

The Chair and Members of Joint Board

Please ask for Rachel Appleyard

Direct Line 01246 34 5277

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3 September 2018

Dear Councillor,

Please attend a meeting of the JOINT BOARD to be held on TUESDAY, 11 SEPTEMBER 2018 at 2.30 pm in Committee Room 2, Chesterfield Town Hall, Rose Hill, Chesterfield, S40 1LP, the agenda for which is set out below.

## AGENDA

### Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to items on the Agenda
2. Apologies for Absence
3. Minutes (Pages 5 - 14)
  - Record of Decisions of the Joint Board held on 8 March, 2018
  - Minutes of the Joint Board held on 8 March, 2018
4. Internal Audit Consortium Annual Report 2017/18 (Pages 15 - 24)
5. Exclusion of the public

To move "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 involve the likely disclosure of exempt information as defined in Paragraph 4 of Part 1 of Schedule 12A of the Act".

6. Update on the Derbyshire-wide Building Control Partnership

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Smith', written in a cursive style.

Local Government and Regulatory Law Manager and Monitoring Officer  
(Chesterfield Borough Council)

# Agenda Item 3

## RECORD OF EXECUTIVE DECISIONS – JOINT WORKING

CBC: LEADER		Date of Decision 08.03.2018		
BDC: LEADER				
NEDDC:DEPUTY LEADER				
Title Reference: Minutes				
Key Decision References (if applicable): CBC: N/A BDC: N/A NEDDC: N/A		Delegation Reference: CBC: R080L BDC: NEDDC:		
Report and background papers	Yes	Public <input checked="" type="checkbox"/>	Exempt <input type="checkbox"/>	
			Confidential <input type="checkbox"/>	
Decision Status	Notice of Key or Private Decision	Authorised By: N/A		
	General Urgency			N/A
	Special Urgency			N/A
	Exempt Urgency			N/A
Record of Decision:				
That the notes and the Record of Decisions of the Joint Board meeting held on 12 September, 2017 be noted.				
Reasons for Decision:				
To note progress on joint working.				
Alternative options considered and rejected (if any): N/A				
Declarations of interests: None				
Decision subject to call-in: No Date of implementation if not called in: N/A				
Date Record Issued: 08.03.2018 Contact Officer: Joel Hammond-Gant, Chesterfield Borough Council joel.hammond-gant@chesterfield.gov.uk				

CBC: LEADER		Date of Decision 08.03.2018	
BDC: LEADER			
NEDDC:DEPUTY LEADER			
Title Reference: Chesterfield and North East Derbyshire Credit Union – Business Plan 2017 to 2020			
Key Decision References (if applicable): CBC: N/A BDC: N/A NEDDC: N/A		Delegation Reference:	CBC: R080L BDC: NEDDC:
Report and background papers	Yes	Public <input checked="" type="checkbox"/>	Exempt <input type="checkbox"/> Confidential <input type="checkbox"/>
Decision Status	Notice of Key or Private Decision		Authorised By: N/A
	General Urgency	N/A	
	Special Urgency	N/A	
	Exempt Urgency	N/A	
Record of Decision:  That the Chesterfield and North East Derbyshire Credit Union Business Plan 2017-2020 be received.			
Reason for Decision:  To note the progress of the Chesterfield and North East Derbyshire Credit Union.			
Alternative options considered and rejected (if any): N/A			
Declarations of interests: None			
Decision subject to call-in: No Date of implementation if not called in: N/A			
Date Record Issued: 08.03.2018 Contact Officer: Joel Hammond-Gant, Chesterfield Borough Council joel.hammond-gant@chesterfield.gov.uk			

CBC: LEADER		Date of Decision 08.03.2018		
BDC: LEADER				
NEDDC: DEPUTY LEADER				
Title Reference: Internal Audit Consortium Progress Report 2017/18 and Business Plan 2018/19				
Key Decision References (if applicable): CBC: N/A BDC: N/A NEDDC: N/A		Delegation Reference:	CBC: R080L BDC: NEDDC:	
Report and background papers	Yes	Public <input checked="" type="checkbox"/>	Exempt <input type="checkbox"/> Confidential <input type="checkbox"/>	
Decision Status	Notice of Key or Private Decision		Authorised By: N/A	
	General Urgency			N/A
	Special Urgency			N/A
	Exempt Urgency			N/A
Record of Decision:				
<ol style="list-style-type: none"> <li>1. That the progress made by the Internal Audit Consortium be noted.</li> <li>2. That the revised business plan (budget) for 201718 and the draft Internal Audit Consortium Business Plan (and associated charges) for 2018/19, based on Appendix A, be approved.</li> <li>3. That any accumulated surplus of the Internal Audit Consortium at 31 March 2018 (less £20,000 to be held as a working balance) be distributed to the partner authorities.</li> <li>4. That an annual report on the outcome of the operation of the Internal Audit Consortium for 2017/18 be submitted to the Joint Board following the year-end.</li> </ol>				
Reason for Decision:				
<ol style="list-style-type: none"> <li>1. The approval of the 2018/19 business plan will mean that the Consortium can continue to deliver a quality service.</li> <li>2. To enable the Joint Board to consider and approve the revised business plan for 2017/18 and the draft business plan for 2018/19.</li> </ol>				
Alternative options considered and rejected (if any): N/A				
Page 5				
Declarations of interests: None				

Decision subject to call-in: No  
Date of implementation if not called in: N/A

Date Record Issued: 08.03.2018  
Contact Officer: Joel Hammond-Gant, Chesterfield Borough Council  
joel.hammond-gant@chesterfield.gov.uk

CBC: LEADER BDC: LEADER NEDDC:DEPUTY LEADER	Date of Decision 08.03.2018
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Title Reference: Update on Building Control Consortium Transition

Key Decision References (if applicable): CBC: N/A BDC: N/A NEDDC: N/A	Delegation Reference: CBC: R080L BDC: NEDDC:
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Report and background papers	Yes	Public <input type="checkbox"/>	Exempt <input checked="" type="checkbox"/>	Confidential <input type="checkbox"/>
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Decision Status	Notice of Key or Private Decision		Authorised By: N/A
	General Urgency	N/A	
	Special Urgency	N/A	
	Exempt Urgency	N/A	

Record of Decision:

1. That the final financial position of BCN as at the end of May 2017 be noted.
2. That the work undertaken so far in implementing the unified Derbyshire-wide building control service be noted.

Reason for Decisions:

To effectively provide the building control service for Bolsover, Chesterfield and North East Derbyshire in accordance with legislation and the legal agreement for the joint working consortium.

Alternative options considered and rejected (if any):  
N/A

Declarations of interests: None

Decision subject to call-in: Yes

Date of implementation if not called in: 15.03.2018

Date Record Issued: 08.03.2018

Contact Officer: Joel Hammond-Gant, Chesterfield Borough Council  
joel.hammond-gant@chesterfield.gov.uk

## **Notes to Record of Decisions (Joint Working):**

### **CBC - CALL-IN REQUESTS**

*The implementation of certain decisions is suspended until the call-in period has expired without a call-in being validly invoked. Any Member of the Council shall be entitled to call for a decision to be suspended by giving notice to the Monitoring Officer either by telephone, fax, email or in writing **not later than 5.00 pm on the day following the date of the Joint Board meeting.** Any decisions so suspended shall not be capable of implementation for a period of **five calendar days** from the date of the Joint Board meeting. During the call-in period a request may be made in respect of any decision so suspended by not less than one quarter of the total membership of the Overview and Performance Scrutiny Committee. To do this you will need to notify the Monitoring Officer in writing, by fax or by email by 5.00 pm on the date being five days following the day of the Joint Board meeting.*

### **BDC - CALL-IN REQUESTS**

*All Key Decisions come into effect **five working days** after the meeting unless three members give notice in writing to the Governance Manager requesting to call in the decision. The call-in request should be on a **completed 'call-in' request form and include the names and signatures of the three signatories**, the decision making principles it is believed have been breached and also the reasons for this. Non Key Decisions may not be called in.*

### **NEDDC - CALL-IN REQUESTS**

*The implementation of key decisions is suspended until the call-in period has expired without a call-in being validly invoked. The call-in period is **five working days** after the publication of this decision. During the call-in period the **Chair or Vice Chair together with three other members of any Overview and Scrutiny committee** may object to a key decision and call it in. Non-Key decisions cannot be called in at North East Derbyshire District Council.*

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**JOINT BOARD****Thursday, 8th March, 2018**

Present:-

Councillor Hill (Chair)

Councillors Dooley  
P Gilby

Councillors Syrett

\*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

**28 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Baxter and Serjeant, and Huw Bowen.

**29 MINUTES**

The notes and the Record of Decisions of the Joint Board meeting held on 12 September, 2017 were noted.

**30 CHESTERFIELD AND NORTH EAST DERBYSHIRE CREDIT UNION -  
BUSINESS PLAN**

The Joint Board considered the Business Plan of Chesterfield and North East Derbyshire Credit Union (CNEDCU) for October 2017 to September 2020.

The Business Plan noted the success of the Junior Savers Scheme, and the Board were advised that further engagement with schools across the borough would help to support the growth of this scheme.

The plan outlined the credit unions' mission, aims and objectives and the ways in which the business plan would be delivered. Details were also

provided on the three year financial plan and the associated risks, mitigation and contingency plans.

**AGREED –**

That the report be noted.

**31 INTERNAL AUDIT CONSORTIUM PROGRESS REPORT 2017/18 AND BUSINESS PLAN 2018/19**

The Internal Audit Consortium Manager presented a report to update the Joint Board on the progress made by the Internal Audit Consortium during 2017/18 and to seek approval for the Business Plan (budget) for the Consortium for 2018/19.

The report included a progress summary on staffing, working procedures, and internal audit plans for the 3 authorities. The Risk Register for the Internal Audit Consortium had been updated and was attached at Appendix C to the officer's report.

It was noted that the revised business plan for 2017/18 now predicted a surplus of £15,770. The estimated accumulated surplus at the end of 2017/18 was £35,770; it was proposed that £20,000 would be retained as a working balance with the remainder (£15,770) distributed to the partner authorities.

The Internal Audit Consortium Manager advised that the draft business plan for 2018/19, as attached at Appendix A to the officer's report, had been prepared based on the FTE of 8.7 posts. It was noted that the draft budget had reflected provision for pay awards.

**AGREED –**

1. That the progress made by the Internal Audit Consortium be noted.
2. That the revised business plan (budget) for 2017/18 and the draft Internal Audit Consortium Business Plan (and associated charges) for 2018/19, be approved.
3. That any accumulated surplus of the Internal Audit Consortium at 31 March 2018 (less £20K to be held as a working balance) be distributed to partner authorities.

4. That an annual report on the outcome of the operation of the Internal Audit Consortium for 2017/18 be submitted to the Joint Board following the year end.

## **32 EXCLUSION OF THE PUBLIC**

### **AGREED –**

That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2000, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined by Paragraphs 4 of Part 1 of Schedule 12A to the Local Government Act 1972' on the grounds that it contains information on consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority and employees of, or office holders under, the authority.

## **33 UPDATE ON BUILDING CONTROL CONSORTIUM TRANSITION**

The Assistant Director – Economic Growth for Chesterfield Borough Council presented a report to update members on the progress made by the Derbyshire Building Control Partnership since it commenced trading in June 2017.

The building control service for Bolsover, Chesterfield and North East Derbyshire Councils had previously been delivered by BCN, a joint service hosted by Chesterfield Borough Council. The report noted the final financial position of BCN as at the end of May 2017.

The report also provided details of how the new company had been set up in respect of governance, human resources, finance, business development, and marketing.

### **AGREED –**

1. That the final financial position of BCN as at the end of May 2017 be noted.

2. That the work undertaken so far in implementing the unified Derbyshire-wide building control service be noted.

## For publication

### INTERNAL AUDIT CONSORTIUM – ANNUAL REPORT 2017/18

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Meeting:	Joint Board
Date:	11th September 2018
Cabinet portfolio:	Governance
Report by:	Internal Audit Consortium Manager

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## **For publication**

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### 1.0 **Purpose of report**

1.1 To report on the performance of the Internal Audit Consortium during 2017/18.

### 2.0 **Recommendation**

2.1 That the annual report of the Internal Audit Consortium be approved.

### 3.0 **REPORT DETAILS**

## **BACKGROUND**

3.1 The Internal Audit Consortium came into operation on the 1<sup>st</sup> April 2007. Chesterfield Borough Council, Bolsover District Council and North East Derbyshire District Council are full members of the Internal Audit Consortium and in addition to this the Internal Audit

Consortium provides a management role in respect of Derbyshire Dales District Council's internal audit function.

- 3.2 The Public Sector Internal Audit Standards, require that a detailed annual report should be prepared. Detailed reports on the performance against the Audit Plans for each constituent authority have already been presented to each council's respective Audit Committee.

## **PERFORMANCE IN 2017/18**

### **Internal Audit Plans**

- 3.3 Internal Audit Plans were established and agreed for each authority before the start of the financial year. The plans were substantially completed for 2017/18 and this was reported to each audit committee in May 2018.
- 3.4 Regular progress reports were submitted to each audit committee summarising internal audit reports issued.

### **Working Procedures / Improvement plan**

- 3.5 Progress has continued in addressing a number of service improvements, for example:
- Testing schedules are continually being reviewed and updated as each audit is undertaken to ensure that key controls and risks are addressed.
  - The Internal Audit manual was reviewed in August 2017 and will be reviewed again in the next few months
  - A self -assessment of compliance with the Public Sector Internal Audit Standards was completed in April 2018 and the review did not identify any significant areas of non- compliance. This was supported by the findings of the external review of internal audit that took place in October 2016.
  - The external review of internal audit in October 2016 recommended some improvements and the resulting action

plan has now been substantially completed. A further improvement plan will now be developed.

### Performance Targets

3.6 The results of the performance targets measured in 2017/18 are shown in the table below.

Description	2016/17	2017/18	
	Actual	Plan	Actual
Cost per Audit Day	£256	£280	£266
Percentage of Plan Completed	92%	96%	96%
Sickness Absence (Average Days per Employee)	2.4	8.0 (Corporate Target)	4.02
Customer Satisfaction Score	93%	85%	93%
To issue internal audit reports within 10 days of close out meeting	98%	90%	100%
Number/proportion of audits completed within time allocation	76%	80%	88%
% 2017/18 Agreed recommendations implemented by due date	77%	80%	75%
Quarterly reporting to Audit Committee's	100%	100%	100%

### FINANCIAL PERFORMANCE

3.7 The original budgets and charges for 2017/18 were agreed by the Joint Board on the 13th March 2017 and subsequently revised on the 8<sup>th</sup> March 2018. The revised budget for 2017/18 showed an estimated surplus for the year of £15,770 plus a brought forward

balance of £20,000. The main reason for the surplus was due to salary savings.

3.8 The outturn for the year shows a surplus of £19,112 plus a brought forward balance of £20,000. **Appendix A** provides a comparison of the budget and outturn figures.

3.9 At its meeting on the 8<sup>th</sup> March 2018 Joint Board agreed that :

- The accumulated surplus less £20,000 be distributed to the partner authorities
- That £20,000 be held as a working balance

3.10 This has resulted in the following distribution:

	£
Surplus at 31 <sup>st</sup> March 2017	39,112
Less Balance carried forward	20,000
	<u><b>19,112</b></u>
Distribution:	
Chesterfield (36.6%)	6,995
North East Derbyshire DC (31.8%)	6,078
Bolsover DC (31.6%)	6,039
	<u><b>19,112</b></u>

## Staffing

3.11 The Senior Internal Auditor based at NEDDC resigned in May 2018. Following a recruitment exercise the post has been offered to a candidate subject to the relevant HR checks. The candidate is fully qualified which therefore continues to add resilience to the service in terms of compliance with the Public Sector Internal Audit Standards.

3.12 A part time Auditor based at CBC also left the Council during the year for a Senior Auditor position at DDDC. The post has now been filled.



## **Training**

- 3.13 Training needs are discussed and assessed with each staff member during employee personal development reviews.
- 3.14 Training consists of a combination of formal qualifications, CPD activities/courses, internal courses, team meeting updates/information sharing, reading relevant articles and on the job training.

## **RISK REGISTER**

- 3.16 The Internal Audit Consortium risk register has been updated and is shown as **Appendix B**.

## **Financial implications**

- 3.17 The Internal Audit Consortium operated under budget during 2017/18 which has resulted in a repayment to each of the partner authorities.

## **Risk management**

- 3.18 The production of an annual report enables Joint Board to assess if the Internal Audit Consortium is providing an effective value for money service.
- 3.19 The provision of an effective Internal Audit service helps to ensure that the organisations internal controls and governance arrangements are appropriately assessed in terms of their adequacy and effectiveness.

## **4 Alternative options and reasons for rejection**

- 4.1 Not Applicable.

## 5 Recommendation

- 5.1 That the annual report of the Internal Audit Consortium be approved.

## 6 Reasons for recommendations

- 6.1 To enable the Joint Board to consider and approve the 2017/18 Annual Report of the Internal Audit Consortium.

### Decision information

<b>Key decision number</b>	<b>829</b>
<b>Wards affected</b>	All
<b>Links to Council Plan priorities</b>	An effective internal audit service helps towards the Council's priority of providing VFM

### Document information

<b>Report author</b>	<b>Contact number/email</b>
Jenny Williams – Internal Audit Consortium Manager	01246 345468
<b>Background documents</b> These are unpublished works which have been relied on to a material extent when the report was prepared.	
<b>Appendices to the report</b>	
Appendix A	Internal Audit Consortium Budget and Actual - 2017/18 and Estimate 2018/19
Appendix B	Internal Audit Consortium Risk Register

**INTERNAL AUDIT CONSORTIUM BUDGET & ACTUAL - 2017/18  
AND ESTIMATE 2018/19**

	2017/18			2018/19
	Original £	Revised £	Actual £	Estimate £
<b><u>Expenditure:</u></b>				
Employees	365,690	356,140	352,702	377,160
Transport	3,150	3,000	1,895	3,000
Supplies	6,540	1,900	1,221	6,850
Support Services	52,470	50,940	50,537	51,810
<b>Total Expenditure</b>	<b>427,850</b>	<b>411,980</b>	<b>406,355</b>	<b>438,820</b>
<b><u>Income:</u></b>				
Charges to CBC	152,800	152,800	152,800	156,800
Charges to NEDDC	132,740	132,740	132,740	136,240
Charges to Bolsover	131,910	131,910	131,910	135,380
Charges – other	500	400	400	400
Charges to DDDC	9,900	9,900	9,900	10,000
<b>Total Income</b>	<b>427,850</b>	<b>427,750</b>	<b>427,750</b>	<b>438,820</b>
Bad debts provision			2,283	
<b>Net surplus/(deficit) in year</b>	<b>0</b>	<b>15,770</b>	<b>19,112</b>	<b>0</b>
Net surplus/(deficit) b/fwd	20,000	20,000	20,000	20,000
<b>Net surplus/(deficit) c/fwd.</b>	<b>20,000</b>	<b>35,770</b>	<b>39,112</b>	<b>20,000</b>
Less surplus to be distributed	0	15,770	19,112	0
Working Balance Carried Forward	20,000	20,000	20,000	20,000

Internal Audit Consortium Risk Register

Total Risk Score: Likelihood x Impact. Rating Key:



CAUSE	EFFECT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	CURRENT RISK RATING LIKELIHOOD /RISK IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET RISK RATING LIKELIHOOD /RISK IMPACT/DATE	RISK LEAD
Failure to substantially complete the agreed audit plans	The Internal Audit Consortium Manager can't give an opinion on the controls in place which may lead to external audit undertaking more work or qualified accounts	Quarterly monitoring and reporting of progress to client officers and Audit Committees. £20,000 working balance retained which could be used to fund additional resource if required.	Unlikely/High 2 x 4 = 8 Amber	None	Unlikely/High 2*4 = 8 Amber	Internal Audit Consortium Manager

IA -Failure to undertake work to a satisfactory standard	External audit and section 151 officers can't place reliance on work	All work subject to quality reviews by senior staff. Regular review of compliance with PSIAS. External review of internal audit undertaken October 2016 concludes that the Consortium is compliant with the PSIAS	<b>Highly Unlikely/Medium</b> <b>1 x 3 = 3</b> <b>Green</b>	None	<b>Highly Unlikely/Medium</b> <b>1 x 3 = 3</b> <b>Green</b>	Internal Audit Consortium Manager
IA - Insufficient financial resources to fund consortium	Cannot achieve plans	Joint Board approved the Consortiums budget March 18 for 2018/19	<b>Unlikely/High</b> <b>2 x 4 = 8</b> <b>Amber</b>	None	<b>Unlikely/High</b> <b>2 x 4 = 8</b> <b>Amber</b>	Internal Audit Consortium Manager
Loss of data through IT failure	Loss of work	Data stored on each Councils network and subject to their back up and security procedures.	<b>Unlikely/Medium</b> <b>2 x 3 = 6</b> <b>Amber</b>	None	<b>Unlikely/Medium</b> <b>2 x 3 = 6</b> <b>Amber</b>	Internal Audit Consortium Manager

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