

STANDARDS AND AUDIT COMMITTEE

Wednesday, 6th February, 2019

Present:-

Councillor Rayner (Chair)

Councillors Derbyshire

Councillors

Hollingworth

*Matters dealt with under the Delegation Scheme

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

No declarations were received.

55 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Bean, Councillor A Diouf and Councillor Tidd.

56 **MINUTES**

RESOLVED –

The Minutes of the previous meetings of the Standards and Audit Committee held on 28 November, 2018 and 5 December, 2018 were approved and signed by the Chair as a correct record.

57 **SUMMARY OF INTERNAL AUDIT REPORTS ISSUED**

The Internal Audit Consortium Manager presented a report summarising the internal audit reports issued during the period 24 October 2018 to 18 January 2019, in respect of reports issued relating to the 2018/19 internal audit plan.

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

- 'Substantial Assurance' – 2

· 'Reasonable Assurance' – 2

It was noted that there had been positive responses to all the reports. The Private Sector Housing Report contained lots of recommendations but no major concerns were raised. The committee was informed that no fraud had been discovered.

*** RESOLVED –**

That the report be noted.

58 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 1 of Part 1 of Schedule 12A of the Act.

59 ANNUAL REPORT – STANDARDS OF CONDUCT

The Monitoring Officer presented a report to provide members with an overview of the complaints made about Councillors and the Standards system since February 2018. The report also included a list of best practice.

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

Following the hearing in January 2019 it is recommended that the procedure used in that hearing and attached at Appendix B is adopted for any future hearings.

*** RESOLVED –**

1. That the report be noted.

2. That the hearing procedure in Appendix B to this report be adopted.

3. That the report on Ethical Standards by the Committee on Standards in Public Life be noted, and that a report considering its recommendations be submitted to the next meeting of this committee

60 **RE-ADMISSION OF THE PUBLIC**

***RESOLVED –**

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

61 **2017/18 ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE**

The Internal Audit Consortium Manager presented a report to update members on the progress made towards implementing the 2017/18 Annual Governance Statement Action Plan. The Action Plan had been approved by the Standards and Audit Committee in May 2018.

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 2018 was attached at Appendix A to the officer's report.

A number of the actions were ongoing but the committee was informed that good progress was being made and there were no areas for concern.

*** RESOLVED –**

That the report be noted.

62 **CIPFA FRAUD AND CORRUPTION TRACKER SURVEY 2018**

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 80,000 frauds, worth a total value of £302m, had been detected or prevented across local authorities in 2017/18. It was also highlighted that the largest growing area of fraud was business rate fraud.

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.

63 TREASURY MANAGEMENT STRATEGY 2019/20

The Director of Finance and Resources presented a report recommending for approval the Treasury Management Strategy Statement and the Annual Investment Strategy Statement for 2019/20 and the Minimum Reserve Provision (MRP) Policy for 2019/20.

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 2019/20 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 Minimum Revenue Provision policy for 2019/20.

64 **EXTERNAL AUDIT - PROGRESS REPORT 2018/2019**

Mike Norman, Senior Manager of Mazars, presented a report for members to consider the External Audit Plan for 2018/19.

The plan outlined how the Council's external auditor, Mazars, proposed to undertake the audit of the financial statements and the value for money conclusion for 2018/19. The committee heard that a handover had taken place with the previous auditors, KPMG and no major issues had been discovered.

The plan detailed the significant audit risks that had been identified, including management override of controls, property valuations and pension liabilities. The Value for Money Conclusion Risk Assessment was in progress and officers from the finance team had been invited to attend Financial Reporting Workshops booked for February 2019.

*** RESOLVED –**

That the External Audit Plan for 2018/19 be received.