

The Chair and Members of Joint  
Board

Please ask for Amanda Clayton

Direct Line 01246 34 5273

Fax 01246 345252

9 March 2020

Dear Councillor,

Please attend a meeting of the JOINT BOARD to be held on TUESDAY, 17 MARCH 2020 at 2.30 pm in Committee Room 1, 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 - 12)
  - Record of Decisions of the Joint Board held on 17 September, 2019
  - Minutes of the Joint Board held on 17 September, 2019
4. Chesterfield and North East Derbyshire Credit Union Business Plan  
Report to follow
5. Internal Audit Consortium Progress Report 2019/20 and Draft Business Plan 2020/21 (Pages 13 - 22)
6. Exclusion of the public

## Part 2 (Exempt Information)

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".

7. Derbyshire-wide Building Control Partnership Verbal Update

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: DEPUTY LEADER		Date of Decision 17.09.2019		
BDC: LEADER				
NEDDC: CABINET MEMBER				
Title Reference: Internal Audit Consortium – Annual Report 2018/19				
Key Decision References (if applicable): CBC: N/A BDC: N/A NEDDC: N/A		Delegation Reference: CBC: LC060L 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 annual report of the Internal Audit Consortium be approved.				
Reasons for Decision:				
To enable the Joint Board to consider and approve the 2018/19 Annual Report of the Internal Audit Consortium.				
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: 24 September, 2019				
Date Record Issued: 17.09.2019 Contact Officer: Amanda Clayton, Chesterfield Borough Council, Tel: (01246) 345273				

CBC: DEPUTY LEADER		Date of Decision 17.09.2019		
BDC: LEADER				
NEDDC: CABINET MEMBER				
Title Reference: Update on the Derbyshire-wide Building Control Partnership				
Key Decision References (if applicable): CBC: N/A BDC: N/A NEDDC: N/A		Delegation Reference: CBC: LC060L BDC: NEDDC:		
Report and background papers	Yes	Public <input type="checkbox"/>	Exempt <input checked="" 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 update on the Derbyshire-Wide Building Control Partnership be approved.				
Reasons for Decision:  To enable the Joint Board to consider an update on the Derbyshire-Wide Building Control Partnership.				
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: 24 September, 2019				
Date Record Issued: 17.09.2019 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.

This page is intentionally left blank

## **JOINT BOARD**

**Tuesday, 17th September, 2019**

Present:-

Councillor Fritchley (Chair)

Councillors Powell  
McGregor

Councillors Serjeant

\*Matters dealt with under the Delegation Scheme

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

Huw Bowen declared a non-pecuniary interest in agenda item 6 as he is a director of BCN.

**2** **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors P Gilby (CBC), Thacker (NEDDC) and Dale (NEDDC).

**3** **MINUTES**

The notes and the Record of Decisions of the Joint Board meeting held on 20 March, 2019 were noted.

**4** **INTERNAL AUDIT CONSORTIUM ANNUAL REPORT 2018/19**

The Internal Audit Consortium Manager submitted a report to inform the Joint Board of the Consortium's performance during 2018/19.

The report gave a summary of the progress made with regard to:

- The preparation of Internal Audit Plans for the three Councils
- Changes made to Working Procedures / Improvement Plans
- The Consortium's financial performance
- Staffing, training and development

It was noted that the outturn for the year 2018/2019 showed a surplus of £46,670 plus a brought forward balance of £20,000; the main reason for the surplus was due to salary savings. It was agreed by the Joint Board in March 2019 that the accumulated surplus minus the working balance of £20,000 be distributed proportionately to the partner authorities.

It was noted that a self-assessment of Internal Audit undertaken in May 2019 did not identify any areas of non-compliance

Training continued to be a priority and two members of staff were undertaking an apprenticeship in Accountancy (CIPFA).

The Risk Register had been updated and this was attached to the report as Appendix B.

#### **AGREED:**

That the annual report of the Internal Audit Consortium be noted.

#### **5 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.

#### **6 UPDATE ON THE DERBYSHIRE-WIDE BUILDING CONTROL PARTNERSHIP**

The Chief Executive of Chesterfield Borough Council presented a report to update members on the progress made by Derbyshire Building Control Partnership. A brief background of the shared service was established. It was noted that operating profits were up and a dividend payment would soon be made to all six member authorities.



The board heard that High Peak and Staffordshire Moorlands had expressed an interest in joining the partnership. Discussions were ongoing and the board was assured that a report would be sent to shareholders with a recommendation regarding the admission of the two authorities, if they confirm a request to join.

Members were also reminded that in 2020 all shareholders will need to decide whether they wish to continue being part of the partnership. The legal paperwork would include clarification on the process of accepting new partners.

Discussion took place around the benefits of partnership working; including the benefits to the local workforce given the training opportunities provided, the income generated by the service and the improvement in standards.

**AGREED –**

That the report be noted.

This page is intentionally left blank

## For publication

### **INTERNAL AUDIT CONSORTIUM PROGRESS REPORT 2019/20 AND DRAFT BUSINESS PLAN 2020/21**

---

Meeting: Joint Board

Date: 17th March 2020

Cabinet portfolio: Governance

Report by: Internal Audit Consortium Manager

---

## **For publication**

---

### **1.0 Purpose of report**

- 1.1 To update the Joint Board on the progress made by the Internal Audit Consortium during the financial year 2019/20.
- 1.2 To provide an update on the business plan (budget) for the Consortium for 2019/20 and to seek approval for the revised 2019/20 business plan and draft business plan for 2020/21.

### **2.0 Recommendations**

- 2.1 That the progress made by the Internal Audit Consortium be noted.
- 2.2 That the revised business plan (budget) for 2019/20 and the draft Internal Audit Consortium Business Plan (and associated charges) for 2020/21, based on Appendix A, be approved.

2.3 That an annual report on the outcome of the operation of the Internal Audit Consortium for 2019/20 be submitted to the Joint Board following the year-end.

### 3.0 **REPORT DETAILS**

#### **Staffing Issues**

- 3.1 The Consortium is currently recruiting for a full time Auditor following the resignation of the current post holder in January 2020.
- 3.2 One Auditor is studying for the Chartered Institute of Public Finance and Accountancy (CIPFA) via an apprenticeship.
- 3.3 All staff keep up to date via ad hoc courses, team meetings and reading appropriate professional magazines etc.
- 3.4 An internal audit training/team building day was undertaken in November 2019 that focused on Nudge Theory – how to nudge people into the behaviours you want without recourse to legislation, instruction or financial incentives.

#### **Working Procedures**

- 3.5 Procedures continue to be reviewed and improved where possible.
- 3.6 Regular team meetings are held and all staff have monthly 1:1 meetings with their line manager. All staff have had full and mid-year Performance Development Review meetings.
- 3.7 All mandatory training has been completed.

#### **Internal Audit Plans**

- 3.8 Internal audit plans for 2019/20 were agreed with each client officer in March 2019. These were reported to and agreed by each Council's Audit Committee.
- 3.9 Regular progress reports showing a summary of internal audit reports issued have been submitted to each Council's Audit Committee.

- 3.10 A formal six monthly meeting has been held with each client officer to review progress and consider budget issues, as required under the Consortium Legal Agreement.
- 3.11 An annual report was submitted to each Audit Committee at the end of 2018/19 summarising the audit work undertaken and giving an opinion on the control environment.

### **Derbyshire Dales District Council**

- 3.12 The Internal Audit Consortium Manager continues to offer a management service to Derbyshire Dales District Council at a charge of £10,200 per annum.

### **Business Plan 2019/20 and Draft 2020/21**

- 3.13 The original business plan for 2019/20 was reported to and approved by the Joint Board on the 20<sup>th</sup> March 2019. The original business plan projected a break- even position for the year (Appendix A).
- 3.14 The revised business plan based on the latest budget estimates now predicts a small surplus will be achieved in 2019/20.

### **Business Plan 2020/21 (Draft)**

- 3.17 A draft business plan for the Consortium has been prepared for 2020/21 and the following two years (see Appendix A). This business plan is based on the FTE of 8.7 posts. The draft budget also reflects provision for pay awards.
- 3.18 For information, a summary of the charges made by the Consortium covering the period 2016/17 – 2020/21 (estimate) is shown in Appendix B.

### **Risk Register**

- 3.19 The Internal Audit Consortium risk register has been updated and is shown as Appendix C.
- 3.20 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 reason for rejection**

4.1 Not applicable.

#### **5 Recommendations**

5.1 That the progress made by the Internal Audit Consortium be noted.

5.2 That the revised business plan (budget) for 2019/20 and the draft Internal Audit Consortium Business Plan (and associated charges) for 2020/21, based on Appendix A, be approved.

5.3 That an annual report on the outcome of the operation of the Internal Audit Consortium for 2019/20 be submitted to the Joint Board following the year-end.

#### **6 Reasons for recommendations**

6.1 The approval of the 2020/21 business plan will mean that the Consortium can continue to deliver a quality service.

6.2 To enable the Joint Board to consider and approve the revised business plan for 2019/20 and the draft business plan for 2020/21.

## Decision information

<b>Key decision number</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 Business Plan 2019/20 – 2022/23
Appendix B	Internal Audit Consortium Charges 2016/17 – 2020/21
Appendix C	Internal Audit Consortium Risk Register

<b>INTERNAL AUDIT CONSORTIUM BUSINESS PLAN 2019/20 TO 2022/23</b>					
	<b>2019/20</b>		<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>Original £</b>	<b>Revised £</b>	<b>Estimate £</b>	<b>Estimate £</b>	<b>Estimate £</b>
<b><u>Expenditure:</u></b>					
Employees	374,540	373,830	387,510	398,050	408,400
Transport	3,000	3,000	3,000	3,000	3,000
Supplies	7,410	7,400	7,410	17,430	7,450
Support Services	51,410	49,930	51,730	52,440	53,680
<b>Total Expenditure</b>	<b>436,360</b>	<b>434,160</b>	<b>449,650</b>	<b>470,920</b>	<b>472,530</b>
<b><u>Income:</u></b>					
Charges to CBC	155,860	155,860	160,690	167,530	168,990
Charges to NEDDC	135,430	135,430	139,620	145,550	146,830
Charges to BDC	134,570	134,570	138,740	144,640	145,910
Charges to Derbyshire Dales DC	10,100	10,100	10,200	12,800	10,400
Charges – other	400	400	400	400	400
<b>Total Income</b>	<b>436,360</b>	<b>436,360</b>	<b>449,650</b>	<b>470,920</b>	<b>472,530</b>
<b>Net surplus/(deficit) in year</b>	<b>0</b>	<b>2,200</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net surplus/(deficit) b/fwd	20,000	20,000	20,000	20,000	20,000
<b>Net surplus/(deficit) c/fwd</b>	<b>20,000</b>	<b>22,200</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Less distribution of surplus	0	0	0	0	0
Surplus balance carried forward	20,000	22,200	20,000	20,000	20,000



## Internal Audit Consortium Charges 2016/17 – 2020/21

<b>Charges to:</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20 (Rev)</b>	<b>2020/21 (Est)</b>
	£	£			
Chesterfield BC	154,180	152,800	156,800	155,860	160,690
North East Derbyshire DC	134,600	132,740	136,240	135,430	139,620
Bolsover DC	133,790	131,910	135,380	134,570	138,740
Derbyshire Dales DC	10,700	9,900	10,000	10,100	10,200
Charges – Other	400	400	400	400	400
Transfer from reserves	10,800				
Bad debt provision		(2,283)			
<b>Total</b>	<b>444,470</b>	<b>444,470</b>	<b>438,820</b>	<b>436,360</b>	<b>449,650</b>
<b>Refund of Accumulated Surplus:</b>					
Chesterfield BC	19,255	6,995	17,081	805	
North East Derbyshire DC	16,730	6,078	14,841	700	
Bolsover DC	16,625	6,039	14,748	695	
Total Refund	52,610	19,112	46,670	2,200	0
<b>Total Cost</b>	<b>391,860</b>	<b>406,355</b>	<b>392,150</b>	<b>434,160</b>	<b>449,650</b>

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.	<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

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. Internal self-assessment undertaken on an annual basis.	<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
Insufficient financial resources to fund consortium	Cannot achieve plans	Joint Board to approve the Consortiums budget March 20 for 2020/21	<b>Unlikely/High</b> <b>2 x 4 = 8</b> <b>Amber</b>	Ensure budget is approved	<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

This page is intentionally left blank