DRAFT

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

AUDIT AND RISK COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 23 JUNE 2026

Councillors Present: Erik Pattenden (Chairman), Jeremy Cottam, Carolyne Culver, Owen Jeffery and Stephanie Steevenson (Substitute) (In place of Laura Coyle)

Also Present: Sarah Clarke (Executive Director (Resources)), Martyn Sargeant (Service Director (Strategy & Governance)) and Julie Gillhespey (Audit Manager), Simon Carey, Gordon Oliver and Darius Zarazel (Principal Democratic Services Officer)

Apologies for inability to attend the meeting: Councillor Ross Mackinnon, Councillor Laura Coyle, Councillor Billy Drummond and Councillor Iain Cottingham

PART I

3 Minutes

RESOLVED:

(a) That the Minutes of the meeting of the Governance Committee held on 28 April 2026 were approved as a true and correct record and signed by the Chairman.

(b) That the Minutes of the Audit and Risk Committee held on 14 May 2026 were approved as a true and correct record and signed by the Chairman.

4 Action Log

The Committee considered the Action Log (Agenda Item 3).

Satisfied with the information presented, the Committee agreed that the updates could be noted.

5 Declarations of Interest

There were no declarations of interest received.

6 Work Programme

The Committee considered the Governance Committee Forward Plan (Agenda Item 5).

Satisfied with the Plan, the Governance Committee agreed that it could be noted.

7 Member Training

Martyn Sargeant (Service Director – Strategy and Governance) presented the Training Programme (Agenda Item 6).

A short paper had been circulated to Members setting out the proposed programme. This reflected the technical nature of the Committee's work and the expectation that Members would be able to understand, interpret and challenge detailed financial and governance information.

Members were invited to indicate areas of greatest need and identify any additional subjects they wished to include. The Local Government Association (LGA) training resources were highlighted as a useful starting point.

During the debate, the following points were discussed:

- It was requested that the Council's risk heat map approach be shared with the Berkshire Pension Fund.
- Members suggested the following topics as potential priorities:
    - treasury management (including the Prudential Code)
    - risk management
    - financial administration and regulations
    - statements of accounts
    - internal audit
    - fraud and corruption
- It was noted that treasury management training had been delivered in the previous year, and some members felt that previous training in relation to fraud and corruption issues had been comprehensive.
- It was suggested that catastrophic risks were of particular concern, including loss of ICT systems and the resulting inability to deliver statutory functions; this was emphasised as a greater concern than reputational damage or routine service disruption.
- Officers noted the range of topics requested and undertook to develop a training programme based on the suggestions. Officers would liaise with the Chairman regarding the schedule.

Actions:

- **Officers to share details of the Council's risk heat mapping approach with the Berkshire Pension Fund through Councillor Jeremy Cottam.**
- **Officers to develop a training programme based on the feedback received and agree the schedule with the Committee's Chairman**.

RESOLVED to note the report.

8 Internal Audit Plan 2026 - 2029

Julie Gillhespey (Audit Manager) presented the Internal Audit Plan 2026-2029 (Agenda Item 7).

During the debate the following points were discussed:

- It was clarified that the programme was driven by ongoing review of internal and external risks, with an annual comprehensive refresh linking audit work to corporate priorities. Risks were prioritised and scored, ensuring higher risks were reviewed at an appropriate frequency.
- A question was raised regarding GDPR responsibilities and assurance over third-party/contractor compliance. It was explained that this would be addressed through contract management, proportionate to the sensitivity and nature of the data involved.
- It was asked whether internal audit cross-referenced information from other committees (for example, scrutiny work on transformation). It was confirmed that where the testing of an audit covered evidence from other committees, etc, it would

be cross-referenced and recorded in line with internal audit evidence standards and review requirements.

- Members asked whether the Committee could see examples of full internal audit reports (beyond summaries) to support transparency and understanding. It was explained that, while full reports were not routinely presented, officers intended to use member training to walk through an example audit, including what a report looked like and how audit opinions were derived.
- The Committee asked what measurable improvements/outcomes were expected over the three year plan period, and how success would be monitored and reported. Officers indicated that they had not had any recommendations made at the last external assessment, and the aim was to maintain compliance with professional standards. The standards had recently changed, so there was a need to ensure that staff were appropriately trained. It was proposed to look at the Council's approach to using AI and technology, covering any associated benefits and risks, including the need to validate AI outputs. Any monitoring requirements were informed by the Internal Audit Quality and Improvement Programme with results reported through the Annual Report.
- A question was raised on whether Members would be consulted as part of the audit of the Council's use of social media. It was stated this would not normally form part of audit work (which focused on management controls and risks), unless linked to wider strategic issues, but this did not happen often.
- Clarification was sought regarding the HR audit and how retention would be audited. It was noted that recruitment and retention work had already been completed earlier in the year.
- Sickness absence management was flagged as a potential risk area. It was explained that this had been reviewed in detail historically. Since then, the Council had put in place a more robust framework, which included benchmarking to see if absence rates were out of step with its peer group. The focus of any audit would be on whether policies and procedures were being adhered to.
- Members queried whether care homes should be included as a high-risk area, given the current financial pressures. It was suggested that there may have been a recent change of plans for the Council's care homes that would require clarification from the Executive. The Audit Manager clarified after the meeting that her reference was not regarding new plans, but the plans that had been included in the Transformation Programme, as she was not aware of the current status of that work.
- Concerns were raised about ICT document storage/records management, which had been highlighted as part of a previous scrutiny review. It was confirmed this could be audited if requested, though ICT audits typically needed to be scoped into manageable elements. Access controls were covered routinely, and storage could be reviewed as a specific area. Members requested that such an audit be included in the Audit Plan.
- Assurance was sought regarding the Internal Audit Team's resources. It was confirmed the Internal Audit Plan was based on a team of 4.4 FTE. Resourcing was currently considered to be sufficient, but if a current vacancy was left unfilled and created a significant gap, then this would be flagged to the Committee.

Action: Audit Manager to include an audit of data storage on the Audit Plan.

RESOLVED: that the Proposed Audit Plan and Internal Audit Charter be approved.

9 Internal Audit Annual Assurance Report 2025/26

Julie Gillhespey (Audit Manager) presented the Internal Audit Annual Assurance Report 2025/26 (Agenda Item 8).

During the debate, the following points were discussed:

- Members asked whether issues related to procurement cards were likely to be replicated in other local authorities. Officers considered that other local authorities would most likely experience similar issues. It was explained that central government had granted powers for local authorities to have procurement cards, which had strict rules governing their use. Issues uncovered by audit were mostly related to non-compliance with the rules, including card sharing (which should not occur). The alternative would be to issue more cards, but that carried its own risk. No incidents of fraud had been identified.
- Assurance was sought that recurring procurement card issues were being addressed and were not left to become systemic risks. It was explained that compliance had improved at points historically, but there was a tendency to slip back into working practices that suited the service. The underlying framework was considered to be robust, but it required consistent adherence and training.
- Members asked about spending limits on procurement cards. It was explained that limits were set by service directors and controls included monthly/transaction thresholds and restrictions (e.g., controls on what could be purchased, and no cash withdrawals).
- The Committee noted that 'exceptional financial support' was listed as a risk and suggested adding the local government settlement as a risk, since this was unlikely to keep up with inflation. It was agreed this linked into the broader funding gap and that wording could be added; it was also noted that an audit was planned for the year examining financial robustness.

Action: The local government settlement to be added as a risk.

RESOLVED: that the Internal Audit Annual Assurance Report 2025/26 be noted.

10 Constitution Update

Nikki Thomas (Service Lead - Legal & Democratic) presented the proposed amendments to the Constitution (Agenda Item 9).

During the debate the following points were discussed:

- It was noted that the software used to compile committee agendas had automatically accepted tracked changes for the Part 11 update, so these did not show in Appendix A - a corrected version had been published within the supplementary agenda pack.
- A question was asked about the proposed exclusion of certain social care placements from Key Decision requirements. It was explained that while initial placement costs usually fell within delegated authority limits, expenditure could mount up over time. The intention was to allow placements to be secured quickly (as delays for formal Executive approvals could result in losing placements), while adding additional safeguards (i.e., multiple layers of authorisation, including Chief Executive sign-off).
- A further question was asked about transparency and monitoring of such arrangements. It was confirmed that these were recorded as written officer decisions and could therefore be monitored.
- A question was asked about how members and officers would be made aware of the updated Constitution once implemented and what training was provided. It was noted that changes to the Scheme of Delegation largely reflected current practice; officers

could seek advice from the Monitoring Officer or deputies as needed. Also, the Constitution was covered as part of the staff induction process.

- The Committee asked about how the Constitution was accessed. It was explained that it was published to the Council's website in individual sections and also as a single PDF document.
- It was noted that the Task Group guidance would be discussed at the Resources and Place Scrutiny Committee meeting on 29 June, with feedback to be considered before submission to Council.
- Thanks were expressed to the Officers and Members who had been involved in updating the Constitution over a long period of time.

RESOLVED: that

(a) Part 11 Scheme of Delegation be updated in accordance with the changes detailed in Appendix A to reflect the changes to Senior Management within West Berkshire Council and guidance.

(b) Part 5 – Executive Rules Key Decision threshold be affirmed at £500,000 but that social care placements should be excluded from key decisions as set out in Appendix B

(c) Task Group Guidance (Appendix C) be formally added to the Constitution with amending Part 6 para 3.4 with the addition of: '3.4.3.3 shall adhere to the Task Group guidance appended'.

(d) Deletion of Health and Wellbeing Board sub-bodies that have been dissolved or no longer meet in public.

(e) Update to Part 6 sub part 6 Audit and Risk Committee terms of reference 4.1 to add: To consider and make recommendations to the Council on proposed changes to the Constitution.

11 Strategic Risk Register Q4 2025/26

Martyn Sargeant (Service Director – Strategy and Governance) presented the Risk Management Report for Quarter 4 2025/26 (Agenda Item 10).

Members did not have any questions on this item.

RESOLVED to note the report.

12 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.

13 Strategic Risk Register Q4 2025/26

(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)

The Committee considered an exempt report concerning the Strategic Risk Management Report for Quarter 4 2025/26 (Agenda Item 12).

RESOLVED to note the report.

(The meeting commenced at 6.30 pm and closed at 7.33 pm)

CHAIRMAN …….

Date of Signature …….