



Please ask for Amanda Clayton
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The Chair and Members of Joint Board

9 September 2019

Dear Councillor,

Please attend a meeting of the JOINT BOARD to be held on TUESDAY, 17 SEPTEMBER 2019 at 2.30 pm in the Council Chambers, Bolsover District Council, The Arc, High Street, Clowne S43 4JY , 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 3 - 10)
 - Record of Decisions of the Joint Board held on 20 March, 2019
 - Minutes of the Joint Board held on 20 March, 2019
4. Internal Audit Consortium Annual Report 2018/19 (Pages 11 - 20)
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 (Pages 21 - 26)

Yours sincerely,

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

Local Government and Regulatory Law Manager and Monitoring Officer

Agenda Item 3

RECORD OF EXECUTIVE DECISIONS – JOINT WORKING

CBC: LEADER		Date of Decision 20.03.2019	
BDC: LEADER			
NEDDC:			
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 11 September, 2018 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: 20.03.2019 Contact Officer: Amanda Clayton, Chesterfield Borough Council, Tel: (01246) 345273			

CBC: LEADER		Date of Decision 20.03.2019	
BDC: LEADER			
NEDDC:			
Title Reference: Internal Audit Consortium Progress Report 2018/2019 and Draft Business Plan 2019/2020			
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 2019/2020 Internal Audit Consortium Business Plan be approved.			
Reasons for Decision: To enable the Joint Board to consider and approve the 2019/2020 Internal Audit Consortium Business Plan.			
Alternative options considered and rejected (if any): None			
Declarations of interests: None			
Decision subject to call-in: Yes Date of implementation if not called in: 27 March, 2019.			
Date Record Issued: 20.03.19 Contact Officer: Amanda Clayton, Chesterfield Borough Council, Tel: (01246) 345273			

CBC: LEADER		Date of Decision 20.03.2019		
BDC: LEADER				
NEDDC:				
Title Reference: Chesterfield and North East Derbyshire Credit Union Business Plan				
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 be noted.				
Reasons for Decision:				
To enable the Joint Board to consider the Chesterfield and North East Derbyshire Credit Union Business Plan.				
Alternative options considered and rejected (if any): None				
Declarations of interests: None				
Decision subject to call-in: Yes Date of implementation if not called in: 27 March, 2019.				
Date Record Issued: 20.03.19 Contact Officer: Amanda Clayton, Chesterfield Borough Council, Tel: (01246) 345273				

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.*

JOINT BOARD

Wednesday, 20th March, 2019

Present:-

Councillor P Gilby (Chair)

Councillor Syrett

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

41 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Huw Bowen, Cllr Baxter (NEDDC), Cllr Peake (BDC) and Cllr Serjeant (CBC).

42 **MINUTES**

Minute No. 39 – The Chair requested that an update be circulated to all members of the committee on the appointment of a Managing Director to the Derbyshire Building Control Partnership.

RESOLVED - The minutes and the Record of Decisions of the Joint Board meeting held on 11 September, 2018 were noted.

43 **INTERNAL AUDIT CONSORTIUM PROGRESS REPORT 2018/19 AND
DRAFT BUSINESS PLAN 2019/20**

The Internal Audit Consortium Manager presented a report to update the Joint Board on the progress made by the Internal Audit Consortium during 2018/19 and to seek approval for the Business Plan (budget) for the Consortium for 2019/20.

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 2018/19 now predicted a surplus of £23,480. The estimated accumulated surplus at the end of 2018/19 was £43,480; it was proposed that £20,000 would be retained as a working balance with the remainder (£23,483) distributed to the partner authorities.

The Internal Audit Consortium Manager advised that the draft business plan for 2019/20, 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 2018/19 and the draft Internal Audit Consortium Business Plan (and associated charges) for 2019/20, be approved.
3. That any accumulated surplus of the Internal Audit Consortium at 31 March 2019 (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 2018/19 be submitted to the Joint Board following the year end.

44 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 2018 to September 2021.

As there was no one from CNEDCU in attendance to discuss the report the Chair requested that the full annual report be circulated to the committee with a breakdown of membership numbers by postcode.

It was highlighted that in future there must be an explicit invitation for a member of CNEDCU to attend the March meeting of the Joint Board.

RESOLVED –

1. That the report be noted.
2. That the full annual report be circulated to committee members.

45 ANY OTHER BUSINESS

The Chair asked that the best thanks of the committee be afforded to Councillor Ann Syrett for her contribution to the Joint Board and local government in this area.

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For publication

INTERNAL AUDIT CONSORTIUM – ANNUAL REPORT 2018/19

Meeting:	Joint Board
Date:	17th September 2019
Cabinet portfolio:	Governance
Report by:	Internal Audit Consortium Manager

For publication

1.0 **Purpose of report**

1.1 To report on the performance of the Internal Audit Consortium during 2018/19.

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 1st 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 2018/19

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 2018/19 and this was reported to each audit committee in July 2019.
- 3.4 Regular progress reports were submitted to each audit committee summarising internal audit reports issued.

Working Procedures

- 3.5 Progress has continued in addressing a number of service improvements, for example:
- Scoping meetings are held at the start of each audit with managers to ensure that the audit concentrates on the key risks and controls for the service.
 - The Internal Audit manual was reviewed in September 2018.
 - A self -assessment of compliance with the Public Sector Internal Audit Standards was completed in May 2019 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.
 - Team meetings are utilised to discuss improvement ideas.

Performance Targets

3.6 The results of the performance targets measured in 2018/19 are shown in the table below.

Description	2017/18	2018/19	
	Actual	Plan	Actual
Cost per Audit Day	£266	£287	£256
Percentage of Plan Completed	96%	96%	96%
Sickness Absence (Average Days per Employee)	4.02	8.0 (Corporate Target)	2.1
Customer Satisfaction Score	93%	85%	94%
To issue internal audit reports within 10 days of close out meeting	100%	90%	100%
Number/proportion of audits completed within time allocation	88%	80%	85%
% 2017/18 Agreed recommendations implemented by due date *	75%	80%	82%
Quarterly reporting to Audit Committee's	100%	100%	100%

- NEDDC & BDC only, not calculated for CBC as audit recommendations form part of wider improvement plans

FINANCIAL PERFORMANCE

3.7 The original budgets and charges for 2018/19 were agreed by the Joint Board on the 8th March 2018 and subsequently revised on the 20th March 2019. The revised budget for 2018/19 showed an estimated surplus for the year of £23,480 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 £46,670 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 20th March 2019 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 st March 2019	46,670
Less Balance carried forward	20,000
	<u>66,670</u>
Distribution:	
Chesterfield (36.6%)	17,081
North East Derbyshire DC (31.8%)	14,841
Bolsover DC (31.6%)	14,748
	<u>46,670</u>

Staffing

3.11 A new Senior Internal Auditor based at NEDDC commenced in December 2018 following a successful recruitment exercise and is settling in well.

3.12 A part time Auditor based at CBC left the Council in May 19 for a full time Senior Auditor position at Broxtowe Borough Council. The post has now been filled and the new auditor starts on the 19th August 2019.

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.
- 3.15 Two employees are undertaking an apprenticeship in Accountancy (CIPFA).

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 2018/19 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, risk management 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 recommendation

6.1 To enable the Joint Board to consider and approve the 2018/19 Annual Report of the Internal Audit Consortium.

Decision information

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

Document information

Report author	Contact number/email
Jenny Williams – Internal Audit Consortium Manager	01246 345468
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
Appendices to the report	
Appendix A	Internal Audit Consortium Budget and Actual

	- 2018/19 and Estimate 2019/20
Appendix B	Internal Audit Consortium Risk Register

**INTERNAL AUDIT CONSORTIUM BUDGET & ACTUAL - 2018/19
AND ESTIMATE 2019/20**

	2018/19			2019/20
	Original £	Revised £	Actual £	Estimate £
<u>Expenditure:</u>				
Employees	377,160	354,660	338,090	374,540
Transport	3,000	3,000	2,408	3,000
Supplies	6,850	7,150	1,418	7,410
Support Services	51,810	50,530	50,234	51,410
Total Expenditure	438,820	415,340	392,150	436,360
<u>Income:</u>				
Charges to CBC	156,800	156,800	156,800	155,860
Charges to NEDDC	136,240	136,240	136,240	135,430
Charges to Bolsover	135,380	135,380	135,380	134,570
Charges – other	400	400	400	400
Charges to DDDC	10,000	10,000	10,000	10,100
Total Income	438,820	438,820	438,820	436,360
Net surplus/(deficit) in year	0	23,480	46,670	0
Net surplus/(deficit) b/fwd	20,000	20,000	20,000	20,000
Net surplus/(deficit) c/fwd.	20,000	43,480	66,670	20,000
Less surplus to be distributed	0	23,480	46,670	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

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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. Annual self - assessment of compliance with PSIAS. External review of internal audit undertaken October 2016 concludes that the Consortium is compliant with the PSIAS	<p style="text-align: center;">Highly Unlikely/Medium $1 \times 3 = 3$ Green</p>	None	<p style="text-align: center;">Highly Unlikely/Medium $1 \times 3 = 3$ Green</p>	Internal Audit Consortium Manager
IA - Insufficient financial resources to fund consortium	Cannot achieve plans	Joint Board approved the Consortiums budget March 19 for 2019/20	<p style="text-align: center;">Unlikely/High $2 \times 4 = 8$ Amber</p>	None	<p style="text-align: center;">Unlikely/High $2 \times 4 = 8$ Amber</p>	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.	<p style="text-align: center;">Unlikely/Medium $2 \times 3 = 6$ Amber</p>	None	<p style="text-align: center;">Unlikely/Medium $2 \times 3 = 6$ Amber</p>	Internal Audit Consortium Manager

By virtue of paragraph(s) 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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