

## **AUDIT COMMITTEE**

### **Meeting - 19 January 2017**

Present: Mr Bradford (Chairman)  
Mr D Smith, Mr Hogan and Mr Sangster

Also Present: Mr Andrew Brittain (Ernst & Young)  
Mr Chris Harris (TIAA)

Apologies  
for absence: Mrs Gibbs and Mr Hollis

#### **27. MINUTES**

The minutes of the meeting held on 29 September 2016 were confirmed and signed by the Chairman.

#### **28. APPOINTMENT OF INDEPENDENT PERSON**

The Committee received a report which asked Members to consider arrangements for the appointment of an Independent Person following the re-advertising of the vacancy.

The Committee agreed at their last meeting to re-advertise for an Independent Person to fill the current vacancy and to update the role description to include the new mandatory requirement for Independent Persons to be involved in the dismissal procedure for statutory officers. The role was duly advertised in the local press and on the Council's website. One application was received from Mr Gareth Hopkins and a copy of his application form and references were attached as a confidential appendix to the report. The monitoring officer had interviewed Mr Hopkins and was satisfied that he met the statutory criteria referred to in 3.1 of the report and that as a magistrate and former solicitor he also had the necessary skills and competencies required for the role.

Having considered the application received from Mr Hopkins, the Committee accordingly

**RECOMMENDED** to Council that the appointment of Mr Gareth Hopkins as the Council's second Independent Person for a term of 5 years be agreed.

#### **29. ANNUAL REVIEW OF THE CODE OF CONDUCT AND COMPLAINTS PROCEDURE**

The Committee received a report which asked Members to consider whether the Code of Conduct and Complaints Procedure adopted by the Council in accordance with the Localism Act 2011 remains fit for purpose.

Members welcomed the review of the Council's Code of Conduct and Complaints Procedure, as a duty under the Localism Act 2011 and as a mechanism to help continue high standards across both councils. It was understood that the frameworks apply to both principle councils

and parishes and that the Monitoring Officer can and does give informal advice to town and parish clerks. The monitoring officer had received 4 formal complaints under the procedure all concerning parish/town councillors. The procedure had only proceeded past stage 1 in two cases and only one of these reached stage 3 with a report submitted to the Committee in 2014.

In response to a question, the Monitoring Officer advised that the complaints monitoring form helps ensure the Council's commitment to equality and non-discrimination.

Members commented that Gerrards Cross Town Council was now a Town Council rather than a Parish Council and that this should be reflected in the Complaint procedure form.

Having reviewed the code of conduct, the Committee were of the opinion that it remains fit for purpose. The Committee also considered that the current 3 stage complaints procedure achieves the necessary balance of fairness in the public interest between the complainant and subject member and remains fit for purpose.

**RESOLVED** that the code of conduct and complaints procedure adopted by the Council remains fit for purpose and that no changes are required.

30. **REVIEW OF PROTOCOL ON ROLE OF THE MONITORING OFFICER**

The Committee received a report which asked Members to consider whether the protocol on the role of the monitoring officer adopted by the Council remains fit for purpose.

Members noted the key duties assigned to the role of Monitoring Officer, as well as the internal processes adopted for checking the legal basis of council reports and documents.

Having reviewed the protocol on the role of monitoring officer, the Committee were of the opinion that it remains fit for purpose and agreed the minor amendment in paragraph (m) of the protocol which reflects a change of name.

**RESOLVED** that the protocol on the role of monitoring officer adopted by the Council remains fit for purpose and that the minor amendment in paragraph (m) of the protocol which reflects a change of name be agreed.

31. **STANDARDS WORK PROGRAMME**

The Committee noted the Standards Work programme.

**RESOLVED** that the report be noted.

32. **INTERNAL AUDIT PROGRESS REPORT 2016/17**

The Committee considered an Internal Audit progress report from TIAA, including details of progress against the 16/17 annual plan and actions completed since the last report to Committee.

Members were pleased to hear that good progress was being made on the council's audit programme and welcomed news that most audits would either be completed or ready in draft form in time for the Committee's March meeting. It was acknowledged that the planned HR audit was being postponed until early 2018, due to the fact new IT systems were being put in place across both councils which make sufficient data collection not possible at the present time.

It was **RESOLVED** that the report be noted.

33. **EXTERNAL AUDIT PLAN 2016/17**

The Committee received the External Audit Plan 2016/17 which set out how they intended to carry out their responsibilities as the Council's external auditor in 2016/17.

Members noted the key risks within the audit plan, which were standard financial statement and value for money risks. Members acknowledged that no changes were being made to the external audit process used previously or to the fees the council would incur for EY's services (£42,399 + £20,895 for certification of the housing benefit subsidy). Members clarified the methodology used to state materiality (£700,240) and the percentage amount (5% or £35,012) of any uncorrected audit misstatements EY may communicate as part of the external audit.

It was **RESOLVED** that the report be noted.

34. **APPOINTMENT OF EXTERNAL AUDITORS**

The Committee received a report which asked Members to consider whether to recommend to Council the preferred process for appointment of External Auditors from 2018/19.

Following the demise of the Audit Commission, Members noted the need to confirm a framework for the appointment of an external auditor. Two options were detailed, including the Council signing-up to the new national Public Sector Audit Appointments (PSAA) framework which is supported by the LGA, or running its own procurement including setting-up its own committee and independent person to appoint an external auditor.

In the discussion which followed, with regards to the PSAA option, Members were advised that fees were relative to size of membership and that a contract would last for five years initially. Furthermore, if the Council's current status change significantly, it was confirmed that such an outcome would be acknowledged in the contract and that PSAA would be able to appoint external auditors to successor authorities.

Following the discussion and having considered the benefits of signing-up to PSAA, the Committee accordingly

**RECOMMENDED** to Council that this Council opts into the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

35. **CODE OF CORPORATE GOVERNANCE**

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The Committee were asked to consider whether to recommend to Council the approval of a new Joint Code of Corporate Governance that had been updated in line with the latest CIPFA / SOLACE guidance.

Members acknowledged the need to update the Council's Code of Corporate Governance in line with guidance issued by The Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). Members were advised that no fundamental changes to the code had been proposed but that the new guidance requires councils to clearly demonstrate integrity and openness.

Having considered the proposed new Joint Code of Corporate Governance, the Committee accordingly

**RECOMMENDED** to Council that the new Joint Code of Corporate Governance be approved.

### 36. **AUDIT WORK PROGRAMME**

The Committee noted the Audit Work programme.

**RESOLVED** that the report be noted.

### 37. **ANY OTHER BUSINESS**

None

### 38. **EXCLUSION OF PUBLIC**

### 39. **APPOINTMENT OF INDEPENDENT PERSON - PART II APPENDIX**

Members considered this item with Agenda item 28: Appointment of Independent Person.

The meeting terminated at 6.51 pm