

STANDARDS AND AUDIT COMMITTEE

Wednesday, 17th July, 2019

Present:-

Councillor Rayner (Chair)

Councillors Caulfield
Kellman
T Murphy

Councillors Snowdon
Wilson
Brittain

*Matters dealt with under the Delegation Scheme

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

No declarations of interests were received.

2 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Brady.

3 **MINUTES**

RESOLVED –

The Minutes of the previous meetings of the Standards and Audit Committee held on 24 April 2019 were approved and signed by the Chair as a correct record.

4 **SUMMARY OF INTERNAL AUDIT REPORTS ISSUED**

The Senior Auditor presented a report summarising the internal audit reports issued during the period 2 March 2019 to 31 May 2019, in respect of reports issued relating to the 2018/19 internal audit plan.

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

‘Substantial Assurance’ – 3

'Reasonable Assurance' – 3

'Limited Assurance' – 1

'Inadequate Assurance' - 1

The committee was informed that no fraud had been discovered. It was noted that there was an ongoing investigation into the Rufford Close New Build Project which had received an inadequate assurance rating. The report would be presented to the committee once it had been concluded.

The Assistant Director for Customers, Commissioning and Change attended to report on the limited assurance status given to Sickness Absence Management. It was explained that the Human Resources provision was being delivered by Chesterfield Borough Council after the termination of the Arvato contract in October 2018. The audit was welcomed as a basis from which to move forward and all the recommendations were accepted.

The software system used for sickness absence management had not been updated for some time and was very paper based. This would be upgraded by November and additional functions integrated so that it would be a fully automated process by April 2020. The reports on absence data would be broken down into service areas and HR Business Partners had been introduced to work with the service managers so that they understand the specific issues in each department. It was acknowledged that the sickness levels as a whole are higher than the national average and that each area was working on an action plan.

Discussions took place around the future provision of Occupational Health Services as the contract was due to expire. It was acknowledged that procurement could not be undertaken until each service area had identified their needs. Members highlighted the council's duty of care to its employees and the Assistant Director for Customers, Commissioning and Change agreed with the sentiment and explained that a paper had already been submitted to CMT to review the budget allocation for the Occupational Health provision.

* RESOLVED –

That the report be noted.

5 APPOINTMENT TO INDEPENDENT REMUNERATION PANEL

The Senior Democratic and Scrutiny Officer presented a report to update members on the preparations to reconstitute the Independent Remuneration Panel (IRP) in order to carry out a review of the Members' Allowances Scheme.

The committee was informed that Mr Nye had agreed to continue as an independent person on the panel, a second candidate was interviewed during the week prior to the meeting and the plan was to advertise the vacancy over the summer and interview prospective candidates. The new panel would be approved at the next meeting of the Standards and Audit Committee.

* RESOLVED –

That the update be noted.

6 ANNUAL REPORT OF THE STANDARDS AND AUDIT COMMITTEE

The Chair of the Standards and Audit Committee, Internal Audit Consortium Manager and the Local Government and Regulatory Law Manager submitted the Annual Report of the Standards and Audit Committee, attached at Appendix 1 to the officer's report, which summarised the work carried out by the Committee during the financial year 2018/19.

It was noted that the Annual Report would be considered for approval by full Council on 17 July, 2019.

*RESOLVED –

That the Annual Report of the Standards and Audit Committee for 2018/19 be noted and referred to full Council for approval.

7 INTERNAL AUDIT CONSORTIUM ANNUAL REPORT 2018/19

The Senior Auditor presented the Internal Audit Consortium Annual Report in respect of Chesterfield Borough Council for 2018/19.

The report provided a summary of the internal audit work undertaken during the year. Members were informed that 31 reports had been issued

during the year; the breakdown of audit classifications was included in paragraph 3.1 of the officer's report.

Section 3 of the officer's report also provided detail on the issues to be considered for inclusion in the Annual Governance Statement, and a summary of progress made against the Internal Audit Action Plan.

*RESOLVED –

That the report be noted.

8 MANAGEMENT OF UNREASONABLE COMPLAINTS AND COMPLAINANTS - ANNUAL REVIEW 2019

The Local Government and Regulatory Law Manager submitted an annual review of the Council's Policy and Procedure on the Management of Unreasonable Complaints or Customers. The report cited two examples of the policy being used in 2018/2019. The committee were advised that no amendments were recommended at that time.

*RESOLVED –

That the report be noted.

9 AUDIT REPORT ON THE 2018/19 STATEMENT OF ACCOUNTS

The Finance Officer submitted a report on the Statement of Accounts for 2018/19, the 'Letter of Representation' and the External Auditor's 'Report to those Charged with Governance'.

The audited Statement of Accounts was attached to the report at Annexe 1 and included the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account, the Collection Fund, the Disclosure Notices and the Annual Governance Statement.

The Council's external auditors were required to obtain written representations from management in respect of fraud, compliance with laws and regulations, contingent liabilities, related party disclosure and

post balance sheet events in the form of a letter of representation. The letter was attached to the report at Annexe 3.

The external auditor was required to 'communicate audit matters to those charged with governance', i.e. the Standards and Audit Committee, and a copy of the external auditor's report was attached to the report at Annexe 2. Mr Michael Norman of Mazars attended the meeting to present the External Auditor's 'Report to those Charged with Governance'.

The report confirmed that following the audit of the accounts a small number of presentational adjustments had been agreed but that these were not considered to be material. The external auditor noted that there had been two significant accounting policy changes internally but there were no significant control deficiencies and no significant new risks.

*** RESOLVED –**

1. That the Statement of Accounts for 2018/19 be approved.
2. That the Management Letter of Representation be approved by the committee.
3. That the Report to those Charged with Governance be noted.
4. That a note of thanks be sent on behalf of the Chair and Committee to all persons involved in the production of the Statement of Accounts and its supporting documents.

10 RISK MANAGEMENT STRATEGY AND ANNUAL REVIEW

The Chief Finance Officer presented a report on risk management developments during the year 2018/19 and recommended for approval the updated Risk Management Policy, Strategy and Corporate Risk Register for 2018/19.

The Committee were informed of the key risks that the Council had faced during 2018/19, as set out in paragraph 7.1 of the officer's report, and were advised of the work undertaken to mitigate the risks.

*** RESOLVED –**

1. That the progress made on developing the Council's approach to risk management during 2018/19, be noted.
2. That the Committee recommends that full Council approve the Risk Management Policy, Strategy and the Corporate Risk Register for 2019/20.