

## **CHILTERN DISTRICT COUNCIL**

### **MINUTES** of the Meeting of the **AUDIT AND STANDARDS COMMITTEE (CDC)** held on **16 JULY 2018**

**PRESENT:** Councillor J Gladwin - Chairman  
" - Vice Chairman

Councillors: A Bacon  
V Martin  
D Phillips  
C Wertheim

Independent Person: E Jones

**APOLOGIES FOR ABSENCE** were received from Councillors C Ford, C Jackson and R J Jones

#### **1 MINUTES**

The Minutes of the meetings of the Audit and Standards Committee held on 8 March 2018 and 15 May 2018 were approved by the Committee and signed by the Chairman as a correct record.

#### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **3 PRESENTATION - PRUDENTIAL CODE BRIEFING**

Members received a briefing on the Prudential Code which could be seen at pages 13-23 of the agenda pack. The briefing sought to make Members aware of the code and to provide an overview of its contents.

In response to a question raised relating to the authorised limit mentioned in the briefing, it was clarified that the authorised limit referred to the total figure for external borrowing which could be undertaken by the Council. This was an upper limit which included both long term and any necessary short term borrowing. The figure was estimated to increase in the years to 2020/21 due to the capital expenditure that the Council planned to incur over the period.

In response to a concern raised regarding prudential indicators, it was advised that the impact on these of any major capital investment undertaken by the Council that involved borrowing would be reported to Members, so that the

financial impact of decisions would be made clear. Officers and external auditors would be able to provide advice and guidance, but ultimately it would be for the authority to judge the risk associated with any external borrowing. Members would be able to examine the financial implications of the Medium Term Financial Strategy and challenge this if desired.

#### **4 SOCIAL MEDIA POLICY FOR MEMBERS**

The Committee considered a report which set out the proposed social media policy for Members. It was advised that the purpose of the policy was to encourage Members to use social media effectively, whilst also highlighting the associated risks and personal responsibilities. A social media guide was included with the policy, and it was noted that training would also be offered to Members who wished to learn more.

It was agreed that a reference to the General Data Protection Regulations (GDPR) should be included in the policy.

#### **RESOLVED**

- 1. That a social media policy for Members as set out in Appendix A of the report be agreed, and the final wording be delegated to the Chief Executive for approval in consultation with the Chairman.**
- 2. That the social media guidance contained in Appendix B of the report be approved.**

#### **5 REVIEW OF PROTOCOL ON THE ROLE OF THE INDEPENDENT PERSON**

Members received a report which set out the proposed amendments to the Protocol on the Role of the Independent Person, which could be seen at Appendix 1 on pages 61-63 of the agenda pack. The Committee were informed that the key amendments related to clarification of the role including when the Independent Person's view would be sought and the process through which Members could request the advice of the Independent Person. The requirement for the Monitoring Officer to meet quarterly with the Independent Person would be replaced with meetings being held at least annually.

#### **RESOLVED**

**That the updated Protocol attached at Appendix 1 of the report be approved.**

## **6 COMPLAINTS MONITORING REPORT**

The Committee received a report which detailed the complaints monitoring information for 2017/18. It was noted that only one complaint had been received in the year, and in this case it was not necessary to proceed further than Stage 2 of the Complaints Procedure.

### **RESOLVED**

**That the complaints monitoring information for 2017/18 be noted.**

## **7 CASE LAW UPDATE - HARVEY V LEDBURY TOWN COUNCIL**

A report was presented which provided Members with information about a recent High Court judgement concerning the lawfulness of sanctions imposed by a Town Council against a councillor following a complaint about her conduct. Members were advised that the judgement meant that complaints relating to a breach of the Code of Conduct by Parish/Town councillors need to be referred to the Monitoring Officer of the principal Council in accordance with the Member Complaints Procedure, rather than being dealt with internally by the Parish/Town Council.

### **RESOLVED**

**That the report be noted.**

## **8 CHANGES TO CONTRACT PROCEDURE RULES**

The Committee received a report which set out the proposed changes to the Council's Contracts Procedure Rules, which could be seen at Appendix A on pages 115-132 of the agenda pack.

Members were informed that the proposed increase to spend thresholds would reduce the time and effort needed to undertake the procurement process. However, it was noted that a balance needed to be struck between building relationships with trusted contractors and ensuring best value. The Committee felt that the threshold should be raised to £10,000 to reduce the additional work required for officers in obtaining multiple quotes. However, as the difference in quotes included in the sample at paragraph 6.6 was significant, Members felt that the threshold should not exceed £10,000 and should be reviewed after two years.

In relation to the proposed new section covering Bonds, it was noted that the wording did not indicate when a Bond would have to be considered during the procurement process. The Committee agreed that Bonds should be

considered for contracts over £50,000 and that the decision whether a Bond was required be delegated to the contract owner and a consulting officer.

In response to a query regarding exemptions to the Contracts Procedure Rules, it was advised that exemptions were most often used when instructing Counsel in planning or enforcement cases where prior working knowledge was beneficial, and needed to be agreed by the Management Team.

**RECOMMENDED TO FULL COUNCIL that the revised Contracts Procedure Rules contained in Appendix A of the report be approved subject to the below amendments:**

- 1. The spend threshold for a single quote be set at £10,000**
- 2. A bond be considered for contracts over £50,000, to be considered by the Contract Owner and a consulting officer**

## **9 S106 MONITORING**

The Committee considered a report which informed Members about the actions being taken to improve the controls around the monitoring and enforcement of Section 106 planning agreements. The table at section 4 of the report showed the current position on S106 payments received, payments where trigger points had not been reached and agreements being reviewed. It was noted that 25 agreements were currently being reviewed and that these were of moderate size.

A concern was raised that only £3.3 million in S106 payments had been received since 2002. In response, Members were informed that the default position in Chiltern had been to require delivery of on-site affordable housing rather than S106 payments, which explained the relatively low figure. It was suggested that including the number of affordable housing units delivered since 2002 would be useful to provide context.

In relation to the proposed S106 monitoring officer post, the Committee questioned whether there would be a detailed job description for the post and whether this would be audited. It was noted that the role and the job description would be reviewed by the Joint Staffing Committee, before any decision to approve the post.

### **RESOLVED**

**That the report be noted.**

## **10 INTERNAL AUDIT - INTERIM PROGRESS REPORT**

The Committee received the Internal Audit progress report from TIAA which showed the details of audits finalised since the previous meeting. It was noted that further training for officers on risk management had been provided.

### **RESOLVED**

**That the report be noted.**

## **11 INTERNAL AUDIT - FOLLOW UP**

Members considered the follow up review of 2017/18 Internal Audit reports from TIAA, which had been carried out in May and June 2018. The report showed the number of recommendations which had been implemented and highlighted areas where target dates had been revised due to operational reasons.

### **RESOLVED**

**That the report be noted.**

## **12 ANNUAL STATEMENT OF ACCOUNTS**

Members received a report which presented the Statement of Accounts for 2017/18, which could be seen at Appendix 1 on pages 167-242 of the agenda pack. Key points raised were as follows:

- The net cost of services for the year was £11.94 million, income from Council Tax was £10.62 million, and income from business rates was £947,000.
- Over £3 million had been added to the general fund, and earmarked reserves had increased to £12.5 million.
- Payments had been made in advance to the pension fund, authorised by the Section 151 officer, as there was a potential advantage of earning a return on the assets. Members requested that, in future, they be informed in advance if extra payments were to be made to the pension fund.
- There had been a difference in the estimated value and the actual value of the Buckinghamshire Pension Fund, of which the Council's share was £531,000. This amount was considered immaterial and was not adjusted for.

## **RESOLVED**

**That the final 2017/18 Statement of Accounts be approved by the Audit and Standards Committee and signed by the Chairman in accordance with the Accounts and Audit Regulations.**

### **13 ANNUAL GOVERNANCE REPORT**

The Committee received a report which requested that Members review the Authority's Governance Framework and approve the Annual Governance Statement for 2017/18. Members were taken through the key sources of assurance and it was agreed that these were satisfactory.

## **RESOLVED**

**That the Annual Governance Statement be approved.**

### **14 EXTERNAL AUDIT ANNUAL RESULTS REPORT**

Members considered the Annual Results Report from external auditors Ernst & Young (EY). An updated report was circulated to the Committee at the start of the meeting, which reflected the difference in the valuation of the Pension Fund. The Chairman thanked the finance team for their hard work in meeting the earlier deadline for preparation of the accounts and representatives from EY thanked officers for their assistance.

## **RESOLVED**

**That the report be noted.**

### **15 EXTERNAL AUDIT LETTER TO THOSE CHARGED WITH GOVERNANCE**

Members considered the proposed response to the External Auditor's letter requesting information on how the Committee gains assurance from management.

## **RESOLVED**

**That the proposed response to the External Auditor's letter at Appendix 2 be agreed.**

### **16 EXTERNAL AUDIT 1819 FEE LETTER**

The annual fee letter from external auditors EY was presented to the Committee. It was noted that, due to the Council's participation in the national

Public Sector Audit Appointments scheme, the audit fee for 2018/19 would be 23% lower than the previous year.

**RESOLVED**

**That the External Audit Fee Letter for 2018/19 be noted.**

**17 PURCHASE CARD SPEND ANALYSIS**

In response to a request at a previous meeting, the Committee received a report which showed a breakdown of the procurement card spend for 2017/18.

**RESOLVED**

**That the report be noted.**

**18 ELECTORAL SERVICES BRIEFING NOTE**

In response to a request at a previous meeting, Members received a briefing note which set out the main processes and controls in place for electoral registration to maintain data quality, minimise errors, and reduce fraud.

**RESOLVED**

**That the report be noted.**

**19 AUDIT WORK PROGRAMME**

**RESOLVED**

**That the Audit Work Programme of the Audit and Standards Committee be noted.**

**20 STANDARDS WORK PROGRAMME**

**RESOLVED**

**That the Standards Work Programme of the Audit and Standards Committee be noted.**

**The meeting ended at 8.23 pm**