

## **CHILTERN DISTRICT COUNCIL**

### **MINUTES** of the Meeting of the **AUDIT AND STANDARDS COMMITTEE** held on **10 APRIL 2019**

**PRESENT:** Councillor J Gladwin - Chairman

Councillors: A Bacon  
C Ford  
C Jackson  
R J Jones  
V Martin  
D Phillips  
N Varley  
C Wertheim

E Jones (Independent Person)

#### **APOLOGIES FOR ABSENCE** None

The Chairman welcomed Paul King of Ernst & Young and Chris Harris of TIAA to the meeting.

#### **42 MINUTES**

The Minutes of the meeting of the Audit and Standards Committee held on 24 January 2019 were approved by the Committee and signed by the Chairman as a correct record.

#### **43 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **44 UPDATE ON STANDARDS FRAMEWORK**

The Committee considered a report of the Monitoring Officer (MO) on the recommendations made by the Committee of Standards in Public Life (CSPL) following their review on local government ethical standards. The Committee's recommendations were in full at Appendix 1 to the report. The following key points were highlighted:

- Councillor register of interest forms were up to date, and Members were able to update their interests via the Extranet or by contacting Democratic Services.

- The Council kept a record of Town and Parish Councillor register of interests which had been largely complied with. Democratic Services reminded Clerks regularly to provide up to date register of interest forms for their Town/ Parish Councillors. These forms were published on the District and relevant Town/ Parish website.
- Some of the key recommendations of the CSPL were highlighted at section 3.5 of the Monitoring Officer's report.
- The CSPL found that the majority of Councillors and officer's maintain high standards of conduct.
- Where there was misconduct, this was usually due to social media use, bullying and harassment.
- There was considerable variation in codes of conduct nationally, and some of the codes failed to adequately address social media, bullying, harassment or other disruptive behaviour.
- The role of the Independent Person was an important safeguard in the current system, and the CSPL felt that the role should be strengthened and clarified.
- The current sanctions available to Local Authorities were deemed insufficient by the CSPL.
- The CSPL made 26 recommendations largely directed at central government as legislation would be required to make the changes.
- A national model code of conduct was suggested to ensure consistency in codes nationally. This was previously a requirement under the Local Government Act 2000, repealed by the 2011 Localism Act which gave authorities discretion over wording.
- The CSPL recommended that the current rules on declaring interests be repealed and replaced with an objective test. It was noted that Scotland and Wales have this provision.
- Further, that Councils be given discretion to establish standards committees with voting Independent Members and voting Members from dependant Parishes. The 2011 Localism Act repealed a similar requirement in the Local Government Act 2000.
- It was recommended that powers to suspend councillors be given back to Councils for a period of up to 6 months and with agreement of the

Independent Person. Councillors should be given the right of appeal to the Local Government Ombudsman.

- Parish Councils should be required to adopt the code of their principal authority (or the new model code).
- Monitoring Officers should be provided with adequate training, support and resources to undertake their role.
- Town and Parish Clerks should hold an appropriate qualification.
- Some of the recommendations were aimed at political groups; asking them to set clear expectations of their Members, and require Members to attend code of conduct training.

It was reported that a recommendation of a previous CSPL report on Intimidation in Public Life had now been implemented by the government, who had recently changed the rules that apply to local government elections. A Candidate or Councillor's home address was no longer required to be in the public domain during the election process.

The CSPL's best practice recommendations were detailed in the table at 3.6 of the report, reviewed and given a RAG status by the MO. It was noted that the gifts and hospitality register was not published quarterly as very few entries were made in the register.

Members were asked to consider whether formal standards complaints about the conduct of a Parish Councillor towards a Clerk should be made by the Chairman or Parish Council as a whole, rather than the Clerk in all but exceptional circumstances. However, Members felt that introducing this element into the complaints procedure could make the process of making a complaint more difficult for Clerks, and dissuade them from making formal complaints. The Audit and Standards Committee agreed that this recommendation should not be taken forward.

A question was asked as to how the Council audits the standards and performance of Council departments, and it was noted that the audit assurance for these issues was covered by compliance with the Code of Corporate Governance covered under agenda item 11. The Chairman advised that the Council's performance is regularly reviewed by the Resources and Services Overview Committees.

**RESOLVED:**

**to note the current position and the recommendations made by the Committee on Standards in Public Life in their report on ethical standards in local government.**

**45 STANDARDS WORK PROGRAMME**

Members were informed that standards work relating to the new Buckinghamshire Council would be considered by Members at future meetings of the Audit and Standards Committee.

It was noted that Chiltern, South Bucks and Wycombe District Council's legal departments would be assisting in aspects of Buckinghamshire County Council's (BCC) legal work when the County Council bring their legal service back in house from 1 October 2019. Members were pleased that this would support the saving of public funds.

**RESOLVED:**

**that the work programme of the Audit and Standards Committee be agreed.**

**46 INTERNAL AUDIT PROGRESS REPORT**

Members received a progress report on the internal audit work at Chiltern District Council (CDC) for 2018/ 2019. The progress of the work against the Annual Plan for 2018-2019 was set out in Appendix A. The review of contractor's health and safety arrangements was at Appendix B. The following key points were highlighted on the overall progress with the Plan:

- 6 audits were brought to conclusion during this period, including 5 substantial and 1 advisory. The HR absence management audit had been completed in 2018.
- 3 deferred audits would be taking place in 2019/20 Quarter 1: Benefits, Council Tax Support and Council Tax NDR due to bringing the South Bucks District Council (SBDC) Revenues and Benefits Service in house, as well as the arrangements of the new Buckinghamshire Council from April 2020. It was noted that these audits would not be repeated at the end of the period due to the move to the new authority.
- Work in the final Quarter of 2019/2020 would look at finalising all work over the period in readiness for the new authority.

It was noted that all audits were moving forward at pace. It was clarified that the Chiltern Pools audit would look at how the Chiltern Pools programme for the new leisure facility was managed. It was also noted that the finalising of the Counter Fraud and Payroll audits were imminent.

In relation to Appendix B, a concern was raised about the health and safety policies and procedures on the Intranet being out of date in respect of contractors working on construction projects. It was suggested that all policies have a review date on them, and there be a central register of policy review dates. The Director of Resources advised that all policies had a review date on them, and that it was the responsibility of the policy owner to review the policy at the appropriate date. Members were advised that the Councils' Health and Safety Committee would be reviewing this particular part of the policy, and that the Intranet page would be updated with the revised policy and procedures. A progress update on this matter would be brought to the next meeting of the Committee.

In response to a question, Members were advised that all departments across the Council were currently reviewing the names of all computer files, and that renaming of files would be completed by the end of the year.

**RESOLVED:**

**that the report be noted.**

#### **47 INTERNAL AUDIT ANNUAL REPORT**

The Committee received the Internal Audit Annual Report 2018/2019. The report summarised the outcomes of the reviews carried out on the organisation's framework of governance, risk management and control.

It was noted that the majority of audits were highlighted as substantial, and that there was a positive opinion of the year overall. There was a discrepancy in the tables shown on pages 40 and 41, which would be corrected and circulated to the Chairman. In response to a question, Members were advised that 'Substantial' and 'Reasonable' were deemed positive opinions.

**RESOLVED:**

**that the report be noted.**

#### **48 EY ANNUAL CERTIFICATION REPORT**

Members received the Ernst & Young (EY) certification of claims and returns annual report 2017-18.

- The work carried out on the housing benefit subsidy claim was summarised on page 50 of the report.
- It was noted that the DWP were currently considering the results reported to them, and that a letter relating to the determination of the amount of subsidy and whether there would be any adjustments had not yet been received by the Council, but the DWP historically took a lot of time to consider such matters. .
- Members were advised that some errors were made in terms of assessing claimants' level of income, but that this was common across all Local Authorities as authorities are dependent on the claimant notifying the Council of any changes to their circumstances in a timely manner. This was a difficult area to address due to more people working variable hours which affects their entitlements but the Council were taking steps to ensure claimants receive the benefits they are due and did not face unnecessary hardship.

**RESOLVED:**

**that the report be noted.**

**49 EY ANNUAL AUDIT PLAN**

The Committee received the EY annual audit plan report for year end 31 March 2019. The plan summarised the initial assessment of the key risks driving the development of an effective audit for the Council, and outlined the planned audit strategy in response to those risks.

It was noted that the overall materiality was largely unchanged from the previous year. In response to a question, Members were advised that information relating to valuations would be brought to a future meeting of the Committee. In terms of value for money, it was considered that the move to a single unitary authority was one potential significant risk for 2019/20.

Members were advised that there had been a 23% reduction in fees for 2018/19 due to Public Sector Audit Appointments Ltd (PSAA) who determine the fees, publishing a new scale fee, which was detailed in Appendix A to the report.

**RESOLVED:**

**that the report be noted.**

**50 ANNUAL GOVERNANCE STATEMENT 18/19**

The Committee were asked to consider and approve the Annual Governance Statement 2018/19. The statement was at Appendix 4 to the report.

It was noted that there had been little change from the past year. It was felt that the Council operated good governance processes and the Head of Finance advised Members of various ways in which Members could be assured of this. The Head of Finance proposed an amendment to the issue at section 6 of the statement to read:

*'The main governance issue facing the authority is that, in its last year of existence, key controls and governance processes fail to an extent that creates material risks for Chiltern District Council and the new Council.'*

It was noted that, subject to the Committee's approval, the statement is then submitted to the Council's Chief Executive and Leader for approval.

It was asked as to whether recruitment had been challenging in light of the unitary decision, and it was noted that officers were making sure that the Council had the resources necessary to continue to deliver services, and that this was being kept under close review.

A question was asked as to how Members can gain assurance that the Council is receiving value for money, and it was advised that there were a number of routes in which assurance could be gained. These included but were not limited to, reports to the Resources and Services Overview Committee, as well as the Audit and Standards Committee. A concern was raised as to the external appearance of the Amersham Multi-Story Car Park, and the Chairman advised that the business case for the car park was effectively reviewed by Members.

A question was asked as to the transition strategy for members of staff into the new unitary authority. It was noted that a key piece of work was being undertaken on this currently, and that all staff below senior tiers of management would be TUPE transferred into the new council on 1 April 2020. Members were advised that there also were new opportunities for members of staff to apply for roles in transformational work.

*Note 1: Councillor R Jones leaves the meeting at 19.59.*

#### **RESOLVED:**

- **to review the assurances provided;**
- **to consider whether there are any other significant gaps in control / assurance; and**
- **that the Annual Governance Statement be approved.**

Members of the Committee received a report with information on the procurement card processes. Guidance of the use of procurement cards, documents for staff, names of the members of staff who held cards and their limits, and analysis of card spend for 2017 – 2018 was at Appendices 1 – 4. This information was published online quarterly. Every transaction is reviewed by a Finance Officer, and then by the Head of Finance prior to the information being published.

A concern was raised as to the spend by the Golf Club, and it was advised that the analysis also contained spend by South Bucks District Council (SBDC) as well as CDC, that SBDC own a golf club, and that the spend related to the running of the club. Members also noted that members of staff were given the opportunity to have a Council funded backpack or trolley due to the new hot-desking and mobile working arrangements.

**RESOLVED:**

**that the report be noted.**

**52 AUDIT WORK PROGRAMME**

**RESOLVED:**

**that the work programme of the Audit Committee be agreed.**

**The meeting ended at 8.17 pm**