

CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the **AUDIT AND STANDARDS COMMITTEE** held on **16 OCTOBER 2019**

PRESENT: Councillor: J Gladwin (Chairman)

Councillors: A Bacon
C Jackson
R J Jones
D Phillips
C Wertheim

Independent Member: E Jones

APOLOGIES FOR ABSENCE were received from Councillors C Ford, V Martin and N Varley

67 MINUTES

The Minutes of the meeting of the Audit and Standards Committee held on 16 July 2019 were approved by the Committee and signed by the Chairman as a correct record subject to it being made clear in apologies for absence that E Jones is an independent member and not a councillor.

68 DECLARATIONS OF INTEREST

There were no declarations of interest.

69 ANNUAL REVIEW OF CODE OF CONDUCT AND COMPLAINTS PROCEDURE

The Committee considered a report which considered whether the code of conduct and complaints procedures adopted by the Council in accordance with the Localism Act in 2011, remained fit for purpose.

The Committee was advised that the Code of Conduct, attached as Appendix 1, was first adopted by the Council in July 2012 and amended in February 2018 to include clarification that members who declare a personal interest may still speak and vote on the item of business concerned.

The Council's current Complaints Procedure was reviewed and revised by the Committee last January and was attached as Appendix 2. Members were advised that the Monitoring Officer has received one formal complaint in the current financial year which did not proceed past Stage 2. Members noted

that the Monitoring Officer was satisfied that the procedure remains fit for purpose.

RESOLVED

That the report be noted and no changes should be made to the Council's current code of conduct and complaints procedure.

70 COMMITTEE FOR STANDARDS IN PUBLIC LIFE ANNUAL REPORT

The Committee considered the Committee on Standards in Public Life (CSPL) Annual Report for 2018-19.

The CSPL is an independent advisory, non-departmental body which advises the Prime Minister on ethical standards across the whole of public life in England. It monitors and reports on issues relating to the standards of conduct of all public office holders including members of local authorities. The CSPL publishes an annual report and an extract from its 2018 -19 report was attached as an appendix. This contained the Foreword by the Chairman, an overview of work undertaken during the year and the Committee's current work plan.

RESOLVED

That the report be noted.

71 STANDARDS WORK PROGRAMME

The Committee received the Standards Work Programme. A question was raised by Elizabeth Jones (Independent Person) as to whether independent persons would be consulted with on the drafting of the new Code of Conduct and complaints procedures for Buckinghamshire Council. Edwina Adefehinti, Locum Corporate Solicitor & Deputy Monitoring Officer, explained that she believed that independent persons would be consulted with but that she would check this with the Monitoring Officer and would let Elizabeth Jones know the Monitoring Officer's response via email.

RESOLVED

That the Standards Work Programme be agreed.

72 ANNUAL FRAUD REPORT 2018-19

The Committee considered a report which detailed the anti-fraud and error reduction activity undertaken in 2018/19 in relation to Housing Benefit, Council Tax and Housing. The Revenues Fraud and Error Reduction Team are responsible for carrying out anti-fraud activity in relation to Housing Benefit and Local Council Tax Support. The Team also provide assistance to Internal Audit, and all other service areas providing the main resource for fraud and irregularity matters.

The Committee noted that South Bucks District Council in 2018/19 had awarded £14,532,903 in Housing Benefit rather than £14,352,903 as was stated in the report.

In the discussion which followed, the Committee were advised that the Fraud Team maintains close links with Paradigm Housing Association and provides investigative assistance with tenancy fraud issues. Two cases were referred for investigation, following which Paradigm recovered two tenancies.

RESOLVED

That the report be noted.

73 INTERNAL AUDIT COMPARISON REPORT - 16 OCTOBER 2019

The Committee considered a report which provided a comparison of assurance levels over time so that any trends or measures which may have impacted upon the control framework at the Council could be identified.

Members were advised that whilst the assurance level for the waste services – health and safety audit was 'limited' in 2017/18, things had improved and that the area will be audited again in January 2020.

Following a query as to what will happen to internal audit work following the establishment of the new Buckinghamshire Council, the Director of Resources explained that any outstanding audit recommendations would be part of the handover arrangements to the new Council's auditors. TIAA were working to get all draft reports finalised by the end of March 2020.

RESOLVED

That the report be noted

74 INTERNAL AUDIT PROGRESS REPORT

The Committee received the Internal Audit progress report from TIAA which showed the progress of audits since the previous meeting.

The Committee noted that no emerging risks has been identified which could impact on the overall effectiveness of the governance, risk and internal control framework of the Council. There had not been any Priority 1 recommendations made since the previous Progress Report.

With regards to the Contractor Health & Safety audit, the Committee were advised that a report would be coming to the next Audit and Standards Committee.

In relation to the Housing Section 106 audit recommendations, the Planning Enforcement Manager advised that the Council had appointed a Section 106 Officer who specialised in CIL and that the Section 106 master spreadsheets were being updated regularly. The Director of Resources suggested that room be made on the internal audit programme to follow up on the issues raised in the original audit and that the outcome of this be reported to the Committee along with an update on Section 106 outstanding payments.

RESOLVED

That the report be noted and that an update report on Section 106 outstanding payments be submitted to the next meeting of the Committee.

75 UNDERSTANDING HOW THE AUDIT & STANDARDS COMMITTEE GAINS ASSURANCE FROM MANAGEMENT

To consider the response to the External Auditor's request for information on how the Audit & Standards Committee gains assurance from Management.

Auditing standards require the Council's auditors (Ernst & Young) to formally update their understanding of Chiltern's management processes at least annually. As part of this they formally request that the section 151 officer (the Director of Resources), the Monitoring Officer (Head of Legal & Democratic Services), and the chair of the Audit & Standards Committee provide written responses to various questions about the Council's management processes. The formal request to the Chairman of the Audit & Standards Committee was included as Appendix 1 and the proposed response was included as Appendix 2.

RESOLVED

That the proposed response to the External Auditor's letter, as set out in Appendix 2, requesting information on how the Audit & Standards Committee gains assurance from Management be agreed.

76 2018/19 STATEMENT OF ACCOUNTS

Members received a report which presented the Statement of Accounts for 2018/19, which could be seen at Appendix 1 on pages 103-182 of the agenda pack. Note 9, Property Plant and Equipment, of the Financial Statement 2018/19 had been amended to reflect the figures in the main statements and was tabled at the meeting (see supplementary). The changes were to the classification of revaluation costs and depreciation for land & buildings and had no effect on the net book value at 31 March 2019.

Some of the key points raised on the Statement of Accounts were as follows:

- The net cost of services for the year was £21,366,000, income from Council Tax was £11,161,000, and income from business rates was £1,822,000.
- The General Fund Balance reduced by £215,000 to £6,432,000 and earmarked reserves had reduced by £1,006,000 to £11,525,000.
- The key movement in the Council's unusable reserves were as follows:
 - The Revaluation Reserve decreased by £1,202,000. This is due to the downwards revaluation of the Amersham multi storey car park.
 - The Pension deficit reduced by £915,000. The accumulated estimated pension fund deficit was now at £43,700,000.
- Total capital expenditure for the year amounted to £8,059,000 which was financed from capital receipts, Government grants and contributions.

In the discussion which followed, Members were advised that a revaluation of the Amersham multi storey car park had been carried out in September 2019 and that the Council's external auditors still needed to confirm the revised valuation. The valuation of the car park was now £8,140,000 compared to the previous valuation which was £6,399,600.

With regards to what would happen to the Council's reserves post the establishment of the new Buckinghamshire Council from 1 April 2020, the Director of Resources explained that as part of the budget setting process, the new authority will decide what reserves should be earmarked for the new authority.

The Committee and the Head of Finance thanked the Finance Team for their hard work in preparing the accounts.

RESOLVED

That the final 2018/19 Statement of Accounts be approved subject to the Council's external auditors (Ernst and Young) confirming the revised valuation, carried out in September 2019, of the Amersham multi storey car park and that delegated authority be given to the Chairman of the Audit and Standards Committee and the Director of Resources to sign the Statement of Accounts in accordance with the Accounts and Audit Regulations.

77 ERNST AND YOUNG 2018/19 ACCOUNTS AUDIT REPORT

Members considered the Annual Results Report from external auditors Ernst & Young (EY). The executive summary covered the key areas and the Committee was pleased to be informed that subject to the satisfactory completion of the outstanding items set out in appendix B of the audit report, EY expected to issue an unqualified opinion on the Authority's financial statements and that no significant issues had been discovered.

The Committee noted that with regards to the revaluation of Amersham multi-storey car park carried out in September 2019, EY still needed to verify the accounting and valuation assumptions made as part of that valuation.

EY thanked the Finance Team for their hard work and assistance in dealing with queries.

RESOLVED

That the report be noted.

78 AUDIT COMMITTEE WORK PROGRAMME

RESOLVED

That the work programme for the Audit Committee be agreed.

The meeting ended at 7.45 pm