

## **STANDARDS AND AUDIT COMMITTEE**

**Wednesday, 6th April, 2016**

Present:-

Councillor Rayner (Chair)

Councillors Sarvent

Councillors

Derbyshire

\*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

37 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Barnett, Caulfield, Alexis Diouf and Tidd.

38 **MINUTES**

**RESOLVED -**

That the minutes of the Standards and Audit Committee meeting held on 3 February, 2016 be approved as a true record.

39 **EXTERNAL AUDIT PLAN 2015/16**

Mr Tony Crawley of KPMG presented a report for Members to consider the External Audit Plan for 2015/16.

The plan outlined how the External Auditor (KPMG) proposed to undertake the audit of the financial statements and the value for money conclusion for 2015/16.

**\*RESOLVED –**

That the External Audit Plan for 2015/16 be received.

**40**      **EXTERNAL AUDIT PROGRESS REPORT - MARCH 2016**

Mr Tony Crawley of KPMG presented the external audit progress report as at March 2016.

There were no significant matters arising from the interim audit of the accounts undertaken during March 2016. Risk assessment work on the value for money conclusion was ongoing.

KPMG had held local government accounts workshops in February and March 2016.

**\*RESOLVED –**

That the External Audit Progress Report be noted.

**41**      **SUMMARY OF INTERNAL AUDIT REPORTS ISSUED**

The Internal Audit Consortium Manager presented a report summarising the Internal Audit reports issued for the period 9 January – 9 March, 2016 in respect of reports issued relating to the 2015/16 internal audit plan.

It was noted that responses had been received to all of the five reports issued and that all the recommendations had been accepted. Two of the reports had rated the reliability of internal controls as 'good', two as 'satisfactory' and one as 'marginal'.

**\*RESOLVED –**

That the report be noted.

**42**      **INTERNAL AUDIT PLAN 2016/17**

The Internal Audit Consortium Manager presented a report for Members to consider and agree the Internal Audit Plan for 2016/17.

The detailed plan for 2016/17 was attached at Appendix 2 to the report and had been prepared taking into account the following factors:

- The requirement of the Public Sector Internal Audit Standards that a period risk based plan should be prepared that was sufficiently

flexible to reflect the changing risks and priorities of the organisation;

- 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 Senior Leadership Team.

The plan outlined the assignments to be carried out during 2016/17, their respective priorities and the estimated resources needed. The plan allocated 560 days to Chesterfield Borough Council for 2016/17, which was the same allocation as in 2015/16.

A copy of the three year audit plan covering the period 2014/15 – 2016/17 was attached at Appendix 3 to the report for the information of Members. An Annual Report summarising the outcome of the 2015/16 internal audit plan would be presented to this Committee after the year end.

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

**\*RESOLVED –**

That the Internal Audit Plan for 2016/17 be agreed.

**43 EXTERNAL REVIEW OF INTERNAL AUDIT**

The Internal Audit Consortium Manager presented a report consulting Members on the format of the external review of internal audit.

The Public Sector Internal Audit Standards (PSIAS), introduced in April 2013, required that internal and external (at least once every five years) assessments of internal audit must take place. An internal self-assessment against the PSIAS utilising the recommended CIPFA checklist had been undertaken on an annual basis by the Internal Audit Consortium Manager and the resultant improvement plans had been reported to and monitored by this Committee.

The report considered the options of the external assessment being either a 'full' external assessment or a self-assessment with 'independent validation', the appropriate qualifications required of the external assessors and the procurement process for appointing an external assessor. It proposed that the assessment be undertaken for all of the partner consortium members and Derbyshire Dales District Council at the same time, in order to gain from economies of scale as the working practices of the Councils involved were the same.

The cost of the external review was not currently known, but a budget of £5,000 per Council had been built in to the Internal Audit Consortium budget for 2016/17.

In response to questions from Members, it was confirmed that such a procurement exercise to appoint an external assessor had not previously been undertaken and that the external assessor's report, once completed, would be reported to this Committee.

**\*RESOLVED –**

- (1) That authorisation be given to proceed with the procurement of an external provider to undertake an 'independent validation' of the self-assessment of internal audit already undertaken by the Internal Audit Consortium Manager.
- (2) That the procurement exercise be undertaken on behalf of the Internal Audit Consortium partner members and also Derbyshire Dales District Council by the NHS procurement service.
- (3) That authority be delegated to the Internal Audit Consortium Manager and the Section 151 Officers to agree the specification of the assessment, to assess quotations received based on cost and quality and to appoint an external provider to undertake the assessment.
- (4) That the report of the external assessment, once completed, be reported to a future meeting of the Standards and Audit Committee.