

AUDIT AND STANDARDS COMMITTEE

Meeting - 23 October 2019

Present: D Anthony (Chairman)
P Griffin and L Hazell

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

15. MINUTES

The minutes of the Audit and Standards Committee held on 10 July 2019 were approved as a correct record to be signed by Councillor Hollis who chaired the meeting.

16. DECLARATIONS OF INTEREST

There were no declarations of interest.

17. ANNUAL REVIEW OF CODE OF CONDUCT AND COMPLAINTS PROCEDURE

The Committee considered a report which considered whether the code of conduct and complaints procedures adopted by the Council in accordance with the Localism Act in 2011, remained fit for purpose.

The Committee was advised that the Code of Conduct, attached as Appendix 1, was first adopted by the Council in July 2012. At the meeting on 10 July 2019 the Audit Committee agreed to recommend to Full Council on 19 November 2019 that paragraph 8 of the current Code of Conduct be amended to remove the reference to Policy Advisory Groups.

The Council's current Complaints Procedure was reviewed and revised by the Committee in September 2017 and was attached as Appendix 2. Members were advised that the Monitoring Officer has received three formal complaints in the current financial year which were proceeding through Stages 1 and 2 of the procedure. Members noted that the Monitoring Officer was satisfied that the procedure remains fit for purpose.

RESOLVED

- 1 That the report be noted and no changes should be made to the Council's current code of conduct and complaints procedure.
- 2 That the recommendations agreed at the meeting on 10 July 2019 for paragraph 8 of the Code of Conduct to be amended to remove the reference to Policy Advisory Groups would be reported to Full Council on 19 November 2019.

18. **COMMITTEE ON STANDARDS IN PUBLIC LIFE ANNUAL REPORT**

The Committee considered the Committee on Standards in Public Life (CSPL) Annual Report for 2018-19.

The 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. The CSPL publishes an annual report and an extract from its 2018 -19 report was attached as an appendix. This contained the Forward by the Chairman, an overview of work undertaken during the year and the Committee's current work plan.

RESOLVED that the report be noted.

19. **STANDARDS WORK PROGRAMME**

The Committee received the Standards Work Programme.

RESOLVED that the Standards Work Programme be agreed.

20. **ANNUAL FRAUD REPORT 2018/19**

The Committee considered a report which detailed the anti-fraud and error reduction activity undertaken in 2018/19 in relation to Housing Benefit, Council Tax and Housing. The Revenues Fraud and Error Reduction Team are responsible for carrying out anti-fraud activity in relation to Housing Benefit and Local Council Tax Support and also provide assistance to Internal Audit, and all other service areas providing the main resource for fraud and irregularity matters.

The Committee noted that South Bucks District Council in 2018/19 had awarded £14,532,903 in Housing Benefit rather than £14,352,903 as was stated in the report.

The Audit, Fraud and Error Reduction Manager reported that the level of fraud and error within housing benefit had increased with more reviews but figures were lower than estimated by DWP so that the right outcomes were being reached.

A total of 166 high risk claims with self employed earnings were reviewed across both authorities with 76 of the cases resulting in a reduction of cessation of Housing Benefit.

There had been an increase in single person discount errors being falsely claimed but this was mainly through error and was not malicious. With errors these normally were backdated for the year. Members noted that errors were discovered through a data matching exercise between the electoral roll and council tax. This had resulted in £50,000 saving.

A Member asked how money was recovered and was informed that it could be through the normal council tax recovery procedures or from ongoing benefit, invoiced or attachment to earnings.

RESOLVED that the report be noted.

21. INTERNAL AUDIT COMPARISON REPORT - 23 OCTOBER 2019

The Committee considered a report which provided a comparison of assurance levels over time so that any trends or measures which may have impacted upon the control framework at the Council could be identified.

Members noted that there had been one advisory report relating to documentation of health and safety contractor arrangements but following discussion with the Head of Service action had been taken to address the recommendations.

Members welcomed the report, particularly that most recommendations were either 'substantial' or 'reasonable'.

RESOLVED that the report be noted.

22. INTERNAL AUDIT PROGRESS REPORT - 23 OCTOBER 2019

The Committee received the Internal Audit progress report from TIAA which showed the progress of audits since the previous meeting.

The Committee noted that no emerging risks has been identified which could impact on the overall effectiveness of the governance, risk and internal control framework of the Council. TIAA were working to get all draft reports finalised by the end of March 2020.

A Member asked a question with reference to the ICT Annual Network Audit where five recommendations had been made. Appendix B showed all five recommendations which were priority 2 which were either completed or ongoing.

RESOLVED that the report be noted.

23. 2018/19 STATEMENT OF ACCOUNTS

Members received a report which presented the Statement of Accounts for 2018/19, which could be seen at Appendix 1 on pages 93-176 of the agenda pack.

The Council set its budget for 2018/19 to take account of the continuing material reduction in funding to the Authority and incorporated over £600,000 of savings, budget reductions and increased income. The net cost of services for the year was £10,407,000 and income from Council Tax was £7,566,000

The key movements in the Authority's usable reserves are as follows.

- The General Fund Balance increased by £793,000 to £3,193,000 and earmarked reserves decreased by £3,639,000 to £1,602,000.
- The Authority's Capital Receipts Reserve were fully utilised in 2018/19. This is because receipts of £359,000 were used to fund the capital investment programme.

The key movement in the Authority's unusable reserves is as follows.

The Pensions deficit decreased by £1,492,000. The accumulated estimated pension fund deficit now stands at £28,737,000. The Director of Resources reported that the liability with regard to the Pension Fund was higher than expected due to a legal case (£371k) (the McCloud case).

Total capital expenditure for the year amounted to £5,335,000 which was financed from internal capital receipts, borrowing and central Government grants. Total reserves were £9,769,000.

Members noted that the deadline for Member approval and final publishing was not later than 31 July, unless the external audit had not been concluded. The External Auditors had not been able to conclude the audit because of resourcing issues, which impacted on a number of Councils and Members wanted it to be made clear that the delay was not the fault of the Council. Members were concerned of the risk of EY's resourcing issue repeating for the 2019/20 accounts audit, and the impact that would have on the Council's finance team and that of the new Council's. Members were concerned about the reputation and possible financial consequences that could result. As EY were unable to attend the meeting they were unable to comment on these points. Members suggested EY may be in a position at the next Audit Committee meeting to provide an update on their resourcing situation.

SBDC have various major ongoing projects with capital commitments, such as 801 & 811 Bath Road, which is almost complete and Tatling End development.

Reference was made to Consilio Property Limited which was the wholly owned local authority trading company to facilitate income generation. Consilio is a significant company and was required to produce its own Group Accounts .

The Committee and the Head of Finance thanked the Finance Team, in particular Victoria Green for their hard work in preparing the accounts.

RESOLVED that the final 2018/19 Statement of Accounts be approved and that delegated authority be given to the Chairman of the Audit and Standards Committee and the Director of Resources to sign the Statement of Accounts in accordance with the Accounts and Audit Regulations.

24. **ERNST AND YOUNG 2018/19 ACCOUNTS AUDIT REPORT SBDC**

Members considered the Annual Audit Results Report from external auditors Ernst & Young (EY). The executive summary covered the key areas and the Committee was pleased to be informed that subject to the satisfactory completion of the outstanding items set out in appendix B of the audit report, EY expected to issue an unqualified opinion on the Authority's financial statements and that no significant issues had been discovered.

RESOLVED that the report be noted.

25. **AUDIT COMMITTEE WORK PROGRAMME (SBDC)**

RESOLVED that the work programme for the Audit Committee be agreed.

The meeting terminated at 6.45 pm

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