

Audit Committee Minutes

Date: 19 November 2015

Time: 7.05 - 8.55 pm

PRESENT: Councillor M C Appleyard (in the Chair)

Councillors S Saddique, A Lee, Ms C J Oliver, G Peart, C Whitehead and G C Hall,

Also present: Councillor D M Watson and S Gill (External Auditor, Ernst & Young)

27 MINUTES

RESOLVED: That the minutes of the meeting held on 24 September 2015 be confirmed as a correct record and signed by the Chairman.

28 APOLOGIES FOR ABSENCE

There were no apologies for absence.

29 DECLARATIONS OF INTEREST

There were no declarations of interest.

30 HEALTH & SAFETY MID-YEAR UPDATE

The Committee received a mid-year update on progress against the Health and Safety Work Programme for 2015/16.

The Shared Support Services Manager reported that only two actions had been delayed. These were as follows:

- a. G1 - review of the Council's Cautionary Contacts Register (CCR) - an initial review had been completed, and it was agreed that in order to protect employees it was still necessary for the Council to hold a list of names/details of customers who have previously been abusive and/or aggressive towards WDC employees. However, there had been concerns about the potential Data Protection issues of holding such a list which contains personal details. A solution, with appropriate safeguards, has now been found, and it was expected that the new CCR would be operational in December 2015.
- b. H1 - creation of an electronic process for reporting accidents (using the Bucks CC on-line tool) - this had been deferred to allow further exploration of the ICT implications, and to enable development work to be done in parallel with work to make the Display Screen Equipment assessment process

electronic. This was now expected to come into place in January 2016. It was noted that the paper based system was still in place.

It was reported that the Service Level Agreement with Bucks County Council providing Wycombe District Council with a strategic service had been extended for a further two years until March 2018. Performance against the SLA would be reviewed every quarter with the costs formally reviewed in October 2016.

The proposed work programme for 2016/17 would be brought to the Committee in March 2016, and the end of year report for 2015/16 would be provided in June 2016.

The Committee noted that two serious (RIDDOR) accidents had been reported during 2014/15. None had been reported in 2015/16 so far; however this figure could increase due to the higher risk during the winter months.

RESOLVED: That the Health and Safety Mid-Year Progress Report be noted.

31 REVIEW OF AUDIT COMMITTEE TERMS OF REFERENCE

The Committee noted that as part of the wider review of the Council's Constitution, each Committee was being invited to review its terms of reference.

This Committee's review would feed back into the wider review which was to be reported in its entirety for consideration to the Regulatory and Appeals Committee in early 2016.

RESOLVED: That the suggested Terms of Reference be agreed.

32 2015/16 SERVICE PERFORMANCE: Q1 (APRIL - JUNE) + Q2 (JULY - SEPTEMBER)

The Committee were provided with an update of all 54 of the corporate performance measures for Q1 (April – June) and Q2 (July - September). It was noted that an update report on these measures was circulated to the Strategic Management Board, Cabinet and Audit Committee each quarter. It had been requested at a previous Committee meeting that a more detailed account of the performance measures be provided for consideration.

Members made a number of points and received clarification on various queries as follows:

- Base data could be provided in future to give context on percentage figures;
- Performance measures were set by team leaders within Service Plans. Very few targets were set by central government. A briefing note would be provided to the Committee providing information on how the performance measures were produced and incorporated into service areas and the Corporate Plan;

- It was noted that 14 measures had been reported as red. The tolerance level for measures is set at 5%, however with some measures, such as Council Tax collection this is reduced to 0.5%. Some measures are calculated from small numbers and this can skew the tolerance as a result. There is scope for tolerance to be raised to allow more flexibility in such cases;
- The Council took part in a new national benchmarking scheme called LG Inform and ranked highly. Details of the scheme would be brought to the Committee as part of the briefing note;
- Comparable data was available on the CIPFA website;
- Historical data comparisons were made on an annual basis
- It was noted that the affordable homes delivered measure was an annual measure and should not have been included in this report. Detailed housing figures are also produced by Planning in the Annual Monitoring Report

It was requested that extra information be provided about the number of approved planning applications and the income that results from these to measure the pipeline housing consents not yet developed by year.

- Information on local spends and monitoring of payment of invoices was also requested to be provided to the Committee.

Members ranked performance measures into three categories. Key measures were ranked one and will be reported quarterly. Measures ranked two will be reported to members on an exception basis and those ranked three will be reported annually.

RESOLVED: That

- i) the summary of the year to date outturns (April – September) for service performance be received;
- ii) a briefing note be provided with information on how performance indicators are chosen and used in the as part of the service planning process and the ‘golden thread’ from staff objectives through to our new Corporate Plan;
- iii) details of the benchmarking scheme be provided;
- iv) a further report be provided detailing specific performance indicators as discussed.

33 TREASURY MANAGEMENT MID-YEAR REPORT 2015-16

The Financial Services Manager presented the Treasury Management mid-year report, covering the period 1 April to 30 September 2015.

Members noted the position on borrowing activity, interest rate forecast, investments, economic summary and performance against the indicators set by CIPFA. It was reported that the interest free loan of £3.3m secured through the Buckinghamshire Thames Valley LEP would be repaid from existing cash balances within the 2015/16 financial year.

With regards to the Bank of England base interest rate, it was noted that this remained at 0.5% and that short term investment rates had remained stable but historically very low.

Members were informed that the Treasury Management Strategy 2016/17 would be considered at the next meeting. It was agreed that a separate meeting would not be required to discuss the options regarding the new strategy however information could be circulated to Members in advance if comments were required.

RESOLVED: That the Treasury Management mid-year report for the period 1 April to 30 September 2015 be noted.

34 PUBLIC SECTOR INTERNAL AUDIT STANDARDS - UPDATE

The Committee considered a report on the implementation of the standards as set out in the Public Sector Internal Standards (PSIAS)

The Audit Risk and Fraud Manager explained that the Internal Audit Charter was a formal document that outlines the internal audit activity's purpose, authority and responsibility. The Audit Committee acting as the 'board', as defined in the PSIAS, provide final approval for the Internal Audit Charter.

Due to the change in membership of the Audit Committee following the District elections in May 2015 it was appropriate that the new Committee had the opportunity to consider the Charter and its role in demonstrating adherence to the PSIAS.

It was also noted that the PSIAS required that internal audit was part of a Quality Assurance and Improvement Framework (QAIP) to cover all aspect of the service and include both internal and external assessments.

RESOLVED: That

- i) the Internal Audit Charter 2015 be approved;
- ii) the content of the report in relation to the development of a Quality Assurance and Improvement Programme (QAIP) be noted and confirmed that it has covered the areas that will provide reasonable assurance that Internal Audit is:
 - Performing its work in accordance with its Charter
 - Operating in an effective and efficient manner
 - Is adding value and continually improving the service it provides.

35 AUDIT, RISK & FRAUD MANAGER'S HALF YEARLY REPORT

The Audit, Risk and Fraud Manager presented his progress update of the Audit, Risk and Fraud Division for the first six months of the 2015/16 financial year.

It was reported that the number of audits that had been undertaken was low due to a reduced audit programme, appointment of a new Internal Audit provider and the scheduling of core financial reviews. There had been one draft report issued, with two in progress and ten reviews were scheduled to be delivered during the remainder of the programme.

Members noted that the responsibility for the investigation of housing benefit transferred to the Department for Works and Pension in March 2015 and in order to investigate non housing benefit fraud a Corporate Fraud team was created. The team has been in existence since March 2015 and reports on outcomes would be available at the end of the financial year. It was reported that 167 referrals had been received in relation to Council Tax Reduction Approximately 120 of those referrals were a direct result of a match from the 2015 National Fraud Initiative whereby each match is reviewed and referred for further investigation. There had been 120 Data Protection Act requests from Thames Valley Police.

Members were informed that there were three types of sanctions: caution, penalty and prosecution, with the intention for these to act as a deterrent to those committing fraud.

Currently one case had been submitted to the court for Housing Application Fraud.

A refreshed publicity campaign in two main town centre car parks had been undertaken to inform members of the public on how to report suspected fraudulent activities to the Council.

Members requested that the table outlining the types of fraud be produced as a graph in future reports.

RESOLVED: That the Audit, Risk & Fraud Manager's Half-Yearly Report for the period ending 30 September 2015 be noted.

36 REVIEW OF STRATEGIC RISK REGISTER

The Committee received a report which presented the updated Strategic Risk Register for Quarter 2 (August – September 2015).

It was reported that there had been no change in the individual risk scores during this period and Risk Owners had been assigned to individual risks. A new risk would be added in December in relation to IT and would be assigned to the Head of HR, ICT & SSS.

RESOLVED: That the updated Strategic Risk Register monitoring report for Quarter 2 be noted.

37 ISSUES LOG

The Committee considered the issue log and issues completed. It was noted that a training session had taken place before the current meeting and would continue to take place before each meeting as identified in the training needs assessment.

RESOLVED: That the report be noted.

38 AUDIT COMMITTEE WORK PROGRAMME

The Audit Committee Work Programme as appended to the agenda was reviewed by the Committee.

RESOLVED: That the Audit Committee work programme be approved with the inclusion of a report on the Corporate Fraud Plan for January 2016.

Chairman

The following officers were in attendance at the meeting:

Steve Richardson	- Head of Finance and Commercial
Mike Howard	- Audit, Risk and Fraud Manager
Nisar Visram	- Financial Services Manager
Paul Spencer	- Shared Support Manager
Aisha Bi	- Policy Officer
Jacqueline Ford	- Corporate Policy Team Leader
Jemma Durkan	- Democratic Services