



Audit and Standards Committee (SBDC)

Thursday, 27 September 2018 at 6.00 pm

Room 6, Capswood, Oxford Road, Denham

A G E N D A

Item

1. Evacuation Procedure
2. Apologies for Absence
3. Minutes (*Pages 5 - 14*)

To approve the minutes of the Audit and Standards Committee held on 23 July 2018.

4. Declarations of Interest
5. Annual Review of Code of Conduct and Complaints Procedure (*Pages 15 - 18*)

Appendix 1: Code of Conduct adopted 24.07.12 (Pages 19 - 26)

Appendix 2: Complaints Procedure adopted September 2017 (Pages 27 - 62)

6. Committee on Standards in Public Life Annual Report (*Pages 63 - 64*)

Appendix: Extract from CSPL Annual Report (Pages 65 - 74)

7. Standards Work Programme (*Pages 75 - 76*)

To agree the Standards work programme.

8. Interim Progress Report on Internal Audit (*Pages 77 - 84*)
9. Fraud and Corruption Annual Report (*Pages 85 - 90*)
10. Comparison of Assurance Levels (*Pages 91 - 100*)
11. Approval of Farnham Charitable Trust Accounts (*Pages 101 - 104*)
Annual Report and Accounts (Pages 105 - 128)
Management Report - Farnham Park Sports Fields (Pages 129 - 144)
12. Audit Committee Work Programme (*Pages 145 - 146*)
13. Exclusion of the Public (if required)

That under Section 100A(4) of the Local Government Act 1974 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act

Note: All reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

Membership: Audit and Standards Committee (SBDC)

Councillors: D Anthony (Chairman)
G Hollis (Vice-Chairman)
P Griffin
L Hazell
P Hogan
R Sangster
T Dobson (Independent Person)
G Hopkins (Independent Person)

Date of next meeting – Thursday, 17 January 2019

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AUDIT AND STANDARDS COMMITTEE (SBDC)

Meeting - 23 July 2018

Present: D Anthony (Chairman)
L Hazell

Apologies for absence: P Griffin, P Hogan, G Hollis and R Sangster

58. MINUTES

The minutes of the Audit and Standards Committee held on 15 March and 26 May 2018 were approved and signed by the Chairman as a correct record.

59. DECLARATIONS OF INTEREST

There were no declarations of interest.

60. PRESENTATION - PRUDENTIAL CODE BRIEFING

Members received a briefing on the Prudential Code which was included in the agenda pack. The briefing sought to make Members aware of the code and to provide an overview of its contents.

During the presentation the Director of Resources highlighted the following issues:-

- The key elements of the prudential code were the capital strategy and the treasury management strategy and its relevance to major capital projects.
- The objectives of the Prudential Code were to provide a framework for local authority capital finance and treasury management that would ensure for individual local authorities that capital expenditure and investment plans were affordable and all external borrowing and other long term liabilities were within prudent and sustainable levels. Treasury management and other investment decisions should be taken in accordance with professional good practice.
- Prudential indicators were designed to demonstrate the impact of investment decisions on the Council's future financial position and were forward looking.
- Key indicators for the Council would be the ratio of financing costs to net revenue stream, which indicates the affordability of debt. Estimated capital expenditure and estimated capital financing requirements would be the key indicators for prudence.
- The role of Members was to understand the Capital Strategy and the Treasury Management Strategy so they could effectively scrutinise them and be

satisfied they reflected their overarching aims. The Capital Strategy must be clear and easy to understand. In particular if commercial investments form part of the strategies Members must understand the risks and how they would be managed. The Council has a number of large scale projects such as the Gerrards Cross Police Station and car park.

- There was no external debt yet but this could change.
- Statutory advice would be given by the Section 151 officer.
- With the Treasury Management Strategy higher returns brought higher risks and reduced liquidity. This would be approved by Members at the February Council.

A Member commented that they understood the risks and were happy with the information they received from officers to make informed decisions. However, with bigger decisions such as setting up Consilio it was important that Members understood the impact of these decisions and were able to probe deeper so that they could make an informed decision in an open and transparent way. The Director of Resources reported that the business case should include a financial analysis on the return on investment over a certain time period and this had been shown for the car park and police station project so Members could make a judgement that the return on investment was acceptable which could also include non-financial benefits.

Another Member commented that it was important to look at value for money on a case by case basis and there was a range of different criteria to look at for investment decisions which should meet an agreed standard. The Director of Resources used Consilio as an example which was an investment vehicle and it was useful to have some kind of benchmark and what the Council would expect to see before they financed a particular investment. The Council would look at each individual project on its own merit.

Reference was made to figures changing in projects during the course of the decision making process which made it difficult to make an informed decision. The Director of Resources commented that figures would change whilst it was a draft business case but there would be certainty before the final business case was accepted.

In terms of the contractual basis of loans the prudential indicators would come into play with a financial analysis as part of the final business case, being undertaken to understand the impact on capital financing and the capital expenditure ratio and the cost of borrowing. A further question was asked about restrictive covenants. The Director of Resources reported that the Council was investing in property not just buildings and the Council had to be satisfied that the investment and risks could be managed appropriately. The Section 151 Officer would advise Members that he was satisfied that the risks to the Council were acceptable.

61. **SOCIAL MEDIA POLICY**

Audit and Standards Committee (SBDC) - 23 July 2018

The Committee considered a report which set out the proposed social media policy for Members. It was advised that the purpose of the policy was to encourage Members to use social media effectively, whilst also highlighting the associated risks and personal responsibilities. A social media guide was included with the policy, and it was noted that training would also be offered to Members who wished to learn more.

The Senior Communications Officer reported that this policy should be used at work and also at home and it set out the principles which Members were expected to follow when using social media and their expected code of conduct, when online. All Members had been offered training which included a presentation from the Leader of Sevenoaks Council who was an expert in this area. The policy also included information on corporate style and made Members aware of the risks of using social media and the law relating to it. However, Members were encouraged to use and recognise the benefit of social media.

The Head of Legal and Democratic Services informed Members that Chiltern District Council has asked that a reference to the General Data Protection Regulations (GDPR) should be included in the policy. Members were happy that this be included.

A Member asked whether they needed permission to speak to the press. The Senior Communications Officer commented that the Member needed to be clear whether they were expressing the Council's view, which would need to be agreed through the Communications Team, or their own individual view which could be given freely with regard to the Code of Conduct. The Communications Team were available to provide advice. Reference was made to being particularly careful about Twitter as the media used this as a key information source.

RESOLVED

1. That a social media policy for Members as set out in Appendix A of the report be agreed, and the final wording be delegated to the Chief Executive for approval in consultation with the Chairman.
2. That the social media guidance contained in Appendix B of the report be approved.

62. REVIEW OF PROTOCOL ON THE ROLE OF THE INDEPENDENT PERSON

Members received a report which set out the proposed amendments to the Protocol on the Role of the Independent Person, which could be seen at Appendix 1 of the agenda pack. The Committee were informed that the key amendments related to clarification of the role including when the Independent Person's view would be sought and the process through which Members could request the advice of the Independent Person. The requirement for the Monitoring Officer to meet quarterly

with the Independent Person would be replaced with meetings being held at least annually.

The Head of Legal and Democratic Services reported that one of the Independent Persons had reviewed the report and had no additional comments. Since the protocol had been adopted in 2013 it had been updated once. The Council's complaints procedure provides for the Monitoring Officer to consult with the Independent Persons at Stage 2 before deciding whether a complaint should be referred for investigation. Members noted that the amended protocol removed the requirement for IPs to complete a register of interest as they were no longer co-opted Members of the Council. However, they would still need to disclose any potential conflicts of interest in matters they were consulted on. Subject to a typographical amendment it was:-

RESOLVED that the updated Protocol attached at Appendix 1 of the report be approved.

63. **COMPLAINTS MONITORING REPORT**

The Committee received a report which detailed the complaints monitoring information for 2017/18. The Head of Legal and Democratic Services reported that historically the number of formal complaints in South Bucks District Council has been low. However, there had been an increasing number of complaints about SBDC councillors in the last 2 financial years, together with an increase in complaints against parish councillors in the last financial year. Members were informed that 7 of the complaints (4 against SBDC councillors and 3 against town/parish councillors) were from the same complainant and 4 related to the consideration of the same planning application. If these complaints were not included there were only 2 separate complaints. The total for 2016/17 should say 4 not 1.

In terms of complaint handling one complaint about a town/parish councillor was rejected at the initial assessment and the remaining 8 were considered by the Monitoring Officer at Stage 2. One of the complaints had been referred for investigation, which was ongoing and no further action taken on the other 7. No specific action in relation to standards issues was recommended but member training was on the Committee's Work Programme for consideration later in the year.

RESOLVED that the complaints monitoring information for 2017/18 be noted.

64. **CASELAW UPDATE - HARVEY V LEDBURY TOWN COUNCIL**

A report was presented which provided Members with information about a recent High Court judgement concerning the lawfulness of sanctions imposed by a Town Council in Herefordshire against a councillor following a complaint about her conduct. Members were was advised that the judgement meant that complaints

relating to a breach of the Code of Conduct by Parish/Town councillors need to be referred to the Monitoring Officer of the principal Council in accordance with the Member Complaints Procedure, rather than being dealt with internally by the Parish/Town Council. The National Association of Local Councils was looking at this case and would provide further advice to town and parish councils.

RESOLVED that the report be noted.

65. **CHANGES TO CONTRACT PROCEDURE RULES**

The Committee received a report which set out the proposed changes to the Council's Contracts Procedure Rules, which could be seen at Appendix A of the agenda pack.

Members were informed that the proposed increase to spend thresholds would reduce the time and effort needed to undertake the procurement process. However, it was noted that a balance needed to be struck between building relationships with trusted contractors and ensuring best value.

Chiltern District Council Audit and Standards Committee had agreed that the threshold should be raised to £10,000 to reduce the additional work required for officers in obtaining multiple quotes. CDC Members felt that the threshold should not exceed £10,000 and should be reviewed after two years. In relation to the proposed new section covering bonds, CDC agreed that bonds should be considered for contracts over £50,000 and that the decision whether a Bond was required be delegated to the contract owner and a consulting officer.

A Member commented that they would have increased the threshold to £15,000 but that for clarity the Contract Procedural Rules should be the same for both Councils.

RECOMMENDED TO FULL COUNCIL that the revised Contracts Procedure Rules contained in Appendix A of the report be approved subject to the below amendments:

- 1. The spend threshold for a single quote be set at £10,000**
- 2. A bond be considered for contracts over £50,000, to be considered by the Contract Owner and a consulting officer**

66. **INTERNAL AUDIT - INTERIM PROGRESS REPORT**

The Committee received the Internal Audit progress report from TIAA which showed the details of audits finalised since the previous meeting. The changes to the 18/19 Plan were highlighted at Section 6 of the report.

In terms of the Joint Data Protection and Confidentiality Policy, reviews of these documents had been delayed but were now being addressed by members of the Business Support Team who would review and publish updated versions.

RESOLVED that the report be noted.

67. **INTERNAL AUDIT - FOLLOW UP**

Members considered the follow up review of 2017/18 Internal Audit reports from TIAA, which had been carried out in May and June 2018. The report showed 37 recommendations which had been implemented and highlighted areas where target dates had been revised due to operational reasons. These recommendations would be periodically monitored during 2018/19 as they reach their intended implementation dates.

RESOLVED that the report be noted.

68. **ANNUAL STATEMENT OF ACCOUNTS**

Members received a report which presented the Statement of Accounts for 2017/18, which could be seen at Appendix 1 of the agenda pack. The date for finalising the accounts had changed from 30 September to 31 July and Members congratulated officers for meeting this new deadline.

The first section in the report provided information on the costs of the Council's different operations, net of specific grants and income from fees and charges, to give the net cost of services of £10,411,000. The second section comprised items of income and expenditure relation to the Council as a whole i.e. not service specific – primarily the Parish Precepts of £2,241,000. The third section shows Financing and Investment Income and Expenditure and the fourth section - income from local taxation and general government grants, including Council Tax of £7,240,000.

The Principal Accountant went through the statement on page 172 of the agenda pack which showed the movement in the year of the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. Key points raised were as follows:

- The General Fund Balance decreased by £539,000 to £2,400,000. This was mainly due to adjustments relating to retained income from Non-Domestic Rates.
- Earmarked reserves decreased by £1,387,000 to £5,241,000. This was mainly due to use of reserves to finance new capital expenditure.
- The Authority's Capital Receipts Reserve decreased by £497,000 to £359,000. This was because receipts were used to fund the capital investment programme.

The key movement in the Council's unusable reserves were as follows:

- The Pensions deficit decreased by £1,255,000. The accumulated estimated pension fund deficit now stood at £30,229,000.
- The Revaluation Reserve balance decreased by £791,000 due to revaluation of the Authority's Property, Plant and Equipment.

There had been a difference in the estimated value and the actual value of the Buckinghamshire Pension Fund, of which the Council's share was £531,000. This amount was considered immaterial in the context of the overall Accounts and was not adjusted for.

Members welcomed the growth in business rates. A Member asked a question in relation to page 165 of the agenda pack in relation to non-domestic rates and the collection fund. The Principal Accountant commented that the accounting for business rates was complex and the amount taken to the general fund was set before the year commenced and this was adjusted for later in the accounts.

A Member asked what accountability there was for Portfolio Holders to balance their budget as some of the budgets had been overspent by a small amount. The Principal Accountant reported that reasons were given for any budget variance and this could be related to non-controllable costs. An example was given for homelessness which was a statutory duty that had to be fulfilled with limited ability to manage numbers. This had been overspend by £0.25 million. Homelessness had been identified as a financial risk. The Director of Resources reported that the Council was looking at areas to expand the supply of affordable housing and using sites such as Bath Road to use as temporary accommodation. The new Homelessness Prevention Act had added pressure on council resources.

RESOLVED that the final 2017/18 Statement of Accounts be approved by the Audit and Standards Committee and signed by the Chairman in accordance with the Accounts and Audit Regulations.

69. **ANNUAL GOVERNANCE STATEMENT**

The Committee received a report which requested that Members review the Authority's Governance Framework and approve the Annual Governance Statement for 2017/18. Members were taken through the key sources of assurance and it was agreed that these were satisfactory.

The Head of Finance reported that essentially for there to be good corporate governance there needs to be clear corporate objectives supported by four effective frameworks covering governance, Performance Management, Risk Management and Policies & Procedures and in order to assess the arrangements it is helpful to draw on

five sources of assurance namely – Management Review, Statutory Officer Review, Internal Audit, External Audit and Other Reviews.

The main Governance and control issues were detailed in section 6 of the Annual Governance Statement (Appendix 4) and it was suggested that there were no other significant issues to add. Members noted that Business Continuity Plans would continue to be developed.

RESOLVED that the Annual Governance Statement be approved.

70. **EXTERNAL AUDIT ANNUAL RESULTS REPORT**

Members considered the Annual Results Report from external auditors Ernst & Young (EY). An updated report was circulated to the Committee at the start of the meeting, which reflected the difference in the valuation of the Pension Fund. The External Auditors reported that the method of calculating the future pension liabilities were complex. The Actuary had estimated the value of the Fund at the year end and this estimated figure had been included in the Accounts. Since then there had been volatility in the stock market so the actual value of the fund differed to this estimate. There was no cause for concern as although the estimated figure was different to the actual figure the amount was not material in the context of the overall accounts and therefore an unqualified opinion could be given.

A Member expressed concern about the difference in figures of £531k and the impact on the Pension Fund for Buckinghamshire overall. The deficit overall was small in comparison with the total cost of the Pension Fund and showed the position of the Fund at a point in time.

The External Auditors reported that there had been no changes to their fees. The Chairman thanked the finance and audit team for their hard work in meeting the earlier deadline for preparation of the accounts and representatives from EY thanked officers for their assistance.

RESOLVED that the report be noted.

71. **EXTERNAL AUDIT LETTER TO THOSE CHARGED WITH GOVERNANCE**

Members considered the proposed response to the External Auditor's letter requesting information on how the Committee gained assurance from management. A Member asked whether Portfolio Holders agreed this document. The Head of Finance reported that this Committee had the delegated authority to agree the proposed response. The Annual Governance Statement was signed off by the Leader of the Council.

RESOLVED that the proposed response to the External Auditor's letter at Appendix 2 be agreed.

72. **EXTERNAL AUDIT 1819 FEE LETTER**

The annual fee letter from external auditors EY was presented to the Committee. It was noted that, due to the Council's participation in the national Public Sector Audit Appointments scheme, the audit fee for 2018/19 would be 23% lower than the previous year.

RESOLVED that the External Audit Fee Letter for 2018/19 be noted.

73. **PURCHASE CARD EXPENDITURE ANALYSIS**

The Committee received a report which showed a breakdown of the procurement card spend for 2017/18.

RESOLVED that the report be noted.

74. **AUDIT WORK PROGRAMME**

The Committee received the Audit Work Programme.

RESOLVED that the Audit Work Programme be agreed.

75. **STANDARDS WORK PROGRAMME**

The Committee received the Standards Work Programme.

RESOLVED that the Standards Work Programme be agreed.

The meeting terminated at 7.52 pm

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SUBJECT:	Annual Review of the Code of Conduct and Complaints Procedure
REPORT OF:	Monitoring Officer
RESPONSIBLE OFFICER	Joanna Swift
REPORT AUTHOR	Joanna Swift
WARD/S AFFECTED	None

1. Purpose of Report

To consider if the code of conduct and complaints procedures adopted by the Council in accordance with the Localism Act in 2011, remain fit for purpose.

RECOMMENDATIONS

- 1. That paragraph 6 of the code of conduct be amended to clarify that a member who declares a personal interest is still entitled to speak and vote on the item of business as shown at Appendix 1.**
- 2. That the arrangements for dealing with complaints remain fit for purpose.**

2. Reasons for Recommendations

It is good practise for the Council to review its adopted policies and procedures on a regular basis to ensure they remain relevant and effective. This annual review has been brought forward following comments made by the Local Government Ombudsman in a recent decision.

3. Content of Report

- 3.1 As members are aware the Council has a statutory duty under the Localism Act 2011 to promote and maintain high standards of conduct amongst its elected and co-opted members, to adopt a code governing member conduct and to have arrangements in place for dealing with any complaints that members may have breached the code of conduct. Any complaints that town or parish councillors have breached their council's code of conduct are covered by the District Council's arrangements.
- 3.2 Under the Act and accompanying statutory regulations members must disclose any pecuniary interests (DPI's) held by themselves or their spouse/partners in items of Council business. Failure to disclose a DPI is a criminal offence.

THE CODE OF CONDUCT

- 3.3 The Act gives the Council discretion over the contents of their code of conduct provided that it accords with the following 7 principles of conduct in public life:-
 - selflessness
 - integrity

- objectivity
- accountability
- openness
- honesty
- leadership

- 3.4 The Council's current code of conduct was adopted on 24 July 2012 and is attached at Appendix 1. It is based on a lighter-touch set of general obligations than the previous national model code but retains the requirement for members to disclose non-pecuniary personal and prejudicial interests, in addition to the new statutory DPI's. This was considered vital in view of the Council's regulatory role in determining planning and licencing applications. Chiltern District Council has adopted the same form of code. It is considered that the obligations in the code of conduct are generally understood by Members and that declarations of interest are being made appropriately.
- 3.5 Following complaints about the declaration of personal interests under paragraph 6 of the code the monitoring officer is recommending that an additional sentence is added to this paragraph to make it clear that members who declare a personal remain entitled to speak and vote on the item of business concerned. The additional wording proposed is shown in bold and underlined at paragraph 6 (6) of the code at Appendix 1.

THE COMPLAINTS PROCEDURE

- 3.6 The Act also gives the Council discretion on the arrangements it adopts for dealing with complaints. These arrangements must however include the appointment of at least one independent person whose views are to be sought and taken into account, before the Council makes a decision on an allegation that it has decided to investigate. The independent person's view may also be sought by the authority at other stages in the investigation and by subject members.
- 3.7 The Council's current Complaints Procedure was reviewed and revised by the Committee last September and is attached at Appendix 2. This retains a 3 stage process:-
1. The complaint is sent to the subject councillor member who has an opportunity respond. If the complainant is satisfied with the councillor's explanation or proposed remedy, no further action is taken. If the complainant remains dissatisfied the complaint proceeds to Stage 2.
 2. The monitoring officer assesses whether the complaint should be referred for investigation having regard to the referral criteria, in consultation with the chairman of this Committee and an independent person. If a complaints merits investigation it will proceed to Stage 3. If the monitoring officer decides not to refer the complaint for investigation no further action is taken and no appeal is available.
 3. An investigation is carried out and the investigators report is referred to a Hearing Sub-Committee or, in certain cases, this Committee for consideration. The Independent Person's view must be taken into account when deciding what action to take.

3.8 Similar arrangements have been adopted by Chiltern District Council. The monitoring officer has received 10 formal complaints under the new procedure. The procedure has proceeded past Stage 1 in 7 cases and one of these has reached Stage 3. The monitoring officer is satisfied that the procedure is fit for purpose. But there will be a further opportunity to review this when the complaint that has reached Stage 3 is reported to the Committee at their next meeting.

4. Consultation

Not applicable at this stage

5. Options

The Council has the option of proposing other changes to the code of conduct which could be the subject of wider consultation with members before formal consideration by Full Council and revisions to the complaints procedure.

6. Corporate Implications

Financial - None

Legal – As set out in the report

Risks issues – None

Equalities - None

7. Links to Council Policy Objectives

Whilst there is no direct link to the Council's main objectives the Council has a statutory obligation to adopt a code of conduct and complaints procedure. The effective monitoring of complaints is matter of good governance and is important in preserving the confidence of local communities

8. Next Steps

If agreed by the Committee the proposed revision to paragraph 6 (6) of the code at Appendix 1 would be recommended to Full Council for adoption.

Background Papers:	None except those referred to in the report
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Appendix 1**SOUTH BUCKS DISTRICT COUNCIL****Code of Conduct for Members
Adopted on 24 July 2012
Amended XX 2018****Part 1 - General Provisions****Introduction**

1. (1) The Council has adopted this Code of Conduct pursuant to section 27 of the Localism Act 2011 (the Act) to promote and maintain high standards of behaviour by its members and co-opted members whenever they conduct the business of the Council including the office to which they were elected or appointed or when they claim to act or give the impression of acting as a representative of the Council
- (2) This Code of Conduct complies with Section 28 the Act and is consistent with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Scope

2. (1) This Code of Conduct applies to you whenever you are acting in your capacity as a member of South Bucks District Council, including: -
 - (a) at formal meetings of the Council, its Committees and Sub-Committees, its Cabinet and PAG's
 - (b) when acting as a representative of the authority
 - (c) in taking any decision as a Cabinet member or a Ward Councillor
 - (d) in discharging your functions as a ward Councillor
 - (e) at briefing meetings with officers
 - (f) at site visits and
 - (g) when corresponding with the authority other than in a private capacity
- (2) Where you act as a representative of the Council: -
 - (a) on another authority, you must when acting for that authority, comply with that other authority's code of conduct; or
 - (b) on any other body, you must, when acting for that other body, comply with this Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject

General obligations

3. You must -
 - (1) provide leadership to the council and communities within its area, by personal example and
 - (2) respect others and not bully any person

- (3) recognise that officers (other than political assistants) are employed by and serve the whole council
- (4) respect the confidentiality of information which you receive as a member -
 - i. not disclosing confidential information to third parties unless required by law to do so or where there is a clear and over-riding public interest in doing so; and
 - ii. not obstructing third parties' legal rights of access to information
- (5) not misconduct yourself in a manner which is likely to bring the council into disrepute
- (6) use your position as a member in the public interest and not for personal advantage
- (7) act in accordance with the council's reasonable rules on the use of the resources of the council for private or political purposes
- (8) exercise your own independent judgement, taking decisions for good and substantial reasons -
 - i. attaching appropriate weight to all relevant considerations including, where appropriate, public opinion and the views of political groups
 - ii. paying due regard to the advice of officers, and in particular to the advice of the statutory officers, namely the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer and
 - iii. stating the reasons for your decisions where those reasons are not otherwise apparent
- (9) account for your actions, particularly by supporting the council's scrutiny function
- (10) ensure that the council acts within the law.

Part 2 - Interests

Personal interests

4. In addition to the statutory requirements under the Act in relation to DPI's and as set out in Paragraph 10 below and save for the subject interest already having been declared as a DPI and the statutory provisions complied with, the following Paragraphs 5 to 9 shall also apply.
5. (1) You have a personal interest in any business of the council where either—
 - (a) it relates to or is likely to affect—
 - (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;
 - (ii) any body—
 - (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),
 of which you are a member or in a position of general control or management;
 - (iii) any person or body who employs or has appointed you;

- (iv) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £50;
- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected by the decision;
- (2) In sub-paragraph (1)(b), a relevant person is—
 - (a) a member of your family or any person with whom you have a close association; or
 - (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
 - (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - (d) any body of a type described in sub-paragraph (1) (a) (i) or (ii).

Disclosure of personal interests

- 6. (1) Subject to sub-paragraphs (2) to (5), where you have a personal interest in any business of the council and you attend a meeting of the council at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.
- (2) Where you have a personal interest in any business of the council which solely relates to a body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council, you need only disclose to the meeting the existence and nature of that interest if that interest is prejudicial.
- (3) Where you have a personal interest in any business of the council of the type mentioned in paragraph 5(1) (a) (iv), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- (4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.
- (5) Subject to paragraph 9(1) (b), where you have a personal interest in any business of the council and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.
- (6) Having declared a personal interest you may continue to speak and vote on the item of business concerned.**

Prejudicial interest generally

- 7. (1) Subject to sub-paragraph (2), where you have a personal interest in any business of the council you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your

judgement of the public interest.

- (2) You do not have a prejudicial interest in any business of the council where that business—
- (a) does not affect your financial position or the financial position of a person or body described in paragraph 5;
 - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 5; or
 - (c) relates to the functions of the council in respect of—
 - (i) an allowance, payment or indemnity given to members;
 - (ii) any ceremonial honour given to members; and
 - (iii) setting council tax or a precept under the Local Government Finance Act 1992.

Prejudicial interests arising in relation to overview and scrutiny committees

8. You also have a prejudicial interest in any business before an overview and scrutiny committee of the council (or of a sub-committee of such a committee) where—
- (a) that business relates to a decision made (whether implemented or not) or action taken by the cabinet, PAG's or another of the council's committees, sub-committees, joint committees or joint sub-committees; and
 - (b) at the time the decision was made or action was taken, you were a member of the cabinet, PAG's, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

Effect of prejudicial interests on participation

9. (1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your council—
- (a) you must declare the existence and nature of your interest and withdraw from the room or chamber where a meeting considering the business is being held—
 - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;
 - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;
 unless you have obtained a dispensation from your council's monitoring officer;
 - (b) you must not exercise executive functions in relation to that business; and
 - (c) you must not seek improperly to influence a decision about that business.
- (2) Where you have a prejudicial interest in any business of the council you may attend a meeting (including a meeting of the overview and scrutiny committee of the council or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Disclosable Pecuniary Interest

10. A Disclosable Pecuniary Interest (DPI) is as defined in ‘The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012’ (The Regulations) and the categories of interest are set out in Appendix A.

Note: In addition to the statutory requirements under the Act, Council Procedure Rules require you to withdraw from the room or chamber where the meeting is being held if you have a DPI in an item of business being considered at that meeting unless a Dispensation has been granted pursuant to and in accordance with Section 33 of the Act.

Part 3 - Registration of Members’ Interests

Registration or Disclosure of members’ interests

11. (1) Subject to paragraph 12, you must, within 28 days of—
- (a) in relation to a DPI, the Regulations coming into effect namely 1.7.12
 - (b) in relation to Personal Interests, this Code being adopted by or applied to the council; or
 - (c) otherwise your election or appointment to office (where that is later),
- register in the council’s register of members’ interests, maintained under Section 29 of the Act, details of any DPI which you or your spouse or civil partner (or person with whom you are living as spouse or civil partner) may have, together with your personal interests where they fall within a category mentioned in paragraph 5(1) (a), by providing written notification to the council’s monitoring officer,.
- (2) Failure to register or disclose any DPI in accordance with section 30(1) or 31(2), (3) or (7) of the Act, or participating in any discussion or vote in contravention of section 31(4) of the Act, or taking any steps in contravention of section 31(8) of the Act, is a criminal offence and risks a fine not exceeding level 5 on the standard scale (currently £5,000) or disqualification as a member for a period not exceeding 5 years.
- (3) Subject to paragraph 12, you must, within 28 days of becoming aware of any new DPI and/or personal interest or change to any DPI and/or personal interest registered under paragraph (1), register details of that new DPI and/or personal interest or change by providing written notification to the council’s monitoring officer.
- (4) Subject to Paragraph 12, you are required to disclose the existence and nature of any DPI when it arises at a meeting even where already registered in the Register or pending registration so the minutes can be duly noted.

Sensitive interest

12. (1) Where you consider that you have a sensitive interest (whether or not a DPI), and the council’s monitoring officer agrees, if the interest is entered in the Council’s register, copies of the register that are made available for inspection and any published version of the register, must not include details of the interest (but may state that the member has an interest the details of which are withheld under section 32 (2) of the Act) and any public declaration required need only state the

fact an interest arises without further detail.

- (2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph (1) is no longer a sensitive interest, notify the Council's monitoring officer asking that the interest be included in the Council's register of members' interests.
- (3) In this Code, "sensitive interest" means an interest, the nature of which is such that you and the Council's monitoring officer consider that disclosure of the details of the interest could lead to you, or a person connected with you, being subject to violence or intimidation.

Dispensations

13. On a written request made to the Council's Monitoring Officer, the Council may grant a dispensation for you to participate in a discussion and vote on a matter at a meeting even if you have a DPI or a prejudicial interest and that you be relieved of the obligation to otherwise withdraw from the room in which the matter is being considered if the Council considers that the number of members otherwise prohibited from taking part in the meeting would be so great a proportion of the body transacting the business that it would impede the transaction of the business; or the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote on the business; or it is in the interests of the inhabitants in the Council's area to allow you to take part or that without the dispensation the Councils Executive would be prohibited from participating in the matter or it is otherwise appropriate to grant a dispensation.

Appendix A

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a DPI are set out in Chapter 7 of the Act.

DPI's are defined in the Regulations 2012 as follows -

<i>Interest</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p>

- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose -

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant authority;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

SOUTH BUCKS DISTRICT COUNCIL

Arrangements for dealing with standards allegations under the Localism Act 2011

1. Context

These "Arrangements" set out how to make a complaint that an elected or co-opted Member of South Bucks District Council or a Parish or Town Council in the area has failed to comply with the Code of Conduct, and sets out how the Council will deal with allegations of a failure to comply with the Code of Conduct.

Under Sections 28(6) and (7) of the Localism Act 2011, the Council must have "arrangements" in place under which allegations that a Member or co-opted Member of the Council or of a Parish or Town Council in the area has failed to comply with the Code of Conduct can be investigated and decisions made on such allegations.

These arrangements must provide for the Council to appoint at least one Independent Person whose views must be sought before the Council takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the Council at any other stage, or by a Member, or co-opted Member of a Parish or Town Council in the area, against whom an allegation has been made.

2. The Code of Conduct

The Council has adopted a Code of Conduct for its Members, which is attached at Appendix 2 and is available for inspection on the Council's website and on request by emailing the monitoring officer at: monitoringofficer@southbucks.gov.uk.

Each Town and Parish Council is also required to adopt a Code of Conduct and copies are available either on the Parish or Town Council's website or on request from the Clerk to the relevant Council.

3. Making a complaint

The monitoring officer is a senior officer of the Council who has statutory responsibility for maintaining the Register of Members' Interests and administers the procedure for dealing with complaints of Member misconduct.

To ensure the monitoring officer has all the information necessary to process your complaint, please complete the Model Complaint Form at Appendix 1, which can be downloaded from the Councils website at www.southbucks.gov.uk/contactus/commentscomplimentsandcomplaints and is also available on request from the Monitoring Officer by email to monitoringofficer@southbucks.gov.uk or by telephone to: 01494 732761.

Please provide your name and a contact address or email address your complaint can be acknowledged and we can keep you informed of its progress. If you want to keep your name and address confidential, please indicate this and the reason why, in the space provided on the Complaint Form. Please note that we will not deal with anonymous complaints.

Please send your completed Complaint Form and any relevant documents by email to:
monitoringofficer@southbucks.gov.uk or

By post to: Monitoring Officer
 South Bucks District Council,
 Capswood,
 Oxford Road,
 Denham UB9 4LH

4. What Happens Next

The monitoring officer will acknowledge receipt of your complaint within 5 working days. If your complaint is **not** about member conduct then the Monitoring Officer will not consider it but will, where possible, refer you to any relevant procedure available.

For example the following are not covered by this complaints procedure:

- Complaints about the conduct of councillors when acting in their personal capacity i.e. not acting as an elected or co-opted member of the Council
- Dissatisfaction with a decision or action of the Council or one of its committees
- Complaints about a service provided by the Council
- Complaints about the Council's procedures
- The actions of people employed by the Council

If a complaint alleges that Members may have committed a criminal offence by breaching the "disclosable pecuniary interest" provisions under Section 34 of the Localism Act 2011, it will be referred to Thames Valley Police for consideration, in accordance with the Protocol at Appendix 8.

Your complaint will be considered in three Stages with the aim of reaching a satisfactory resolution. Under Stages One and Two only the details contained in the Complaint Form will be considered. Therefore it is important that you set out your complaint clearly and provide all the information you wish to be considered at the outset.

As a matter of fairness and natural justice we believe members who are complained about have a right to know who has made the complaint and to be provided with full details of the complaint. We are unlikely to withhold your identity or the details of your complaint unless you have good reason to believe that to do so would be contrary to the public interest, would prejudice any subsequent investigation or you have reasonable grounds for believing you or any witness in the matter would be at risk.

The Member will still be informed that a complaint has been made - and unless to do so would lead to the disclosure of your identity, will be informed of the paragraphs of the Code which are alleged to have been breached. However, your details and a full copy of the complaint will be withheld until your request has been considered.

The assessment of a request for confidentiality will be considered against the following criteria – but with the balance always being in favour of disclosure unless exceptional circumstances exist to determine otherwise:

- 1) The complainant has reasonable grounds for believing that they will be at risk of physical harm if their identity is disclosed.
- 2) The complainant is an officer who works closely with the subject member and they are

afraid of the consequences to their employment or of losing their job if their identity is disclosed.

- 3) The complainant suffers from a serious health condition and there are medical risks associated with their identity being disclosed (medical evidence may be required to be submitted).
- 4) Any other very special circumstances put forward by the complainant which identify reasonable grounds for believing that disclosure of details would result in the complainant or witnesses being intimidated or lead to evidence being compromised or destroyed.

Please note that requests for confidentiality or requests for suppression of complaint details will not be automatically be granted. The monitoring officer will consult with the Independent Person to consider your request alongside the substance of your complaint. If your request for confidentiality is not granted, you will be asked whether you wish the Council to continue to consider your complaint.

5. Stage One

We will tell the Member that you are complaining about that we have received a complaint and provide them with a copy (unless your request for confidentiality has been agreed).

The Member will be invited to respond within 20 working days – including in their response any suggestion to resolve the complaint.

This response will be made available to you and you will be asked if you are satisfied – if yes, no further action will be taken or the action proposed by the Member will proceed – or you will be asked if you wish your complaint to be considered further under Stage Two.

6. Stage Two

Your complaint will then be assessed by the monitoring officer having regard to the Referral Criteria at Appendix 3 and who will decide, after consultation with the Chairman/Vice-Chairman of the Councils Audit and Standards Committee and the Independent Person (whose views will be taken into account), whether your complaint should be referred for investigation. This will happen within an average of 20 working days from the commencement of Stage Two.

When a decision has been made you will be notified in writing. The monitoring officer will also write to the member(s) you have complained about and the parish or town clerk (if applicable). These letters will be sent within five working days of a decision being reached. The decision is made available for public inspection once the member concerned has been given a copy of the decision.

The decision of the monitoring officer is final and there is no right of appeal.

In appropriate cases, the monitoring officer may seek to resolve the complaint informally, without the need for a formal investigation. Such informal resolution may involve the Member accepting that his/her conduct was unacceptable and offering an apology or the complaint maybe considered suitable for mediation or such other remedial action by the Council on the recommendation of the monitoring officer. Where the Member concerned makes a reasonable offer of informal resolution such as an apology or agrees for the complaint to be mediated but you

are not willing to accept that offer, the monitoring officer will take this into account in deciding whether the complaint merits formal investigation

7. Stage Three

If the decision at Stage Two is to investigate the complaint the monitoring officer will appoint an Investigating Officer, who may be another senior officer of the Council, an officer of another Council or an external investigator. The investigator's report will be considered by the Hearings Sub-Committee of the Council's Audit and Standards Committee. The Council has adopted a model procedure for the investigation of complaints, which is attached at Appendix 4 together with an explanatory flowchart. Details of the both the investigation procedure and the procedure if the matter proceeds to a hearing are explained further below.

8. How is the investigation conducted?

Ordinarily the Council would hope that investigations will take no more than 6 months to complete from the date the decision to investigate is taken. This will very much depend on the facts of each complaint and some investigations may be concluded earlier and others may take longer.

It is vital to the timely completion of investigations that you, as the complainant, and the subject Member under investigation, comply with the reasonable requirements of the Investigating Officer in terms of interview attendance and supplying relevant documents. If you, as the complainant, do not co-operate the Investigating Officer monitoring officer for direction as to whether the investigation should be terminated. Similarly if the subject Member does not comply, the Investigating Officer will proceed to determine the investigation in the absence of their contribution and may draw an adverse inference from their non-cooperation.

The Investigating Officer will normally carry out the investigation in accordance with the model procedure detailed at Appendix 4 although may decide to depart from this if the circumstances of the complaint warrant it.

As an initial step, and subject to any ruling on disclosure, the Investigating Officer may write to the subject Member at the beginning of the investigation to see if the subject Member still wishes to contest the complaint. Subject to this the investigation will normally follow the model procedure at Appendix 4.

At the end of the investigation, the Investigating Officer will produce a draft report and will send copies of the draft report, in confidence, to you and to the Member concerned to give you both an opportunity to identify any matter in that draft report which you disagree with or which you consider requires more consideration.

Having received and taken account of any comments which you may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.

It should be noted that at any time during an investigation, the Investigating Officer may, following consultation with the Independent Person, refer the matter back to the monitoring officer for re-consideration as to whether the investigation should proceed if the Investigating Officer considers that the Re-consideration Criteria in Appendix 3 are satisfied.

9. What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Code of Conduct?

The monitoring officer will review the Investigating Officer's report and consult with the Independent Person thereon. If having done so the monitoring officer is satisfied that the Investigating Officer's report is sufficient, the monitoring officer will write to you and to the Member concerned and to the Parish or Town Council on which the Member serves, notifying you that he is satisfied that no further action is required, and give you both a copy of the Investigating Officer's final report. If the monitoring officer is not satisfied that the investigation has been conducted properly, the Investigating Officer may be asked to re-consider his/her report.

10. What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Code of Conduct?

The Monitoring Officer will review the Investigating Officer's report and after consulting the Independent Person will consider whether Local Resolution should be attempted or the matter should proceed direct to hearing before the Hearings Sub-Committee.

- Local Resolution

The monitoring officer will consult with the Independent Person and with you as complainant and seek to resolve the complaint in a way that helps to ensure higher standards of conduct for the future. Such resolution may include the Member accepting that his/her conduct was unacceptable and offering an apology or the complaint being referred for mediation or such other remedial action as is considered appropriate in the circumstances. If the Member complies with the suggested resolution, the monitoring officer will report the matter to the Audit and Standards Committee and for complaint about Town/Parish councillors, the relevant Parish or Town Council, but will take no further action. However, if the Member concerned does not accept that the matter should be resolved in such a manner, the monitoring officer will refer the matter for a hearing before the Hearings Sub-Committee.

- Hearings Sub-Committee

If the monitoring officer considers that Local Resolution is not appropriate or the Member concerned does not accept that the matter should be resolved in such a manner, then the monitoring officer will submit the Investigating Officers report to the Hearings Sub-Committee which will conduct a Hearing before deciding whether the Member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the failure.

In readiness for convening a meeting of the Hearings Sub-Committee, the monitoring officer will conduct a written "pre-hearing process", requiring the Member concerned to give their response to the Investigating Officer's report in order to identify what is likely to be agreed and what is likely to be in contention at the Hearing.

If, through the "pre-hearing process", the Member concerned accepts the Investigating Officer's report, they will be given the opportunity to provide a statement of mitigation which they may invite the Hearings Sub-Committee to consider in their absence. Alternatively, the Member may elect to attend a Hearings Sub-Committee to present their mitigation. In either case, the

“uncontested” hearing procedure will be followed as set out at Appendix 5.

Where, following the “pre-hearing process”, the Investigating Officer’s report remains in contention, the matter will be set down for a “contested” hearing before the Hearings Sub-Committee and the hearing procedure set out at Appendix 6 will be followed.

At the hearing, the Investigating Officer will present his/her report, call such witnesses as considered necessary and make representations to substantiate the conclusion that the Member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask you, as the complainant, to attend and give evidence. Unless called to do so by the Investigating Officer, you do not have the right to address the Hearings Sub-Committee of your own volition.

The Member will then have an opportunity to give evidence, to call witnesses and to make representations about why they consider they did not fail to comply with the Code of Conduct. The Member may be represented legally or otherwise.

The Hearings Sub-Committee, with the benefit of any advice from the Independent Person, may conclude that the Member did not fail to comply with the Code of Conduct and so dismiss the complaint. If the Hearings Sub-Committee concludes that the Member did fail to comply with the Code of Conduct, the Chairman will inform the Member of this finding and the Hearings Sub-Committee will then consider what action, if any, should be taken. In doing this, the Hearings Sub-Committee will give the Member an opportunity to make representations to them and will consult the Independent Person before deciding what action, if any, to take in respect of the matter.

11. What action can the Hearings Sub-Committee take where a Member has failed to comply with the Code of Conduct?

The Council has delegated to the Hearings Sub-Committee such of its powers to take action in respect of individual Members as may be necessary to promote and maintain high standards of conduct. Accordingly, the Sub-Committee may -

- Write to the Member over their conduct;
- Publish its findings in the local media in respect of the Member’s conduct;
- Report its findings to the Council or to the Parish or Town Council concerned;
- Recommend to the Member’s Group Leader (or in the case of un-grouped Members, recommend to the Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;
- Recommend to the Leader of the Council that the Member be removed from the Cabinet or removed from particular Portfolio responsibilities;
- Instruct the monitoring officer to, or recommend to the Parish or Town Council concerned that it, arrange training for the Member;
- Recommend removal, or recommend to the Parish or Town Council concerned removal,

of the Member from all outside appointments to which he/she has been appointed or nominated by the Council or the Parish or Town Council;

- Withdraw, or recommend to the Parish or Town Council concerned that it withdraws, facilities provided to the Member by the Council, such as a computer, website and/or email and Internet access; or
- Recommend that any aspects of the complaint that are considered suitable be referred for mediation between the parties; or
- Exclude, or recommend to the Parish or Town Council concerned that it excludes, the Member from the Council's offices or other premises with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee Meetings.

The Hearings Sub-Committee has no power to suspend or disqualify the Member or to withdraw a Member's basic allowance or any special responsibility allowances.

12. What happens at the end of the Hearing?

At the end of the hearing, the Chairman will announce the Sub-Committee's decision as to whether the Member has failed to comply with the Code of Conduct and as to any action which the Sub-Committee resolves to take.

As soon as reasonably practicable thereafter, the monitoring officer will prepare a formal decision notice in consultation with the Chairman of the Sub-Committee and send a copy to you, to the Member concerned and to any relevant Parish and Town Council, make such decision notice available for public inspection and report the decision to the next convenient meeting of the Audit Committee.

The decision of the Hearings Sub-Committee is final and is not subject to a right of appeal.

13. What is the Hearings Sub-Committee?

The Hearings Sub-Committee is made up of 3 elected Members of the Council's Audit and Standards Committee.

An Independent Person is invited to attend all meetings of the Hearings Sub-Committee and their views are sought and taken into consideration on whether a Member's conduct constitutes a failure to comply with the Code of Conduct and as to any action to be taken following a finding of failure to comply with the Code of Conduct.

14. Who is the Independent Person?

An Independent Person is someone who has been appointed by the Council under Section 28 of the Localism Act 2011.

Independent Persons must be appointed through a process of public advertisement, application and appointment by a positive vote of a majority of all members of the District Council – i.e. by full Council.

A Person is considered not to be 'independent' if they are, or have been in the previous 5 years:

- an elected or co-opted member or officer of the District Council or any Parish in the area
- an elected or co-opted member of any committee or sub-committee of the District Council or any Parish in the area

or they are a relative or close friend of a current elected or co-opted member or officer of the District Council or any Parish or Town Council the area – or any elected or co-opted members of any committee or sub-committee of such a Council.

15. Revision of these arrangements

The Audit and Standards Committee may amend these arrangements.

The Chairman of any Hearings Sub-Committee may, following consultation with the Independent Person, depart from the procedures detailed above where he/she considers it is expedient to do so in order to secure the effective and fair consideration of any matter.

If the monitoring officer considers that he/she may be conflicted in the discharge of these arrangements, he may delegate such matters to a Deputy monitoring officer to discharge.

16. Appeals

There is no right of appeal for you as complainant or for the Member against a decision of the monitoring officer or the Hearings Sub-Committee.

If you feel that the Council has failed to deal with your complaint in accordance with these arrangements, you may make a complaint to the Local Government Ombudsman.

Appendix 1	Model Complaint Form
Appendix 2	SBDC Code of Conduct
Appendix 3	Assessment Criteria
Appendix 4	Procedure for Investigations
Appendix 5	Uncontested hearing procedure
Appendix 6	Contested hearing procedure
Appendix 7	Protocol with Thames Valley Police on reporting potential criminal offences



South Bucks District Council

COMPLAINT FORM MEMBER(S) CONDUCT

Your details

1. Please provide us with your name and contact details:

Title:	
First name:	
Last name:	
Address:	
Daytime telephone:	
Evening telephone:	
Mobile telephone:	
Email address:	

Your address and contact details will not usually be released unless necessary or to deal with your complaint.

However, we will tell the following people that you have made this complaint:

- the member(s) you are complaining about
- the monitoring officer of the authority
- the parish or town clerk (if applicable)
- the council's Independent Person (if required)
- members of the Hearings Sub- Committee convened to consider your complaint
- officers involved in mediation (if applicable)

We will tell them your name and give them a summary of your complaint. We will give them full details of your complaint where necessary or appropriate to be able to deal with it. If you have serious concerns about your name and a summary, or details of your complaint being released,

please complete section 5 of this form.

2. Please tell us which complainant type best describes you:

- Member of the public
- An elected or co-opted member of an authority
- Member of Parliament
- Local authority monitoring officer
- Other council officer or authority employee
- Other

Making your complaint

Once your complaint has been received a decision will be taken in accordance with the council's published arrangements as to what action, if any, should be taken on it. (insert link to arrangements). You will not have the opportunity to attend a meeting at this stage. It is important that you provide all the information that you want taken into account as part of your complaint.

Please refer to the council's published arrangements under the heading "Making a complaint" which explains the Three Stage process for dealing with your complaint.

3. Please provide us with the name of the member(s) you believe have breached the Code of Conduct and the name of their authority:

Title	First name	Last name	Council or authority name

It is important that you provide a summary of the information you wish to have taken into account (within the space provided below) so a decision can be made, in accordance with the published arrangements, whether to take any action on your complaint.

For example:

- You should be specific, wherever possible, about exactly what you are alleging the member said or did. For instance, instead of stating that the member insulted you, you should give the exact words used.
- You should provide the dates of the alleged incidents wherever possible. If you cannot provide exact dates it is important to give a general timeframe.
- You should confirm whether there are any witnesses to the alleged conduct and provide their names and contact details if possible.
- You should provide any relevant background information.

Please indicate which paragraphs of the Code of Conduct you consider the member(s) to have breached by ticking the appropriate box(es).

- 3.1 " You must provide leadership to the council and communities within its areas by personal example"
- 3.2 "You must respect others and not bully any person".
- 3.3 "You must recognize that officers (other than political assistants) are employed by and serve the whole council."
- 3.4 "You must respect the confidentiality of information which you received as a member."
"
- 3.5 "You must not misconduct yourself in a manner which is likely to bring the council into disrepute".
- 3.6 "You must use your position as a member in the public interest and not for personal advantage. "
- 3.7 "You must act in accordance with the council's reasonable rules on the use of the resources of the council for private or political purposes."
- 3.8 "You must exercise your own independent judgment, taking decisions for good and substantial reasons."
- 3.9 "You must account for your actions, particularly by supporting the council's scrutiny functions."
- 3.10 "You must ensure the council acts within the law."
- 6, 9 or 10 (Interest requirements re: Personal, Prejudicial or Disclosable Pecuniary Interests)

4. Please explain in this section (or on separate sheets) what the member has done that you believe breaches the Code of Conduct. If you are complaining about more than one member you should clearly explain what each individual person has done that you believe breaches the Code of Conduct.

Please provide us with details of your complaint (within the space provided)

Please explain what steps, if any, you have taken to resolve this complaint directly with the member concerned?

Would you be prepared to engage in mediation with the member concerned, if considered appropriate, to try and resolve the complaint?

Yes

No

If you answered no please state reason why below:

Mediation is a way of resolving disputes with the assistance of an independent mediator who will try and help the parties reach a solution to the dispute that both parties are agreeable to. The independent mediator will avoid taking sides, making judgements or giving guidance. They are simply responsible for developing effective communications between the parties with a view to a common sense settlement being arrived at. Mediation is a voluntary process and will only take place if the parties agree and remains confidential to the parties involved.

Only complete this next section if you are requesting that your identity is kept confidential

- 5.** In the interests of fairness and natural justice, we believe members who are complained about have a right to know who has made the complaint. We also believe they have a right to be provided with a summary of the complaint. We are unlikely to withhold your identity or the details of your complaint unless you have good reasons.

Please note that requests for confidentiality or requests for suppression of complaint details will not automatically be granted. If your request for confidentiality is not granted, we will usually allow you the option of withdrawing your complaint.

However, it is important to understand that in certain exceptional circumstances where the matter complained about is very serious, we can proceed with an investigation or other action and disclose your name even if you have expressly asked us not to.

Please provide us with details of why you believe we should withhold your name and/or the details of your complaint:

6. Additional Help

Complaints must be submitted in writing. This includes fax and electronic submissions. However, in line with the requirements of the Disability Discrimination Act 2000, we can make reasonable adjustments to assist you if you have a disability that prevents you from making your complaint in writing.

If you need any support in completing this form, please let us know as soon as possible.

**SOUTH BUCKS DISTRICT COUNCIL
CODE OF CONDUCT FOR MEMBERS
ADOPTED ON 24 JULY 2012**

Part 1 – General Provisions

Introduction

1. (1) The Council has adopted this Code of Conduct pursuant to section 27 of the Localism Act 2011 (the Act) to promote and maintain high standards of behaviour by its members and co-opted members whenever they conduct the business of the Council including the office to which they were elected or appointed or when they claim to act or give the impression of acting as a representative of the Council
- (2) This Code of Conduct complies with Section 28 the Act and is consistent with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Scope

2. (1) This Code of Conduct applies to you whenever you are acting in your capacity as a member of South Bucks District Council, including:
 - (a) at formal meetings of the Council, its Committees and Sub-Committees, its Cabinet and PAG's
 - (b) when acting as a representative of the authority
 - (c) in taking any decision as a Cabinet member or a Ward Councillor
 - (d) in discharging your functions as a ward Councillor
 - (e) at briefing meetings with officers
 - (f) at site visits and
 - (g) when corresponding with the authority other than in a private capacity
- (2) Where you act as a representative of the Council:
 - (a) on another authority, you must when acting for that authority, comply with that other authority's code of conduct; or
 - (b) on any other body, you must, when acting for that other body, comply with this Code of Conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject

General obligations

3. You must:
 - (1) provide leadership to the council and communities within its area, by personal example and

- (2) respect others and not bully any person
- (3) recognise that officers (other than political assistants) are employed by and serve the whole council
- (4) respect the confidentiality of information which you receive as a member:
 - i. not disclosing confidential information to third parties unless required by law to do so or where there is a clear and over-riding public interest in doing so; and
 - ii. not obstructing third parties' legal rights of access to information
- (5) not misconduct yourself in a manner which is likely to bring the council into disrepute
- (6) use your position as a member in the public interest and not for personal advantage
- (7) act in accordance with the council's reasonable rules on the use of the resources of the council for private or political purposes
- (8) exercise your own independent judgement, taking decisions for good and substantial reasons:
 - i. attaching appropriate weight to all relevant considerations including, where appropriate, public opinion and the views of political groups
 - ii. paying due regard to the advice of officers, and in particular to the advice of the statutory officers, namely the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer and
 - iii. stating the reasons for your decisions where those reasons are not otherwise apparent
- (9) account for your actions, particularly by supporting the council's scrutiny function
- (10) ensure that the council acts within the law.

Part 2 – Interests

Personal interests

4. In addition to the statutory requirements under the Act in relation to DPI's and as set out in Paragraph 10 below and save for the subject interest already having been declared as a DPI and the statutory provisions complied with, the following Paragraphs 5 to 9 shall also apply.
5. (1) You have a personal interest in any business of the council where either:
- (a) it relates to or is likely to affect:
 - (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;
 - (ii) any body:
 - (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),
 of which you are a member or in a position of general control or management;
 - (iii) any person or body who employs or has appointed you;
 - (iv) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £50;
 - (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected by the decision;
- (2) In sub-paragraph (1)(b), a relevant person is:
- (a) a member of your family or any person with whom you have a close association; or
 - (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
 - (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - (d) any body of a type described in sub-paragraph (1) (a) (i) or (ii).

Disclosure of personal interests

6. (1) Subject to sub-paragraphs (2) to (5), where you have a personal interest in any business of the council and you attend a meeting of the council at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

- (2) Where you have a personal interest in any business of the council which solely relates to a body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council, you need only disclose to the meeting the existence and nature of that interest if that interest is prejudicial.
- (3) Where you have a personal interest in any business of the council of the type mentioned in paragraph 5(1) (a) (iv), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- (4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.
- (5) Subject to paragraph 9(1) (b), where you have a personal interest in any business of the council and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.

Prejudicial interest generally

7. (1) Subject to sub-paragraph (2), where you have a personal interest in any business of the council you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.
- (2) You do not have a prejudicial interest in any business of the council where that business:
 - (a) does not affect your financial position or the financial position of a person or body described in paragraph 5;
 - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 5; or
 - (c) relates to the functions of the council in respect of:
 - (i) an allowance, payment or indemnity given to members;
 - (ii) any ceremonial honour given to members; and
 - (iii) setting council tax or a precept under the Local Government Finance Act 1992.

Prejudicial interests arising in relation to overview and scrutiny committees

8. You also have a prejudicial interest in any business before an overview and scrutiny committee of the council (or of a sub-committee of such a committee) where:
 - (a) that business relates to a decision made (whether implemented or not) or action taken by the cabinet, PAG's or another of the council's committees, sub-

committees, joint committees or joint sub-committees; and

- (b) at the time the decision was made or action was taken, you were a member of the cabinet, PAG's, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

Effect of prejudicial interests on participation

- 9. (1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your council:
 - (a) you must declare the existence and nature of your interest and withdraw from the room or chamber where a meeting considering the business is being held:
 - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;
 - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;
 unless you have obtained a dispensation from your council's monitoring officer;
 - (b) you must not exercise executive functions in relation to that business; and
 - (c) you must not seek improperly to influence a decision about that business.
- (2) Where you have a prejudicial interest in any business of the council you may attend a meeting (including a meeting of the overview and scrutiny committee of the council or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

10. Disclosable Pecuniary Interest

A Disclosable Pecuniary Interest (DPI) is as defined in 'The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012' (The Regulations) and the categories of interest are set out in Appendix A.

Note: In addition to the statutory requirements under the Act, Council Procedure Rules require you to withdraw from the room or chamber where the meeting is being held if you have a DPI in an item of business being considered at that meeting unless a Dispensation has been granted pursuant to and in accordance with Section 33 of the Act.

Part 3 - Registration of Members' Interests

Registration or Disclosure of members' interests

11. (1) Subject to paragraph 12, you must, within 28 days of:
- (a) in relation to a DPI, the Regulations coming into effect namely 1.7.12
 - (b) in relation to Personal Interests, this Code being adopted by or applied to the council; or
 - (c) otherwise your election or appointment to office (where that is later),
- register in the council's register of members' interests, maintained under Section 29 of the Act, details of any DPI which you or your spouse or civil partner (or person with whom you are living as spouse or civil partner) may have, together with your personal interests where they fall within a category mentioned in paragraph 5(1) (a), by providing written notification to the council's monitoring officer.
- (2) Failure to register or disclose any DPI in accordance with section 30(1) or 31(2), (3) or (7) of the Act, or participating in any discussion or vote in contravention of section 31(4) of the Act, or taking any steps in contravention of section 31(8) of the Act, is a criminal offence and risks a fine not exceeding level 5 on the standard scale (currently £5,000) or disqualification as a member for a period not exceeding 5 years.
- (3) Subject to paragraph 12, you must, within 28 days of becoming aware of any new DPI and/or personal interest or change to any DPI and/or personal interest registered under paragraph (1), register details of that new DPI and/or personal interest or change by providing written notification to the council's monitoring officer.
- (4) Subject to Paragraph 12, you are required to disclose the existence and nature of any DPI when it arises at a meeting even where already registered in the Register or pending registration so the minutes can be duly noted.

Sensitive interest

12. (1) Where you consider that you have a sensitive interest (whether or not a DPI), and the council's monitoring officer agrees, if the interest is entered in the Council's register, copies of the register that are made available for inspection and any published version of the register, must not include details of the interest (but may state that the member has an interest the details of which are withheld under section 32 (2) of the Act) and any public declaration required need only state the fact an interest arises without further detail.
- (2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph (1) is no longer a sensitive interest, notify the Council's monitoring officer asking that the interest be included in the Council's register of members' interests.

- (3) In this Code, "sensitive interest" means an interest, the nature of which is such that you and the Council's monitoring officer consider that disclosure of the details of the interest could lead to you, or a person connected with you, being subject to violence or intimidation.

Dispensations

13. On a written request made to the Council's Monitoring Officer, the Council may grant a dispensation for you to participate in a discussion and vote on a matter at a meeting even if you have a DPI or a prejudicial interest and that you be relieved of the obligation to otherwise withdraw from the room in which the matter is being considered if the Council considers that the number of members otherwise prohibited from taking part in the meeting would be so great a proportion of the body transacting the business that it would impede the transaction of the business; or the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote on the business; or it is in the interests of the inhabitants in the Council's area to allow you to take part or that without the dispensation the Council's Executive would be prohibited from participating in the matter or it is otherwise appropriate to grant a dispensation.

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a DPI are set out in Chapter 7 of the Act.

DPI's are defined in the Regulations 2012 as follows:

Interest	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge):</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where:</p> <p>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either:</p> <p>(i) the total nominal value of the securities exceeds</p>

	<p>£25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>
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For this purpose:

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant authority; “member” includes a co-opted member; “relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

ASSESSMENT CRITERIA

Stage 1 Criteria

Before the assessment of a complaint begins, the monitoring officer must be satisfied that the complaint meets the following requirements:

- (i) It is a complaint against one or more named Members of the Council or a Parish or Town Council within the area;
- (ii) The named Member or Members were in Office at the time of the alleged conduct and acting in their official capacity; and
- (iii) The complaint, if proven, would be a breach of the Council's Code of Conduct in force at the relevant time.

If the complaint fails any one of these tests, it cannot be investigated as a breach of the Council's Code of Conduct and the complainant must be informed that no further action can be taken in relation to the complaint. If it passes all three tests then it can be assessed according to the criteria set out below.

Stage 2 Criteria

The monitoring officer is/are unlikely to refer a complaint for investigation where it falls into any of the following categories:-

- (a) The complaint appears to be vexatious, malicious, politically motivated, relatively minor, insufficiently serious, tit-for-tat, or there are other reasons why an investigation may not be in the public interest.
- (b) The same, or substantially similar, complaint has already been the subject of assessment or investigation and there is nothing more to be gained by further action being taken.
- (c) It appears that the complaint concerns or is really about dissatisfaction with a Council decision or policy rather than a breach of the Code of Conduct.
- (d) There is not enough information currently available to justify a decision to refer the matter for investigation.
- (e) The complaint is about someone who has died, resigned, is seriously ill or is no longer a Member of the Council concerned and therefore it is not in the public interest to pursue.
- (f) Where the allegation is anonymous, unless it includes documentary or photographic evidence indicating an exceptionally serious or significant matter and it is considered in the public interest that it be investigated.

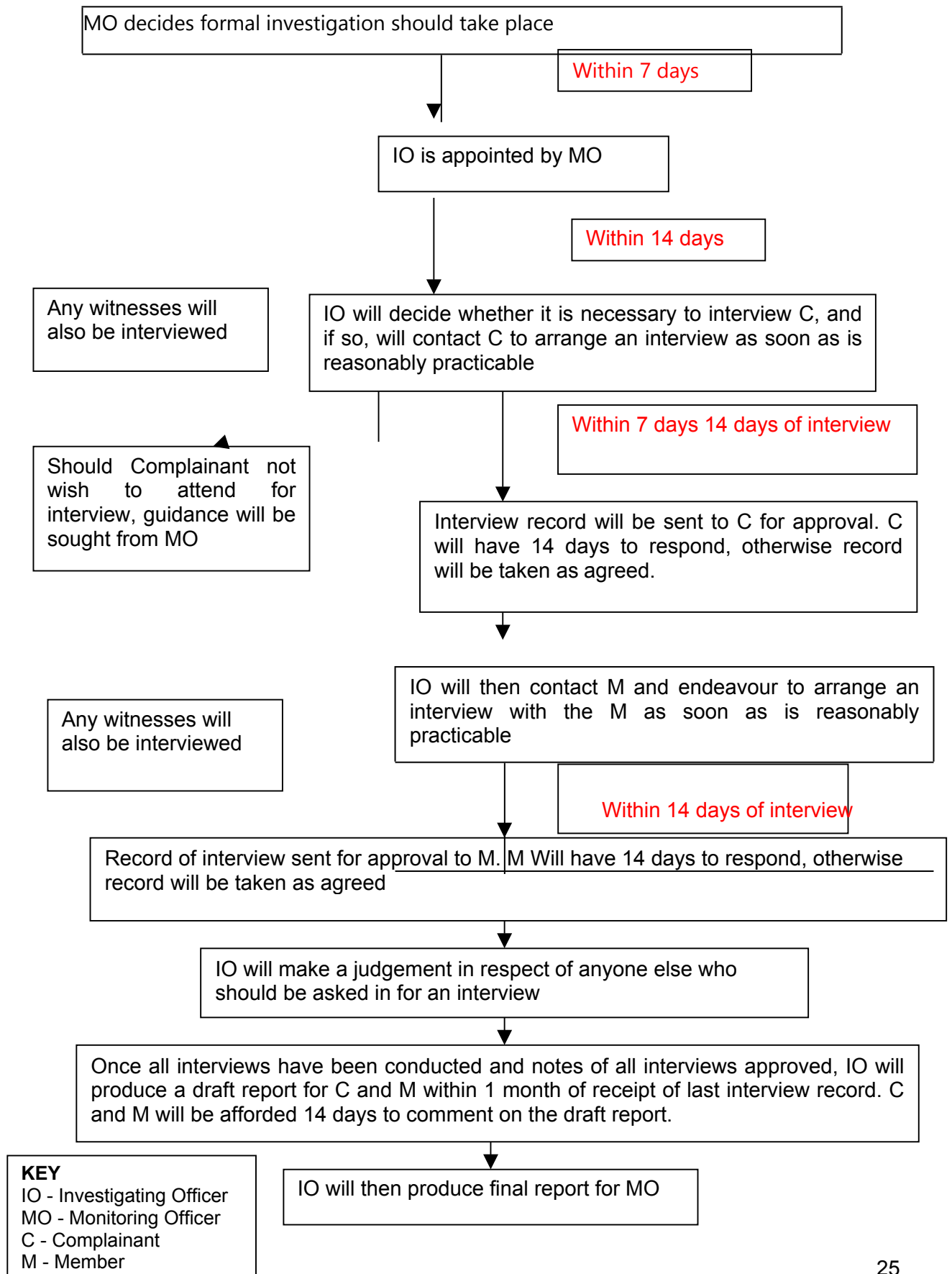
- (g) Where the event/s or incident/s took place more than 6 months prior to the date of complaint being received or where those involved are unlikely to remember the event/s or incident/s clearly enough to provide credible evidence.
- (h) The complaint is such that it is unlikely that an investigation will be able to come to a firm conclusion on the matter and where independent evidence is likely to be difficult or impossible to obtain.
- (i) If it is considered that the subject Member has **offered** a satisfactory remedy to the complainant (for example by apologising) or the complaint is capable of other informal resolution **such as mediation** and the Member complained of is amenable to such approach.
- (j) If it is satisfied that having regard to the nature of the complaint and the level of its potential seriousness, the public interest in conducting an investigation does not justify the cost of such an investigation.
- (k) Where the allegation discloses a potential breach of the Code of Conduct but it is considered that the complaint is not serious enough to warrant any further action and:
 - the Member and Officer resource needed to investigate and determine the complaint is wholly disproportionate to the matter complained about; or
 - **in** all the circumstances there is no overriding public benefit or interest in carrying out an investigation.

Re-consideration Criteria

The Investigating Officer may, following consultation with the Independent Person, refer an investigation to the monitoring officer for re-consideration as to whether the investigation should proceed where:

- As a result of new evidence or information, the Investigating Officer is of the opinion that the matter is materially less serious than may have seemed apparent to the monitoring officer when the decision was made to refer the complaint for investigation, and a different decision may have been made had the monitoring officer been aware of the new evidence or information;
- The Member who is the subject of the allegation has died, is seriously ill or has resigned from the Council concerned and in the circumstances the Investigating Officer is of the opinion that it is no longer appropriate to proceed with the investigation; or
- Other circumstances arise, which in the reasonable opinion of the Investigating Officer, render it appropriate for the investigation to be referred to the monitoring officer for re-consideration.

PROCEDURE FOR INVESTIGATIONS



**AUDIT AND STANDARDS COMMITTEE
OUTLINE PROCEDURE FOR HEARINGS SUB-COMMITTEE (UNCONTESTED)**

Preliminary Procedural Issues

1. Introductions.
2. Declarations of Interest (if any).
3. To consider any request for the exclusion of Press and Public.

Breach of the Code of Conduct

4. Monitoring officer (or his/her representative) to present summary report, including the findings of fact made by the Investigating Officer, and refer to outcome of pre-hearing process.
5. Views of the Independent Person sought.
6. Members of the Sub-Committee to raise/clarify issues.
7. The Sub-Committee will retire, along with the monitoring officer, to determine whether there has been a breach of the Code of Conduct. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Action to be taken

8. Monitoring officer (or his/her representative) to outline possible sanctions.
9. Investigating officer to make submissions on appropriate sanction, if any.
10. Member or (his/her representative) to present statement of, or provide oral, mitigation, including on what sanction, if any, should be imposed.
11. Views of the Independent Person sought.
12. Members of the Sub-Committee to raise/clarify issues.
13. The Sub-Committee will retire, along with the monitoring officer, to consider what sanction, if any, should be imposed. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Close of Hearing

**AUDIT AND STANDARDS COMMITTEE
OUTLINE PROCEDURE FOR HEARINGS SUB-COMMITTEE (CONTESTED)**

Preliminary Procedural Issues

1. Introductions.
2. Declarations of Interest (if any).
3. To consider any request for the exclusion of Press and Public.

Findings of Fact

4. Monitoring officer (or his/her representative) to present summary report and refer to outcome of pre-hearing process.
5. Investigating Officer to present report and call such witnesses as he/she considers necessary to substantiate his/her conclusion(s) within the report.
6. Member (or his/her representative) to raise/clarify issues with the Investigating Officer, including the questioning of the Investigating Officer's witnesses.
7. Members of the Sub-Committee to raise/clarify issues with the Investigating Officer, including the questioning of the Investigating Officer's witnesses.
8. Member (or his/her representative) to present their case and call such witnesses as he/she considers necessary.
9. Investigating Officer to raise/clarify issues with the Member (or his/her representative), including the questioning of the Member's witnesses.
10. Members of the Sub-Committee to raise/clarify issues with the Member (or his/her representative), including the questioning of the Member's witnesses.
11. Views of the Independent Person sought.
12. Members of the Sub-Committee to raise/clarify issues with the Independent Person.
13. The Sub-Committee will retire, along with the monitoring officer, to determine its findings of fact.
14. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Breach of the Code of Conduct

15. The Sub-Committee will need to consider whether or not, based on the facts it has found, the Member has breached the Code of Conduct.
16. Investigating Officer to address the Panel on whether the facts found constitute a breach of the Code of Conduct.
17. Member (or his/her representative) to address the Sub-Committee as to why the facts found do not constitute a breach of the Code of Conduct.
18. Views of the Independent Person sought.
19. Members of the Sub-Committee to raise/clarify issues.
20. The Sub-Committee will retire, along with the monitoring officer, to determine whether there has been a breach of the Code of Conduct. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

(If the Sub-Committee determine that there has been no breach of the Code of Conduct, the complaint will be dismissed. If, however, the Sub-Committee determine that there has been a breach of the Code of Conduct, the procedure at paragraph 21 will apply).

Action to be taken

21. The Sub-Committee will need to determine what sanction, if any, should be imposed as a result of the Member's breach of the Code of Conduct.
22. Monitoring officer (or his/her representative) to outline possible sanctions.
23. Investigating officer to make submissions on appropriate sanction, if any.
24. Member (or his/her representative) to make submissions on whether any sanction should be imposed.
25. Views of the Independent Person sought.
26. Members of the Sub-Committee to raise /clarify issues.
27. The Sub-Committee will retire, along with the monitoring officer, to consider what sanction, if any, should be imposed. The Sub-Committee's decision will be reported back to the meeting by the Democratic Services Officer.

Close of Hearing

DRAFT**PROTOCOL BETWEEN SOUTH BUCKS DISTRICT
COUNCIL AND THAMES VALLEY POLICE****Purpose**

To agree a protocol for the reporting of potential criminal offences arising under Section 34 of the Localism Act 2011 concerning the registration and/or disclosure of Disclosable Pecuniary Interests (DPIs) (as defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

1. In the event that the Monitoring Officer receives a complaint regarding a potential DPI offence they will undertake an initial assessment of the allegation for the following matters:-
 - Has the alleged offence been committed in the last 3 years?
 - Is the Member concerned subject to the Localism Act?
 - The proportionality of conducting a criminal investigation rather than a code of conduct investigation for the alleged offence
2. Following completion of the above assessment the Monitoring Officer will make immediate contact with Thames Valley Police through the nominated single point of contact (see Appendix B for named Police contact) and undertake an initial assessment.
3. Similarly if Thames Valley Police receive a complaint from a member of the public they will inform the relevant Monitoring Officer of the receipt of that complaint (each authority will be responsible for providing up to date contact details of their appointed Monitoring Officer from time to time – see Appendix B for named Monitoring Officer contacts).
4. Thames Valley Police will register the complaint and conduct an initial assessment of the complaint but may approach the relevant Monitoring Officer for background information on the complaint.
5. If Thames Valley Police decide not to prosecute the matter they will normally pass the relevant evidence to the relevant Monitoring Officer so that consideration can be given to a Code of Conduct breach being pursued. In the event that the relevant Council decides to pursue a Code of Conduct breach they will inform Thames Valley Police of their decision.
6. Both the relevant Monitoring Officer and Thames Valley Police will endeavour to keep complainants regularly updated as to the progress of complaints.

Signed on behalf of Thames Valley Police:

Signed on behalf of Chiltern District Council:

Signed on behalf of South Bucks District Council:

Signed on behalf of Aylesbury Vale District Council:

Signed on behalf of Wycombe District Council:

NB: A signed version is retained by Legal Services. Signed and dated by all parties as of
2017.

Appendix A – Extracts from Localism Act 2011

30 Disclosure of pecuniary interests on taking office

1. A member or co-opted member of a relevant authority must, before the end of 28 days beginning with the day on which the person becomes a member or co-opted member of the authority, notify the authority's monitoring officer of any disclosable pecuniary interests which the person has at the time when the notification is given.
2. Where a person becomes a member or co-opted member of a relevant authority as a result of re-election or re-appointment, subsection (1) applies only as regards disclosable pecuniary interests not entered in the authority's register when the notification is given.
3. For the purposes of this Chapter, a pecuniary interest is a "disclosable pecuniary interest" in relation to a person ("M") if it is of a description specified in regulations made by the Secretary of State and either:
 - a) It is an interest of M's; or
 - b) It is an interest of:
 - i) M's spouse or civil partner;
 - ii) a person with whom M is living as husband and wife; or
 - iii) a person with whom M is living as if they were civil partners, and M is aware that that other person has the interest.
4. Where a member or co-opted member of a relevant authority gives a notification for the purposes of subsection (1), the authority's monitoring officer is to cause the interests notified to be entered in the authority's register (whether or not they are disclosable pecuniary interests).

31 Pecuniary interests in matters considered at meetings or by a single member

1. Subsections (2) to (4) apply if a member or co-opted member of a relevant authority:
 - a) Is present at a meeting of the authority or of any committee, sub-committee, joint committee or joint sub-committee of the authority;
 - b) Has a disclosable pecuniary interest in any matter to be considered, or being considered, at the meeting; and
 - c) Is aware that the condition in paragraph (b) is met.
2. If the interest is not entered in the authority's register, the member or co-opted member must disclose the interest to the meeting, but this is subject to section 32(3).
3. If the interest is not entered in the authority's register and is not the subject of a pending notification, the member or co-opted member must notify the authority's monitoring officer of the interest before the end of 28 days beginning with the date of the disclosure.
4. The member or co-opted member may not:
 - a) Participate, or participate further, in any discussion of the matter at the meeting; or
 - b) Participate in any vote, or further vote, taken on the matter at the meeting;
 but this is subject to section 33.

5. In the case of a relevant authority to which Part 1A of the Local Government Act 2000 applies and which is operating executive arrangements, the reference in subsection (1)(a) to a committee of the authority includes a reference to the authority's executive and a reference to a committee of the executive.
6. Subsections (7) and (8) apply if:
 - a) A function of a relevant authority may be discharged by a member of the authority acting alone;
 - b) The member has a disclosable pecuniary interest in any matter to be dealt with, or being dealt with, by the member in the course of discharging that function; and
 - c) The member is aware that the condition in paragraph (b) is met.
7. If the interest is not entered in the authority's register and is not the subject of a pending notification, the member must notify the authority's monitoring officer of the interest before the end of 28 days beginning with the date when the member becomes aware that the condition in subsection (6)(b) is met in relation to the matter.
8. The member must not take any steps, or any further steps, in relation to the matter (except for the purpose of enabling the matter to be dealt with otherwise than by the member).
9. Where a member or co-opted member of a relevant authority gives a notification for the purposes of subsection (3) or (7), the authority's monitoring officer is to cause the interest notified to be entered in the authority's register (whether or not it is a disclosable pecuniary interest).
10. Standing orders of a relevant authority may provide for the exclusion of a member or co-opted member of the authority from a meeting while any discussion or vote takes place in which, as a result of the operation of subsection (4), the member or co-opted member may not participate.
11. For the purpose of this section, an interest is "subject to a pending notification" if:
 - a) Under this section or section 30, the interest has been notified to a relevant authority's monitoring officer; but
 - b) Has not been entered in the authority's register in consequence of that notification.

32 Sensitive interests

1. Subsections (2) and (3) apply where:
 - a) A member or co-opted member of a relevant authority has an interest (whether or not a disclosable pecuniary interest); and
 - b) The nature of the interest is such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.
2. If the interest is entered in the authority's register, copies of the register that are made available for inspection, and any published version of the register, must not include details of the interest (but may state that the member or co-opted member has an interest the

details of which are withheld under this subsection).

3. If section 31(2) applies in relation to the interest, that provision is to be read as requiring the member or co-opted member to disclose not the interest but merely the fact that the member or co-opted member has a disclosable pecuniary interest in the matter concerned.

33 Dispensations from section 31(4)

1. A relevant authority may, on a written request made to the proper officer of the authority by a member or co-opted member of the authority, grant a dispensation relieving the member or co-opted member from either or both of the restrictions in section 31(4) in cases described in the dispensation.
2. A relevant authority may grant a dispensation under this section only if, after having had regard to all relevant circumstances, the authority:
 - a) Considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business;
 - b) Considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business;
 - c) Considers that granting the dispensation is in the interests of persons living in the authority's area;
 - d) If it is an authority to which Part 1A of the Local Government Act 2000 applies and is operating executive arrangements, considers that without the dispensation each member of the authority's executive would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority's executive; or
 - e) Considers that it is otherwise appropriate to grant a dispensation.
3. A dispensation under this section must specify the period for which it has effect, and the period specified may not exceed four years.
4. Section 31(4) does not apply in relation to anything done for the purpose of deciding whether to grant a dispensation under this section.

34 Offences

1. A person commits an offence if, without reasonable excuse, the person:
 - a) Fails to comply with an obligation imposed on the person by section 30(1) or 31(2), (3) or (7);
 - b) Participates in any discussion or vote in contravention of section 31(4); or
 - c) Takes any steps in contravention of section 31(8).
2. A person commits an offence if under section 30(1) or 31(2), (3) or (7) the person provides information that is false or misleading and the person:

- a) Knows that the information is false or misleading; or
 - b) Is reckless as to whether the information is true and not misleading.
3. A person who is guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
 4. A court dealing with a person for an offence under this section may (in addition to any other power exercisable in the person's case) by order disqualify the person, for a period not exceeding five years, for being or becoming (by election or otherwise) a member or co-opted member of the relevant authority in question or any other relevant authority.
 5. A prosecution for an offence under this section is not to be instituted except by or on behalf of the Director of Public Prosecutions.
 6. Proceedings for an offence under this section may be brought within a period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to warrant the proceedings came to the prosecutor's knowledge.
 7. But no such proceedings may be brought more than three years:
 - a) After the commission of the offence; or
 - b) In the case of a continuous contravention, after the last date on which the offence was committed.
 8. A certificate signed by the prosecutor and stating the date on which such evidence came to the prosecutor's knowledge is conclusive evidence of that fact; and a certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.
 9. The Local Government Act 1972 is amended as follows.
 10. In section 86(1)(b) (authority to declare vacancy where member becomes disqualified otherwise than in certain cases) after "2000" insert "or section 34 of the Localism Act 2011".
 11. In section 87(1)(ee) (date of casual vacancies):
 - a) After "2000" insert "or section 34 of the Localism Act 2011 or"; and
 - b) After "decision" insert "or order".
 12. The Greater London Authority Act 1999 is amended as follows.
 13. In each of sections 7(b) and 14(b) (Authority to declare vacancy where Assembly member or Mayor becomes disqualified otherwise than in certain cases) after sub -paragraph (i) insert: "(ia) under section 34 of the Localism Act 2011".
 14. In section 9(1)(f) (date of casual vacancies):
 - a) Before "or by virtue of" insert "or section 34 of the Localism Act 2011"; and
 - b) After "that Act" insert "of 1998 or that section".

Appendix B – Monitoring Officer/Police Contacts

Thames Valley Police

Detective Inspector Gavin Tyrell
Economic Crime Unit
Email: gavin.tyrell@thamesvalley.pnn.police.uk
Tel: 01189 181800

Chiltern and South Bucks District Councils

Joanna Swift
Email: monitoringofficer@chiltern.gov.uk
monitoringofficer@southbucks.gov.uk
Tel: 01494 732761

Aylesbury Vale District Council

Ifty Ali
Email: iali@aylesburyvaledc.gov.uk
Tel: 01296 585024

Wycombe District Council

Julie Openshaw
Email: julie.openshaw@wycombe.gov.uk
Tel: 01494 421252

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SUBJECT:	Committee on Standards in Public Life Annual Report
REPORT OF:	Monitoring Officer
RESPONSIBLE OFFICER	Joanna Swift Head of Legal and Democratic Services and Monitoring Officer
REPORT AUTHOR	Joanna Swift : joanna.swift@southbucks.gov.uk Tel : 01494 732761
WARD/S AFFECTED	None

1. Purpose of Report

This report draws members' attention to the Committee for Standards in Public Life (CSPL) Annual Report for 2017-18 and its Forward Plan for the coming year.

RECOMMENDATION

That the report is noted.

2. Reasons for Recommendations

Awareness of the work undertaken by the CSPL in the area of standards and ethics supports the Committee's general responsibility to promote and maintain high standards of conduct.

3. Content of Report

- 3.1 The Committee on Standards in Public Life (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.
- 3.2 The CSPL publishes an annual report and an extract from its 2017 -18 Report is attached as an Appendix. This contains the Forward by the Chairman, an overview of work undertaken during the year, its current work plan and Watching Brief for 2018-19. The full document is available on the CSPL website at: <https://www.gov.uk/government/publications/annual-report-2017-18>
- 3.3 The CSPL is currently undertaking a review of local government ethical standards. This was launched in January with a three month public consultation and over 300 submissions were received. The review is considering the structure, processes and practices for local government standards, including codes of conduct, investigatory processes, the roles of Monitoring Officers, Clerks and Independent Persons. The CSPL acknowledges that high standards in local government are essential to safeguarding local democracy and maintaining public trust.
- 3.4 Phase one of this review was completed in June and the second phase is on-going with a programme of visits to councils and discussions with councillors. The CSPL aim to publish their report by December and this will be brought to a future meeting of the Committee.

- 3.5 Members will note that the CSPL Watching Brief for 2018-19 includes lobbying, party funding, conflicts of interest and good governance in academies and commissioning and good governance in the National Health Service.

4. Consultation

Not applicable at this stage

5. Options

None

6. Corporate Implications

Financial – None

Legal – None

Risks issues – Not applicable.

Equalities - None

7. Links to Council Policy Objectives

Whilst there are no direct links to the main policy objectives, the Council has a duty under the Localism Act to promote and maintain high standards of conduct.

8. Next Steps

A further report will be brought to the Committee in 2019, once the CSPL publish their review of local government ethical standards.

Background Papers:	None except those referred to in the report.
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**Committee on
Standards
in Public Life**

**Annual Report
2017-18**

Foreword

I am delighted to present the Committee on Standards in Public Life's Annual Report 2017-2018. This is the last Annual Report I shall present on behalf of the Committee as my five-year term of appointment comes to an end in August 2018.

The Committee sits within an increasingly complex ethical landscape with a remit extending across the whole of public life. In this Annual Report we set out our purpose and focus within that broad landscape, reaffirm our strategic objectives, and review our work during the past year.

This year, we have considered a range of important, topical issues, from MPs' outside interests to the continuing importance of ethical standards for those private companies providing public services – all the more timely given the collapse of Carillion early in 2018, one of the largest private providers of public service. We are now six months into our 12-month review of local government ethical standards. Amongst all this, we have contributed to consultations by others including on pre-appointment scrutiny of public appointments, local public accounts committees and the draft Behaviour Code for Parliament, and have worked with others to highlight and promote a wide range of standards issues.

Perhaps most notably this year, we looked at the growing problem of intimidation in public life. In July 2017, the Prime Minister invited the Committee to review this area, with a particular focus on the 2017 General Election, and to report back by the end of the year. The Committee agreed to undertake and prioritise this work in view of the impact of intimidation on our democracy, and its potential impact on those willing to stand for election. As the evidence base grew, the Committee felt that we were at a turning point in our political culture and that an urgent and concerted response was required. We published our report to a warm reception in December 2017 and welcomed the Government's positive response, which accepted almost all of our recommendations, in March this year.

There is always a risk that concerns relating to standards remain under the radar for a long period, and later emerge to public prominence. This is the case with the allegations of bullying and harassment at Westminster that gained public prominence in November 2017. It is critical that Parliament has fair and timely processes in which those who have made complaints, and those who are the subject of complaints, as well as the public, can have trust. We await the outcome of the various reviews commissioned by Parliament to address these serious issues.

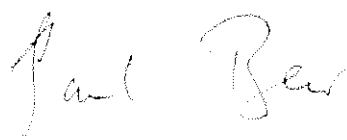
To that end, in 2018/19, the Committee intends to maintain a close watching brief on culture and behaviour in Westminster, as well as other standards issues, including lobbying, and the operation of the Business Appointment Rules. We will also be completing our review of local government ethical standards; following up the recommendations we made in our review of intimidation of public life and our recent report on ethical standards for public service providers.

Since its creation in 1994, the Committee has made recommendations for reform to promote and uphold the highest standards of ethical conduct across public life. These have shaped how organisations and individuals talk and think about ethical standards. The Seven Principles have for almost 25 years now been the widely accepted cornerstone of ethical standards for people working

across all areas of public life and are now fundamental too for those in the private sector who are providing services funded by the taxpayer. The Committee's work model continues to be one of well-argued, evidence-based reports with practical recommendations to help bolster ethical standards. We stay watchful; we identify and respond to emerging ethical risks; and we listen to the public and a wide range of organisations about their concerns. Approaching our 25th year, the Committee remains uniquely placed to consider emerging standards issues, and to take a strategic, long-term view across public life as a whole.

The last five years have convinced me that the Seven Principles remain as relevant today as they were a quarter of a century ago. They have been adapted to different organisations and different needs. They may have their detractors – it is true that levels of public trust do not always respond precisely to high standards, and that transparency in itself, whilst still essential, is perhaps not the cure-all originally envisaged. Notwithstanding this, the Principles clearly articulate the public's expectations of those that serve them. The enduring importance of the Principle of Leadership is testament to that.

Finally, I would like to extend my warmest thanks to both current and former Committee members with whom I have had the greatest pleasure and honour of working. Members of this Committee do not always have the easiest task – they are expected to monitor standards across the widest of ethical landscapes, report on complex and sensitive issues and be alert to public opinion, while at the same time understanding the complexities of Parliament and all other areas of public life. My colleagues past and present have done this with professionalism, good humour, clarity of thought and sensitivity to the many complex issues they have had to address. I wish them well with the challenges ahead.



Lord Bew

Chair



CSPL

Year in Review

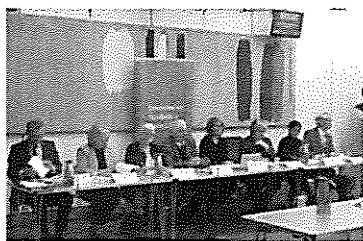
July/August 2017

Following the Prime Minister's request in July, we start gathering evidence for our review of Intimidation of Public Life.

September 2017

Simon Hart MP is appointed to the Committee.

We hold public hearings and a roundtable on Intimidation of Public Life.



October 2017

We meet with MPs, Parliamentary candidates and social media companies to discuss the problem of intimidation in public life.



November 2017

Lord Bew speaks about the Committee's work at the Public Chairs Forum.

Lord Bew is invited to attend a meeting of Parliament's Independent Complaints and Grievance Policy Working Group on bullying and harassment.

December 2017

We publish the widely anticipated report *Intimidation in Public Life*.



January 2018

We launch phase one of our review into local government ethical standards, with a public consultation lasting three months.



February 2018

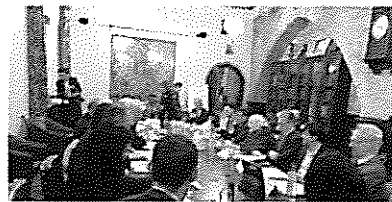
The Committee holds meetings with stakeholders as part of its reviews into local government ethical standards and MPs' outside interests.

Sheila Drew Smith OBE's term of appointment comes to an end.

March 2018

Professor Dame Shirley Pearce DBE joins the Committee.

The Committee holds a roundtable in London as part of its review of MPs' Outside Interests.



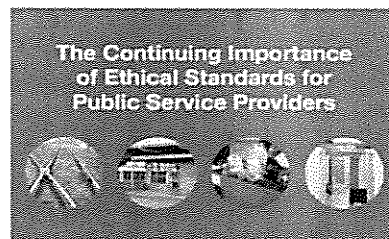
April 2018

We submit evidence to PACAC's consultation on pre-appointment scrutiny of public appointments.

We hold roundtables in Birmingham and London on our local government ethical standards review.

May 2018

We publish *The Continuing Importance of Ethical Standards for Public Service Providers*.



June 2018

We finalise our report on MPs' Outside Interests ready for publication.

We start phase 2 of our review of local government ethical standards.

2. Overview of Activities 2017-18

2.1 During 2017/18, the Committee delivered against its forward plan, and went further by undertaking and delivering a six-month review into intimidation in public life.

Intimidation in Public Life

2.2 In July 2017, the Prime Minister invited the Committee to undertake a review of intimidation in public life, with particular reference to the experience of Parliamentary candidates at the 2017 General Election.

2.3 The Committee agreed to review the issue in the light of the threat of intimidation to the vibrancy, diversity and integrity of public life.

2.4 As part of the review, the Committee held:

- a public consultation and received 88 submissions as well as inviting every Peer and MP to contribute to the review;
- a roundtable discussion with former candidates, academics, think tanks, and stakeholders;
- a public hearing with political parties, a private hearing with police and security services, and published interviews with social media companies;
- 18 meetings with stakeholder organisations; and
- 11 meetings with Parliamentarians and former Parliamentary candidates across the political spectrum.

2.5 The report was published on 13 December 2017. The Committee concluded that a significant number of Parliamentary candidates had experienced intimidation at the 2017 General Election, and that intimidation was already affecting other public office-holders and having a wider effect on public life. We looked specifically at the role of social media; political parties; law, policing and prosecution; and the wider responsibility of those in public life.

2.6 We made 33 recommendations to government, social media companies, political parties, press organisations, MPs, candidates and other public office-holders – a wide-ranging audience. The Government responded formally to the report on 7 March 2018 committing to action on most of the recommendations made to government.

MPs' Outside Interests

2.7 In spring 2017, there was intense media interest in the issue of MPs' outside interests triggered by the former Chancellor of the Exchequer's outside interests (the former Chancellor was at that time still an MP). This, together with discussion of the Committee's 2009 recommendation that MPs should not be prohibited from paid employment provided it remained within reasonable limits and was transparent, led to the Committee deciding in March 2017 to undertake a review into MPs' outside interests.¹

¹ *MPs; expenses and allowances: Supporting Parliament, safeguarding the taxpayer November 2009 Cm 7724*

- 2.8 We decided to see the extent to which the compromise we recommended in 2009 had been put into operation, and if there was a need to explore further and elaborate what is meant by 'reasonable limits'.
- 2.9 We ran a public consultation from 30 March to 13 September 2017. We paused the review when the 2017 General Election was called and again when the Committee reviewed, as an unexpected priority, intimidation in public life.
- 2.10 We resumed the review in January 2018 and took evidence from a wide range of individuals and organisations:
- Received 98 submissions to our public consultation;
 - 25 meetings with key individuals and organisations;
 - Held a roundtable with representatives from think tanks, academia and Parliament;
 - Conducted our own research with the public – two focus groups and a survey of public opinion in collaboration with Professor Rosie Campbell (Birkbeck, University of London) and Professor Phil Cowley (Queen Mary, University of London), fielded by YouGov.
- 2.11 The Committee recognises that MPs need the flexibility to perform their roles in the way they choose and that Parliament needs to attract a wide range of people from different backgrounds and professions. But the public needs assurance that processes are in place to mitigate the potential for undue influence on our political system. We therefore recommended a package of important reforms directed towards Parliament and Government, and in particular the Parliamentary Commissioner for Standards and the Commons Committee on Standards. These are the bodies responsible for reviewing the Code of Conduct for MPs.
- 2.12 The recommendations are intended to ensure that MPs' outside interests remain within reasonable limits and that any outside roles, whether or not they are paid, do not prevent MPs from undertaking the range of duties expected of them in their primary role as an MP. We also recommended greater transparency – the need for a more accessible, searchable and usable Register of Members' Financial Interests; and that the rules of lobbying should be made clearer.
- 2.13 *MPs' Outside Interests*, the report, was published on 3 July 2018.

The Continuing Importance of Ethical Standards for Public Service Providers

- 2.14 Our remit was expanded in 2013 to include those private companies providing public services. We met this new responsibility with our 2014 report and 2015 guidance on *Ethical Standards for Public Service Providers*.
- 2.15 With the increase in public expenditure on outsourcing since 2014, the Committee decided in 2017 to return to the issue to see what, if any progress, had been made in the intervening three years. In preparing our follow-up report, we heard again from many of the organisations we met in 2014. Overall, we held 14 meetings with organisations on both the

commissioning and service provider sides of contracts and also with those organisations well placed to assess progress on ethical service delivery.

- 2.16 We held a roundtable with 18 participants in March 2017 and undertook a wide literature study of material written since our research in 2013/14.
- 2.17 The failure of Carillion early in 2018, one of the largest providers of public services to both central and local government, and the public outcry around this failure, serves to highlight the fundamental importance of companies and governments paying attention to ethical standards of those who provide services funded by the taxpayer.
- 2.18 Our follow-up [report](#) on this issue, published on 10 May 2018, considered the developments in best practice and the wider environment in which public service delivery is evolving and actions taken in respect of the our 2014 report. We made 12 new recommendations; and reflected on the potential ethical tensions that are present and on the horizon.² We remain concerned over the lack of internal governance and leadership of these areas in departments with significant public service contracts and made a number of recommendations to departmental boards and Permanent Secretaries; the Government Chief Commercial Officer; professional bodies; and public service providers themselves on how they might better reinforce ethical standards in outsourcing.

Local Government Ethical Standards

- 2.19 The Committee has a long-standing interest in standards in local government.
- 2.20 The Committee's third [report](#) of 1997 was on local government. Many of the institutional changes that have taken place in local government standards in the last two decades have been in response to the Committee's recommendations. In our 2013 report [Standards Matter](#), we said that we intended to monitor the slimmed down arrangements following the Localism Act of 2011.
- 2.21 In our 2017/18 [forward plan](#) we committed to reviewing local government ethical standards. We launched our review on 29 January 2018 with a three month long public consultation. The consultation closed on 18 May 2018 and we received 316 submissions.
- 2.22 The review is considering the structures, processes, and practices for local government standards in England, including codes of conduct, sanctions, investigatory processes, the roles of Monitoring Officers, Clerks, and Independent Persons. High standards of conduct in local government are essential to safeguarding local democracy and maintaining public trust.
- 2.23 In April 2018, we held two roundtables: one with Monitoring Officers, Clerks and Independent Persons in Birmingham; and one in London with academics, think tanks and experts in the field.
- 2.24 We completed phase one of the review in June 2018 and will continue working on the review for the rest of the year. We will add to our evidence collection by talking directly to

² The Continuing Importance of Ethical Standards for Public Service Providers, May 2018

councillors with a planned programme of visits to a selected range of local councils. We aim to publish the report by December 2018.

Watching Brief

Westminster Parliament harassment

- 2.25 Worrying reports of a culture of bullying and harassment in Parliament surfaced in the media in late 2017. The Committee welcomed the quick establishment of the Independent Complaints and Grievance (ICGP) Working Group in response to those allegations about inappropriate behaviour and a culture of bullying and sexual harassment in Westminster. The Chair of the Committee attended one of their early meetings at the Group's invitation. We also welcomed the Group's report of 8 February 2018 that recommended new policies and independent advice and investigation services should be developed; and that further work be undertaken on training and cultural change and the development of a new Behaviour Code.
- 2.26 The Committee undertook to maintain an active watching brief of this issue which falls squarely in our remit of monitoring and maintaining high ethical standards. The Committee is concerned that processes put in place in response to the allegations do deliver a fair and accountable and trustworthy process for all those involved.
- 2.27 Further allegations appeared in the media in March 2018 about the bullying of House of Commons staff. In response to those allegations, the House of Commons Commission set up an Independent Inquiry headed by Dame Laura Cox QC. The Commission's non-executive members developed the terms of reference and appointed an independent person to lead the inquiry, Dame Laura Cox QC.
- 2.28 As part of its watching brief, the Committee met with the Leader of the House in July 2018 for an update on progress on the ICGP Steering Group's work streams and to understand better how the relationship between the work of that group and that of the Inquiry. The Committee also contributed to the [ICGP Steering Group's consultation](#) on the draft Behaviour Code.

Party Funding

- 2.29 The Committee maintained its watching brief on party funding. The Chair spoke in the House of Lords on 27 February 2018 supporting the Transparency of Donations and Loans etc. (Northern Ireland Political Parties) Order 2018.³ The Committee had called for transparency in political party donations in Northern Ireland in its 1998 and 2011 reports and in a statement in 2014.⁴

Conduct of Referendums

- 2.30 The Committee has retained an interest in the conduct of referendums.

³ Hansard 27 February 2018

⁴ *The Funding of Political Parties in the United Kingdom, 1998 Cm 4057 -I; Political Party Finance: ending the big donor culture, 2011 Cm 8208; Appearance before the Northern Ireland Assembly 28 May 2014.*

4. Current Work Plan and Watching Brief 2018-19

4.1 The Committee's **current work plan** includes:

- Continuing its review of **local government ethical standards**;
- Following up our report *Intimidation in Public Life*;
- Following up our report on the *Continuing Importance of Ethical Standards for Public Service Providers*;
- Maintaining its watching brief over **Parliament's response to allegations of a culture of bullying and sexual harassment in Parliament**. We will be following and considering the outcomes of the ICGP Steering Group's work streams and the findings of Dame Laura Cox's Independent Inquiry into the alleged bullying of House of Commons staff.

Watching brief going forward

4.2 We are committed to keeping abreast of standards issues before and while they are emerging, and we will respond as appropriate when they do arise. We are open to new ideas and suggestions on areas within the Committee's remit that we may consider in the future. At the time of publication, we are particularly interested in the following issues.

Lobbying and the Business Appointment Rules

4.3 Our report on MPs' outside interests raised issues of concern around the lobbying of MPs. Lobbying continues to be a matter of public concern, as do the rules surrounding the post-employment of public office-holders. The Committee will continue to keep an active watching brief on these issues.

Party Funding

4.4 The Committee has been actively involved in debates on the funding of political parties, and will continue to remain engaged on this issue throughout 2017-18. We continue to emphasise the importance of pursuing a package of commonly agreed small reforms, and the desirability of the political parties coming together to reach some agreement on this.

Academies

4.5 Following our research on public service providers, we are increasingly aware of the issues surrounding conflicts of interests and good governance in academies.

National Health Service

4.6 Standards issues in terms of commissioning and good governance in the NHS are also on our watching brief agenda.

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SOUTH BUCKS DISTRICT COUNCIL

AUDIT COMMITTEE

STANDARDS WORK PROGRAMME

2018/2019

		2018		2019	
	Contact	23.07.18	27.09.18	17.01.19	09.04.19
23.07.18					
<ul style="list-style-type: none"> Complaints Monitoring Report 2017/18 Review of protocols on the role of the Monitoring Officer and Independent Persons 	Joanna Swift Joanna Swift	X X			
27.09.18					
<ul style="list-style-type: none"> Annual Review of Code of Conduct and Complaints Procedure Committee on Standards in Public Life Annual Report 	Joanna Swift Joanna Swift		X X		
17.01.19					
<ul style="list-style-type: none"> Appointment of Independent Person Standards Training for new councillors 	Joanna Swift Joanna Swift			X X	
09.04.19					
<ul style="list-style-type: none"> Update on Standards Framework Work programme 2019/20 	Joanna Swift Joanna Swift				X X



South Bucks District Council

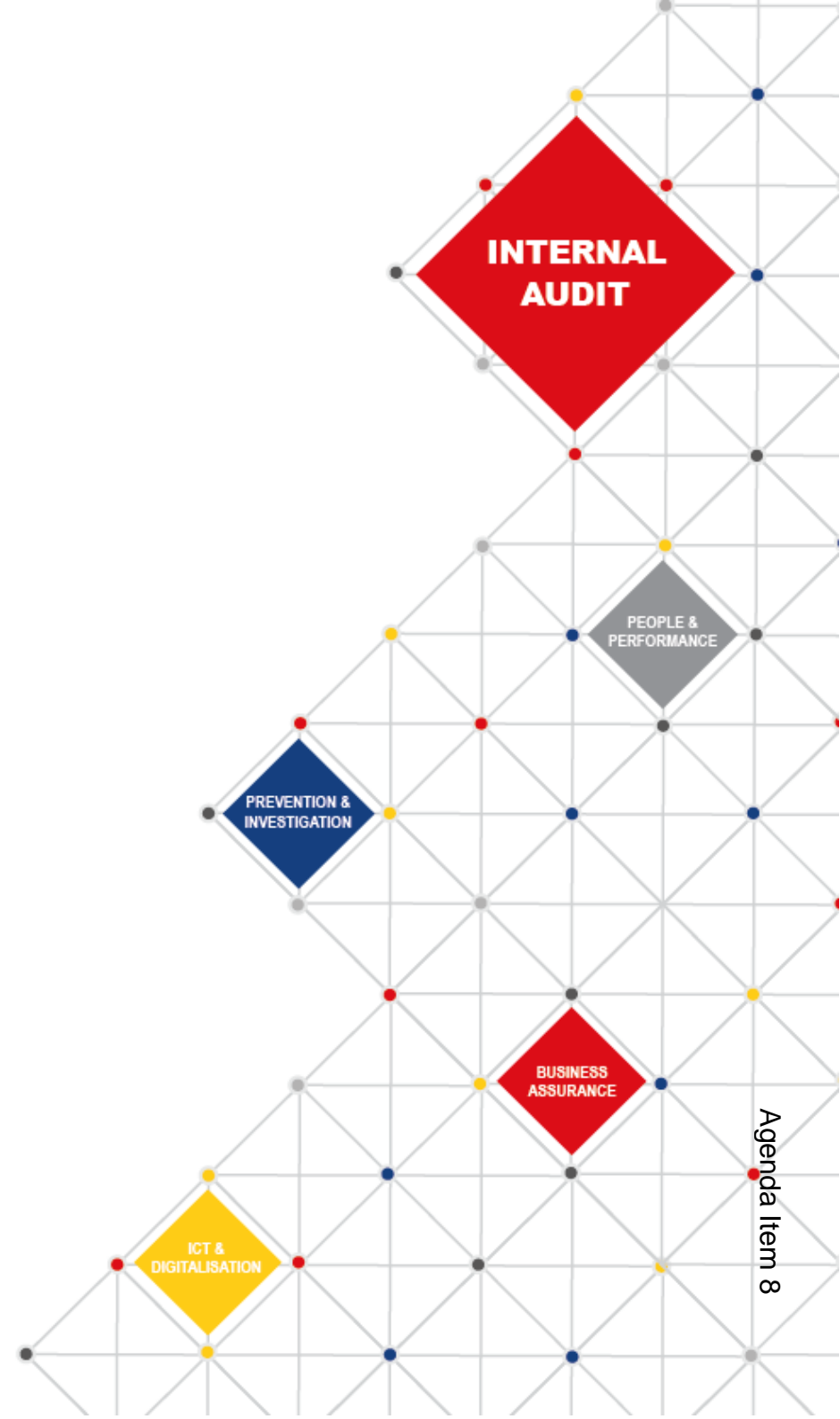
Internal Audit Progress Report 2018/19

**Audit and Standards Committee 27
September 2018**

FINAL

2018/19

Page 77



INTRODUCTION

1. This summary report provides the Audit and Standards Committee with an update on the progress of our work at South Bucks District Council as at 5 September 2018.

PROGRESS AGAINST THE 2018/19 ANNUAL PLAN

2. Our progress against the Annual Plan for 2018-19 is set out in Appendix A. The results of these reviews with recommendation priority 1 and 2 would be summarised at Appendix B however the four audits that were finalised in the period none had any recommendation priority 1 or 2.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have not identified any emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

5. The table sets out details of audits finalised since the previous meeting of the Audit and Standards Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM*
Business Continuity	Substantial	19/07/18	02/08/18	03/08/18	-	-	3	2
Expenses	Substantial	20/08/18	21/08/18	22/08/18	-	-	3	-
Disabilities Facilities Grant	Substantial	22/06/18	22/06/18	27/06/18	-	-	-	-
Safeguarding	Substantial	02/08/18	02/08/18	03/08/18	-	-	1	1

*Operational Effectiveness Matters (these are good practice suggestions that have arisen during the audit)

CHANGES TO THE ANNUAL PLAN 2018/19

6. The following changes have been made to the audit plan for 2018/19

Review	In strategic plan for 2018/19	Change made	Rationale for the change
HR Absence Management	Omitted in error	An addition to the plan	This audit was carried forward from 2017/18 and initially missed from the 2018/19 plan
ICT Members ICT Support	Yes	Delete	
ICT Cyber Security	Yes	Delete	Covered by the PSN review audit not required
ICT User Access to Business Systems	Yes	Delete	Covered by the PSN review audit not required

FRAUDS/IRREGULARITIES

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

LIAISON

8. We liaise with EY and provide reports and working paper files, as required.
We have regular client meetings with the Audit, Fraud and Error Reduction Manager and Head of Finance.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. We have not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report

RISK MANAGEMENT

9. The Audit Director with TIAA and the Councils Audit, Fraud & Error Reduction Manager meet on a regular basis to discuss and action Risk Management matters for both Councils.

The current Risk Procedures/Guidance for Risk Management is being reviewed and progress is being made to display appropriate information on Risk Management throughout both Councils. This will include posters on all notice boards at the main civic offices for South Bucks and Chiltern Councils, as well as data on the Councils intranet.

Appropriate training has been developed and has been delivered on “Risk Management in a Changing Environment” for all middle managers. Further training has been given during June and July 2018.

RESPONSIBILITY/DISCLAIMER

10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Progress against the Annual Plan for 2018/19

System	Planned Quarter	Days	Current Status	Comments
Governance	3	8		
Risk Management	3	8		
Procurement	2	8	In progress	
Counter Fraud	1	8		
Data Protection	2	8		
Business Continuity	2	7	Final report issued 3 August 2018	
Purchase Cards	2	8	Draft report issued 5 th September 2018	
Expenses	1	8	Final report issued 22 August 2018	
Project Management	2	8		
Main Accounting	3 or 4	7		
Payroll	3 or 4	15		
Accounts Receivable (Debtors)	3 or 4	8		
Accounts Payable (Creditors)	3 or 4	8		
Benefits	3 or 4	13		
Council Tax Support	3 or 4	13		
Council Tax and NDR	3 or 4	25		
Cash and Bank	3 or 4	7		
Budgetary Control	3 or 4	7		
ICT - Annual Network Audit	3 or 4	6		
ICT - GDPR	2	6		

System	Planned Quarter	Days	Current Status	Comments
ICT - Customer Experience	2	6		Cancelled
ICT – Members ICT Support		0(6)		
ICT – Cyber Security		0(6)		
ICT – User Access to Business Systems		0(8)		
Temporary Accommodation follow up	2	8	In progress	
Housing Section 106	2	8		
Disabilities Facilities Grant	1	5	Final report issued 27 June 2018	
Safeguarding	1	6	Final report issued 3 August 2018	
Health & Safety Contractor Arrangements	2	8	In progress	
Property & Asset Management	2	8	Draft report issued 10 th July 2018	
Planning Development & Enforcement	2	11		
Building Control	1	8	In progress	
HR - Absence Management	4	8		Additional audit carried forward from 2017/18 Being carried out in two parts due to change in system during 2018/19. First draft report issued 4 July 2018.
<u>Farnham Park</u>				
Leases	1/2	6		

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

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South Bucks District Council**Audit and Standards Committee 27thSeptember 2018**

SUBJECT:	<i>Annual Fraud Report</i>
REPORT OF:	<i>Customer Services – Cllr Duncan Smith</i>
RESPONSIBLE OFFICER	<i>Nicola Ellis Head of Customer Services</i>
REPORT AUTHOR	<i>Alistair Webb, 01494 732227, awebb@chiltern.gov.uk</i>
WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

This report is to advise the Audit Committee of the Anti- Fraud activity undertaken in 2017/18 and an action plan for 2018/19.

RECOMMENDATION

Members are asked to note and comment on the outcomes and future activity.

2. Reasons for Recommendations

The report is for information only and no action is required.

3. Report

3.1 This report details the anti-fraud activity completed during the 2017/18 financial year. It details the activity and outcomes where appropriate. Also an action plan for areas of work to be reviewed in the year 2018/19, with the intention of identifying risk areas and taking proactive work to prevent and deter fraud.

3.2 South Bucks District Council works in partnership with Chiltern District Council in relation to all anti-fraud activity. The fraud and error reduction team is part of the shared revenues service for both Chiltern District Council and South Bucks District Council.

3.3 The revenues fraud and error reduction team is responsible for carrying out anti-fraud activity in relation to Local Council Tax Support. It also provides assistance

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to Internal Audit, managing the Internal Audit contract and supplementing the resources for fraud and irregularity.

3.4 The Audit, Fraud and Error Reduction Manager in conjunction with the Internal Audit contract manager provides risk management guidance and during 2017/18 has provided risk management and anti- fraud guidance to all of the councils middle management as part of the ongoing Middle Managers development programme.

Benefit Fraud

3.5 In 2017/18 a total of 40 cases of benefit fraud were referred by South Bucks DC to DWP's Single Fraud Investigation Service.

Of these cases 2 have resulted in the offer of Administrative Penalties. A further case has been referred for potential prosecution.

3.6 The table below demonstrates the levels of identified frauds for 2017/18 and 16/17 for comparison.

2016/17		2017/18	
Overpayment values	No of cases	Overpayment Values	No of Cases
0-1k	0	0-1k	9
1k-5k	2	1k-5k	0
5k-10k	1	5k-10k	0
10k-15k	0	10k-15k	0
15k-20k	0	15k-20k	0
20k +	0	20k +	1

3.7 SFIS officers have no direct access to the housing benefit records at South Bucks and as part of the investigation process South Bucks is required to provide a single point of contact to access and provide all necessary housing benefit documents. Also this officer act as the main liaison point throughout the investigation and provides supporting witness statements as required. The role is also responsible for the decision to apply a penalty on DWP's recommendation.

3.8 Since 1st March 2015 the investigation of benefit fraud rests with DWP this does not include the prevention of fraud and error entering the scheme. To assist in fraud prevention South Bucks revenues service operates "Risk Based Verification" of all new applications to identify cases that require further checking of circumstances while allowing the more straightforward lower risk cases to be processed without the burden of verification of all circumstances. South Bucks

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District Council is also proactive in identifying cases of potential fraud and error identified during the course of on-going accuracy checks and the targeting of reviews on known risk areas.

3.9 South Bucks District Council will continue to safeguard both the national and local schemes and investigate frauds against the local council tax scheme. In 2017/18 no cases of abuse against the local council tax reduction scheme were suitable for further sanction action. However we have identified and rectified council tax reduction award identified from our own actions or from information forwarded by SFIS.

Housing Fraud Prevention.

3.10 The Fraud Team maintains close links with Paradigm Housing Association and provided assistance with housing tenancy fraud issues and as a result Paradigm were able to recover two tenancies. The value of recovered tenancies is estimated as £2,786, this is based on the average cost of Bed and Breakfast placement. The council has preferred rights to nominate to the recovered tenancies.

3.11 The Fraud Team provide assistance to the housing team providing background checks. The team also carry out residency checks on temporary housing placements to verify residence. The Information obtained supports the housing officers in making homelessness decisions and assisted with recovery of housing debts.

3.12 South Bucks continues to take part in the bi-annual National Fraud Initiative and the annual Single Persons Discount exercise. The exercise which is hosted and managed by the Cabinet Office is a mandatory requirement with the council providing a variety of data to be matched against external data available to the cabinet office. To assist the targeting of resources the output is graded with priority matches identified. No frauds were identified in the last bi-annual exercise and work is continuing on the Single Persons Discount matches.

3.13 In Addition to the addition to the NFI Single Persons data matching the Revenues team carried out a full review of the existing SPD awards in 2017. The exercise required existing applicants re -confirming their entitlement.

The review was completed by April 2018 and resulted in the following outcomes:

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SBDC Council Tax review 2017/18 – outcomes

Band	Number of discounts		Difference
	11/7/17	1/4/18	
A-H	7751	7424	327

Precepting Authority	Charge £	% charge	Additional revenue 2017/18
Bucks CC	1218.08	72.883	107621.77
SBDC and Parishes	222.04	13.285	19617.12
Police	170.28	10.189	15045.45
Fire	60.88	3.643	5379.39
	1671.28		147663.73

Work is continuing on the NFI SPD matches and outcomes will be reported in next year's annual report.

4. Options.

4.1 The council has a duty to protect the local public purse and the fraud and error reduction team provide a resource for prevention, detection and recovery of fraud and irregularity.

5. Corporate Implications

5.1 The Fraud and Error Team are an integral part of the Revenues Service but provide a fraud investigation service across the Council.

5.2 For legal implications the Fraud and Error Team have external links with experienced criminal lawyers and will liaise and consult with our own legal services as and when required.

6. Links to Council Policy Objectives

6.1 This report links to the following objectives of the Council:

- Provide excellent service- ensuring correct benefit entitlement minimises losses to the Council;
- Safer and healthier communities – benefit fraud is a crime and the prevention and detection of fraud reduces crime in the community.

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7. Next Steps

7.1 To consider and comment on the 2018/19 action plan.

Background Papers: None

Corporate Fraud Audit Plan 2018/19

Area of work	Action to be taken	Timetable
To align anti- fraud and error activities across the full in house revenues service	From November 2018 develop anti-fraud work on SBDC case load.	31/03/2019
Deliver anti-fraud awareness and risk management guidance to all managers	Ongoing workshops. Guidance on intranet.	30/12/2018
Corporate updates on Regulation of Investigative Powers Act (RIPA)	Source and arrange suitable training.	30/11/2018

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South Bucks District Council

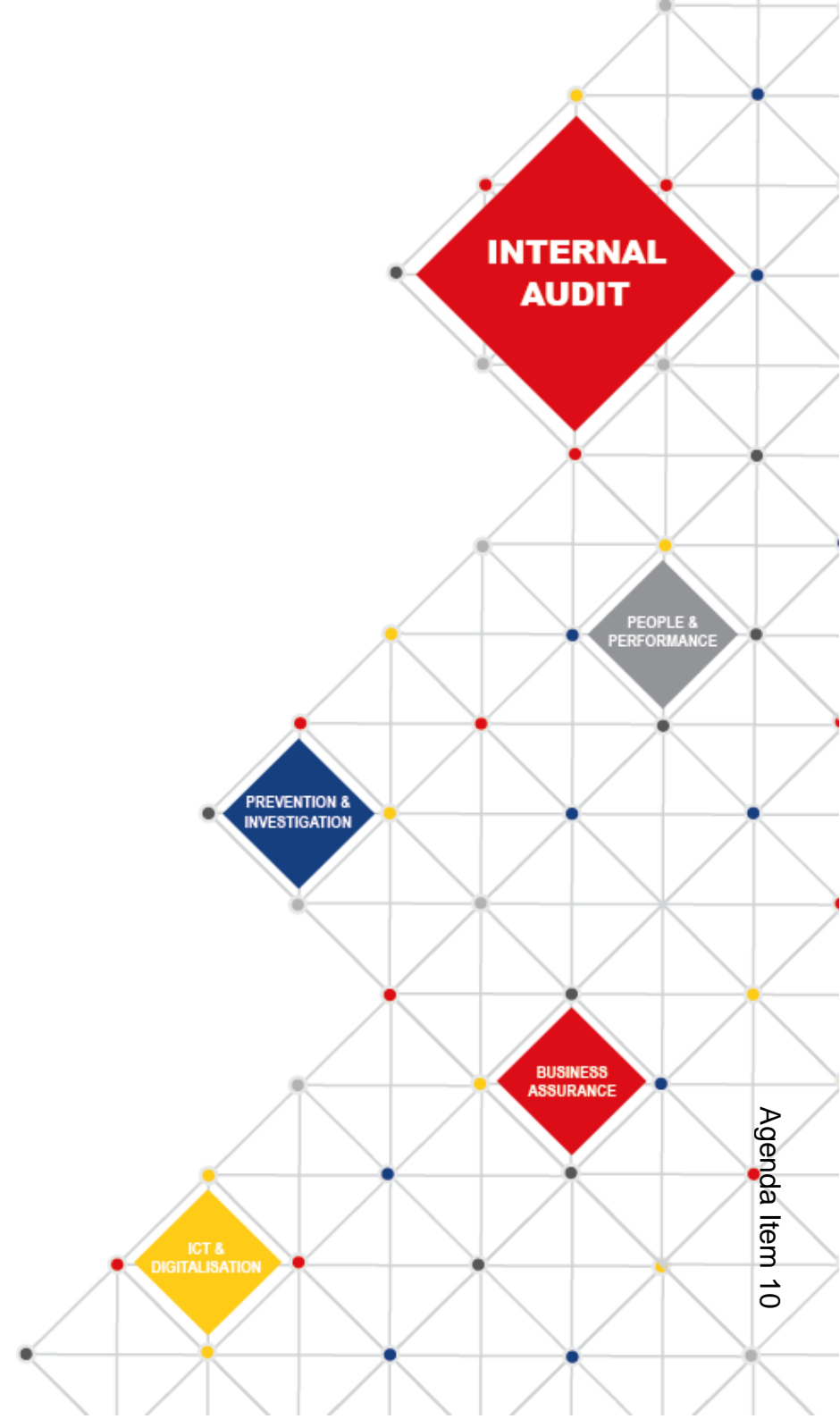
Internal Audit Comparison Report

**Audit and Standards Committee 27
September 2018**

FINAL

2018/19

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INTRODUCTION

1. The following report provides a comparison of assurance levels over time so that the Audit and Standards Committee can see any trends arising. This is particularly important given the prolonged austerity measures which may have impacted upon the control framework at South Bucks DC.

COMPARISON OF ASSURANCE LEVELS BETWEEN 2012/13 TO 2017/18

2. The comparison of the assurance levels between 2012/13 to 2017/18 are shown in table 1 below.

Table 1

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Insurance	Substantial	-	-				
Housing Options	Substantial	-	-				
Gifts Hospitality Interests Expenses	Substantial	-	-			Reasonable	
Renovation/Community Grants	Substantial	-	-	Substantial			
Data Quality	Substantial	Reasonable	-				
Risk Management	Substantial	Reasonable	-	Reasonable			

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Creditors	Substantial	Reasonable	Substantial	Reasonable	Substantial	Substantial	
ICT Uniform IT Application	Limited	-	-				
ICT Civica Open Revenues IT Application	Substantial	-	-				
ICT Mobile Computing/Working	Substantial	-	-		Substantial		
Contracts	Substantial	Reasonable	-	Reasonable			
Main Accounting	Substantial	Reasonable	Reasonable	Substantial	Substantial	Substantial	
Treasury Management	Substantial	Substantial	Substantial	Substantial		Substantial	
NDR	Substantial	Substantial	Substantial	Reasonable			Now combined with Council Tax
Payroll	Substantial	Reasonable			Substantial	Reasonable	

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Council Tax and NDR (SBDC)	Substantial	Substantial	Substantial	Reasonable	Substantial	Substantial	
Council Tax and NDR (CDC)	Substantial	Substantial	Substantial	Reasonable	Substantial		
Local Land Charges	Full	-	-				
Sundry Debtors	Substantial	Limited	Reasonable	Reasonable	Reasonable	Substantial	
Housing and Council Tax Benefits	Substantial	Reasonable	Substantial	Substantial	Substantial	Substantial	Now combined with Council Tax Support
Income Management	Substantial	-	-				
Managing the Risk of Fraud	Substantial	-	Reasonable				
Car Parking	Substantial	Substantial	Substantial	Substantial	Substantial	Substantial	

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Corporate Governance	Substantial	-	Reasonable	Reasonable	Substantial		
Web Content Management System	Limited	-	-				
Budgetary Control		Substantial	-	Substantial	Substantial		
HR Recruitment		Substantial	-			Substantial	
Joint Working		Substantial	Reasonable	Substantial			
Cash and Bank		Substantial	Reasonable	Substantial	Substantial	Substantial	
Council Tax Support		Substantial	Substantial		Substantial		
Environmental Health		Reasonable	-		Substantial		
Emergency Planning		Reasonable				Substantial	

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Integra		Reasonable	-				
Cemeteries		Reasonable	-			Substantial	
Housing Section 106		Reasonable	-	Substantial			
Waste Collection		Reasonable	-	Substantial		Reasonable	South Bucks only for 15/16
HR - Absence Management			Substantial				
Licensing			Reasonable		Substantial		
Procurement			Reasonable		Reasonable		
Health and Safety Contractor Arrangements			Reasonable		Reasonable		

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Grounds Maintenance			Reasonable			Reasonable	
ICT Strategy, Policies and Procedures			Substantial				
ICT Changes Management			Substantial				
ICT & Information Risk Management			Reasonable		Reasonable		
ICT Programme Management/Project Control			Substantial	Substantial			
Building Control				Reasonable			
Housing Allocations/Homelessness				Reasonable			
Electoral Registration				Substantial			
Freedom of Information				Reasonable			

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
ICT Data Protection				Reasonable			
ICT Updata				Reasonable			
Expenses					Reasonable	Substantial	
Health and safety – Internal Arrangements					Reasonable		
ICT Access to the Internet					Substantial		
ICT Network Convergence Project					Substantial		
Information Governance					Substantial		
Leisure					Substantial		
Asset Management					Reasonable		
Purchasing Cards					Reasonable	Reasonable	
HR Policies and Procedures						Substantial	
HR - iTrent Payroll System (HR Module)						Substantial	

Audit Area	Assurance Level 2012/13	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Complaints and Compliments						Substantial	
Temporary Accommodation						Reasonable	
ICT Network Controls						Reasonable	
Waste Services – Health and Safety						Limited	
Commercial Rents						Substantial	

1. Summary of Assurance levels:

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Full	1	-	-	-	-	-
Substantial	22	9	9	13	18	16
Reasonable	N/A	14	10	11	8	7
Limited	2	1	-	-	-	1

2. It should be noted that Deloitte undertook the 2012/13 audits and they did not use the assurance level “reasonable”. They also included “full” assurance which is not used by TIAA. At this time there is no indication that the overall control framework at South Bucks has significantly reduced as a result of the joint working with Chiltern Council and the transformation arising from the many service reviews. Further trends will be undertaken at the end of 2018/19 financial year.

South Buckinghamshire Members Advisory Panel
Audit & Standards Committee

SUBJECT:	FARNHAM PARK CHARITY – OUTTURN & ACCOUNTS 2017/18
REPORT OF:	Director of Resources
RESPONSIBLE OFFICER	Director of Resources Jim Burness email jim.burness@southbucks.gov.uk
WARD/S AFFECTED	N/a

1. Purpose of Report

- 1.1 To provide Members with information about the financial outturn for the Charity's activities in 2017/18, and to formally present the Charity's financial accounts for the year.

RECOMMENDATIONS

1. The Panel notes this report.

2. The Audit & Standards Committee considers the report and formally approves the 2017/18 Accounts.

2. 2017/18 Financial Outturn

- 2.1 The financial outturn for the Charity's activities is summarised in the following table.

	2017/18			2016/17
	Budget	Actual	Variance	Variance
			(Act-LB)	
	£'000	£'000	£'000	£'000
Farnham Park Sports Fields				
Income	81	74	-7	-26
Expenditure	-164	-183	-19	44
Depreciation	-11	-10	1	2
	-94	-119	-25	20
South Buckinghamshire Golf				
Income	649	585	-64	-98
Expenditure	-548	-532	16	63
Depreciation	-73	-82	-9	-9
	28	-29	-57	-44
South Buckinghamshire Catering				
Income	287	254	-33	-22
Expenditure	-311	-323	-12	13
Depreciation	-	-2	-2	-2
	-24	-71	-47	-11
Total	-90	-219	-129	-35

2.2 The main points to note are as follows.

- The overall deficit for the year £219k was £129k higher than budgeted.
- Golf was significantly affected by the weather during parts of the year which resulted in a deficit on this area. Between December and March the course was subject to 25 unplanned full days of closure and another 12 days when only 9 holes were playable.
- The catering service returned a deficit of £71k, which was £47k more than budgeted. This is also largely due to the adverse weather experienced in the latter part of the financial year.
- Green fee income between December and March averages to about £665 per day and average daily bar and catering income is £600 per day. Lost income has been approximated at £36,000.
- The main element of the deficit arises from the Playing Fields. The income from users of the facilities falls significantly short of covering the costs. Options for the future of the Playing Fields have been considered, and there is a commitment to maintain the site for leisure purposes and to make the operation more sustainable. Work is in hand to look at how any improvements to the playing fields could be funded
- The depreciation charge was higher than budgeted as the Trust had purchased new air conditioning units and grounds maintenance equipment in 2016/17. The first depreciation charge was made in 2017/18 which was not budgeted for due to the timing of the asset purchases.

2.3 The following table shows the number of rounds played in 2017/18 compared to the two previous years. Overall the number of rounds was 1,198 (3.5%) less than the previous year.

	Number of rounds		
	2015/16	2016/17	2017/18
Apr	3,826	3,184	3,411
May	3,761	3,756	3,540
June	4,211	3,268	3,685
July	3,915	3,867	3,778
August	4,006	4,520	4,001
September	3,152	3,300	3,420
October	2,931	2,628	2,824
November	2,027	2,037	2,245
December	1,919	1,877	1,244
January	1,291	1,650	1,597
February	1,903	1,813	1,658
March	2,068	2,244	1,543
Total	35,010	34,144	32,946

3. Charity Accounts 2017/18

- 3.1 Appendix A sets out the Charity's accounts for 2017/18. The overall movement in the Trust's reserves during the year is summarised in the following table.

2017/18 Movement of Reserves

	Un-restricted Funds £'000	Restricted Funds (1) £'000	Endowment Fund (2) £'000	Total £'000
Balance 1 April 2017	-389	318	1,448	1,377
In year movement	-169	-40	-10	-219
Balance 31 March 2018	-558	278	1,438	1,158

(1) The restricted funds arise from the Sport England donation in 2014 which are being applied to cover depreciation on the new Clubhouse, and £247k capital receipt from disposal of Farm Cottages in 1998/99.

(2) The Endowment Funds represent the current value of the assets that were originally transferred to the Trust. These cannot be spent.

- 3.2 The Accounts are required to make a statement regarding the Charity as a going concern. The basis of the statement is that the Charity is seen by the Council as a key delivery vehicle for providing leisure facilities for the area. As the Accounts show the current financial losses of the Charity largely relate to the Playing Fields. The Council has identified these as being an underperforming asset and is currently undertaking an options analysis for the Playing Fields with the aims of improving service and usage and making them financial sustainable.

4. Next Steps

- 4.1 Once the external audit of the Annual Report and Accounts has been completed and the external audit opinion provided, these will be presented to the Audit & Standards Committee for formal approval.

Background Papers:	None
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**FARNHAM PARK SPORTS FIELDS
CHARITY NO 308164**

**Annual Report and Accounts
For the year ended 31 March 2018**

FARNHAM PARK SPORTS FIELDS CHARITY NO 308164

Annual Report and Accounts For the year ended 31 March 2018

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Charity Details

Official charity name	Farnham Park Sports Fields	
Registered charity number	308164	
Charity's principal address	Council Offices Capswood Business Centre Oxford Road, Denham Bucks, UB9 4LH	
Charity trustee	South Bucks District Council is the sole Corporate Trustee	
Principal Officers	Chief Executive	Bob Smith Chief Executive of South Bucks District Council
	Treasurer	Jim Burness Director of Resources of South Bucks District Council
Principal advisors	External audit	Wilkins Kennedy Audit Services Anglo House, Bell Lane Office Village, Bell Lane, Amersham, Bucks HP6 6FA
	Bank	Barclays Bank Plc 16/18 St Peters Street, St Albans, Herts AL3 4DZ

Financial and legal advice is provided by South Bucks District Council.

Structure, Governance and ManagementGoverning Document and how the Charitable Trust is Constituted

The Farnham Park Sports Fields Charity is governed by the Eton Rural District Council (ERDC) Act 1971.

Prior to the ERDC Act land and buildings at Farnham Park Sport Field (FPSF), and parts of the South Buckinghamshire Golf Course (SBGC) were controlled by the Farnham Park Recreational Trust, which was constituted by a conveyance dated 30th December 1946 between United Commercial Association Limited and the Trustees of the Trust.

The ERDC Act transferred these assets to Eton Rural District Council. South Bucks District Council (SBDC) is the successor in title to Eton Rural District Council, under provisions contained in the Local Government Act 1972.

The ERDC Act obliges SBDC to maintain and manage the transferred land in accordance with the purposes of the original trust (as substantially re-enacted in schedule 4 of the ERDC Act). These assets therefore form a charitable trust, with SBDC being the sole corporate trustee. Furthermore as the usage of these assets is subject to the restrictions contained within this Act, these assets represent a permanent endowment.

Trustee Appointment

As South Bucks District Council is the sole Corporate Trustee, Members of SBDC act in a corporate capacity as trustee. There are no other charity trustees.

Members of SBDC are elected every 4 years and are provided with induction training after each election.

Organisational Structure of the Charitable Trust

The Members of SBDC (acting as corporate trustee) make the strategic decisions relating to the operation of the facilities.

The day-to-day management is undertaken by Council officers in line with approved guidelines.

Relationship between the Charitable Trust and Related Parties

All financial, legal and operational support is provided by SBDC and this affects the Charitable Trust in the following ways:

- All staff who are involved in the Charitable Trust are employed by SBDC;
- The key management personnel are members and officers of SBDC who receive no remuneration from the Charitable Trust;
- From August 2017 all financial records are maintained within their own financial system. Prior to this the records were kept within the SBDC financial system;
- Up until August 2017, the Trust did not have its own bank account, instead its funds were part of the SBDC accounts. From August 2017, the Trust set up its own bank account.

Risks

The Charitable Trust complies with the SBDC risk management strategy and the SBDC risk management policy. In particular risks relating to the Charitable Trust's activities are identified, evaluated and monitored in an appropriate risk register.

The main risk that the Charitable Trust faces is that its income is solely dependant on attracting people to use its facilities. It has to compete in a competitive market for leisure facilities and therefore has to ensure its facilities and prices are comparable to its competitors whilst still promoting its charitable objectives. Furthermore expenditure on leisure activities can be affected by external economic conditions and thus the Charitable Trust needs to be able to cope with and appropriately respond to changes in demand.

The nature of the Charitable Trust's facilities also means that there will periodically need to be significant investment to maintain / modernise the facilities in line with changing customer expectations. The Charitable Trust therefore needs to ensure that there is a long term robust business plan to ensure that it is able to continue to operate within the Charitable Trust's available resources over the long term.

Objectives and Activities

Objects of Charitable Trust

The objects of the Charitable Trust are set out in the ERDC Act and are as follows:

'The maintenance and improvement of the physical well-being of persons resident in the rural district of Eton and adjoining areas by the provision of facilities for physical training and recreation and for promoting and encouraging all forms of recreational activities calculated to contribute to the health and physical well-being of such persons.'

Charitable Trust Aims

The Charitable Trust aims to maintain and improve the physical well-being of local residents by providing high quality, public sporting facilities at reasonable prices.

Specifically it:

- maintains the Farnham Park Sports Fields to enable clubs to let these facilities, and
- operates the South Buckinghamshire Golf Course on a pay and play basis.

Objectives for Year

The key objectives for 2017/18 were:

1. To ensure that the facilities continue to provide value for money for users, and
2. To ensure that the facilities operated within the Charitable Trust's available resources.

Strategies for Achieving Objectives

1. To ensure that the facilities provide value for money for users, the Charitable Trust aims to:
 - maintain the facilities to a high standard,
 - annually review its fees and charges to ensure that they remain competitive, and
 - offer discounted prices for under 18s, older people and those on low incomes.
2. To ensure that the facilities operate within the Charitable Trust's available resources, the Charitable Trust sets an annual budget and monitors this throughout the year, taking corrective action as necessary.

Public Benefit

Public Benefit is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit.

The Charitable Trust is aware of the Charity Commission's guidance on public benefit, and believes that the Charitable Trust's aims meet the two key public benefit principles which are set out in the Charity Commission guidance:

- Principle 1: There must be an identifiable benefit or benefits
- Principle 2: Benefit must be to the public, or a section of the public.

Achievements and Performance

Review of Activities Undertaken

The Farnham Park Sports Fields comprise full size rugby / football pitches, cricket squares, softball pitches, a baseball pitch and a children's playground. During 2017/18 the following organisations let some of these facilities:

- Unity Martial Arts
- Phoenix Old Boys FC
- Farnham Royal Rugby Club
- Baseballsoftball UK Limited.

2017/18 was a difficult year for golf in general with bad weather affecting business significantly across the country, especially during December and March. This resulted in a larger than normal number of closure days. Between December and March the course was subject to 27 full days of closure and another 25 days when only 9 holes were playable. As a result the South Buckinghamshire saw a drop in the number of rounds played against 2016/17, with only 32,946 rounds played against a figure of 34,144 the previous year. There are a large number of golf courses in the area competing for the same market and therefore offering a high quality course at a competitive price in future years continues to be imperative to the success of the business.

The drop in golfers due to the bad weather has also caused a reduction in income from bar food and drink. However, room bookings have seen an increase in the year with several repeat bookings and so this has helped to minimise the impact of the weather on catering income.

Financial ReviewReview of Year

During 2017/18 the Charitable Trust generated income totalling £913,000 and spent £1,132,000 giving a net deficit for the year of £219,000. The table below compares the budget for the year with the actual expenditure.

	Budget Figures	Actual	Variance (Act-Budget)
	£'000	£'000	£'000
Farnham Park Sports Fields			
Income	81	74	-7
Expenditure	-164	-183	-19
Depreciation	-11	-10	1
	<hr/>	<hr/>	<hr/>
	-94	-119	-25
South Buckinghamshire Golf Course			
Income	649	585	-64
Expenditure	-548	-532	16
Depreciation	-73	-82	-9
	<hr/>	<hr/>	<hr/>
	28	-29	-57
South Buckinghamshire Catering			
Income	287	254	-33
Expenditure	-311	-323	-12
Depreciation	-	-2	-2
	<hr/>	<hr/>	<hr/>
	-24	-71	-47
Total	<hr/>	<hr/>	<hr/>
	-90	-219	-129

As can be seen from the table above, the Golf Course did not achieve the level of income anticipated and the Catering operation also incurred a loss. The Sports Fields, in common with many playing fields, continues to operate at a loss.

Charitable Trust income comes from fees and charges paid by users of the facilities, and all charitable expenditure relates to providing sporting facilities to help maintain and improve the physical well-being of local residents.

The following table provides a summary of the Charitable Trust's key assets and liabilities:

	At 31 March 2018 £'000	At 31 March 2017 £'000
Fixed Assets	4,199	4,293
Current Assets	166	73
Loan from South Bucks District Council	-1,662	-1,751
Other Liabilities	-1,545	-1,238
Total Funds	<hr/> 1,158 <hr/>	<hr/> 1,377 <hr/>

Reserve Policy - Unrestricted Fund

Nature of Reserve: The Fund represent the accumulated year on year surplus of income over expenditure that has been accumulated by the Charitable Trust.

Minimum Value of Fund: The Charitable Trust aims to ensure that the charity operates within its means and therefore aims to ensure that it always holds a balance on its unrestricted funds sufficient to meet its known future commitments.

The current Unrestricted Fund balance is minus £558,000. As in previous years the Charitable Trust continues to rely on the ongoing support of South Bucks District Council.

Usage: The Unrestricted Funds can be applied for any lawful purpose of the charitable trust.

Reserve Policy - Restricted Fund

Nature of Reserve: The Restricted Fund is made up of monies received in 1998/99 for the sale of Farm Cottages and a grant from Sport England received in 2014 to assist with the costs of the new Clubhouse. The current balances are £247,000 for Farm Cottages Sale and £31,000 for the Sport England Grant making a total of £278,000.

Minimum Value of Fund: The value of the restricted funds will reduce over time to reflect the depreciation of the clubhouse and the use of the sale monies to fund redevelopment.

Usage: The Restricted Funds consist of the Farm Cottage Fund set aside for any future redevelopment of the Sports Fields and money from Sport England set aside to cover ongoing usage of the new Clubhouse.

Reserve Policy - Endowment Fund

Nature of Reserve: The Endowment Fund represents the value of the assets that were transferred under the ERDC Act.

Minimum Value of Fund: The value of the Endowment Fund will reduce over time to reflect depreciation of the endowment assets.

Usage: Endowment funds cannot generally be spent, and thus changes to the value of the endowment reserve will only be due to changes in the value of the endowment assets.

Statement of Trustee's Responsibilities

The trustee is responsible for preparing a Trustee's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, The Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 requires the trustee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income and expenditure of the charity for that year. In preparing those financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Plans for Future Periods

Looking ahead the Charitable Trust aims to continue to provide value for money facilities whilst operating within its available funds.

The Trust will continue to review its asset base to ensure community use and appropriate investment.

Declaration

The Council acting as Corporate Trustee has given the SBDC Audit & Standards Committee the authority to review and approve the Charitable Trust's Accounts.

It is therefore declared that the SBDC Audit & Standards Committee, on behalf of the Charity, approved this Annual Report and the accompanying Accounts for the financial year ending 31 March 2018 at their meeting on 27th September 2018.

Signature:

Position: Chair of Audit & Standards Committee

Date: 27th September 2018

Statement of Financial Activities (SoFA)

This statement shows the income and expenditure of the Charitable Trust during the year and the accumulated funds at the Charitable Trust's disposal. All operations are continuing.

	2017/18 Unrestricted Funds £'000	2017/18 Restricted Funds £'000	2017/18 Endowment Funds £'000	2017/18 Total Funds £'000	2016/17 Unrestricted Funds £'000	2016/17 Restricted Funds £'000	2016/17 Endowment Funds £'000	2016/17 Total Funds £'000
Income and Endowments								
Income from charitable activities								
- Farnham Park Sports Fields	74	-	-	74	57	-	-	57
- South Buckinghamshire Golf Course	528	-	-	528	529	-	-	529
- South Buckinghamshire Catering	254	-	-	254	241	-	-	241
Income from non-charitable activities *	57	-	-	57	-	-	-	-
Total income and endowments	913	-	-	913	827	-	-	827
Expenditure								
Charitable activities								
- Farnham Park Sports Fields	-183	-	-	-183	-162	-	-	-162
- South Buckinghamshire Golf Course	-532	-	-	-532	-447	-	-	-447
- South Buckinghamshire Catering	-323	-	-	-323	-289	-	-	-289
- Depreciation – Intangible Assets	-1	-	-	-1	-	-	-	-
- Depreciation – Tangible Assets	-42	-40	-11	-93	-46	-40	-9	-95
Total expenditure on Charitable activities	-1,081	-40	-11	-1,132	-944	-40	-9	-993
Gross transfers between funds								
– FPSF additions to buildings	-	-	-	-	-14	-	14	-
Net movement in funds	-168	-40	-11	-219	-131	-40	5	-166
Total funds brought forward	-390	318	1,449	1,377	-258	358	1,443	1,543
Total funds carried forward	-558	278	1,438	1,158	-389	318	1,448	1,377

* This is income from maintenance work carried out at the South Bucks Country Park, (formerly The Academy), owned by SBDC.

Balance Sheet

Appendix A

This statement shows the assets and liabilities of the Charitable Trust and the balances and reserves at the Charitable Trust's disposal.

Notes	At 31 March 2018 Unrestricted Funds £'000	At 31 March 2018 Restricted Funds Farm Cottage Sale £'000	At 31 March 2018 Restricted Funds Sport England Grant for Clubhouse £'000	At 31 March 2018 Endowment Funds £'000	At 31 March 2018 Total Funds £'000	At 31 March 2017 Total Funds Restated £'000
Fixed Assets						
8	Intangible Assets – software	1	-	-	1	2
9	Tangible Assets	2,730	-	31	1,438	4,291
		2,731	-	31	1,438	4,293
Current Assets						
10	Stock – finished goods	28	-	-	28	24
	Cash at Bank	104	-	-	104	-
11	Debtors	34	-	-	34	49
		166	-	-	166	73
Current Liabilities						
12	Creditors: Amounts due within 1 year	-92	-	-	-92	-160
	Amount due to related party (SBDC)	-1,701	247	-	-1,454	-1,078
13	Loan from South Bucks District Council	-91	-	-	-91	-86
		-1,884	247	-	-1,637	-1,324
	Net Current Assets or Liabilities	-1,717	247	-	-1,470	-1,251
	Total Assets less Current Liabilities	1,013	247	31	1,438	2,729
Long Term Liabilities						
13	Loan from South Bucks District Council	-1,571	-	-	-1,571	-1,665
	Net Assets	-558	247	31	1,438	1,158
	Unrestricted Fund	-558	-	-	-558	-390
	Restricted Fund	-	247	31	278	318
14	Endowment Fund	-	-	-	1,438	1,449
	Total Funds	-558	247	31	1,438	1,377

Signed on behalf of the charity trustee

Signature:

Position: Chair of Audit & Standards Committee

Date: 27th September 2018

This statement shows the changes in cash and cash equivalents during the reporting period.

	2017/18	2016/17
	£'000	£'000
Cash flows from operating activities		
Loss for the financial year	-219	-166
Adjustments for:		
Depreciation of tangible assets	93	95
Amortisation of intangible assets	1	-
Interest Paid	32	41
(Increase)/decrease in stocks	-4	8
(Increase)/decrease in debtors	15	17
Increase/(decrease) in creditors	-68	8
Net cash provided by (used in) operating activities	<u>-150</u>	<u>3</u>
Cash flows from investing activities:		
Purchase of tangible assets	-1	-50
Net Cash provided by (used in) investing activities	<u>-1</u>	<u>-50</u>
Cash flows from financing activities:		
Repayments of loan from SBDC	-89	-84
Interest Paid	-32	-41
Net Cash provided by (used in) financing activities	<u>-121</u>	<u>-125</u>
Change in cash and cash equivalents in the year	<u><u>-272</u></u>	<u><u>-172</u></u>
Cash and cash equivalents at the beginning of the year	<u>-1,078</u>	<u>-906</u>
Cash and cash equivalents at the end of the year	<u>-1,350</u>	<u>-1,078</u>
Split by:		
Cash at Bank	104	-
Amount due to SBDC	-1,454	-1,078
	<u>-1,350</u>	<u>-1,078</u>

1. General Information

Farnham Park Sports Fields is a Charitable Trust governed by the Eton Rural District Council (ERDC) Act 1971 and is registered charity number 308164. The principal address is Council Offices, Capswood Business Centre, Oxford Road, Denham, Buckinghamshire, UB9 4LH.

2. Statement of Accounting Policies**Basis of Accounting**

These Accounts have been prepared in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued on 16 July 2014 and update bulletin 1 effective 1 January 2016.
- Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), and
- The Charities Act 2011.

Farnham Park Sports Fields meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income

Recognition of income	These are included in the Statement of Financial Activities (SoFA) when: <ul style="list-style-type: none"> - the Charitable Trust becomes entitled to the income; - the Trustee is virtually certain they will receive the income; and - the monetary value can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the Charitable Trust has unconditional entitlement to the resources.
Contractual income and performance related grant	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	<p>Gifts in kind are accounted for at a reasonable estimate of their value to the Charitable Trust or the amount actually realised.</p> <p>Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the Charitable Trust.</p> <p>Gifts in kind for use by the Charitable Trust are included in the SoFA as incoming resources when receivable.</p>
Donated services and facilities	These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the Charitable Trust is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the Charitable Trust of the service or facility received.

Expenditure and Liabilities

Liability recognition	Liabilities are recognised if it is probable that there is a legal or constructive obligation committing the Charitable Trust to pay out resources.
Expenditure	<p>All expenditure is accounted for on an accruals basis. All expenses including support costs are allocated or apportioned to the applicable expenditure headings.</p> <p>Costs of charitable activities consist of those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.</p> <p>Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.</p>
Grants with performance conditions	Where the Charitable Trust gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.
Grants payable without performance conditions	These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Charitable Trust.
Pension Contributions	<p>The Charitable Trust operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to the Charitable Trust.</p> <p>The Charitable Trust accounts for this scheme as if it was a defined contribution scheme.</p> <p>The amount charged to the Statement of Financial Activities (SoFA) represents contributions payable to the scheme in respect of the accounting period.</p>
Creditors	Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors are recognised at their settlement amount due.

Assets

Intangible fixed assets for use by the Charitable Trust	<p>These are capitalised if the cost is significant and they can be used for more than one year. Expenditure that maintains but does not add to an asset's future economic benefits is charged as an expense.</p> <p>Assets are measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.</p>
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Assets - continued

Tangible fixed assets for use by the Charitable Trust These are capitalised if the cost is significant and they can be used for more than one year. Expenditure that maintains but does not add to an asset's future economic benefits is charged as an expense. Assets are measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.

The Trust does not adopt an accounting policy of revaluing any classes of assets.

Stocks These are valued at the lower of cost or market value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Debtors Debtors are recognised at the settlement amount due.

Cash at bank Cash at bank represents short term highly liquid investments with a short term maturity of three months or less from the date of acquisition or opening of the deposit or similar account

Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of fixed assets The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are considered annually.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

VAT

The Charitable Trust is registered for VAT. It is however able to exempt from VAT any charges it makes to individuals of services closely linked with and essential to sport, per the VAT Act 1994, Schedule 9, Group 10, Item 3. This includes green fees.

As a consequence VAT payable is not generally recoverable from Her Majesty's Revenue and Customs, and is included as an expense when appropriate.

Going Concern

As Corporate Trustee, SBDC has a duty to ensure that the Trust operates within its available resources. If the Trust were ever to run out of unrestricted funds, then SBDC as corporate Trustee would need to put in place a recovery plan which could include supporting the Trust financially.

Presentational Currency

These Accounts have been presented in sterling (£) which is also the functional currency of the Charitable Trust.

3. Charitable Expenditure

	Sports Field £'000	Golf Course £'000	Catering £'000	Golf Management £'000	Grounds Maintenance £'000	2017/18 Total £'000	2016/17 Total £'000
Employees	-	-	154	169	236	559	450
Premises	33	55	-	-	7	95	107
Transport	1	-	-	2	32	35	26
Supplies & Services	4	41	120	49	38	252	233
Bad Debt Provision	17	-	-	-	-	17	-
Depreciation	10	42	2	-	40	94	95
Interest	-	32	-	-	-	32	41
Support Costs							
Human Resources	2	4	-	-	-	6	11
Finance	2	4	-	-	-	6	5
ICT	2	4	-	-	-	6	4
Property & Facilities	5	11	-	-	-	16	6
Communications	-	1	-	-	-	1	-
Governance	5	8	-	-	-	13	15
	81	202	276	220	353	1,132	993

Governance costs are those costs that are associated with the general running of the Charitable Trust, as opposed to those costs associated with specific charitable activity. Governance costs include: internal and external audit; legal advice for trustees; the cost of preparing statutory accounts; and costs associated with strategic management.

4. Trustee Expenses

The key management personnel comprise the members who received no remuneration or other financial benefits from the Charitable Trust during either the current or previous year. Any expenses claimed by Members are paid by SBDC rather than the Charitable Trust.

5. Audit Costs

The Charitable Trust incurred the following fees relating to external audit.

This note is prepared based on the fee payable for the audit work related to those years' financial statements, as opposed to what has actually been paid in the year.

	2017/18 £'000	2016/17 £'000
Auditors' fees for reporting on the accounts	7	6
Other fees paid to the independent auditor	-	-
	7	6

6. Paid Employees

There was an average of 22 (2016/17 26) staff who worked at the Farnham Park Sports Fields and the South Buckinghamshire Golf Course during 2017/18. This includes full-time, part-time and casual staff.

	2017/18	2016/17
	£'000	£'000
Basic pay	429	338
National insurance	39	29
Pension costs	53	36
Overtime	24	18
Temporary Staff	8	27
Other employee costs	6	2
	559	450

No employee earns more than £60,000 a year.

During the course of the year the staffing of the Trust has been subject to a review to create a structure that better fits with the current operation. In addition, all staff moved to new terms and conditions from 1 January 2018.

In addition as SBDC provides support services to the Trust, a number of other SBDC employees also provide support to the Trust. None of these support staff spend more than 50% of their time on supporting the Trust and they have therefore been excluded from the analysis above.

7. Pensions

As part of the terms and conditions of employment of its officers, the Charitable Trust makes contributions towards the cost of post-employment benefits (ie pensions).

The Charitable Trust participates in the Local Government Pension Scheme which is administered by Bucks County Council. This scheme is a defined benefit scheme based on Career Average Revalued Earnings (CARE).

It is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to the Charitable Trust.

The pension cost charge represents contributions payable by the Charitable Trust to the fund and amounted to £53,500. There were no outstanding contributions payable to the fund as at 31 March 2018.

Contributions of £54,000 are estimated to be payable in the year ending 31 March 2019.

8. Intangible Fixed Assets - Software

	2017/18	2016/17
	£'000	£'000
Valuation		
Balance brought forward	15	15
Additions	-	-
Balance carried forward	15	15
Accumulated Depreciation and Impairment Provisions		
Balance brought forward	13	13
Depreciation charge for year	1	-
Balance carried forward	14	13
Net Book Value		
Brought forward	2	2
Carried forward	1	2

Intangible assets are amortised using the straight-line method over a period of up to 5 years after the year of expenditure.

9. Tangible Fixed Assets

	Freehold Land Sports Fields £'000 PE	Freehold Buildings Sports Fields £'000 PE	Freehold Buildings Sports Fields £'000	Freehold Land Golf Course £'000 PE	Freehold Buildings Golf Course £'000	Vehicles Equip't and IT Systems £'000	Total £'000
Valuation							
Balance b/f	327	293	420	858	2,397	385	4,680
Additions	-	-	-	-	-	1	1
Balance c/f	327	293	420	858	2,397	386	4,681
Accumulated Depreciation and Impairment Provisions							
Balance b/f	-	30	21	-	79	259	359
Depreciation charge	-	11	7	-	40	35	93
Balance c/f	-	41	28	-	119	294	482
Net Book Value							
Brought forward	327	263	399	858	2,318	126	4,291
Carried forward	327	252	392	858	2,278	92	4,199

PE - These assets are part of the Charitable Trust's permanent endowment.

Depreciation is provided on all fixed assets with a finite useful life in accordance with FRS 15 as follows:

Land	Not depreciated.
Buildings	Using the straight-line method over the useful life of the asset after the year of expenditure. These range from 20 to 60 years.
Fixtures & Fittings	Using the straight-line method over a period of 10 years after the year of expenditure.
Vehicles, equipment and IT Systems	Using the straight-line method over a period of up to 10 years after the year of expenditure.

Security over Assets

None of the assets of the Charitable Trust have been used as security for any loan, overdraft or other credit arrangement.

Capital Commitments

There are no monies due in relation to capital contracts as at 31 March 2018.

Investment in Fixed Endowment Assets

During 2017/18 the Trust incurred no expenditure on the Land and Buildings that are held as a Permanent Endowment (PE).

Leases

The Charitable Trust leases a number of the buildings and sports pitches at the Farnham Park Sports Fields to clubs. Most of these leases are for under 5 years.

However in June 2016 a 25 year lease (with a 10 year break clause) was granted by the Charity to BSUK (Baseball Softball UK Limited) to enable them to build a full sized baseball pitch and one softball pitch on land that was previously used for football, and to convert an unused bungalow into a clubhouse.

The future minimum lease payments due under the lease are:

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Not later than one year	29	19
Later than one year not later than five years	80	80
Later than five years	63	77
	172	176

The income credited to the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2017/18	2016/17
	£'000	£'000
Minimum lease payments	24	34
	24	34

Several leases ended during the year and the tenants continue to occupy on the basis of a rolling agreement.

10. Stock

All stock held by the Charitable Trust are classified as finished goods. Stock recognised as an expense during the year was £111,000 (2016/17 £110,000).

11. Debtors and Prepayments – Amounts Falling Due Within 1 Year

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Amounts due for rent of facilities	37	18
Prepayments and accrued income	14	31
Bad Debts Provision	-17	-
	34	49

12. Creditors and Accruals - Amounts Falling Due Within 1 Year

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Accruals	30	76
Audit fee	7	6
Prepayment of season tickets	55	78
	92	160

13. Loan from South Bucks District Council

The clubhouse building which opened April 2014 was primarily funded from an unsecured £1.98m loan from South Bucks District Council. This will be repaid over 20 years from 2015. The interest rate charged is based on the Public Works Loan Board (PWLB) variable annuity rate published for 1st April each year.

The principal payments due under the loan are as follows:

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Not later than one year	91	86
Later than one year not later than five years	379	362
Later than five years	1,192	1,303
Total Liability	1,662	1,751
Interest repayment on the loan was	32	41

14. Endowment Funds

The Farnham Park Sports Fields Charity is governed by the Eton Rural District Council Act 1971. This Act transferred to SBDC land and buildings at Farnham Park Sport Field, and parts of South Buckinghamshire Golf Course, and the usage of these assets is subject to the restrictions contained within that Act. These assets therefore represent a permanent endowment.

15. Operating Lease Commitments

The Farnham Park Sports Fields has the following commitments under rental agreements for the supply of golf buggies. The lease agreement for six buggies comes to an end in April 2018 and the agreement for the remaining two will come to an end in August 2018. At year end no new agreement had been entered into.

	At 31 March 2018	At 31 March 2017
	£'000	£'000
Not later than one year	1	9
Later than one year not later than five years	-	1
	1	10

Lease payments recognised as an expense during the year was £9,000 (2016/17 £9,000).

16. Related Party Transactions

The Charitable Trust is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Charitable Trust, or to be controlled or influenced by the Charitable Trust. Disclosure of these transactions allows readers to assess the extent to which the Charitable Trust might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Charitable Trust.

The Eton Rural District Council Act 1971 transferred the Charitable Assets to Eton Rural District Council. SBDC is the successor in title to Eton Rural District Council, under provisions contained in the Local Government Act 1972. As such the charitable activities form part of the activities of SBDC.

Members of SBDC.

Members of SBDC have direct control over the Charitable Trust's financial and operational policies and senior officers of the Council have control over the day-to-day management of the Charitable Trust. However any actions taken are required to comply with the Charitable Trust's objectives and procedurally must follow the Council's constitution, financial and contract procedure rules, and codes of conduct.

Assisted organisations.

The Charitable Trust did not provide any material assistance to any organisations that comprised more than 50% of their funding, on terms that gave the Charitable Trust effective control over their operations.

Companies and joint ventures.

The Charitable Trust does not have any interests in companies outside of its normal contractual arrangements.

Transactions with South Bucks District Council as sole Corporate Trustee

	2017/18	2016/17
	£'000	£'000
As at 31 March included in creditors:-		
Funding payable to SBDC	1,453	1,078
Loans payable to SBDC	1,662	1,751
For the year ended 31 March included within the Statement of Financial Activities:-		
Interest payable on loans to SBDC	32	41

17. Contingent Assets and LiabilitiesContingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within Charitable Trust's control.

For the 2017/18 accounts there are no contingent assets to disclose.

Contingent Liabilities

A contingent liability is either:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Charitable Trust's control, or
- a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that a transfer of economic benefits will be required to settle the obligation, or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

For the 2017/18 accounts there are no contingent liabilities to disclose.

18. Events after the Balance Sheet Date

Events arising after the balance sheet date should be reflected in the Statement of Accounts if they provide additional evidence of conditions that existed at the balance sheet date and materially affect the amounts to be included (adjusting events).

For the 2017/18 accounts there are no significant adjusting events to disclose.

Similarly events which arise after the balance sheet date and concern conditions which did not exist at that time should be detailed in the notes if they are of such materiality that their disclosure is required for the fair presentation of the financial statements (non adjusting events).

For the 2017/18 accounts there are no significant non-adjusting events to disclose.

Opinion

We have audited the financial statements of Farnham Park Sports Fields (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon⁴. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Mullis FCCA MAAT (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services
Anglo House
Bell Lane Office Village
Bell Lane, Amersham
Buckinghamshire
HP6 6FA

27th September 2018

Wilkins Kennedy Audit Services is eligible for appointment as auditor by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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Management Report to The Trustee

Prepared for

Farnham Park Sports Fields

Audit for the Year Ended 31 March 2018

Presented by Wilkins Kennedy Audit Services

September 2018

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1 PURPOSE OF THIS REPORT

PURPOSE OF THIS REPORT

We set out within this report our findings and recommendations on various matters which came to our attention during the course of the audit of the Accounts of Farnham Park Sports Fields for the year ended 31 March 2018 and form the basis for discussion.

In order to comply with the provisions of International Standards on Auditing we are required to report to you our audit findings and in particular:

- The nature and scope of audit work we have undertaken and any expected modifications to the audit opinion;
- Provide constructive observations arising from the audit;
- Any unadjusted and adjusted misstatements identified during the audit process;
- Matters specifically required by Auditing Standards to be communicated to those charged with governance (such as fraud and error);
- Material weaknesses in the accounting and internal control systems; and
- Any other relevant and material matters relating to the audit.

Please note that this report has been prepared for the sole use of Farnham Park Sports Fields. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by Wilkins Kennedy Audit Services to any other person.

We would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit.

If we can be of any further assistance, please contact Philip Mullis or Philip Moretti.

Yours faithfully



Wilkins Kennedy Audit Services

2 INDEPENDENCE & RESPONSIBILITIES

INDEPENDENCE

As a firm we have policies and procedures in place to monitor regularly auditor objectivity and independence. No further threats to our independence have been identified since the communications at planning stage covered by our letter on 7 June 2018.

AUDIT APPROACH

The audit has been conducted in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board.

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private

LIMITATIONS

Our audit procedures, which have been designed to enable us to express an opinion on the financial statements, have included the examination of the transactions and the controls thereon of the Charitable Trust.

As advised in our letter of engagement dated 7 June 2018, our audit procedures were directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements. The work we have undertaken was not primarily directed towards identifying weaknesses in the accounting systems other than those that would affect our audit opinion, nor to the detection of fraud.

As our audit has been conducted on a test basis we are thus unable to provide a comprehensive statement of all weaknesses which may exist in

the accounting and internal control systems or of all improvements which may be made. We can only address those matters, which have come to our attention as a result of the audit procedures, which we have performed.

In making our recommendations, we have considered the size of your Charity and the number of staff that act for the Charity. We would be grateful for any feedback on matters raised within this document and any steps that will be taken.

RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and Accounts. Wilkins Kennedy Audit Services as auditors are responsible for forming an opinion on the Accounts.

3 MATTERS ARISING FROM THE AUDIT

AUDIT APPROACH

In the approach to our audit, we have not had to alter or change any of our audit procedures, which we communicated to you in our letter dated 7 June 2018.

AREAS CONSIDERED EITHER AT PLANNING STAGE OR DURING THE COURSE OF THE AUDIT

	Significant Audit Risks	How we addressed the risks	Conclusion
1	<p>Completeness of income/revenue recognition</p> <p>We considered the following:</p> <ul style="list-style-type: none"> • Completeness • Recognition (is the correct amount recognised in the period under consideration) i.e. is income included in the period to which the activity is undertaken • Fund accounting – Any restrictions on use and are these correctly recorded 	<p>We documented and tested the controls around income, to ensure all income is included in the accounts within the correct accounting period and traced a sample of transactions through the system to ensure completeness.</p>	<p>We did not identify any areas of material misstatement</p>
2	<p>Going concern</p> <p>The Charity's accounts are prepared on the basis that it is a going concern. Therefore the assumption that the Charity has sufficient funds to meet its obligations as they arise for at least the 12 months following the sign-off of the accounts.</p> <p>The Charity is dependent on the funding support from SBDC without which the ability of the Charity to operate as a going concern could be in question</p>	<p>We considered the Trustee's assessment of the Charity Trust ability to continue as a going concern for a period of 12 months from the date of signing off the audit report.</p>	<p>A letter has been supplied from the Director of Resources South Bucks and Chiltern District Councils confirming that as Corporate Trustee SBDC would put in place a recovery plan to address the issue when the Trust has negative unrestricted funds which could include supporting directly the Charity financially.</p> <p>We are satisfied that sufficient support to maintain the Charity as a going concern is in place.</p>

3 MATTERS ARISING FROM THE AUDIT

AREAS CONSIDERED EITHER AT PLANNING STAGE OR DURING THE COURSE OF THE AUDIT - continued

	Significant Audit Risks	How we addressed the risks	Conclusion
3	<p>Ownership and valuation of land and buildings and completeness of tangible and intangible fixed assets</p> <p>We considered the following</p> <ul style="list-style-type: none"> Beneficial entitlement to land and buildings and the valuation placed thereon with specific consideration towards any potential impairment in value; Capitalisation policy on fixed assets and depreciation policies adopted. 	<p>We reviewed the beneficial ownership of land and buildings including review of Trust deed and land registry searches, together with confirmation of existence and usage.</p> <p>We also undertook a physical verification of other fixed assets to confirm existence.</p> <p>We considered capitalisation and depreciation policies adopted.</p>	<p>We are satisfied there has been no impairment in the value of land and buildings.</p> <p>We have reviewed the capitalisation and depreciation policies and did not identify any material issues.</p>
4	<p>Management and staff override</p> <p>We considered</p> <ul style="list-style-type: none"> The ability of management and staff to manipulate the accounting records and thereby undertake fraudulent transactions as a result of overriding the internal controls of the Charity. 	<p>We addressed this risk through analytical review and sample transaction testing of both income and expenditure, including a review of supporting documentation such as invoices from suppliers.</p> <p>We also undertook a sample review of journal postings to ensure entries to the accounting records were appropriate and reasonable.</p>	<p>No issues have been identified from our work.</p> <p>Any weaknesses identified are covered within Audit Results Section 5.</p>
5	<p>Allocation of income and expenditure</p> <p>We considered</p> <ul style="list-style-type: none"> The reasonableness of expenditure allocated to the Charity. 	<p>We reviewed the basis for allocating support costs and direct expenditure to ensure that it was in accordance with previous years.</p>	<p>We are satisfied that the basis of allocation of support costs and direct charitable expenditure is reasonable, appropriate and in accordance with the approach undertaken in previous years.</p>

3 MATTERS ARISING FROM THE AUDIT

AREAS CONSIDERED EITHER AT PLANNING STAGE OR DURING THE COURSE OF THE AUDIT – continued

	Significant Audit Risks	How we addressed the risks	Conclusion
6	<p>Financial Reporting</p> <p>We considered the risk the financial statements are:</p> <p>a) not fully compliant with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP 2015 (FRS 102));</p> <p>b) materially misstated through errors in their compilation.</p>	<p>We undertook a review of the draft accounts, formal review of the presentation and disclosures using a bespoke disclosure checklist, and made recommendations in relation to compliance with relevant legislation.</p>	<p>We have reviewed the accounts and recommendations were made as to disclosures. We are satisfied that the accounts are not materially misstated and are in compliance with SORP 2015 (FRS 102).</p>

AUDIT STATUS

The audit work undertaken on the accounts is now substantially complete and as there are no expected modifications to the auditors' report we therefore anticipate issuing an unqualified audit opinion for the year ended 31 March 2018 for the Charity, following:

- Receipt of approved financial statements signed on behalf of the Trustee; and
- Receipt of a signed letter of representation (which confirms continuing support for the 12 months from the date of signing of the balance sheet).

Our work to enable us to sign off the audit report comprises of:

- A final post balance sheet review; and
- A final going concern review.

4 AUDIT RESULTS

AUDIT MISSTATEMENTS

As part of the requirements of International Auditing Standards on Auditing we are required to report any material or agreed adjusted audit misstatements arising from our work.

We are also required to report any unadjusted audit misstatements and why they are unadjusted, other than those that are “clearly trivial”.

These are both set out in Section 5.

RISK OF FRAUD AND ERROR IN THE FINANCIAL STATEMENTS

We are required under international auditing standards to consider fraud risk throughout the audit. In particular, we must consider management arrangements for preventing and detecting fraud and error.

Fraud risks can be varied and include false expenditure, diversion of income as well as the manipulation of financial results.

This work is now complete and as stated in Section 3 we have not identified any matters which we wish to draw to your attention.

ACCOUNTING POLICIES

Financial Reporting Standard 102 (FRS 102) and FRS 102 Charities SORP 2015 requires that an entity applies appropriate accounting policies in line with guidance in the Standard, or if within the scope of a SORP then to apply those requirements, in order to give a true and fair view.

We have reviewed the Charity's accounting policies, as stated in the financial statements, and confirm that they are materially appropriate to provide relevant, reliable, comparable and understandable information.

ACCOUNTING ESTIMATES

As auditors, we are aware that the selected basis of an accounting estimate may have a significant impact on the financial statements so in our work we need to identify all accounting estimates and the basis of the estimate and, where we consider there to be a high estimation uncertainty, we must ensure our audit work challenges the basis of the estimate.

We have reviewed these accounting estimates for the Charity and conclude that materially they have been calculated on a basis that is consistent with our knowledge of the Charity and the sector as a whole, although we would draw your attention to depreciation policy on fixed assets referred to in point 1 on page 8.

5 AUDIT MISSTATEMENTS

INTERNAL CONTROL

We have set out below internal control recommendations in the accounting and internal control systems. As previously stated, our audit has been conducted on a test basis and thus we are unable to provide a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

	Current Procedure	Possible Consequences	Suggested Improvement	Benefit of Control
1	In relation to fixed assets, and as has been mentioned in previous years, there were a number of items of equipment that have been fully depreciated however the indications are that these continue to be used within the Charity.	If the assets are still being used within the business this would suggest the depreciation policy might need to be revised for new assets as the indication is that the current policy of depreciation does not reflect the true economic life of the assets.	A review should be undertaken of the useful economic lives of assets so that going forward they reasonably reflect the lifespan over which usage is expected. With regard to additions there is an opportunity to reconsider economic lives based on past experience with similar assets.	For all of the recommendations for fixed assets the purpose is to ensure charitable fixed assets are identified, recorded and appropriately accounted for and reflected within the accounting.
2	Upon review of the fixed asset registers, three assets were identified as having been disposed of or no longer in use but continued to be shown on the register. Disposals, or assets no longer in use, should be communicated to the accounts department to ensure accounting records are kept up to date.	The cost and depreciation of fixed assets in the note to the accounts would be overstated if assets are included on the fixed asset register which are no longer in use by the charity.	Carry out annual reviews of the fixed asset register to ensure that it reflects the assets in use by the charity.	For all of the recommendations for fixed assets the purpose is to ensure charitable fixed assets are identified, recorded and appropriately accounted for and reflected within the accounting.
3	For the year ended 31 March 2018 the charity provided for a significant potential bad debt due from Phoenix Old Boys FC of over £13,000.	This potentially results in lost revenues if irrecoverable.	We acknowledge that new procedures have been introduced to ensure that in future debts are more promptly pursued and in general monitored to reduce the level of debts accumulating which could potentially become bad debts.	Credit control should be constantly reviewed to ensure there is a robust approach to ensure debts do not accumulate.

We are required to inform you of any significant misstatements within the accounts presented for audit that have been discovered during the course of the audit. No material misstatements were identified, however there were some recommendations that it was agreed with your staff should be reflected within the accounts

5 AUDIT MISSTATEMENTS

as set out below. There were also some recommendations to disclosures to the financial statements and following discussions with your staff the accounts have been adjusted accordingly. Confirmation that you are satisfied with the disclosures in the financial statements should be communicated to us within the letter of representation.

Description		DR	CR	Impact on
		£'000	£'000	Funds £'000
Net Movement in funds before adjustments				(219)
1	Cash and bank	104		
	SBDC creditor		104	
	<i>Bank account held by FPSF included in the SBDC creditor</i>			
Net Movement in funds after adjustments				(219)

5 AUDIT MISSTATEMENTS

UNADJUSTED MISSTATEMENTS

A number of non-trivial unadjusted misstatements were discovered during the course of our audit which are set out below. These have been discussed with your accounts staff. It was accepted that the following need not be adjusted as not material and do not impact on the true and fair view of the accounts.

Description		DR £'000	CR £'000	Impact on funds £'000
Net Movement in funds before potential adjustments				(219)
1	Basic salary pay	5		(5)
	Employer's NI costs	1		(1)
	Accruals		6	-
	<i>Holiday pay accrual</i>			
2	Plant and machinery accumulated depreciation	30		-
	Plant and machinery cost		30	-
	Plant and machinery identified as <i>no longer in use (being ball collector, hydraulic gang mowers and Ransome Jacobsen Triking – Advised not to be written off in 2017/18 as awaiting to ascertain whether monies can be received on disposal.</i>			
Net Movement in funds before potential adjustments				<u>(225)</u>

6 ANY OTHER MATTERS

The following matters have been identified by us which we believe will be of interest to you:

Charity governance code

Following consultation which closed in February 2017, the Steering Group for the Charity Governance Code has published the final version of the new Charity Governance Code on 13 July 2017. It outlines several recommendations including increasing the number of external reviews every three years for larger charities.

This is the third edition, which was previously called the Code of Good Governance, and sets out the seven principles that build on the Foundation principle, in order to achieve the charity's organisation purpose and direction. These principles are:

- Organisational purpose – the board is clear about the charity's aims and ensures these are being delivered effectively and sustainably
- Leadership – every charity is led by an effective board that provides strategic leadership in line with the charity's aims and values
- Integrity – the board acts with integrity, adopting values and creating a culture which helps achieve the organisation's charitable purpose. The board is aware of the importance of the public's confidence and trust in charities and trustees undertake their duties accordingly
- Decision making, risk and control – the board makes sure its decision making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored
- Diversity – increasing opportunities at board level
- Board effectiveness – the board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions
- Open and accountable – the board leads the organisation in being transparent and accountable. The charity is open in its work unless there is a good reason not to be.

The new Code means that charities will become much clearer on their obligations for the board. It will become an essential tool for charities, as the Code will demand standards and practice changes that will be integral to the charities themselves and assist them to develop their effectiveness.

The code can be found at <https://www.charitygovernancecode.org/en/pdf>

House of Lords report

In March 2017 the House of Lords Select Committee on Charities published its report 'Stronger charities for a stronger society'. The report recommends and concludes on a number of challenges faced by individual charities and the wider sector. Key recommendations were made on improving governance and accountability, the potential for digital technology, regulation and the funding environment. The report includes over 100 recommendations and a summary of the key recommendations is set out below:

- Charities should improve diversity on boards, carry out regular skills audits and provide more training and skills development to trustees in order to strengthen charity governance
- Concern has been expressed about the Charity Commission's proposal to charge charities
- Employees and trustees of charities should be encouraged to report concerns to the Charity Commission

6 ANY OTHER MATTERS

- Stakeholders should have access to information produced by the charity that enables them to measure and assess success
- All charities except the very smallest should have a website or social media page
- Charities should make better use of new technology and actively consider including a digital trustee on their boards; and
- Charities should review their impact and consider seeking independent evaluation of their impact where this is possible.

APPENDIX 1: LETTER OF REPRESENTATION

WILKINS KENNEDY AUDIT SERVICES

Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Bucks HP6 6FA

27 September 2018

Dear Sirs

Farnham Park Sports Fields – Audit for year ended 31 March 2018 – Letter of Representation

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Charity's financial statements for the year ended 31 March 2018. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as Trustee, as set out in the terms of your engagement letter dated 7 June 2018, for being satisfied that they give a true and fair view and for making accurate representations to you under:
 - a. the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
 - b. the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP 2015 (FRS 102)).
- 2 All the transactions undertaken by the Charity have been properly reflected and recorded in the accounting records.

- 3 All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the Charity, and with all other records and related information requested, including minutes of all management and Trustee meetings and correspondence with The Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements are immaterial both individually and in total.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

- 9 The Charity has satisfactory right to all assets and there are no liens or encumbrances on the Charity's assets, except for those that are disclosed in the notes to the financial statements.
- 10 The rights to Land reflected in the financial statements of Farnham Park Sports Fields but for which the registered title is in the name of South Bucks District Council are ultimately for the benefit and use of the Charitable Trust.

APPENDIX 1: LETTER OF REPRESENTATION

- 11 Vehicles included in fixed assets, registered with the DVLA as ownership of South Bucks District Council are recognised as being held on behalf of the Charitable Trust.
- 12 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 13 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.
- 14 To the best of our knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the fixed assets and intangible assets below their carrying value at the balance sheet date.

Cash and bank

- 15 We are satisfied that all sales transactions received by cash have been included within income in the financial statements.
- 16 We confirm that, until 31 July 2017, there was no separate bank account held by Farnham Park Sports Fields. Payments and receipts were dealt with through a shared bank account with South Bucks District Council. The amounts due to South Bucks District Council as reflected in the financial statements is a true representation of the monies owed to South Bucks District Council by the Charity.

Accounting estimates

- 17 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

- 18 The Charity has not granted any advances or credits to, or made guarantees on behalf of, Trustees other than those disclosed in the financial statements.

Legal claims

- 19 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Laws and regulations

- 20 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 21 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

Subsequent events

- 22 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 23 We believe that the Charity's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Charity's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Charity's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

- 24 All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

APPENDIX 1: LETTER OF REPRESENTATION

Unadjusted journals

25 We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We confirm as Trustee that we have taken all the necessary steps to make us aware, as Trustee, of any relevant audit information and to establish that you, as auditors, are aware of this information.

Yours faithfully

.....
Chairman of SBDC Audit Committee on behalf of the Charity Trustee

SBDC AUDIT COMMITTEE WORK PROGRAMME

Classification: OFFICIAL

Members are asked to consider whether there are any items they wish to add to, remove from, or move within, the proposed work programme.

Topic	Frequency	Sept 17	Jan 19	Mar 19	Jul 19	Sept 19
Risk Management						
Risk Management Update	Annual					
Assurance Statements						
Annual Governance Report	Annual					
Update on Governance / Internal Control Issues	As and when					
Internal Audit						
Audit Plan	Annual					
Interim Progress Reports	Each meeting					
Follow up of Internal Audit Recommendations Report	Annual					
Comparision of Assurance Levels	Annual					
Annual Internal Audit Report	Annual					
Fraud & Corruption						
Fraud & Corruption Annual Report	Annual					
External Audit						
Annual Audit Plan	Annual					
Annual Assurance Letter from Committee	Annual					
External Audit Results Report	Annual					
Certification of Claims & Returns Annual Report	Annual					
Annual Audit Letter (Sent out by email to all Members)	-					
Statement of Accounts						
Approval of Main Accounts	Annual					
Approval of Farnham Charitable Trust Accounts	Annual					
Other						
Contract & Financial Procedure Rules	As necessary					
Training	As necessary					
Work Programme	Each meeting					

Classification: OFFICIAL

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