

STANDARDS AND AUDIT COMMITTEE

Wednesday, 5th April, 2017

Present:-

Councillor Rayner (Chair)

Councillors A Diouf
Derbyshire
Caulfield

Councillors Brown
Hollingworth
Brown

*Matters dealt with under the Delegation Scheme

42 **DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

43 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Tidd.

44 **MINUTES**

RESOLVED -

That the minutes of the Standards and Audit Committee meeting held on 8 February, 2017 be approved as a true record.

45 **EXTERNAL AUDIT PLAN 2016-17**

Kay Meats of KPMG presented a report for Members to consider the External Audit Plan for 2016/17.

The plan outlined how the External Auditor (KPMG) proposed to undertake the audit of the financial statements and the value for money conclusion for 2016/17.

The plan identified potential changes in the pension liability due to the triennial revaluation of the Local Government Pension Scheme as a

significant risk requiring specific audit attention within the audit of the financial statements and financial resilience as a significant risk on the value for money work.

The plan identified that any uncorrected individual omissions or misstatements of £55,000 or above would be reported to the Standards and Audit Committee.

The planned audit fee for 2016/17 of £52,445 had not changed since being presented in April 2016, although variations may be required, subject to consultation with the Director of Finance and Resources and in accordance with Public Sector Audit Appointments requirements in respect of the disclosures associated with retrospective restatement of the Comprehensive Income and Expenditure Statement (CIES), the Expenditure and Funding Analysis (EFA) and the Movement in Reserves Statement (MIRS). It was noted that any such additional costs were expected to be relatively small.

***RESOLVED –**

That the External Audit Plan for 2016/17 be received.

46 EXTERNAL AUDIT PROGRESS REPORT - APRIL 2017

Kay Meats of KPMG presented the external audit progress report and technical update.

The external auditor had undertaken an interim audit visit in March 2017, from which there were no matters to be reported to the Committee. Work was continuing on the Value for Money (VFM) conclusion. The year-end audit visit had been arranged for July 2017.

***RESOLVED –**

That the External Audit Progress Report and Technical Update be noted.

47 INTERNAL AUDIT PLAN 2017-18

The Internal Audit Consortium Manager presented a report for Members to consider and agree the Internal Audit Plan for 2017/18.

The detailed plan for 2017/18 was attached at Appendix 2 to the report and had been prepared in consultation with the Senior Leadership Team and the Corporate Management Team, taking into account the following factors:

- The Council's objectives and priorities;
- Local and national issues and risks;
- The requirement to produce an annual internal audit opinion;
- The Council's assurance framework;
- An update of the internal audit risk assessment exercise covering the financial control and other procedures subject to audit;
- The Council's strategic risk register;
- The views of the Corporate Management Team.

The plan outlined the assignments to be carried out during 2017/18, their respective priorities and the estimated resources needed. The plan allocated 560 days to Chesterfield Borough Council for 2017/18, which was the same allocation as in the previous two years.

A copy of the audit plan was being provided to the Council's external auditor to facilitate co-ordination of work programmes.

In response to questions from Members, it was confirmed that the waste management contract was not included on the plan for 2017/18 as this would be reviewed in 2018/19 following the procurement process for a new contract.

***RESOLVED –**

That the Internal Audit Plan for 2017/18 be agreed.

48

OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

Pursuant to Minute No. 16 (Standards and Audit Committee 2016/17), the Internal Audit Consortium Manager presented a report to inform Members of outstanding internal audit recommendations and the progress being made to implement them.

The implementation of audit recommendations was being monitored by the Corporate Leadership Team on a regular basis with a commitment to pro-actively ensuring that recommendations were implemented as agreed where possible.

A summary of outstanding internal audit recommendations as at the beginning of March 2017 relating to the 2014/15, 2015/16 and 2016/17 financial years was attached at Appendix A to the report.

It was noted that there were now fewer outstanding recommendations than previously, and that the Internal Audit Plan for 2017/18 included time to revisit those areas with the majority of outstanding recommendations, i.e. procurement, data protection, non-housing property repairs, crematorium, Queen's Park Sports Centre, section 106, IT network security and health and safety.

Arising from Members' questions it was confirmed that a 10 year maintenance plan was being developed with Kier for the Council's non-housing properties. Officers agreed to provide further information to Members of the Committee on the other work and delays impacting the report on the non-housing properties condition surveys and the publishing of the contracts register.

It was suggested that progress be reported to the next meeting of the Committee on the outstanding recommendations relating to non-housing property repairs and health and safety, and that the Customer, Commissioning & Change Manager be requested to attend the next meeting to report progress on the outstanding recommendations in respect of IT security, procurement, data protection and FOI procedures.

*** RESOLVED –**

- (1) That the report be noted.
- (2) That the Customer, Commissioning & Change Manager be requested to attend the next meeting of the Committee to report progress on the outstanding recommendations in respect of IT security, procurement, data protection and FOI procedures, and that progress also be reported to the next meeting on the outstanding recommendations relating to non-housing property repairs and health and safety.
- (3) That a further summary of outstanding internal audit recommendations be submitted to the Standards and Audit Committee in September, 2017.

49 **PROGRESS REPORT ON IMPLEMENTATION OF AUDIT REPORT
RECOMMENDATIONS ON HEALTH AND SAFETY**

Pursuant to Minute No. 39 (Standards and Audit Committee 2016/17), the Health and Wellbeing Manager presented the updated implementation schedule in respect of the health and safety internal audit report.

It was noted that a prioritised plan to review current health and safety policies, including streamlining and consolidation of guidance documents, would be submitted to the Health and Safety Committee later in April.

Generic health and safety training was now available via the online Learning Pool resource and a report on a further review of training needs would be considered by the Health and Safety Committee in April.

Options to enable sufficient resource within the service to address existing urgent and priority issues, including health and safety audits would be considered by the Senior Leadership Team later in April.

The majority of corporately occupied Council owned non-domestic premises had been surveyed to assess for asbestos and surveys of the commercially let premises would commence later in April.

A task and finish group to review the policies, processes and arrangements for contractor assessment and management had been established with an initial meeting in April.

As part of the budget setting for 2017/18 the centralised training budget would cover health and safety training.

Arising from Members' comments and questions the following points were raised:

- The online Learning Pool resource would be able to identify when refresher training was due (for generic training) and record when training had been completed;
- It was the responsibility of Corporate Management Team members to identify and arrange training specific to their particular service areas;
- It was important that policies and guidance were 'user-friendly';

- Health and safety induction training included generic manual handling principles, with more specific manual handling training available for particular groups. The Health and Wellbeing Manager agreed to check the arrangements in place for Careline staff, including whether the countywide manual handling package for care staff would be appropriate;

It was noted that further progress on the implementation of the recommendations on the health and safety audit had been requested to be provided to the next meeting of the Committee (Minute No. 48 above).

*** RESOLVED –**

- (1) That the report be noted.
- (2) That further progress on the implementation of the recommendations on the health and safety audit be provided to the next meeting of the Committee.

50 DERBYSHIRE AUDIT FORUM

The Internal Audit Consortium Manager presented a report informing Members of the establishment of the Derbyshire Audit Forum Group by KPMG.

The Group had been established in January 2017 for Audit Committee Members, Finance Heads and Heads of Audit from various sectors including the County Council, District Councils, hospitals and colleges to share best practice ideas and discuss current topics.

The Chair of the Standards and Audit Committee and the Internal Audit Consortium Manager had attended the initial meeting, and the slides and presentations on effective audit committees from the meeting were attached as appendices to the report. It had been agreed that the Group would meet every six months.

Arising from Members' comments it was suggested that Committee Members assess the effectiveness of the Committee and the Internal Audit Consortium Manager agreed to distribute to Members the CIPFA Guidance for Audit Committees including a self assessment questionnaire for consideration at the next meeting.

*** RESOLVED**

- (1) That the presentations and slides from the initial meeting of the Derbyshire Audit Forum be noted.
- (2) That the Chair of the Committee attend the next meeting of the Forum in June, 2017.
- (3) That the CIPFA Guidance for Audit Committees including a self assessment questionnaire be distributed to Members for consideration at the next meeting.

**51 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)
ANNUAL REPORT TO STANDARDS COMMITTEE 2017**

The Monitoring Officer presented a report on activities relating to surveillance by the Council and policies under the Regulation of Investigatory Powers Act 2011 (RIPA).

The Council had powers under the Regulation of Investigatory Powers Act 2000 to conduct authorised directed surveillances and use of human intelligence sources in certain circumstances in connection with the conduct of criminal investigations. All directed surveillances (covert, but not intrusive) and use of covert human intelligence sources required authorisation by a senior Council officer.

A confidential database of authorised surveillances was maintained, charting relevant details, reviews and cancellations, although there had been no authorisations since 2010.

Since November, 2012 any RIPA surveillance which the Council wished to authorise had to be approved by an authorising officer at the Council and also by a magistrate.

During the last year training had been provided for officers and a routine inspection of the Council's procedures by a surveillance inspector had recommended changes to the Council's practices, including:

- (a) maintaining a state of preparedness;
- (b) ensuring regular corporate training for appropriate officers and access to procedures and guidance;

- (c) understanding more about Arvato and Kier's knowledge about and involvement with the process;
- (d) reviewing who should be the Senior Responsible Officer overseeing the process;
- (e) carrying out biannual audit of processes;
- (f) regularly reviewing policy and guidance;
- (g) reporting at least annually to Members, regardless of any activity;
- (h) ensuring up to date CCTV procedures were in place;
- (i) ensuring liaison with local magistrates court.

These recommended changes had been set out in the Cabinet report (attached as an appendix to the report) and had now been approved, and the annual request for statistical returns to the Surveillance Commissioner was being completed by the Monitoring Officer for return in April 2017.

Responsibility for RIPA had been moved to the Cabinet Member for Finance and Governance, and the Council's RIPA Policy and Procedure Guide had been updated to take account of these changes and current best practice.

Refresher training for relevant staff would be provided with online training being developed using the online Learning Pool, and new guidance would be developed on the use of bodycams by Council enforcement staff.

*** RESOLVED**

That the report be noted.