

## **STANDARDS AND AUDIT COMMITTEE**

**Wednesday, 23rd November, 2016**

Present:-

Councillor Rayner (Chair)

Councillors Sarvent  
Derbyshire

Councillors Brown

\*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

21 **APOLOGIES FOR ABSENCE**

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

22 **MINUTES**

**RESOLVED –**

That the Minutes of the meeting of the Standards and Audit Committee held on 21 September, 2016 be approved as a true record.

23 **ANNUAL AUDIT LETTER 2015-16**

Mr Tony Crawley of KPMG presented the Annual Audit Letter for the year 2015/16.

The Annual Audit Letter summarised the outcome from the external auditor's work at the Council during 2015/16, including reference to:

- The unqualified conclusion on the authority's arrangements to secure value for money;
- The unqualified opinion on the authority's financial statements;

- The review of the Annual Governance Statement
- Confirmation of the audit fee for 2015/16 as £52,963, excluding VAT.

It also gave a summary of reports issued which included:

- Certification of Grants and Returns
- External Audit Plan
- Audit Fee Letter
- Auditors Report
- Report to those charged with Governance

It was noted that the Annual Audit Letter would be considered at the meeting of full Council in December.

**\* RESOLVED –**

That the Annual Audit Letter for 2015/16 be received.

**24 PROCUREMENT OF EXTERNAL AUDITORS**

The Director of Finance and Resources presented a report summarising the changes to the arrangements for appointing external auditors at the end of the transitional period following the closure of the Audit Commission.

The transitional arrangements, currently operated via Public Sector Audit Appointments Ltd (PSAA), had been extended to include the audit of the 2017/18 accounts.

The report outlined two options for the Council once the transitional arrangements came to an end – to make a stand alone appointment or to opt in to PSAA national procurement – and it identified the advantages and disadvantages of each option.

The report concluded that opting in to PSAA national procurement would require fewer resources and deliver a lower cost due to the bulk buying power of the sector led procurement.

It was noted that the report would be considered by the meeting of the full Council in December.

**\* RESOLVED**

That the report be noted and supported.

**25 PROGRESS ON THE IMPLEMENTATION OF THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2015/16**

The Internal Audit Consortium Manager presented a report on the progress made towards implementation of the 2015/16 Annual Governance Statement Action Plan, including comments from the Cabinet Member for Governance. The action plan had been approved by the Standards and Audit Committee in June 2016.

The Corporate Management Team had monitored the progress on the action plan and a summary of progress achieved at the end of October 2016 was shown at Appendix 1 to the report. Of the 12 identified actions, two had been completed, four were on track for completion and six were behind target.

The Director of Finance and Resources confirmed that he would be working with Internal Audit and the Corporate Management Team to identify how to best make progress on the action plan in order to minimise risks to the Council.

**\* RESOLVED –**

That the report be noted.

**26 PROGRESS ON THE IMPLEMENTATION OF THE AUDIT RECOMMENDATIONS IN RESPECT OF DATA PROTECTION**

The Customer, Commissioning and Change Manager reported on progress achieved in implementation of the audit recommendations in respect of data protection.

An Information Assurance Manager had been recruited and an Information Governance Framework developed. The majority of the planned information governance policies had been drafted, and it was planned that these would be formally approved in January, 2017.

Recruitment to the Information Governance Assistant post had not yet been successful. The job role and person specification was being revised

and, subject to funding being approved, would be readvertised in the New Year.

It was confirmed that Corporate Management Team members would take responsibility for the information systems within their services.

It was noted that further national guidance was awaited in respect of the new European Data Protection regulations, which were due to come in to effect in 2018.

Members were encouraged that progress was being made.

**\* RESOLVED**

That the report be noted.

**27 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 items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

**28 SUMMARY OF INTERNAL AUDIT REPORTS ISSUED 2016/17**

The Internal Audit Consortium Manager presented a report summarising the Internal Audit reports issued during the period 4 August, 2016 to 4 November, 2016 in respect of reports relating to the 2016/17 internal audit plan, including the comments of the Cabinet Member for Governance.

The Committee noted that the classification of the reliability of internal controls was 'good' in four cases, 'satisfactory' in four cases and 'unsatisfactory' in two cases (Section 106/Community Infrastructure Levy and ICT Network Security/Cyber Risk). No issues in respect of fraud had been identified.

Pursuant to Minute No. 4 (Standards and Audit Committee 2016/17), copies of the unsatisfactory reports in respect of Section 106/Community Infrastructure Levy and ICT Network Security/Cyber Risk were attached to the report.

The Economic Growth Manager updated the Committee on the progress of the implementation schedule in respect of the audit recommendations on Section 106/Community Infrastructure Levy.

The Customer, Commissioning and Change Manager updated the Committee on the ongoing work to strengthen the ICT infrastructure, working with Arvato as part of the contract review, in order to address the audit recommendations on ICT Network Security/Cyber Risk.

It was confirmed that the implementation schedule in respect of the audit recommendations on ICT Network Security/Cyber Risk would be made available to Committee Members once this had been completed.

**\* RESOLVED –**

That the report be noted.

**29 PROCUREMENTS REPORT**

The Customer, Commissioning and Change Manager gave a presentation to the Committee on how the Council's procurement arrangements were progressing.

It was noted that the shared service procurement team was in place and a Sustainable Commissioning and Procurement Strategy and a Suppliers Guide had been developed to be formally approved in the New Year. Savings had been achieved, and training via an e-learning system and for Members was scheduled for the New Year. It was planned to extend the use of the shared service team for all procurements.

The Committee was encouraged that good progress was being achieved.

**\* RESOLVED**

That the report be noted.