

CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the AUDIT AND STANDARDS COMMITTEE held on 19 MARCH 2015

PRESENT: Councillor J L Gladwin - Chairman

Councillors: A J Garth
D G Meacock
D W Phillips
J S Ryman
Mrs L M Smith

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

22 MINUTES

The Minutes of the meetings of the Audit and Standards Committee held on 22 January 2015 were agreed by the Committee and signed by the Chairman as a correct record.

The Chairman welcomed Sue Gill of Ernst & Young and Chris Harris of TIAA to the meeting.

23 DECLARATIONS OF INTEREST

There were no declarations of interest.

24 PROPOSED AMENDMENT TO THE FINANCIAL PROCEDURE RULES

The purpose of the proposed changes was to update the current Financial Procedure Rules and to harmonise them with the policy at South Bucks District Council. It was noted that the Administration Manager position currently referred to in the policy, no longer existed. The table on page 12 listed the current differences between CDC and SBDC policies. The main change would be to increase the write off limit from £2,500 to £10,000 before the debt was referred to Cabinet.

Councillors expressed concern that debts could accumulate to this level. It was advised however that the process for pursuing debt was highly prescribed. Most large value cases involved businesses that had gone into liquidation. It was suggested that the portfolio holder scrutinise each case or that Cabinet should have the power to decide but it was agreed that there was a high volume of reports currently going to Cabinet.

South Bucks District Council already had a £10,000 threshold before write offs were referred to Cabinet and members noted the importance of harmonisation between the Councils. To keep member involvement in the process, it was agreed that a report of debt write-offs should go to Resources Overview Committee quarterly. This would allow for scrutiny and to inform any upcoming trends.

RECOMMENDATIONS -

That the Financial Procedure Rules be amended as follows:

- 1. That references to the Administration Manager be removed**
- 2. That write off limits be amended to provide that:**

Up to £1,000 - The Head of Finance has the power to write off irrecoverable debt up to £1,000.

Up to £10,000 - The Director of Resources has the power to write off irrecoverable debts up to the value of £10,000.

The Head of Customer Services has the power to write off irrecoverable Council Tax debts, Non Domestic Rates debts and Housing Benefit / Council Tax Support Overpayments up to the value of £10,000.

Over £10,000 - The Cabinet has the power to write off irrecoverable debts over £10,000.

- 3. That Resources Overview Committee receive a quarterly report on uncollected debt**

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

The external auditor had written to request information on how the Audit & Standards Committee gains assurance from Management. The committee considered the proposed response in Appendix 2. There was a request to include the previous addition that all cases of fraud were notified to the Chairman of the Audit & Standards Committee. It was proposed to add that the Audit & Standards Committee had the opportunity to question specific cases.

With regard to the Whistle Blowing Policy, it was asked whether the policy was updated regularly and whether staff had regular reminders. It was noted that new starters were given the policy and that it was available on the intranet. It was agreed that it would be helpful to send out a reminder.

In the last paragraph of the letter, it was requested to add that the Resources Committee reviews the annual budget proposals. Sue Gill confirmed that this would be helpful for the value for money review.

RESOLVED –

That the Audit & Standards Committee agrees the proposed response to the External Auditor letter, requesting information on how the Audit & Standards Committee gains assurance from Management, and that staff

be sent a reminder at least annually on the Council's Whistle Blowing Policy.

26 INTERNAL AUDIT PROGRESS REPORT

Chris Harris from TIAA presented the Internal Audit Progress Report. There had been 4 audits carried over to April 2015. The Crematorium audit had been deferred to the 2015/16 plan. There were valid reasons to delay where this had occurred. It was asked whether there would be extra work for the external auditors to do, due to the reduction in completed audits but it was advised that these were deferred not cancelled. Sue Gill advised that there was in any case a stricter interpretation required for external auditors and so they would be relying less on internal audits.

The Community Grants audit has been postponed to the 2015/16 plan due to the changes in processes and procedures. The Data Protection and Freedom of Information audits have been postponed due to the new system being implemented.

Appendix B listed the finalised reports and recommendations. It was assured that the reconciliations would be completed shortly. With regard to the Aged Debtors review, it was advised that there was now a new Finance Manager in place, who would prioritise the completion of this work.

It was noted that there would be a larger number of reports to be considered by the next meeting and that there were satisfactory assurance levels from on-going work.

RESOLVED –

That the Internal Audit Progress Report be noted.

27 INTERNAL AUDIT STRATEGIC PLAN

The Internal Audit Strategic Plan was split between CDC and SBDC and had been compiled following discussions with Heads of Service and Directors. It was asked whether changes in legislation could be added to the plan but were advised that these were included at every audit. This would be added to the list of objectives on the front page of the plan.

It was noted that there would be more audits than under the 2014/15 plan but that the fees would be reduced due to the savings made by joint audits. It was advised that there would be a 12-15% reduction in days and costs. Councillors asked how much an internal audit costs and were advised that fees were approximately £285 per day. It was agreed that this was very cost effective and that the auditors offered a wide range of specialist skills.

With regard to auditing Land Charges (page 49), it was questioned whether this audit would take place following the changes in administration of land charges proposed. It was advised that although Royal Assent had been

received, the migration of land charges to the Land Registry would not begin until 2017 and so an audit would still be required.

RESOLVED

That the Internal Audit Strategic Plan 2015/16 to 2019/20 and Annual Internal Audit Plan 2015/16 be noted.

28 EXTERNAL AUDIT ANNUAL PLAN

Sue Gill presented the External Audit Plan for Chiltern District Council for year ending 31 March 2015. Three items were brought to the attention of the Committee.

1. The significant risk identified was the risk of management override. This risk has to be considered for all audits. It was stressed that there were no specific concerns in this area.
2. Independence. There is a duty to identify any possible threats to independence and objectivity. None had been found.
3. Fees. It was noted that the main audit fee would be £900 more than last year due to additional work being required on NDR, as the NDR claim is no longer audited. It was also explained that the grant audit fee estimate is based on the result of a housing benefits audit carried out 2 years ago. The actual fee charged will reflect the work actually needed.

RESOLVED

That the External Audit Annual Plan be noted.

29 INTRODUCTION OF THE SINGLE FRAUD INVESTIGATION SERVICE

The new Single Fraud Investigation Service (SFIS) was introduced on 1 March 2015. It is responsible for investigating and prosecuting Housing and Benefit Fraud. Following meetings with the DWP, it has been negotiated for 3 cases that were on-going, to be continued. Four other cases had been transferred to the SFIS. Chiltern are still doing the administration for claims and calculations of over payments. Suspected fraud cases must now be referred to the SFIS but Chiltern will continue to consider the facts and reduce or stop payments as appropriate. There would still be evidence and witness statements to be provided by CDC staff. The DWP sanction policy would apply and any publicity was likely to be national rather than local as was currently the practise. Chiltern would be responsible for the recovery of any administration penalties levied by the DWP and would consider whether there was a likelihood of recovery before deciding to impose one.

It was advised that one post had been transferred under TUPE to the SFIS which would be based in Wycombe at the Job Centre Plus for our area

RESOLVED

To note the introduction of the Single Fraud Investigation Service (SFIS).

30 AUDIT WORK PROGRAMME

RESOLVED

That the work programme of the Audit Committee be noted.

31 COMPLAINTS MONITORING REPORT

The Monitoring Officer presented the annual report of complaints received during 2014/15 that members have breached the code of conduct. The report covers members of Chiltern District Council and the Town and Parish Councils. There had been historically low numbers of complaints but this year saw a slight increase to 5 complaints (2 regarding Chiltern District Councillors and 3 for Town and Parish Councillors).

Of the complaints made about CDC Councillors, neither had proceeded to Stage 1. For the Town and Parish Councillors, one had proceeded to Stage 1 but had been settled after a formal written apology. It was noted that failure to register disclosable pecuniary and other interests had also been the subject of complaint. There had previously been no sanction for members who failed to complete their register of interests. Members were informed that for members elected in May 2015 there will be criminal sanctions if they fail to register within a 28 day period after the election.

RESOLVED

That the complaints information for 2014/15 be noted.

32 SUBSCRIPTION TO STANDARDS EXCHANGE

The Standards Exchange was the only independent adviser available to standards issues, there was no limit to the number of Officers accessing it and so it was recommended to the committee that the subscription of £300 be paid for a further year.

RESOLVED

To recommend to Council that the subscription to the Standards Exchange is renewed for a further year.

33 STANDARDS WORK PROGRAMME

RESOLVED

That the work programme of the Standards Committee be noted.

The meeting ended at 7.50 pm

