE COMMITTEE FORWARD PLAN
MAY TO OCTOBER 2026**

1. This document gives notice of decisions which the Governance Committee is expected to take.
2. The document is updated as required and is available to the public on the Council's website.
3. Copies of the Council's Constitution and agenda and minutes for all meetings of the Governance Committee may be accessed on the Council's website.
4. For copies of reports or other documents, and for detailed information regarding specific issues to be considered by the committee, please contact the named Lead Officer for the item concerned.
5. For further details on the time of meetings and general information about the Plan please email executivecycle@westberkshire.gov.uk

Publication Date: 20 April 2026

Nicola Thomas
Service Lead
Legal & Democratic Services
West Berkshire Council, Council Offices
Market Street
Newbury
RG14 5LR

Decision Due Date	Title	Purpose	Lead Officer e.g report author	Report likely to be considered in private (i.e., it contains confidential or exempt information)
14 May 2026	Election of Chairman			Open
14 May 2026	Election of Vice-Chairman			Open
23 June 2026				
23 Jun 2026	External Audit Plan 2025/26		Jonathan Brown, Jess Townsend	Open
23 Jun 2026	Internal Audit Draft Plan 2026-27	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.	Julie Gillhespey	Open
23 Jun 2026	Annual Internal Audit Assurance Report 2025/26		Julie Gillhespey	Open
23 Jun 2026	Annual Treasury Management Report	To summarises the results of the Council's management of cash-flow, borrowing and investments in the financial year 2025/26.	Shannon Coleman-Slaughter	Open
23 Jun 2026	Annual Governance Statement	To summarise the key governance issues for the Council and the action plan to address these. The Annual Governance Statement (AGS) will be approved by those	Sarah Clarke	Open

Decision Due Date	Title	Purpose	Lead Officer e.g report author	Report likely to be considered in private (i.e., it contains confidential or exempt information)
		charged with governance, the Governance Committee at West Berkshire, under the Accounts and Audit Regulations 2015. The AGS will form part of the Council's Statement of Accounts.		
23 Jun 2026	Annual Monitoring Officer's Report		Sarah Clarke	Open
23 Jun 2026	Community Governance Review Request	To consider the requests from Lambourn and Shaw-cum-Donnington parish councils to consider the need for a community governance review	Nicola Thomas	Open
23 Jun 2026	Constitution Changes	To update both Executive Directors and Members of the proposed updates to the constitution as agreed in the Constitution Review Task Group for final approval by Council	Nicola Thomas	Open
29 September 2026				
29 Sep 2026	Internal Audit Update Report - Q1 2026/27		Julie Gillhespey	Open
29 Sep 2026	Draft Financial Statements and Going Concern Assessment		Chris Dagnall	Open
29 Sep 2026	Strategic Risk Register - Q4 2025/26		Martyn Sargeant	Part exempt
17 November 2026				
17 Nov 2026	Constitution Update (Standing Item)			

Decision Due Date	Title	Purpose	Lead Officer e.g report author	Report likely to be considered in private (i.e., it contains confidential or exempt information)
26 January 2027				
26 Jan 2027	Internal Audit Update Report - Quarter Two 2026/27		Julie Gillhespey	Open
26 Jan 2027	Risk Management Strategy 2027 - 2030			Open
26 Jan 2027	Financial Year 2026/27 Mid-Year Treasury Report		Chris Dagnall	Open
26 Jan 2027	Strategic Risk Register - Q2 2026/27		Martyn Sargeant	Part exempt
8 March 2027				
8 Mar 2027	Internal Audit Update Report - Quarter Three 2026/27		Julie Gillhespey	Open
8 Mar 2027	Internal Audit Draft Plan 2027-28		Julie Gillhespey	Open
8 Mar 2027	Strategic Risk Register - Q3 2026/27		Martyn Sargeant	Part exempt

Actions arising from previous Governance Committee Meetings

Members are requested to consider the following list of actions and note the updates provided.

Ref.	Date	Item/Action	Member/Officer	Status	Comments/Update
25-2	30/09/2025	Forward Plan - Constitution updates to be included on the Forward Plan as a twice-yearly standing item.	Gordon Oliver	Complete	Updates scheduled for April and November.
25-3	30/09/2025	Internal Audit Update Report Q1 25-26 - Project management task and finish group to be informed about the new ICT system for Housing and the issues experienced with implementation as there could be important constructive feedback and learning.	Sarah Clarke	Complete	<p>This was discussed by the Task Group at its meeting on 9 February. The Task Group noted that processes had been updated in response to the issues highlighted by the Abrisas procurement such that the S151 Officer must be consulted at an early stage on any proposals to introduce financial systems and no such system can go live without the authorisation of the S.151 Officer.</p> <p>The Task Group's report was amended to include the following recommendation:</p> <p><i>The Council should develop and maintain a live list of all IT systems and how they are integrated. This must be consulted when procuring all new IT systems to ensure the necessary system compatibility and functionality is specified and could be delivered by the new supplier. Any procurement of new IT systems should be signed off by the Council's ICT Service and the Project Sponsor.</i></p>
26-1	27/01/2026	Actions Arising from Previous Meetings - Officers to circulate the link to the PDF version of the Constitution	Martyn Sargeant	Complete	Link was circulated 28 January.
26-2	27/01/2026	KPMG: Draft Auditor's Annual Report (2024-25) - review the use of '!' symbols where there is limited risk	KPMG	In progress	Pending the next report.
26-3	27/01/2026	KPMG: Draft Auditor's Annual Report (2024-25) - consider bringing the annual reports to separate meetings in future years.	KPMG	In progress	Pending the next report.
26-4	27/01/2026	KPMG: Draft Auditor's Annual Report (2024-25) - confirm if the budget gap included the recent local government settlement.	Chris Dagnall	Complete	<p>The recommendation referred to was initially raised in the prior period (2023/24). It was included within the 2024/25 report as we are required to follow up on all previous recommendations raised.</p> <p>The figure was taken from the 2025/26 to 2028/29 MTFS. The £30m gap is referenced on page 8, paragraph 3.2</p>
26-5	27/01/2026	Treasury Management Mid-Year Review Report 2025/26 - Provide borrowing figures for H1 2024/25	Chris Dagnall	Complete	Figures provided on separate sheet.

Actions arising from previous Governance Committee Meetings

Members are requested to consider the following list of actions and note the updates provided.

Ref.	Date	Item/Action	Member/Officer	Status	Comments/Update
26-6	27/01/2026	Treasury Management Mid-Year Review Report 2025/26 - Amend table headings in Table 4.5	Chris Dagnall	Complete	The approved Capital Programme (£72.9m) will be formally agreed by Full Council in February 2026. The Q2 position reflects the forecasted outturn for the 2025/26 financial year. For clarity, the Q2 forecast represents projected year end expenditure and does not constitute actual year to date spend. The column headings are therefore deemed to be appropriately named.
26-7	27/01/2026	Treasury Management Mid-Year Review Report 2025/26 - Provide reasons for ASC and Community Services overspend	Chris Dagnall	Complete	<p>Adult Social Care (ASC)</p> <ul style="list-style-type: none"> - £600k represents slippage from the approved 2024/25 budget, moved forward to 2025/26 - £400k was approved in the 2025/26 programme for the Social Care Management System due to a forecast overspend. This approval was recommended through the Asset and Capital Group, and subsequently noted within the Q1 Executive report <p>Community Services</p> <ul style="list-style-type: none"> - £5.3m represents slippage related to the approved 2024/25 budget, reflecting capital schemes that were delayed or not delivered due to a range of factors referenced in the 2024/25 outturn report - Additionally, a Q1 reprofiling exercise transferred forward the Thatcham Library project (value £1.2m) into future financial years - These two items account for the majority of the overspend noted
26-8	27/01/2026	Treasury Management Mid-Year Review Report 2025/26 - Provide additional information regarding the grants	Chris Dagnall	Complete	Figures provided on separate sheet.

Last Updated: 14 April 2026

Data Related to Action 26-5:

	31/03/2024	Borrowing repaid	New Borrowing	30/09/2024
Borrowing position as at 30/09/2024	Balance			Balance
	£m	£m	£m	£m
Public Works Loan Board	206.6	-2.3	-	204.3
Community Bond	0.4	-0.1	-	0.3
Local Authorities (Short-Term)	42.0	-30.0	22.0	34.0
Total Borrowing	249.0	-32.4	22.0	238.6

Data Related to Action 26-8:

Grants	Amounts
Basic Need /High Needs Grant	6.43
CIL/LEVI Grant Funding	0.10
Defra Local Levy Grant Funding	0.03
Defra New Burdens Grant Fundi	0.08
DfT Highway Maintenance Grant	10.26
Disabled Facilities Grant	2.25
External Contributions from variou	0.03
LEP Local Growth Fund	3.97
Nutrient Neutrality grant	2.40
School Condition Allocation	3.81
Total Grants	29.35

Grants	Amounts
Active Travel Grant	0.91
Basic Need /High Needs Grant	4.46
Bus Service Improvement Grant	0.94
Childcare Expansion Grant	0.32
DEFRA Local Levy Grant Funding	0.20
DfT Highway Maintenance Grant Fun	10.47
Disabled Facilities Grant	2.65
LEP Grant Funding	1.37
Levi Grant Funding	0.32
Local Authority Housing Fund	0.29
Nutrient Neutrality grant	0.35
External Contributions from various	0.40
Other Local authorities	0.33
Rural Business Grant	0.06
UKSPF	0.18
Salix	0.02
School Condition Allocation	2.55
Total Grants	25.82

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Internal Audit Update Report – Quarter Three 2025/26

Committee considering report:	Governance Committee
Date of Committee:	28 April 2026
Portfolio Member:	Councillor Iain Cottingham
Report Author:	Julie Gillhespey (Audit Manager)
Forward Plan Ref:	G4741

1 Purpose of the Report

- 1.1 To update the Committee on the status of Internal Audit work as at the end of Quarter Three 2025/26.
- 1.2 The Global Internal Audit Standards (GIAS) in the UK Public Sector, require the Audit Manager to provide periodic updates to senior officers and members on performance against the Audit Plan. As stated in the Council’s approved Internal Audit Charter, quarterly updates are required to be presented to the Committee.
- 1.3 The periodic reports aim to provide a progress update against the work in the Audit Plan together with highlighting any emerging significant issues/risks that are of concern.

2 Recommendation

No recommendation is made, the report is to provide the Governance Committee with an update on Internal Audit Work as at the end of Quarter Three 2025/26.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	None
Human Resource:	None
Legal:	None
Risk Management:	Internal Audit work helps to improve risk management processes by identifying control weaknesses in systems and procedures and making recommendations to provide

	mitigation. The aim of which is to help ensure that services and functions across the Council achieve their goals and targets, and the organisation as a whole meets its plans and objectives.			
Property:	None			
Policy:	None			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		

Core Business:		X		
Data Impact:		X		
Consultation and Engagement:	None			

4 Executive Summary

- 4.1 To update the Committee on the status of Internal Audit work as at the end of Quarter Three 2025/26.
- 4.2 The Global Internal Audit Standards (GIAS) in the UK Public Sector, require the Audit Manager to provide periodic updates to senior officers and members on performance against the Audit Plan. As stated in the Council’s approved Internal Audit Charter, quarterly updates are required to be presented to Committee.
- 4.3 The periodic reports aim to provide a progress update against the work in the Audit Plan together with highlighting any emerging significant issues/risks that are of concern.
- 4.4 From the five corporate audits completed during the period, there was one given a limited assurance opinion, details provided in the main body of the report.
- 4.5 The Audit Team has an in-service reportable performance target to achieve at least 80% of the audit plan for the year. As at the end of Quarter Three, the projected year end figure was 92%. However, the team now has two vacancies, therefore the year end percentage will be impacted by the number of planned audit days lost due to vacancies in the final quarter.

5 Supporting Information

Introduction/Background

- 5.1 For each piece of assurance work undertaken the report provides an audit assurance opinion on the effectiveness of governance, risk management and control in the area under review.
- 5.2 An assessment of the number of reviews in each opinion category is the key factor used to determine the Internal Audit annual assurance opinion. Descriptions of the assurance opinion ratings used are detailed as follows:

Opinion	Description
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Usually moderate-to-minor issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited, but are not a cause for concern.
Limited Assurance	There is a large number of moderate weaknesses and/or significant weaknesses or non-compliance issues identified which are of concern. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

5.3 Appendix A to this report sets out the audit work that has been finalised this quarter. The table below shows the breakdown of completed audits by opinion given. For this reporting period there was one completed corporate audit given a less than reasonable assurance opinion.

Audit Type	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Corporate Systems		1	3	1
Schools			1	1

5.4 We carry out a follow-up review for all audits given a less than reasonable assurance opinion. We use three categories to provide a conclusion on the level of progress with implementing agreed recommendations, **Fully Implemented**, **Satisfactory** (no issues of concern still needing to be addressed), and **Unsatisfactory** (large number of recommendations outstanding and/or weaknesses of concern not addressed). There were no follow-up reviews completed in the quarter.

5.5 **Limited Assurance Opinion Report - Personal Budgets (PBs)/Direct Payments (DPs) - Children with Disabilities and SEND Teams**

The key areas identified that require improvements are as follows:-

- a) Policy documents, guidance for staff and PB / DP agreements are out of date/not in sufficient detail and require a review and updating.

- b) There is currently no formal basis or guidance in place on how to calculate PBs and DPs, except where a Personal Assistant is used where there is a standard rate calculation used.
 - c) Some errors in payments were identified and some care plans reviewed did not provide a clear link between the care identified and the payments being made. In addition, supporting information to clarify how the payment had been calculated was sometimes missing.
 - d) For both teams the legal agreement requires an annual financial review of the PB utilisation, neither team were undertaking these reviews, and our sample checks identified cases where annual care reviews had either not taken place or had not been recorded.
 - e) As annual financial reviews are not carried out, and for the SEN team regular expenditure returns were not requested, there was no effective means for surplus funds to be pro-actively identified, with reliance being placed on the honesty of the parent / carer to declare any overpayment.
 - f) There is also a lack of management oversight in utilisation of PB's. No management reports are produced / reviewed to ensure that the policy and operational processes are being adhered to, and that issues with PB utilisation and associated budgets are being highlighted and managed effectively.
- 5.6 Details of the audit work in progress and the stage reached are set out at Appendix B. This includes 2 audits still in progress from last financial year, one of which is at draft report stage and we are waiting for responses from the relevant service, and for the second there was an agreed postponement. For context, where work is commenced late in the last quarter of the year, it will inevitably roll into the next year to be completed. Also, audit work may take longer than planned for a number of reasons, we are very reliant on services providing us with the required information/managers responding to draft audit reports in a timely manner. As a small team, we also need to react to emerging changes in risk during the year, for example suspected fraud, requests for unplanned work and investigations, as well as audit advice, which may require a reprioritisation of work, and result in delays in the planned work already commenced.
- 5.7 Progress made against the Anti-Fraud Work Plan is set out at Appendix C.
- 5.8 In relation to corporate audits, Appendix D gives further detail to support the audit report opinion, setting out the scoping of each audit as well as the number and significance of recommendations made. Appendix E sets out a visual presentation to support the audit report opinion in the format of an audit risk heatmap.
- 5.9 The Audit Team has an in-service reportable performance target to achieve at least 80% of the audit plan for the year. As at the end of Quarter Three the projected year end figure is 92%. There are two vacancies in the team, this will reduce the team's performance percentage during the last quarter as it is based on number of occupied posts when the plan is compiled, no allowance had been made for vacant posts.

Proposals

This report is to update the Governance Committee of the progress of Internal Audit work at the end of Quarter Three 2025/26.

6 Other options considered

The quarterly update report for the Committee is required to comply with the Council's Internal Audit Charter and professional good practice.

7 Conclusion

There was one corporate audit completed during the period that was given a less than reasonable assurance opinion. The volume of limited assurance reports continues to be low, and there are no concerns that need to be raised with the Committee this quarter.

8 Appendices

- 8.1 Appendix A - Completed Audit Work
- 8.2 Appendix B - Current Audit Work
- 8.3 Appendix C - Anti-Fraud Work Plan Update
- 8.4 Appendix D - Completed Audits – Supporting Information
- 8.5 Appendix E - Completed Audits – Audit Risk Heatmaps

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:

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1) COMPLETED AUDITS

Directorate/Dept/Service	Audit Title	Overall Opinion
Corporate		
None		
Resources		
Strategy and Governance	Recruitment (Talent Attraction) and Retention	Reasonable Assurance
Finance, Property and Procurement	Accounts Payable	Reasonable Assurance
People		
Children with Disabilities and SEN Teams	Personal Budgets (Direct Payments)	Limited Assurance
Children and Family	Separated Children (UASC)	Substantial Assurance
Adult Social Care	Purchase of Residential and Nursing Care Provision	Reasonable Assurance
Place		
Schools		
Primary	Winchcombe	Reasonable Assurance
	Curridge	Substantial Assurance

NOTE

The overall opinion is derived from the number/significance of recommendations together with using professional judgement. The auditor's judgement takes into account the depth of coverage of the review (which could result in more issues being identified) together with the size/complexity of the system being reviewed).

2) COMPLETED FOLLOW UPS

None

3) COMPLETED ADVISORY REVIEWS/OTHER WORK

None

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1) CURRENT AUDITS

Corporate/Directorate/ Service	Audit Title	Current Position of Work	Audit Plan Year *
Corporate			
Finance, Property and Procurement	Procurement Cards	Draft Report Issued	2024/25
Corporate	Income Collection Spot Checks	Reports Being Drafted	2025/26
Transformation, Customer and ICT	Transformation	Background	2025/26
Resources			
Finance, Property and Procurement	Asset Management Strategy	Advisory Findings being Drafted	2025/26
Finance, Property and Procurement	Treasury Management	Draft Report Issued	2025/26
Finance, Property and Procurement	Fee/Grant Income Recording and Monitoring	Background	2025/26
Finance, Property and Procurement	Brokerage - Care Commissioning	Testing	2025/26
Strategy and Governance	Land Charges	Testing	2025/26
Strategy and Governance	Coroners' Service (Joint Service Arrangement across Berkshire)	Background	2025/26
People			
Education and SEND	Dedicated Schools Grant (DSG)	Testing	2024/25
Adult Social Care	Three Conversations Model	Testing	2025/26
Children's Social Care	Guardianship/Child Arrangement Orders	Ready for Review	2025/26
Education and SEND	Central Management and Oversight of School Budget Deficits	Report being Drafted	2025/26

Corporate/Directorate/ Service	Audit Title	Current Position of Work	Audit Plan Year *
Place			
Development and Housing	CIL	Draft Report Issued	2025/26
Community Services	Leisure Centre Management Contract Management	Background	2025/26
Community Services	Shaw House Operations	Ready for Review	2025/26
Schools			
Primary	St Joseph's	Draft Report Issued	2025/26

* Work relating to last year – there are 2 audits ongoing from last year, one of these is at the draft report stage where we are waiting for responses from the service. For the second, the audit was put on hold for a few months when the service had staff absences and could not support the audit, and since then the auditor has left the Council, the piece of work has been reallocated.

2) CURRENT ADVISORY REVIEWS/INVESTIGATIONS AND OTHER WORK

Audit/Review Title	Current Position of Work
Mosaic Project Board	Audit Manager undertaking critical friend role/offering advice as part of Project Board meetings

3) CURRENT FOLLOW-UPS

Directorate/Service	Audit Title
Resources	
None	
Place	
None	
People	
Children's Social Care	Child Care Lawyers
Schools	
None	

Anti-Fraud Work Plan

(Drawn together from entries in the Audit Plan for 2025/26)

<u>Audit Name</u>	<u>Work Focus</u>	<u>Update Position (End of December 2025)</u>
National Fraud Initiative (NFI) Investigation Work	Review of data matches to assess whether fraudulent.	New data match reports received and now being reviewed by Audit/relevant services. (This is a large/time consuming exercise that is ongoing during the year.)
Income Collection Spot Checks	Spot checks on services where cash/income is collected direct from customer. The audits will check that income has been fully and accurately recorded and received.	Visit Reports Being Drafted
Shaw House	Purchasing, income collection and recording.	Ready for Review
Community Infrastructure Levy	Effectiveness of planning approval and application of charges/exemptions.	Draft Report Issued
Parking	Income collection and recording processes and reconciliations to the parking machine ticket information.	Not commenced, was planned for Quarter 4, due to vacant posts it will be moved into 2026/27.
Public Transport	Income collection and recording processes for the transport run in-house.	Completed
Land Charges	Income collection and recording processes for the searches the Council is responsible for managing.	Testing
Brokerage/Care Commissioning Placement Processes	Provider selection/client placement decisions may not be made appropriately.	Testing
Contract Letting/Monitoring – Care Packages	Contracts may be awarded inappropriately/not in line with legislation and/or Council Contract Rules.	Will be partially covered in the previous audit (contract letting stage)

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1) COMPLETED AUDITS – FURTHER DETAIL TO SUPPORT THE REPORT OPINIONS

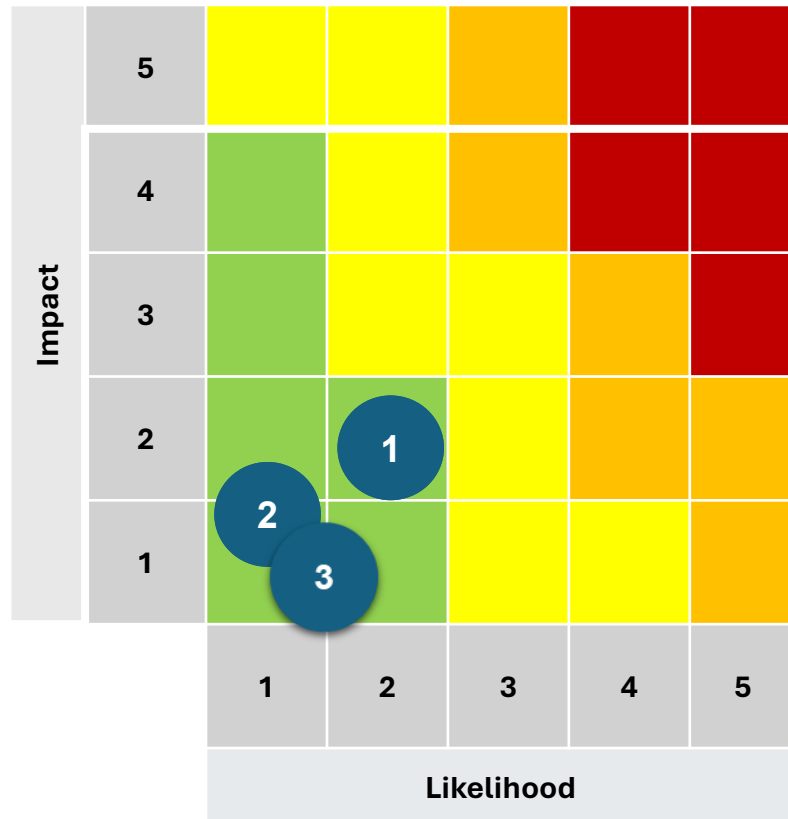
Directorate / Service	Audit title	Overall Assurance Opinion	Audit Scoping Objective(s)	Number of Recommendations per Significance Category			
				Fundamental	Significant	Moderate	Minor
Strategy and Governance	Recruitment (Talent Attraction) and Retention	Reasonable Assurance	1) To ensure that effective strategies and delivery plans are in place and monitored for attracting and retaining the best quality staff. 2) To ensure that processes are in place to facilitate recruitment of the right staff at the right time. 3) To ensure that there are effective recruitment policies and procedures in place which are timely, fair and safe (complete records, checks done etc).	0	0	2	5
Finance, Property and Procurement	Accounts Payable	Reasonable Assurance	1) To ensure that the supplier database is effectively managed / maintained. 2) To ensure that payments are processed promptly, accurately and only once. 3) To ensure that payments are only made where there is a corresponding purchase order, or an appropriately completed AP1/AP2 form. 4) To ensure that there are controls in place to validate the payment run details with the actual payments due to be paid.	0	0	1	3
Children with Disabilities and SEND Team	Personal Budgets (Direct Payments)	Limited Assurance	1) To ensure that there are effective controls and procedures in place covering the financial administration of Personal Budgets and Direct Payments, which are compliant with legislation. 2) To ensure that care packages have been allocated an appropriate personal budget after completion of a needs assessments, which confirms eligibility for funding.	0	0	13	11

APPENDIX D

Directorate / Service	Audit title	Overall Assurance Opinion	Audit Scoping Objective(s)	Number of Recommendations per Significance Category			
				Fundamental	Significant	Moderate	Minor
			3) To ensure that there are effective controls in place covering the setting-up, payment, use and monitoring of Direct Payments for clients with an Education, Health and Social Care Plan.				
Children's Social Care	Separated Children (UASC)	Substantial Assurance	1) To ensure that the Council has maintained a policy and associated procedures, in accordance with applicable legislation, for the provision of services and financial support to Separated Children (UASC) and relevant care leavers. 2) To ensure that there are effective procedures for the administration of allowances and other support payments, and to confirm payments are made in accordance with policies and relevant rates. 3) To ensure that effective finance procedures are in place for budget management and forecasting, and to claim funding due from the Home Office in accordance with the Funding Instructions and specified rates.	0	0	2	1
Adult Social Care/Commissioning	Purchase of Residential and Nursing Care Provision	Reasonable Assurance	1) To ensure that the Council has established a policy and associated procedures covering the provision of residential care which meet the requirements of the Care Act 2014. 2) To ensure there are effective procedures for identifying placement choices, recording the decision of the Good Practice Forum (GPF) together with the rationale for the decision. 3) To ensure that there are effective procedures in place for the management of residential placements so that bed availability is maximised and value for money is achieved with placement decisions.	0	0	3	3

APPENDIX E

Recruitment (Talent Attraction) and Retention



1

To ensure that effective strategies and delivery plans are in place and monitored for attracting and retaining the best quality staff.

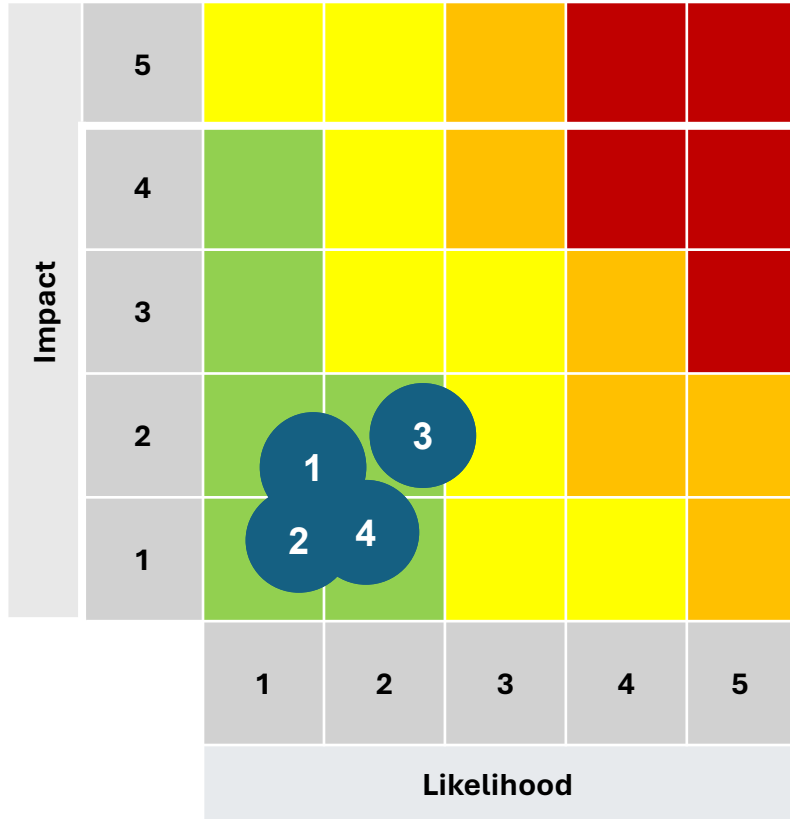
2

To ensure that processes are in place to facilitate recruitment of the right staff at the right time.

3

To ensure that there are effective recruitment policies and procedures in place which are timely, fair and safe (complete records, checks done etc).

Accounts Payable



1

To ensure that the supplier database is effectively managed / maintained.

2

To ensure that payments are processed promptly, accurately and only once.

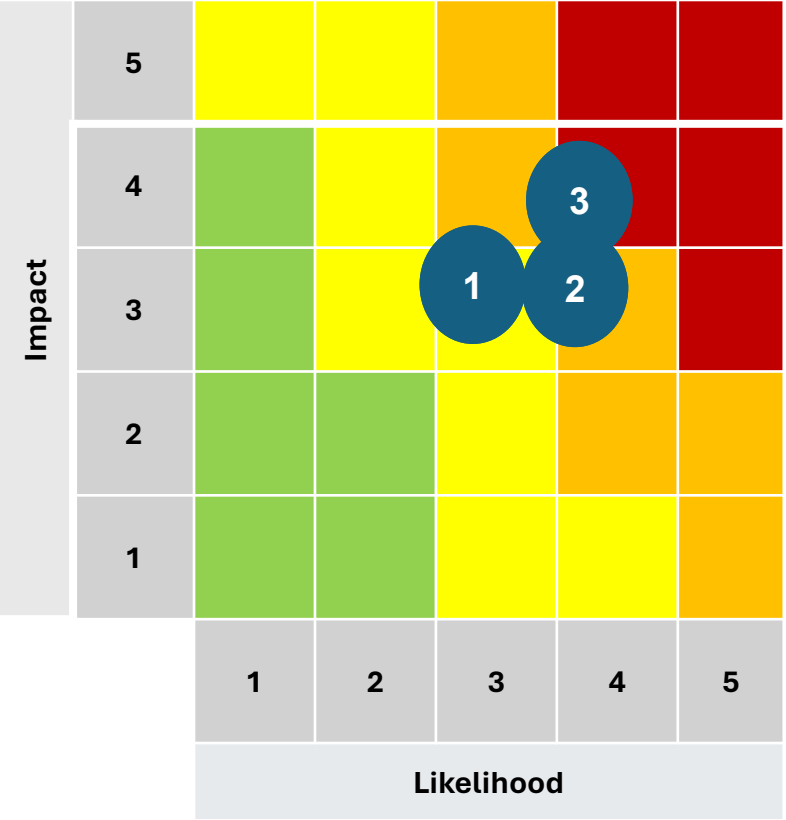
3

To ensure that payments are only made where there is a corresponding purchase order, or an appropriately completed AP1/AP2 form.

4

To ensure that there are controls in place to validate the payments run details with the actual payments due to be paid.

Personal Budgets (Direct Payments)



1

To ensure that there are effective controls and procedures in place, covering the financial administration of Personal Budgets and Direct Payments which are compliant with legislation.

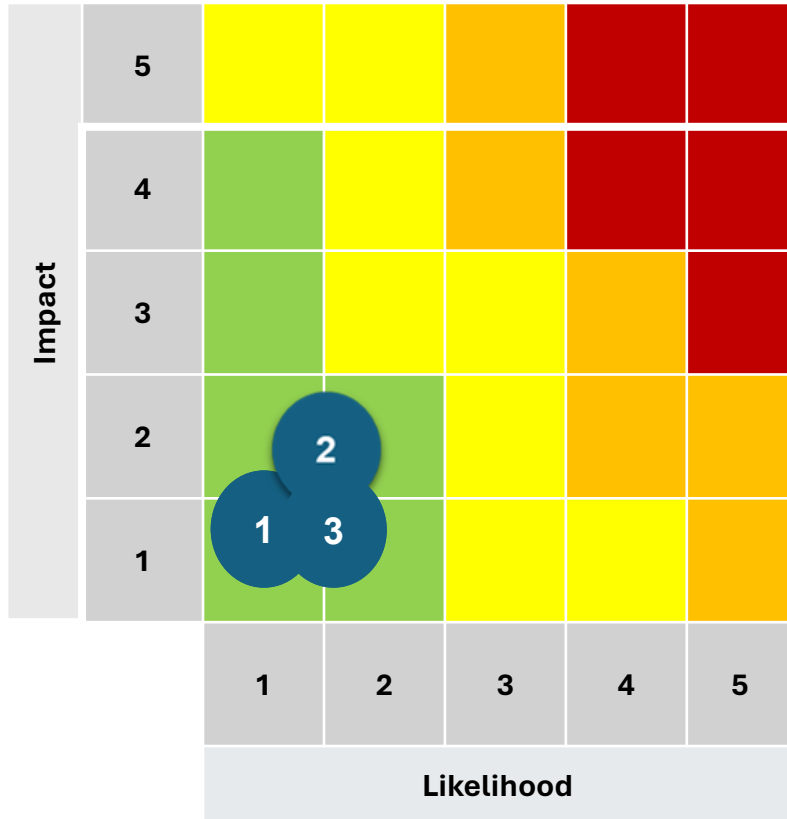
2

To ensure that care packages have been allocated an appropriate personal budget after completion of a needs assessments, which confirms eligibility for funding.

3

To ensure that there are effective controls in place covering the setting- up, payment, use and monitoring of Direct Payments for clients with an Education, Health and Social Care Plan.

Separated Children (UASC)



1

To ensure that the Council has maintained a policy and associated procedures, in accordance with applicable legislation, for the provision of services and financial support to Separated Children (UASC) and relevant care leavers.

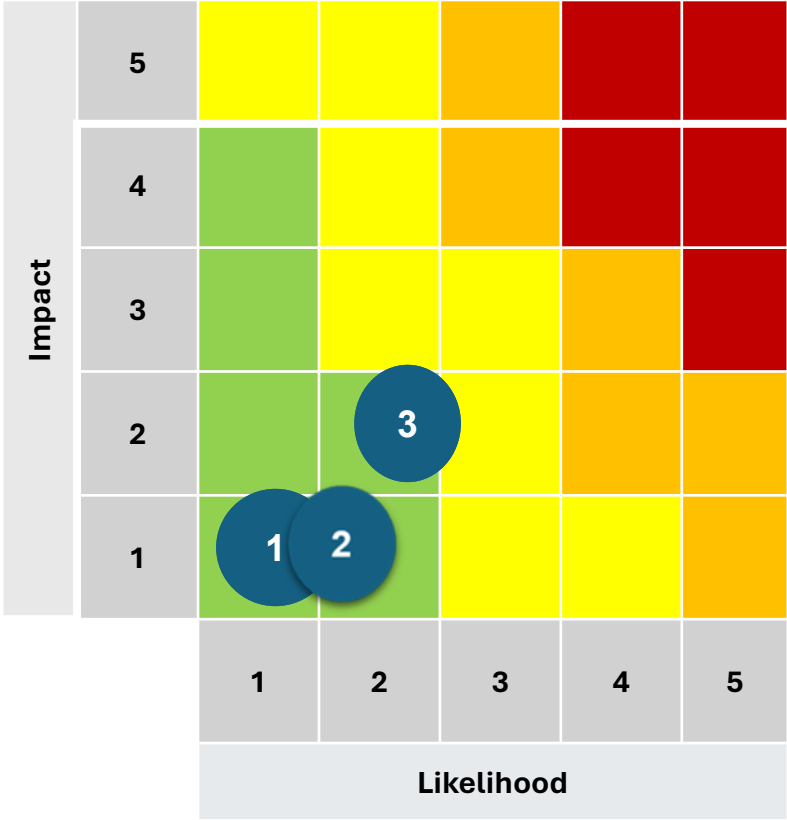
2

To ensure that there are effective procedures for the administration of allowances and other support payments, and to confirm payments are made in accordance with policies and relevant rates.

3

To ensure that effective finance procedures are in place for budget management and forecasting, and to claim funding due from the Home Office in accordance with the Funding Instructions and specified rates.

Purchase of Residential and Nursing Care Provision



1

1) To ensure that the Council has established a policy and associated procedures covering the provision of residential care which meet the requirements of the Care Act 2014.

2

2) To ensure there are effective procedures for identifying placement choices, recording the decision of the Good Practice Forum (GPF) together with the rationale for the decision.

3

3) To ensure that there are effective procedures in place for the management of residential placements so that bed availability is maximised and value for money is achieved with placement decisions.

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Formation of an Audit and Risk Committee

Committee considering report:	Council
Date of Committee:	16 May 2026
Portfolio Member:	Councillor Iain Cottingham
Date Portfolio Member agreed report:	12 January 2026
Report Author:	Martyn Sargeant, Service Director – Strategy and Governance
Forward Plan Ref:	C4769

1 Purpose of the Report

- 1.1 The audit system that serves local authorities is currently the focus of a government consultation, to ensure local audit is the 'bedrock of local accountability and transparency, of trust and confidence in councils to spend taxpayer money wisely'. The importance of strong assurance arrangements was highlighted in the 2024 Local Government Association peer review and, with the current financial challenges faced by the Council, remains a high priority.
- 1.2 Consequently this report proposes the formation of a new Audit and Risk Committee to provide a stronger and clearer focus on financial management and risk assurance, with the consequent merging of the Governance and Personnel Committees.

2 Recommendation(s)

That, with effect from the new municipal year, the Council should agree:

- To form a new Audit and Risk Committee.
- That the new committee should have a politically-balanced membership of seven councillors plus up to two independent members (of the public).
- That the independent members (of the public) should receive an allowance of £2,192 to recognise their technical skills and professional expertise.
- To create a new Personnel and Standards Committee, with oversight for the residual responsibilities of the current Governance Committee and the existing responsibilities of the current Personnel Committee.

3 Implications and Impact Assessment

Implication	Commentary			
Financial:	There are no financial implications arising from this decision. The proposed changes involve a redistribution of existing responsibilities and no increase in the number of committees.			
Human Resource:	None.			
Legal:	<p>Whilst it is not a statutory requirement for councils to have an audit committee, “audit committees are a key component of an authority’s governance framework” and “their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.”</p> <p>Sarah Clarke, Monitoring Officer 6 Jan 2026</p>			
Risk Management:	The formation of a committee with a clearer focus on audit and risk will support the development of the Council’s robust risk management arrangements.			
Property:	None.			
Policy:	None.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		There are no equalities implications arising from the proposed decision. Local Government Association (LGA) guidance suggests an audit committee can contribute to ensuring a local authority effectively carries out its duties in respect

Formation of an Audit and Risk Committee

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		of equality and inclusion, as part of its wider governance focus.
Environmental Impact:		X		None.
Health Impact:		X		None.
ICT Impact:		X		None.
Digital Services Impact:		X		None.
Council Strategy Priorities:	X			This decision supports the strategy priority 'Services we are proud of' and the goal within it to 'treat our residents with respect, be transparent in our decision-making'. More broadly, an effective audit function helps the Council to operate efficiently in the achievement of its objectives.
Core Business:		X		None.
Data Impact:		X		None.
Consultation and Engagement:	As the report relates to the Council's governance framework, no public engagement has been undertaken. The draft report has been considered by the Corporate Board, Constitution Review Task Group and Executive, and consultation undertaken with the various political groups.			

4 Executive Summary

- 4.1 The peer challenge conducted by the LGA in February 2024 made recommendations for how the Council could simplify and strengthen its governance arrangements. One specific recommendation was in relation to the existing audit oversight arrangements:

The remit of the Governance Committee includes audit and risk, and the peer team would encourage the Council to review this as best practice clearly

Formation of an Audit and Risk Committee

states that audit should be considered separately from other issues such as standards, code of conduct, etc.

- 4.2 LGA guidance suggests that “the role of the audit committee is normally to seek assurance that the council’s financial reporting, internal controls, governance and risk management are effective and can be relied upon by councillors and citizens”. It goes on to say that “the audit committee is most effective when it is unencumbered by other tasks, such as scrutiny, ‘general purposes’ or standards.” Alongside its responsibilities for audit and risk, West Berkshire Council’s Governance Committee also has oversight of conduct matters, partnership arrangements and the Constitution.
- 4.3 In keeping with the corporate peer challenge recommendation, this report sets out proposals for a new Audit and Risk Committee to have a dedicated focus on providing assurance to the Council, “which does not involve it in policy-setting or decision-making.”
- 4.4 As the new committee would take on a significant proportion of the existing Governance Committee’s terms of reference, it is further proposed that the Governance and Personnel Committees be merged to form a new Personnel and Standards Committee with appropriate terms of reference.

5 Supporting Information

Background

- 5.1 The Chartered Institute of Public Finance and Accountancy (CIPFA’s) guidance on the core functions of an audit committee recommend it should provide oversight of a range of core governance and accountability arrangements, specifically:
- Maintenance of governance and risk arrangements.
 - Financial and governance reporting.
 - Establishing appropriate and effective arrangements for audit and assurance.
- 5.2 A broader representation of this is offered by CIPFA in the diagram below:



Formation of an Audit and Risk Committee

- 5.3 Membership arrangements for council audit committees vary widely across the country. Both the LGA and CIPFA recommend that there should be a "willingness to operate in an apolitical manner" (CIPFA).

The audit committee is....independent and, as the matters it deals with are normally apolitical, it should rise above politics. (LGA)

- 5.4 They are similarly united on the importance of independent members as part of the committee:

The recruitment of independent (co-opted) members with specialist backgrounds in, say, accounting or risk management is strongly recommended as a way of supplementing the skills of the committee. (LGA)

....each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise. (CIPFA)

- 5.5 The table below demonstrates the range of different approaches taken by councils:

Council	No of councillors	No of independents	Politically balanced?	Chair
West Berks	9	4*	Yes	Majority group
Bracknell	8	1	Yes	Majority group
Reading	9	0	Yes	Opposition
Wokingham	7	1	Yes	Opposition
Basingstoke	9	1	Yes	Majority group (NB: independent)
Windsor & Maidenhead	5	0	Yes	Majority group
Slough	9	2	Yes	Opposition
Solihull	3	3	No (1 from each group)	Independent

*Up to two independent members plus up to two Parish/Town Councillors.

- 5.6 In all of the scenarios above, the independent members are voting members of the committee, whereas the independent member(s) on West Berkshire's Governance Committee are non-voting. However, the LGA guidance advises that this is only an issue where a committee has formal delegated decision-making responsibilities, which is not usual or recommended for an audit committee.
- 5.7 The role of an audit committee is to provide oversight and assurance regarding a council's financial management and governance. Cabinet members are responsible for policy and implementation, creating a potential conflict of interest when they also oversee the audit of those same activities. For this reason, many councils prohibit members of the Executive from being part of the audit committee to maintain clear

Formation of an Audit and Risk Committee

separation. By way of example, Hampshire County Council amended its audit committee's terms of reference to exclude members of the executive following an assessment against the 2022 CIPFA Position Statement. Lead councillors, such as the Leader and Portfolio Holder for Finance, may want to attend as a matter of course, and it would be expected that key officers would be in attendance (Chief Executive, Monitoring Officer, s151 Officer and the Audit Manager).

- 5.8 Because of the level of training that is required to ensure committee members are able to discharge their responsibilities effectively, and because an audit committee should be non-political (see paragraph 5.3), no provision is made for substitute members.

Proposal

- 5.9 The corporate peer challenge provided a clear steer to the Council about forming an audit committee with an exclusive focus on core governance and accountability arrangements. This report consequently proposes the formation of a West Berkshire Council Audit and Risk Committee, for which a draft terms of reference is attached as appendix A.

- 5.10 All of the local comparator councils in section 5.5 have between five and 11 members. With the exception of Reading/Windsor and Maidenhead, all have at least one independent member with voting rights. However, all are politically balanced. Solihull is offered as an example of a council that has strongly embraced the LGA/CIPFA guidance on being apolitical (having one councillor from each of the political groups) and the importance of independent membership (having three independent members, of whom one is the chair). The current constitution of the Governance Committee membership works well, so it is recommended that the membership of the new Audit and Risk Committee should comprise:

- Seven councillors (slightly smaller than other committees because of the need for training and building up a level of expertise and in line with the LGA's advice that the committee should be 'typically, six to eight members'), distributed on a politically balanced basis.
- Up to two independent members (of the public, in line with CIPFA guidance) with relevant risk and/or financial expertise.
- A chair elected after the Annual Council meeting each year.

- 5.11 It has become increasingly difficult to recruit independent members for council committees (specifically for audit and standards). Offering a small allowance to recognise people's time and skills will significantly improve the quality and field of potential candidates, ensuring the new Audit and Risk Committee has a strong base of technical expertise. There is a wide range of approaches taken across councils, with some not offering any remuneration other than expenses (eg Bracknell, although it offers an allowance for the Independent Member for Standards). South Oxfordshire/Vale of White Horse District Councils offer an allowance of 50% of the committee chair's allowance (which equates to £2,205 in 2025/26). Hampshire County Council provides an allowance of £2,000 (2025/26). Research amongst London authorities on this issue by Hackney Council in 2024 identified allowances being paid up to £2,500. Oxfordshire County Council provides an allowance of £3,156 (2025/26). West Berkshire provides an allowance (currently £1,132) to independent members of

Formation of an Audit and Risk Committee

the Governance Committee, which was introduced in 2012 following implementation of the new standards regime. Given the level of technical expertise required for the Audit and Risk Committee roles, it is suggested the allowance should be higher. Two thirds of the chair's allowance would equate to £2,192, roughly equivalent to the South Oxfordshire/Vale of White Horse arrangement.

5.12 The removal of the audit and risk responsibilities from the Governance Committee will take away about two thirds of its terms of reference. In light of this, and as the Personnel Committee only meets twice a year, the report also proposes that the Governance and Personnel Committees should be merged, with a draft terms of reference attached as appendix B. By merging the committees, this will ensure the new committee has a substantive terms of reference, whilst not creating additional meetings/work for both councillors and the Democratic Services team.

5.13 A summary of the broad areas of respective responsibility is provided in the table below:

Audit and Risk Committee	Personnel and Standards Committee
<ul style="list-style-type: none"> • Corporate governance, including annual governance statement • Risk management, assurance and controls • Value for money, fraud and counter-fraud, internal controls • Internal audit, including the annual work programme, review of reports highlighting significant weaknesses, and the annual report on effectiveness • External audit, including the annual assessment of independence, annual letter, and other reports • Financial reporting, including the annual statement of accounts 	<ul style="list-style-type: none"> • Ongoing review and maintenance of the Constitution • The Councillor code of conduct • Arrangements for investigating and determining allegations of misconduct, including for parish/town councils • Appointment panels for director-level recruitments • HR policies and procedures • Designation of officers for statutory social care posts • Recommend to Council officers to fill the statutory Monitoring Officer and s151 Officer posts • Consideration of requests for early release of pension

6 Other options considered

It would be possible to retain the status quo, of a Governance Committee with a wider brief than simply audit and risk, but this would go against the advice of the LGA's peer review and best practice guidance.

7 Conclusion

Forming a dedicated Audit and Risk Committee means West Berkshire Council will be in line with best practice guidance and able to strengthen its assurance arrangements.

8 Appendices

Appendix A – Draft terms of reference for a new Audit and Risk Committee

Appendix B – Draft terms of reference for a new Personnel and Standards Committee

Background Papers:

[CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022](#)

[LGA Corporate Peer Challenge: West Berkshire Council, Feb 2024](#)

[LGA Ten Questions for Audit Committees, Apr 2024](#)

[Audit Committee Guidance: 2022 update | CIPFA](#)

[Audit Committee Terms of Reference: Hampshire County Council, May 2024](#)

[Report of the Independent Remuneration Panel, South Oxfordshire and Vale of White Horse District Councils, October 2024](#)

[Report of the Independent Remuneration Panel, Reading Borough Council, October 2024](#)

[Report of the Independent Remuneration Panel, Hampshire County Council, January 2025](#)

[Audit Committee Independent Membership Briefing, Hackney Council, July 2024](#)

Subject to Call-In:

Yes: No:

Wards affected: All

Officer details:

Name: Martyn Sargeant
Job Title: Service Director – Strategy and Governance
Tel No: 01635 503076
E-mail: martyn.sargeant1@westberks.gov.uk

Part XX - Appendix: Audit and Risk Committee

1. Preamble

- **1.1** Part 3 (Meeting Procedure Rules) and Part 6 (Council Bodies) set out the rules and procedures that apply to all of the Council's Bodies and Sub-Bodies.
- **1.2** If there is any conflict between the wording of Parts 3 and 6 and this Appendix, this Appendix will prevail.

2. Scope of Role

- **2.1** The Audit and Risk Committee ("the Committee") is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- **2.2** The purpose of the Committee is to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It also oversees internal and external audit, helping to ensure efficient and effective assurance arrangements are in place.

3. Membership

- **3.1** The Committee shall consist of seven Councillors reflecting the political balance of the Council, together with up to two co-opted independent members.
- **3.2** The membership is set out in the Committees List and Meeting Rules Table.
- **3.3** There will be no provision for substitute Councillors to attend Committee meetings.
- **3.4** No member of the Committee may be a member of the Executive.
- **3.5** The Chair of the Committee shall be elected following the Annual Council meeting each year.

4. Terms of Reference

4.1 Governance, risk and control

To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

To review the annual governance statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

Formation of an Audit and Risk Committee

To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

To monitor the effective development and operation of risk management in the Council.

To monitor progress in addressing risk-related issues reported to the committee.

To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.

To monitor the counter-fraud strategy, actions and resources.

To review the governance and assurance arrangements for significant partnerships or collaborations.

4.2 Internal audit

To approve the internal audit charter.

To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

To approve the risk based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

To approve significant interim changes to the risk-based internal audit plan and resource requirements.

To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Audit Manager. To approve and periodically review safeguards to limit such impairments.

To consider reports from the Audit Manager on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:

- Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
- Regular reports on the results of any quality assurance and improvement initiatives.
- Reports on instances where the internal audit function does not conform to the Global Internal Audit Standards in the UK Public Sector, considering whether the non-conformance is significant enough that it must be included in the annual governance statement.

Formation of an Audit and Risk Committee

To consider the internal Audit Manager's annual report:

- The statement of the level of conformance with the Global Internal Audit Standards in the UK Public Sector and the results of the quality assurance and improvement programme that supports the statement - these will indicate the reliability of the conclusions of internal audit.
- The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion - these will assist the committee in reviewing the annual governance statement.

To consider summaries of specific internal audit reports as requested.

To receive reports outlining the action taken where the Internal Audit Manager has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

To contribute to the quality assurance and improvement programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

To consider a report on the effectiveness of internal audit to support the annual governance statement, where required to do so by the Accounts and Audit Regulations.

To provide free and unfettered access to the audit committee chair for the Internal Audit Manager, including the opportunity for a private meeting with the committee.

4.3 External audit

To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments (PSAA) company or the authority's auditor panel as appropriate.

To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

To consider specific reports as agreed with the external auditor.

To comment on the scope and depth of external audit work and to ensure it gives value for money.

To commission work from internal and external audit.

To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

4.4 Financial reporting

To receive detailed training in respect of the process associated with the preparation, sign off, audit and publication of the Council's annual statement of accounts.

To monitor the on-going progress towards publication of the Council's annual statement of accounts, ensuring the statutory deadlines are achieved.

To obtain explanations for all significant variances between planned and actual expenditure to the extent that it impacts on the annual statement of accounts.

To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed, appropriate accounting estimates have been included in the Council's financial statements and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

4.5 Accountability arrangements

To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

To report to full Council on a regular basis on the Committee's performance in relation to the terms of reference, and the effectiveness of the committee in meeting its purpose.

To publish an annual report on the work of the Committee

Part XX - Appendix: Personnel and Standards Committee

1. Preamble

- **1.1** Part 3 (Meeting Procedure Rules) and Part 6 (Council Bodies) set out the rules and procedures that apply to all of the Council's Bodies and Sub-Bodies.
- **1.2** If there is any conflict between the wording of Parts 3 and 6 and this Appendix, this Appendix will prevail.

2. Scope of Role

- **2.1** The Local Authorities (Standing Orders) (England) Regulations 2001 set out specific requirements in relation to the recruitment and appointment of the Head of Paid Service, Chief Officers and Deputy Officers. These include a requirement to draw up job descriptions and person specifications.
- **2.2** The Council's approach to recruitment and selection is set out in the Recruitment and Selection Policy, Procedure and Guidance document on the Council's intranet.
- **2.3** Section 27 of the Localism Act 2011 imposes a duty on local authorities to promote and maintain high standards of conduct. Section 28(6) of the same Act requires that that arrangements are in place under which allegations of misconduct can be investigated and decisions on those allegations determined. The Committee will have oversight of those arrangements.

3. Membership

- **3.1** The Committee shall consist of seven Councillors reflecting the political balance of the Council, together with up to two co-opted but non-voting Parish or Town Councillors and an Independent Person (Standards).
- **3.2** The membership is set out in the Committees List and Meeting Rules Table.
- **3.3** The Committee shall accept Substitute Members but, to sit as a Substitute Member, he or she must be a member of the same political group as the Member for whom they are substituting.
- **3.5** The Chair of the Committee shall be elected each year after the Annual Council meeting.

4. Terms of Reference

The principal functions of the Committee shall be as follows:

4.1 Personnel matters - general

- **4.1.1** Appoint staff at Service Director level or above by means of an Appointments Panel and to agree terms of reference for that Panel.
- **4.1.2** Agree and make necessary changes to the Council's Human Resources policies and procedures.

Formation of an Audit and Risk Committee

- **4.1.3** Designate officers as the Director of Adult Social Care and the Director of Children's Services.
- **4.1.4** Recommend officers for the statutory posts of Monitoring Officer and S151 Officer.
- **4.1.5** Consider requests for the early release of pensions (the financial implications of which will need to be considered and approved by the Executive).

4.2 Personnel matters – recruitment of Chief Executive, Executive Directors and Service Directors

- **4.2.1** Where the Council proposes to appoint a Chief Executive, Executive Director or Service Director it will convene an Appointments Panel, which shall:
 - in the case of the recruitment of a Chief Executive, consist of five Councillors;
 - in the case of Executive Directors or Service Directors, consist of three Councillors;
 - include at least one Executive Member;
 - have regard to the political balance of the Council;
 - draw up a statement specifying the duties of the Officer concerned and any qualifications or qualities to be sought in the person to be appointed;
 - make arrangements for the post to be suitably advertised.
- **4.2.2** The Council must approve the appointment of the Chief Executive having regard to the recommendations of the Appointments Panel before an offer of employment is made to that person.
- **4.2.3** The Council must approve the designation of an Officer as the S151 Officer or the Monitoring Officer, having regard to the recommendations of the Appointments Panel.
- **4.2.4** The Council may only make or approve the appointment of the Chief Executive where no well-founded objection has been made by any Member of the Executive.
- **4.2.5** Executive Directors or Service Directors (other than those who will hold a statutory post) will be appointed by the Appointments Panel.
- **4.2.6** An offer of employment as an Executive Director or Service Director must not be made until:
 - the Proper Officer has been advised of the name of the person to whom the offer is going to be made, and any other particulars relevant to the appointment;
 - the Proper Officer has notified every Member of the Executive as to:
 - the name of the person to whom the Appointments Panel wish to make the offer;
 - any other particulars relevant to the appointment which the Appointments Panel has notified to the Proper Officer; and
 - the period within which any objection to the making of the offer is to be made by the Executive Leader, on behalf of the Executive, to the Proper Officer; and either:
 - the Leader has, within the period specified in the Notice, notified the Appointments Panel that neither they nor any other Member of the Executive has any objection to the making of the offer; or

- the Appointments Panel is satisfied that any objection received from the Leader within that period is not material or is not well-founded.

4.3 Personnel matters – dismissal of Chief Executive, S151 Officer or Monitoring Officer

- **4.3.1** In this Part –
 - "Chief Finance Officer", "Head of the Authority's Paid Service" and "Monitoring Officer" (each a "Relevant Officer"), and "disciplinary action" have the same meaning as in Regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001;
 - "Independent Person" means an Independent Person (Standards) appointed under s.28(7) of the Localism Act 2011;
 - "the Panel" means a Committee appointed by the Council under s.102(4) of LGA 1972 for the purposes of advising the Council on matters relating to the dismissal of relevant Officers of the authority; and
 - "Relevant Meeting" means a meeting of the Council to consider whether or not to approve a proposal to dismiss a relevant Officer.
- **4.3.2** The Council must approve that dismissal of a Relevant Officer before notice is given to that person.
- **4.3.3** In this paragraph, "Dismissor" means, in relation to the dismissal of a Relevant Officer, the Council or Body as the case may be.
- **4.3.4** Notice of the dismissal of an Officer referred to above, must not be given by the Dismissor until:
 - the Dismissor has notified the Proper Officer of the name of the person who the Dismissor wishes to dismiss, and any other particulars which the Dismissor considers are relevant to the dismissal;
 - the Proper Officer has notified every Member of the Executive of:
 - the name of the person whom the Dismissor wishes to dismiss;
 - any other particulars relevant to the dismissal which the Dismissor has notified to the Proper Officer; and
 - the period within which any objection to the dismissal is to be made by the Leader, on behalf of the Executive, to the Proper Officer, and either:
 - the Leader has, within the period specified in the Notice above, notified the Dismissor that neither they nor any other Member of the Executive has any objection to the dismissal;
 - the Dismissor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.
- **4.3.5** A Relevant Officer may not be dismissed by the Council unless the procedure set out in the following paragraphs is complied with.

Formation of an Audit and Risk Committee

- **4.3.6** The Council must invite its Independent Persons (Standards) to be considered for appointment to the Panel, with a view to appointing at least two such Persons to the Panel.
- **4.3.7** Where there are fewer than two such Persons available, the Council shall seek to appoint one or more Independent Persons as have been appointed by another authority or authorities as the Council considers appropriate, so that there are at least two Independent Persons appointed to the Panel.
- **4.3.8** Subject to paragraph 6.10, the Council must appoint to the Panel such Independent Persons who have accepted an invitation issued in accordance with paragraph 6.7 in accordance with the following priority order:
 - an Independent Person (Standards) who has been appointed by the Council and who is a local government elector;
 - any other Independent Person (Standards) who has been appointed by the Council;
 - an Independent Person or Persons who have been appointed by another authority or authorities.
- **4.3.9** Not more than two Independent Persons shall be required to be in appointed to the Panel.
- **4.3.10** The Council must appoint the Panel at least 20 Working Days before the Relevant Meeting.
- **4.3.11** Before the taking of a vote at the Relevant Meeting on whether or not to approve such a dismissal, the Council must take into account, in particular:
 - any advice, views or recommendations of the Panel;
 - the conclusions of any investigation into the proposed dismissal; and
 - any representations from the relevant Officer.
- **4.3.12** Any remuneration, allowances or fees paid by the Council to an Independent Person appointed to the Panel must exceed the level of remuneration, allowances or fees payable to that Independent Person in respect of that person's role as Independent Person under the 2011 Act.

4.4 Standards

- **4.4.1** With the support of the Monitoring Officer, the Committee will promote and maintain high standards of conduct by all Councillors and co-opted members, including:
 - assisting Councillors and co-opted members to observe the Councillors' Code of Conduct;
 - advising the Council on the adoption, or revision of, the Councillors' Code of Conduct;
 - monitoring operation of the Councillors' Code of Conduct;
 - advising and training councillors and co-opted councillors on matters relating to the Councillors' Code of Conduct;

Formation of an Audit and Risk Committee

- granting dispensations to Councillors and co-opted members on requirements relating to interests.
- **4.4.2** The Committee has responsibility for ensuring that arrangements are in place by which allegations against Councillors and other Members of a Body, or of Town or Parish Councillors, which assert a breach of the relevant Code of Conduct, can be investigated and determined.
- **4.4.3** An Advisory Panel comprising nine Members - two Councillors each from the Administration, the main Opposition Party and the Minority Party, together with an Independent Member (Standards) and two Parish or Town Councillors - will be appointed and will be responsible for dealing with any complaints where evidence of a breach of the relevant Code of Conduct has been identified.
- **4.4.4** In the event that the Advisory Panel finds there has been a breach of the relevant Code of Conduct, it will report its findings to the Personnel and Standards Committee for a formal decision.
- **4.4.5** The Advisory Panel will be chaired by an Independent Person (Standards).

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Risk Management Q3 2025/26 Report – Part I

Committee considering report:	Governance Committee
Date of Committee:	28 April 2026
Portfolio Member:	Cllr Iain Cottingham
Date Portfolio Member agreed report:	16 April 2026
Report Author:	Martyn Sargeant / Beatriz Teixeira

1. Purpose of the Report

- 1.1 To highlight the 17 corporate risks (as at the end of December 2025) that need to be considered by the committee and outline the actions that were being taken to mitigate those risks, in accordance with the [West Berkshire Council Risk Management Strategy](#)
- 1.2 To call attention to changes observed in the Corporate Risk Register (CRR) during the reference period, more specifically, those related to a change in scoring or to the closure or inclusion of a risk in the register.

2. Implications and Impact Assessment

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

Environmental Impact:		x		
Health Impact:		x		
ICT or Digital Services Impact:		x		
Council Strategy Priorities or Business as Usual:	x			Risk management activities support the delivery of the objectives relevant to the Council Strategy priorities and other business as usual areas.
Data Impact:		x		
Consultation and Engagement:	The report is based on the updated Service Risk Registers provided by 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.			

3. Executive Summary

- 3.1 This report summarises a range of information relating to the Corporate Risk Register (CRR) and analyses any developments and emerging risks. It updates the committee on key issues and actions that they should be aware of.
- 3.2 During quarter 3 of 2025/2026 (as of 31 December 2025) the following changes were made to the CRR:

From the Resources directorate

- (a) One compliance risk had its score increased from 12 to 16, thus exacerbating the Council's acceptable exposure limit for that type of risk.
- (b) One new reputational risk with score of 15

From the Place directorate

- (c) One reputation risk had its score increased from 12 to 16 thus exacerbating the Council's acceptable exposure limit for that type of risk.
- (d) One compliance risk had its score reduced from 12 to 6
- (e) One personal, staff or customer-related risk had its score reduced from 9 to 6, thus moving back within the Council's acceptable level of exposure

- 3.3 At the end of the quarter, there were in total 17 risks in the Corporate Risk Map, with over half of them (10) at a risk exposure level higher than the acceptable limit established by the [Council's Risk Management Strategy](#).

- 3.4 More detailed information on the modifications to the Corporate Risk Register can be found in Part II of this report (Part II - Appendix A: Changes in the CRR)
- 3.5 The submission of a part II report is due to the presence of exempt information, in accordance with Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the [Local Government \(Access to Information\)\(Variation\) Order 2006. Rule 8.10.4 of the Constitution also refers](#). More specifically, information relating to:
- financial/business affairs of particular person
 - legal privilege
 - proposed action to be taken by the Local Authority

4. Assurance on the risk management approach

4.1 The matrix below maps the risk scorings associated with the different risk exposure levels. These were the thresholds utilised to assess if the risks currently in the Corporate Risk Register exceed acceptable parameters as set by the Risk Management Strategy (Figure 1).

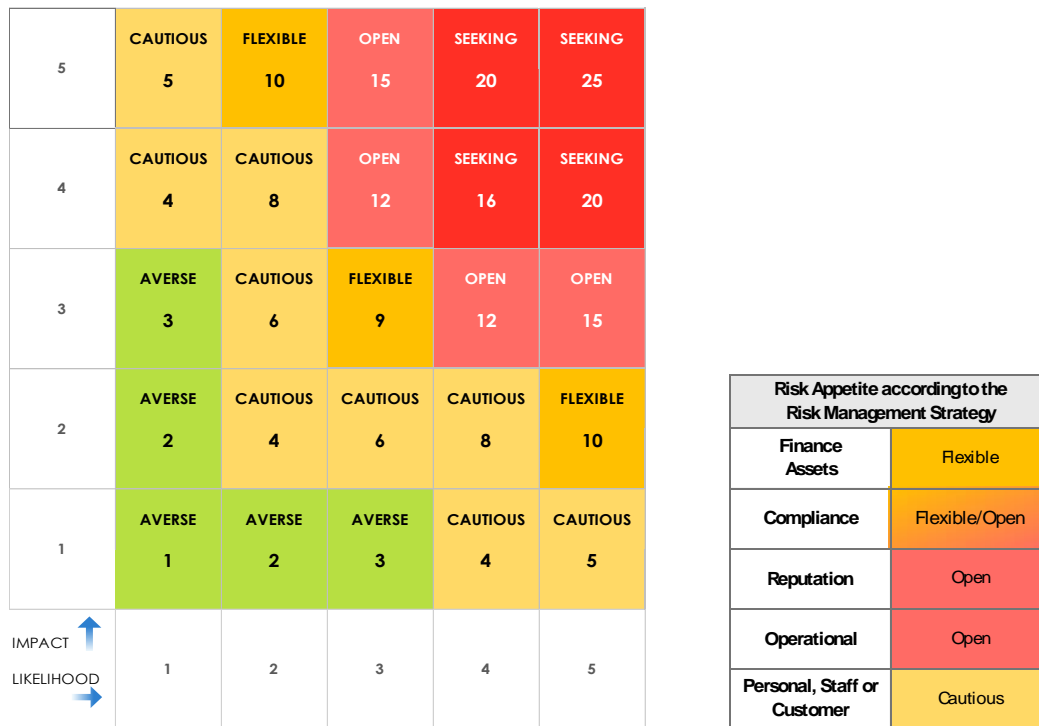


Figure 1. Heat map of risk appetite levels and Risk appetite levels according to the Risk Management Strategy

- 4.2 The table at paragraph 6.1 includes details of the relevant appetite parameters and ranks each risk according to whether it exceeds the appetite and to what extent. This is done with a simple RAG rating as follows:
- RED: exceeds appetite threshold by three or more points.
 - AMBER: exceeds appetite threshold by up to two points.
 - GREEN: at or below the appetite threshold.

5. Corporate Risk Register Heat Map (public version)

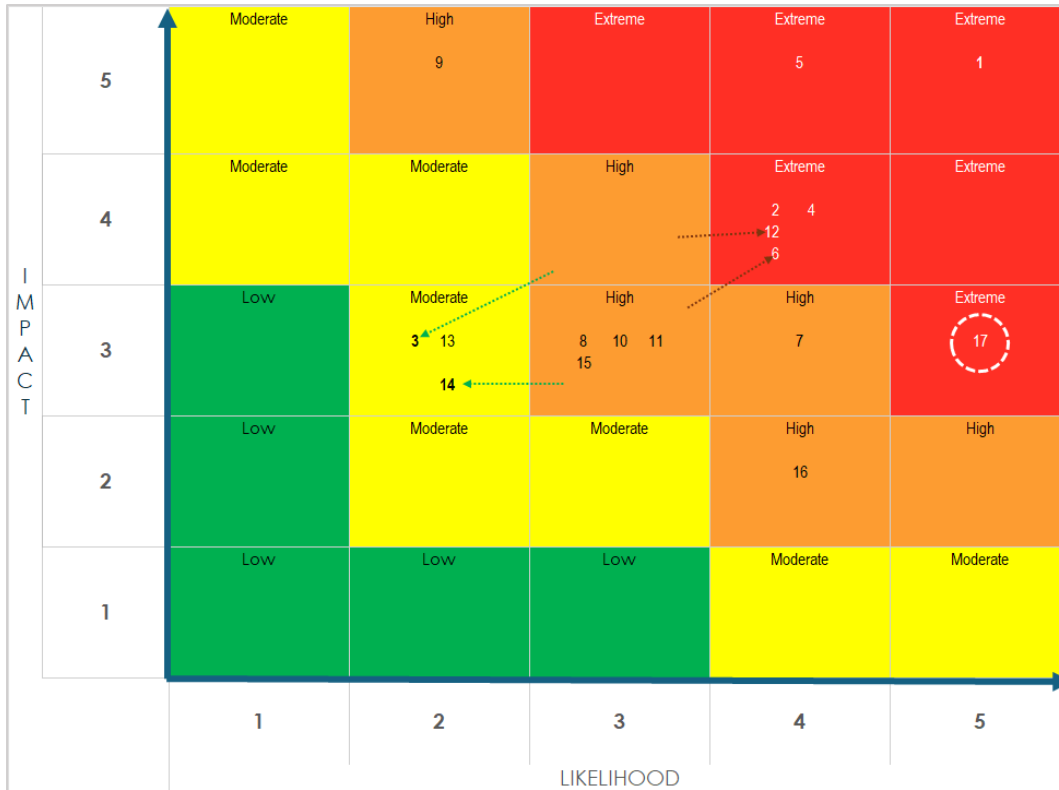
5.1 The Corporate Risk Register (CRR) is designed to summarise all major risks escalated by Directors and Service Leads for action or active monitoring at corporate level. The method used to score risks is detailed as part of the Risk Management Strategy. The risks and their respective scores can be found in the table below.

N.	Directorate	Primary Risk Category	Current Score (Q3)		Score Variation from Q2
			Score	Level	
1	Resources	Financial loss	25	Extreme	0
2	People (Children)	Financial loss	16	Extreme	0
3	Place	Compliance	6	Moderate	↓6
4	Place	Compliance	16	Extreme	0
5	Resources	Assets (Physical & Information)	20	Extreme	0
6	Place	Reputation	16	Extreme	↑4
7	Place	Compliance	12	High	0
8	Place	Personal, Staff or Customer	9	High	0
9	People (Children)	Personal, Staff or Customer	10	High	0
10	People (Children)	Personal, Staff or Customer	9	High	0
11	People (Children)	Personal, Staff or Customer	9	High	0
12	Resources	Compliance	16	Extreme	↑4
13	Place	Personal, Staff or Customer	6	Moderate	0
14	Place	Personal, Staff or Customer	6	Moderate	↓3
15	Resources	Financial loss	9	High	0
16	People (Adults)	Financial loss	8	Moderate	0
17	Resources	Reputation	15	Extreme	New

Table 1. Risk scores (public version)

5.2 As of the end of Q3, the 17 risks in the CRR (Figure 3) were categorised as such: 7 *extreme*, 6 *high*, and 4 *moderate* (Figure 4). The most common primary risk category is *personal, staff or customer*, which accounts for 6 risks. The category *financial* comes in second with 4 risks and *compliance* in third, with 4 risks. The classification of all risks in the CRR is illustrated in the graphs below (Figure 2).

Corporate Risk Register Q3 2025/2026 (v1.2)



N. Directorate	Primary Risk Category	
1	Resources	Financial loss
2	Children	Financial loss
3	Place	Compliance
4	Place	Compliance
5	Resources	Assets (Physical & Information)
6	Place	Reputation
7	Place	Compliance
8	Place	Personal, Staff or Customer
9	Children	Personal, Staff or Customer
10	Children	Personal, Staff or Customer
11	Children	Personal, Staff or Customer
12	Resources	Compliance
13	Place	Personal, Staff or Customer
14	Place	Personal, Staff or Customer
15	Resources	Financial loss
16	Adults	Financial loss
17	Resources	Reputation

Figure 3. Heat map with current risk scores (public version)

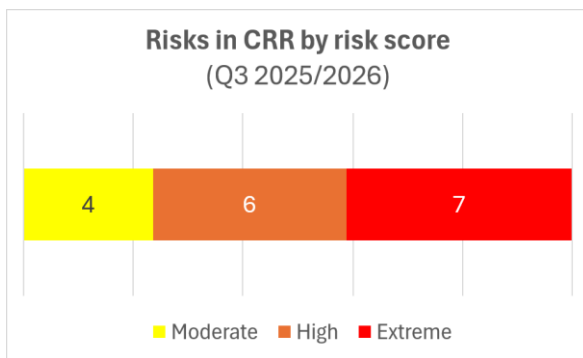


Figure 4. Risks in CRR by risk score



Figure 2. Risks in CRR by primary category

6. Overview of the Corporate Risk Register (public version)

6.1 The table below presents the exposure levels of the 17 risks in the CRR vis-à-vis their acceptable levels according to the Risk Management Strategy (Table 2).

N.	Directorate	Primary Risk Category	Current Score (Q3)	Acceptable Risk Exposure	Current Risk Exposure	Deviation from Risk Appetite
1	Resources	Financial loss	25	Flexible	Seeking	↑15
2	Children	Financial loss	16	Flexible	Seeking	↑6
3	Place	Compliance	6	Flexible/ Open	Open	↓2
4	Place	Compliance	16	Flexible/ Open	Seeking	↑1
5	Resources	Assets (Physical & Information)	20	Flexible	Seeking	↑10
6	Place	Reputation	16	Open	Seeking	↑1
7	Place	Compliance	12	Flexible/ Open	Open	No deviation
8	Place	Personal, Staff or Customer	9	Cautious	Flexible	↑1
9	Children	Personal, Staff or Customer	10	Cautious	Flexible	↑2
10	Children	Personal, Staff or Customer	9	Cautious	Flexible	↑1
11	Children	Personal, Staff or Customer	9	Cautious	Flexible	↑1
12	Resources	Compliance	16	Flexible/ Open	Seeking	↑1
13	Place	Personal, Staff or Customer	6	Cautious	Cautious	No deviation
14	Place	Personal, Staff or Customer	6	Cautious	Cautious	No deviation
15	Resources	Financial loss	9	Flexible	Flexible	No deviation
16	Adults	Financial loss	8	↑4	Cautious	↓1
17	Resources	Reputation	15	Open	Open	No deviation

Table 2. Overview of Corporate Risk Register (Public Version)

6.2 As shown in the table, the scores attributed to ten of the risks currently in the Corporate Risk Register exceed the acceptable levels of risk appetite set in the Council’s Strategy – three of them by 3 points or more. The remaining risks are currently within or below the acceptable risk levels, as illustrated in Figure 5.

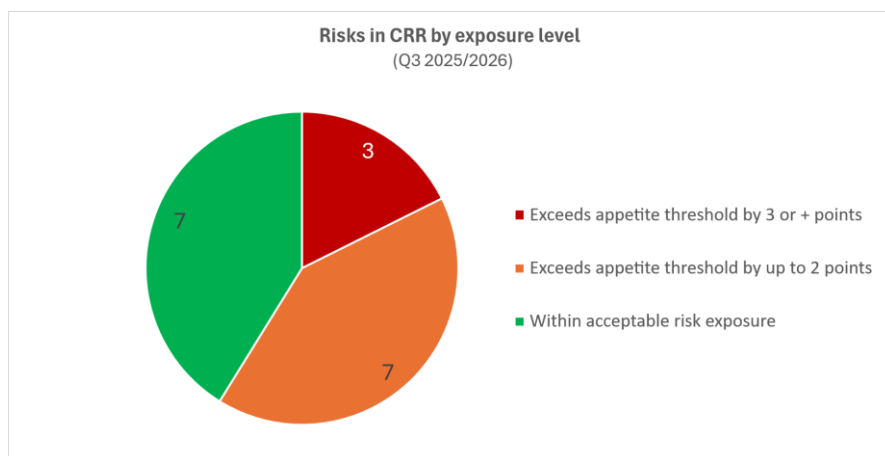


Figure 5. Risks in CRR according to their acceptable exposure levels

6.3 More details on the risks currently in the Corporate Register, information on mitigation actions in place and on emerging risks are available in Part II of this report (Appendix B: Overview Corporate Risks).

7. Development of risk appetite

7.1 At its last meeting, the committee was updated on work to further develop the Council’s risk appetite, building on the organisational-level appetite identified as part of the risk management strategy. Since then, each directorate has undertaken an exercise to define its risk appetite, and these are summarised in the table below.

	Resources	Place	Children & Families	Adult Social Care
Financial/asset	Flexible	Flexible	Not identified*	Flexible
Compliance	Flexible	Flexible	Averse	Cautious
Reputation	Cautious	Open	Flexible	Flexible
Operational	Cautious	Flexible	Open	Open
Personal	Cautious	Cautious	Cautious	Averse

Table 3. Risk appetite by Directorate

*Children and Family Services felt unable to identify an appetite for financial/asset. Although the directorate makes significant financial commitments, it is not putting money ‘at risk’ by doing so, which is driven by compliance.

7.2 The chart below shows a comparison of the four directorates' identified risk appetite against the corporate appetite, where 1 = adverse, 2 = cautious, 3 = flexible, 4 = open, and 5 = seeking .

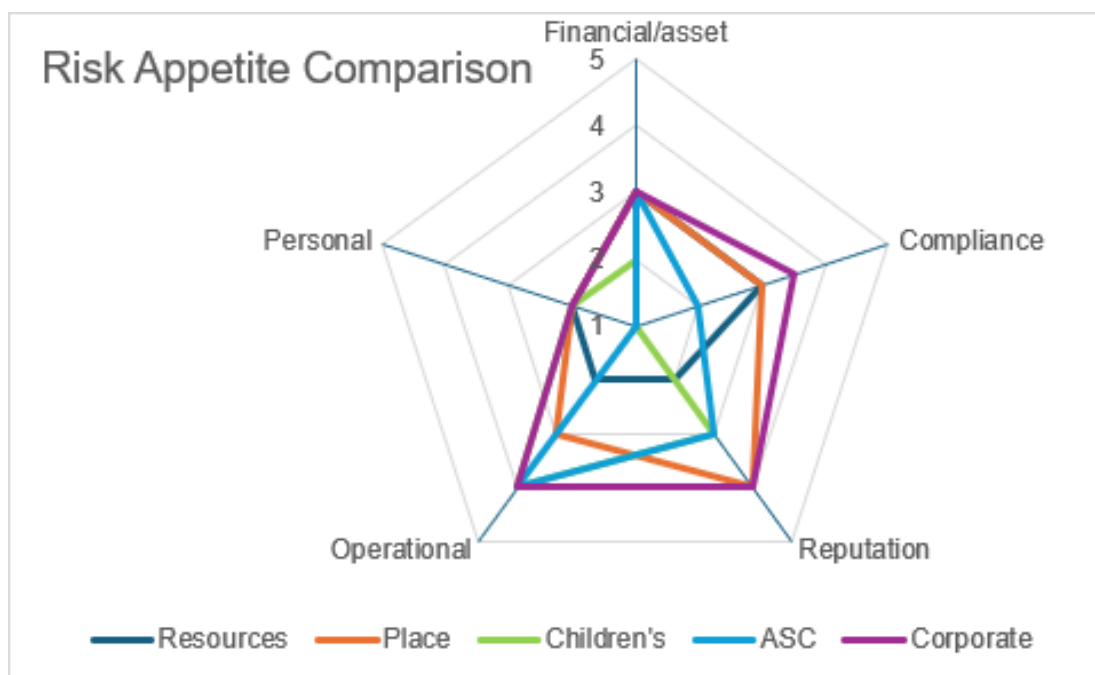


Figure 6. Risk appetite comparison

7.3 The next steps are to adapt the risk register to take into account each directorate's appetite, so this can be considered as part of regular reviews.

8. Proposal(s)

8.1 That the Committee be informed of the current position (as at the end of December 2025) and actions undertaken to minimise the impact for existing 17 risks on the Corporate Risk Register (CRR), which are described in Appendix B and detailed in Appendix C, in the confidential Part II of this report.

9. Conclusion

9.1 The report highlighted the variations observed in the Corporate Risk Register until the end of Q3 2025/2026. At time of reporting, there were 17 risks in the CRR, all of which have been assessed in accordance with the Risk Management Strategy, including the acceptable exposure levels as per the Council's risk appetite.

9.2 More information on individual risks and the actions in place and planned for their mitigation can be found in the Part II of this report, more specifically in:

- Appendix A – Changes in the Corporate Risk Register (Confidential)
- Appendix B – Overview of the Corporate Risk Register (Confidential)
- Appendix C – Detailed Corporate Risk Register (Confidential)

Background Papers:

None

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 Commission or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only

Wards affected: N/A

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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