

## **STANDARDS AND AUDIT COMMITTEE**

**Wednesday, 24th April, 2019**

Present:-

Councillor Rayner (Chair)

Councillors Caulfield  
Hollingworth

Councillors Tidd

\*Matters dealt with under the Delegation Scheme

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

No declarations were received.

66 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Bean and A Diouf.

67 **MINUTES**

**RESOLVED –**

The Minutes of the previous meetings of the Standards and Audit Committee held on 6 February 2019 were approved and signed by the Chair as a correct record.

68 **CBC AUDIT STRATEGY MEMORANDUM**

Mike Norman, Senior Manager of Mazars, presented the completed Audit Strategy Memorandum. An error on page 17 of the report was indicated; the 2018/2019 fee should read £40,383.

\*RESOLVED –

That the Audit Strategy Memorandum Year Ending 31 March 2019 be noted

69 **CBC STANDARDS AND AUDIT COMMITTEE APRIL 2019  
PROGRESS REPORT**

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

The committee heard that there were no significant matters arising from the audit and that an update would be provided in July 2019 when the audit work was completed.

It was noted that CIPFA was seeking views on a proposed new Financial Management Code. The CIPFA bulletin on Closure of 2018/19 accounts was highlighted and Mike Norman explained that he had discussed the contents with the officers involved and was happy that the points were being addressed.

The Director of Finance and Resources commented that Chesterfield Borough Council had a risk adverse approach to investments and used Arlingclose for independent treasury strategy advice. It was also confirmed that officers of the council had visited Mazars for updates on the closure of accounts and the Director of Finance and Resources advised the committee that he anticipated that the accounts for 2018/2019 would be closed within 6 weeks of the year end.

**\* RESOLVED –**

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

70 **INTERNAL AUDIT PLAN 2019/20**

The Internal Audit Consortium Manager presented a report for members to consider and agree the Internal Audit Plan for 2019/20.

The detailed plan for 2019/20 was attached at Appendix B to the report and had been prepared in consultation with the Senior Leadership Team and the Corporate Management Team, taking into account the following factors:

- The Council's objectives and priorities;
- Local and national issues and risks;
- The requirement to produce an annual internal audit opinion;
- The Council's 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 Corporate Management Team.

The plan outlined the assignments to be carried out during 2019/20, their respective priorities and the estimated resources needed. The plan allocated 560 days to Chesterfield Borough Council for 2019/20, which was the same allocation as in the previous three years.

The Internal Audit Consortium Manager was satisfied that the plan would provide sufficient data to form an audit opinion.

**\*RESOLVED –**

That the Internal Audit Plan for 2019/20 be agreed.

**71 SUMMARY OF INTERNAL AUDIT REPORTS ISSUED**

The Internal Audit Consortium Manager presented a report summarising the internal audit reports issued during the period 19 January 2019 to 1 March 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:

- 'Reasonable Assurance' – 3
- 'Limited Assurance' – 1

The committee was informed that no fraud had been discovered.

It was noted that the Limited Assurance Level was given to Laptops and Other Removable Media. The Assistant Director for Customers, Commissioning and Change and the Head of ICT Improvement attended the meeting to update the committee. It was explained that 13 of the 17 recommendations had been implemented and the other four were in the process of being implemented.

It was acknowledged that the database for recording laptops and other removable media was not fit for purpose and the committee was informed

that a new system would be in place by the end of the year. The processes for handling equipment held by staff leaving the organisation had been reviewed to ensure that all hardware was returned to ICT before being issued to a new member of staff. This was to be communicated to all service areas.

The Head of ICT Improvement advised that the issue of former employees featuring in the database would be rectified by the planned upgrade of all systems to the latest version of Windows and the introduction of Office 365. These software changes would be implemented by the end of the year and would ensure that old user profiles are automatically deleted.

The committee heard that the management of mobile phones was split over three departments and this would all move back into ICT. Some internal reorganisation may be necessary to facilitate this. A procurement process was underway for a new supplier with particular focus on the management information services provided in addition to achieving best value.

**\* RESOLVED –**

That the report be noted.

**72 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS**

The Internal Audit Consortium Manager presented a report summarising the outstanding internal audit recommendations. There were no particular concerns raised.

**\*RESOLVED –**

1. That the report be noted
2. That this update continue to be delivered at 6 month intervals.

**73 RIPA - ANNUAL REPORT TO STANDARDS COMMITTEE**

The Local Government and Regulatory Law Manager presented an annual report to members on activities relating to surveillance by the Council and associated policies under the Regulation of Investigatory Powers Act 2011.

The committee was advised that no directed surveillances were authorised by the Council in 2018, though the police used the Council CCTV for a RIPA organised operation. RIPA training using an Aspire Learning module had been undertaken by 71 employees and the Monitoring Officer had completed external training. No inspection had taken place in the last year.

The Local Government and Regulatory Law Manager referred to the updated guidance issued in 2018 and highlighted the following areas;

- Social Media had been identified as a new area of risk.
- The use of drones (not currently used at Chesterfield Borough Council).
- A new responsibility to report errors.
- A new duty for the Senior Responsible Officer to ensure that all authorising officers were appropriately trained.

The committee was informed of the planned activity for the current year including a thorough review of the corporate policy for CCTV and development of policy for the use of bodycams.

The Chief Executive had been notified of a routine Investigatory Powers Commissioner's Office Inspection to take place during the year.

RESOLVED –

1. That the report be noted.
2. That the Surveillance Policy be updated as set out in the report with the Local Government and Regulatory Law Manager authorised to make any further consequential amendments in the light of current guidance and best practice.
3. That the proposed activity for 2019/20 be progressed.

#### **74 REVIEW OF THE CODE OF CORPORATE GOVERNANCE AND THE ANNUAL GOVERNANCE STATEMENT**

The Internal Audit Consortium Manager submitted a report to present Members with the Annual Governance Statement and associated Action Plan, and to review Council compliance with the Code of Corporate Governance during 2018/19.

The Annual Review of the Code of Corporate Governance, as attached at Appendix A to the officer's report, showed that compliance had largely been achieved in 2018/19, with areas of partial compliance addressed in the Annual Governance Statement Action Plan, as attached at Appendix D to the officer's report.

The Annual Governance Statement and associated Action Plan had been presented to Cabinet and the Corporate Management Team and no comments were received.

**\*RESOLVED –**

1. That, the Annual Governance Statement, the Annual Governance Statement and Action Plan be approved.
2. That a review of the Code of Corporate Governance be undertaken in 12 months' time.
3. That progress on the Action Plan be monitored by the Corporate Management Team.

**75 COMMITTEE ON STANDARDS IN PUBLIC LIFE REVIEW OF LOCAL GOVERNMENT ETHICAL STANDARDS**

The Monitoring Officer presented a report to members of the review by the Committee on Standards in Public Life (CSPL) on local government ethical standards. The CSPL report set out best practice and recommended to government changes to the standards system and the committee reviewed whether changes to the Council's system were appropriate at this stage as a result.

The report summarised how ethical standards had operated at Chesterfield under the current standards system. It commented on the effective use of independent persons for standards matters and the review's proposal to limit their appointment to two years.

The Monitoring Officer highlighted a number of the CSPL review's best practice recommendations as follows;

- Whether or not bullying and harassment be referred to in the code of conduct.
- An obligation of members to comply with any formal investigations.

- The code of conduct should be reviewed annually
- The code to be readily accessible
- Quarterly updating of the gifts and hospitality register and gifts and hospitality totalling £100 over a year from a single source should be registered.
- The authority's public interest test should be published.
- Procedural recommendations for town and parish councils
- Greater awareness of standards in Council external bodies.

The Monitoring Officer drew the committee's attention to some of the CSPL recommendations to government and other bodies arising from the review:

- Improved member training and guidance on registering and declaring interests
- Disclosure of independent persons' view and legal indemnity
- Annual publication of standards statistics including number of complaints, their nature, outcome and any sanctions applied.
- Strengthened sanctions
- That political groups should require councillor attendance at formal induction.

RESOLVED –

1. That the CSPL report be noted.
2. That the council's performance against the CSPL proposals and suggested and recommended changes to the Council's standards system are reviewed and supported.
3. That the Members' Code of Conduct and the Council's procedures for consideration of complaints against members be amended accordingly.

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### **ANY OTHER BUSINESS**

The Chair thanked the members of the committee for their service and the officers and staff for their involvement over the last four years.