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Town Hall, Rose Hill,
Chesterfield, Derbyshire S40 1LP

DX 12356, Chesterfield
Email democratic.services@chesterfield.gov.uk



The Chair and Members of Joint Board

Please ask for

Brian Offiler

Direct Line

01246 345229

Fax

01246 345252

25 August 2014

Dear Councillor,

Please attend a meeting of the JOINT BOARD to be held on MONDAY, 1 SEPTEMBER 2014 at 10.30 am in Bolsover District Council, 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 1 - 10)
 - Records of Decisions of the Joint Board held on 12 May, 2014
 - Notes of the meeting of the Joint Board held on 12 May, 2014
4. North Eastern Derbyshire Strategic Employment Partnership Update (Pages 11 - 12)
5. Joint Scrutiny Panel Report (Pages 13 - 20)
6. Internal Audit Consortium - Annual Report 2013/2014 (Pages 21 – 28)

Yours sincerely,

Local Government and Regulatory Law Manager and Monitoring Officer

Chief Executive
Huw Bowen



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Agenda Item 3

RECORD OF EXECUTIVE DECISIONS – JOINT WORKING

CBC:LEADER		Date of Decision 12.05.2014	
BDC: LEADER			
NEDDC:LEADER			
CBC Non-executive Leader's Support Members present: N/A			
Title Reference: Minutes			
Key Decision References (if applicable): CBC: BDC: NEDDC:		Delegation Reference: CBC: R080L BDC: NEDDC:	
Report and Background papers			
Decision Status (CBC)	On Forward Plan General urgency Special Urgency		Authorised By:
Record of Decision: That the notes and Record of Decision of the Joint Board meeting held on 10 March 2014 and the draft minutes of the Joint Working Chief Executives meeting held on 24 April 2014, be noted.			
Reasons for Decision: To note progress on joint working.			
Alternative options considered and rejected (if any)			
Declarations of interests:			
Decision subject to call-in Yes			
Date Record Issued Contact Officer: Jackie Brobyn			

CBC:LEADER		Date of Decision 12.05.2014	
BDC: LEADER			
NEDDC:LEADER			
CBC Non-executive Leader's Support Members present: N/A			
Title Reference: Credit Union Report			
Key Decision References (if applicable): CBC: BDC: NEDDC:		Delegation Reference: CBC: R080L BDC: NEDDC:	
Report and Background papers			
Decision Status (CBC)	On Forward Plan General urgency Special Urgency		Authorised By:
Record of Decision: AGREED – That the report be noted.			
Reasons for Decision: To update members on the work of the Chesterfield and North East Derbyshire Credit Union.			
Alternative options considered and rejected (if any)			
Declarations of interests:			
Decision subject to call-in Yes			
Date Record Issued Contact Officer: Jackie Brobyn			

CBC:LEADER		Date of Decision 12.05.2014	
BDC: LEADER			
NEDDC:LEADER			
CBC Non-executive Leader's Support Members present: N/A			
Title Reference: Local Enterprise Partnerships - Verbal Update			
Key Decision References (if applicable): CBC: BDC: NEDDC:		Delegation Reference: CBC: R080L BDC: NEDDC:	
Report and Background papers			
Decision Status (CBC)	On Forward Plan General urgency Special Urgency		Authorised By:
Record of Decision: AGREED – That the report be noted.			
Reasons for Decision: To note progress being made.			
Alternative options considered and rejected (if any)			
Declarations of interests:			
Decision subject to call-in Yes			
Date Record Issued Contact Officer: Jackie Brobyn			

CBC:LEADER		Date of Decision 12.05.2014	
BDC: LEADER			
NEDDC:LEADER			
CBC Non-executive Leader's Support Members present: N/A			
Title Reference: BCN Consultancy (Building Control) - Update			
Key Decision References (if applicable): CBC: BDC: NEDDC:		Delegation Reference: CBC: R080L BDC: NEDDC:	
Report and Background papers			
Decision Status (CBC)	On Forward Plan General urgency Special Urgency		Authorised By:
Record of Decision:			
<ol style="list-style-type: none"> 1. That the current financial position of BCN as at the end of March 2014, be noted. 2. That a reserve of £50,000 be set aside to support the 3 Councils involvement in the future shaping of a Derbyshire-wide Building Control service and a sum of £75,258 be returned to the 3 Councils, from the surplus outturn position achieved at the end of the financial year 2013/14. 3. That the work programme and proposed timetable for the feasibility study with the establishment of a Derbyshire-wide Building Control service be noted. 			
Reasons for Decision:			
To effectively manage BCN in accordance with legislation and the legal agreement for the joint working consortium.			
Alternative options considered and rejected (if any)			
Declarations of interests:			
Decision subject to call-in Yes			
Date Record Issued Contact Officer: Jackie Brobyn			

Notes to Record of Decision (Joint Working):

CBC - CALL-IN REQUESTS

*The implementation of certain decisions is suspended until the call-in period has expired without a call-in being validly invoked. Any Member of the Council shall be entitled to call for a decision to be suspended by giving notice to the Head of Governance, as Monitoring Officer either by telephone, fax, email or in writing **not later than 5.00 pm on the day following the date of the Joint Board meeting.** Any decisions so suspended shall not be capable of implementation for a period of **five calendar days** from the date of the Joint Board meeting. During the call-in period a request may be made in respect of any decision so suspended by not less than one quarter of the total membership of the Overview and Performance Scrutiny Committee. To do this you will need to notify the Monitoring Officer in writing, by fax or by email by 5.00 pm on the date being five days following the day of the Joint Board meeting.*

BDC - CALL-IN REQUESTS

*The implementation of certain decisions is suspended until the call-in period has expired without a call-in being validly invoked. The call-in period is **nine working days** from the date of this decision. During the call-in period **at least three** members may request certain decisions to be called in. You may do this in any of the following ways - In writing - a written notice may be signed by one or more Members, or By telephone - in order to safeguard the integrity of the system, Members may only call in by telephone on their own behalf, • E mail - this may be done using a Members terminal within the Council Offices or where a member has the facility via the internet, • By fax - as with written notifications, the faxed message may contain the signature of more than one Member, • In person. Democratic Services Officers who are authorised to accept notifications from Members.*

NEDDC - CALL-IN REQUESTS

*The implementation of certain decisions is suspended until the call-in period has expired without a call-in being validly invoked. The call-in period is **five working days** after the publication of this decision. During the call-in period the **Chair and Vice Chair together with three other members of any Overview and Scrutiny committee** may object to a decision and call it in.*

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JOINT BOARD

Monday, 12 May, 2014
at Chesterfield Borough Council

Present -

Chesterfield Borough Council

Councillor J Burrows (in the Chair)
Councillor T Gilby
H Bowen
J Brobyn
M Clinton
M Evans
N Johnson

Bolsover District Council

Councillor E Watts
Councillor A Tomlinson
W. Lumley (BDC/NEDDC)

North East Derbyshire District Council

Councillor G Baxter
G Galloway

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

No declarations were made.

2. **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Betty Hill.

3. **MINUTES**

The notes and the Record of Decision of the Joint Board meeting held on 10 March, 2014, and the draft minutes of the Joint Chief Executives meeting held on 24 April, 2014 were noted.

4. **CREDIT UNION REPORT**

The Joint Board considered a report on the work of the Chesterfield and North East Derbyshire Credit Union (CNEDCU).

It was noted that the Credit Union now had in the region of 2,000 members and was run by 3 full time staff and a team of 25 volunteers.

The Board of Directors had reluctantly agreed to increase interest rates by 1% which would take effect as soon as they had moved into their new premises and the relevant systems had been updated.

11 schools across Chesterfield and North East Derbyshire were now participating in a Junior Savers' scheme involving around 200 primary aged children, with each child receiving a £5 cash incentive from the Illegal Money Lending Team, to encourage regularity of saving.

As a phase 2 member of the Credit Union Expansion Programme, it is a requirement to report monthly performance data to Cornerstone who administer the programme. CNEDCU had consistently reached its monthly targets in all areas - loans, deposits and members - and currently await reward payments for this.

The CNEDCU had supported local families with low cost loans totalling just under £436,751.23.

A discussion took place around a request made by CNEDCU for CBC to convert a loan that had been made to support the family loans scheme into a grant. CBC's Chief Executive agreed that he would have a discussion with the Head of Finance and the Leader of the Council regarding CBC's financial position and whether this was something that could be considered. And, a final decision made.

AGREED - That the report be noted.

5. **LOCAL ENTERPRISE PARTNERSHIPS**

The Chief Executive of NEDDC/BDC provided an update on the proposed establishment of a De Combined Authority.

He reported that he had met with the DCLG recently to discuss the progress being made. It was suggested that Derby and Derbyshire were leading the way and that there was an opportunity for them to shape the agenda. Clarity had been sought about the 50:50 funding split between the SCR LEP and the D2N2 LEP but unfortunately the DCLG had not been in a position to reply.

AGREED – That the report be noted.

6. **LOCAL GOVERNMENT ACT 1972 – EXCLUSION OF THE PUBLIC**

That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2000, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined by Paragraphs 4 of Part 1 of Schedule 12A to the Local Government Act 1972.

7. **BCN CONSULTANCY (BUILDING CONTROL)**

The Development and Growth Manager (CBC) and the Building and Contracts Manager (BDC & NED) submitted a report to update the Joint Board on the current financial position of BCN at the end of the financial year 2013/14 and the progress made towards exploring the potential for a strategic approach to providing a Building Control service for Derbyshire.

- AGREED:**
1. That the current financial position of BCN as at the end of March 2014, be noted.
 2. That a reserve of £50,000 be set aside to support the 3 Councils involvement in the future shaping of a Derbyshire-wide Building Control service and a sum of £75,258 be returned to the 3 Councils, from the surplus outturn position achieved at the end of the financial year 2013/14.
 3. That the work programme and proposed timetable for the feasibility study with the establishment of a Derbyshire-wide Building Control service be noted.

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North Eastern Derbyshire Strategic Employment Partnership Update

MEETING:	JOINT BOARD
DATE:	1st September 2014
REPORT BY:	Jane Weston, Employment and Skills Officer –North East Derbyshire District Council
For Publication	
Back Ground Papers:	

1.0 PURPOSE OF THE REPORT

- 1.1 To request that Joint Board agree that the North Eastern Derbyshire Strategic Employment Partnership (NEDSEP) be disbanded

2.0 RECOMMENDATION

- 2.1 That the North Eastern Derbyshire Strategic Employment Partnership (NEDSEP) be disbanded.

3.0 BACKGROUND

- 3.1 NEDSEP was formed in December 2011 to maximise employment and training opportunities for local people within north eastern Derbyshire. Outcomes from each area were shared with Joint Leaders in May 2013 and in February 2014.
- 3.2 Work is now taking place jointly between the three local authorities and Bassetlaw District Council, specifically to support young people into work. These are the SCR Ambition Programme and the BIG Lottery Talent Match Programme. This is in addition to the SCR Skills Made Easy Initiative.
- 3.3 Throughout the work undertaken as NEDSEP and through the programmes mentioned in 3.2, good partnership working has developed. If other opportunities become available in the local area then it is likely that these partners will work together on these in the future without the requirement of the NEDSEP partnership.

4.0 RECOMMENDATION

4.1 That the North Eastern Derbyshire Strategic Employment Partnership (NEDSEP) be disbanded.

5.0 REASON FOR RECOMMENDATION

5.1 The work of NEDSEP has been superseded by the collection of other programmes that are being delivered locally; therefore NEDSEP is no longer required to support partnership working.

For further information on this report, please contact Jane Weston

Joint Board Decision

Officer Recommendation supported/not supported/modified as below:

Signed	Leader (or reserve) Bolsover District Council
Signed	Leader (or reserve) Chesterfield Borough Council
Signed	Leader (or reserve) North East Derbyshire District Council
Date	

SCRUTINY REPORT FOR PUBLICATION

ANNUAL REPORT 2013/14 OF THE JOINT SCRUTINY PANEL (SHARED SERVICES) - CHESTERFIELD BOROUGH, BOLSOVER DISTRICT AND NORTH EAST DERBYSHIRE DISTRICT COUNCIL

MEETING: JOINT BOARD
DATE: 1 Sep 2014

This report will be presented by Councillor Andy Slack – Chesterfield Borough Council.

1 PURPOSE OF REPORT

- 1.1 To update the Joint Board on the work of the Joint Scrutiny Panel (SharedServices) for 2013/14

2 BACKGROUND

- 2.1 In August 2008 the three Councils of North East Derbyshire, Chesterfield and Bolsover agreed to the establishment of a joint scrutiny panel to scrutinise the three shared services of Building Control, Internal Audit and Procurement.
- 2.2 The panel is made up of three elected members from each of the Councils who scrutinise the delivery of the Shared Services. Prior to 2008 there was no formal overview or scrutiny involvement in this area and it was hoped that this approach of working in partnership would be more effective and achieve better results. A copy of the panels terms of reference are attached at **Appendix A** for information.

3 WORK UNDERTAKEN THIS YEAR

- 3.1 The Panel has met on three occasions and considered the annual reports and service plans for each of the three main shared services. The Panel has also received and monitored quarterly financial and performance information.

- 3.2 The Panel has received several updates on the Shared Procurement Service. There had been some significant changes to the delivery of Procurement following the departure of key staff within the Unit. The Committee noted the new arrangements that were being explored including available procurement arrangements with the Chesterfield Royal Hospital at Calow and enhanced partnership working with Bolsover District council, Chesterfield Borough and Derbyshire County Council. However, members felt that there was a need to monitor how the new arrangements performed over the coming months.
- 3.3 As part of its consideration of the Corporate Plans of the three Councils the Panel had identified insurance arrangements as an area that they wished to scrutinise. As a result of this insurance officers from the three Councils attended the Joint Scrutiny Panel to discuss the possibility of a partnership approach to insurance. A research exercise had been carried out by the three districts and the results were then discussed at the Joint Scrutiny Panel. The conclusion drawn from the discussion was that the insurance needs of the different councils varied too much for a unified approach to insurance, although consideration of the issue had provided a good learning experience which may also be useful to parish councils. The Panel felt that it could potentially be beneficial if two or three parish councils had insurance from one company to help with a less expensive quote. With this in mind a presentation on this case study was given at North East Derbyshire District/Parish Liaison Committee.
- 3.4 It was agreed that the item would be kept on the agenda for next year and that a question be asked regarding whether any savings had been made on insurance in the past year.
- 3.5 The Panel had also kept an overview of the operation of the BCN Consultancy (Building Control). This had included an update of the findings of the options appraisal undertaken on the service. As a result of this the Panel had made a recommendation to the Joint Board that they wished to see the service remain in house. The Overview and Scrutiny Manager advised the Panel of the outcome of their comments to the joint board on the options appraisal of BCN and updated on the current position. The latest budget monitoring statement showed that the budget was starting to stabilise but options including a Derbyshire wide model and a

review of the staffing levels within the service were being considered..

- 3.6 Members asked if there had been any increase in business as a result of the current financial climate as more people were having extensions built rather than moving house. They also asked whether further details could be provided from the Joint Board held on 12th May regarding progress on the proposals and an update on the list of potential improvements to be made in the service contained in the Options Appraisal report.

4 FUTURE WORK

- 4.1 For the future members expressed their wish to be more proactive as they were concerned that their input into decision making by the joint board on the shared services was not working as well as they wanted. It was felt that the panel always had to react to issues rather than being proactively engaged at the start of the process. They therefore had requested the joint board to support them in this role by providing information in a timely manner for them to consider. Members discussed the powers and terms of reference of the panel and felt that the culture needed to change so the panel could add more value. There was also the issue that there was no call in possible from the Joint Board. These two issues combined limit opportunity for effective overview and scrutiny.

5 RECOMMENDATION

- 5.1 That the annual report be received and comments invited.

6 REASON FOR RECOMMENDATION

- 6.1 The Joint Scrutiny Panel (Shared Services) is required by its Terms of Reference to report back annually on its work to the Joint Board.

Contact Officers:

Sue Broadhead, Overview and Scrutiny Manager, North East Derbyshire District Council – 01246 217060

Lynne Cheong, Overview and Scrutiny Officer, Bolsover District Council – 01246

Anita Cunningham, Scrutiny Officer, Chesterfield Borough Council – 01246 345273

Joint Board Decision

Officer Recommendation supported/not supported/modified as below:

Signed Leader (or reserve) Bolsover District Council

Signed Leader (or reserve) Chesterfield Borough
Council

Signed Leader (or reserve) North East Derbyshire
District Council

Date

Terms of Reference of the Joint Scrutiny Panel

Bolsover District Council Chesterfield Borough Council North East Derbyshire District Council

The Joint Scrutiny Panel will be made up of 9 members (3 from each authority). They will be responsible for the scrutiny function of the joint working/shared services. The terms of reference will be agreed by each authority's Scrutiny Committee and the Joint Scrutiny Panel.

Appointment

Each authority or its Scrutiny Committee will nominate three Members to make up the joint committee.

Role

The Joint Scrutiny Panel will be responsible for overview and scrutiny arrangements for the three shared services of Building Control, Procurement and Internal Audit, and other areas of joint working (Crematorium, Home Improvement Agency) or additional shared services developed, covering the following elements:

- Monitoring – regularly receiving progress reports and updates against targets or objectives, and offering challenge and/or recommendations;
- Holding decision-makers to account - challenging decisions and performance;
- Adding value as a consultee – being consulted/engaged on policy proposals, draft strategies and proposed decisions;
- In-depth or spotlight reviews – a project based approach to reviewing an issue and gathering evidence to inform a report and recommendations – could be undertaken if the above activity identifies a need to;
- Monitoring progress for completed reviews and consultations.

The Joint Scrutiny Panel may:-

- Conduct research, community and other consultation in the analysis of policy issues and possible options;
- Consider and encourage community participation in the scrutiny function;
- Question members of the Joint Board and the Consortium/Service Managers about their views on issues and proposals affecting the area;
- Liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working;

- Review and scrutinise the performance of the joint services in relation to its policy objectives, performance targets and/or particular service areas;
- Question members of the Joint Board and the Consortium/Service Managers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;
- Make recommendations to the Joint Board arising from the outcome of the scrutiny process

The Joint Scrutiny Panel may create a working group as required.

The Joint Scrutiny Panel may scrutinise the finances for the joint services.

The Joint Scrutiny Panel will report annually, by way of a report to the Joint Board and each Council, on their workings and make recommendations for future work programmes and amended working methods as appropriate.

Meetings of the Panel

The Joint Scrutiny Panel will meet quarterly for the business stated. Additional meetings will be arranged as required.

The date and time of each meeting will be agreed by the group.

The Joint Scrutiny Panel is not subject to statutory Access to Information rules, it may meet in private but where ever possible shall allow access to the public.

The host authority will be responsible for issuing the papers and producing the meeting notes to all the attendees.

Quorum

The quorum for the Joint Scrutiny Panel shall be 3 members with a minimum of 1 representative per authority.

Chair of the Joint Scrutiny Panel

The Chair of Joint Scrutiny Panel will be rotated amongst each authority. The host authority members will agree the chair for each meeting.

Any working group created will elect their chair.

Agenda items

The Joint Scrutiny Panel shall consider the following:

- Minutes of the last meeting;
- Declarations of interest (including whipping declarations);

- Reports from the three shared services;
- Feedback from any reviews;
- Consideration of any matter that may be referred to each authority's Scrutiny Committee for a decision in relation to call in of a decision;
- Responses of the Joint Board to reports of the Scrutiny Committee;
- Business otherwise set out on the agenda for the meeting;
- Communication that will be issued from the group.

Additional items for the agenda

- Identifying and overseeing shared scrutiny reviews for the 3 authorities;
- Member development opportunities.

Members of the Joint Scrutiny Panel

Each member of the Joint Scrutiny Panel will also be responsible for:

- Updating their respective authorities on the services;
- Presenting reports on the services to their respective authorities;
- Identifying and overseeing shared reviews for the 3 authorities;
- Contributing to member development activities for scrutiny.

Work Programme

The Scrutiny Panel will determine what items it will include in its work programme and in doing so shall take into account the wishes of Scrutiny Members. Cabinet Members will not decide the Joint Scrutiny Panel Work Programme. However, the Joint Scrutiny Panel will consider whether to include requests on the agenda from any other relevant stakeholder.

Call In

The Joint Scrutiny Panel will have no 'call in' powers. However the members of the panel may identify joint service items to call in by their respective authority.

Review of the Panel

The Joint Scrutiny Panel will review its progress and the terms of reference on an annual basis as part of the annual report to the Joint Board.

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AGENDA ITEM:

INTERNAL AUDIT CONSORTIUM – ANNUAL REPORT 2013/14

MEETING: **JOINT BOARD**

DATE: **1ST SEPTEMBER 2014**

REPORT BY: **INTERIM HEAD OF INTERNAL AUDIT
CONSORTIUM**

For Publication

**Back Ground
Papers:**

1.0 PURPOSE OF THE REPORT

1.1 To report on the performance of the Internal Audit Consortium during 2013/14.

2.0 RECOMMENDATIONS

2.1 That the annual report of the Internal Audit Consortium be noted.

2.2 That the surplus on the Internal Audit Consortium trading account be retained for the purposes described in paragraph 4.3.

3.0 BACKGROUND

3.1 The Internal Audit Consortium came into operation on the 1st April 2007. In January 2014 the consortium took on the management of Derbyshire Dales District Council.

3.2 The Public Sector Internal Audit Standards, require that a detailed annual report should be prepared.

3.3 Detailed reports on the performance against the Audit Plans for each constituent authority have been presented to their Audit Committee.

4.0 PERFORMANCE IN 2013/14

4.1 Internal Audit Plans

- Internal Audit Plans were established and agreed for each authority before the start of the financial year. The Plans were updated during the year with the revised plans being approved by the respective Audit Committees in December 2013. The revised plans have been substantially completed. The detailed outcomes have been reported to each audit committee.
- Regular progress reports were submitted to each audit committee summarising internal audit reports issued.

4.2 Working Procedures / Improvement plan

Progress has continued in addressing a number of service improvements detailed, for example:

- Standardisation of working procedures has been completed. Testing schedules are being reviewed and standardised as each audit is undertaken.
- Work was undertaken during the year to review compliance with the Public Sector Internal Audit Standards (PSIAS). An improvement plan was produced however no significant areas of non-compliance were identified.
- The Internal audit manual has been reviewed and updated to reflect the PSIAS.
- Learning and development – the training needs assessment was updated during 2013/14.
- Procedures have been introduced to ensure that agreed internal audit recommendations are implemented.
- Customers – customer satisfaction surveys are issued with each audit report and an annual survey of Client Officers takes place. The overall customer satisfaction score for 2013/14 was 90% against a target of 80%. The Client Officer survey forms returned resulted in a satisfaction score of 96%.

4.3 Financial Performance

- The original budgets and charges for 2013/14 were agreed by the Joint Board on the 21st January 2013 and subsequently revised on the 14th January 2014. The revised budget for 2013/14 showed an estimated surplus of £75k.
- The outturn for the year shows a surplus of £77k. Appendix 1 provides a comparison of the budget and outturn figures. The main reasons for the surplus were the saving on the Deputy Head of Internal Audit post and three Auditors reducing their working hours. The reduced resources were reflected in the revised Audit Plans mentioned earlier.
- The accumulated surplus at the 31st March 2014 is therefore £128k (made up of 77k surplus in 2013/14 and 51k from previous years) and it is proposed that this is utilised as follows:
 - £30k retained as the previously agreed working balance;
 - £3k earmarked for staff training and development;
 - The balance retained as contingency for the Auditor grading appeal (see para. 4.4 below).

4.4 Staffing

- The Head of the Internal Audit Consortium retired on the 31st March 2013. The Deputy Head of the Consortium is acting as Interim Head. The Deputy post has been kept vacant pending the conclusion of the county-wide review of Internal Audit Services (para 4.6 below).
- The Consortium operated in 2013/14 with 8.6 FTE posts. The 2014/15 budget has been prepared on the basis of 9.6 FTE as it includes the salary for both the Head and Deputy Head of internal audit.
- Teams continue to be based at each Council in order to give a permanent on site presence in accordance with the Consortium agreement.
- Grading Appeal - it was reported to Joint Board in January that the Auditor's job description had been reviewed and that management were of the view that a re-evaluation of the post grading is not warranted. One of the auditors has put in an appeal against the decision and it is therefore deemed prudent that the Consortium retain its surplus as a reserve until the issue is finally resolved.

4.5 Training

- Since the Head of the Internal Audit Consortium retired, the audit consortium only has one fully qualified member of staff. Technically there is only a need for one qualified officer however for practical purposes two would be better. The PSIAS require at least one fully qualified auditor so the absence of the interim Head would currently need to be covered by an external arrangement. Contributing towards consortium employees' development would demonstrate succession planning and for the future provide assurance that the Public Sector Internal Audit Standards (PSIAS) could still be complied with in the event of the Interim Head of the Internal Audit Consortium being absent.
- The PSIAS also state that "Internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications".
- To this end it is proposed that each consortium member contribute £1,000 on an annual basis towards consortium employees studying for relevant professional qualifications.

4.6 Future Developments

- A procurement exercise to appoint an external consultant to review the options for joint working/shared services in respect of internal audit across Derbyshire is currently underway. It is not anticipated that any new arrangements would come in to force until April 2015 at the earliest.

5.0 RISK REGISTER

- 5.1 The Internal Audit Consortium risk register has been updated and is shown as **Appendix 2**.

6.0 RECOMMENDATIONS

- 6.1 That the annual report of the Internal Audit Consortium be noted.
- 6.2 That the surplus on the Internal Audit Consortium trading account be retained for the purposes described in paragraph 4.3.

7.0 REASON FOR RECOMMENDATIONS

7.1 To enable the Joint Board to consider the 2013/14 Annual Report of the Internal Audit Consortium.

Jenny Williams

Interim Head of Internal Audit Consortium

For further information on this report, please contact Jenny Williams 01246 345468

Joint Board Decision

Officer Recommendation supported/not supported/modified as below:

Signed Leader (or reserve) Bolsover District Council

Signed Leader (or reserve) Chesterfield Borough Council

Signed Leader (or reserve) North East Derbyshire District Council

Date

**INTERNAL AUDIT CONSORTIUM BUDGET & ACTUAL - 2013/14
AND ESTIMATE 2014/15**

	2013/14			2014/15
	Original £	Revised £	Actual £	Estimate £
<u>Expenditure:</u>				
Employees	380,060	306,260	307,074	359,240
Transport	1,650	1,650	986	1,650
Supplies	1,430	1,430	868	1,430
Support Services	48,880	47,470	48,163	48,950
Total Expenditure	432,020	356,810	357,091	411,270
<u>Income:</u>				
Charges to CBC	158,286	155,980	158,286	146,910
Charges to NEDDC	137,213	135,040	137,213	127,630
Charges to Bolsover	136,221	140,700	136,221	126,830
Charges – other	300	300	300	300
Charges to DDDC	0		2,400	9,600
Total Income	432,020	432,020	434,420	411,270
Net surplus/(deficit) in year	0	75,210	77,329	0
Net surplus/(deficit) b/fwd	20,000	50,970	50,967	30,000
Net surplus/(deficit) c/fwd	20,000	126,180	128,296	30,000
Less surplus to be distributed		96,180	-	
Working Balance Carried Forward		30,000	128,296	30,000

Appendix 2

Internal Audit Consortium Risk Register

Risk	Likelihood	Impact	Residual Risk Score	Management of Risk
Failure to Substantially complete the agreed audit plans	M (3)	M (3)	9	Monitoring and reporting of progress to client officers and Audit Committees.
Failure to undertake work to a satisfactory standard	L (2)	M (2)	4	All work subject to quality reviews by senior staff. Review of compliance with Public Sector Internal Audit Standards.
Insufficient financial resources to fund Consortium	L (2)	H (4)	8	Consortium agreement details procedure to be adopted.
Loss of data through IT failure	L (2)	M (3)	6	Data stored on each Councils network and subject to their back up and security procedures. Reports held on more than one network plus hard copy.
Changes to the Internal Audit Consortium's structure	M (3)	M (3)	9	Monitoring and reporting of progress to client officers and Audit Committees.

Risk Score (On a scale of 1 to 5) (L= Low, M = Medium, H = High)

Risk Score of up to 9 acceptable 'green', between 10 and 15 monitor controls (amber), 16 or more (red), control improvements required (if possible).