



Audit Committee

Date: 16 November 2017
Time: 7.00 pm
Venue: Committee Room 1
District Council Offices, Queen Victoria Road, High Wycombe Bucks

Membership

Chairman: Councillor M C Appleyard
Vice Chairman: Councillor R J Scott

Councillors: G C Hall, M Hanif, A Lee, Ms C J Oliver, N J B Teesdale and R Wilson

Standing Deputies

Councillors P R Turner, D A C Shakespeare OBE, C Whitehead and K Ahmed

Fire Alarm - In the event of the fire alarm sounding, please leave the building quickly and calmly by the nearest exit. Do not stop to collect personal belongings and do not use the lifts. Please congregate at the Assembly Point at the corner of Queen Victoria Road and the River Wye, and do not re-enter the building until told to do so by a member of staff.

Filming/Recording/Photographing at Meetings – please note that this may take place during the public part of the meeting in accordance with Standing Orders. Notices are displayed within meeting rooms.

Agenda

Item		Page
1	Apologies for Absence To receive any apologies for absence.	
2	Minutes To confirm the minutes of the meeting held on 21 September 2017.	1 - 7
3	Declarations of Interest To receive any disclosure of disclosable pecuniary interests by Members relating to items on the agenda. If any Member is uncertain as to whether an interest should be disclosed, he or she is asked if possible to contact the District Solicitor prior to the meeting. Members are reminded that if they are declaring an interest, they should state the nature of that interest whether or not they are required to withdraw from the meeting.	

Item		Page
4	2017/18 Service Performance: Q2 (July – September)	8 - 14
5	Business Assurance Manager's Half Yearly report	15 - 21
6	Treasury Management Mid-Year Report 2017/18	22 - 29
7	Audit Committee Work Programme	30 - 31
8	Information Sheets	32 - 41

Submission of Information Sheets in so far as they affect this Committee. Members are reminded to give 24 hours notice if they wish to ask a question on an Information Sheet to ensure that an answer can be given at the meeting.

The following Information Sheet is attached:

03-2017 Health & Safety 2017-18– mid-year progress report

04-2017 Update on the Local Code of Governance Action Plan

9 **Supplementary Items**

If circulated in accordance with the five clear days' notice provision.

10 **Urgent Items**

Any urgent items of business as agreed by the Chairman.

For further information, please contact Jemma Durkan on 01494 421635, committeeservices@wycombe.gov.uk

Audit Committee Minutes

Date: 21 September 2017

Time: 7.00 - 8.30 pm

PRESENT: Councillor M C Appleyard (in the Chair)

Councillors G C Hall, Ms C J Oliver, R J Scott and N J B Teesdale.

Also present: Sue Gill (External Auditor, Ernst & Young)
Councillor D Watson

14 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr, T Lee, Cllr R Wilson and Maria Grindley, Ernst & Young.

15 MINUTES

RESOLVED: That the minutes of the meeting held on 15 June 2017 be confirmed as a correct record and signed by the Chairman.

16 DECLARATIONS OF INTEREST

There were no declarations of interest.

17 2017/18 SERVICE PERFORMANCE: Q1 (APRIL – JUNE)

The Committee were provided with an update on a selection of the corporate performance measures for Q1 (April – June).

It was reported that regarding the average time for processing new housing benefit /council tax claims that this had a cumulative figure of 26 days with a target of 20 days (The national average is said to be 22). This was an improving figure with the in-month performance figure for May at 27.5 days; reduced to 21 days for June. It was noted that the revenues and benefits team had a higher turnaround at the start of the financial year due to other workload pressures

Regarding the tonnage of household waste recycled there had been a reduction in the amount of paper and card collected. This had resulted in a drop in the figures for the quarterly recycling rate in comparison to the same period last year. It was noted that this was a national trend and a result of the reduction in the amount of packaging used by retail companies. The Chairman noted that the target figure for this measure may need to be reviewed in the future.

The Chairman noted the positive performance outcomes in the report and congratulated staff on this success.

RESOLVED: That the 2017/18 Services Performance Q1 (April – June) be noted.

18 AUDIT, RISK AND FRAUD MANAGER'S ANNUAL REPORT

The Audit, Risk and Fraud Manager's Report 2016-17 was presented and Members received an update of the work of the Internal Audit Service

The report included an update of audit reviews completed in the last year, including analysis of the responses of the customer satisfaction questionnaires issued on completion of each audit, and a detailed progress report.

The Audit, Risk and Fraud Manager reported that his overall opinion was that significant assurance could be given in relation to the core financial reviews undertaken in 2016/17. There was a generally sound system of internal control designed to meet the Council's objectives and that controls were generally being applied consistently.

It was noted that concern had been raised regarding the need to implement and embed a formal structure for the programme management and project development arrangements. This had been raised as an observation in the 2015/16 Opinion report. It was reported that the Corporate Director had been reviewing the system and this would be discussed with the Strategic Management Board prior to the implementation of any agreed changes.

The Audit, Risk and Fraud Manager highlighted that the Corporate Investigations Team had followed CIPFA's principal framework and during the first year had:

- developed a Tackling Fraud and Corruption Plan
- designed a corporate fraud risk register process for development with individual services;
- offered and delivered training to relevant services and will continue with relevant services.

Also the working relationship with Thames Valley Police had been formalised with the creation of a service level agreement and the team would continue to assist them with any ongoing investigations.

In response to a query relating to the lack of formal structure for programme and project arrangements it was noted that draft terms of reference had been drawn up however there was no current timeframe.

It was agreed that an update would be provided in the Audit, Risk and Fraud Manager's half yearly report.

A query was raised regarding the Criminal Finances Act 2017 which would come into force at the end of September and the Audit, Risk and Fraud Manager would investigate if any element of this law would apply to local government.

RESOLVED: That the Audit, Risk and Fraud Manager's Annual Report for the year to 31 March 2017 be noted.

19 APPROVAL OF 2016/17 STATEMENT OF ACCOUNTS

The Chief Accountant, Hasina Shah and Financial Manager, Brenda Watson presented the Statement of Accounts for 2016/17.

The Committee were taken through key figures in the Accounts and were also asked to note the Annual Governance Statement for 2016/17 which had been signed by the Leader and Chief Executive.

Hasina Shah summarised the key factors affecting the Council's accounts:

- This year the accounts had been prepared one month earlier than usual in readiness for the earlier schedule of the 2017/18 statement of accounts.
- The £10m difference in the net expenditure for 2015/16 to 2016/17 was related to the impairment of the new leisure centre and the valuation regarding professional fees.
- The figure for the movement in the fair value of Investment Properties had increased from £104,950 in 2016 to £120,508 in 2017 mainly due to new acquisitions and valuations.
- The Short Term Debtors figure had decreased due to payment of debts during 2016/17.
- Changes in pension assumptions had increased the liability related to the Defined Benefit Pension figure.
- There had been some movement in the discounting scheme liabilities.

It was noted that there had been no significant movement in the Statement of Accounts in comparison to the previous year.

In response to a query it was noted that the earmarked reserves in relation to transformation was protected and any request for funds had to be signed off by the Section 151 officer.

The Chief Accountant informed the Committee that if there were minor amendments to be made to the Statement of Accounts, that authority to approve the final accounts be delegated to the Head of Finance and Commercial in consultation with the Chairman.

The Chairman thanked the officers for the report.

RESOLVED: That

- i) the Statement of Accounts for the financial year ended 31 March 2017 be approved;
- ii) the Annual Governance Statement for 2016/17 alongside the Statement of Accounts be noted; and
- iii) the Head of Finance and Commercial, following consultation with the Chairman be authorised to make any final amendments to the Accounts arising from outstanding audit work prior to the signing of the accounts by the auditor.

20 THE HIGGINSON PARK CHARITY

The Committee noted the Higginson Park Charity Accounts for 2016/17 with a net expenditure of the trust of £162k with assets worth £5,503m. Members noted that the Council provided a small subsidy in relation to the Leisure Centre contract and due to the income increase of the sports facilities this subsidy had reduced.

Recommended: That the Higginson Park Trust Annual Report and Accounts for 2016/17 be recommended to Council for approval.

21 TREASURY MANAGEMENT ANNUAL REPORT 2016/17 AND PRUDENTIAL INDICATORS

The Committee received a report produced for the end of the financial year in respect of Treasury Management as required the by Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice. The report outlined the treasury management activities and performance for 2016/17.

Members noted that:

- The total Capital Expenditure for 2016/17 was £14.017m.
- At the end of 2016/17 the Council did not have any external borrowing.
- The investments were at £74.627m with an average rate of return at 0.67%.

RESOLVED: That the treasury management report for 2016/17 be noted.

22 EXTERNAL AUDITOR'S ISA 260 AUDIT RESULTS REPORT

Apologies were received from Maria Grindley, the responsible EY partner and signature to the accounts. External Auditor, Sue Gill, presented Ernst & Young's Audit Results Report and findings from the 2016/2017 audit. The Committee were informed that the auditors proposed to issue an unqualified opinion on the financial statements and Value for Money Opinion. The audit results had demonstrated that the Council had prepared its financial statements adequately.

Information was provided at the meeting on areas identified in the Audit where the External Auditor place reliance on experts. The External Auditor advised they were considering the information provided by Price Waterhouse Coopers regarding pension disclosures and whether the methodologies used by the external specialist (Actuary) were robust. It was noted that this could impact on the Audit Plan for next year and could lead to unacceptable assumptions. A more detailed exercise with the external specialist pension auditor would be taking place next year.

The Chairman was concerned that there was no industry standard across the auditing/accounting bodies regarding this matter. He requested that a further detailed statement be provided to the Chief Executive and the Section 151 Officer on the matter.

RESOLVED:

- i) That Ernst & Young provide a statement to the Chief Executive and Section 151 Officer regarding their position on the external pension auditor and their methodologies
- ii) That the Auditor's Results Report be noted.

23 PROPOSED AMENDMENTS TO WYCOMBE DISTRICT COUNCIL'S TREASURY POLICY

The Committee received a report which outlined proposed amendments to the Treasury Policy.

The Head of Finance and Commercial explained that the Council currently has the ability invest in indirect property funds. Under its Treasury Strategy the Council did not currently allow for investment directly in property for Treasury purposes. Also delegated power to approve investments would be required to widen the Council's ability to invest in property funds.

Recommended: That

- i) The use of property investments, direct and indirect, to achieve improvements in Treasury Yields, up to a maximum investment value of £15,000m, as outlined below (a & b) be recommend to Council;
- ii) The delegated powers as set out in paragraphs a & b below, be recommend to Council;

- a) To approve the investment of up to £7.500M, [in accordance with the Council's existing strategy], in one or more indirect property funds and to delegate power to the Section 151 Officer, after consultation with the Portfolio Holder for Finance, and after receipt of advice from Capita Assets with due regard to security and liquidity, to approve such investments subject to the limitation that funds to be invested in would be restricted to those that are already utilised by one or more other Local Authorities and offering in excess of 4% return/yield at the time that the investment is placed.
- b) To approve the direct investment of up to £7.500M in commercial property for Treasury Yield purposes only, and to delegate power jointly to the Chief Executive (or in her absence the Corporate Director) and the Section 151 Officer, after consultation with the Leader (or in her absence the Deputy Leader) and the Portfolio Holder for Finance to approve such acquisitions and disposals.
- iii) The use of appropriate borrowing, if appropriate schemes become available be endorsed, and that authority be provided for Cabinet to approve borrowing up to the Councils agreed ceiling, if appropriate schemes are available, be recommended to Council.

24 AUDIT COMMITTEE WORK PROGRAMME

The Audit Committee work programme as appended to the agenda was reviewed by the Committee.

RESOLVED: That the forward work programme be noted.

EXCLUSION OF PUBLIC AND PRESS

RESOLVED: That the Press and Public be excluded from the meeting during consideration of the following item as it contains exempt information as defined in Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, more particularly as follows:

Minute 25 – Strategic Risk Register Monitoring Report

Information relating to the financial or business affairs of any particular person (including the authority holding that information (Paragraph 3, Part 1 of schedule 12A, Local Government Act 1972)

[The need to maintain the exemption outweighs the public

interest in disclosure because disclosure could prejudice the Council's position in any future tender process or negotiations]

25 QUARTER 1 - STRATEGIC RISK REGISTER MONITORING REPORT

The Committee received a report which provided an update on the Strategic Risk Register for Quarter 1, 2017/18. The Audit, Risk & Fraud Manager provided specific information on various risks and amendments to the register.

RESOLVED: That the Strategic Risk Register for Quarter 1 2017/18 be noted.

Chairman

The following officers were in attendance at the meeting:

Jemma Durkan	- Senior Democratic Services Officer
Mike Howard	- Business Assurance Manager
Aisha Bi	- Policy Officer
Hasina Shah	- Chief Accountant
Brenda Watson	- Financial Manager
Stuart Mcgregor	- Interim Head of Finance & Commercial

Agenda Item 4

2017/18 SERVICE PERFORMANCE: Q2 (July – September)

Officer contact: Aisha Bi DDL: 01494 421981, Email: aisha.bi@wycombe.gov.uk

Wards affected: All

PROPOSED DECISION

To review performance as at 30 September 2017 to ensure that the Council is performing at the appropriate level.

Corporate Implications

1. Corporate business planning and monitoring contributes to the discharge of the Council's functions as authorised by Section 111 of the Local Government Act 1972.
2. Quarterly monitoring of performance enables areas of under-performance to be identified and remedial action to be taken in 'real time' so that there are no surprises at year end.
3. The quarterly monitoring of the quality of the data ensures that it is fit for purpose for decision making and complies with the characteristics of good data quality as set out by the Audit Commission and embedded within the Council's performance management framework and data quality policy.

Executive Summary

4. This report provides an updated of all the corporate performance measures for Q2 (July – September). Appendix A provides 12 corporate performance measures that are also reported to Strategic Management Board, and Cabinet.

Sustainable Community Strategy/Council Priorities - Implications




5. Performance measures provide an additional information with regard to the achievement of key objectives and support the aims of the Sustainable Community Strategy and the Council's Priorities as set out in the Corporate Plan.

Background




6. The Council corporately reports 42 performance measures. A report providing an update on these performance measures is circulated to Strategic Management Board, Cabinet, and Audit Committee each quarter.

Consultations

7. Service performance was considered by Strategic Management Board on 25 October 2017 and Cabinet on 13 November 2017.

Performance Symbol Key	
	Measure has exceeded target by more than 5%
	Measure is within +/- 5% of target
	Measures is more than 5% away from target
n/a	Measure has no target set as used for data collection only

Corporate overview

Service Area				N/A
Democratic, Legal, and Policy	-	1	-	2
Community	-	-	-	4
Environment	2	6	-	6
Planning	2	3	2	-
HR, ICT & Shared Support Services	3	3	-	-
Finance	-	4	1	3
Total	7 (17%)	17 (40%)	3 (7%)	15 (36%)
Q2 Last year	8 (20%)	17 (41%)	3 (7%)	13 (32%)

Other Key Exceptions and Issues

Average time for processing new HB / CTB claims (days)

26 days and target of 20 days: During this quarter we have seen a slight dip in performance due to a combination of sickness and inability of contractors to provide processing resources on demand.

Achieve 100% cost recovery of work that attracts a charge

93.6% and target of 100%: There is a slight backlog in invoicing for inspection fee, however we expect year end outturn to be within budget.

Percentage of fee earning BC work carried out in-house

77% and target of 82%: Although we tend to see market share fluctuates through the year. We are also working to benchmark with neighbouring authorities to determine whether it is an isolated or more widespread issue and therefore determine what action is best taken. Currently awaiting benchmark data from neighbouring authorities.

Community Portfolio		2016/17 Actual	2017/18 Targets	Q1	Q2		Snapshot* *Q1 2015/16 to present
Code	Measure				Actual	Alert	
CS001a	Number of users of Wycombe Leisure Centre	702,780	Data Only	186,777	163,150	Data Only	
Comment:	During this quarter a similar number of users visited the Wycombe leisure centre when compared to the same period last year (166,525).						
CS002	Number of visits to Wycombe Museum	N/A	Data Only	21,392	15,182*	Data Only	
Comment:	During July and August 15,182 visitors visited the Wycombe museum; the figures for September have not been provided by Wycombe Heritage and Arts Trust. (*provisional performance figure)						

Page 10

Agenda Item 4

Environment Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2		Snapshot* *Q1 2015/16 to present
Code	Measure				Actual	Alert	
NI192 (JWS5)	% of household waste reused, recycled and composted	52%	56%	54.2%	53.8%		
Comment:	Overall the residents of Chiltern and Wycombe are continuing to produce less waste overall than expected. We are slightly below target for this performance measure. We expect to see an increase in food waste recycled over the coming months as the team are currently running a food waste recycling project which began on 9th October. The project provides all residents with an information pack, sample caddy liners and a sticker on their refuse bin reminding them that food waste can be recycled.						





Measures have exceeded target by more than 5%



Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Environment Portfolio		2015/16 Actual	2016/17 Targets	Q1	Q2		Snapshot* *Q1 2015/16 to present
Code	Measure				Actual	Alert	
BV082ai (JWS1)	% of household waste recycled	25.2%	23.6%	20.7%	23.2%	●	
BV082aii (JWS3)	Tonnage of household waste recycled	24,879	6,289	5,294	5,877	●	
Comment:	Many manufacturers and online retail companies are reducing the amount of cardboard used in their packaging and this is impacting on the amount of household waste recycled.						
BV082bi (JWS2)	% of household waste composted	27.1%	32.3%	33.4%	30.5%	●	
BV082bii (JWS4)	Tonnage of household waste composted	26,301	8,616	8,514	7,734	●	
Comment:	Once again ideal growing conditions and an ever increasing number of subscribers for garden waste collections in Chiltern have caused the target to be exceeded. We expect to see an increase in food waste recycled over the coming months as the team are currently running a food waste recycling project which began on 9th October. The project provides all residents with an information pack, sample caddy liners and a sticker on their refuse bin reminding them that food waste can be recycled.						

Page 11

Housing Portfolio	2015/16	2016/17	Q1	Q2	Snapshot*
-------------------	---------	---------	----	----	-----------




Measures have exceeded target by more than 5%



Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Code	Measure	Actual	Targets	Actual	Actual	Alert	*Q1 2015/16 to present
ES006	Number of people in temporary accommodation (TA)	82	N/A	85	109	N/A	
	Bed and Breakfast (family units)			16	28		
	Saunderton Lodge			27	32		
	Registered Provider			39	46		
	WDC retained properties			3	3		
Comment:	The increase in the number of people in temporary accommodation is in line with a rise in demand over the summer months; and also in part due to delays with the handover of a number of new build housing units allocated to households in temporary accommodation that were due to be ready in September but have been delayed until October onwards.						
ES009	Percentage of people who approach WDC prevented from becoming homeless.	NEW PI	N/A	80%	78%	NA	NEW PI – No data to show
	Number of people prevented from becoming homeless			120	130		
	Number of people who approached WDC for housing advice/ assistance			150	167		
Comment:	Replacement measure for number of people prevented from becoming homeless through WDC advice; to provide more context to the prevention work completed by the housing team.						

Page 12

HR, ICT and Customer Services Portfolio	2015/16	2016/17	Q1	Q2	Snapshot*
--	----------------	----------------	-----------	-----------	------------------



Measures have exceeded target by more than 5%



Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Code	Measure	Actual	Targets	Actual	Actual	Alert	*Q1 2015/16 to present
BV12	Sickness Absence	6.5	6.8	6.7	7.01		
Comment:	The Council's sickness absence rates continue to be low compared to others in the sector. According to the Local Government Workforce Survey, the average number of days sick per employee in local government is 8.8 days. Our figure is slightly above our target due to a number of long term absences that HR have been case managing in a number of these cases the employees have now successfully returned to work or left the Council.						
HR002	% of all calls to CSC abandoned	3.8%	5%	3.1%	3.1%		
	Number of calls abandoned	6,667		897	1,449		
	Total number of calls	175,944		28,733	42,667		
Comment:	Performance was within target for this quarter, Overall satisfaction levels based upon quarterly survey was 98.4% at the end of September 2017 with 90.4% of calls being resolved at first point of contact.						

Page 13

Planning Portfolio		2015/16 Actual	2016/17 Targets	Q1 Actual	Q2 Actual Alert		Snapshot* *Q1 2015/16 to present
Code	Measure						



Measures have exceeded target by more than 5%



Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

NI157a	% of MAJOR applications determined in 13 weeks	72%	60%	89%	100%		
	Determined in 13 weeks	34		8	6		
	Number determined	47		9	6		
Comment:	Above the government minimum set target of 60%.						



Measures have exceeded target by more than 5%



Measures have met or are within +/- 5% of target



Measures are more than 5% away from target

Agenda Item 5

Business Assurance Manager's Half Yearly Report

Officer contact: Michael Howard

Direct Line: 01494 421357

Email: mike.howard@wycombe.gov.uk

Wards affected: All

PROPOSED DECISION

That the Business Assurance Manager's half yearly report for the period ending 30th September 2017 be noted.

Corporate Implications

- 1 The Business Assurance Manager's provides regular reports on the progress of the work undertaken in the Internal Audit, Risk and Corporate Investigations Division.

Executive Summary

- 2 The purpose of the report, contained in Appendix 1 is to provide the Audit Committee with an update on the progress of the Internal Audit, Risk and Corporate Investigations Division, in the first 6 months of 2017/18.
- 3 The report provides an update as regards the delivery of Internal Audit's work programme.
- 4 Following the summary of the work of Internal Audit is an update of the work of the Corporate Investigations Team.

Background Papers

None

INTERNAL AUDIT, RISK MANAGEMENT AND CORPORATE INVESTIGATIONS

BACKGROUND

The Division consists of three service elements, Internal Audit, Risk Management and Corporate Investigations.

SUMMARY OF THE WORK OF INTERNAL AUDIT

Background

The purpose of this report is to provide the Committee with an update on the progress on delivering the Audit Programme that was agreed by this Committee at its meeting in June 2017.

Due the composition of the 2017/18 audit programme, the number of audits that have been undertaken in the first 6 months is low. This is primarily the result of a reduced audit programme and the need to schedule core financial reviews in order that any testing schedules are based on a representative sample of completed transactions.

However we have completed the following two reviews:

Parking Services (carried forward from 16/17)

Commercial Leases (carried forward from 16/17)

There is one review that is currently work in progress:

Use of Agency and Consultants IR35

Scheduling of the remaining programme is outlined below:

AUDIT REVIEW	START DATE
Corporate Debt Management	15 th January 2018
Creditors	5 th February 2018
Payroll	19 th February 2018
Main Accounting and Budgetary Control	13 th November 2017
Council Tax and NNDR	8 th January 2018
Council Tax Support and Housing Benefits	4 th December 2017
Income System	22 nd January 2018
Fixed Assets and Inventories	23 rd October 2017

AUDIT REVIEW	START DATE
Premises Alcohol Licences	13 th November 2017
Review of Homeless	16 th October 2017
Private Sector Housing	16 th January 2018
Local Lottery Scheme - review of governance arrangements	4 th December 2017
Planning Enforcement	5 th March 2018
Planning Performance Agreements	5 th March 2018
VAT Review	19 th February 2018
High Level Cyber Security review	TBC

Attached at appendix A to this report is a description of the audit opinion used when assessing the effectiveness of the systems of internal control.

SUMMARY OF THE WORK OF RISK MANAGEMENT

At an operational level, work was undertaken as part of the 2017/18 service planning process to ensure that the risks that could adversely affect service delivery were adequately recorded in the Services' operational risk register(s).

A strategic risk register (SRR) has been in place during 2017/18, with quarterly reporting to Strategic Management Board and half yearly reporting to both the Audit Committee and Leaders Strategic Briefing.

It is anticipated that following a re-fresh of the corporate plan, that the content of the SRR will need to be reviewed.

SUMMARY OF THE WORK OF THE CORPORATE INVESTIGATIONS TEAM

Background

The Council's Corporate Investigation Team has a staffing complement of 1 FTE Corporate Investigator, currently filled on a part time basis by two officers (38 hours).

A key feature of creating the new Team allowed us the opportunity to review and refine operational processes in order to best maximise the resources available. This has resulted in the way in which the new team is promoted both internally and externally at the Council and we will continue to pursue other avenues in order to raise its profile.

In September, the Team delivered a Member seminar outlining the work of the Corporate Investigations Team.

The table below provides an illustration of the types and number of referrals that the Team has received, up to September 2017, and those which after the completion of a risk assessment have been taken on for investigation. A comparison has been made as regards the same period in 2016/17.

Type of Fraud	Categories	2017/18 TOTAL (Sept)	2016/17 TOTAL (Sept)
CTR	Number of referrals received	24	30
	Number of referrals investigated	15	12
	Number of referrals that failed the risk assessment stage	9	18
SPD, DISCOUNTS AND EXEMPTIONS	Number of referrals received	7	19
	Number of referrals investigated	7	10
	Number of referrals that failed the risk assessment stage	0	9
Internal Fraud	Number of referrals received	0	0
	Number of referrals investigated	0	0
	Number of referrals that failed the risk assessment stage of referrals closed	0	0
Tenancy Fraud	Number of referrals received	0	1
	Number of referrals investigated	0	0
	Number of referrals that failed the risk assessment stage	0	1
Housing Option Fraud (false allocation of social housing)	Number of cases received	1	4
	Number of cases investigated	1	3
	Number of referrals that failed the risk assessment stage	0	1
NNDR Fraud	Number of referrals received	5	2
	Number of referrals investigated	2	2
	Number of referrals that failed the risk assessment stage	3	0
Environmental	Number of referrals received	2	6
	Number of referrals investigated	2	3
	Number of referrals that failed the risk assessment stage	0	3
DPA requests from Thames Valley Police	Number of queries	59	111
	DPA requests from other agencies	Number of queries	29

Sanctions and Prosecutions

As more referrals are investigated by the Corporate Investigations Team, consideration is given to the potential outcome and what level of sanction could be applied. There are three types of sanctions that can be administered:

Caution – this is a formal, final warning that stays on a person’s record with WDC and is used in the less serious cases. The person involved has to have admitted the offence for a caution to be used. In these cases, the recovery of any overpayment is also sought.

Penalty – this is a “fine”. Any benefit overpayment is increased by up to 50% and the person involved signs an agreement to repay the penalty as well as the overpayment. This has been changed with effect from 01/04/2013 with the penalty level being a minimum of £100 to a maximum of £1000 of any benefit adjustment.

Prosecution – in the more serious cases the Councils’ Legal Service will instigate court proceedings against the person involved.

The aim is to focus the work of the Corporate Investigation Team to increase the number of sanctions in order to act as a deterrent to those committing fraud.

This is reflected in the work of the Section and all referrals are risk assessed to identify those cases that will potentially be more effective to investigate and lead to deterrents. All cases put forward for deterrent actions are monitored and, as necessary, further advice is sought from the Council’s Legal Service.

A higher level of evidence is required on those cases where either a Caution or Penalty is offered. If a person does not accept a Caution or Penalty the normal course of action would be for the case to be considered for court proceedings.

The issue of a Caution is dependent on an admission of the offence. The caution is held on record for five years and can be cited in court should the claimant be found guilty of a further benefit offence.

The Penalty has no standing in law and is up to a 50% penalty of the overpayment and is payable in addition to the repayment of any overpaid discount/exemption.

It is our intention that successful prosecutions will be publicised in the local press and placed on the Council website and intranet site as a deterrent against fraudulent behaviour.

Council Tax Reduction and Discretionary Housing Payments

The monetary value of the overpayments identified as a result of an investigation into Council Tax Reduction and Discretionary Housing Payments was £11,270.,

Council Tax Single Person Discounts

The monetary value of single person discounts to which there was no valid eligibility was £5,167.

AUDIT OPINION

On completion of an audit review, any recommendation made to Management as regards the requirement to improve the internal control framework in place is rated as follows:

PRIORITY 1 – Fundamental: action that we consider essential to ensure that the Authority is not exposed to high risk.

PRIORITY 2 – Significant: action that we consider necessary to avoid exposure to significant risks.

Based on the number and priority of recommendations we provide an opinion as to the overall control environment in the area reviewed. This will be at one of four levels.

Level 1 - Urgent system revision is required:

- Key controls do not exist.
- Lack of procedures, or procedures not being followed.
- Council rules and regulations and/or statutory requirements are not complied with.
- Objectives are not being met.
- Information is unreliable.
- Assets are vulnerable.
- Risks are not being effectively identified and managed.

With a high risk of loss, fraud, impropriety, or damage to reputation.

Level 2 - Improvements in application of controls are required:

- Key controls exist but they are not applied, or significant evidence that they are not applied consistently and effectively.
- Procedures exist but are inadequate and/or ineffective. Modification required.
- Objectives are not being met, or are being met without achieving efficiency and effectiveness.
- Some assets may be at risk.

- Major shortfalls may exist in risk management.
- Information inaccuracies may occur.

With an Increased risk of fraud, impropriety, or damage to reputation

Level 3 - Controls are in place, but improvements would be beneficial:

- Key controls exist but there may be some inconsistency in application.
- Compensating controls are operating effectively and generally procedures are adequate.
- Objectives generally achieved except for some identified weaknesses.
- Some procedures, laws and regulations may not be properly complied with.
- Some assets may not be safeguarded.
- Some information may be unreliable.
- Minor shortfalls in risk management.

With some risk of loss, fraud, impropriety, or damage to reputation

Level 4 - Strong controls are in place as demonstrated by:

- Key/compensating controls exist and are applied consistently and effectively.
- Objectives are being achieved efficiently, effectively and economically.
- Risks are managed.
- Procedures, laws and regulations are complied with.
- Assets are safeguarded.
- Information is reliable.
- Small number of relatively minor recommendations to address.

With a minimal risk of serious loss or error

Agenda Item 6

Treasury Management Mid-Year Report 2017/18

Wards affected: All

Officer Contact: Hasina Shah: Hasina.shah@wycombe.gov.uk

Shaina Aziz: Shaina.aziz@wycombe.gov.uk

Proposed Decision

That the treasury management mid-year report for 2017/18, covering the period 1 April 2017 to 30 September 2017 be considered and noted.

Corporate implications

To promote effective financial management and comply with the Local Authorities (Capital Finance and Accounting) Regulations 2003 and other relevant guidance. Treasury management activity plays a significant part in supporting the delivery of all the Council's corporate priorities

Background

1. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially, before considering optimising investment return.
2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the likely borrowing needs of the Council. Essentially the purpose of longer term cash flow planning is to ensure the Council can meet its capital spending operations. The management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn, may be restructured to meet Council risk or cost objectives.
3. Accordingly, treasury management is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Introduction

4. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) has been adopted by this Council.

5. The primary requirements of the Code are as follows:
 - a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
 - d. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is The Audit Committee.

6. The purpose of this report is specifically to meet one of the above requirements, namely the mid-year report of Treasury Management activities. The report details progress during the year against the Strategy approved by Council on 23 February 2017 and covers the following:
 - Treasury position as at 30 September 2017 (paragraphs 07-08);
 - A review of the Council's Investment (paragraphs 09-14) and Borrowing strategy for 2017/18 (paragraphs 15 to 16);
 - A review of compliance with Prudential Indicators (paragraphs 17 to 23); and
 - An economic update (Appendix A) provided by Capita Asset Services.

Treasury Position as at 30 September 2017

7. As at 30 September 2017, the Council did not have any external borrowing and the treasury investments were £90.6m earning an average rate of return at 0.64%. The Treasury position is summarised in the table below:-

	As at 30 September 2017		As at 31 March 2017	
	Principal £m	Average Rate %	Principal £m	Average Rate %
Total Investments	90.6	0.64%	74.6	0.67%
Total Borrowing	0.0		0.0	

8. On one occasion the Council exceeded its £4m limit with its own banking services provider Natwest Plc. The excess balance position arose due to unexpected cash being received late in the day and treasury staff not being able to place the funds with another suitable counterparty due to the financial markets being closed. On this occasion investments with Natwest Plc were brought within the approved limit at the first available opportunity. Aside from

this one occasion, the Council has complied with its approved investment strategy.

Review of Investment Strategy

9. The Council remains cautious by placing security and liquidity considerations ahead of income generation. With Bank Rate at its low at 0.25% it is impossible, at comparable risk levels, to invest at interest rates commonly seen in previous decades. Yields available in the short term during the period are outlined in the table below:

Deposit Rates	30th September 2017
Overnight rates	0.20
One month	0.20
Three months	0.25
One year	0.60

10. The Council held £90.6m of investments as at 30 September 2017 compared with £74.627m at 31 March 2017. The investment portfolio yield for the first six months of the year is 0.64% against the three months LIBOR of 0.23%. The increase in investments is primarily due to the timing difference between the collection of Council Tax and Business Rates and the payments to major preceptors.
11. The Treasury strategy approved by the Council in February 2017 allows Council to invest in indirect property funds. However, it did not allow for investment directly in property for Treasury purposes. The Council on 9th October 2017 approved the use of property investments, direct and indirect, to achieve improvements in Treasury Yields, up to a maximum investment value of £15.000m.
12. Council is considering an investment of £7.500m in the CCLA Property Fund during the next quarter. The forecast yield for the CCLA Local Authorities Property Fund is in estimated to be around 4.00%.
13. Council will also consider any direct property investments opportunities which would generate better yields.
14. The table below sets out the treasury position as at 30 September

	As at September 2017		As at March 2017	
	£m	%	£m	%
Specified Investments				
Banks & Building Societies	38.6	43%	32.6	44%
Locals	7.0	8%	9.0	12%
Money Market Funds	27.0	30%	22.0	30%
Non-Specified Investments				
Banks & Building Societies	13.0	14%	6	8%
Gilt	5.0	6%	5	7%
Total	90.6	100%	74.6	100%

Review of Borrowing Strategy

15. The Council does not have any external borrowing and none has been taken out during the six month period to 30 September 2017.
16. With low interest rates and counter party risks, the Council's strategy continues to utilise internal borrowing to support the capital programme. However, the Council, at its meeting on 9 October 2017, approved borrowing up to the agreed ceiling. External borrowing will therefore be considered if appropriate schemes become available and it is cost effective to pursue such borrowing.

Compliance with Prudential Indicators

Prudential Indicator - Capital Expenditure

17. The Council's capital programme is the key driver of Treasury Management activity. The output of the capital programme is reflected in the statutory prudential indicators. The table below summarises the capital expenditure and funding for the current financial year.

	Original Estimate	Revised Estimate	Forecast Outturn
	£m	£m	£m
Capital expenditure	16.985	19.705	16.202
Financed by:			
Capital receipts	2.099	0.000	0.000
Capital grants	0.500	0.972	0.800
CIL & Section106	4.951	5.796	5.071
Revenue	9.435	12.937	10.331
Total financing	16.985	19.705	16.202

18. The above table shows revised capital programme for the year of £19.705m. However, as at 30 September 2017, £16.202m was forecast to be spent in the current financial year with the remainder being deferred to future years.

Prudential Indicator - Capital Financing Requirement

19. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). It represents the cumulative 2017/18 and previous years' net capital expenditure which has not yet been funded by revenue nor other resources, but has been paid for by borrowing from internal existing cash balances.

Capital Financing Requirement	Estimate	Forecast
	£m	£m
Opening Balance	6.352	6.864
Less MRP (Waste Contract leases)	(0.918)	(0.918)
Closing Balance	5.434	5.946

Prudential Indicator – Operational Boundary and Authorised Limits

20. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. The table below highlights the Council's gross borrowing position against the CFR.

	Estimate	Forecast
Gross borrowing	£18.00m	£2.388m
CFR	£5.434m	£5.946m
Authorised Limit	£19.000m	£19.000m
Operational Boundary	£18.000m	£18.000m

21. The Council has complied with this prudential indicator. The Head of Finance and Commercial reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.
22. **The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level.
23. **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

Background papers: Appendix A - Treasury Management strategy approved by Council in February 2017

Appendix A - Economics and interest rates

Economics update

UK. After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. . The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

It therefore looks very likely that the MPC will increase Bank Rate to 0.5% in November or, if not, in February 2018. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in

November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

EU. Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter 2 (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.

USA. Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

3.2 Interest rate forecasts

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
50yr PWLB rate	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

Capita Asset Services undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in MPC policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate "over the coming months". It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be as to whether the MPC will stop at just withdrawing the emergency Bank Rate cut of 0.25% in August 2016, after the result of the EU withdrawal referendum, or whether they will embark on a series of further increases in Bank Rate during 2018.

The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU, and when.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Fed. Funds Rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Agenda Item 7

Wycombe District Council


DRAFT AUDIT COMMITTEE WORKPLAN

Work Programme – January 2018 – October 2018

Title & Subject Matter	Contact Officer	Training
25 January 2018		
Draft Audit Committee Annual Report Proposed Annual Report of the work of the Audit Committee which is published on the Council's website.	Business Assurance Manager	
Annual Review of the Risk Management Policy Review of the Council's Risk Management Policy and proposed changes	Business Assurance Manager	
Treasury Management Strategy 2018/19 Proposed Annual Treasury Management Strategy for 2018/19.	Chief Accountant	
Ernst & Young Annual Audit Plan & Annual Fee Letter The Council's external auditors work plan for 2017/18 including their work on the Statement of Accounts, Value for Money opinion and grant claims. Also the proposed audit fees for 2017/18.	Chief Accountant	
2017/18 Q3 Services Performance Report Report providing information on specific performance indicators from October to December.	Corporate Policy Officer	
Certification of Grants and Claims Annual Report Report from the Council's External Auditors on the results of their work of the 2016/17 Housing Benefit Subsidy Claim	Revenues and Benefits Manager	
Health & Safety Work Programme 2018/19 Proposed Annual Health and Safety Action Plan for 2018/19.	Shared Services Support Manager	
31 May 2018		
Internal Audit Plan A report setting out the proposed Internal Audit coverage for 2018/19.	Business Assurance Manager	
Regulation of Investigatory Powers Act Annual Report	Principal Solicitor	

Title & Subject Matter	Contact Officer	Training
Update on the use of these powers by the Council in performing its enforcement activities.		
2017/18 Q4 and End of Year Services Performance Report Report providing information on specific performance indications from January to March 2018.	Corporate Policy Officer	
Health and Safety Annual Report Report providing an update on health and safety issues and key health and safety statistics for 2017/18	Shared Services Support Manager	
Annual Review of the Anti-Fraud and Anti-Corruption Policy Review of the Anti-Fraud and Corruption Policy for 2018.	Business Assurance Manager	
Draft Annual Governance Statement To consider the draft Annual Governance Statement for 2018/19	Business Assurance Manager	
Audit Committee Terms of Reference – Self-Assessment of Good Practice Report considering the annual review of the terms of reference in accordance with CIPFA	Business Assurance Manager	
26 July 18		
Approval of 2017/18 Statement of Accounts Report to approve to 2017/18 Statement of Accounts	Chief Accountant	
External Auditor’s ISA 260 Audit Result Report To consider Ernst & Young’s Audit Results Report and findings from the 2017/18 audit.	Chief Accountant	
Higginson Park Trust Annual Report and Accounts for 2017/18 To consider the Higginson Park accounts for recommendation to Council.	Chief Accountant	
25 October 18		
Treasury Management Annual Report 2017/18 & Prudential Indicators	Chief Accountant	
2018/19 Q1 Service Performance Report	Policy Officer	

Agenda Item 8

 WYCOMBE DISTRICT COUNCIL	INFORMATION SHEET
Audit Committee	
Issue No: 03-2017	Date Issued: 07 November 2017
Health and Safety – 2017/18 mid-year progress report	
Officer contacts: <ul style="list-style-type: none">• Paul Spencer, Shared Support Services Manager - 01494-421107• Pat Beveridge, Health & Safety Advisor (Bucks CC) - 01494-421973• Chris Greenaway, Health & Safety Co-ordinator – 01494-421066	

Executive Summary

1. Every financial year the corporate Health & Safety team leads the development of an annual work programme, which sets out key priority activities to further improve the Council's safety and resilience.
2. The annual work programme is developed in collaboration with WDC services to reflect their operational risks, and progress is monitored regularly by the Council's Health, Safety and Wellbeing Operational Group.
3. The Audit Committee received the 2017/18 work programme at its meeting in March 2017. Members requested a 6 month information update on progress against the plan, for their meeting in November 2017.

Sustainable Community Strategy/Council Priorities - Implications

4. People – The Health & Safety at Work Act recommends that an effective management structure and arrangements are in place delivering the policy, ensuring that all staff are motivated and empowered to work safely and to protect their long term-term health including their mental health. Stress remains the topmost reason for staff absence.

Background and Issues

2017/18 work programme

5. The delivery of the agreed work programme is one of the major elements of the Health and Safety Team's work. Progress is monitored closely, and is reported quarterly at the Health, Safety and Wellbeing Operational Group meetings. Any significant issues that cannot be resolved at these meetings are escalated to the Strategic Management Board (SMB) and where necessary to the Audit Committee.
6. A summary of progress against the 2017/18 work programme is attached as Appendix A. This shows that the majority of actions are currently on track.

WDC Health and Safety Policies and Procedures

7. WDC adopted BCC's set of Health and Safety Policies and Procedures last year; work is continuing to update and amend these policies to reflect WDC's arrangements for managing health and safety.
8. Two Health & Safety checklists have been produced (one for all Managers and one for Property Managers) as a useful tool to check their compliance with the legislation and good practice. A workshop is being provided for Property Managers so that they understand the health and safety issues associated with managing a property e.g. the risks of managing asbestos, Legionella etc.

Key WDC Premises

9. Key Wycombe District Council premises have continued to be inspected regularly during the last 6 months
 - Booker Depot was inspected on 3 October 2017; the significant improvements of health and safety management seen at the last inspection in March have been maintained. A short action plan has been produced. The depot will be inspected next in March 2018.
 - Saunderton Lodge: Following the Grenfell Tower tragedy, Health and Safety inspected Saunderton Lodge and examined the fire procedures. Bucks Fire and Rescue inspected the premises on 12 July 2017 and graded the fire arrangements as satisfactory (please note that the Fire Service grade premises only as either satisfactory or deficient). Health and Safety will inspect the premises next in January 2018.
 - Wycombe Resource Zone was inspected in May 2017. The next inspection will be in May 2018 as only very minor issues were identified.

Health and Safety Performance 1st April 2017 to 30 September 2017

10. In the first 6 months of 2017/18 there have been 3 recorded accidents (2 play incidents), and 1 near miss - none of them was serious. 4 people were added to the Cautionary Contact Register for aggressive/abusive behaviour. These are similar numbers to the first 6 months for 2016/17.

	Incidents recorded	Serious incidents (RIDDOR)
Accidents	Q1 = 0 Q2 = 3 Annual total = 3	Q1 = 0 Q2 = 0 Annual total = 0
Near misses	Q1 = 1 Q2 = 0 Annual total = 1	Q1 = 0 Q2 = 0 Annual total = 0

Violence or abuse at work	Q1 = 3	Q1 = 0
	Q2 = 1	Q2 = 0
	Annual total = 4	Annual total = 0

Health and Safety Training

- 11. The Council continues to give a high priority to ensuring that all staff are fully trained in relevant aspects of health and safety. So far this year 23 staff have attended 11 different training courses. Additional personal safety courses are also planned for later this year.

Health and Safety Service Audits

- 12. As part of the Health and Safety partnership with Bucks CC, the County Council Audit team carries out two independent health and safety audits per year of WDC services. Community Services and HR, IT and Shared Services are due to be audited early in 2018.

Health and Safety Resourcing - update

- 13. The Service Level Agreement (SLA) with Bucks County Council that started on 1 December 2014 continues to work extremely well. The current partnership ends on 31 March 2018; we are looking at the options for a further two years SLA. The current agreement ensures that BCC provide WDC with a strategic service, which includes acting as the Council’s competent person (a legal requirement), providing a part-time advisory presence on site at the QVR offices and access to the comprehensive Buckinghamshire County Council health and safety training programme.
- 14. The BCC contribution is complemented by an on-site WDC Health and Safety team, and by a network of service leads who take responsibility for ensuring health and safety actions are fully in place across all WDC services and premises.

Conclusions

- 15. Good progress has been made against the 2017/18 work programme. The number of accidents and incidents in the last six months is very low. Health and safety training continues to be a priority. The health and safety partnership with Bucks County Council is working well, and we are now seeking to extend it for a further 2 year period.

Next Steps

- 16. Work to progress the work programme will continue. An end of year report will be brought to the Audit Committee in June 2018.

Background Papers

None

HEALTH & SAFETY

CORPORATE WORK PROGRAMME 2017-18 Progress as at 30 September 2017

Costs – there are no additional costs attached to actions other than staff costs unless stated - funding will be from existing budgets.

Activity area	Improvement action	Timescale	Owner	Current RAG Status	Progress update
A - Training Programme	A1 - Develop 2018 corporate training programme	By end Dec 2017	H&S team		New programme being developed with County Health and Safety Team and Learning and Development at Buckinghamshire County Council.
	A2 - Induction training (as required)	As required	H&S team		Course provided 13 June 2017 and 27 September 2017
	A3 – Explore potential for e-learning induction module for employees	By end October 2017	H&S team		
B - WDC Health and Safety Policies and Procedures	B1 – Ongoing review and updating of WDC H&S policies	Ongoing	H&S team		A number of policies have been updated already
	B2 – Develop new WDC policy for bomb threats and terrorist incidents	By end July 2017	H&S team		Delayed, but a first draft has been prepared, and is due for SMB consideration in October.
	B3 – Develop new WDC guidance for use of drones (to be linked to emerging national guidance)	By end December 2017	H&S team		Completion date put back to December 2017 as still waiting for national guidance. Guidance for private and commercial use is available on CAA website
	B4 – Ensure stress risk assessments are being carried out by all WDC service areas	Ongoing	H&S & HR teams		Some managers attending training in Supporting Mental Wellbeing reported being unaware of the Stress Management Policy and the Stress risk assessments. Need to advertise policy more widely and check on progress with team stress

Activity area	Improvement action	Timescale	Owner	Current RAG Status	Progress update
					risk assessments.
	B5 – Promote use of job based risk assessments across all WDC service areas	Ongoing	H&S team		Roll out information on job based risk assessments
C - Auditing, monitoring and inspection of services	C1 – Complete 2 service audits (Community Services, and HR/ICT/SSS)	By January 2018	BCC audit team		Agreed to request from BCC for audits to be delayed until January 2018
	C2 – Refresh 7 service action plans, and ensure they are being delivered	By end May 2017 (plus quarterly monitoring)	H&S team		All services have plans in place – progress to be monitored at HSWBOG meeting 17 October 2017
D Communications activity DSE 36	D1 – Monthly H&S communication	Ongoing	H&S team		Articles have appeared in Talking Point on DSE Assessments, the use of Varidesks and advertising the Workstation Event.
	D2 – Review & improve H&S presence on new Council Intranet (Wycopedia)	By end December 2017	H&S team		Launch of Wycopedia project was delayed until October, but Wospace content has been updated. Wycopedia needs to reflect the same health and safety content as Wospace
E – H&S governance	E1 – Complete full review of Bucks/WDC SLA	By end October 2017	PS/PB/BCC		Initial meeting held with BCC on 30 June 2017. Broad agreement on areas of focus. Meeting to discuss options for providing service to be arranged during Q3
	E2 – Review new internal governance structures (following changes made in January 2017)	By end January 2018	PS/PB		New arrangements seem to be working well, but will be formally reviewed later in 2017

Activity area	Improvement action	Timescale	Owner	Current RAG Status	Progress update
F – Property management	F1 – Review role of property managers with regard to their H&S responsibilities	By end December 2017	H&S & FM teams		New manager’s guidance has been prepared. Presentation produced for workshop with Property Managers. Workshop to be arranged for November/December when it is hoped that Facilities Management’s I2 database will be available to Property Managers
G – Online reporting	G1 – Implement online accident reporting tool (AssessNet)	By end October 2017	H&S team & Service leads		Assessnet is now live. Key H&S officers have attended training on software. A new accident form that reflects all the fields on the database will be available shortly. Completed forms should continue to be sent to Health and Safety for entering on the database
	G2 - Develop online DSE self-assessment process (Healthy Working provided by Cardinus)	By end Dec 2017	H&S team		Due date put back as provider of system (Cardinus) having to rebuild system due to it becoming corrupted when merged with SAP. BCC now looking at other providers to provide this software

Agenda Item 8



INFORMATION SHEET

Audit Committee

Issue No: 04/2017

Date Issued: 7 November 2017

Update on Local Code of Governance Action Plan

Officer contact: Michael Howard – Business Assurance Manager 01494 421357

Introduction

The Audit Committee were informed of the Councils' corporate governance arrangements at their meeting on 15th June with a key feature of those arrangements being the introduction of a Local Code of Governance (the Code).

Included with the Code was a series of Areas of Improvement, owned by a nominated senior Action Owner who has operational responsibility for that area of work. The Areas for Improvement were agreed by the Action Owner and the Strategic Management Board as the implementation of the improvements were designed so as to complement and enhance the Councils existing governance arrangements.

It was agreed that an update as regards the progress in implementing the individual actions would be provided to the Strategic Management Board who are responsible for ensuring that the Councils conducts its business activities in accordance with sound governance principles.

Appendix 1 provides details as regards the level of implementation, as at September 2017, of the agreed areas for improvement.

A Contact Name is shown above and Members are asked to contact that person if they have any queries etc.

The Press is reminded that the Council's procedure is for ALL Press enquiries to be routed via the Communications Office on High Wycombe 421230/421625.

LOCAL CODE OF GOVERNANCE ACTION PLAN – September 2017

No	Area for Improvement	Owner	Update – September 2017
1	Consider introducing an Annual report outlining the work of the Standards Committee, detailing: training provided number of referrals and outcomes, any outside assurance as regards operational processes.	District Solicitor	<p>Agreement reached with the Standards Chairman that a report will be submitted to Standard Committee – 10th October 2017, proposing that an annual report is presented each Spring to full Council summarising the previous year's work and outcomes.</p> <p>Key date – Standards Committee 10th October 2017.</p>
2	Reminder to be issued to All Members of the need to ensure that all disclosures are made.	District Solicitor	<p>A reminder to all Members providing guidance on declaration of interests and Gifts and Hospitality disclosures was included in the Members' Update - 7th September 2017.</p> <p>A report is also to be presented to Standards Committee on 10th October recommending that full Council approve guidance on the circumstances when members should and should not accept offers of gifts and hospitality, to be appended to the Member Code of Conduct.</p> <p>Key date: Standards Committee 10th October 2017.</p>
3	Consideration is given to compiling an annual report that details, where as a Council, it has learnt from the outcome(s) of a complaint.	Head of Democratic Legal and Policy	<p>Due to the resignation of the post holder and the need to ensure service resilience this work stream is currently on hold pending recruitment.</p> <p>A 2017/18 Annual report picking up learning points will be produced at the year end and shared with Strategic Management Board ahead of publication.</p>
4	Review to be undertaken as regards the: currency of the Whistle Blowing policy, approval process: Member and Officer awareness.	Head of HR, ICT & Shared Support Services	<p>Revisions made to existing WB Policy by Human Resources and Internal Audit.</p> <p>Following agreement by SMB, Policy is to be presented to the Personnel and Development Committee 4th October 2017.</p> <p>Once agreed by the P& D Committee, officers will be informed of the new Policy.</p> <p>Key dates: P&D Committee approval 4th October 2017 Deployment of WB policy to officers (TBC)</p>

No	Area for Improvement	Owner	Update – September 2017
5	Further work to be undertaken in 2017/18 in the Democratic, Legal & Policy Team consisting of a review covering both the Constitution and the wider decision making & governance arrangements.	Head of Democratic Legal and Policy	<p>A report has been taken to Regulatory and Appeals Committee in July 2017 setting the review of the Constitution in motion. A further report is due to go to the next meeting in October /November.</p> <p>Key date: Regulatory and Appeals Committee 30th October 2017.</p>
6	Review to be undertaken of current corporate Plan objectives to refresh and update.	Head of Democratic Legal and Policy	<p>A timetable has been set out and agreed with Leaders Strategic Briefing (LSB) for revising the current Corporate Plan.</p> <p>Work has started on the revisions with Strategic Management Board (SMB) with a report being presented to Cabinet in November 2017.</p> <p>Key date: Cabinet meeting in November 2017.</p>
7 Page 40	Review to be undertaken to assess the purpose and applicability of the quarterly financial and performance process.	Head of Finance and Commercial (S151)	<p>Head of Finance & Commercial and the Chief Accountant have reviewed the information provided to Cabinet Quarterly. The format and content of the report has been revised and is more succinct and focused on key information and highlights areas of variance/concern and guides the Cabinet to those areas they may need to take action on.</p> <p>In 2018-19, it may be appropriate to consider reporting to Cabinet based on distorted quarters, ie 2months, 3 months, 3 months, 4 months so allowing for mid two reports to be more timely and enable informed decision making.</p>
8	Review to be undertaken to refresh and update the current Communications strategy.	Head of Democratic Legal and Policy	<p>This is linked to the refresh of the Corporate Plan, timetabled for November 2017 and then work will start on the Communications strategy.</p> <p>Key date - revised Communications strategy to be in place from April 2018.</p> <p>In addition a review of the governance arrangements regarding the use of social media by Members is to be submitted to the Standards Committee in October 2018</p> <p>In parallel, guidelines as to the use of social media by Officers is being considered by SMB and Joint Staff Committee.</p> <p>Key dates - two governance reviews to be completed by the end</p>

No	Area for Improvement	Owner	Update – September 2017
			of October and November 2017
9	Review to be undertaken to refresh and update the current Engagement strategy and toolkit	Head of Democratic Legal and Policy	Review to be undertaken to determine our approach i.e. making sure that Services frame engagement in the right context. Key date: review to be undertaken with a view to having updated guidance and a protocol in place from April 2018.

DRAFT