

CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the **AUDIT AND STANDARDS COMMITTEE (CDC)** held on **27 SEPTEMBER 2017**

PRESENT: Councillor J L Gladwin - Chairman

Councillors: A K Bacon
C J Jackson
D W Phillips
N I Varley
C J Wertheim
R J Jones

APOLOGIES FOR ABSENCE were received from Councillor V Martin.

17 MINUTES

The Minutes of the meeting of the Audit & Standards Committee held on 29 June 2017 were agreed by the Committee and signed by the Chairman as a correct record.

18 DECLARATIONS OF INTEREST

There were no declarations of interest.

19 CURRENT ISSUES AND UPDATE ON THE STANDARDS FRAMEWORK

The Committee considered the compliance with requirements of the standards framework and considered the current notification documents to ensure the Council met its statutory duty of promoting and maintaining high standards of conduct amongst its members.

The Committee were advised that Members had complied with the requirements to register their relevant interests. The option of Members updating their registers of interest online was advised. Reminder instructions would be sent out in an upcoming Members Bulletin to remind Members of the process to follow.

Failure to declare disclosable pecuniary interests was an offence under section 34 of the Localism Act. In consultation with the Economic Crime Unit at Thames Valley Police and other monitoring officers in Buckinghamshire, the draft protocol attached to the agenda pack was recommended for dealing with DPI complaints.

RESOLVED

- 1. That the current position on notification procedures be noted.**
- 2. That the draft Protocol with Thames Valley Police for reporting alleged breaches of disclosable pecuniary interests notifications be agreed.**
- 3. That the Monitoring Officer in consultation with the Chairman of the Committee and the Independent Person be authorised to agree the final version of the Protocol.**

20 ANNUAL REPORT OF THE COMMITTEE ON STANDARDS IN PUBLIC LIFE

The Committee considered the Committee for Standards in Public Life (CSPL) Annual Report for 2016-17 and it's Forward Plan for the coming year.

RESOLVED

- 1. That the report be noted.**
- 2. That no formal submission of comments from the Audit & Standards Committee be required.**

21 SUBSCRIPTION TO STANDARDS EXCHANGE

The Committee discussed a report which considered the continued subscription to the interactive on-line Standards Exchange web site provided and hosted by Hoey Ainscough Associates.

RESOLVED

- 1. That the Council renew its membership of the Standards Exchange online service for the forthcoming year.**
- 2. That authority be delegated to the Monitoring Officer to decide on future renewals of the Councils membership of the Standards Exchange online service.**

22 STANDARDS WORK PROGRAMME

RESOLVED

That the work programme of the Standards Committee be noted.

23 APPOINTMENT OF INDEPENDENT PERSONS

RESOLVED

That the Appointment of External Members Panel recommendations to Council that Elizabeth Jones and Caroline Langley be appointed as Independent Persons be noted.

24 INTERIM PROGRESS REPORT - INTERNAL AUDIT

Chris Harris took the Committee through the interim progress report and key points raised included:

1. The Committee noted the recent improvements to the time it had taken for officers' responses to be received on audit recommendations and agreed that the responses should continue to be made promptly.
2. The audit outcomes were said to have been positive and risk management presentations were to take place in November as part of the middle manager development programme.
3. It was explained that a new administration system had been introduced for the Crematorium and this was working effectively.
4. Plans were being made to ensure that what would be required when the GDPR changes come into effect in May 2018 met requirements, and further audit work may be done in 2018/19 in this area. As part of preparing for GDPR, briefing information would be provided to all Members to ensure the changes were understood by all.
5. In relation to the ICT Controls over access to the internet the Committee was advised that the new communications provider would be audited to ensure there was confidence that what was outlined in their method statement was delivered.
6. An extensive piece of work was ongoing to assess how unstructured data stored in personal files/folders would be migrated to shared structured electronic files. The Committee was advised that procedures would be implemented to ensure sound practice was in place moving forward. Following this, focus would be placed on addressing the migration of historic data. The Chairman requested a timetable of provisional dates for the various elements of this project be brought to the Committee for information.

RESOLVED

That the report be noted.

25 FOLLOW UP OF INTERNAL AUDIT RECOMMENDATIONS REPORT

The Committee received and discussed the follow up of internal audit recommendations report. None of the recommendations were said to be concerning and positive progress was reported. 40 recommendations were being implemented, 3 were in the process of being implemented and 4 had a revised target date. A further 15 had not yet reached their implementation date.

In respect of the follow up review on section 106 contributions (housing) the Committee was advised that the Housing Manager had scheduled a report to be made to Cabinet on 12 December 2017 rather than 19 September 2017 as outlined in the report.

The purchasing card review was explained to the Committee. It had originally been thought that new HMRC rules would require all professional subscriptions be recorded via payroll and the use of credit cards or other payment methods would need to cease. However on further exploration this was not the case so the Management Team did not believe a change to the system was required.

Note 1: Cllr Varley left the meeting at 19.30

RESOLVED

That the report be noted.

26 COMPARISON OF ASSURANCE LEVELS

The Committee received the comparison of assurance levels which dated back to 2012/13. It was summarised that a positive trend remained and officers' good work was recognised by the Committee.

RESOLVED

That the report be noted.

27 EXTERNAL AUDIT RESULTS REPORT

Sue Gill presented the external audit results report for the year ended 31 March 2017. The executive summary covered the key areas and the Committee was pleased to be informed that all procedures carried unqualified opinions and no significant issues were discovered.

There were no audit issues in relation to revenue recognition and management override. It was explained to members that following the EY Pensions team and PwC's review of the actuary's work there was no indication of management bias found in the actuary's estimate. Barnett Waddingham were aware that that the big four accounting firms did have concerns around their methodologies used to derive the discount rate and RPI inflation assumptions. Further discussions were to be held between Barnett Waddingham and the big four accounting firms to avoid the possibility of unacceptable assumptions being made in future years.

The external audit team were able to confirm that the timetable for the preparation and approval of accounts was to be brought forward for the 2017/18 financial years and draft accounts would need to be prepared by 31 May 2018 and the publication of the audited accounts by 31 July 2018. The Committee were pleased to be advised that these timescales were met this year successfully which puts the officers and audit team in a positive position for when this change comes into effect next year.

The audit fee was discussed with Members. There was no proposed fee listed for the grant certification fee as this element depended on how much work was required although the Committee were advised that it was not estimated to be significantly different from previous years.

RESOLVED

That the content of the External Audit Results report be noted and the Management Representation letter be signed by the Director of Resources and the Chairman of the Audit & Standards Committee.

28 STATEMENT OF ACCOUNTS 2016 / 17

The Committee received the final 2016/17 Statement of Accounts and were taken through the key points. There had only been minor changes made to the draft document previously brought to the Committee and no significant changes were reported.

The Committee thanked officers for efforts made on the accounts and congratulated all on preparing the accounts for the earlier July deadline in preparation for next year.

Key points discussed were:

1. The income and expenditure statement (p135) showed the net cost of services to be £11.9 million compared to £10.5 million last year. This year for the first time the information was split by the Council's Portfolio areas. The substantial increase to the Environment portfolio

was due to the revaluation of the car parks with a write down of the surface valuation. The land value had increased, however this was reported elsewhere.

2. The movement in reserves statement showed that earmarked reserves had increased by £1.5m and the total usable reserves stood at £15.1m. The general fund balance had decreased by £702k to £3.6m. The pension fund liability had increased to £46.4m mainly due to the change in the discount rate and the revaluation reserve had increased to £23.8m.
3. There would be no national revenue support grant in the next financial year although the business rate retention and the new homes grant would remain.

RESOLVED

That the report be noted and the final 2016/17 Statement of Accounts be approved by the Audit and Standards Committee and signed in accordance with the Accounts and Audit Regulations.

29 AUDIT WORK PROGRAMME

RESOLVED

That the work programme of the Audit & Standards Committee be noted.

The meeting ended at 8.20 pm