

STANDARDS AND AUDIT COMMITTEE**Wednesday, 20th September, 2017**

Present:-

Councillor Rayner (Chair)

Councillors Derbyshire
Hollingworth

Councillors Bean

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

10 APOLOGIES FOR ABSENCE

Apologies of absence were received from Councillor Diouf and Councillor Tidd.

11 MINUTES**RESOLVED –**

That the minutes of the Standards and Audit Committee meeting held on 24 May, 2017 be approved as a correct record.

12 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF PUBLIC***RESOLVED –**

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

13 **SUMMARY OF INTERNAL AUDIT REPORTS ISSUED 2017/18**

The Internal Audit Consortium Manager presented a report summarising the internal audit reports issued during the period 6 May – 25 August, 2017 in respect of reports relating to the 2017/18 internal audit plan.

The Committee noted the four different levels of assurance that reports are given. Of the ten reports issued in the stated period, one was given 'Substantial Assurance', six were given 'Reasonable Assurance', and three had 'Limited Assurance'. There were no reports given the 'Inadequate Assurance' classification.

The Committee welcomed the Assistant Manager for Responsive and Emergency Repairs to provide an update on the progress of implementing the recommendations in the 'Housing Repairs – Variation Orders' report, attached as Appendix A to the officer's report.

As at February 2017, a variation order was reported on 49.76 per cent of all housing repair jobs undertaken. Members were informed that steps had been taken to ensure that variation orders were genuine and that the system was not being taken advantage of.

The service began carrying out more robust internal monitoring of jobs that were carried out, which helped to confirm that officers were only carrying out necessary repairs. In addition, more one-to-one meetings have been carried out between officers and their manager to review individual work processes. The Committee were advised that monitoring of processes will be continued.

The Committee thanked the Assistant Manager for Responsive and Emergency Repairs.

The Internal Audit Consortium Manager updated members on the 'Safeguarding' report, attached as Ann an update on the 'Safeguarding' report, attached as Appendix A to the officer's report. It was advised that that progress had been made on several of the recommendations to the report.

The introduction of online training via Aspire Learning had been launched, with modules on adult and child safeguarding made mandatory for all employees and elected members. Monthly monitoring on the uptake and completion of training had taken place, and will be continued.

It was reported that significant progress had been made on the Safeguarding action plan following its self-assessment, with a third of the actions having been completed and all other action on track to be completed in 2017/18.

Work was also undertaken to further embed safeguarding within the authority, including the assignment of a Senior Manager as the designated lead officer for safeguarding. This, in conjunction with the decision made by all Derbyshire authorities to launch district safeguarding groups, has helped to ensure that all district views are represented at safeguarding board meetings and that peer support is more readily available.

The Internal Audit Consortium Manager also updated members on the implementation of recommendations made by the Standards and Audit Committee to the 'Choice Based Lettings' report, attached as Appendix A to the officer's report.

A steering group comprising tenants, officers and elected members was created to ensure that a holistic approach was being taken to reviewing how improvements could be made to the management and turnaround of empty properties.

In addition, changes were made to the service's marketing approach, including the use of Rightmove from approximately October 2017, to increase interest and up-take in properties that are more difficult to-let.

***RESOLVED –**

That the report be noted.

14 LOCAL GOVERNMENT ACT 1972 - RE-ADMISSION OF THE PUBLIC

***RESOLVED –**

That after the consideration of an item containing exempt information the public be re-admitted to the meeting.

15 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

The Internal Audit Consortium Manager presented a report summarising outstanding internal audit recommendations. It was noted that a high

proportion of these recommendations have been implemented each year, including 98 per cent in 2014/15 and 91 per cent in 2015/16.

The Committee were informed that 7 of the 13 outstanding internal recommendations dating back to 2014/15, were classed as 'high priority'. The outstanding recommendations from 2016/17 were also reported to the Committee, with 12 being classed as 'high priority' and 6 as 'medium priority'.

Pursuant to Minute No.6 (Standards and Audit Committee 2016/17), the Committee welcomed the Health and Wellbeing Manager to update the committee on the outstanding internal audit recommendations in respect of reviewing the Health and Safety policies, procedures, and training provisions.

The service had undertaken a review of the Health and Safety online learning resources, to make sure that they met all necessary Council policies before determining what improvements or new training modules were required.

The Committee were made aware of the new approach that was taken to categorising training modules, which has helped to make sure that the appropriate level of information and expertise was being provided to different service areas. These included:

- Mandatory modules – for priority and widespread training
- Discretionary training – containing more specific information that was only required by some services
- Bespoke training – service-specific training that was developed to be delivered by managers

It was informed that the Corporate Asbestos Management Plan was also reviewed, and an updated Asbestos Policy had been drafted in conjunction with the Housing Service and is expected to be presented to Cabinet in December 2017.

It was reported that a benchmarking exercise had been conducted to assess and compare the Council's Corporate Health and Safety guidance with that of other local authorities. This has helped to establish more robust performance monitoring of the Corporate Health and Safety Unit.

The Committee thanked the Health and Wellbeing Manager.

***RESOLVED –**

1. That the progress reports be noted.
2. That the managers responsible for the outstanding internal audit recommendations be requested to attend the next meeting of the Standards and Audit Committee on 22 November 2017 to report progress on implementation.

16 AUDIT REPORT ON 2016/17 STATEMENT OF ACCOUNTS

The Chief Finance Officer submitted a report on the Statement of Accounts for 2016/17, the 'Letter of Representation' and the External Auditor's 'Report to those Charged with Governance'.

The audited Statement of Accounts was attached to the report at Annexe 1 and included the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account, the Collection Fund, Disclosure Notices and the Annual Governance Statement.

The Council's external auditors were required to obtain written representations from management in respect of fraud, compliance with laws and regulations, contingent liabilities, related party disclosures and post balance sheet events in the form of a letter of representation. The letter was attached to the report at Annexe 4.

The external auditor was required to 'communicate audit matters to those charged with governance', i.e. the Standards and Audit Committee, and a copy of the external auditor's report was attached to the report at Annexe 3. Mr Tony Crawley of KPMG attended the meeting to present the External Auditor's 'Report to those Charged with Governance'.

The report confirmed that following the audit of the accounts, a small number of presentational adjustments had been agreed, but that these were not considered to be material. The external auditor's report also included the Value For Money (VFM) conclusion and identified one VFM Significant Risk: 'Medium Term Financial Planning'. It was explained that this conclusion arose from concerns about the significant financial challenges and uncertainty facing local authorities going forward.

Mr Crawley advised that the Chair of the Standards and Audit Committee and Section 151 Officer can confer to discuss any minor amendments to the Statement of Accounts.

*** RESOLVED –**

1. That the Statement of Accounts for 2016/17 be approved.
2. That the Management Letter of Representation be approved and signed by the Chair.
3. That the Report to those Charged with Governance be noted.
4. That a note of thanks be expressed by the Chair and Committee to all persons involved in the production of the Statement of Accounts and its supporting documents.

17 TREASURY MANAGEMENT ANNUAL REPORT 16/17 & MONITORING REPORT 2017/18

The Director of Finance and Resources presented a report for Members to consider the Annual Treasury Management Report for 2016/17 and the Treasury Management activities for the first five months of 2017/18.

The report confirmed that during 2016/17 the Council had complied with its legislative and regulatory requirements. It included the prudential and treasury indicators and details of the Council's investments and borrowing at Annexe 1 to the report.

The committee were informed of the Council's treasury management position for, which included the; Annual Investment Strategy; Internally Managed Cash Balance; Borrowing Activities; and Compliance with Treasury and Prudential Limits.

***RESOLVED –**

That it be recommended to Full Council to:

1. Approve the outturn Prudential Indicators for 2016/17;
2. Approve the treasury management stewardship report for 2016/17;

3. Note the treasury management position for the first five months of 2017/18.

18 **CONSTITUTION UPDATES**

The Monitoring Officer submitted a report to seek member approval for updates to the Council's Constitution. The current form of the Constitution had been in place since the early 2000's and had followed a standard government model proposed at the time. The report noted that the Constitution required changes and updates when necessary to ensure that it reflects current Council practices, functions and structures, as well as enabling efficient working of the authority.

The report recommended a range of changes to the Constitution that reflected the need to facilitate property sales and acquisitions as part of the Council's budget strategy, strengthening internal audit procedures, and increasing greater flexibility over sealing Council documents.

RESOLVED –

1. That the amendments to the Constitution as detailed in the officer's report, be approved.
2. That the Constitution, as amended, be endorsed and published.

19 **AUDIT COMMITTEE SELF-ASSESSMENT AND ACTION PLAN**

The Internal Audit Consortium Manager advised the Committee of the results of its self-assessment undertaken earlier in 2017. The results of the questionnaire showed that the overall performance of the Committee was positive.

To ensure continued growth and improved performance, a small number of areas were included in a follow-up action plan. These were:

- To consult with CIPFA's Position Statement to clearly set out the terms of reference and purpose of the committee.
- To ensure that the role and purpose of the audit committee is understood and accepted across the authority.
- To introduce an Annual Action Plan to make sure the committee is fulfilling its terms of reference.

- To obtain feedback on the performance of the committee from the group to which it is accountable – full Council.

RESOLVED –

1. That the results of the self-assessment be noted.
2. That the Standards and Audit Committee Self-Assessment Action Plan for 2017/18 be approved.