



Please ask for Joel Hammond-Gant
Direct Line: 01246 34 5273
Email committee.services@chesterfield.gov.uk

The Chair and Members of Standards
and Audit Committee

23 March 2018

Dear Councillor,

Please attend a meeting of the STANDARDS AND AUDIT COMMITTEE to be held on WEDNESDAY, 4 APRIL 2018 at 2.00 pm in Committee Room 1, Town Hall, Rose Hill, Chesterfield, S40 1LP, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to Items on the Agenda
2. Apologies for Absence
3. Minutes (Pages 3 - 10)
4. External Audit Progress Report (Pages 11 - 22)
5. Internal Audit Plan 2018/19 (Pages 23 - 36)
6. Summary of Internal Audit Reports Issued 2017/18 (Pages 37 - 70)
7. Outstanding Internal Audit Recommendations (Pages 71 - 88)
8. Employee Code of Conduct (Pages 89 - 108)

Chesterfield Borough Council, Town Hall, Rose Hill, Chesterfield S40 1LP

Telephone: 01246 345 345, Text: 07960 910 264, Email: info@chesterfield.gov.uk

www.chesterfield.gov.uk

9. Permissions in Principle (Pages 109 - 116)
10. RIPA - Annual Report 2018 (Pages 117 - 124)

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Randy', written in a cursive style.

Local Government and Regulatory Law Manager and Monitoring Officer

STANDARDS AND AUDIT COMMITTEE

Wednesday, 7th February, 2018

Present:-

Councillor Rayner (Chair)

Councillors Caulfield

Councillors

Hollingworth

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

30 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bean, Derbyshire, Diouf and Tidd.

31 MINUTES

RESOLVED –

That the Minutes of the Standards and Audit Committee meeting held on 22 November, 2017 be approved as a correct record.

32 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.

33 **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 21 October 2017 to 5 January 2018, in respect of reports issued relating to the 2017/18 internal audit plan.

It was noted that 6 reports had been issued during this period and had been given the following levels of assurance:

- 'Substantial Assurance' – 2
- 'Reasonable Assurance' – 2
- 'Limited Assurance' – 2

Pursuant to Minute No. 26 (Standards and Audit Committee, 2017/18), the Committee welcomed James Drury, Executive Director, and David Monkhouse, Leisure Service Manager, to receive an update on a previous audit report on 'Queen's Park Sports Centre'.

It was noted that of the 21 recommendations included in the original report, 8 had been determined as 'High Risk'.

The Leisure Service Manager reported that significant work had been undertaken to ensure that more robust system processes were in place to provide effective responses to the audit recommendations.

The Committee thanked the Executive Director and Leisure Service Manager for attending.

The Committee welcomed the Assistant Director – Economic Growth, to discuss the Limited Assurance report on 'Section 106 Agreements / CIL'.

The Assistant Director – Economic Growth noted that it was expected that all recommendations would be implemented by April 2018 following changes made to staffing responsibilities.

Members asked for more information on the specification Section 106 Applications referenced in the report. The Assistant Director – Economic Growth advised that this would be circulated to the Committee Members outside of the meeting.

The Committee welcomed the Assistant Director – Customers, Commissioning and Change to discuss the Limited Assurance report on ‘ICT Network Security’.

It was reported that an external audit of the Council’s ICT Service had been commissioned, the results of which had helped to identify the developments that need to be made to ensure its long-term security.

It was also noted that PSN accreditation had been received, ICT patching had been carried out, and new ICT policies had been drafted for approval pending the release of the revised Data Protection regulations.

The Assistant Director – Customers, Commissioning and Change advised that the service will be looking into re-procuring the Agresso, Mentor, M3 and CRM systems this year, and make sure that all systems are being supported by updated security patching.

The Committee thanked the Assistant Director – Customers, Commissioning and Change for attending.

The Internal Audit Consortium Manager advised that the relevant officers will attend future meetings of the Committee to discuss Limited Assurance reports.

*** RESOLVED –**

That the report be noted.

34 STANDARDS OF CONDUCT - ANNUAL REPORT 2017/18

The Monitoring Officer presented a report to provide members with an overview of the complaints made about Councillors and the Standards system since February 2017.

The Council had adopted a new Code of Conduct in June 2012 as required by the Localism Act 2011, to deal with complaints about Councillors representing Chesterfield Borough Council, Staveley Town Council and Brimington Parish Council. It was emphasised that the Code only covered the behaviour of a person in their capacity as a Councillor.

It was noted that 1 complaint had been made in the past year. A cumulative analysis of complaints was attached at Appendix A to the officer's report.

*** RESOLVED –**

That the report be noted.

35 RE-ADMISSION OF THE PUBLIC

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

36 TREASURY MANAGEMENT STRATEGY 2018/19

The Director of Finance and Resources presented a report recommending for approval the Treasury Management Strategy Statement and the Annual Investment Strategy Statement for 2018/19, the revised Minimum Reserve Provision (MRP) Policy for 2017/18 and the MRP for 2018/19.

The report noted the Council's requirement to approve its Treasury Management and Investment Strategies, and to reaffirm its adoption of the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Code of Practice for Treasury Management in the Public Services', at the start of each financial year.

The report detailed the Council's estimated capital expenditure, how this would be financed and the Council's borrowing need, along with the proportion of income used to finance the debt and the impact on Council Tax and housing rents.

The Treasury Management Strategy Statement 2018/19 was attached at Appendix A to the officer's report.

*** RESOLVED –**

That Council be recommended to:

1. Affirm its adoption of CIPFA's Code of Practice on Treasury Management.

2. Approve the Treasury Management Strategy Statement and Annual Investment Strategy, including the Prudential Code Indicators.
3. Approve the revised Minimum Revenue Provision policy for 2017/18 and the Minimum Revenue Provision policy for 2018/19.

37 **CIPFA FRAUD AND CORRUPTION STRATEGY SURVEY 2017**

The Internal Audit Consortium Manager presented a report summarising the results of CIPFA's Fraud and Corruption Tracker survey, and the controls and procedures that the Council has in place to mitigate the risk of fraud.

The report noted that an estimated 75,000 frauds, worth a total value of £336.2m, had been detected or prevented across local authorities in 2016/17.

The fraud prevention measures put in place by the Council were detailed at paragraph 3.5 of the officer's report.

*** RESOLVED –**

1. That the results of CIPFA's Fraud and Corruption Tracker survey be noted.
2. That the fraud prevention measures put in place by the Council be noted.

38 **IMPLEMENTATION OF THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2016/17**

The Internal Audit Consortium Manager presented a report to update members on the progress made towards implementing the 2016/17 Annual Governance Statement Action Plan. The Action Plan had been approved by the Standards and Audit Committee in May 2017.

The Corporate Management Team had monitored the progress made against the Action Plan and a summary of progress achieved as at the end of December 2017 was attached at Appendix A to the officer's report.

Of the 10 identified actions, 4 were on track for completion, 3 were behind target, 2 had revised time schedules and 1 was no longer applicable.

*** RESOLVED –**

That the report be noted.

39 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 2000s 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 changes to Part 3 of the Constitution, as listed at paragraph 5.2 of the officer's report. A list of the completed and scheduled changes to the Constitution since 2011 was attached at Appendix A to the officer's report.

*** RESOLVED –**

1. That the updates to the Constitution be noted.
2. That the current published version of the Constitution be confirmed.

40 EXTERNAL AUDIT PLAN 2017/18

Tony Crawley, Director of KPMG, presented a report for members to consider the External Audit Plan for 2017/18.

The plan outlined how the Council's external auditor, KPMG, proposed to undertake the audit of the financial statements and the value for money conclusion for 2017/18.

The plan detailed the significant audit risks that had been identified, including the valuation of PPE, reduced timescales for the Council to prepare draft financial statements and final signed accounts, and pension liabilities.

The plan noted that the audit fee for 2017/18 would be £52,445 plus VAT. Variations may be required and agreed with the Director of Finance and Resources and in accordance with Public Sector Audit Appointments requirements.

*** RESOLVED –**

That the External Audit Plan for 2017/18 be received.

This page is intentionally left blank



External Audit: Progress Report

Chesterfield Borough Council
March 2018

Contacts

Tony Crawley

Director,
KPMG LLP (UK)

Tel : +44 (0) 116 256 6067

Mob : +44 (0) 7966 184819

tony.crawley@kpmg.vo.uk

Richard Walton

Senior Manager,
KPMG LLP (UK)

Tel : +44 (0) 115 945 4471

Mob : +44 (0) 7917 232307

richard.walton@kpmg.co.uk

Harriet Lawson

Senior Auditor,
KPMG LLP (UK)

Tel : +44 (0) 121 232 3042

Mob : +44 (0) 7468 365941

harriet.lawson@kpmg.co.uk

March 2018 Progress report

Summary of work performed since the last Audit Committee	<p>Since the last Audit Committee meeting in we have:</p> <ul style="list-style-type: none">— Completed our interim visit which focussed on a review of core financial systems and the controls in place to prevent material error in the financial statements.— Completed our work on the Housing Benefits Subsidy Claim and issued a Qualification Letter to the Department of Work & Pensions.— Worked with the finance team to understand the work we could bring forward ahead of year end to help make the year end audit process more streamlined.— Began our data analysis work and worked with the finance team to obtain the detailed information to enable analysis in advance of year end.— Continued to liaise with managers at the Council and monitor the Council's financial position and performance and other sector developments.— prepared our update on recent relevant technical matters. The summary is attached at appendix 1 to this report and we particularly want to highlight:<ul style="list-style-type: none">— The Department for Communities and Local Government (DCLG) has issued its FAQ on the Minimum Revenue Provision (MRP) and Investment Code guidance consultations (page 4); and;— Public Sector Audit Appointments Ltd (PSAA) published its Report on the results of auditors' work 2016/17: Local government bodies on Tuesday 19th December
Summary of upcoming work	<p>Our upcoming work ahead of the next Audit Committee includes:</p> <ul style="list-style-type: none">— Completing our VFM work in response to the selected significant risks and other emerging areas.— Undertaking early substantive work during an additional on-site visit in March 2018 – this is to help reduce the pressure of the final accounts visit in this first year of the earlier timetable.
Actions	<p>We ask the Audit Committee to:</p> <ul style="list-style-type: none">— Note this progress report and technical update.

Auditor Guidance Note 1 (AGN 01) – General Guidance

Level of impact: ● (for action)	KPMG Perspective
<p>The Comptroller and Auditor General (C&AG) has issued a revised version of Auditor Guidance Note 1 (AGN 01).</p> <p>AGN 01 provides general guidance to auditors of local bodies, and sets out the overall framework for issuing guidance and for providing other support to local auditors. It includes relevant ethical requirements which those charged with governance may wish to be aware of.</p> <p>A copy of AGN 01 can be accessed from the NAO website, guidance and information for auditors page, at the following link: https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Auditor-Guidance-Note-01-General-Guidance-Supporting-Local-Audit.pdf</p>	<p>Those charged with governance will wish to be aware of the requirements of the FRC’s ethical standard and the supplementary and explanatory guidance set out in AGN 01.</p>

Auditor Guidance Note 7 (AGN 07) – Auditor Reporting

Level of impact: ● (for action)	KPMG Perspective
<p>The Comptroller and Auditor General (C&AG) has issued an update version of Auditor Guidance Note 7 (AGN 07).</p> <p>AGN 07 is relevant to all bodies covered by the Local Audit and Accountability Act 2014 (the Act) and the Code of Audit Practice (the Code).</p> <p>The changes include revisions to clarify the guidance relating to:</p> <ul style="list-style-type: none">• Reporting to those charged with governance, which needs to cover the range of audit responsibilities under the Code including auditor judgements on significant risks in respect of arrangement to secure value for money• In specified circumstances, enhanced reporting requirements under ISA (UK) 700, including the reporting of key audit matters under ISA (UK) 701• Reporting considerations in relation to material uncertainty in respect of going concern• Considering when to issue the annual audit letter, including in situations where work remains outstanding, for example, on Whole of Government Accounts returns; and• Part-year reporting requirements. <p>A copy of AGN 07 can be accessed from the NAO website, guidance and information for auditors page, at the following link: https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Auditor-Guidance-Note-07-Auditor-Reporting-1.pdf</p>	<p>Those charged with governance will wish to be aware of the reporting requirements of the Local Audit and Accountability Act 2014.</p>

DCLG FAQ on MRP and Investment Code guidance

Level of impact: ● (For Action)	KPMG Perspective
<p>The Department for Communities and Local Government (DCLG) has issued its FAQ on the Minimum Revenue Provision (MRP) and Investment Code guidance consultations. The consultation on the proposed changes closed on 22nd December 2017, and changes will be made after the analysis of consultation responses.</p> <p>The FAQ includes common queries from local authorities, and covers the following:</p> <ul style="list-style-type: none">• Clarification what the section on borrowing in advance of need means• Whether the proposals on MRP mean that local authorities no longer have the flexibility to decide what is prudent provision for debt• Whether local authorities should apply the current or the proposed Codes whilst making decisions during the consultation period• If the changes to the MRP guidance will be applied prospectively or retrospectively. <p>The full FAQ can be found at the following link: https://www.gov.uk/government/consultations/proposed-changes-to-the-prudential-framework-of-capital-finance/prudential-framework-of-capital-finance-ga</p>	<p>Members may wish to discuss with officers what, if any, is the potential impact of the consultations.</p>

Publication of Statutory Guidance for Local Authority Investments and the Minimum Revenue Provision - CIPFA

Level of impact: ● (For Information)
<p>This interactive round-up of NAO publications is intended to help Audit Committees, Boards and other users by outlining the latest NAO resources for governance and oversight, risk management and strategic management issues. It also sets out how to keep in touch with NAO insight on specific issues and/or sectors. It is published each autumn and spring, covering NAO publications over the previous six months. The March 2018 edition can be found at the following link: https://www.nao.org.uk/report/round-up-for-audit-committees/</p> <p>The publication includes useful articles on:</p> <ul style="list-style-type: none">• Cyber Security• Managing Conflicts of Interest• Contract and Programme Management, including insights and examples from NAO work relating to: managing contracted-out service delivery; commercial capability; and managing markets.

CIPFA/LASAAC statement on the adoption of IFRS 9 Financial Instruments

Level of impact: ● (For Information)

Members may wish to be aware that the Chartered Institute of Public Finance and Accountancy Local Authority Code Board (CIPFA LASAAC) has published a statement on the adoption of IFRS 9 Financial Instruments.

IFRS 9 will be adopted in the 2018/19 local government accounting code.

Members may wish to consider the effect of the adoption of IFRS 9 on the financial statements for 2018/19.

PSAA's consultation on 2018/19 scale of fees for opted-in bodies

Level of impact: ● (For Information)

Public Sector Audit Appointments (PSAA) has published its consultation on the 2018/19 scale of fees for principal local government and police bodies that have opted into the appointing person arrangements.

The consultation is available on the PSAA website at: <https://www.psaa.co.uk/audit-fees/201819-work-programme-and-scales-of-fees/>

The consultation proposes that scale audit fees for 2018-19 should reduce by 23 per cent, compared to the fees applicable for 2017-18. More details on the proposals are set out in the consultation document.

Proposed 2018/19 scale fees for individual opted-in bodies, based on the 23 per cent reduction, are listed on the website and are accessible through the following links:

- Local government: <https://www.psaa.co.uk/audit-fees/201819-work-programme-and-scales-of-fees/proposed-individual-scale-fees-for-local-government-bodies/>
- Local police bodies: <https://www.psaa.co.uk/audit-fees/201819-work-programme-and-scales-of-fees/proposed-individual-scale-fees-for-police-bodies/>
- Pension fund audits: <https://www.psaa.co.uk/audit-fees/201819-work-programme-and-scales-of-fees/proposed-individual-scale-fees-for-pension-funds/>

Investigation into the governance of Greater Cambridge Greater Peterborough Local Enterprise Partnership

Level of impact: ● (For Information)
<p>The NAO has conducted an investigation into the governance of Greater Cambridge Greater Peterborough Local Enterprise Partnership. The investigation was prompted by concerns raised about the Partnership.</p> <p>The role of Local Enterprise Partnerships (LEPs) continues to grow, and it may be noted that government has given LEPs a key role in the recently published Industrial Strategy to lead the development of Local Industrial Strategies.</p> <p>Information on the UK's Industrial Strategy can be found at the following link: https://www.gov.uk/government/topical-events/the-uks-industrial-strategy</p> <p>The Department for Communities and Local Government (DCLG) carried out a national review of LEP governance and transparency. The review made a number of recommendations for improvement.</p> <p>The review, published on 26 October 2017, with the aim of providing sufficient assurance to the Accounting Officer's and ministers that LEPs fully implement existing requirements for appropriate governance and transparency.</p> <p>A full copy of the report can be found at the following link: https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency</p>

PSAA's report on the results of auditors' work 2016/17

<p>Level of impact: ● (For Information)</p> <p>Public Sector Audit Appointments Ltd (PSAA) published its Report on the results of auditors' work 2016/17: Local government bodies on Tuesday 19th December.</p> <p>This is the third report on the results of auditors' work at local government bodies published by PSAA. It summarises the results of auditors' work at 497 principal bodies and 9,752 small bodies for 2016/17. The report covers the timeliness and quality of financial reporting, auditors' local value for money arrangements work, and the extent to which auditors used their statutory reporting powers.</p> <p>The timeliness and quality of financial reporting for 2016/17, as reported by auditors, remained broadly consistent with the previous year for both principal and small bodies.</p> <p>Compared with 2015/16, the number of principal bodies receiving an unqualified audit opinion by 31 July showed an encouraging increase. 83 principal bodies (17 per cent) received an unqualified opinion on the accounts by the end of July compared with 49 (10 per cent) for 2015/16. These bodies appear to be well positioned to meet the earlier statutory accounts publication timetable that will apply for 2017/18 accounts.</p> <p>Less positively, the proportion of principal bodies where the auditor was unable to issue the opinion by 30 September increased compared to 2015-16. Auditors at 92 per cent of councils (331 out of 357) were able to issue the opinion on the accounts by 30 September 2017, compared to 96 per cent for the previous year. This is a disappointing development in the context of the challenging new timetable. All police bodies, 29 out of 30 fire and rescue authorities and all other local government bodies received their audit opinions by 30 September 2017.</p> <p>For the fourth year in a row there have been no qualified opinions on the accounts issued to date to principal bodies. The number of qualified conclusions on value for money arrangements has remained relatively constant at 7 per cent (30 councils, 2 fire and rescue authorities and 1 other local government body) compared to 8 per cent for 2015/16.</p> <p>The complete report is available publically on the PSAA website: https://www.psa.co.uk/audit-quality/reports-on-the-results-of-auditors-work/</p>
--

Financial sustainability of local authorities in 2018 - NAO

Level of impact: ● (For Information)

This report reviews developments in the sector and examines whether The Ministry of Housing, Communities & Local Government (the Department) along with other departments with responsibility for local services, understands the impact of funding reductions on the financial and service sustainability of local authorities. NAO reported on the financial sustainability of local authorities in 2013 and 2014. This report updates and builds on that work and draws out the following main conclusions for the Department and Wider Government:.

The Department

The NAO concluded that the sector has done well to manage substantial funding reductions since 2010-11, but financial pressure has increased:

- Services other than adult social care are continuing to face reducing funding despite anticipated increases in council tax. Local authorities face a range of new demand and cost pressures while their statutory obligations have not been reduced. Non-social-care budgets have already been reduced substantially, so many authorities have less room for manoeuvre in finding further savings. The scope for local discretion in service provision is also eroding even as local authorities strive to generate alternative income streams.
- The current pattern of growing overspends on services and dwindling reserves exhibited by an increasing number of authorities is not sustainable over the medium term. The financial future for many authorities is less certain than in 2014. The financial uncertainty created by delayed reform to the local government financial system risks longer-term value for money.
- The Department's performance had improved since the NAO's last study. However, conditions in the sector have worsened and the Department must continue to strengthen its oversight and assurance mechanisms to protect against risks to value for money from financial failure in the sector. It must also set out at the earliest opportunity a long-term financial plan for the sector that includes sufficient funding to address specific service pressures and secure the sector's future financial sustainability.

Wider government

The NAO points out that the Department's capacity to secure the sector's financial sustainability in the context of limited resources is shaped by the priorities and agendas of other departments. The NAO concludes that the Department's improvements in understanding and oversight are necessary but not enough. Equally, because responsibility for services is dispersed across departments, each department has its own narrow view of performance within its own service responsibilities. There is no single central understanding of service delivery as a whole or of the interactions between service areas. The NAO points out that to date, the current spending review period has been characterised by one-off and short-term funding fixes. Where these fixes come with restrictions and conditions, this poses a risk of slowly centralising decision-making. This increasingly crisis-driven approach to managing local authority finances also risks value for money.

NAO states that the current trajectory for local government is towards a narrow core offer increasingly centred on social care. This is the default outcome of sustained increases in demand for social care and of tightening resources. The implications for value for money to government from the resulting re-shaping of local government need to be considered alongside purely departmental interests. Departments need to build a consensus about the role and significance of local government as a whole in the context of the current funding climate, rather than engaging with authorities solely to deliver their individual service responsibilities.

A copy of the report and other related publications can be found on the NAO website at

<https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>

CIPFA Statement on Northamptonshire County Council being the subject of a Section 114 Notice

Level of impact: ● (For Information)

In February 2018 the Council's S151 officer issued a 'section 114 notice' (under the Local Government Finance Act 1988) banning all new expenditure at Northamptonshire County Council, with the exception of statutory services for protecting vulnerable people. Further to this an advisory notice (under Section 29 of the Audit and Accountability Act 2014) was issued to the Council by its external auditor which highlighted concerns about the authority's proposed budget and what they claim was an over-reliance on the use of capital receipts.

CIPFA's statement says that the news that Northamptonshire County Council is the subject of a Section 114 Notice is not surprising for three reasons.

First, the local government sector is under enormous strain following significant resource reductions since 2010. CIPFA has advised both the Ministry of Housing, Communities and Local Government (MHCLG) and the LGA that we are likely to see other councils reach this point in the two to three years if the government does not provide a more sustainable framework for local government finances.

Secondly, in the specific case of Northamptonshire, it is a council that has traditionally received tight resources and has generally been a low-cost authority. An adverse OFSTED report placed the corporate position under strain. At the same time the number of elderly people has risen, creating budget pressures.

Thirdly, the county's transformation programme, though innovative, has not yielded sufficient savings and the council depleted its reserves in an unwise manner without alternative compensatory savings of the order needed. However, we have seen other councils suffering the same general and specific strains manage their budgets more effectively. With Northampton, it appears to have now deteriorated too far for the council to be able to manage its finances and government intervention is likely to be needed to set a path for the future.

CIPFA's statement can be found at the following link:

<http://www.cipfa.org/about-cipfa/press-office/latest-press-releases/sustainability-of-the-nhs-is-reliant-on-upfront-investment,-robust-governance-and-awareness-of-risk>

In 2016 CIPFA issued a helpful briefing which looks at what it means to have a balanced budget, what factors have a negative impact on the finances, the impact of a spending freeze and what happens if a Section 114 notice is implemented. The briefing can be found at:

<http://www.cipfa.org/policy-and-guidance/reports/balancing-local-authority-budgets-and-section-114-notices>

CIPFA Bulletin 01 Closure of the 2017/18 Financial Statements - CIPFA

Level of impact: ● (For Information)

This interactive round-up of NAO publications is intended to help Audit Committees, Boards and other users by outlining the latest NAO resources for governance and oversight, risk management and strategic management issues. It also sets out how to keep in touch with NAO insight on specific issues and/or sectors. It is published each autumn and spring, covering NAO publications over the previous six months. The March 2018 edition can be found at the following link:

<https://www.nao.org.uk/report/round-up-for-audit-committees/>

The publication includes useful articles on:

- Cyber Security
- Managing Conflicts of Interest
- Contract and Programme Management, including insights and examples from NAO work relating to: managing contracted-out service delivery; commercial capability; and managing markets.

Publication of Statutory Guidance for Local Authority Investments and the Minimum Revenue Provision - CIPFA

Level of impact: ● (For Information)

This interactive round-up of NAO publications is intended to help Audit Committees, Boards and other users by outlining the latest NAO resources for governance and oversight, risk management and strategic management issues. It also sets out how to keep in touch with NAO insight on specific issues and/or sectors. It is published each autumn and spring, covering NAO publications over the previous six months. The March 2018 edition can be found at the following link:

<https://www.nao.org.uk/report/round-up-for-audit-committees/>

The publication includes useful articles on:

- Cyber Security
- Managing Conflicts of Interest
- Contract and Programme Management, including insights and examples from NAO work relating to: managing contracted-out service delivery; commercial capability; and managing markets.



© 2018 KPMG LLP, the U.K. member firm of KPMG International, a Swiss cooperative. All rights reserved. This document is confidential and its circulation and use are restricted. KPMG and the KPMG logo are registered trademarks of KPMG International, a Swiss cooperative.

The KPMG name, logo and 'cutting through complexity' are registered trademarks or trademarks of KPMG International Cooperative (KPMG International).

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Create Graphics: CRT060334A

For publication

Chesterfield Borough Council Internal Audit Plan 2018/19

Meeting: Standards and Audit Committee

Date: 4 April 2018

Cabinet portfolio: Governance

Report by: Internal Audit Consortium Manager

For publication

1.0 Purpose of report

- 1.1 To present to Members for consideration and agreement the Internal Audit Plan for 2018/19.

2.0 Recommendations

- 2.1 That the Internal Audit Plan for 2018/19 be agreed.

3.0 Report details

- 3.1 A key requirement of the Public Sector Internal Audit Standards is that a periodic risk based plan should be prepared that is sufficiently flexible to reflect the changing risks and priorities of the organisation. The risk based plan should be fixed for a period of no longer than one year, should outline the assignments to be carried out, their respective priorities and

the estimated resources needed.

- 3.2 The internal audit plan is linked to the Council's Council Plan in respect of its aim to provide value for money services. Audit reviews assess the controls and procedures in operation and make recommendations for improvement.
- 3.3 A note explaining the role, purpose and some of the terminology used in the internal audit plan is attached at Appendix 1.
- 3.4 An annual report summarising the outcome of the 2017/18 internal audit plan will be presented to this Committee after the year-end.
- 3.5 A summary of the internal audit plan for 2018/19 is shown below and the detailed plan is shown as Appendix 2.

Internal Audit Plan 2018/19

Summary	Audit Days
Main Financial Systems	198
Other Operational Audits	185
Computer / IT Related	40
Fraud and Corruption	5
Corporate / Cross Cutting	72
Location / Regularity	5
Special Investigations & Contingency	30
Training/Updating test schedules	10
Audit Committee / Client Liaison	15
Grand Total	560

- 3.6 The plan has been prepared taking into account the following factors:-
- The organisational objectives and priorities;
 - Local and national issues and risks;

- The requirement to produce an annual internal audit opinion;
- The organisations 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.

3.7 Resource availability has been based on the Consortium Business Plan. The plan allocates 560 days to Chesterfield Borough Council for 2018/19, this is the same allocation as in 2017/18.

3.8 A copy of the audit plan is provided to the Council's external auditor to assist in co-ordination of work programmes.

3.9 Risk Management Issues – no formula exists that can be applied to determine internal audit coverage needs. However, as a guide, the minimum level of coverage is that required to give an annual evidence-based opinion on internal controls. The level of coverage provided by the proposed 2018/19 internal audit plan will be sufficient upon which to base an opinion.

4.0 Alternative options and reason for rejection

4.1 Not Applicable

5.0 Recommendations

5.1 That the Internal Audit Plan for 2018/19 be agreed.

6.0 Reasons for recommendations

6.1 To comply with the Public Sector Internal Audit Standards and to determine the internal audit work plan for the year.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

Report author	Contact number/email
Jenny Williams – Internal Audit Consortium Manager	01246 345468 Jenny.williams@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix A	Background Note
Appendix B	CBC Internal Audit Plan 2016/17 – 2018/19

INTERNAL AUDIT PLAN

BACKGROUND NOTE

1. **Definition of Internal Audit**

Internal Audit is defined in the Public Sector Internal Audit Standards as:

'... an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

2. **The Purpose of Internal Audit**

Internal audit is not a substitute for management. It is the purpose of internal audit to assist and support management by appraising the arrangements and procedures established.

There is also a statutory requirement for internal audit in local government contained in The Accounts and Audit Regulations 2015. These regulations require the authority to maintain an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account public sector internal auditing standards and guidance.

3. **The Difference Between Internal Audit and External Audit**

External audit is completely independent of the authority. The Council's external auditors are KPMG. Much of the external auditors' work is determined by statutory responsibilities. Internal audit's terms of reference are determined and approved by management.

However, there is nevertheless considerable scope for co-operation to avoid duplication of work and to make maximum use of audit resources.

4. **The Scope of Internal Audit Work**

One of the essential elements for effective internal auditing is that the internal auditor should adequately plan, control and record their work.

To determine priorities and to assist in the direction and control of audit work the internal auditor will prepare a plan based on a risk assessment.

The audit plan is divided into the following sections: -

- **Main Financial Systems**

This covers the fundamental accounting and income collection systems of the authority such as payroll, creditor payments, council tax etc. Most of these systems are reviewed on an annual basis due to their importance.

- **Other Operational Audits**

Audits to be undertaken in services include reviewing the controls and procedures in place in areas such as disabled facilities grants and gas servicing.

- **IT Related**

Topics in this area of the plan include a review of social media and control over laptops etc. It should be noted that some IT work is included in most of the audit areas reviewed.

- **Fraud and Corruption**

Audits specifically related to the prevention of fraud and corruption are covered in this area of the plan e.g. a review of the Anti-Fraud Bribery and Corruption Policy. It should be noted that a significant number of other audits include an anti-fraud element e.g. income audits.

- **Cross Cutting Issues**

This area of the plan includes audit subjects that cover all services or are corporate Issues. Examples include work on the Annual Governance Statement and sickness absence.

- **Special Investigations**

A contingency provision is included in the plan to cover the investigation of irregularities or cases of suspected fraud and other problems.

5. **Delivering the Internal Audit Service**

A three year strategic audit plan is compiled based on an internal audit risk assessment of auditable areas. This risk assessment takes into account the following factors:

- Materiality – the amount of funds passing through the system
- Control Environment / vulnerability – assessed level of control based on previous audit findings
- Sensitivity – profile of the system in relation to customer service
- Management concerns – any specific issues relating to the operation of the system
- The Council's Strategic Risk Register

Using a scoring system, audits are then categorised as High, Medium or Low risk. This ranking is then used to compile the annual audit plan.

The areas of audit work set out in the agreed plan are split into individual audit assignments.

An audit assignment can involve:

- preparation of system notes and a review/analysis of system controls;
- extraction of background information;
- extraction and testing of sample transactions and controls;
- notes of interviews and meetings.

All work undertaken is recorded on detailed working papers. To ensure that all areas have been covered and appropriate conclusions reached, all working papers are independently reviewed.

A report on the findings and recommendations arising from the audit is sent to the appropriate Service Head and CMT member at the conclusion of the audit. A response to the recommendations is requested within a set time.

A summary of internal audit reports issued each quarter is reported to the Standards and Audit Committee and an Annual Report is submitted after the end of the year detailing the outcome of the audits completed.

This page is intentionally left blank

Appendix B

Chesterfield Borough Council Internal Audit Plan 2016/17 – 2018/19

	Main Financial Systems	2016/17	2017/18	2018/19	Priority	Last Review	Risk Factor
	Main Accounting and Budgetary Control	18	15	12	H	Annual	The Council's accounts cannot be produced/ reputational damage / no control over spending
Page 31	Bank Reconciliation	8	0	7	M	2016/17	A Fraud may go undetected or system failures
	Payroll	25	20	20	H	Annual	Staff are paid incorrectly/ ghost employees created (Corporate Risk 11)
	Creditor Payments (Accounts Payable)	25	25	25	H	Annual	Duplicate/ fraudulent payments (Corporate Risk 11)
	Debtors (Accounts Receivable)	15	15	15	H	Annual	Loss of income (Corporate Risk 11)
	Treasury Management – Loans and investments	16	15	5	H	Annual	Poor investment decisions / fraud
	Cash and Banking	15	15	8	H	Annual	Loss of income / theft (Corporate Risk 11)
	Council Tax	10	15	20	H	Annual	Loss of income / fraud (Corporate Risk 11)
	Non Domestic Rates	15	15	15	H	Annual	Loss of income / fraud (Corporate Risk 11)
	Housing / Council Tax Benefits	21	21	21	H	Annual	Reputation damage / fraud (Corporate Risk 11)
	Housing Rents including Universal credit implications	20	20	20	H	Annual	Loss of income / Fraud (Corporate Risk 11)
	Housing Repairs – Capital and Revenue	20	0	30	M	2016/17	Reputational damage / poor workmanship

	Total	208	176	198			
	Other Operational Audits	2016/17	2017/18	2018/19	Priority	Last Review	Risk Factor
	Choice Based Lettings	10	0	0	L	2016/17	Reputational damage, fraud
	Car Parks Income	25	20	0	M	2017/18	Income loss, theft
	Careline	0	0	12	L	2011/12	Reputational damage
	Contract final accounts	10	5	5	H	Ongoing	Poor contract management, fraud
	Commercial Waste	10	0	0	M	2016/17	Reputational damage
	Disabled Facilities Grants	0	0	12	L	2013/14	Fraud
	Expenses and Allowances	0	8	0	L	2017/18	Incorrect or fraudulent payments
	Gas and electric Servicing	0	0	15	M	2015/16	Safety of council tenants
	Healthy Living Centre	20	0	20	M	2016/17	Loss of income, theft
	Homelessness	10	0	0	L	2016/17	Reputational damage
	Insurance	0	0	12	M	2013/14	High premiums, fraudulent claims
	Joint Crematorium	12	12	12	H	Annual	Reputational damage
	Markets	10	0	12	M	2016/17	Loss of income, theft
	Market Hall Café/ Commercial Catering	0	0	6	M	New	Loss of income , theft
	Members and civic expenses	0	10	0	L	2017/18	Incorrect or fraudulent payments
	OSD Commercial Works	0	0	10	M	New	Fails to make a profit, reputational damage
	Outdoor facilities	0	0	12	L	2013/14	Loss of income, theft
	Planning Fees	10	0	0	M	2016/17	Loss of income , fraud
	PPP Client Monitoring Procedures	5	5	5	H	Annual	Poor contract management (Corporate Risk 10)
	Property Rents	8	15	0	M	2017/18	Loss of income , fraud
	Property Repairs – non housing	0	8	0	H	2017/18	Assets not fit for purpose
	Queens Park Sports Centre	25	14	25	M	2017/18	Loss of income , theft
	Rechargeable Repairs / leaseholders	0	0	12	L	2013/14	Loss of income
	Sale of Council Houses (Right to Buy)	0	10	0	M	2017/18	Fraud
	Section 106/CIL Follow up	12	8	0	H	2017/18	Income Loss, fraud, failure to provide

							projects
	Spirepride / Grounds Maintenance	0	0	15	L	2012/13	Reputational damage
	Taxi Licences	0	15	0	M	2017/18	Loss of income , safeguarding issues
	Venues	0	30	0	M	2017/18	Loss of income , theft
	Total	167	160	185			
	Computer and IT Related	2016/17	2017/18	2018/19	Priority	Last Review	Risk Factor
	BACS	8	0	0	L	2016/17	Wrong payments, fraud
	Cyber risks/Network Security	10	10	0	H	2017/18	Attack on Council's network (Corporate Risk 8a)
	Data Protection/FOI follow up	8	8	0	H	2017/18	Reputational damage, financial penalties (Corporate Risk 8b)
	Laptops / removable media	0	0	15	M	Part 17/18	Data breach , loss of equipment
	New system review / system upgrades	10	10	15	M	N/A	Failure to test properly before implementation
	Social Media	0	0	10	M	New	Reputational damage
	Total	36	28	40			
	Cross Cutting Issues						
	Corporate Governance and Annual Governance Statement	20	17	20	H	Annual	Poor Governance, reputational damage
	Brimington Parish Council	5	5	5	N/A	Annual	Fraud, poor record keeping
	Financial Advice / Working Groups/Transformation Projects	35	25	25	H	Annual	Appropriate controls not in place
	Sheffield City Region Projects and grants/Loans	0	10	10	H	Annual	Lack of Governance, financial loss

	(CBC)						(Corporate Risk 11)
	Performance Management, Corporate Targets	0	14	0	M	2017/18	Poor Governance
	Health and Safety	15	10	0	H	2017/18	Risk of injury or death, reputational damage (Corporate Risk 6)
	Risk Management	6	0	0	M	2016/17	Failure to identify and mitigate risks
	Safeguarding	13	13	0	M	2016/17	Reputational damage, safety of vulnerable children and adults (Corporate Risk 13)
	Sickness absence	0	0	12	M	New	Reputational damage and financial loss, poor morale
	Total	94	94	72			
	Fraud and Corruption						
	Anti-Fraud and Corruption Strategy	5	0	5	M	2016/17	Fraud, poor culture
	Money Laundering	0	3	0	L	2017/18	Fraud
	National Fraud Initiative	0	10	0	M	2017/18	Fraud
	Procurement	0	15	0	H	2017/18	Fraud, poor value for money, non-compliance with OJEU (Corporate Risk 9)
	Sale of Land and Property	0	10	0	L	2017/18	Fraud, Loss of income
	Total	5	38	5			
	Location / Regularity						
	Petty Cash	5	5	5	L	Annual	Theft
	Total	5	5	5			
	Special Investigations/Contingency	30	34	30	H	Annual	Theft, fraud
	Updates/review of test schedules		10	10	H	Annual	Current risks not assessed
	Audit Committee / Client Officer Liaison	15	15	15	H	Annual	Non- compliance with PSIAS

	Planned Total Days 2018/19	560	560	560			

This page is intentionally left blank

For publication

Summary of Internal Audit Reports Issued 2017/18

Meeting:	Standards and Audit Committee
Date:	4 April 2018
Cabinet portfolio:	Governance
Report by:	Internal Audit Consortium Manager

For publication

1.0 Purpose of report

- 1.1 To present for members' information a summary of Internal Audit Reports issued during the period 6th January 2018 – 9th March 2018 in respect of reports issued relating to the 2017/18 internal audit plan.

2.0 Recommendation

- 2.1 That the report be noted.

3.0 Report details

- 3.1 The Public Sector Internal Audit Standards require that the Internal Audit Consortium Manager reports periodically to the Standards and Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.

- 3.2 Attached, as Appendix A, is a summary of reports issued covering the period 6th January 2018 to 9th March 2018, for audits included in the 2017/18 internal audit plan.
- 3.3 As requested previously, Members have been provided with copies of reports that have been issued with a limited or inadequate audit opinion. This period, 1 limited and 1 inadequate assurance internal audit reports have been issued – Non- housing property repairs and health and safety, the reasons are summarised in Appendix B.
- 3.4 Appendix A shows for each report a summary of the scope and objectives of the audit, the overall conclusion of the audit and the number of recommendations made / agreed where a full response has been received.
- 3.5 The conclusion column of Appendix A gives an overall assessment of the assurance that can be given in terms of the controls in place and the system's ability to meet its objectives and manage risk in line with the definitions below.

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate	There are fundamental control weaknesses,

Assurance

leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

3.6 In respect of the audits being reported, it is confirmed that there were no issues arising relating to fraud that need to be brought to the Committees attention.

3.7 The production of this report ensures that Members charged with governance are aware of any internal control weaknesses or fraud identified by internal audit.

4.0 Alternative options and reasons for rejection

4.1 The report is for information.

5.0 Recommendation

5.1 That the report be noted.

6.0 Reasons for recommendation

6.1 To inform Members of the internal audit reports issued in order that the strength of the internal controls in place can be assessed.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

Report author		Contact number/email
Jenny Williams – Internal Audit Consortium Manager		01246 345468 Jenny.williams@chesterfield.gov.uk
Background documents		
These are unpublished works which have been relied on to a material extent when the report was prepared.		
Appendices to the report		
Appendix A	Summary of Internal Audit Reports Issued	
Appendix B	Summary of the key issues in relation to reports given a “limited or “inadequate” assurance opinion	
Appendix C	Limited Assurance Report – Corporate Health and Safety	
Appendix D	Limited Assurance Report – Non Property Housing Repairs	

Chesterfield Borough Council – Internal Audit Consortium

Report to Standards and Audit Committee

Summary of Internal Audit Reports Issued 2017/18– Period 6th January 2018 – 9th March 2018

Page 41

Report Ref No.	Report Title	Scope & Objectives	Overall Opinion	Date		Response Received	Number of Recommendations	
				Report Issued	Response Due		Made	Accepted
23	Accounts receivable	To ensure that invoices are raised promptly and accurately and that there are debt collection procedures in place	Substantial Assurance	15/01/18	N/A	N/A	0	0
24	Corporate Health and Safety	To ensure that there are policies and procedures in place that ensure compliance with legislation and best practice	Inadequate Assurance	26/01/18	16/2/18	12/3/18	20 (8H 11M 1L)	19
25	Payroll System - Arvato	To ensure that all pay is processed promptly and accurately	Reasonable Assurance	5/02/18	26/02/18	27/2/18	5L	5

Report Ref No.	Report Title	Scope & Objectives	Overall Opinion	Date		Response Received	Number of Recommendations	
				Report Issued	Response Due		Made	Accepted
26	Payroll System – Support Services	To ensure that payroll data has been adequately checked for accuracy	Reasonable Assurance	5/02/18	26/02/18		4 (1M 3L)	Note 1
27	Property Rents	To ensure that rent reviews and tenancy leases expiring are being promptly actioned and that the Mentor system is up to date and accurate	Reasonable Assurance	8/02/18	1/3/18	14/2/18	8 (1M 7L)	8
28	Sale of Council Houses	To ensure that all sale prices are calculated correctly, legislation followed, arrears cleared before sale goes through	Reasonable Assurance	26/02/18	19/3/18	28/2/18	3L	3
29	Main Accounting and Budgetary Control	To ensure there are strong budgetary control procedures in place and that accounting practices are observed	Substantial Assurance	1/3/18	22/3/18	N/A	0	0

Report Ref No.	Report Title	Scope & Objectives	Overall Opinion	Date			Number of Recommendations	
				Report Issued	Response Due	Response Received	Made	Accepted
30	Non Housing Property Repairs	To ensure that there are long term plans in place to keep council properties "fit for purpose" and that the funds are available to do this	Limited Assurance	1/3/18	22/3/18	1/3/18	4(2H 1M 1L)	4
31	Money Laundering	To ensure that the council complies with money laundering legislation	Reasonable Assurance	1/3/18	22/3/18	1/3/18	3L	3

Note 1 – Response not received at time of writing report

This page is intentionally left blank

Summary of the key issues in relation to reports given a “limited or Inadequate assurance” opinion.

Health and Safety – Inadequate Assurance

The main points arising were:-

- Lack of progress made in implementing previous audit recommendations
- Lack of resource – Service redesign in progress
- Policies out of date
- Staff training not up to date
- Stress related absences not logged on SHE
- No health and safety audits have taken place
- Fire risk assessment actions are either outstanding or the system hasn't been updated
- The HSE action plan in relation to 6 Ashgate Road hasn't been completed
- The Corporate Asset Management Plan has not been completed or approved
- There is not yet an action plan or associated budget to complete identified asbestos remedial actions
- Sickness absence statistics reported to the Health and Safety Committee are very minimal
- The Contractors Code of Practice has not yet been updated.

The Executive Director will be attending to provide an update

Non Housing Property Repairs – Limited Assurance

The main points arising were:-

- Lack of progress in implementing previous audit recommendations
- Only the top 11 properties have been reviewed in respect of the future repairs and maintenance work required
- Managers need to be made aware of which repairs are to be classed as capital expenditure and which are to come from revenue
- The second phase of review of further properties needs to commence asap
- The contributions made by services for repairs and maintenance should be reviewed

The Director of Finance and Resources will be attending to provide an update

This page is intentionally left blank

**Bolsover, Chesterfield and North East Derbyshire District
Councils'**

Internal Audit Consortium

Internal Audit Report

Authority:	Chesterfield Borough Council
Subject:	Corporate Health and Safety
Date of Issue:	26th January 2018

Report Distribution:	Executive Director – James Drury
---------------------------------	---



INTERNAL AUDIT REPORT

HEALTH AND SAFETY

Introduction

In October 2016 a review of health and safety arrangements was undertaken and the resulting audit opinion was unsatisfactory. Due to the importance and high risk factors associated with Health and Safety a follow up audit has been undertaken.

Scope and Objectives

The purpose of the audit is to establish the progress made against the recommendations at the last audit.

Conclusion

The conclusion of the audit was that the assurance in place is **inadequate** - There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

Despite an implementation schedule being agreed at the last audit little progress has been made against this. The levels of resource within the corporate health and safety unit have been compounded by the time required on asbestos issues and the departure of the Health and Wellbeing manager. Most of the recommendations made at the last audit have been re stated and during the course of the audit additional issues were also arising leading to further new recommendations.

The Executive Director (James Drury) is currently reviewing corporate health and safety requirements and undertaking a service redesign as it is likely to be another 3 months before there is a Health and Wellbeing manager in post.

Since the completion of the audit, the Executive Director has met with the Council's Health and Safety Advisors and the Commercial Services Manager to address the issues raised during the audit and also wider issues. A recovery plan is in the process of being finalised following on from which the resources required to implement this will need to identified.

Findings and Recommendations

The table below summarises the position in respect of the implementation of previous recommendations.

	H	M	L	Originally agreed to be implemented by	Implemented in full
R1	√			April 17	No
R2		√		December 16	Yes
R3		√		February 17	No
R4		√		March 17	No longer applicable
R5		√		June 17	No
R6	√			June 17	No
R7	√			May 17	No
R8	√			January 17	No
R9		√		January 17	Part
R10			√	September 17	No
R11	√			March 17	No
R12		√		February 17	Yes

Previous Recommendation 1

A review of Health and Safety policies, protocols and guidance should be undertaken to ensure they are up to date and reflect the most current legislation and approved codes of practice

- 1.1 The Health and Wellbeing Manager was to revise the suite of policies with a view to rationalising the number of policies and providing links to relevant legislation and guidance etc. Many of the policies are dated 2013 and were due for review in 2015. The Council's main Health and Safety policy runs out at the end of 2017. This will soon have an impact on OSD as they require a current Health and Safety policy in order to be able to stay registered with Construction line and compete for work.
- 1.2 The Health and Wellbeing Manager has now left the Council and no notes can be located to demonstrate the progress made in respect of the review of policies. The Corporate Health and Safety Advisor stated that a review of the Council's main Health and Safety Policy will be his first task in the New Year.

- 1.3 One of the big issues in terms of being able to deliver on this recommendation has been resource. The Corporate Health and Safety Advisor has spent the bulk of his time over the last year working on asbestos issues.
- 1.4 An Executive Director is currently working on a service redesign. The review may not necessarily mean additional corporate resource but may utilise other health and safety officers that work out in services.
- 1.5 The Executive Director also stated that a lot of work was required in respect of the staff caution list.
- 1.6 This recommendation therefore remains outstanding and has been raised again.

	Recommendations
R1	The service redesign of health and safety should be progressed as a matter of urgency. In addition to this consideration should be given to the resource required in the interim period to meet all legislative requirements. (Priority: High)
R2	A review of all Health and Safety policies, protocols and guidance should be undertaken to ensure that they are up to date and reflect the most current legislation and approved codes of practice. (Priority : High)

Previous Recommendation 2

To ensure all Health and Safety related information and guidance is available to employees the intranet should be updated to contain links to relevant policies.

- 2.1 The intranet has been updated to include all of the Council's Health and Safety policies. However, as already stated most of these policies are very out of date.
- 2.2 This recommendation has therefore been implemented

Previous Recommendation 3

Generic training needs for all employees should be reviewed to ensure training is up to date

- 3.1 A suite of health and safety training modules now sit on Learning Pool and these are available for staff to complete. During Employee Performance Development Reviews managers should assess each persons learning requirements and ensure that the relevant training modules are completed.

- 3.2 Learning Pool has been operational since January 2017 and the health and safety modules recently added. Prior to 2015 some health and safety courses such as fire safety and asbestos were completed on line by all staff however these were withdrawn in 2015 when it was decided to change the system. The Council decided to use the same system for all learning and development and this was not introduced until 2017 leaving a gap of 2 years and a big back log of training to be caught up on.
- 3.3 None of the health and safety modules have yet been made compulsory to complete. Recently, the Health and Safety Corporate Advisor has sent out a request to managers to complete a spreadsheet detailing the health and safety training requirements of their staff with a deadline completion date of the end of December 17. This form was last completed by managers in 2014/15. Once the forms have been returned the Corporate Health and Safety Advisor will use these to liaise with HR and request that employees are required to complete the relevant courses. Of the forms completed by managers to date, many have not been completed correctly as in some instances they have not ticked training for all staff such as fire safety which is a corporate requirement for everyone to complete each year.
- 3.4 Ten employees starting with the council between April and June 2017 were selected and it was established from HR that none of these employees had yet completed the relevant health and safety e learning induction module.
- 3.5 Some progress has been made against this recommendation however the Council is a long way from being able to effectively demonstrate that all of its employees have undertaken the health and safety training that they require for their roles. The recommendation has therefore been raised again albeit in a different format.

	Recommendations
R3	Responses from managers in terms of health and safety training requirements for their staff should be vigorously pursued and checked for accuracy/ reasonableness. (Priority : Medium)
R4	Basic health and safety training should be made mandatory for all staff on aspire learning. Other health and safety training identified as mandatory by managers for specific roles e.g. asbestos management should also be made mandatory for relevant staff. (Priority: Medium)
R5	The completion of mandatory health and safety training should be monitored corporately and action taken where it is not completed in a timely manner. (Priority : Medium)

Previous Recommendation 4

It must be ensured all corporate health and safety training is recorded on the SHE system against the individual employee record.

- 4.1 This recommendation is no longer applicable as the SHE system is no longer going to be used to record all health and safety training, instead aspire learning is to be used.
- 4.2 However, enquires as to what the SHE system is to be used for led to further points arising. The SHE system should still be used to log all accidents and work related absence including e.g. stress.
- 4.3 A review of the Health and Safety Committee reports from October 2017 revealed some anomalies in the figures presented. In the Health and Safety Officers report (which is derived from information on the SHE system) there were only 6 ill health related incidents and these all related to Queens Park Sports Centre. However, in the same report HR reported 22 incidents of work related stress between 1st July 17 and 30th September 17. It was evident that managers are not logging all incidents of work related stress on the SHE system. A reconciliation should take place between the data recorded on SHE and that presented by HR to the Health and Safety committee to ensure that all incidents are correctly logged and that reporting to Members is accurate.
- 4.4 Whilst reviewing the October 2017 incidents report to the Health and Safety Committee it was also noted that in terms of the incidents recorded many of the boxes headed up "Action taken to prevent recurrence" had not been completed, this included for instances where working days had been lost. The reason for this was discussed with the Health and Safety Corporate Advisor and it was established that the reports are taken from SHE and that boxes are blank because officers are not completing them. This could either be because no action has been taken or there has been a failure to update the system with the action taken.
- 4.5 It was also evident that there is now a lack of resource to keep the administration of the SHE system up to date and functioning correctly as a part time member of staff has left. It was planned that IT would take over the administration of the system however this has not occurred and this has now fallen to the Health and Safety Corporate Advisor. This issue of the maintenance and administration of the SHE system should be addressed as part of the service redesign (R1).

	Recommendations
R6	Managers need to be reminded that all work related stress absence should be logged on SHE. (Priority : Medium)
R7	A reconciliation should be performed between the work related illness information logged on SHE and HR data. (Priority : Medium)
R8	That officers are reminded that when there is an incident/ accident that appropriate action should be taken to prevent a re-occurrence and that this should be recorded on the SHE system. There should be some central monitoring to ensure that details are completed in full and correctly. (Priority : Medium)

Previous Recommendation 5

Procedures for monitoring and measuring performance in respect of the Corporate Health and Safety Unit should be identified and reported on a periodic basis.

- 5.1 No progress has been made in respect of this recommendation and therefore it has been raised again.

	Recommendation
R9	Procedures for monitoring and measuring performance in respect of the Corporate Health and Safety Unit should be identified and reported on a periodic basis. (Priority : Medium)

Previous Recommendation 6

It is essential that the programme of health and safety audits are recommenced as soon as possible

- 6.1 The purpose of health and safety audits is to ensure that legislation, policies and procedures are being adhered to. At the last audit it was confirmed that no corporate health and safety audits had been undertaken since 2014. These audits have not yet recommenced. The audits are partially reliant on a review of policies to ensure that the reviews are based on current legislation and guidance.
- 6.2 This recommendation has not been actioned therefore is raised again.
- 6.3 On the back of this recommendation further enquiries were made in respect of what monitoring takes place to ensure that premises managers are undertaking appropriate safety actions e.g. in terms of fire drills and assessments.

- 6.4 Around a year ago a consultant was employed to undertake fire risk assessments for all the Council's properties. The results were logged on an on line system and each of the premises managers should complete the actions required arising from the assessment and update the system accordingly. 62 properties are detailed on the system.
- 6.5 The Corporate Health and Safety Advisor has not had the capacity to review the online system to ensure that all actions have been completed. Outstanding recommendations are highlighted in red and are tagged as pending. One year on, 2 properties records were reviewed and numerous fire actions required were detailed as pending. This may be because the actions have not been completed or may be because the system has not been updated. There is a risk that if a fire occurs and someone is injured or worse that this could be partly attributable to outstanding actions. The fire risk assessment consultant is due in again early next year.
- 6.6 A further issue uncovered was in relation to an HSE investigation that took place at 6 Ashgate Road. A whistleblowing complaint was received that some asbestos ceiling panels had been knocked and that staff had been exposed to asbestos. The Health and Wellbeing Manager and the Health and Safety Corporate advisor met with the HSE and on the basis of the proposed action plan the HSE decided not to take enforcement action. Having reviewed the action plan it is evident that many of the actions detailed are long over due for completion. There is a risk that the HSE will ask for an update and if not satisfied may then proceed with enforcement action.

	Recommendations
R10	It is essential that the programme of health and safety audits are recommenced as soon as possible. (Priority : High)
R11	Premises managers should be reminded that they need to complete the actions arising from their fire risk assessment and update the online system accordingly. (Priority : High)
R12	A Corporate check should be undertaken in a timely manner to ensure that identified fire actions are being completed. (Priority : Medium)
R13	The HSE action plan in respect of 6 Ashgate Road should be reviewed to ensure that all outstanding actions are completed as soon as possible. (Priority : High)

Previous Recommendation 7

It is essential that the Corporate Asbestos Management Plan is reviewed as soon as possible

- 7.1 The Corporate Asbestos Management Plan is a corporate document to cover housing and non housing and should detail how CBC manages it's asbestos. This piece of work has been contracted out to a consultant. There is a draft plan however this still requires completion and approval. The recommendation is therefore repeated in a slightly different format.

	Recommendation
R14	It is essential that the Corporate Asbestos Management Plan is finalised and approved as soon as possible. (Priority : High)

Previous recommendation 8

It is essential that the programme of inspections and surveys of the Council – owned non – domestic premises to make a materials assessment for asbestos is commenced as soon as possible

- 8.1 Many inspections have taken place and progress is well underway against this recommendation. However, as at the middle of December there were still 31 properties to survey (mainly industrial and commercial units). Until this work is undertaken it is not possible for a prioritised plan of remedial action required to be completed. Once the prioritised action plan of remedial actions required is completed the associated budget will need to be allocated.
- 8.2 The recommendation has therefore been repeated in a slightly different format.

	Recommendations
R15	It is essential that the programme of inspections and surveys of Council – owned non – domestic premises to make a materials assessment for asbestos is completed as soon as possible. (Priority : Medium)
R16	The action plan to prioritise identified asbestos remedial actions should be completed as soon as possible and the associated budget required identified and allocated. (Priority :High)

Previous Recommendation 9

Closer working between the Health and Safety Unit and other Council departments should take place during the early stages of organisational developments e.g. office moves / structural changes.

- 9.1 Business transformation have now introduced a project management office where any programme or project goes through a “gateway assessment”. The business transformation manager stated that health and safety would be one of the many resources that the Gateway Zero Board would consider. The form does not need to be completed for anything classed as business as usual, the form also does not make specific reference to health and safety.
- 9.2 A capital project in respect of improvements to the Winding Wheel was approved in November 2017. It was confirmed that the Corporate Health and Safety Advisor has not yet been consulted.
- 9.3 The recommendation has therefore been repeated in a different format.

	Recommendation
R17	Consideration should be given as to how an early consultation with health and safety in respect of any proposed projects etc. can be guaranteed. (Priority : Medium)

Previous Recommendation 10

The possibility of benchmarking against other local authorities should be considered

- 10.1 This recommendation has not been progressed and has therefore been repeated. As part of the benchmarking process it would be useful to establish the health and safety staffing arrangements of similar sized Council's.
- 10.2 In terms of being able to benchmark it was also noted that very little information is given to the Health and Safety Committee in respect of sickness absence data. The only information detailed in the report is number of stress cases, number of musculoskeletal cases and “other”.
- 10.3 This lack of information makes it very difficult to monitor trends or to establish actions that may help employees return to work.

10.4 Other information produced by neighboring authorities includes:

- Average number of sick days per employee
- Sick days in each quarter compared to the same quarter the previous year
- Split between long term and short term sickness
- Split by service
- Split by age / sex
- Break down of sick days by cause – Musculo skeletal problems, stress/depression/ viral infection/ headache / migraines, hospital treatments, heart / blood pressure etc.

10.5 The S2 forms that are completed gather this information so could be used to focus attention where it is most required and perhaps where employees could be offered more assistance and support.

	Recommendations
R18	The possibility of benchmarking against other local authorities should be considered. Data should be sought from similar sized Council's as to the number and make up of Health and Safety officers employed. (Priority : Low)
R19	Sickness absence data/ occupational health statistics reported to the Health and Safety Committee should be in much greater detail and used to develop initiatives to help and support staff return to work. (Priority : Medium)

Previous recommendation 11

It must be ensured that the Managing Contractor Code of Practice and related procedures must be adhered to. If departmental failings are identified the appropriate reminders / training should be given.

11.1 A working group has been established to review the managing contractors procedures and this has met a couple of times however the review is not yet complete.

	Recommendation
R20	It must be ensured that the Managing Contractors Code of Practice is reviewed, updated and adhered to. If departmental failings are identified the appropriate reminders / training should be given (Priority : High) .

Previous Recommendation 12

The Health and Safety Units budget should be closely monitored with adverse variances in respect of professional fees having already been identified. The Health and Wellbeing Manager should continue to investigate the possibility of the virement/centralization of budgets regarding health and safety expenditure.

- 12.1 Budget reports are distributed to managers on a monthly basis. The latest health and safety budget monitoring report was reviewed and no major variances were noted.

Acknowledgement

1. The auditor would like to thank the Executive Director and the Corporate Health and Safety Advisor for their helpful assistance during this audit.

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

Internal Audit Report – Implementation Schedule

Report Title:	Health and Safety follow up audit January 2018	Report Date:	26 th January 2018
		Response Due By Date:	16 th February 2018

Recommendations		Priority (High, Medium, Low)	Agreed	To be Implemented By:		Comments
				Officer	Date	
R1	The service redesign of health and safety should be progressed as a matter of urgency. In addition to this consideration should be given to the resource required in the interim period to meet all legislative requirements.	High	Yes	ED and AD HWB when starts (April 18)	June 2018	Initial work undertaken for consideration by new AD in April and reports to Joint Cabinet and Employment & General Committee. Aim for process to be completed and recruitment undertaken by end of June 2018.
R2	A review of all Health and Safety policies, protocols and guidance should be undertaken to ensure that they are up to date and reflect the most current legislation and approved codes of practice.	High	Yes	AD HWB	May 2018	Initial review to be undertaken by H&S specialist (non CBC) and finding reported to panel of CBC H&S specialists
R3	Responses from managers in terms of health and safety training requirements for their staff should be vigorously pursued and checked for accuracy/ reasonableness.	Medium	Yes	Emails issued and CMT reminded	March 2018	Completed but monitoring to continue
R4	Basic health and safety training should be made mandatory for all staff on aspire learning. Other health and safety training identified as mandatory by managers for	Medium	Yes	ED /AD	June 2018	Different categories of users being identified by H&S experts and training requirements being identified for each group

Recommendations		Priority (High, Medium, Low)	Agreed	To be Implemented By:		Comments
				Officer	Date	
	specific roles e.g. asbestos management should also be made mandatory for relevant staff.					
R5	The completion of mandatory health and safety training should be monitored corporately and action taken where it is not completed in a timely manner.	Medium	Yes	MJ	Ongoing	This is now happening but needs to be ongoing with reminders to managers regarding compliance. Resources limiting follow ups at present
R6	Managers need to be reminded that all work related stress absence should be logged on SHE.	Medium	Yes but see note	MJ	Reminder complete. Oct 2018	In the short term yes, but further consideration required to establish the best system to input this data once, rather than entering twice which wastes time, can result in errors and a requirement to reconcile
R7	A reconciliation should be performed between the work related illness information logged on SHE and HR data.	Medium	No – but see note			Need to establish a corporate way of logging this once in one place. If required in two systems then automated data transfer needs to be investigated
R8	That officers are reminded that when there is an incident/ accident that appropriate action should be taken to prevent a re-occurrence and that this should be recorded on the SHE system. There should be some central monitoring to ensure that details are completed in full and correctly.	Medium	Yes	AD	July 2018	Dependency on revised structure and additional capacity, but CMT reminded
R9	Procedures for monitoring and measuring performance in respect of the Corporate Health and Safety Unit should be identified and	Medium	Yes	AD	Pilot from Oct 2018,	Work required to identify relevant measures and pragmatic methods of capturing data. Dependency on resourcing

Recommendations		Priority (High, Medium, Low)	Agreed	To be Implemented By:		Comments
				Officer	Date	
	reported on a periodic basis.				full year April 2019	
R10	It is essential that the programme of health and safety audits are recommenced as soon as possible.	High	Yes	MJ	July 2018	Build in requirement for local plan checks into internal audits. Recommence following revised structure
R11	Premises managers should be reminded that they need to complete the actions arising from their fire risk assessment and update the online system accordingly.	High	Yes	MJ	March 2018	Email issued –complete, but ongoing compliance tests required
R12	A Corporate check should be undertaken in a timely manner to ensure that identified fire actions are being completed.	Medium		MJ	June 2018	Contractor will be engaged again to undertake review
R13	The HSE action plan in respect of 6 Ashgate Road should be reviewed to ensure that all outstanding actions are completed as soon as possible.	High	Yes	ED/ AD	April 2018	
R14	It is essential that the Corporate Asbestos Management Plan is finalised and approved as soon as possible.	High	Yes	ED/AD/ MJ	April 2018	Vast majority of this has been completed. Some access issues preventing full completion, data being loaded onto system and therefore analysis can be undertaken
R15	It is essential that the programme of inspections and surveys of Council – owned non – domestic premises to make a materials	Medium	Yes	ED/AD/ MJ	April 2018	Vast majority of this has been completed. Some access issues preventing full completion, data being loaded onto system and therefore analysis can be undertaken

Recommendations		Priority (High, Medium, Low)	Agreed	To be Implemented By:		Comments
				Officer	Date	
	assessment for asbestos is completed as soon as possible.					
R16	The action plan to prioritise identified asbestos remedial actions should be completed as soon as possible and the associated budget required identified and allocated.	High	Yes	AD	tba	Needs to be undertaken in the context of the outcomes from 13.14.and 15 above
R17	Consideration should be given as to how an early consultation with health and safety in respect of any proposed projects etc. can be guaranteed.	Medium	Yes	AD	April 2018	All proposed projects of a significant scale should be presented to CMT where H&S will be flagged. CMT reminded
R18	The possibility of benchmarking against other local authorities should be considered. Data should be sought from similar sized Council's as to the number and make up of Health and Safety officers employed.	Low	Yes	AD	Sept 2018	To be considered by new AD
R19	Sickness absence data/ occupational health statistics reported to the Health and Safety Committee should be in much greater detail and used to develop initiatives to help and support staff return to work.	Medium	Yes	AD	Dec 2018	Although supportive of the idea, current resources do not allow this. Priority is obtaining a single and accurate data record – see R7. When this is complete and resourcing issues addressed this can be considered
R20	It must be ensured that the Managing Contractors Code of Practice is reviewed, updated and adhered to. If departmental failings	High	Yes	AD	Sept 2018	The code of practice is considered to be adequate but the issue relates to corporate compliance which should be addressed through reminders / warning to CMT and

Recommendations		Priority (High, Medium, Low)	Agre ed	To be Implemented By:		Comments
				Officer	Date	
	are identified the appropriate reminders / training should be given					additional resource to 'police' processes

**Bolsover, Chesterfield and North East Derbyshire District
Councils'**

Internal Audit Consortium

Internal Audit Report

Authority:	Chesterfield Borough Council
Subject:	Non Housing Property Repairs
Date of Issue:	1st March 2018

Report Distribution:	Head of Kier Contract Director of Finance and Resources
---------------------------------	--



INTERNAL AUDIT REPORT

Non Housing Property Repairs

Introduction

In July 2015 an audit of non- housing property repairs was undertaken and a conclusion of “unsatisfactory” was reached. In April 2016 a follow up review took place however as it was deemed that little progress had been made the conclusion remained at “unsatisfactory”. A further high level review has now been undertaken to establish the progress made and current situation.

Scope and Objectives

The scope and objectives of this audit was to establish the progress made against the recommendations of the previous 2 audits in terms of being able to demonstrate that there is a clear plan in place based on up to date condition surveys for the repairs and maintenance of non- housing properties.

Conclusion

Progress has been made since the previous audit however this progress has been slow and is behind schedule. In September 16 the Head of Kier Contract reported to the Standards and Audit Committee that the top 16 properties would be reviewed and have a new 10 year maintenance plan based on condition surveys by February 2017. By February 2018 Kier are in the process of finalising the reviews of the top 11 properties before they go out to managers. Kier’s review has also incorporated an analysis of potential capital expenditure.

The overall conclusion of the audit is that “**Limited Assurance**” can be given. Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed. (See Appendix 1 for all classification definitions).

The findings together with recommendations to address any outstanding issues are highlighted in the following report.

Findings and Recommendations

Current Position

1. As at February 2018 Kier has reviewed the repairs and maintenance requirements of the top 11 properties. The final details and report in respect of this review and the financial implications are in the process of being finalised. The next 9 assets to be reviewed have been agreed in principle with Kier.
2. The means of financing non- housing property repairs is likely to change. There is to be much more focus on capitalising repairs where possible. For the 11 properties identified above Kier have established which of the repairs over the next 10 years can be capitalised and which still have to be paid for out of revenue.

3. The impact of this will be a larger capital programme. Large items of capital repairs e.g. lifts, boiler renewals etc. have always formed part of the capital programme however this will now be expanded further. The Capital Accountant confirmed that currently there is sufficient headroom on borrowing limits to enable this to take place.
4. This will also mean that the property repairs fund budget will be reduced with just a working balance being retained. This will ease some of the pressure from the general fund revenue account. The property repairs fund is used for day to day repairs such as electrical checks, servicing of boilers and fire alarms etc.
5. The next step is for Kier to finalise their review of the top 11 properties and to forward the details to the Director of Finance and Resources. The Director of Finance and Resources will then take a paper to the Corporate Management Team. Once Corporate Management Team have agreed the revised approach, property managers will be provided with the details and also given a definition of what falls in to capital and what falls in to revenue expenditure.
6. It was also agreed between the Director of Resources and Head of Kier Contract that the system for ordering repairs will be documented and distributed to property managers.
7. Following on from this Kier will need to identify and agree with the Director of Corporate Resources the next tranche of properties for review.
8. No steps have been taken to review the contribution levels of services for their respective repairs and maintenance.

Recommendations:	
R1	That the review of the top 11 properties repairs and maintenance requirements be concluded as soon as possible. Following this the Director of Finance and Resources should present the findings of the review to CMT and CMT should make a decision as to how non- housing property repairs should be funded in future. This should also apply to those properties not covered by the property repairs fund. (Priority: High)
R2	Property Managers should be instructed as to what is a capital repair and what repairs can be funded from the property repairs budget and also be reminded of the procedure for requesting repairs. (Priority: Medium).
R3	The review of the second phase of properties should be commenced and completed as soon as possible with the results being fed back to CMT (Priority : High)
R4	Contribution levels should be reviewed to ensure they are set at a realistic level (Priority : Low)

Internal Audit Report – Implementation Schedule

Report Title:	Non Housing Property Repairs – Follow up Audit.	Report Date:	1st March 2018
		Response Due By Date:	N/A

	Recommendations	Priority (High, Medium , Low)	Agreed	To be Implemented By:		Disagreed	Further Discuss ion Require d	Comments
				Officer	Date			
R1	That the review of the top 11 properties repairs and maintenance requirements be concluded as soon as possible. Following this the Director of Finance and Resources should present the findings of the review to CMT and CMT should make a decision as to how non-housing property repairs should be funded in future. This should also apply to those properties not covered by the property repairs fund.	H	Y	Director of Finance and Resources	03/18			Agree this be completed by the end of year March 2018 meeting to finalise in diaries
R2	Property Managers should be instructed as to what is a capital repair and what repairs can be funded from the property repairs budget and also be reminded of the procedure for requesting repairs.	M	Y	Capital Accountant	03/18			The finance department will draft up guidance by the end of March 2018
R3	The review of the second phase of properties should be commenced and completed as soon as possible with the results being fed back to CMT	H	Y	Director of Finance and Resources	04/18			9 assets have been identified and work will commence from April 2018.

Recommendations		Priority (High, Medium , Low)	Agreed	To be Implemented By:		Disagreed	Further Discuss ion Require d	Comments
				Officer	Date			
R4	Contribution levels should be reviewed to ensure they are set at a realistic level	L	Y	Chief Accountant	Annua lly			This will be done by finance annually when setting and managing budgets

Please tick the appropriate response (✓) and give comments for all recommendations not agreed.

Signed:		Date:	
---------	--	-------	--

Internal Audit Consortium Opinion Definitions

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

For publication

Outstanding Internal Audit Recommendations

Meeting: Standards and Audit Committee

Date: 4 April 2018

Cabinet portfolio: Governance

Report by: Internal Audit Consortium Manager

For publication

1.0 Purpose of report

- 1.1 To present for members' information a summary of outstanding internal audit recommendations and the progress being made to implement them.

2.0 Recommendations

- 2.1 That the report be noted.
- 2.2 That Members' decide if they want to ask any officers to the next Standards and Audit Committee for further updates in relation to specific areas of concern.
- 2.3 That a further summary of outstanding internal audit recommendations be submitted to the Standards and Audit Committee in September 2018.

3.0 Report details

- 3.1 It has previously been agreed by the Standards and Audit Committee that a report detailing outstanding internal audit recommendations be brought to the Standards and Audit Committee every 6 months.
- 3.2 The implementation of audit recommendations is being monitored by the Corporate Management team on a regular basis and they have committed to being pro- active in ensuring that recommendations are implemented as agreed where possible.
- 3.3 Attached, as Appendix A, is a summary of outstanding internal audit recommendations as at the end of February 2018. The front page of Appendix A provides an analysis of the number of recommendations made against the number outstanding.
- 3.4 The oldest outstanding recommendations relate to the areas of IT policies, Procurement, Data Protection, Non Housing Property Repairs, Business Continuity and Emergency Planning, Section 106 and Health and Safety.
- 3.5 The timely implementation of internal audit recommendations helps to ensure that the risk of error or fraud is reduced and that internal controls are operating effectively.

4.0 Alternative options and reasons for rejection

- 4.1 The report is for information.

5.0 Recommendations

- 5.1 That the report be noted.
- 5.2 That Members' decide if they want to ask any officers to the next Standards and Audit Committee for further updates in relation to specific areas of concern.

- 5.3 That a further summary of outstanding internal audit recommendations be submitted to the Standards and Audit Committee in September 2018.

6.0 Reasons for recommendations

- 6.1 To inform Members of the internal audit recommendations outstanding so that they can assess if appropriate and timely action is being taken.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

Report author	Contact number/email
Jenny Williams – Internal Audit Consortium Manager	01246 345468 Jenny.williams@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix 1	Summary of outstanding audit recommendations as at the end of February 2018

This page is intentionally left blank

Appendix 1

Summary of Outstanding Internal Audit Recommendations as at end of February 2018

Recommendations Made	2014/15	2015/16	2016/17	2017/18 to date
Number of High Priority	54	58	40	32
Number of Medium Priority	34	42	48	63
Number of Low Priority	25	21	30	58
Total	113	121	118	153
Recommendations Implemented	111	115	99	70
Number of high recommendations outstanding	2	4	8	1
No of medium recommendations outstanding	0	2	5	3
Number of Low recommendations outstanding	0	0	1	3
Outstanding but not overdue	0	0	5	76
Total Outstanding and overdue	2	6	19	7
Percentage due implemented	98%	95%	88%	90%

N.B Where recommendations are raised in more than one year these are only reflected in the first year raised

Outstanding Internal Audit Recommendations 2014/15

Audit 2014/15	Recommendations	Priority	Agreed Imp Date	Managers Comments
IT Security December 14	<p>R1 It is essential that the current Council's Use of ICT by Employees Policy is reviewed to determine if it is still fit for purpose. If it is deemed not fit for purpose that a new ICT policy should be devised in accordance with the risk appetite, strategies and direction of business of the Council</p> <p>Raised again Nov 17</p>	H	<p>End May 2015</p> <p>Revised date end May 2018</p>	<p>Manager Responsible : Rachel O Neil</p> <p>February 18 Update – Policies developed and consulted on. Adoption paused until GDPR guidance is finalised so that this can be taken in to account.</p>
<p>Procurement – February 2015</p> <p>Page 76</p>	<p>R3 The Council should publish a procurement toolkit on the Council's intranet and provide relevant Service Managers/Managers with compulsory training. This should include:</p> <ul style="list-style-type: none"> • The Council's contract procedure rules. • EU legislation requirements. • Local Government Transparency Code 2014. • Confirmation of the respective roles in the procurement process. • Procurement methods and best practice. 	H	<p>September 2015</p> <p>June 2018</p>	<p>Manager Responsible : Rachel O'Neil</p> <p>February 18 Update – Member training delivered. Procurement e learning developed but not yet rolled out to staff.</p>

Outstanding Recommendations 2015/16

Audit- Recs 2015/16	Recommendations	Priority	Agreed Imp Date	Managers Comments
Data Protection – May 2015 <div>Page 77</div>	<p>R1 It is essential that the programme of training embarked on in April 2015, is monitored to ensure all staff fully complete the training and that the anticipated further training to data asset owners occurs and is completed within a prescribed timescale.</p> <p>Raised again September 17</p>	H	<p>November 2015</p> <p>Revised Date June 2018</p>	<p>Manager Responsible: Rachel O’Neil/Tony Smith/Gerard Rogers (as SIRO)</p> <p>February 18 update – Data protection training rolled out to staff through learning pool but completion rates are still only around 50%. CMT working with service managers to move to 100% completion of the modules. Feedback from training is being evaluated by Information Assurance Manager. Programme of cultural awareness, including the new GDPR is being implemented. Aspire being used to provide information.</p>
Data Protection – May 2015	<p>R3 The review of Council forms used to collect personal data, be concluded by the revised implementation date 1st June 2015, with appropriate action being taken on any forms which are considered not to have a robust and consistent fair processing notification.</p> <p>Raised again September 17</p>	H	<p>End July 2015</p> <p>Revised Date May 2018</p>	<p>Manager Responsible: Rachel O’ Neil/ Tony Smith/Gerard Rogers (as SIRO)</p> <p>February 18 Update – This work is being completed as part of the GDPR compliance action plan.</p>

Audit- Recs 2015/16	Recommendations	Priority	Agreed Imp Date	Managers Comments
Non Housing Property Repairs July 15	R3 As previously agreed, a report to the Council should be prepared indicating the outcomes of the property condition surveys undertaken and the levels of maintenance required, subsequent to which liaison must occur between the Council and the service provider to provide guidance on the levels of contributions available and the level of maintenance affordable (both revenue and capital)	H	September 2015 Revised date May 2018	Manager Responsible: Kevin Hanlon / Matt Sorby/ Jon Vaughan February 18 update - A ten year capital maintenance plan is being developed by Kier for the Council's principle assets. The first dozen assets have been assessed and costed for capital works. This has yet to be approved by CMT and reported to Council. The second tranche of assets is now to be identified.
Non Housing Property Repairs July 15	R5 In conjunction with R2, when the new 10 year cycle is established it must be transparent as to what works are included within the cycle with the programme being adhered to as much as is practical. In instances where works are deferred or brought forward for any reason the plan should be updated to reflect the changes	H	Ongoing	Manager Responsible: Kevin Hanlon / Matt Sorby/ Jon Vaughan As above
Procurement – March 16	R6 The CBC website requires updating with the Contracts Register to comply with the Local Government Transparency Code 2015	M	Within 3 months of SLA sign off Revised target June 2018	Responsible Manager: Rachel O'Neil February 2018 Update – Not yet progressed

Audit- Recs 2015/16	Recommendations	Priority	Agreed Imp Date	Managers Comments
Business Continuity and Emergency Planning arrangements October 2015 <div>Page 79</div>	<p>R2 Once the new Corporate Management Team structure has been established then it should be ensured that Service Area Business Continuity plans are:-</p> <ul style="list-style-type: none"> • Aligned to the new structure • Brought up to date • Appropriately distributed <p>Updated at least annually</p>	M	SS to commence once new CMT structure agreed and further developed and completed once positions filled – March 2017	<p>Manager Responsible: Sam Sherlock</p> <p>January 18 Update - The following business continuity service area arrangements are still outstanding:</p> <ul style="list-style-type: none"> • Customers, Commissioning and Change - Rachel O'Neil • Economic Growth - Neil Johnson • Health and Wellbeing – Ian Waller

Outstanding Recommendations 2016/17

Audit Recs 2016/17	Recommendations	Priority	Agreed Imp Date	Managers Comments
Section 106/CIL – September 2016	R2 It should be ensured that all section 106 obligations due and not collected get assessed; these should then be chased for payment or written off as appropriate. See Appendix 1	H	March 2017 Revised date : March 2018	Manager Responsible: Neil Johnson February 18 update - A report will be presented to Planning Committee and approval by Exec Member for Econ Growth and Cabinet if necessary
Section 106/CIL – September 2016 Page 80	R3 Evidence should be provided to confirm payment of the offsite play contribution (£38,800) and the highways contribution (£5,000) for CHE/05/00053/FUL.	H	March 2017 Revised date March 2018	Manager Responsible: Neil Johnson February 18 update - Dialogue with the developer to establish receipt of funds
Section 106/CIL – September 2016	R10 Consideration should be given to providing the planning committee with an annual report that details all section 106 agreements and there current status including outstanding obligations not received.	H	April 2017 Revised Date March 2018	Manager Responsible: Neil Johnson February 18 update - As part of the annual report that is currently prepared for Planning Committee all outstanding agreements and their status will be added
Health and Safety	R1 A review of all Health and Safety policies,	H	July 2017	Manager Responsible:

Audit Recs 2016/17	Recommendations	Priority	Agreed Imp Date	Managers Comments
<div>Page 8</div> – November 16	protocols and guidance should be undertaken to ensure they are up to date and reflect the most current legislation and approved codes of practice.		Revised Date May 2018	James Drury / Ian Waller Update February 2018 – It is proposed to significantly rationalize the number of policies to produce a primary policy with embedded links to supporting national guidance and a small number of individual key policies.
Health and Safety – November 16	R6 It is essential that the programme of Health and Safety audits are recommenced as soon as possible.	H	30th June 2017 Revised Target July 2018	Manager Responsible: James Drury / Ian Waller Update February 18 - The Executive Director is investigating the possibilities as to what form these audits will take and who will undertake them.
Health and Safety – November 16	R7 It is essential that the Corporate Asbestos Management Plan is reviewed as soon as possible.	H	May 2017 Revised Date April 2018	Manager Responsible: James Drury / Ian Waller February 18 Update – In progress, a report went to Cabinet 13/3/18 with an update on the asbestos compliance report action plan and had an overarching asbestos policy approved (for the corporate and housing property

Audit Recs 2016/17	Recommendations	Priority	Agreed Imp Date	Managers Comments
				portfolios). Now this has been approved the AMP will be next.
Health and Safety – November 16	R8 It is essential that the programme of inspections and surveys of the Council-owned non-domestic premises to make a materials assessment for asbestos is commenced as soon as possible.	H	January 2017 Revised Target April 2018	Manager Responsible: James Drury / Ian Waller February 2018 update – The majority of surveys have been completed.
Health and Safety – November 16 Page 82	R11 It must be ensured that the Managing contractors code of practice and related procedures must be adhered to. If departmental failings are identified the appropriate reminders / training should be given	H	March 2017 Revised Target September 2018	Manager Responsible: James Drury / Ian Waller February 18 update – A working group has been established to review the managing contractors' procedures. This will address both the process and documentation.
Crematorium – May 16	R1 The planned reconciliation between actual memorials in situ and memorial records held electronically / in registers should be undertaken as soon as possible.	M	30 th June 2017	Manager Responsible : Mike Brymer February 18 update – New temporary member of staff recruited and project commenced.

Audit Recs 2016/17	Recommendations	Priority	Agreed Imp Date	Managers Comments
Crematorium – May 16	R2 Continued efforts should be made to input details of memorials from the old memorial registered onto the BACAS system to aid with the renewals process.	M	30 th June 2017	Manager Responsible : Mike Brymer February 18 update – New temporary member of staff recruited and project commenced
IT Network Security Review/Cyber Security – October 16	R3 ICT need to review secure transfer of data, emails in particular, potentially by configuring the exchange server, ensuring that secure data transfer solution is introduced and that staff are made aware.	M	Awaiting date from supplier Revised Date October 2018	Manager Responsible: Rachel O’Neil February 18 update - This is a piece of work which has been included in the ICT improvement roadmap which is currently being discussed with members. It is expected to be implemented by October 2018
Health and Safety – November 16	R3 Generic training needs for all employees should be reviewed to ensure training is up to date.	M	February 2017 Ongoing	Manager Responsible: James Drury / Ian Waller February 18 update – The responsibility for ensuring training is identified and implemented sits with

Audit Recs 2016/17	Recommendations	Priority	Agreed Imp Date	Managers Comments
				the relevant manager. Learning Pool is now live and the key health and safety training has been included. Health and Safety modules are now mandatory but employee training is not yet up to date
Health and Safety – November 16	R5 Procedures for monitoring and measuring performance in respect of the Corporate Health and Safety Unit should be identified and reported on a periodic basis.	M	June 2017 Revised target date October 2018 for pilot, Full year April 19	Manager Responsible: James Drury/Ian Waller / Health and Safety Committee February 18 update – A service redesign is taking place and following that a new set of performance indicators can be considered by the health and safety committee.
Health and Safety – November 16	R10 The possibility of benchmarking against other local authorities should be considered.	L	September 2017 Revised date September 2018	Manager Responsible ; James Drury / Ian Waller February 18 update – Opportunities for benchmarking will be considered after more pressing issues have been resolved

Outstanding Recommendations 2017/18

Audit Recs 17/18	Recommendations	Priority	Agreed Imp Date	Managers Comments
Sale of Land and Property – August 2017	R4 It is essential that a check of properties sold within the last 2 years is compared to the land terrier and the Mentor system to ensure both systems are up to date	M	December 2017	Manager Responsible : Matt Sorby Update Dec 17 – waiting on the electronic version of the terrier system which I understand has been set up, but not rolled out to staff yet.
Members Allowances and Expenses – August 2017 Page 86	R1 As recommended in the previous audit It must be ensured signed ICT agreements are held for all members.	M	30 th November 2017 Extended to 31 March 2018	Manager Responsible : Donna Reddish February 18 update - Members are currently signing IT agreements so we can get everyone signed up by the end of 2017/18. Many have already signed but we are chasing up the remaining members. This will be completed by the end of March 2018. We will also be working with ICT to put in place a stronger process for member induction. This will be important for the May 2019 intake of members.
Queens Park Sports Centre – August 2017	R7 It should be ensured that contracts detailing correct vending machines and calculations on how much commission is to be received are in place for all vending and coin operated machines	L	February 2018	Manager Responsible : Dave Monkhouse February 18 update: - Tied in

Audit Recs 17/18	Recommendations	Priority	Agreed Imp Date	Managers Comments
				to the changes at HLC. Contract for vending to be reviewed for both centres.
Queens Park Sports Centre – August 2017 Page 8	R9 It should be ensured that a full review of lost property currently held is completed ensuring that all items are recorded and items that can be disposed of are disposed. A periodic review should be completed to ensure all older items are removed.	L	September 2017	Manager Responsible : Dave Monkhouse February 18 update - A reception check sheet to be implemented that includes lost property checks and will become part of monthly checks
Queens Park Sports Centre – August 2017	R11 It would be prudent to ensure that all hire equipment purchases and write offs are recorded and correctly authorised by the operations manager.	L	October 2017	Manager Responsible : Dave Monkhouse February 18 update - A reception check sheet to be implemented
Data Protection – September 17	R6 That all Data Protection policies are approved by cabinet and made available to employees on the intranet as soon as possible	M	End November 2017 Extended to May 18	Manager Responsible : Rachel O Neil / Tony Smith February 18 update – Policies developed and consulted on. Adoption paused until GDPR guidance is finalised so that this can be taken in to account.

Audit Recs 17/18	Recommendations	Priority	Agreed Imp Date	Managers Comments
ICT Network Security – November 17	<p>A review of the Sophos monitoring procedures should be completed with the aim of ensuring the following are completed on a regular basis</p> <ul style="list-style-type: none"> • Errors and warnings reviewed and cleared from system • Reconciliation of devices protected to full list of current devices <p>Ensuring all Sophos protection policies are active and correct</p>	H	31 st December 2017	<p>Manager Responsible : Rachel O Neil/Arvato</p> <p>ICT will undertake an initial tidy up of the Sophos management console to remove obsolete devices. A new Group Policy has been implemented to identify devices that do not have Sophos installed and to install it. A weekly task will be added to the Service Desk to review the Sophos update progress report and investigate the devices that are not receiving Sophos updates.</p>

For publication

Employee Code of Conduct

Meeting:	Standards and Audit Committee
Date:	4 April 2018
Portfolio:	Cabinet Member for Business Transformation
Report by:	Human Resources Manager

For publication

1.0 Purpose of Report

- 1.1 To provide information regarding the introduction of a revised Employee Code of Conduct and to recommend it for approval.

2.0 Recommendations

- 2.1 That the new Employee Code of Conduct be approved.

3.0 Background

- 3.1 Section 82 of the Local Government Act 2000 requires Councils to approve a code of conduct for its employees. One of the functions of the Standards and Audit Committee is to approve the code of conduct for Chesterfield Borough Council employees.
- 3.2 The Employee Code of Conduct, as set out at Appendix A, was agreed by the Employment and General Committee on 5

March, 2018. It is now before the Standards and Audit Committee for approval and adoption.

- 3.3 The Council's Employee Code of Conduct dates back to National Code from 2004. It requires updating to reflect numerous changes in the workplace in accordance with employment law, ACAS guidelines and best practice.
- 3.4 The code of conduct describes minimum expected standards that protect the integrity of both employees and the council; underpinning the code of conduct is a set of values that are vital to the council's success. The values help us to maintain and improve how we work with each other, our partners and customers.
- 3.5 This code of conduct forms part of every employee's contract of employment and all employees should read and understand this code. The code of conduct translates the values into standards and behaviours which employees are required to demonstrate whilst performing their duties. It also provides safeguards for employees and gives them mechanisms by which they are able to provide a professional service of which they and the council can be proud, whilst creating a respectful and positive working environment. The code of conduct provides clear guidance to ensure that employees are aware of their responsibilities in relation to conduct and behaviour and the consequences of failing to observe those responsibilities.

4.0 Proposed Policy

- 4.1 The revised policy can be found at Appendix A.
- 4.2 A full Equality Impact Assessment has been completed and is attached at appendix B.

5.0 Employer – Trade Union Committee

- 5.1 The proposed policy was submitted to the Employer trade union Committee on 14 February 2018 and was endorsed for submission to Employment and General Committee.

6.0 Recommendations

- 6.1 That the new Employee Code of Conduct be approved.

7.0 Reason for Recommendations

- 7.1 To ensure that the Code reflects current law and best practice.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

Report author	Contact number/email
Kate Harley – Human Resources Manager	01246 345366 Kate.harley@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix A	Employee Code of Conduct Policy
Appendix B	Preliminary Environmental Impact Assessment

This page is intentionally left blank

CODE OF CONDUCT POLICY

Prepared by: Human Resources

Date:

For review:

22/02/18 Version 6

<u>CONTENTS</u>	PAGE
SECTION 1: GENERAL GUIDING PRINCIPLES	
Policy statement	3
Scope	3
Principles	3
SECTION 2: PROCEDURE	
Standards of behaviour	4
Political neutrality	4
Social media	5
Use of e-mail	5
Internet usage	6
Personal devices	6
Gifts and hospitality	6
Secondary employment	6
Fitness for duty	7
Conflict/ disclosure of personal interests	7
Criminal charges	8
Disclosure of information	8
Dress	9
Personal relationships	9
Off duty	9
Personal use of council equipment	10
Performance of duties	10
Timekeeping	10
Reporting of complaints or incidents	10
Health & safety	11
Support and guidance	11

SECTION 1: GENERAL GUIDING PRINCIPLES

POLICY STATEMENT

The public is entitled to expect the highest standards of conduct and behaviour from all employees who work in local government. The role of local government employees is to support the council in achieving its objectives, developing and implementing policies and delivering services to the local community.

The code of conduct describes minimum expected standards that protect the integrity of both employees and the council; underpinning the code of conduct is a set of values that are vital to the council's success. The values help us to maintain and improve how we work with each other, our partners and customers.

The council has four values that underpin the code of conduct and standards expected from employees: -:

- *Customer focused*: Delivering great customer service, meeting customer needs
- *Can do*: Striving to make a difference by adopting a positive attitude
- *One council, one team*: Proud of what we do, working together for the greater good
- *Honesty and respect*: Embracing diversity and treating everyone fairly.

SCOPE

The policy shall apply to all council employees which includes work experience placements and those on working on behalf of the council e.g. contractors, consultants, agency staff and volunteers.

PRINCIPLES

The code of conduct translates the values into standards and behaviours which employees are required to demonstrate whilst performing their duties. It also provides safeguards for employees and gives them mechanisms by which they are able to provide a professional service of which they and the council can be proud, whilst creating a respectful and positive working environment.

The code of conduct provides clear guidance to ensure that employees are aware of their responsibilities in relation to conduct and behaviour and the consequences of failing to observe those responsibilities.

This code of conduct forms part of every employee's contract of employment and all employees should read and understand this code. Breaches of the code of conduct will lead to an investigation, the results of which may lead to disciplinary action and, if serious, could lead to dismissal.

The 7 principles of public life, known as the **Nolan principles**, apply to anyone who works as a public office-holder. This includes people who are elected or appointed to

public office, nationally and locally, and all people appointed to work in local government. The 7 principles are:

1. **Selflessness** - holders of public office should act solely in terms of the public interest.
2. **Integrity** - holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. **Objectivity** - holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. **Accountability** - holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
5. **Openness** - holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. **Honesty** - holders of public office should be truthful.
7. **Leadership** - holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

SECTION 2: PROCEDURE

Standards of behaviour

The council expects certain standards of behaviour from its employees. You should ensure that:

- You treat colleagues, customers and members of the public with dignity and respect;
- You are committed to delivering quality services at all times working within the council's policies and procedures;
- You communicate openly and honestly with colleagues;
- You carry out your duties in the best interests of our customers and the council;
- Your conduct is not discriminatory to others;
- You do not use offensive or abusive language or behaviour;
- You do not use your council position to influence or benefit yourself, family or friends from the provision of council services.
- You arrive for work punctually, appropriately dressed and fit to carry out your duties (this includes wearing your identity badge and items of personal protective clothing that are supplied to you);
- You take reasonable care of your own health and safety and others that may be affected by your work activities.

Political neutrality

As a council employee, you service the council as a whole. You must serve all councillors not just the controlling group and make sure you respect their individual rights and follow the protocol on member/officer relations. You must not allow your

personal or political opinions to interfere with your work or your behaviour as a council employee.

The council is required by the Local Government and Housing Act 1989 to maintain a list of politically restricted posts. If you are employed in a restricted post you will have been notified of this in your contract of employment which prevents you from having any active political role either in or outside the workplace. It means you are disqualified from being elected or holding office as a member of this council. You are also disqualified from standing or holding office with this council if you hold any paid office or employment with a local or joint authority on which this council is represented.

Social media

Social media websites are useful tools for communicating and engaging with the public. You must make sure that your use of, and participation in, social media websites does not bring the council into disrepute, or breach their obligations under relevant legislation or council policies. While this media has many benefits it also presents risks to you and the council, particularly due to its widespread use outside of work and the fact that social media can blur the boundary between work and personal life.

You should take care to use social media, whether for work purposes or personal use, in a manner that is consistent with the terms and conditions of your employment e.g. you should not post content that breaches confidentiality, contains inappropriate comments about colleagues or customers, is abusive or hateful or would potentially cause embarrassment or detrimentally affect the reputation of the council. In addition, where appropriate, you should identify that any views expressed are your own and not those of their employer. You should think carefully about what you publish even outside of work because inappropriate use could lead to disciplinary action.

You are also reminded of the expected behaviours required when posting on aspire and other public forums and that you agree to the following rules:

- Contributions must not be inappropriate e.g. must not be abusive, offensive, harassing, defamatory, threatening, obscene, profane, sexually orientated, unlawful, an invasion of someone's privacy or in breach of any council policy.
- Please respect others: read what you write before you post it and think if anyone else could misinterpret it and find it offensive or of a personal nature.

Please refer to the policy on use of ICT by employees for further information which contains detailed provisions on the use of the council's ICT facilities for both council related activities and personal use and the standards of behaviour expected from employees in relation to their use. Failure to adhere to such guidance may result in the individual being subject to disciplinary procedures.

Use of e-mail

Council e-mail accounts should only be used for work-related correspondence and you should follow the policy on use of ICT by employees. You should be aware that the sending/exchanging of excessive numbers of personal e-mails during working

time is not acceptable and may be dealt with under the council's disciplinary procedure. You may not use council e-mail for personal commercial purposes e.g. e-bay, or the supply of goods and services.

Internet usage

You should only access sites or services that are appropriate to your work, occasional personal use in your own time is permitted, but such use should be minimal and in no way infringe upon work time. You should be aware that excessive use of the internet for personal purposes may be dealt with under the council's disciplinary procedure.

The council does not allow its equipment to be used for intentionally accessing information of an unlawful, unethical and/or degrading nature, (e.g. pornography, paedophilia or terrorism). You should be aware that accessing such inappropriate information could constitute gross misconduct and therefore place your employment at risk.

Personal devices

All personal devices e.g. mobile phones, tablets are the responsibility of the employee when on council property and working in designated customer service areas. Employees should not have their phones on them whilst in customer service areas, they should be kept with other personal items eg handbag. Employees must be mindful of moderation of tone, volume and language when using mobile phones on council premises.

It is an offence under the Road Traffic Act to use a handheld mobile phone whilst driving. Using a handheld mobile phone whilst driving on council business is not permitted.

Gifts and hospitality

You must not compromise your position by appearing to accept, or accepting gifts/hospitality which might be considered by others to have influenced your decisions or actions on behalf of the council.

You may accept 'token' gifts from customers or contractors e.g. calendars, diaries, pens or chocolates. In no circumstances should you accept a monetary gift, (including gift vouchers).

You should only accept hospitality e.g. meals / refreshments, if there is a genuine need to impart information or to represent the council. You should also ensure that accepting the hospitality does not create a conflict of interest and is not likely to cause embarrassment to the council.

You should report the offer of gifts or hospitality, whether accepted or not, to your line manager at the earliest opportunity.

Secondary employment

An employee who wishes to take another job, before commencing the second job, has an obligation to declare details of the secondary employment to their line

manager.

The council reserves the right, at any time, to discuss the situation if, in the line manager's reasonable view, the second job is having an adverse impact on the employee's performance, attendance, timekeeping or any other aspect of the employee's employment with the council. . Please refer to the policy on secondary employment for further details.

Employees are required to comply with the Working Time Regulations, including declaration of hours worked, breaks taken and taking of annual leave. Employees also have a duty to report any instances where their working pattern may result in a health and safety risk, either to themselves or others. For example an employee working a day shift with the council who then goes on to work a night shift with another employer. Employees have the right not to be subjected to any unlawful detriment by reporting any concerns under the regulations.

Fitness for duty

Matters of employee sickness absence are dealt with in line with the Managing Attendance Policy however you should not present yourself for duty in an unfit state (e.g. through alcohol or drugs) and should remain in a fit state while on duty. Please refer to the drug and alcohol misuse policy for further details.

Drinking alcohol whilst on duty and the taking of recreational drugs for non-medicinal purposes is strictly prohibited. Only medication prescribed by your GP or purchased over the counter may be taken. You must make sure that you are fit for duty if on call or about to start work. You must be mindful of the effect your behaviour will have on the reputation of the council and disciplinary action will be taken against you if your ability is impaired by alcohol or drugs whilst on duty.

You have a duty to inform your line manager if you are taking any medication which interferes with the safe performance of your role. Your manager will then decide after discussion with yourself, and if necessary in consultation with Occupational Health, what work can safely be undertaken with due regard to your welfare.

You also have a duty to inform your doctor, if you drive or work with dangerous machinery, when they are prescribing medication. You should also refrain from over medicating while at work or if you are about to start work, with either prescribed or over the counter medicines by exceeding the recommended dosage.

You must report any concerns you may have about a colleague's or any other employee's fitness for duty to their manager. Such reports will be treated confidentially and the manager will take appropriate action.

Conflict/disclosure of personal interests

You must not allow personal interests to conflict with the council's business and you must not use your council position, facilities or equipment to benefit yourself, family, friends or a private company/interest.

You must register with your line manager any interest you/your spouse/partner has which may conflict with the council's interest. This includes any employment by,

substantial shareholding in or membership of any external company or body which has, or may enter into a contractual relationship with the council or which is involved in campaigning or lobbying in respect of any council activity.

The same principles apply to work carried out through partnership arrangements. If you are involved in any type of partnership working with other agencies/companies and there appears to be a potential conflict of interest, you must also register this as described above.

Disclosure must be made as soon as it becomes evident there is or may be a conflict of interest. It may come to light in processes such as recruitment, tendering or during committee meetings. It must be declared immediately if you, a relative or friend has, or could be perceived as having, a personal interest in the process. Arrangements should be made to protect both the council and the employee's position.

You must also declare membership of any organisation not open to the public, which requires allegiance and which has secrecy about rules, membership or conduct.

Criminal charges

You are responsible for informing your line manager immediately if you are charged, subject to legal proceedings or receive any criminal convictions and / or police cautions while employed by the council. Failure to do this will be dealt with in accordance with the council's disciplinary policy.

The council may take action against you if you are convicted of, or receive a caution for a criminal offence that involves one of the following types of behaviour:

- Violence
- Abuse including domestic abuse
- Sexual misconduct including being subject to sex offender/ sexual harm notification requirements and sexual risk orders
- Supplying and manufacturing drugs
- Drink-driving offences
- Fraud, corruption or bribery
- Serious offences involving dishonesty
- Hate crime
- Any serious criminal offences for which you receive a prison sentence.

You must not do anything in your personal conduct that may affect the public's confidence in you as an employee of the council or potentially bring the council into disrepute if it were to be in the public domain.

Disclosure of information

All employees have an absolute duty to respect the confidentiality, integrity and availability of information they have access to in the course of their duties. This duty includes the legal obligations to comply with the Data Protection Act 1998, General Data Protection Regulation 2016 and the Freedom of Information Act 2000. Further advice and guidance can be found in the Data Protection policy.

Dress

The council does not have a formal dress code. Employees who are required to wear a uniform or protective clothing to perform their duties will be provided with what is required and must wear this as instructed. Cultural dress is encouraged providing it does not become a health and safety risk within the working environment.

You should be mindful that the way you present yourself may reflect upon the council's reputation. You must dress in a manner that is appropriate to your role and has due regard to social acceptability, tidiness and personal hygiene.

Personal relationships

You must not be involved in making decisions that directly affect your family, friends or anyone with whom you have a close personal relationship; for example, recruitment and selection processes, disciplinary processes, decisions relating to pay, or tender procedures.

Councillors

Mutual respect between employees and councillors is essential. Close personal relationships between employees and individual councillors can damage this respect and prove embarrassing to other employees and councillors and should therefore be avoided.

Customers

Employees in close contact with vulnerable customers must maintain professional relationships at all times. Appropriate boundaries should be made clear from the outset whilst being sensitive to the customer's personal history and how that might affect the relationship. If you are working with children and vulnerable adults please refer to the Safeguarding children and vulnerable adults policy and procedures.

Employees

During recruitment, candidates are required to declare any personal relationships they have with councillors or employees. You must inform your line manager immediately if you identify an applicant that you have, or could be seen to have, a close personal relationship with. Alternative management arrangements will be put in place, where possible, if a candidate is appointed who should be managed by, or will manage, a relative or someone with a close personal relationship.

Close relationships that develop during the course of employment between employees must be declared by both parties to their manager. Alternative working arrangements will be put in place if it is likely to cause a conflict of interest.

Contractors/ third party

If you are dealing with a contractor/ third party with whom you have previously had or currently have a close personal relationship, you should declare that relationship to your manager.

Off duty

Employees must not undermine public confidence in the council in any way. This means your behaviour, both in and out of work, must not jeopardise your employment, undermine the trust placed in you as a council employee or bring the council into disrepute. Although when you are off duty what you do is your personal concern, you must not allow work and

private interests to conflict.

Personal use of council equipment

The council provides work equipment for employees to use to carry out their duties. You must not use council facilities, equipment or vehicles for your own personal use unless you have been given advance approval.

You are responsible for the safekeeping and proper use of any equipment issued to you and must take reasonable steps to protect it from theft or damage e.g. do not leave equipment visible in an unattended car.

You are also responsible for ensuring that you process all information in accordance with the council's policies and that all confidential information is kept secure.

Performance of duties

You are expected to achieve an acceptable level of performance of work in accordance with the requirements of your job, your contract, relevant work schedules and your hours. You are expected to comply with all procedures covering the work you undertake and not obstruct efficient working.

You must comply with all reasonable instructions from your manager. You have a right, and indeed an obligation, to seek clarification or question an instruction in an appropriate circumstance, but, having received clarification and/or confirmation of the instruction, you should follow the instruction as required by your manager. Any lingering concerns should be raised with a more senior manager.

This does not mean, however, that you would be expected to act in contravention of your statutory duties or professional codes and any apparent disagreement between a given instruction and a statutory duty or a professional code should be raised immediately with a more senior manager.

Timekeeping

You are expected to comply with your starting and finishing time, including those for breaks. Repeated lateness without legitimate and acceptable reason is not acceptable and will be dealt with in accordance with the disciplinary policy.

If you have a recognised agreement with your manager then flexible working arrangements may be in place. The details of such arrangements will be confirmed specifically and documented by your manager. You are expected to act responsibly regarding any flexible working arrangements and not to abuse them. Flexible working arrangements will be reviewed regularly and they may need to change if the service necessitates the arrangement changing. Please refer to the flexible working policy for further details.

Reporting of complaints or incidents

You are required to report in a timely manner any complaints about service delivery, any incident of unacceptable behaviour towards the public/ employees or malpractice which have been noted, reported or alleged. This includes concerns relating to safeguarding children and vulnerable adults. You should refer to the confidential reporting 'whistleblowing' policy, if appropriate.

Employees are required to assist in any investigations of any complaint, disciplinary, and/or criminal investigations, this may include attending meetings/hearings, giving evidence or providing written statements.

Any behaviour or actions, which hinder or delay investigations, will themselves be investigated and may result in disciplinary proceedings.

Health & Safety

All employees have the responsibility to ensure that they take constant care in their work of the health, safety and welfare of themselves and others who may come into contact with them, or be affected by them, or their work, and that they do nothing to put this at risk. All employees have a duty to comply with the provisions of the corporate health & safety policy.

You are required to know, and to follow meticulously, general procedures such as the fire procedure, manual handling loads and the accident reporting procedure, and any other specific procedure relating to your work (e.g. procedures for safe handling of equipment, wearing of protective clothing and equipment such as masks or goggles, reporting notifiable diseases, reporting hazards, isolating and handling dangerous equipment, warning work in progress, hygiene etc.). Employees are personally responsible for ensuring that their practice is in accordance with the procedures laid down by the council. All employees have a responsibility for ensuring that incidents are reported in a correct and timely manner.

Support and guidance

Further support and guidance on the code of conduct are available from your manager or HR.

This page is intentionally left blank

Chesterfield Borough Council

Equality Impact Assessment - Preliminary Assessment Form

The preliminary impact assessment is a quick and easy screening process. It should identify those policies, projects, services, functions or strategies which require a full EIA by looking at negative, positive or no impact on any of the equality groups.

Service Area: HR

Section: HR

Lead Officer: Sandy Gillham-Hardy

Title of the policy, project, service, function or strategy the preliminary EIA is being produced for: Code of Conduct Policy

Is the policy, project, service, function or strategy:

Existing ☐

Changed ☐ Yes

New/Proposed ☐

Q1 - What is the aim of your policy or new service?

The code of conduct describes minimum expected standards that protect the integrity of both employees and the council; underpinning the code of conduct is a set of values that are vital to the council's success and help us to maintain and improve how we work with each other, our partners and customers.

This code of conduct forms part of every employee's contract of employment and all employees should read and understand this code.

Q2 - Who is the policy or service going to benefit?

The code of conduct translates the values into standards and behaviours which employees are required to demonstrate whilst performing their duties. It also provides safeguards for employees and gives them mechanisms by which they are able to provide a professional service of which they and the council can be proud, whilst creating a respectful and positive working environment.

The code of conduct policy dates back to 2004 and required updating to reflect numerous changes in the workplace.

The code of conduct provides clear guidance to ensure that employees are aware of their responsibilities in relation to conduct and behaviour and the consequences of failing to observe those responsibilities.

Q3 - Thinking about each group below, does, or could the policy, project, service, function or strategy have an impact on protected characteristics below? You may also need to think about sub groups within each characteristic e.g. older women, younger men, disabled women etc.

Please tick the appropriate columns for each group.

Group or Protected Characteristics	Potentially positive impact	Potentially negative impact	No impact
Age – including older people and younger people.			✓
Disabled people – physical, mental and sensory including learning disabled people and people living with HIV/Aids and cancer.			✓
Gender – men, women and transgender.			✓
Marital status including civil partnership.			✓
Pregnant women and people on maternity/paternity. Also consider breastfeeding mothers.			✓
Sexual Orientation – Heterosexual, Lesbian, gay men and bi-sexual people.			✓
Ethnic Groups			✓
Religions and Beliefs including those with no religion and/or beliefs.			✓
Other groups e.g. those experiencing deprivation and/or health inequalities.			✓

If you have answered that the policy, project, service, function or strategy could potentially have a negative impact on any of the above characteristics then a full EIA will be required.

Q4 - Should a full EIA be completed for this policy, project, service, function or strategy?

Yes ☐

No ☐

Q5 - Reasons for this decision:

--

Please e-mail this form to the Policy Service before moving this work forward so that we can confirm that either a full EIA is not needed or offer you further advice and support should a full EIA be necessary.

This page is intentionally left blank

For publication

Permissions in Principle “A New Planning Consent Route” – Introduction of New Legislation

Meeting:	Standards and Audit Committee
Date:	4 April 2018
Portfolio:	Cabinet Member for Economic Growth
Report by:	Development Management and Conservation Manager

For publication

1.0 Purpose of Report

- 1.1 To inform members of the new PIP regime and to seek officer delegations.

2.0 Recommendations

- 2.1 That the delegation scheme be amended to permit the Development Management & Conservation Manager or the Principal Planner in the absence of the Development Management & Conservation Manager to decide Permissions in Principle and Technical Detail Consents.

3.0 Background

3.1 The current process for obtaining permission to develop land is to apply for outline planning permission followed by a reserved matters application or a developer can apply directly for a full permission without going via the outline / reserved matters route.

3.2 The government is introducing a change in its approach as part of its planning reforms to assist in delivery of housing across the UK and following consultation, published the Housing and Planning Act 2016 (Permission in Principle etc.) (Miscellaneous Amendments) (England) Regulations 2017.

3.3 The government has indicated the following key drivers as follows:

- Increasing housing supply;
- The best use of brownfield land;
- To encourage new entrants to the development market;
- To reduce planning risk;
- To improve planning efficiency.

3.4 On the back of the 2016 Regulations three processes were established to promote the establishment of “Permissions in Principle”:

1. via statutory Brownfield Land Register
2. by site allocation in development plan
3. by application

Brownfield Land Register

3.5 From April 2017 the Regulations required local authorities to prepare and maintain registers of brownfield land that is suitable for residential development. The Register was required to have been compiled by 31st December 2017 and which provide up-to-date, publicly available information on brownfield land that is suitable for housing across the UK. This is intended to improve the quality and consistency of data

held by local planning authorities which will provide certainty for developers and communities and encourage investment in local areas.

- 3.6 Local planning authorities are required to have a register covering the area of their local plan. Chesterfield Borough Council produced its Brownfield Land Register on 17th December 2017 and which is available on the Council [website](#). This lists 40 sites which were identifying via the process specified in the Regulations. There is a duty on local planning authorities to have regard to the development plan, national policy and advice and guidance when exercising their functions under the brownfield register regulations.
- 3.7 Part 1 of the brownfield register should be a comprehensive list of all brownfield sites in a local authority area that are suitable for housing, irrespective of their planning status. However, under the Regulations, Brownfield Land Registers will also be a vehicle for granting Permission in Principle for suitable sites where authorities have followed the relevant procedures including a process of publicity and consultation. If the authority considers that Permission in Principle should be granted for a particular site, then the local authority is required to enter that site into Part 2 of their Brownfield Land Register and include a range of dwelling numbers which are considered to be appropriate. Part 2 is a subset of Part 1 and will include only those sites for which Permission in Principle has been granted.
- 3.8 In considering sites to be included on part 2 local authorities will need to meet the requirements in relation to environmental impact assessments, habitats protection and protections for other sensitive areas. A site may not be included on Part 2 of the register where development of the site would:
- fall within schedule 1 of the Environmental Impact Assessment Regulations

- has been screened as Environmental Impact Assessment development
- or development would be prohibited under habitats protection legislation ie those sites may not be granted permission in principle through being placed on the register.

3.9 Where a site on a register is considered to be deliverable within 5 years it can be counted towards the 5-year housing supply. Local planning authorities are required to indicate whether sites are 'deliverable' when entering data on their registers. Local authorities are also required to update the information relating to each entry and review the sites on their registers at least once a year. Authorities are encouraged to conduct more frequent updates of the register where they wish to do so. This will ensure the process is proportionate and allow local authorities to respond to particular local circumstances.

3.10 When a site has a Permission in Principle a developer would then be required to apply for Technical Details Consent to allow a full detailed assessment of the scheme to be made. Only after a Technical Details Consent is granted is the development capable of being carried out

Site Allocation

3.11 A comparative process of Permission in Principle and Technical Details Consent on Brownfield Land Registers also applies to sites which are allocated within a Local Plan.

3.12 Both the Brownfield Land Register and Site Allocation routes to Permissions in Principle involve the local planning authority in taking a lead role and is seen as a more proactive route to establishing the principle of a development earlier in the process and thereby de-risking the process from a developers perspective.

By Application

- 3.13 As from 1st June 2018 developers can apply for a Permission in Principle by application on any site. This relates only to minor housing proposals of between 1 and 9 units and the developer must indicate a range of units to be considered on the site. The only information required is a site map showing the site extent, a completed form and a fee based on £402 per 1000m² site area or part thereof. There is no requirement for any other information and whereas the developer can provide additional information this cannot be sought by the local planning authority.
- 3.14 There is a requirement to carry out publicity and consultation giving 14 days on a site notice and an on line notice and a decision is required to be given within 5 weeks of submission. There is scope to seek permission from a developer to extend the time however this is at the discretion of the developer.
- 3.15 The decision notice cannot include any conditions and is valid for a 3 year period. Informatives and notes concerning expectations can be added however they are not binding. There is a right of appeal against none determination and refusal.
- 3.16 Subsequent Technical Details Consent can only be made for a scheme which accords with the range of housing set out in the Permission in Principle and it is not possible to revisit the principle of housing or the number of units as part of the TDC assessment. Consultations undertaken on Permissions in Principle include statutory consultees. Unless they had indicated a need for specific subsequent re-consultation in their response then there is no further requirement to consult with them on the TDC.
- 3.17 For TDCs there is a fee equivalent to a Reserved Matters submission and a decision is required within 5 weeks of submission. Conditions can be attached to a decision and there is also a right of appeal. Like Permissions in Principle

there is scope to seek permission from a developer to extend the time however this is at the discretion of the developer.

- 3.18 There are exclusions which prevent PiP and TDC submissions where Environmental Impact Assessment or Habitat Assessment is required and all decisions taken must be in line with the Development Plan and the National Planning Policy Framework (NPPF).

4.0 Discussion

- 4.1 The Council has an agreed Brownfield Land Register however there are no plans to proactively promote granting Permissions in Principle for any of the sites.

- 4.2 It is expected that developers will take advantage of this new process which establishes the principle of a residential use and the number of units on a site without the need for any detail, with a lower planning fee and a decision required in a shorter timescale at both PiP and TDC stages.

- 4.3 The current planning application process asks developers to provide substantial amounts of information up-front, even as part of an application for outline planning permission. This means that developers will often have to expend significant time and cost prior to achieving certainty that any development will be able to go ahead in principle. Permission in principle offers an alternative route for providing early certainty on the in-principle matters, the use, location and amount of development. Developers are still able to use the existing outline and reserved matters route to gaining permission.

- 4.4 Permission in Principle and Technical Details Consent applications will be capable of being submitted from 1st June 2018. The main issue for consideration is how they are determined in line with the Councils delegation scheme.

4.5 The PiP and TDC processes only permits a 5 week period from submission to decision and the process requires publicity and consultations to be undertaken. Applications must be determined in accordance with the development plan and NPPF and should not therefore be necessarily controversial at PiP stage. Officers are however concerned that a 5 week processing period will be insufficient to allow proper consideration of TDC and that for both PiP and TDC there would not be time to produce reports, with the necessary lead in time, to allow planning committee consideration all within the regular 3 week committee cycle. It is considered necessary therefore for such decisions to be taken at officer level.

4.6 It is accepted that this establishes a difference to the delegation of decisions under the existing outline and reserved matters route (where committee consideration is required when any outstanding objection is received) however the process is different and is required in a much shorter timescale.

5.0 Recommendations

5.1 That the delegation scheme be amended to permit the Development Management & Conservation Manager or the Principal Planner in the absence of the Development Management & Conservation Manager to decide Permissions in Principle and Technical Detail Consents.

6.0 Reasons for recommendations

6.1 The Permissions in Principle and Technical Detail Consents processes carry a requirement to make a decision within a short set period of time. This would not give time for consideration by Planning Committee. In the circumstances, an officer delegation is the only practicable solution.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

Report author	Contact number/email
Paul Staniforth - Development Management and Conservation Manager	01246 345781 Paul.staniforth@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	

For publication

Regulation of Investigatory Powers Act 2000 (RIPA) – Annual Report 2018

Meeting: (1) Standards and Audit Committee
(2) Cabinet Member for Governance

Date: (1) 4 April 2018
(2) TBD

Portfolio: Cabinet Member for Governance

Report by: Monitoring Officer

For publication

1.0 Purpose of Report

- 1.1 To give an annual report to members on activities relating to surveillance by the Council and policies under the Regulation of Investigatory Powers Act 2011.

2.0 Recommendations

- 2.1 To note the report.

3.0 Background

RIPA

- 3.1 Chesterfield Borough Council has powers under the Regulation of Investigatory Powers Act 2000 (RIPA) to conduct authorised directed surveillances (DI) and use of human

intelligence sources (CHIS) in certain circumstances in connection with the conduct of criminal investigations.

Reporting to Members

- 3.2 This report is submitted to members as a result of the requirement to report to members under paragraph 3.35 of the Home Office Code of Practice for Covert Surveillance and Property Interference. The previous report was submitted to members in 2017. Further reports will be submitted annually whether or not there has been any authorised surveillance.

Background

- 3.3 All directed surveillances (covert, but not intrusive) and use of covert human intelligence sources (CHIS) require authorisation by a senior Council officer and the exercise of the powers is subject to review. The controls are in place in accordance with the Human Rights Act, particularly the right to respect for family and private life.
- 3.4 The Office of the Surveillance Commissioner (OSC) oversees the exercise by Councils of their surveillance powers.
- 3.5 A confidential database of authorised surveillances is maintained, charting relevant details, reviews and cancellations. There have been no authorisations since 2010.
- 3.6 Substantial changes were made to the powers of Local Authorities to conduct directed surveillance and the use of human intelligence sources under the Protection of Freedoms Act 2012.
- 3.7 As from 1 November 2012 Local Authorities may only use their powers under the Regulation of Investigatory Powers Act 2000 to prevent or detect criminal offences punishable by a minimum term of 6 months in prison (or if related to underage sale of alcohol and tobacco – not relevant to this Council). The

amendment to the 2000 Act came into force on 1 November 2012.

- 3.8 Examples of where authorisations could be sought are serious criminal damage, dangerous waste dumping and serious or serial benefit fraud. The surveillance must also be necessary and proportionate. The 2012 changes mean that authorisations cannot be granted for directed surveillance for e.g. littering, dog control, fly posting.
- 3.9 As from 1 November 2012 any RIPA surveillance which the Council wishes to authorise must be approved by an authorising officer at the council and also be approved by a Magistrate; where a Local Authority wishes to seek to carry out a directed surveillance or make use of a human intelligence source the Council must apply to a single Justice of the Peace.
- 3.10 The Home Office have issued guidance to Local Authorities and to Magistrates on the approval process for RIPA authorisations.

4.0 Activity over past year

- 4.1 During 2017 no directed surveillances (DS) or use of human intelligence sources (CHIS) were authorised by the Council under the Act.
- 4.2 A detailed modular training course was developed, with the intention of it being adapted to be uploaded to Aspire Learning and rolled out as mandatory training for relevant officers. However, as the course was being finalised, it was discovered that Aspire Learning already had a module which would cover all key issues. It has been trialled by some enforcement officers and this has generated feedback on some issues, which are being followed up. The intention is that the training is then rolled out to all officers involved with enforcement, and also their managers, relevant legal officers and also the chief executive (who has ultimate responsibility). Further, more

detailed, modular training will be considered as necessary in due course.

- 4.3 Enquiries have been made of Arvato and Kier as to whether they use surveillance. Arvato does not use surveillance that requires authorisation under RIPA. Kier's function does not require the use of surveillance.
- 4.4 No inspection of the Council's procedures has taken place by the Office of the Surveillance Commissioner in the past year (the previous inspection took place in March 2016).
- 4.5 The Constitution was updated in 2017 to move responsibility for this function to the Cabinet Member for Finance and Governance following a decision by the then Leader.
- 4.6 As a consequence of the Investigatory Powers Act 2016, the Office of the Surveillance Commissioner was subsumed (with the Interception of Communications Commissioner's Office and the Intelligence Services Commissioner) into the Investigatory Powers Commissioner's Office from 1st September 2017, headed by Lord Justice Adrian Fulford (the Investigatory Powers Commissioner).

5.0 OSC Inspection and Surveillance Commissioner Annual Report

- 5.1 Members will recall that in March 2016 a surveillance inspector conducted a routine inspection of the Council's procedures. At that stage surveillance authorities were inspected every few years. The previous inspection was in 2012 and before that in 2010.
- 5.2 The inspector in 2016, while noting that no authorised surveillance had taken place since 2010, recommended various changes to practices so the Council could maintain a state of readiness in case it ever needed to seek authorisation. The

recommendations were set out in the report to this Committee in 2017 and put into effect.

- 5.3 For the inspection year 2016-2017 the Chief Surveillance Commissioner, Lord Judge, in his Annual Report decided that for non-unitary councils, where statutory powers have not been used at all, or very rarely during the previous 3 years, any inspection process should begin with a “desktop” examination of papers following a request by an Inspector or Assistant Surveillance Commissioner for material.
- 5.4 Lord Judge’s 2016-17 annual report, published in December 2017¹ says:

The Inspectorate has explored the reasons for the reduced use by local authorities of the statutory powers. Generally speaking the same explanations are given throughout the United Kingdom. Resources are reduced, and trained individuals, time, and money, are not available to carry out what can sometimes become protracted investigations. Moreover the Protection of Freedoms Act 2012 imposed additional burdens on authorities, with new statutory requirements for approval of planned activity by magistrates. We are often told that where an investigation appears to be necessary, local authorities now prefer to handle the investigation process overtly and covert investigations are usually treated as a last resort. Where there are grounds for concern that serious criminality may be involved the facts are reported to the police.

From time to time my Inspectorate is asked why, given that no authorisation has been granted by an individual authority since the previous inspection some three years earlier, the process of inspection and oversight is necessary. The short answer is unequivocal. While local authorities remain vested with the power to deploy covert surveillance, regardless of actual use, the

¹ <https://www.ipco.org.uk/docs/OSC%20Annual%20Report%202016%20-%202017%20with%20new%20page%20furniture.pdf>

appropriate structures and training must remain in place so that if and when the powers do come to be exercised, as they may have to be in an unexpected and possibly emergency situation, the exercise will be lawful. So for that reason alone the process of inspection must continue. There is a further consideration. The inspection process may reveal inadvertent use and misuse of the legislative powers. The steady expansion in the use of the social media and Internet for the purposes of investigative work provides a striking example of a potential new problem which came to light through the inspection system.

Local authority officials, vested with burdensome responsibilities for, among others, the care of children and vulnerable adults, are, like everyone else, permitted to look at whatever material an individual may have chosen to put into the public domain. This is entirely lawful, and requires no authorisation. However, repeated visits to individual sites may develop into activity which, if it is to continue lawfully, would require appropriate authorisation. Local authorities must therefore put in place arrangements for training officials into a high level of awareness of these risks. Without the inspection process this problem might never have been identified.

At this stage it is not known whether the IPCO will continue with this approach.

6.0 Surveillance Policy

- 6.1 The Council's RIPA Policy is available on the Council's website and [here](#). No amendments are currently proposed.

7.0 Activity in the current year

- 7.1 Looking forward, the Council's procedures continue to be strengthened in the light of best practice and the OSC's recommendations, while noting that corporately authorisation process is very rarely appropriate or necessary and has not

been used since 2010. We await any further guidance from the IPCO.

7.2 The mandatory online training will be rolled out and monitored.

7.3 A RIPA update has been sent to relevant officers.

7.4 It is intended that more detailed information will be placed on the RIPA pages of the Council's intranet.

7.5 New guidance will be developed, for example, on the use of body cams by Council enforcement staff.

8.0 Recommendations

8.1 To note the report.

9.0 Reasons for Recommendations

9.1 To enable the Council to operate the RIPA system effectively and as required by law and guidance.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

Report author	Contact number/email
Gerard Rogers - Monitoring Officer (RIPA Senior Responsible Officer)	01246 345310 gerard.rogers@chesterfield.gov.uk

Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	