

AUDIT AND STANDARDS COMMITTEE

Meeting - 19 March 2020

Present: D Anthony (Chairman)
P Griffin

Also Present: P Bastiman and J Lowen-Cooper

Apologies for absence: G Hollis and P Hogan

33. MINUTES

The minutes of the Audit and Standards Committee held on 14 January 2020 were approved and signed by the Chairman as a correct record.

It was clarified that the certification of claims item from the external auditors was no longer required to be presented to the committee as it was now locally reported following changes made by the Department for Work and Pensions. It was confirmed that these claims had been audited with no issues having arisen.

34. DECLARATIONS OF INTEREST

There were no declarations of interest.

35. STANDARDS PROCEDURES FOR BUCKINGHAMSHIRE COUNCIL AND UPDATE ON THE LGA MODEL CODE

The Committee received a report which detailed the standards arrangements in place for members of Buckinghamshire Council and provided an update on progress of the Model Code of Conduct being drafted by the Local Government Association (LGA). The new code for Buckinghamshire Council was similar to that of South Bucks, as was the adopted complaints procedure. The Monitoring Officer clarified that there would be training and information provided to all members of the Buckinghamshire Council as many would be unfamiliar with these new standards procedures.

Further, the LGA had progressed with a national model code of conduct which was due to be published for consultation on 16 March. Although circumstances with COVID-19 may affect timescales, the Chairman would be consulted on a proposed response to the consultation on behalf of the Council.

Following discussion, it was **RESOLVED** that:

1. The Code of Conduct and complaints procedure for Buckinghamshire Council be noted.
2. The Monitoring Officer be authorised to respond to the Local Government Association consultation, in consultation with the Chairman of the Audit and Standards Committee.

36. **COMPLAINTS MONITORING REPORT 2019/20**

The Committee received a report which detailed complaints received by the monitoring officer in 2019/20 where it had been alleged that members had breached the code of conduct. Following an increase in complaints in 2018/19 these had subsided in 2019/20 with just three received. Complaints were made against South Bucks Councillors rather than any Parish councillors. Allegations were varied and none had justified a referral for investigation following the Monitoring Officer's consultation with the Independent Person and Chairman.

Following discussion, it was **RESOLVED** that the complaints information for 2019/20 be noted.

37. **ANNUAL GOVERNANCE STATEMENT 2019/20**

The Committee considered a report which provided members with sufficient evidence to conduct the statutory review of the effectiveness of the authority's governance framework / system of internal control, and approve the statutory Annual Governance Statement for 2019/20. The Annual Governance Statement would be published and included in the annual Statement of Accounts. In usual circumstances this would be signed off by this Committee although as the five legacy councils in Buckinghamshire would no longer exist from 1 April, all accounts and Annual Governance Statements would be presented to the Audit and Governance Committee of Buckinghamshire Council for formal sign off.

Apologies were given to the Committee as appendix 4, as initially published referred to Chiltern District Council rather than South Bucks. This would be rectified and replaced in the published agenda pack. The Committee was advised that there had only been very minimal changes from the previous year, where there had been minor changes these had been highlighted in the appendices. Issues which required highlighting in terms of governance moving forward would be passed on to Buckinghamshire Council. These issues included the need to identify service risks arising from legacy councils, the establishment of a corporate risk register, the need for a clear, detailed scheme of delegation to officers and the requirement to ensure a sound business continuity plan was in effect.

Following discussion, it was **RESOLVED** that following a review of assurances provided and having considered whether there were any other significant gaps in control/assurance the Annual Governance Statement be approved.

38. **INTERIM PROGRESS REPORT**

The Committee received the internal audit interim progress report from TIAA which detailed the progress of audits undertaken since the previous meeting and highlighted the planned audit work to be completed by the end of March 2020. The vast majority of reports had been completed and signed off with the others in progress, with most having been issued in draft form. Where recommendations had not been implemented these would be put into a report by TIAA and provided to the internal auditors of Buckinghamshire Council. There were two priority 2 recommendations which were outlined on pages 71 and 72 of the reports pack. One of these related to the complaints system, of which the new Council would have its own system which would pick up the issues raised.

In relation to audits on housing and homelessness it was confirmed that since the report was published these had received substantial assurance and had been signed off. It was also clarified that the waste service reference related to the full procurement process from planning the project through to evaluating tenders. This had received reasonable assurance.

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

39. ANNUAL INTERNAL AUDIT REPORT

The Committee considered the internal audit annual report for 2019/20 provided by TIAA. The report summarised the outcomes of the reviews carried out on the organisation's framework of governance, risk management and control. The report was designed to assist the Council in making its annual governance statement. Apologies were given on behalf of the internal auditor for references to Chiltern District Council which should read as South Bucks District Council. A revised version would be provided and published. The audit assessments had all receive substantial assurance with none achieving limited or no assurance.

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

40. FOLLOW UP REPORT OF ALL OUTSTANDING RECOMMENDATIONS

The Committee received a report which detailed the final follow up review by TIAA of all outstanding internal audit report recommendations and established the management action that had been taken in respect of the priority 1, 2 and 3 recommendations arising from internal audit reviews.

It was noted that where it had not been completed in the report the comments column would be completed by TIAA prior to the final version being circulated to Members. This included the instances where recommendations had not yet been implemented to ensure clear reasoning was provided. Further the date of the final report for the Planning and Economic Development Enforcement audit had not been input, this appeared to be an error and would also be updated for the final version.

Outstanding recommendations would be passed on to the audit team for Buckinghamshire Council so that a view could be taken on how to follow up for compliance.

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

41. EY AUDIT PLANNING REPORT

The Committee received the Audit Plan prepared by the Council's external auditors Ernst & Young LLP (EY). This set out how EY intended to carry out its responsibilities as auditor and provided the Committee with a basis to review the proposed audit approach and scope for 2019/20 in line with regulations. The provisional audit plan summarised the initial assessment of the key risks driving the development of an effective audit for the Council and outlined the planned audit strategy in response to those risks.

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The audit plan would provide Buckinghamshire Council with a conclusion on South Bucks' arrangements to secure economy, efficiency and effectiveness in its use of resources. Due to the impact of COVID-19 the Committee was advised that the deadline for the work to be completed had been pushed back from 30 July to 30 September although it was recognised by the external auditors that this work would be best completed sooner rather than later as it could become difficult with new systems and personnel in place within the new Council. Therefore the plan was that the main audit would commence on 1 June and be completed by the end of that month with the final report being presented to Buckinghamshire Council's Audit and Governance Committee in July.

At this early stage it was recognised that property valuations could be an issue with investment prices expected to drop significantly. Another inherent risk would be pension valuation. It was clarified that materiality considerations remained the same as the previous year and a definition of materiality and how it could be applied at different levels was given to the Committee. In general, £906k was used for planning materiality, although unadjusted errors use a much lower threshold.

There had been no value for money risk assessment undertaken this year although the Committee was informed that this would be kept under review throughout the audit. The fees were detailed on page 115 of the agenda pack and no variations were expected.

The Committee was advised that there was adequate resource within the new Council to meet the timetables discussed by EY. Officers were able to work remotely if they were unable to be in the office due to the COVID-19 restrictions and plans were being progressed to ensure that EY would be able to gain access to the Council's systems in the most appropriate manner. Further, it was confirmed that Grant Thornton would be the external auditors for the new Council.

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

As this was the last meeting of the Audit and Standards Committee for South Bucks District Council, the Chairman, on behalf of the Committee thanked officers and internal and external auditors for their help and support over the years.

The meeting terminated at 6.59 pm