

Declarations of Interest

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

S U P P L E M E N T A R Y A G E N D A 1

8. Audit Committee

To receive and consider the recommendations of the minutes of the meeting of the Audit Committee held on the 5 July 2017.

Minutes 5 July 2017

(5 - 10)

The next meeting is due to take place on Wednesday, 15 November 2017

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MINUTES OF THE AUDIT COMMITTEE (SBDC)

5 July 2017

Present: Mr D Smith (Chairman)
Mr Anthony and Mr Sangster

In attendance: Mr Trevor Dobson

3. MINUTES

The minutes of the meetings held on 16 March 2017 and 23 May 2017 were confirmed and signed by the Chairman as a correct record.

4. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Paul Griffin

5. DECLARATIONS OF INTEREST

There were no declarations of interest.

6. COMPLAINTS MONITORING REPORT 2016/17

Members considered a report about complaints received by the monitoring officer during the financial year 2016/17 alleging that Members have breached the code of conduct. Whilst there had been a slight increase in the number of complaints received; with 3 complaints about SBDC Members and 1 about a town/parish councillor, it was noted that none of the complainants pursued the matter further following receipt of the monitoring officer's acknowledgement letter providing details about the behaviours covered by the code of conduct and Stage 1 of the complaints procedure. Furthermore in 2 of the SBDC complaints the conduct concerned was not carried out in the councillors' official capacity and therefore fell outside the code of conduct. The table at 3.5 was corrected to record that 1 town/parish council and 3 SBDC allegations fell under the category of failure to treat others with respect.

Members queried the wording and relevance of the monitoring form included in the member complaints procedure and the monitoring officer agreed to review its inclusion having regard to development of a new joint corporate complaints procedure for Chiltern and South Bucks District Councils by the Head of Customer Services. Having noted that the monitoring officer will consider including a refresher on standards of behaviour and the principles of conduct in public life in future training for members, it was:

RESOLVED

That the complaints information for 2016/17 be noted.

7. REVIEW OF POLICY ON GIFTS AND HOSPITALITY

The Committee considered a report on adopting a Protocol on Gifts and Hospitality as set out in Appendix 2 to the report. The monitoring officer informed the Committee that the proposed protocol would consolidate existing sources of advice and guidance, set out general principles which members should apply when deciding whether it would be proper to accept any gift or hospitality, provide examples of low value items that may be accepted, together with a procedure for recording and obtaining specific consent for the acceptance of other gifts and hospitality. In response to a Member question on how to determine the limit of the value to declare, the Committee were reminded that the Code of Conduct set a limit of £50 for declaration of gifts or hospitality as a personal interest and the proposed Protocol also included advice on what was considered to be small value gifts/hospitality.

After consideration of the draft Protocol at Appendix 2, the Audit Committee agreed to:

RECOMMEND to Council the adoption of the Protocol on Gifts and Hospitality.

8. APPOINTMENT OF AN INDEPENDENT PERSON

Members considered a report proposing to extend the term of office of one of the Council's two Independent Persons. It was noted that Mr Dobson had been appointed since 2012 and that his term was coming to an end. In response to a question about whether Chiltern and South Bucks could combine Independent Persons, Members were informed that each authority has to approve the appointment by a majority vote at Full Council and a proposal for pooling Independent Members across the County was considered in 2012 but did not proceed. However, it was noted that the possibility of a pool of Independent Persons would be looked at again for future appointments. The Audit Committee agreed with the proposed extension and therefore,

RECOMMENDED

That Full Council extend the term of office of Mr Trevor Dobson as Independent Person for a further 2 years.

9. STANDARDS WORK PROGRAMME 2017/2018

Members received and considered the Standards Work Programme for 2017/2018. It was noted that the item, Guidance for Directors of Companies fully/partly owned by the public sector, had slipped to the next Audit Committee meeting and would include detailed guidance for both Members and officers.

RESOLVED

That the Standards Work Programme 2017/2018 as amended be noted.

10. **TIAA INTERNAL AUDIT REPORTS 2016/17 AND 2017/18**

The Committee considered the three internal audit reports together; the Annual Assurance Report 2016/17 and Progress Report 2016/17 from TIAA, as well as a report on the progress against the Annual Plan 2017/18. Regarding the Annual Assurance report the Committee was pleased that TIAA were in the position to give a positive audit opinion on the Council's risk management, control and governance processes. There had been no instances of audits giving a limited assurance, and there was evidence of audit recommendations being implemented.

With regards to the Progress Report 2016/17, Members were advised that all the audit work had been completed and only a few draft reports were being finalised and these would be presented at the next meeting.

On the 2017/18 Audit Progress report members expressed very clearly the importance of the internal audit of Homelessness as Members were very concerned about this area following a recent report to the Resources PAG on the writing off of two large arrears cases. Members were assured that the audit work which would be commenced in July 2017 and reported to the next meeting would be thorough. Members were informed that for this audit the full report would be provided to the Committee, and this would include the schedule of current cases showing and housing benefit awarded, contributions from clients and arrears levels. The audit work would focus on any weaknesses in control or co-ordination between the various parts of the Council involved.

Regarding the rest of the Annual Plan for 2017/18, it was advised that for all items with the current status as 'in progress' would be considered at the next Audit Committee meeting, and the programme was on track.

RESOLVED

That the report be noted.

11. **ANNUAL GOVERNANCE STATEMENT 2016/17**

The Head of Finance informed Members that there was a requirement for the Annual Governance Statement to be included in the accounts and reviewed by the Audit Committee. Members were advised of several ways they can be assured that the Council delivers what it says it is going to deliver in line with the Council's aims and objectives. This included but was not limited to, assurance from internal and external audit reports, feedback from Management Team to Members, as well as other external audits or inspections. Business Continuity Management and the Council's Information Management policy and procedures were two areas that were highlighted where more work could be done. In response to a Member question regarding what would happen in the event that the IT systems fail at one location, the Committee heard that, in this eventuality, the other site can act as the backup or failover facility, and this is one of the benefits of joint working and having a common ICT infrastructure. Members were informed that officers were recommending the draft Governance Framework, which if approved by the Audit Committee, would be signed off by the District Council Leader and Chief Executive.

Members of the Audit Committee **RESOLVED** to

- **having review the assurances provided;**
- **considered whether there were any other significant gaps in control/assurance and concluded there were none; and**
- **approved the Annual Governance Statement.**

12. **SOUTH BUCKS DISTRICT COUNCIL ANNUAL FRAUD REPORT**

Members considered a report of the Anti-Fraud activity undertaken in 2016/17 and the action plan for 2017/18. The Director of Resources explained that in previous years the fraud report would have outline more activity around housing benefit fraud, but that this matter is now the responsibility of the Department of Work and Pensions (DWP), and so the Council focuses on Council Tax and Council Tax support fraud. It was noted that the Council highlights any activity regarding housing benefit fraud to the DWP, and that the DWP had a limited incentive scheme for local authorities related to reducing fraud and error. Members were advised that the main report discussed corporate fraud and noted that two issues were raised with regards to whistleblowing and although the cases were not substantiated, there had been some tightening around recruitment procedures. Members enquired as to how the Council discovered the 63 cases in section 3.12 of the report where Single Persons Discount had been withdrawn; it was heard that these cases had been highlighted by the National Fraud Initiative data matching exercise managed by the Cabinet Office.

RESOLVED

That the report be noted.

13. ERNEST & YOUNG (EY) AUDIT FEE LETTER

A letter had been received explaining how the audit fee would be calculated for work during 2017/18. Members were informed that the Public Sector Audit Appointments Ltd (PSAA) sets the indicative fee based on work done two years prior. In response to a Member question on PSAA contracts, it was explained that the PSAA had awarded 5 contracts nationally with audit firms to cover all local authorities; EY were pleased to inform Members that they had been awarded one of the contracts. The Committee were also informed that the Chiltern and South Bucks external audits were carried out by the same auditor as it was a more efficient way of doing so, and this would continue under the new contract. It was noted that the external audit work for 2016/17 was scheduled to be completed in July 2018. The Head of Finance enquired as to whether Members would want to receive a presentation from EY on the role of the Audit Committee or to receive the information electronically; the Committee were happy to have the information circulated electronically.

RESOLVED

That the audit fee for 2017/18 be noted.

14. AUDIT WORK PROGRAMME

The Audit Committee noted the work programme.

The meeting terminated at 7.29 pm

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