

AUDIT AND STANDARDS COMMITTEE

Meeting - 27 September 2018

Present: D Anthony (Chairman)
G Hollis and R Sangster

Apologies
for absence: Councillors P Griffin, L Hazell, P Hogan and
Independent Persons; Mr Dobson and Mr Hopkins

76. MINUTES

The Minutes of the Audit and Standards Committee held on 23 July 2018 were approved and signed by the Chairman as a correct record.

77. DECLARATIONS OF INTEREST

There were no declarations of interest.

78. ANNUAL REVIEW OF CODE OF CONDUCT AND COMPLAINTS PROCEDURE

The meeting was informed that the Independent Persons had received a copy of this report and Mr Dobson confirmed that he had no comments.

The proposed addition to paragraph 6 on Disclosure of personal interests was added to clarify the situation for Members. It was a reminder that having disclosed a personal interest, the Member was still entitled to speak and vote on an item of business.

The Complaints Procedure had been recently reviewed and there were no further changes recommended at this time. The Committee were informed that one complaint had been investigated and details of that would be reported to a future meeting. It was asked whether there had been an increase in the number of complaints and the monitoring officer confirmed that there had been an increase in 2017/18 but this was largely due to multiple complaints from one complainant.

There was a query regarding prejudicial interests on page 22; that Members do not have a prejudicial interest in any business of the Council where that business relates to the functions of the Council in respect of all allowance, payment or indemnity given to Members. It was confirmed that this exemption was required because Members had to vote on their own allowances.

RESOLVED

1. That Council be recommended to agree an addition to Paragraph 6 of the

code of conduct 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.

79. COMMITTEE ON STANDARDS IN PUBLIC LIFE ANNUAL REPORT

The Committee for Standards in Public Life (CSPL) have published their Annual Report and Watching Brief for 2018-19. They have undertaken a review of local government standards and a consultation was undertaken in January. The results of this review were expected in December 2018 and would be reported to a future meeting of the Committee. The Watching Brief included good governance in academies and the National Health Service and therefore it was not expected that local government would be the main focus.

RESOLVED that the report be noted.

80. STANDARDS WORK PROGRAMME

The Committee received the Standards Work Programme.

RESOLVED that the Standards Work Programme be agreed.

81. INTERIM PROGRESS REPORT ON INTERNAL AUDIT

Chris Harris from TIAA Internal Auditors advised that 4 audits had been completed and none of these had priority 1 or 2 recommendations (Appendix A). Good progress had been made against the 2018-19 Annual Plan. With regard to point 7; "we have not been advised of any frauds or irregularities", the Committee questioned this point but it was advised that this was a standard phrase which was usually used unless fraud had been found.

The Committee asked for an update on the housing situation. It was advised that processes had been tightened up to ensure that claimants were in receipt of housing benefit or universal credit. The number of families in bed and breakfast accommodation had halved due to the increased success in finding suitable private tenancies which were more cost effective. The demand for help with homelessness had not changed however.

RESOLVED that the report be noted.

82. FRAUD AND CORRUPTION ANNUAL REPORT

The Committee were advised of the Anti-Fraud activity undertaken in 2017/18. The main area of work had been benefit fraud. Checks had also been made to ensure that bed and breakfast places paid for had been taken up. A review of the single person discount claimed had also been checked as many claimants forget to inform the Council when their circumstances changed. Electoral roll data had been used to help with the investigation.

In 2017/18 there had been 40 cases of benefit fraud referred by South Bucks DC to the DWP's Single Fraud Investigation Service. It was noted in the table that 10 of these cases had been investigated. One of these cases was referred for potential prosecution and it was confirmed that the DWP would prosecute not SBDC.

The Corporate Fraud Audit Plan for 2018/19 included anti-fraud workshops for managers, to develop anti-fraud work across the Revenues service and training on the Regulation of Investigative Powers Act (RIPA).

RESOLVED that the report be noted.

83. **COMPARISON OF ASSURANCE LEVELS**

Chris Harris was pleased to advise that the trends had been fairly static with no deterioration in assurance levels. The assurance levels were generally "substantial" or "reasonable" with the exception of Waste Services – Health and Safety. Risk Management was not included but this was on the programme for the coming year.

With Waste Service concerns relating to Chiltern DC, Chris Harris was able to confirm that all their recommendations had been acted upon and they were pleased that this had now been done.

RESOLVED that the report be noted.

84. **APPROVAL OF FARNHAM CHARITABLE TRUST ACCOUNTS**

The Farnham Charitable Trust Accounts were presented for approval. The main figures were highlighted in the table on page 101. The Actual Outturn for 2017/18 was a £219k loss and this was £129k higher than budgeted. The main elements of the deficit arose from costs of the Playing Fields, and the loss of income for the golf operation due to exceptionally bad weather in the second half of the year.

The Golf Club budgeted to make a small profit but had been significantly affected by the weather. There also had been additional staffing costs for staff moving on to SBDC terms and conditions and meeting legal obligations in terms of equal pay and the minimum wage.

There were reserves of £1.4 million in the Endowment Fund but use of these funds was restricted. Funds to redevelop the Club House had been secured from Sport England in 2014 and other funds had been raised following the sale of cottages in 1998/99.

The Committee noted that there was a commitment to provide leisure facilities in this location but were concerned that the level of losses each year and that these seem to be increasing. They questioned whether the new Club House should have been built considering the level of use. It was acknowledged that plans to improve the financial position of the golf operation and make it more financially sustainable had been previously acted upon, but this would not have made any impact on the costs of the playing fields which had lacked investment for many years. The Committee were in agreement that more radical

Audit and Standards Committee- 27 September 2018

solutions needed to be considered as the current situation, especially in respect of the playing fields cannot continue indefinitely.

Philip Moretti and Philip Mullis of Wilkins Kennedy Audit Services attended the meeting and it was confirmed that the Audit Committee would be able to agree the figures as presented. It was noted that some assets have been fully depreciated but were still in use therefore the Trust should review the useful lives assigned to assets. There was also a bad debt provided for but credit control processes were improving.

It was noted that the income budgets set had been consistently missed and it was asked if these could be better estimated. However it was accepted that this is difficult for income significantly affected by weather.

It was asked whether the Council had to back the accounts and Wilkins Kennedy confirmed that the accounts could only be signed off with the support of the major creditor (SBDC).

The Audit Committee expressed concern at the use of unrestricted funds and requested that it be referred to the Overview & Scrutiny Committee to consider the Farnham Park situation. Councillor G Hollis was prepared to speak at that Committee to represent the Audit Committee.

RESOLVED

1. To approve the 2017/18 accounts
2. To request further consideration by the Overview & Scrutiny Committee of the future of the services provided at Farnham Park.

85. **AUDIT COMMITTEE WORK PROGRAMME**

The Committee received the Audit Committee Work Programme.

RESOLVED that the Audit Work Programme be agreed.

The meeting terminated at 6.56 pm