

## CHILTERN DISTRICT COUNCIL

### MINUTES of the Meeting of the AUDIT AND STANDARDS COMMITTEE held on 22 JANUARY 2015

**PRESENT:** Councillor J L Gladwin - Chairman

Councillors: D G Meacock  
D W Phillips  
J S Ryman  
Mrs L M Smith  
J F Warder

**APOLOGIES FOR ABSENCE** were received from Councillors A K Bacon, A D Garnett, A J Garth, D Gleen and Mrs C Langley

#### 11 MINUTES

The Minutes of the meeting held on 25 September 2014 were agreed by the Committee and signed by the Chairman as a correct record.

#### 12 DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 13 JOINT RISK MANAGEMENT STRATEGY AND RISK MANAGEMENT GUIDANCE FOR CDC AND SBDC

A Joint Risk Management Strategy has been produced for Chiltern and South Bucks District Councils as part of the harmonisation of their policies and procedures. There are no fundamental changes to the original policies but it does set out a requirement for Heads of Service to report monthly any current key risks. This was considered a useful way of keeping Management Team aware of potential problems / opportunities. The document had already been presented to and agreed by South Bucks.

Councillors considered that the document was too long and complex to be used by staff. There was concern that it could encourage Officers to be too risk adverse. It was generally acknowledged that this document was an improvement on previous policies and that having a single set of documents was supported, but a request was made for a more condensed and focused document that could be used by all staff, with more detailed elements targeted as senior managers.

A request was made for the appropriate Cabinet Member to get a copy of the risk report produced monthly by the Head of Service for Management Team.

**RESOLVED –**

**That the Joint Management Strategy and Risk Management Guidance be condensed to create a short guide for all staff.**

#### **14 INTERNAL AUDIT PROGRESS REPORT**

The report listed the progress of the internal audit for the 2014/15 annual plan. Some audits have been postponed, for example, Community Grants had been deleted from 2014/15 due to the changes currently ongoing. The Freedom of Information audit was similarly postponed due to the new system being introduced. (It will now take place in the first quarter of the 2015/16 audit.)

Chris Harris assured the Committee that all reports would reach at least the draft stage by 31.3.15. There was some concern by Councillors that there would not be enough resource to complete so many reports in Q4 but they were assured that most were well underway.

Members were concerned that the Community Grants area could involve large sums of money but would not be audited for some time, leaving the potential for fraud to take place. Sue of Ernst and Young reassured the Committee that the external auditor would test substantively anyway if large sums were involved.

With reference to the recommendations that had been adopted and completed, it was assured that there would be a follow-up of all the recommendations made and repeat tests to confirm that they are now fully in place.

#### **RESOLVED**

**That the Internal Audit Progress Report be noted.**

#### **15 COMPARISON OF ASSURANCE LEVELS**

A report had been prepared to compare the Assurance levels given between 2012/13 (last year of audit by Deloitte) and 2013/14 audits by TIAA. It was noted that there was some difficulty in making a comparison because different classifications were used for the assurance levels. However, overall it was concluded that there had not been any significant reduction in assurance levels due to joint working with South Bucks. The trends would be reviewed again at the end of 2014/15.

#### **RESOLVED**

**That the Comparison of Assurance Levels be noted.**

## 16 AUDIT COMMISSION FRAUD BRIEFING

Sue Gill of Ernst & Young gave a summary of the report published by the Audit Commission that gives a comparison between District Council's of a similar size or type with regard to fraud. The information was supplied by the Councils themselves in response to a questionnaire. The questions and consequently the answers were sometimes open to interpretation and it was possible that a large number of frauds detected were due to the classification of fraud by an individual Council, for example treatment of Single Person council tax discounts. However, CDC was found to have a large number of cases, approx. 370, compared to other Councils. The Committee requested that the Fraud Manager bring the annual update report on Fraud to the next meeting and to give more detail and answer questions.

The Committee were informed that the Audit Commission was due to be disbanded shortly but there would still be similar information provided through CIPFA although there may be a cost. It was also reminded that Councils would no longer be responsible for pursuing Housing Benefit Fraud as this function would be carried out by the DWP. The new Single Fraud Investigation Service (SFIS) would be operational from April 2015. It was asked if any of the staff at CDC would be transferring as part of this change and were advised that one post may transfer. The annual fraud update report would cover this topic.

The Chairman thanked Sue Gill for the update.

### **RESOLVED**

**That the Audit Commission Fraud Briefing be noted.**

## 17 CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORTS

Sue Gill explained that only one CDC grant claim was now required to be audited. The audit work required on this claim was set by the Department of Work and Pensions and was a series of tests that were highly prescribed and required detailed work. Ernst & Young wanted to thank two Officers; Ed Bowen and Kath Honour for supporting the audit process and preparing the detailed audit workbooks. Some minor errors were detected which triggered a requirement for further detailed work to be done. The net result of the audit was that an additional subsidy of £2,919 was due to the Council.

Sue Gill also explained that in previous years the NNDR grant claim had to be audited and they relied on this NNDR grant audit work as part of the Accounts certification process. As this claim is no longer audited this required extra work to be undertaken for the certification of the Accounts and thus an additional fee of £900 was made for this.

### **RESOLVED**

**That the Certification of Claims and Returns Annual Report be noted.**

*NB Chris Harris left the meeting at 7.50 pm*

## **18 AUDIT WORK PROGRAMME**

At the next meeting in March the Fraud Manager would be producing a update on the SFIS (Single Fraud Investigation Service). The Fraud and Corruption Plan & Annual Report would then be produced for the June meeting.

### **RESOLVED**

**That the work programme of the Audit Committee be noted.**

## **19 GUIDANCE ON DECLARATION OF INTERESTS**

The Monitoring Officer had prepared a guidance document for Members about when they needed to declare an interest and when an interest could prevent them from speaking or voting on items of business. Members were reminded that new standards arrangements introduced by the Localism Act had been in place since 2012. A guidance document issued by the Department of Communities and Local Government was attached which underlined the requirement to ensure transparency. If the detailed guidance was adopted, the Monitoring Officer would also prepare a shorter quick reference guide for new Members in May 2015.

Councillors agreed that it was also important to remember the Nolan principles of conduct in local government underpinning the Code of Conduct and declarations of interest and to give confidence that Councillors were putting the public interest first.

### **RECOMMENDATION**

**That Council adopt the Guidance on Declaration of Interests at Appendix 1.**

## **20 INDEPENDENT PERSONS**

It was noted that one of the Council's three Independent Persons, Mr Jeremy Duffy had resigned due to personal reasons. The remaining two, Mr David Gleen and Mrs Caroline Langley, were still available and in view of the low incidence of complaints against Members, it was not considered necessary to fill the vacancy at this time.

Members enquired whether 3 people were required to ensure a majority decision when voting but were advised that Independent Persons were assigned individually to a case. The Chairman asked that the Committee's thanks be sent to Mr Duffy for his work as an Independent Person and previously as an Independent Member of the Standards Committee since 2005.

### **RESOLVED**

**That the Committee agreed not to fill the vacancy that had arisen for an Independent Person, and**

**RECOMMENDED**

**That the number of Independent Persons appointed by the Council be reduced from three to two.**

**21 REVIEW OF THE STANDARDS WORK PROGRAMME 2015/16**

It was noted that the Standards Training for new Members report would be taken to the June 2015 meeting.

**RESOLVED**

**That the proposed work programme for Standards matters in 2015/16 be noted.**

**The meeting ended at 7.57 pm**

