

Audit Committee Minutes

Date: 31 May 2018

Time: 7.00 - 8.04 pm

PRESENT: Councillor M C Appleyard (in the Chair)

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

Also present: Sue Gill (Ernst & Young) and Preeti Malik (Ernst & Young).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Maria Grindley, Ernst & Young.

2 MINUTES

RESOLVED: That the minutes of the meeting held on 25 January 2018 be confirmed as a correct record and signed by the Chairman.

The Chairman informed the Committee that he had today passed the EY letter (with regard to governance arrangements) over to the Head of Finance & Commercial, David Skinner, for which he apologised to EY for the delay.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 2017/18 SERVICE PERFORMANCE: ANNUAL

The Committee were provided with an update on a selection of the corporate performance measures for Q4 (January – March).

It was reported that of the 42 performance measures reported by the Council none were more than 5% away from target. It was noted that service performance had been considered by Strategic Management Board on the 16 May 2018 and were due to go before Cabinet on the 4 June 2018.

The follow issues were highlighted:

- **Average time for processing new HB / CTB claims (days)** – The actual figure for March was 20.6 days. It was noted that there was a national shortage of benefit staff hence both Northgate and CAPITA were unable to match requirements last year. However, the team were being proactive and were training up two council tax staff to learn benefits in the coming months.

- **% of programmed food premises interventions carried out** – The data provided was provisional and it was expected that the actual performance would be better as inspections could take place up to 28 days after due date. It was noted that although this quarter's performance was off target the end of year performance was within target.
- **2018/19 Performance reporting** – The role of performance reporting was to measure delivery against the corporate plan. It was noted that during 2017/18 the corporate plan had been refreshed which now outlined what the Council wanted to achieve up until 2020. The performance metrics would be updated to reflect the refreshed corporate plan.

In the ensuing discussion the following point was noted:

- That the targets were reviewed at least annually – it was noted that some were set and measured locally and some were set by the Government.

RESOLVED: That the 2017/18 Services Performance Q4 (January – March) be reviewed to ensure the Council was performing at the appropriate level.

5 HEALTH AND SAFETY ANNUAL REPORT 2017/18 & WORK PROGRAMME 2018/19

The Committee considered the Health and Safety Annual Report 2017/18.

It was reported that overall 2017/18 had been a relatively quiet year for health and safety with the lowest number of reported accidents and incidents for the last 3 years. Members were informed that a reminder had already been sent out to all staff to remind them to always report all incidents or near misses. It was noted that good progress had been made to tackle the relatively few risk areas (such as properties like Saunderton Lodge and Booker Depot) that did exist and all WDC service areas had been active to ensure that health and safety issues had been well managed. Members were informed that improvement plans for both Booker and Saunderton had been developed which included training and guidance.

It was reported that the vast majority of the agreed actions on the Health & Safety work programme for 2017/18 had been completed. It was noted that the exceptions had been the introduction of new software for accident reporting and undertaking DSE Assessments. Progress on implementing the two new systems had been suspended as a result of the decision by Bucks County Council not to renew the Service Level Agreement with WDC to provide a health and safety service beyond 31 March 2018. It was reported that a competitive tender process had taken place which had resulted in the Council going into a new one-year partnership with Aylesbury Vale District Council, which would be reviewed in Autumn 2018.

In the ensuing discussion the following points were noted:

- It was noted that whilst the Service Level Agreement with Bucks County Council had worked really well the new Service Level Agreement with Aylesbury Vale was more cost effective to the Council.

- That the Corporate Health and Safety team had received no further complaints from staff parking in Easton Street Car Park following the new interventions by Parking Services to deter rough sleepers. It was noted that the problem with drug users and dealers using the public toilets still remained.
- It was suggested that the Council could compare itself to other Local Authorities with regard to best practice, but it was recognised that the Council's risk profile was already low, and the prevalence of accidents and incidents was also very low.
- There was some discussion about how Health & Safety was managed by contractors working on behalf of the Council, and it was emphasised that whilst the contractors had the day to day responsibility for ensuring safe working practices, the Council still retained overall responsibility to ensure that this was happening. Officers were asked to ensure that all services were actively managing health & safety within service contracts.

RESOLVED: That the Health and Safety Annual Report for 2017/18 be noted.

6 EY AUDIT PROGRESS REPORT

The Committee received EY's audit progress report, which summarised the work to date on the 2017/18 audit.

Sue Gill, EY, reported that work was about to proceed shortly on the draft audit.

Preeti Malik, EY, informed Members of the key findings during their interim visit which were noted as follows:

- No reconciliations had been undertaken for two months and the reconciliations for the period April – December had been completed incorrectly. It was noted that both issues had since been resolved.
- Early substantive testing had taken place with no issues noted.
- Value for Money had been considered with no issues noted.
- Other issues of interest would be sent to the Committee for discussion.

During the ensuing discussion the following points were noted:

- The 2017/18 accounts had been signed off by the Head of Finance & Commercial today and would be published on the Council website.
- Future EY fee reductions indicated value for money for the Council and the success of using PSAA for the appointment process.

RESOLVED: That the audit progress report be noted.

7 EY ANNUAL FEE LETTER 2018/19

The Committee received the EY Annual Audit and Certification Fees for 2018/19.

It was noted that the Council had decided to go through Public Sector Audit Appointments Ltd (PSAA) who had set the scale fee for 2018/19 financial year 23% lower than 2017/18 due to them having lower overheads, etc.

RESOLVED: That the EY Annual Audit and Certification Fees for 2018/19 be noted.

8 ANNUAL REVIEW OF THE AUDIT COMMITTEE'S TERMS OF REFERENCE

The Committee considered the Terms of Reference at Appendix A in the agenda.

It was reported that the following amendments were being suggested:

- Section 2 - Frequency of Meetings – had been revised to include the post of the Chief Executive along with the Corporate Director.
- Section 4 - Duties of External Audit – had been revised to reflect the planned roles of External Audit in 1) review of the Councils Financial Statements and 2) as the Independent Reporting Accountant for the Housing Benefit Subsidy Audit.
- Section 6 - Corporate Governance - reflected the latest CIPFA standard as regards establishing its corporate governance framework.
- Treasury Management – reflected the revision to transfer the responsibility for the approval of the Councils Treasury Management Strategy to Council under their reserved duty with the Audit Committee retaining the responsibility for the effective scrutiny of the Councils treasury management strategy and polices as a reserved duty of the Audit Committee.

The Committee was informed that if happy this would go before Cabinet and then Council via a separate report.

RESOLVED: That the Terms of Reference be approved.

9 PROPOSED INTERNAL AUDIT PROGRAMME 2018/19

The Committee received a report which presented the proposed Internal Audit programme for 2018-19. It was noted that the programme had been compiled after taking into account the following contributions:

- Areas of interest from the Chief Executive, the Corporate Director, the Council's S151 Officer and the Heads of Service;
- Areas of interest as determined by the Business Assurance Manager;
- Areas of interest from members of the Audit Committee.
- The Strategic Risk Register was used as this provided a useful reference point as regards risk and control.

In the ensuing discussion the following points were noted:

- That an inventory would take place with regard to the 'Fixed Assets and Inventories'.

- That the 'Cemetery' reference was the High Wycombe Cemetery. It was noted that South Bucks did the internal audit of the Joint Crematorium Committee (JCC). The Audit Risk and Fraud Manager agreed to contact his counterpart at South Bucks to ask when they last audited the JCC.
- It was suggested that emergency plans be addressed via the Risk Register and if satisfactory procedures were not felt to be in place then it could be reviewed. The Chairman requested that the Risk Owner for the Emergency Plan be invited to attend a future meeting and that it be added to the Committee Workplan for the July meeting.
- That the criteria used by the Council to select external auditors was the Public Sector Audit Appointments (PSAA) process.

RESOLVED:

- i) That the Internal Audit programme for 2018/19 be agreed.
- ii) The audit programme be reviewed half-yearly and reported as part of the Business Assurance Managers' half yearly report.

10 REVIEW OF THE ANTI FRAUD AND CORRUPTION POLICY

The Committee received the Review of the Anti-Fraud and Corruption Policy report.

It was reported that the Committee currently saw this policy on an annual basis and it was being suggested that this be changed to a two yearly basis going forward for 2018-2020. It was noted that there would be a caveat of delegated authority to the Council's S151 Officer, in consultation with the Chair of the Audit Committee to make amendments to the Policy in the meantime to reflect any changes in legislation or operational procedure.

RESOLVED: that the 2018-20 Anti-Fraud and Corruption Policy be noted and endorsed.

11 BUSINESS ASSURANCE MANAGER'S ANNUAL REPORT (INCLUDING THE LOCAL CODE OF GOVERNANCE)

The Business Assurance Manager's Annual Report for the year 2017-18 was presented to the Committee.

The Business Assurance Manager reported that in his previous report he had been concerned about the Councils Programme Management arrangements but that he was pleased to say that the new Corporate Director for Growth & Regeneration, Sue Bolter, was now in post and progress had been made in introducing a new board structure.

It was noted that Business Assurance Manager had raised concern about the Councils preparedness in relation to responding to a business continuity event either on a Service by Service basis or corporately. The Head of Finance and Commercial stated if Members felt it appropriate a desktop exercise and real life

scenario could be arranged with a report going before the Strategic Management Board.

It was reported that last year 19 audit reviews had been completed but that the High Level Cyber Security Review had not been undertaken due to programmed work within the Service, notably network penetration testing. It had been agreed that this review would be undertaken in 2018/19.

The Chairman requested a list of the key issues / points and when they would appear on the Committees workplan.

It was reported that with regard to Corporate Investigations the team took on 75% of referrals for further investigation. It was noted that the quality of referrals had improved. It was reported that during 2017/18 the team had applied a penalty in three cases amounting to £1,559. It was noted that a further two cases were awaiting prosecution one of which had gone to court this week.

The Chairman stated that the number of recommendations made on page 8 of the supplementary pack should total 59 instead of 58.

RESOLVED: That the Business Assurance Managers Annual Report for the period 31 March 2018 be noted.

12 DRAFT ANNUAL GOVERNANCE STATEMENT

The Committee received the report on the Draft Annual Governance Statement 2017-18 and the Local Code of Governance 2018.

It was noted that the Local Code of Governance (The Code) looked at what areas the Council was deficient in and looked for areas for improvement. It was felt that the Council was well managed with regard to its policies and procedures. It was noted that the overall summary could be found on page 35 of the supplementary document. It was reported that the "minded to" announcement (March 2018) by the Secretary of State with regard to the future of local government in Buckinghamshire had had an impact on the delivery of work streams during 2017/18 and those have therefore been restated in the Areas of Improvement Plan for 2018/19.

It was noted that the published Annual Governance Statement 2017/18 could be found on page 19 of the supplementary document. The key themes arising from the 2017/18 AAS process were reported to be people, use of resources, information governance and records management, business continuity and project management.

The Business Assurance Manager explained that the whistleblowing policy had been approved October 2018 and was waiting to be rolled out to all Council employees.

It was agreed that the Business Assurance Manager would arrange for a copy of the Whistle blowing Policy to be sent to all Members for information purposes only, as the Whistle blowing Policy was for Council employees.

RESOLVED: that the 2018 Local Code of Governance, the draft Annual Governance Statement for 2017/18 and the areas highlighted for improvement, prior to submission to the Leader and Chief Executive for formal sign off alongside the Annual Accounts be endorsed.

13 AUDIT COMMITTEE WORK PROGRAMME

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

It was agreed that the following item be added to the work programme for the 26 July:

- WDC's Emergency Plans / Procedure – the Risk Owner be invited to attend the meeting.

RESOLVED: That the forward work programme be noted and amended to include the above additional item.

14 INFORMATION SHEETS

RESOLVED: That the following Information Sheet be noted.

- i) 02-2018 Regulation of Investigatory Powers Act 2000 Annual Report 2018.

15 SUPPLEMENTARY ITEMS

The Chairman requested that it be recorded in the minutes that he felt the Audit and Corporate Investigation Team did a splendid job.

16 URGENT ITEMS

The Clerk distributed the response received from Red Kite Community Housing dated 20 April 2018. The Chairman requested that any comments on this response be emailed directly to him.

Chairman

The following officers were in attendance at the meeting:

David Skinner - Head of Finance & Commercial
Mike Howard - Business Assurance Manager

Tanya Brown	- Democratic Services Officer
Jacqueline Ford	- Corporate Policy Team Leader
Paul Spencer	- Shared Support Manager