

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.