



Please ask for Rachel Appleyard
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The Chair and Members of Standards
and Audit Committee

13 April 2021

Dear Councillor,

Please attend a meeting of the STANDARDS AND AUDIT COMMITTEE to be held on WEDNESDAY, 21 APRIL 2021 at 2.00 pm virtually via Microsoft Teams, the agenda for which is set out below.

This meeting will be held virtually via Microsoft Teams software, for which Members of the Committee and others in attendance will receive an invitation. Members of the public will be able to access the public parts of the meeting online by following the link from the Council's website [here](#).

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 - 6)
4. Progress Report on the 2020/21 Internal Audit Plan (Pages 7 - 14)
5. Chesterfield Borough Council Internal Audit Plan 2021/22 (Pages 15 - 26)
6. CIPFA Fraud and Corruption Survey Results 2020 (Pages 27 - 60)

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7. Review of the Code of Corporate Governance and the 2020/21 Annual Governance Statement (Pages 61 - 122)
8. Audit Strategy Memorandum 2020/21 (Pages 123 - 158)
9. 2020/21 Audit Progress Report (Pages 159 - 172)
10. Constitution updates (Pages 173 - 182)
11. COVID-19 - End of Remote Meetings

- *Report to follow*

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

STANDARDS AND AUDIT COMMITTEE**Wednesday, 3rd February, 2021**

Present:-

Councillor Rayner (Chair)

Councillors Caulfield
Brady
KellmanCouncillors T Murphy
Snowdon

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

8 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Brittain.

9 MINUTES**RESOLVED –**

That the Minutes of the meeting of the Standards and Audit Committee held on 25 November, 2020 be approved as a true record and be signed by the Chair.

10 LGA MODEL CODE OF CONDUCT

The Monitoring Officer presented a report to the committee informing members of the Local Government Association (LGA) model code of conduct. The report highlighted the changes that had been made to the previous draft code that had been circulated in May 2020.

The committee heard that there was no requirement to adopt the code but there was an expectation that local authorities would try to achieve a level of consistency across a countywide area. Discussions had been ongoing

with other Derbyshire authorities and some of the points raised were included in the report.

RESOLVED –

1. That the members of the committee consider and comment on the LGA model code.
2. That a further report is submitted to the next meeting of this committee setting out proposals for a way forward.

11 STANDARDS AND AUDIT COMMITTEE SELF-ASSESSMENT ACTION PLAN

The Internal Audit Consortium Manager presented the results of the self-assessment of the committee and an action plan to cover the points raised in the survey.

Members highlighted the need for additional training for new members of the committee following the initial sessions, after they had participated in more than one meeting, in order to provide further context and understanding.

Discussion took place around the number of reports considered by the committee that are Value for Money related and the Internal Audit Consortium Manager advised that VFM issues are largely covered by the committee's review of the Code of Corporate Governance and the Annual Governance Statement. Internal audit would draw the committee's attention to any VFM issues arising during the course of internal audits.

RESOLVED –

1. That the self-assessment results / action plan be approved.
2. That a further self-assessment be undertaken in a years' time

12 PROGRESS UPDATE ON THE 2020/21 INTERNAL AUDIT PLAN

The Internal Audit Consortium Manager presented a report summarising the internal audit reports issued during the period November 2020 to December 2020, in respect of reports issued relating to the 2020/21 internal audit plan.

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

- 'Substantial Assurance' – 2
- 'Reasonable Assurance' – 1

The committee was informed that no fraud had been discovered.

Progress against the plan had been impacted by the redeployment of staff to work on business grants between November 2020 and January 2021. It was noted that the situation had been examined carefully and although the plan would not be completed, the Internal Audit Consort Manager was satisfied that it would be possible to give an unlimited opinion at the end of the year provided audit staff were able to return to internal audit work for the remainder of the year. The committee asked about how the opinion would be impacted by the reduced number of audit reports. The Internal Audit Consortium Manager explained that the plan had been refocussed based on risk to ensure that there was sufficient coverage of governance, risk and control arrangements to be able to form an opinion.

RESOLVED –

1. That the report be noted.
2. That the CIPFA guidance relating to the Head of Internal Audit Annual Opinion: Addressing the Risk of a limitation of scope be noted

13 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED –

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 items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 – as they contained information relating to financial and business affairs.

14 TREASURY MANAGEMENT STRATEGY 2021/22

The Group Financial Accountant presented a report recommending for approval the Treasury Management Strategy Statement, the Capital Strategy Report and the Annual Investment Strategy Statement for 2021/22 and the Minimum Reserve Provision (MRP) Policy for 2021/22.

The report noted the Council's requirement to approve its Treasury Management and Investment Strategies. It detailed the Council's estimated capital expenditure, how this would be financed and the Council's borrowing need, in addition to indicating the most cost effective method as internal borrowing.

The Treasury Management Strategy Statement 2021/22 was attached at Appendix A to the officer's report.

A motion was moved and seconded that the prudential indicators be reported to the committee each quarter. On moving to a vote, the motion failed.

*** RESOLVED –**

That Council be recommended to:

1. Approve the Treasury Management Strategy Statement for the financial year 2021/22.
2. Approve the Capital Strategy Report for the financial year 2021/22
3. That the Investment Strategy Report be approved.
4. That the Minimum Revenue Provision policy be approved

For publication

Internal Audit Progress Update

Meeting:	Standards and Audit Committee
Date:	21 st April 2021
Cabinet portfolio:	Governance
Directorate:	Finance

1.0 Purpose of the report

- 1.1 To present for members' information a summary of Internal Audit Reports issued January to March 2021 and an update on the progress made in respect of the 2020/21 internal audit plan.

2.0 Recommendation

- 2.1 That the report be noted.

3.0 Reasons for recommendation

- 3.1 To update Members on progress against the 2020/21 Internal Audit Plan and to provide assurance on the governance, risk and control processes in place.

4.0 Report details

- 4.1 The Public Sector Internal Audit Standards require that the Internal Audit Consortium Manager reports periodically to the Standards and Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.
- 4.2 The 2020/21 Internal audit plan was approved at the Standards and Audit Committee on the 5th May 2020. The internal audit team are currently working to this plan.

4.3 Attached, as Appendix 1, is a summary of reports issued January to March 2021 for audits included in the 2020/21 internal audit plan. This period 3 reports have been issued 1 with substantial assurance and 2 with reasonable assurance.

4.4 The assurance level is awarded in respect of the controls in place and the system’s ability to meet its objectives and manage risk in line with the definitions below.

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

4.5 In respect of the audits being reported, it is confirmed that no fraud was detected.

4.6 Appendix 2 shows the 2020/21 internal audit plan and details the audits that have been completed and those in progress. Where audits will not be completed this financial year they have been considered for inclusion in the 2021/22 internal audit plan following a risk assessment exercise and consultation with the Corporate Leadership Team.

5.0 Alternative options

5.1 The report is for information.

6.0 Implications for consideration – Council Plan

6.1 Audit reviews help to ensure that the council's resources and priorities are focused on achieving the objectives within the council plan.

7.0 Implications for consideration – Financial and value for money

7.1 Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained.

8.0 Implications for consideration – Legal

8.1 The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account public sector internal auditing standards or guidance".

9.0 Implications for consideration – Human resources

9.1 None

10.0 Implications for consideration – Risk management

10.1 Regular audit reviews help to ensure that risk is managed appropriately.

11.0 Implications for Consideration – Community Wellbeing

11.1 Whilst there are not considered to be any direct community and wellbeing impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council's objectives.

12.0 Implications for Consideration – Economy and Skills

12.1 Whilst there are not considered to be any direct economy and skills impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council's objectives.

13.0 Implications for Consideration – Climate Change

13.1 Whilst there are not considered to be any direct climate change impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council's objectives.

14.0 Implications for Consideration – Equality and Diversity

14.1 None

Document information

Report author	
Jenny Williams Internal Audit Consortium Manager Finance	
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 1	Reports issued January to March 2021
Appendix 2	Progress on the 2020/21 Internal Audit Plan

Chesterfield Borough Council – Internal Audit Consortium

Report to Standards and Audit Committee

Summary of Internal Audit Reports Issued January to March 2021

Page 11

Report Ref No.	Report Title	Scope & Objectives	Assurance Level	Date			Number of Recommendations	
				Report Issued	Response Due	Response Received	Made	Accepted
013	Review of Compliance with the CIPFA Financial Management Code	To review the extent of compliance with the new CIPFA Financial Management Code	Substantial	13/01/21	3/2/21	13/01/21	1M	1
014	Accounts payable (Creditors)	To ensure that invoices are paid promptly and accurately and that purchase orders are raised appropriately.	Reasonable	12/2/21	5/3/21	30/03/21 Extension Agreed	4M	Note 1

Report Ref No.	Report Title	Scope & Objectives	Assurance Level	Date			Number of Recommendations	
				Report Issued	Response Due	Response Received	Made	Accepted
015	Ethical Governance	To ensure relevant policies / codes of conduct are up to date, review training, compliance with the Transparency Code, Committee reporting etc.	Reasonable	15/3/21	7/4/21	Extension agreed to 14/5/21	12 (2M 10 L)	Note 1

Note 1 Response not received at time of writing report

H = High Priority

M = Medium Priority

L = Low priority

Chesterfield Borough Council Internal Audit Plan 2020/21

	Audit Complete
	Audit in Progress
	Ongoing
	Audit deferred

Main Financial Systems	Priority	Audit Days 2020/21	
Cash and Banking	M	15	
CIPFA Financial Management Code of Practice	M	10	
Creditor Payments (Accounts Payable)	H	25	
Housing / Council Tax Benefits	H	20	
Housing Rents	H	20	
Housing Repairs – Revenue (Voids)	M	20	
Council Tax	M	15	
Payroll	H	20	
VAT	L	8	
Total		153	
Other Operational Audits			
Brimington Parish Council	N/A	5	
Choice Based Lettings	M	10	
Community Safety	L	10	
Contract Final Accounts		5	
Committee report process	M	10	
Crematorium	H	12	
Healthy Living Centre	M	15	
Markets Income	M	12	
PPP Client Monitoring Procedures		5	
Rechargeable Repairs	L	10	
Refuse Collection – Domestic	L	10	
Sale of Council Houses	M	10	
Section 106 / CIL Agreements	M	12	
Stores	L	10	
Taxi Licences	M	12	
Queens Park Sports Centre	M	20	
Total		168	

Computer and IT Related			
Cyber risks / network security / DR	H	15	
Inventory / disposal of old equipment	M	10	
New system Review / upgrades		5	
Total		30	
Cross Cutting Issues			
Business Continuity Planning	M	12	
Climate Change	H	5	
Corporate Governance and Annual Governance Statement	H	18	
Ethical Governance	M	12	
Financial Advice / Working Groups/Transformation Projects		25	
Property Repairs (Non housing)	H	12	
Projects e.g. Economic Development, Town Hall restack	M	20	
Safeguarding	M	12	
Total		116	
Fraud and Corruption			
Review of Anti- Fraud Bribery and Corruption Strategy	M	3	
Total		3	
Location / Regularity			
Petty Cash	L	5	
CIPFA Apprenticeship		30	
Contingency/Special Investigations		30	
Update Test Schedules		10	
Audit Committee / Client Officer Liaison		15	
Planned Total Days 2020/21		560	

For publication

CHESTERFIELD BOROUGH COUNCIL
INTERNAL AUDIT PLAN 2021/22

Meeting:	Standards and Audit Committee
Date:	21 st April 2021
Cabinet portfolio:	Governance
Directorate:	Finance

1.0 Purpose of the report

- 1.1 To present to Members for consideration and agreement the Internal Audit Plan for 2021/22.

2.0 Recommendations

- 2.1 That the Internal Audit Plan for 2021/22 be agreed.
- 2.2 That it be noted that the plan is provisional and may need adjusting and prioritising in the light of any emerging risks.

3.0 Reasons for recommendations

- 3.1 To comply with the Public Sector Internal Audit Standards and to determine the internal audit work plan for the year.

4.0 Report details

- 4.1 A key requirement of the Public Sector Internal Audit Standards is that a periodic risk- based plan should be prepared that is sufficiently flexible to reflect the changing risks and priorities of the organisation. The risk- based plan should be fixed for a period of no longer than one year, should outline the assignments to be carried out, their respective priorities and the estimated resources needed.

- 4.2 The internal audit plan is linked to the Council Plan in respect of its aim to provide value for money services and has recognised the Council's priorities as outlined in the Council Plan. Audit reviews assess the controls and procedures in operation and make recommendations for improvement.
- 4.3 The plan has been prepared taking into account the following factors: -
- The organisational objectives and priorities
 - Local and national issues and risks
 - The requirement to produce an annual internal audit opinion
 - An update of the internal audit risk assessment exercise
 - The Council's strategic risk register
 - Consultation with the Corporate Leadership Team
- 4.4 This year I felt it prudent to increase the number of contingency days to allow for the coverage of any unforeseen or emerging risks.
- 4.5 I have included some reserve audit areas at the end of the plan. Whilst every effort will be made to complete the 2021/22 planned areas first, a list of reserve areas provides more flexibility. At certain times of the year, particularly year end and for example during lockdown there can be legitimate reasons why an audit is not feasible at a particular time. If the contingency days are not required then these will be utilised on the reserve areas.
- 4.6 It should be noted that the frequency of some audits will be reduced over the next few years whilst the reduction in the number of audits completed in 2020/21 due to COVID-19 is caught up on. For example, we would usually review car parks and venues every 2 years but this time it will be 3 years.
- 4.7 An annual report summarising the outcome of the 2020/21 internal audit plan will be presented to this Committee after the year-end.
- 4.8 A summary of the internal audit plan for 2021/22 is shown below and in detail at Appendix 1.

Internal Audit Plan 2021/22

Summary	Audit Days
Main Financial Systems	198
Other Operational Audits	123
Computer / IT Related	32
Fraud and Corruption	5
Corporate / Cross Cutting / Governance	97
Special Investigations & Contingency	50
Updating test schedules	10
Apprenticeships / Training	30
Audit Committee / Client Liaison	15
Grand Total	560

4.9 Resource availability has been based on the Consortium Business Plan. The plan allocates 560 days to Chesterfield Borough Council for 2021/22, this is the same allocation as in 2020/21.

5.0 Alternative options

5.1 Not applicable.

6.0 Implications for consideration – Council Plan

6.1 The internal audit plan is linked to the Council Plan in respect of its aim to provide value for money services and has recognised the Council's priorities as outlined in the Council Plan.

7.0 Implications for consideration – Financial and value for money

7.1 Financial – The internal audit budget for 2021/22 has been approved by the Joint Board.

8.0 Implications for consideration – Legal

8.1 The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and

governance processes, taking in to account public sector internal auditing standards or guidance”.

9.0 Implications for Consideration – Human Resources

9.1 None

10.0 Implications for consideration – Risk management

10.1 The audit plan is designed to provide assurance that the council’s significant risks identified as part of the risk assessment process are being managed effectively. If additional risks are identified and / or there are changes to priorities during the year the plan will be reconsidered. Any significant changes to the plan will be reported back to the Standards and Audit Committee for approval.

11.0 Implications for Consideration – Community Wellbeing

11.1 Whilst there are not considered to be any direct community and wellbeing impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council’s objectives.

12.0 Implications for Consideration – Economy and Skills

12.1 Whilst there are not considered to be any direct economy and skills impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council’s objectives.

13.0 Implications for Consideration – Climate Change

13.1 Whilst there are not considered to be any direct climate change impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council’s objectives.

14.0 Implications for Consideration – Equality and Diversity

14.1 None

Document information

Report author	
Jenny Williams Internal Audit Consortium Manager Finance	
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 1	CBC Internal Audit Plan 2019/20 – 2021/22

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Appendix 1

Chesterfield Borough Council Internal Audit Plan

Not completed 2020/21

Priority		2019/20 Actual Days	2020/21 Days	2021/22 Draft Days	Risk Factor / Corporate Risk link
	Main Financial Systems				
M	Main Accounting and Budgetary Control / MTFP	12	0	12	The Council's accounts cannot be produced/ reputational damage / possible lack of control over spending (Corporate Risk 1)
M	CIPFA Financial Management Code of Practice	0	10	0	Lack of financial resilience/ sustainability (Corporate Risk 1)
H	Payroll / return of Arvato and Kier	25	20	30	Staff are paid incorrectly/ ghost employees created / end of PPP (Corporate Risk 11)
H	Creditor Payments (Accounts Payable)	25	25	25	Duplicate/ fraudulent payments/reputational
M	Debtors (Accounts Receivable)	15	0	15	Loss of income
M	Treasury Management – Loans and investments	15	0	15	Poor investment decisions / fraud
H	Business Grants	0	0	15	Fraud / error
M	Cash and Banking	15	15	0	Loss of income / theft
M	Council Tax	15	15	0	Loss of income / fraud
M	Non Domestic Rates	15	0	20	Loss of income / fraud
H	Housing / Council Tax Benefits	21	20	21	Reputation damage / fraud
H	Housing Rents	20	20	20	Loss of income / Fraud
M	HRA Business Plan	0	0	5	Risk that planning doesn't take into account all considerations / scenarios (Corporate Risk 13)
M	Housing Repairs – Capital	10	0	0	Reputational damage / poor workmanship
M	Housing Repairs – Revenue	0	20	20	Reputational damage / poor workmanship
	Total	188	145	198	

Priority		2019/20 Actual Days	2020/21 Days	2021/22 Draft Days	Risk Factor / Corporate Risk link
	Other Operational Audits				
N/A	Brimington Parish Council	5	5	5	Accounts may be incorrect
M	Car Parks Income	25	0	0	Income loss, theft
L	Cemeteries	10	0	0	Loss of income, reputational damage
M	Choice Based Lettings	0	10	0	Loss of income, reputational damage
M	Committee Report Process	0	10	0	Lack of transparency, reputation
L	Community Safety (cfwd from 19/20)	10	10	0	Public Safety
N/A	Contract final accounts	5	5	5	Poor contract management, fraud
M	Data Protection / FOI	20	0	0	Reputational damage, financial penalties (Corporate Risk 9)
M	EMU Warmer Grants	0	0	5	Fraud
M	Food Hygiene	10	0	0	Reputational Damage, Public Health
M	Healthy Living Centre	0	15	15	Loss of income, theft
L	Innovation Centres	12	0	0	Poor management – reputational damage, loss of income
H	Joint Crematorium	12	12	12	Reputational damage
L	Local Searches	8	0	0	Loss of income
M	Markets	0	12	12	Loss of income, theft
L	Museum / Revolution House	6	0	0	Loss of income, artefacts
L	Outdoor facilities	5	0	0	Loss of income, theft
M	Pavements / Vicar Lane Income	5	0	0	Loss of income – to pick up under projects if needed
L	Pest Control	8	0	0	Loss of income
M	Planning Fees	0	0	12	Loss of income
H	PPP Client Monitoring Procedures	5	5	0	Poor contract management (Corporate Risk 11)
M	Property Compliance Audit (Gas Servicing)	10	0	15	Health and safety risk (Corporate Risk 6)

Priority		2019/20 Actual Days	2020/21 Days	2021/22 Draft Days	Risk Factor / Corporate Risk link
H	Property Repairs – non housing	0	12	12	Assets not fit for purpose, no budget to repair (Corporate Risk 15)
M	Queens Park Sports Centre	0	20	20	Loss of income , theft
L	Rechargeable Repairs / leaseholders	0	10	0	Loss of income
L	Recruitment and Selection	10	0	0	Fraud, poor procedures, poor or unfair decisions
M	Refuse Collection – Domestic	0	10	10	Reputational damage
M	Sale of Council Houses (Right to Buy)	0	10	0	Fraud
M	Section 106/CIL Follow up	0	12	0	Income Loss, fraud, failure to provide projects
L	Stores	0	10	0	Poor stock control – fraud, inefficiencies
M	Taxi Licences	0	12	0	Loss of income, safeguarding issues (Corporate Risk 14)
M	VAT	0	8	0	Heavy fines
M	Venues	30	0	0	Loss of income, theft
	Total	196	188	123	
	Computer and IT Related				Risk Factor
H	Cyber risks/Network Security	0	15	0	Attack on Council's network (Corporate Risk 8)
L	Inventory / disposal of equipment	0	10	0	Lack of data security, theft
H	IT Improvement / transformation Programme	15	0	12	IT failure (Corporate Risk 2 & 4)
L	Members IT equipment / phones	10	0	10	Data breaches, loss of equipment
M	New system review / system upgrades	0	5	10	Failure to test properly before implementation/ data protection
	Total	25	30	32	
	Cross Cutting Issues				

Priority		2019/20 Actual Days	2020/21 Days	2021/22 Draft Days	Risk Factor / Corporate Risk link
N/A	Corporate Governance and Annual Governance Statement	20	18	20	Poor Governance, reputational damage
H	Business Continuity Planning	0	12	15	Failure to provide services, reputational damage (Corporate Risk 5)
M	Climate Change	0	5	0	Reputation, failure to implement action plan
M	Ethical Governance	0	12	0	Reputation, lack of transparency
N/A	Financial Advice / Working Groups/Transformation Projects	25	25	25	Appropriate controls not in place (Corporate Risk 2)
M	Performance Management, Corporate Targets	0	0	12	Poor Governance
H	Projects/Project management e.g. economic development,	0	20	20	Reputation, Value for Money (Corporate risk 2)
M	Health and Safety	14	0	0	Risk of injury or death, reputational damage (Corporate Risk 6)
M	Risk Management	5	0	5	Failure to identify and mitigate risks
M	Safeguarding	0	12	0	Reputational damage, safety of vulnerable children and adults (Corporate Risk 14)
	Total	64	104	97	
	Fraud and Corruption				
N/A	Anti-Fraud, Bribery and Corruption Strategy	0	3	0	Fraud, poor culture
N/A	National Fraud Initiative	5	0	5	Fraud
H	Procurement	15	0	0	Fraud, poor value for money, non- compliance with OJEU (Corporate Risk 10)
L	Register of Gifts and Hospitality	7	0	0	Bribery, fraud
	Total	27	3	5	

Priority		2019/20 Actual Days	2020/21 Days	2021/22 Draft Days	Risk Factor / Corporate Risk link
	Location / Regularity				
L	Petty Cash	5	5	0	Theft
	Total	5	5	0	
N/A	Special Investigations/Contingency/emerging risks	30	30	50	Theft, fraud, reputation, health & safety (Corporate risk 17)
N/A	Apprenticeship / training	0	30	30	
N/A	Updates/review of test schedules	10	10	10	Current risks not identified
N/A	Audit Committee / Client Officer Liaison	15	15	15	Non- compliance with PSIAS
	Planned Total Days	560	560	560	

Reserve Areas for 2021/22

Council Tax
 Cash and Bank
 Property Rents
 Insurance
 Bank Reconciliation
 Health and Safety
 Inventory / disposal of old equipment
 Housing Acquisitions
 Housing Capital

Homelessness
Decoration vouchers

For publication

CIPFA Fraud and Corruption Tracker Survey 2020

Meeting:	Standards and Audit Committee
Date:	21 st April 2021
Cabinet portfolio:	Governance
Directorate:	Finance
For publication	

1.0 Purpose of the report

- 1.1 To present, for members' information the results of CIPFA'S Fraud and Corruption Tracker Survey 2020 (CFaCT) that provides a picture of fraudulent activity in local government. (Appendix 1)
- 1.2 To detail the level of fraud detected by CBC in 2019/2020.
- 1.3 To detail the controls and procedures that CBC has in place to mitigate the risk of fraud.

2.0 Recommendations

- 2.1 That the results of CIPFA's fraud and Corruption Tracker survey be noted.
- 2.2 To note the level of fraud detected by CBC in 2019/20.
- 2.3 That the fraud prevention measures that CBC has in place to reduce the risk of fraud be noted.

3.0 Reason for recommendations

- 3.1 To inform Members of the results of the CIPFA Fraud and Corruption Tracker survey.

3.2 To provide Members with details of the fraud prevention measures in place at CBC.

4.0 Report details

Key Findings of the Survey

4.1 The CIPFA Counter Fraud Centre was launched in July 2014 following the closure of the National Fraud Authority and the Audit Commission. The annual CFaCT survey aims to provide a national picture of fraud, bribery and corruption in local government.

4.2 The key findings of the 2019/20 CIPFA Fraud and Corruption Tracker were:

- An estimated £239 million of fraud has been detected or prevented across local authorities in 2019/20. This has dropped from £253 million in 2018/19.
- Council Tax Fraud has an estimated value of £35.9m.
- The largest growing fraud area is housing tenancy with an estimated 60.1 million lost in 2019/20 compared to 47.7 million in 2018/19.
- The average value per fraud is around £5,090 per fraud case compared to 18/19 that had an average value of £3,600.
- Procurement and council tax single person discount are perceived as the two greatest fraud risk areas.
- The four main areas of fraud (by volume) are – council tax, disabled parking, housing and business rates.

Fraud detected by CBC

4.3 The 2019/2020 CIPFA Fraud and Corruption survey was completed for CBC. All relevant departments were contacted and asked for any relevant data.

4.4 The only frauds identified were in relation to single person discount (SPD). 69 fraudulent cases of SPD were detected at a value of £23k.

4.5 Housing benefit investigations are no longer undertaken by the Council as these have been transferred to the Single Fraud Investigation Service that is run by the Department for Work and Pensions.

CBC Fraud Prevention Measures

4.6 CBC takes the risk of fraud very seriously and has a range of measures in place to reduce the risk of fraud occurring.

- There is an established approach of a zero- tolerance policy towards fraud which is set out in the Council's Anti – Fraud and Bribery and Corruption Policy (including Money Laundering Policy) that was last approved by this Committee on the 26th September 2018. The policy is currently in the process of being reviewed and updated.
- There is an allowance for special investigations in the internal audit plan.
- The Internal audit plan covers the whole of the organisation.
- The National Fraud Initiative is participated in and the results (number of frauds and errors identified) are subject to an internal audit report to the Standards and Audit Committee.
- Potential Council Tax Support frauds are investigated by council tax staff (Benefit fraud is now dealt with by the DWP).
- Council tax have a rolling program of discount exemption checks.
- Data matching processes with the DWP and HMRC
- The Council has a Confidential Reporting Code (Whistleblowing Policy).
- Checks on benefit cases that are likely to have had changes to their income etc.
- The Council has a fraud risk register which is considered by the Risk Management Group on an annual basis.
- Recruitment procedures ensure that checks are undertaken to prevent the council employing people working under false identities etc.
- The IT systems are Public Sector Network (PSN) compliant
- Separation of duties in place
- There is a fraud module on Aspire Learning that can be completed by all staff.

5.0 Alternative options

5.1 The report is for information.

6.0 Implications for Consideration - Council Plan

6.1 High levels of fraud would have serious implications for the achievement of the Council Plan and reputational damage.

7.0 Implications for consideration – Financial and value for money

7.1 Ensuring that appropriate controls are in place to mitigate the risk of fraud will help to ensure that value for money is obtained.

8.0 Implications for consideration – Legal

8.1 None.

9.0 Implications for Consideration – Human Resources

9.1 None

10.0 Implications for consideration – Risk management

10.1 The risk of fraud is ever present and an awareness of the key areas in which fraud usually takes place will help managers and members to be vigilant and ensure that controls are in place to mitigate the risks as far as possible.

11.0 Implications for Consideration – Community Wellbeing

11.1 None

12.0 Implications for Consideration – Economy and Skills

12.1 None

13.0 Implications for Consideration – Climate Change

13.1 None

14.0 Implications for Consideration – Equalities and Diversity

14.1 None

Document information

Report author	
Jenny Williams Internal Audit Consortium Manager Finance	
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 1	CIPFA Fraud and Corruption Tracker Survey Results 2020

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Fraud and corruption tracker

National Report 2020



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Foreword



As managers of public resources, every public sector organisation has a responsibility to fight fraud and corruption. Successful organisational efforts to prevent, identify and manage various types of financial crime not only strengthens the state of public finances, but also mitigates moral and reputational risks across the public sector. During times of unprecedented uncertainty, the importance of these principles cannot be overstated.

A handwritten signature in black ink that reads "Rob Whiteman".

Rob Whiteman
Chief Executive, CIPFA

Each year, the CIPFA Fraud and Corruption Tracker (CFaCT) aims to provide a current national picture of public sector fraud and corrupt activity help local authorities identify and implement mitigating actions. The tracker's findings provide valuable insights that help counter fraud practitioners in local government better understand national trends and emerging risks. Our intention is that the tracker serves as a resource for both public sector organisations and citizens who are invested in, and engaged with, their local communities.

Although the information in this year's report does not capture the impact of the ongoing coronavirus pandemic, it does provide useful insight about the local government landscape in the period prior to the national response effort.

This publication forms part of CIPFA's commitment to support the public sector and promote the principles of good governance and strong public financial management. Not only do our findings offer insight on the fraudulent activities that occur across the UK's public sector organisations, but the survey also highlights the important role that counter-fraud protocols play in the fight against fraud and corruption.

Understanding ever-changing risks can help public sector professionals increase their individual awareness, collaborate more effectively with others in the sector and take tailored action to prevent illegal activity from growing in the public sphere.

The survey was supported by:



The CIPFA Counter Fraud Centre

The CIPFA Counter Fraud Centre (CCFC), launched in July 2014, was created to fill the gap in the UK counter fraud arena following the closure of the National Fraud Authority (NFA) and the Audit Commission, and the subsequent transfer of benefit investigations to the Single Fraud Investigation Service (SFIS), run by the Department for Work and Pensions (DWP). It was named in the UK Government's 2014 Anti-Corruption plan and in the 2017-22 Anti-Corruption strategy as having a key role to play in combating fraud and corruption. We provide a range of services and solutions that measurably impact the fight against fraud in the public sector, and are committed to helping organisations prevent, detect and recover financial loss; protecting their reputation and developing counter fraud skills.

Our annual CIPFA Fraud and Corruption Tracker (CFaCT) survey is the definitive survey of fraud and corruption activity in local government. It tracks the levels of fraud and corruption local authorities have detected, the number of investigations undertaken and the types of fraud encountered. Understanding where fraud losses are occurring – and the actions being taken to stem the flow – is essential to helping senior leaders across the public sector understand the value of counter fraud activity.



Acknowledgements

CIPFA would like to thank all the organisations that completed the survey along with those that helped by distributing the survey or contributing insights and best practices, including:

- LGA
- MHCLG
- NAO
- NCA
- SOLACE
- SLT
- Home Office
- The Fighting Fraud and Corruption Locally board

Introduction

CIPFA recognises that each pound lost to fraud represents a loss to the public purse and reduces the ability of the public sector to provide services to people who need them. According to the Annual Fraud Indicator 2017, which provides the last set of government sanctioned estimates, fraud costs the public sector at least £40.3bn annually, with £7.3bn of this total being lost in local government.

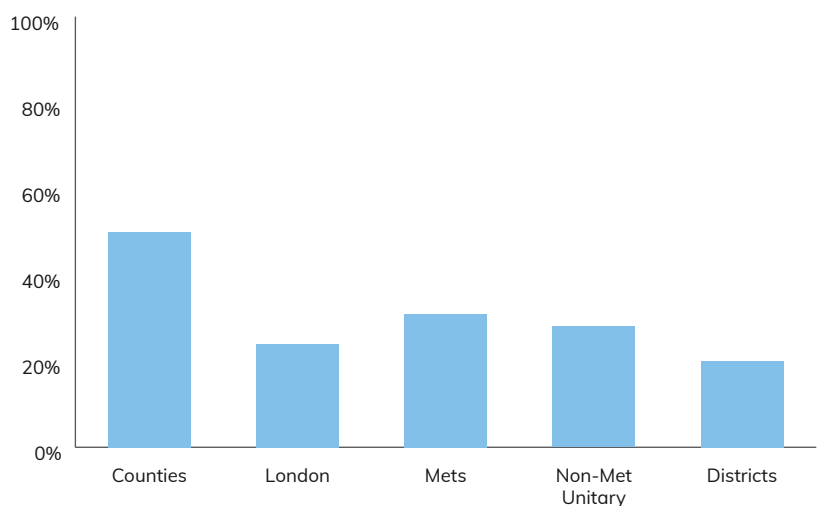
Fraud is a prevalent cause of concern in the public sector and continues to pose financial threats to local authorities. CIPFA's partners, such as the LGA, the NAO and Home Office, work towards new ways of finding solutions to the challenges that the public sector faces.

The sixth annual CIPFA Fraud and Corruption Tracker (CFaCT) survey was conducted in August 2020, with the aim of creating a national picture of the types and volume of fraud detected and prevented in local authorities. The results were collated from local authorities in all regions in the UK, allowing CIPFA to estimate the total figures for fraud across England, Scotland, Wales and Northern Ireland.

It should be noted that the response rate for the 2019/20 survey was significantly lower than previous years, which was to be expected, due to the impact of COVID-19 on local government resources. The figures mentioned in this report were captured in the time period before the pandemic and the data therefore represents what local authorities were experiencing before the COVID-19 outbreak.

Moreover, for each fraud breakdown, there was an additional option in this year's survey to record the 'overall number of cases identified' which may have included cases where fraud was not ultimately proven. The other option was to record the 'number of cases proven to be fraudulent' including cases where, following an investigation, action has taken place or a payment has been prevented and, on the balance of probabilities, fraud or corruption has

Response rate



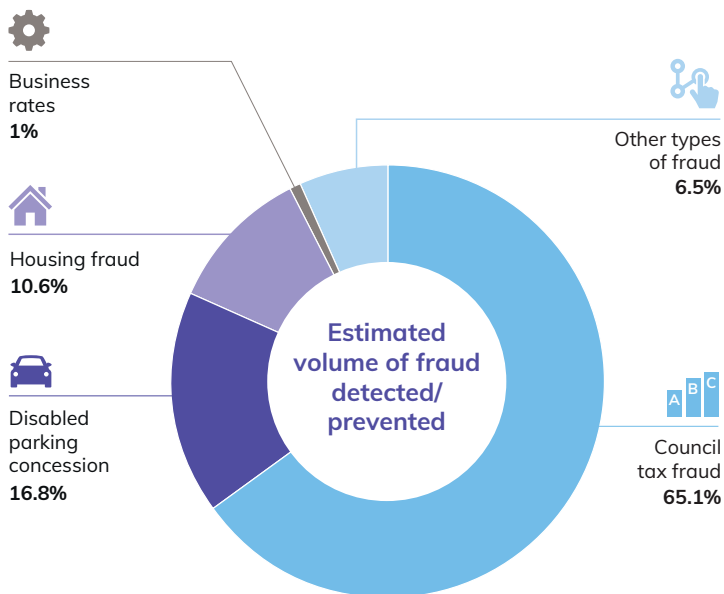
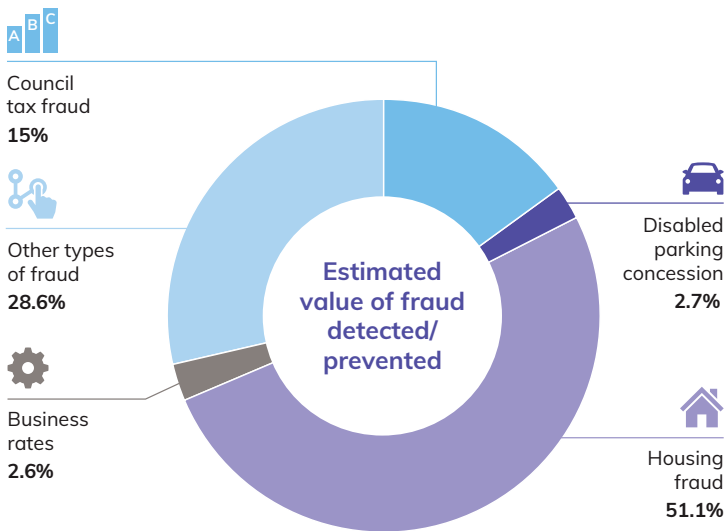
occurred. To enable comparisons with previous years' data, for consistency and the volumes mentioned refer to the number of cases proven to be fraudulent.

This report highlights the following:

- the types of fraud identified in the 2019/20 CFaCT survey
- the monetary cost value of fraud in 2019/20
- the impact of counter fraud and prevention activities to improve the public sector budget
- the emerging risks and threats impacting the fraud and corruption landscape.

Executive summary

For local authorities in the UK, CIPFA has estimated that the total value of fraud identified and prevented in 2019/20 is approximately £239.4m, which is an average value of £5,090 per fraud case. Last year, there was an estimated value of £253m with a lower average of £3,600 per case detected and prevented.



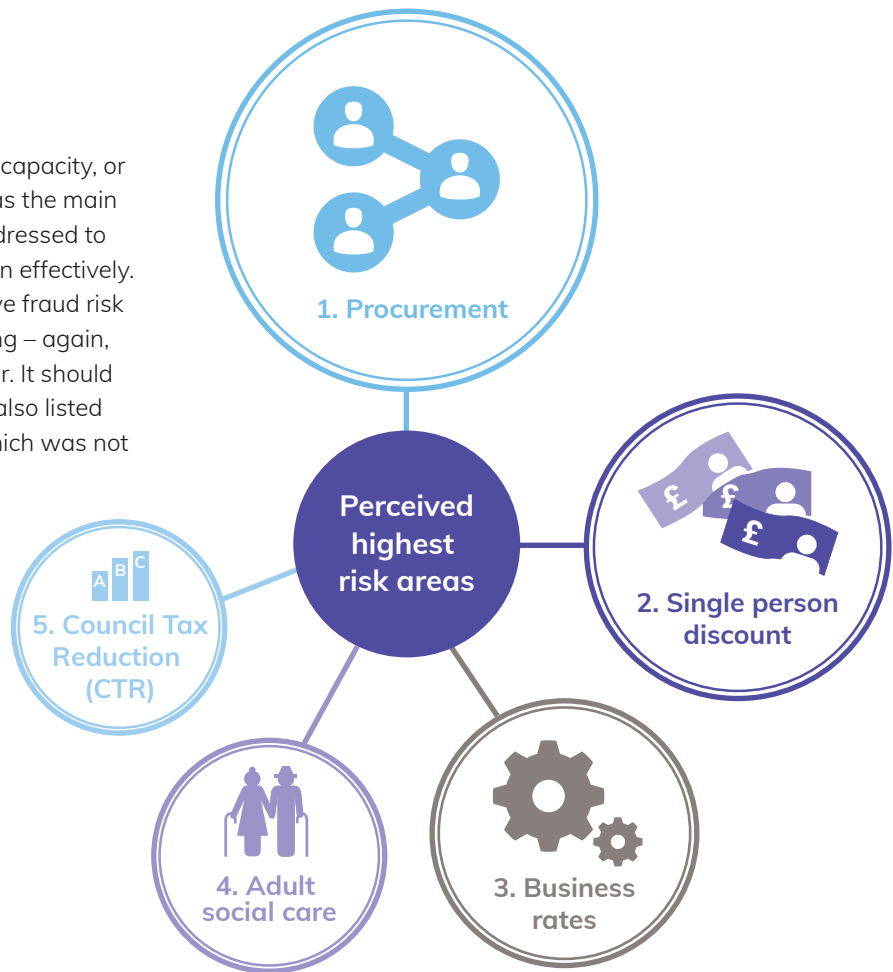
Councils reported that approximately 47,000 instances of fraud had been detected or prevented in 2019/20, which is lower than the approximation of 71,000 reported by CIPFA in 2018/19. Council tax fraud represents almost two thirds (65%) of these identified instances of fraud with an estimated value of £35.9m, followed by disabled parking concession (Blue Badge Scheme) and housing fraud which represent 17% and 11% of the total cases of UK public sector fraud, respectively.

This year, we also measured the impact of grant fraud (prior to the COVID-19 grant disbursement), which represents 0.3% of the total identified instances of UK public sector fraud and 15% of the total value (£36.6m).

The largest growing fraud area is housing tenancy (other), with an estimated £60.1m lost in 2019/20 compared to £47.7m in 2018/19. This is followed by council tax single person discount (SPD) which has an estimated increase of £9.6m to an estimated value of £29.0m for cases detected/prevented in 2018/19.

The two highest perceived fraud risk areas for 2019/20 are the same as last year: procurement and council tax SPD. This shows these are the areas that require strict controls and support. The perceived third, fourth and fifth highest fraud risk areas are business rates, adult social care and council tax reduction (CTR) respectively.

Survey results show that nationally, capacity, or sufficient counter fraud resource, was the main perceived issue that needs to be addressed to tackle the risk of fraud and corruption effectively. This was followed closely by effective fraud risk management and better data sharing – again, following the same trend as last year. It should be noted that multiple respondents also listed ‘increased awareness’, an option which was not originally considered in the survey. Results from respondents indicate that they expect to increase the number of counter fraud specialist staff by 5% in 2021.



Major fraud areas

For 2019/20, the CFaCT survey has shown that the four main areas of fraud (by volume) that local authorities are tackling are:

- council tax
- disabled parking (Blue Badge)
- housing
- business rates.

Council tax

Council tax continues to be the largest area of identified fraud in the last six years and is the top fraud risk area for district and unitary councils, 57% and 32% respectively. This is likely a result of the targeted effort by authorities to identify fraud that has a direct impact on their income. Data matching and analytic exercises continue to reap rewards and will continue to improve as authorities work smarter and use tools made available to them. The total number of council tax fraud cases identified by participating local authorities, which may not have ultimately proven to be fraudulent, was 24,105.

volume/low value area continues to be a leading trend each year, where there are many incidents of smaller value, requiring higher vigilance on a more frequent basis.

Since 2018/19, the estimated number of council tax cases proven to be fraudulent has decreased by 45%, while the estimated value has increased by £5.3m. This may be evidence that in proven cases offenders are less likely to reoffend. It may also be an indicator that fraud risk exercises continue to identify the high volume/low value frauds year on year, with more effort being focussed on the long-term offenders, or that more authorities are choosing to claw back fraudulent discounts from previous billing periods.

Since 2017/18, the cases pertaining to single person discount (SPD) have decreased yearly; there is a vast difference of 20,069 (46%) between the 2018/19 and 2019/20 volumes. Nonetheless, the money lost to SPD fraud has increased by £9.5m. The opposite is seen for council tax reduction (CTR) and other council tax-related fraud, where the values have decreased by £2.3m and £2.1m respectively.

The overall estimated value of council tax fraud has continued to increase, primarily due to the increase in the value of cases for SPD fraud detected in 2019/20.

Estimated council tax fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
SPD	46,278	£15.8m	44,051	£19.4m	23,982	£28.9m
CTR	8,759	£6.1m	8,973	£7.2m	3,845	£4.9m
Other	2,857	£4.5m	2,831	£4.0m	2,794	£1.9m
Total	57,894	£26.3m	55,855	£30.6m	30,622	£35.9m

Though the volume of cases proven to be fraudulent is significantly higher when compared to other fraud risk areas, Council tax does not represent the highest cumulative value amongst all surveyed types of fraud, estimated to total £35.9m. This high



Disabled parking (Blue Badge)

The survey identified fraud from the misuse of the Blue Badges scheme was one of the steadily increasing fraud risk areas. The estimated number of cases proven to be fraudulent has increased by 938, and the national estimated average value per case increased from £661 to £811 in 2019/20.

This indicates that though procurement, council tax SPD and adult social care are identified nationally as the three main fraud risk areas, Blue Badge fraud is an area of increasing risk and prominence.



Housing and tenancy fraud

In relation to housing fraud, councils record the income lost using different valuations, ranging from a notional cost of replacing a property to the average cost for keeping a family in bed and breakfast accommodation for a year. These differences in approach can make it hard to formulate clear comparisons. On a national scale, the value of fraud detected or prevented will be looked at in two ways:

- if the cases were pertaining to new build accommodation
- if the cases were pertaining to temporary accommodation.

If the cases were regarding new build accommodations, there would be an average of £150,000 per fraud case, in comparison to £18,000 if they were pertaining to temporary accommodation. This can be further explored by looking at the comparison by tier.

Before 2019/20, there was a steady decline of around 20% a year in the number of housing and tenancy related frauds detected or prevented. However, this year there was an increase of 37% overall.

While illegally sublet properties and right to buy frauds continue to fall year on year, the volume of other housing fraud such as succession and application fraud has increased significantly. This

is predominantly down to the continued efforts to review housing tenancies, including proactive exercises and conducting appropriate due diligence on applications.

Estimated housing fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Right to buy	1,518	£92.0m	652	£46.0m	584	£30.7m
Illegal sublet	1,051	£55.8m	826	£41.8m	605	£31.6m
Other *	2,164	£68.3m	2,154	£47.7m	3,802	£60.1m
Total	4,733	£216.1m	3,632	£135.6m	4,991	£122.4m

* Other includes tenancy frauds that are neither right to buy nor illegal sublet and may include succession and false applications.



Business rates

Business rate fraud represents 1.0% of the total estimated number of cases proven to be fraudulent in 2019/20. This represents a marginal decrease from the previous year's figure of 2.0% and is reflected in the fact that the estimated loss decreased from £8.0m in 2018/19 to £6.2m this year.

Nonetheless, it was recorded as the third highest fraud risk area on a national scale, as well as fourth highest specific to districts.

Other types of fraud

This part of the report examines the survey responses related to other notable frauds that did not emerge as major types of fraud within the national picture. This section includes the following fraud types:

- adult social care
- insurance
- procurement
- no recourse to public funds/ welfare assistance
- payroll, recruitment, expenses and pension
- economic and voluntary sector support and debt
- mandate fraud, manipulation of data and grant fraud.

Adult social care

Adult social care is viewed by survey respondents to be the fourth highest fraud risk area. Over the past year, the average value per adult social care fraud has decreased by £11k, following the trend seen in years prior to 2018/19.

Generally, the total volume and value of estimated fraud cases have decreased to 460 cases and £8.2m respectively, but the volume of personal budget frauds has increased by 30% in the past year. Nonetheless, the estimated value for personal budget frauds is £4.9m – lower than the estimated 2018/19 value.

Other fraud also showed a decline in the numbers of cases proven to be fraudulent.

Estimated adult social care fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Personal budget	334	£3.3m	234	£9.6m*	306	£4.9m
Other	403	£3.4m	246	£4.1m	154	£3.3m
Total	737	£6.7m	480	£13.7m*	460	£8.2m
Average value per fraud		£9k		£29k*		£18k

* Please note that this figure is made up predominantly of a handful of authorities and though it is not comparable, it shows the scope of fraud possible in this area.



Insurance fraud

This year's survey found an estimated number of 349 insurance fraud cases with a value of £3.9m. Since last year, the estimated insurance fraud case value has more than halved. However, the figure for 2019/20 is very similar to the estimated value from 2017/18 of £3.5m.

A respondent who identified insurance fraud also reported one confirmed insider fraud case with a

combined value of £9.2k – a significant drop from last year's combined value of £43k.

Considerable work has been done in the area of insurance fraud, and insurance companies are working with local authorities to develop new ways to identify fraud and abuse within the system, which seems to be effective given the steady decline in volume and value of cases reported.



Procurement fraud

For the fourth year in a row, procurement fraud was perceived to be the highest fraud risk area. This year, there was an estimated number of 87 prevented procurement frauds, with 8% of cases reported as insider fraud. This is a continued decline from 125 estimated fraudulent cases with a value of

£20.3m in 2018/19, and 142 cases with a value of £5.2m in 2017/18. It is widely accepted that procurement fraud continues to be the hardest type of fraud to detect, can be very high in value and difficult to prove.

On 8 June 2020, the Ministry of Housing, Communities and Local Government published a review into risks of fraud and corruption in local government procurement.

It reported that councils in England spend around £55bn a year on goods, work and services. A survey conducted as part of the review showed 23% of respondents reported fraud and/or corruption in the procurement lifecycle during the 2017 to 2018 financial year.

Estimated procurement fraud

2017/18		2018/19		2019/20	
Volume	Value	Volume	Value	Volume	Value
142	£5.2m	125	£20.3m*	87	£1.5m

* Please note this figure is attributable to mainly one organisation and though it is not comparable to other respondents, it shows the scope for fraud in this area.



Welfare assistance and no recourse to public funds

In 2019/20, the estimated number of fraud cases related to welfare assistance increased significantly to 307. Estimates for 2018/19 and 2017/18 approximated 24 and 109 cases respectively.

2019/20 saw the number of no recourse to public funds cases increase to an estimated figure of

193; the previous year's figure had declined to an estimated volume of 148, from a volume of 334 in 2017/18. This is mainly due to the reduction in the number of respondents who detected and prevented fraudulent activity in this area.



Economic and voluntary sector support and debt

There was only one economic and voluntary sector support fraud case reported by local authorities in this survey, with a value of £25,000. In the 2017/18 survey, there were 24 actual cases of fraud reported with an average estimated loss of £14,000 per case. These figures decreased in 2018/19, with six actual cases of fraud reported and an average value per fraud loss of £4,000.

The number of reported cases of debt has significantly dropped to just three, with a fraud loss of £82,600, in comparison with 53 reported in 2018/19 valued at over £495,000.



Payroll, expenses, recruitment and pension

The total value of fraud loss for all four areas in 2019/20 is an estimated £0.82m, a very significant decrease from 2018/19, where there was a total estimated loss of £9.42m. The inflated figure in

2018/19 is due to one incident of payroll fraud prevented by a local authority.

Measuring the cost of these frauds can be quite difficult as they carry implications that include reputational damage, the costs of further recruitment and investigations into the motives behind the fraud. As a result, some organisations could be less likely to investigate or report investigations in these areas.

Payroll had the highest volume of fraud out of these four areas (payroll, expenses, recruitment and pension) for each year since 2016/17. In 2019/20, the area with the highest estimated average per case was pensions with £13,278, followed by recruitment fraud with an estimated average per case of £4,797.

Estimated fraud

Type	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Payroll	167	£1.01m	168	£8.77m*	113	£0.30m
Expenses	34	£0.03m	32	£0.04m	69	£0.12m
Recruitment	52	£0.49m	33	£0.38m	16	£0.08m
Pension	164	£0.57m	153	£0.23m	24	£0.32m
Total	417	£2.10m	386	£9.42m*	222	£0.82m

* Please note this figure is attributable to mainly one organisation and though it is not comparable to other respondents, it shows the scope for fraud in this area.



Mandate and grant fraud

In 2019/20, CIPFA estimates that there have been 344 cases of mandate fraud across the UK, which is a slight increase from the estimate of 322 in 2018/19.

This year, an extra section for grant specific fraud was added to the survey. Overall, there was an estimated number of 161 grant frauds, with a fraud loss value of £36.6m. The additional fraud type was

included in this year's survey to separate reported figures from expense fraud, so we have some specifically reported grant fraud to compare with the 2020/21 results, when COVID-19 grant fraud will be reported.

Serious and organised crime

Organised crime often involves complicated and large-scale fraudulent activities which cross more than one boundary, such as payroll, mandate fraud, insurance claims, business rates and procurement. These activities demand considerable resources to investigate and require organisations to co-operate in order to successfully bring criminals to justice.

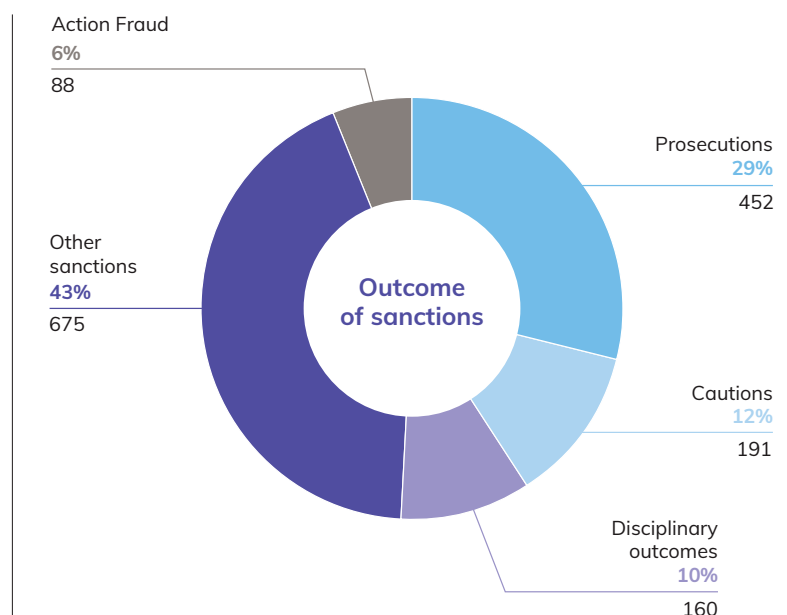
The responses show that councils share a significant amount of data both internally and externally, with 73% sharing data with the Cabinet Office/National Fraud Initiative, 52% sharing data with the police and 51% sharing data with their peers (other similar organisations).

In addition, of the organisations that responded, 35% identified serious and organised crime within their organisation's risk register and 52% reported that their counter fraud and corruption plan includes serious and organised crime risks.

Sanctions

The following shows some of the key findings from sanctions that were being used in 2019/20:

- 452 prosecutions were completed in 2019/20 and of those, 10 involved insider fraud. All these insider fraud cases were found guilty.
- The number of cautions as a proportion of the total sanctions reduced from 13% in 2017/18 to 7% in 2018/19 but increased to 13% again in 2019/20.
- The percentage of other sanctions increased from 46% in 2017/18 to 55% in 2018/19. Over the past year, this proportion decreased to 46% again.



Cyber fraud

Results from the CFaCT survey show that 82% of respondents underwent a cyber/e-fraud risk assessment during or after 2019/20. More than three quarters (78%) state that the IT team/Senior Information Risk Owner (SIRO) is responsible for the management of cyber risk in their organisation, matching last year's figure.

One third (32%) of respondents stated that their organisation had been a victim of hacking/ Distributed Denial-of-Service (DDOS) attacks in the last month, an increase of 5% over the past year.

In response to the threat of cyber-crime against local government, the LGA has set up a cyber security programme and a stakeholder group, working together to address the issues of cyber-crime.

The LGA programme received three years of funding from the National Cyber Security Programme (NCSP) in 2018 to support councils in remaining safe and secure from cyber-attacks and to have the appropriate arrangements in place to deal effectively with a cyber-incident should it occur, ie both prevention and response.

Whistleblowing

This year, 64% of respondents reported that they annually reviewed their whistleblowing arrangements in line with the [ISO 37002 "Whistleblowing Management Systems" guidelines](#).

Of those questioned, 85% confirmed that staff and the public had access to a helpdesk and 66% said that the helpline conformed to the ISO 37002 guidelines.

Respondents reported a total of 486 whistleblowing cases logged, made in line with the ISO 37002 *Whistleblowing Management Systems* guidelines.

This is an average of six cases logged per authority, which equals the 2018/19 figure. The majority of cases logged by respondents were in metropolitan districts.

Counter fraud structure

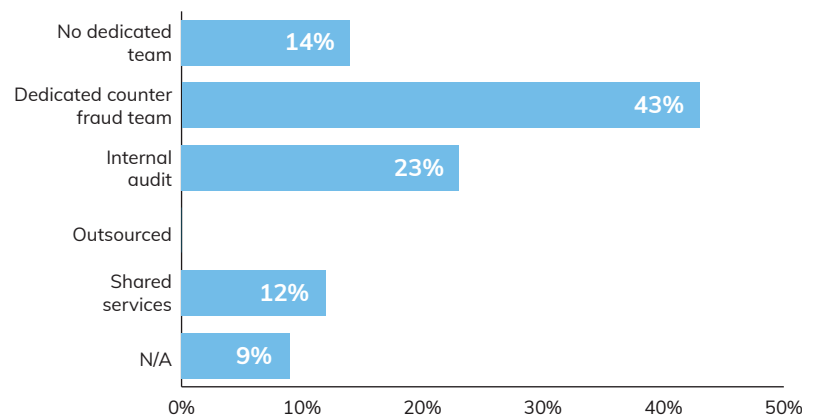
Fraud teams across local government continue to detect and prevent a significant amount of fraud, although having sufficient counter fraud resources is the main perceived issue that needs to be addressed to tackle fraud. Councils are responding to this and expect the number of counter fraud specialist staff to grow by around 5% in the next year, with a small increase of 3% in 2022.

In addition to the reductions in resources, having a shared services structure has decreased this year to 12%, in comparison with 19% of respondents who reported having a shared services structure in 2018/19.

There has been a slight increase in the proportion of authorities that have a dedicated counter fraud team, from 40% in 2018/19 to 43% in 2019/20. However, it is worth noting there may be a potential bias in this figure as those who have a dedicated counter fraud team are more likely and able to return data for the CFaCT survey.

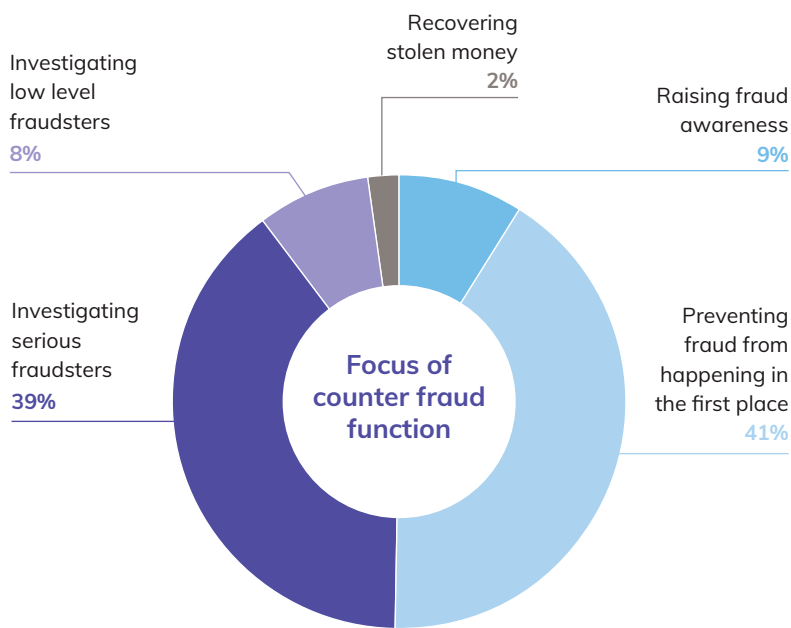
In 2019/20, the proportion of authorities that have available in-house qualified financial investigators was 24%. In addition, the percentage of authorities that have a non-DWP qualified financial investigator increased from 23% in 2018/19 to 27% in 2019/20. However, the proportion of authorities that do not have a qualified financial investigator available to their organisation has increased slightly from 43% last year to 44% this year, showing the potential strain on resources.

Counter fraud structure breakdown



Focus of counter fraud function

A new section was added to this year's survey, where local authorities were asked to identify the main priority of their counter fraud function.



The greatest proportion of respondents (41%) reported that the most important priority was 'preventing fraud from occurring in the first place' and the second most important was 'investigating serious fraudsters' with 39%. In comparison, the area that was seen to have the least importance, with no authorities listing this as a priority, was 'gathering intelligence'.

The other options included were recovering stolen money, investigating low level fraudsters and raising fraud awareness.

Joint working and data sharing

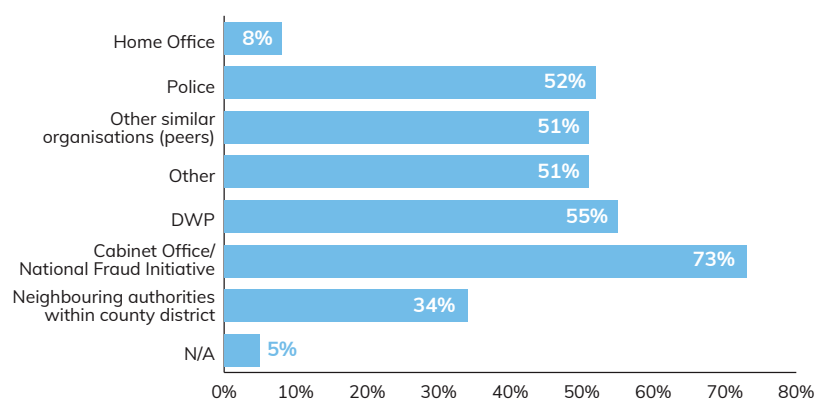
85% of survey respondents stated that they share data internally, mainly with housing, council tax and revenue and benefits departments.

Eighty two per cent of local authorities share data externally – a decrease of 14% since 2018/19. This data is mainly shared with Cabinet Office/National Fraud Initiative (73%), the DWP (55%), police (52%) or other authorities/similar organisations (51%).

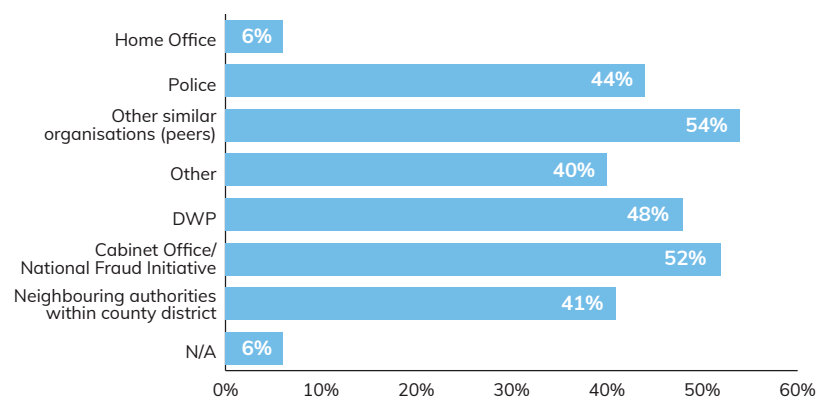
The sort of data that is shared relates to persons of interest, areas of interest and emerging frauds. Some authorities also highlighted that the data they share is for data matching purposes.

Of the CFaCT respondents, 54% say they work jointly with other similar organisations/peers, 52% work with the Cabinet Office/National Fraud Initiative, 48% with the DWP and 44% with the police. Further breakdown is shown in the charts to the right.

Share/exchange data with:

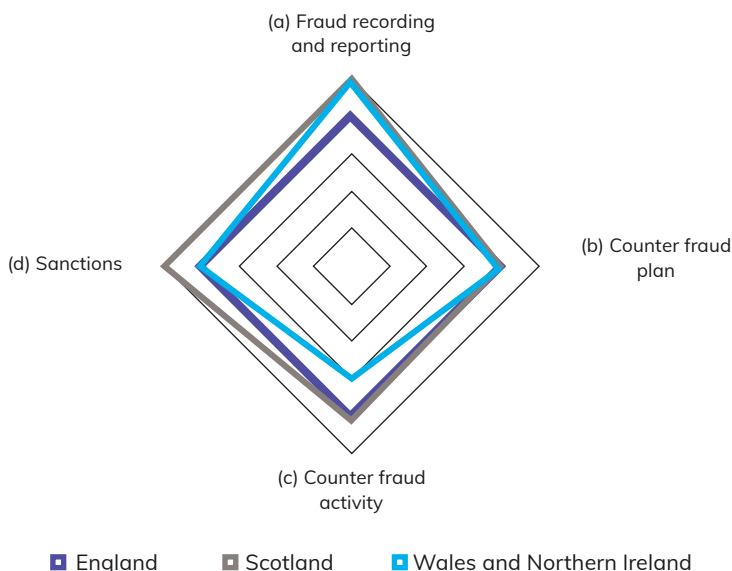


Work jointly with:



Fighting Fraud and Corruption Locally

The FFCL strategy 2016-2019, developed by local authorities and counter fraud experts, was the definitive guide for local authority leaders, chief executives, finance directors and all those with governance responsibilities for the period covered by this survey. The strategy has since been reviewed and replaced with the Fighting Fraud and Corruption Locally 2020 strategy. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top.



This strategy is available for councils to use freely so that everyone can benefit from shared good practice, and is aimed specifically at local authority leaders. It provides advice on how to lead and communicate counter fraud and corruption activity for the greatest impact, as well as covering resource management and investment in counter fraud operations.

To measure the effectiveness of the initiatives in the 2016-2019 strategy, the FFCL board included questions in the CFaCT survey and

the results are shown below. The questions ask respondents whether they agree or disagree that their organisation is carrying out certain actions, based on FFCL recommendations. The diagram to the left illustrates the results: lines closest to the outside edge indicate strong agreement while those towards the centre indicate disagreement.

For the 2019/20 survey, a few additional questions were added to this section, with regards to resources, staff and training.

When asked if their organisation secured appropriate training for fraud practitioners in line with agreed professional standards, for all types of investigation, a significant proportion (81%) of local authorities said they did.

More than two thirds (71%) of authorities employ staff who are suitably qualified and trained to undertake counter fraud investigations.

Respondents were also asked to select what they perceived to be the most important strategies for countering fraud in the future. Local authorities reported that 'managing evolving risks' and 'ensuring staff are trained' are the most important strategies. The additional strategies listed in the questionnaire were increased funding, leadership, technology and working in partnerships.

Impact of COVID-19

It should be noted that the CFaCT survey covers the pre-pandemic period of 2019/20 and therefore the data in this report represents what local authorities were experiencing before the outbreak in 2020. However, a qualitative question was added to the 2019/20 survey regarding the observed impact of COVID-19 on any fraudulent behaviours in local government. Key themes emerging from responses were:

- Instances of potential frauds involving empty properties where fraudsters were claiming to occupy with the intention of claiming business grants.
These included applications from those that traditionally would not have considered committing any fraud offences now feeling financially pressured to do so, owing to the downturn in the economy.
- Adult social care services being exploited during a time where resources are limited and usually robust assessments such as home visits not being possible due to health risks.
- Parents and carers of children in receipt of free school meals being targeted by fraudsters who email with messages to harvest bank details with a promise to help with funding while the school is closed.
- The risk of fraudsters impersonating key personnel in both the purchase and supply chain in an attempt to commit mandate fraud has significantly increased with staff predominantly working from home. It has become more difficult to validate supplier details while pressures to process payments at speed have increased, therefore usually robust controls are weakened.
- The inability of councils to tackle usual areas of fraud due to resources being re-directed into the processing and review of business grants associated with COVID-19. This has restricted the ability to tackle fraud face-to-face, including visits and interviews due to public health concerns and uncertainty over the legality of conducting remote interviews under caution.

Recommendations

CIPFA recommends

- The cumulative value of fraud prevented/detected by local authorities continues to decline year-on-year. Local authorities must remain vigilant and determined in identifying and preventing fraud, raising the awareness of fraud risk across all areas of service delivery and all levels of the organisation.
- This year's findings show that a dedicated counter fraud team remains the preferred method of delivery amongst respondents, and although there has been a slight reduction in the number of shared services reported, it remains important for organisations to work collaboratively with their neighbours and business partners, share resources, skills and best practice to effectively detect and prevent fraud.
- There has been a 14% reduction since 2018/19 in the volume of local authorities share data externally and only 73% of authorities sharing data with the Cabinet Office/National Fraud Initiative. Public sector organisations should maximise opportunities to share data where these initiatives are made available and explore and invest in additional innovative use of data sharing and fraud prevention technology, reducing the risk of loss through fraud.
- This year the majority of authorities reported fraud prevention as their main priority with none listing intelligence gathering at any level. Authorities should reconsider the value of intelligence in connection with identifying fraud risk, informing and focusing their planned activity and helping protect the organisation, therefore further preventing fraud.
- The level of whistleblowing allegations received this year remained constant with 2018/19 and 85% of authorities confirmed that staff and the public had access to a helpdesk. CIPFA recommends active publicity campaigns across all levels of the organisation to ensure staff are aware of whistleblowing procedures and accessibility to supporting services.
- Cyber security continues to increase in importance relative to the increase in remote working and electronic service application. Where controls need to be strengthened authorities should seek assistance from the LGA's cyber security programme stakeholder group.
- The new Fighting Fraud and Corruption Locally 2020 strategy has been released and councils are encouraged to review their working practices against the FFCL checklist, strengthening controls where weakness is identified.

Appendix 1: Fraud types and estimated value/volume

The table below shows the types of frauds reported in the survey and the estimated volume and value during 2019/20.

Types of fraud	Fraud cases	% of the total	Value	% of the total value	Average
Council tax frauds	30,622	65.4%	£35.9m	15.0%	£1,173
Disabled parking concession	7,889	16.8%	£6.4m	2.7%	£809
Housing frauds	4,991	10.7%	£122.4m	51.1%	£24,534
Business rates	476	1.0%	£6.2m	2.6%	£13,126
Other types of fraud	2,865	6.1%	£68.5m	28.6%	£23,890
Adult social care	460	1.0%	£8.2m	3.4%	£17,767
Insurance claim	349	0.7%	£3.9m	1.6%	£11,271
Mandate fraud	344	0.7%	£9.4m	3.9%	£27,227
Welfare assistance	307	0.7%	£0.2m	0.1%	£684
Schools frauds (excl. transport)	211	0.5%	£0.2m	0.1%	£1,174
No recourse to public funds	193	0.4%	£2.2m	0.9%	£11,132
Grant fraud	161	0.3%	£36.6m	15.3%	£226,997
Payroll	113	0.2%	£0.3m	0.1%	£2,629
Procurement	87	0.2%	£1.5m	0.6%	£16,696
Expenses	69	0.2%	£0.1m	0.1%	£1,743
Children's social care	40	0.1%	£0.4m	0.2%	£9,903
Pensions	24	0.1%	£0.3m	0.1%	£13,278
Recruitment	16	0.0%	£0.1m	0.0%	£4,797
Debt	11	0.0%	£0.3m	0.1%	£27,533
School transport	6	0.0%	£0.2m	0.1%	£32,750
Economic and voluntary sector support	4	0.0%	£0.1m	0.0%	£25,000
Investments	0	0.0%	na*	na*	na*
Manipulation of data	0	0.0%	na*	na*	na*

*The figures for investments and manipulation of data are not available as no responses were received and thus the amount is not representative of the national average. In addition, these figures are affected by few councils who had high value frauds not indicative of the national average.

Appendix 2: Methodology

This year's results are based on responses from 98 local authorities. An estimated total volume and value of fraud has been calculated for all local authorities in England, Wales, Scotland and Northern Ireland. Missing values are calculated according to the size of the authority and, for each type of fraud, an appropriate universal measure of size has been selected such as local authority housing stock for housing frauds.

From the responses, the number of cases per each unit of the measure is calculated and used to estimate the missing values. Then, for each missing authority, the estimated number of cases is multiplied by the average value per case provided by respondents to give an estimated total value. As an illustration, if the number of housing frauds per

house is 0.01 and a missing authority has 1,000 houses in its housing stock, we estimate the number of frauds as 10. If the average value per case is £100,000 then the total estimated value of fraud for that authority is £1m.

Appendix 3: Glossary

Definitions below are taken from CIPFA's CFaCT survey, AFI and other government sources.

Adult social care fraud:

Adult social care fraud can happen in a number of ways but the increase in personal budgets gives a greater opportunity for misuse.

Investigations cover cases where:

- direct payments were not being used to pay for the care of the vulnerable adult
- care workers were claiming money for time they had not worked or were spending the allocated budget inappropriately.

Blue Badge:

The Blue Badge is a Europe-wide scheme entitling holders of the permit to parking concessions. This scheme is locally administered and badges issued to those with disabilities so they can park nearer to their destination.

At present, a badge issued to a deceased person is classified as fraudulent, even if it is not being used for fraudulent purposes.

Business rates fraud:

Business rates fraud is not a transparent landscape for the fraud investigator, with legislation making it difficult to separate evasion and avoidance.

Business rate fraud may include the fraudulent applications for exemptions and reliefs and unlisted properties, and fraud staff may be used to visit properties in question.

Cautions:

Cautions relate to a verbal warning given in circumstances where there is enough evidence to prosecute, but it is felt that it is not in the public interest to do so in that instance.

Council tax fraud:

Council tax is the tax levied on domestic properties and collected by district and unitary authorities in England and Wales and levying authorities in Scotland.

Council tax fraud is split into three sections:

- **Council tax single person discount** – where a tenant claims to be the only adult resident to be eligible for a 25% discount when in fact other adults reside in the property.
- **Council tax reduction support** – where the council tax payer fails to declare their income correctly.
- **Other types of council tax fraud** – eg claims for exemptions or discounts to which the council tax payer has no entitlement.

Debt fraud:

Debt fraud includes fraudulently avoiding a payment of debt to an organisation, excluding council tax discount.

Disciplinary outcomes:

Disciplinary outcomes relate to the number of instances where as a result of an investigation by a fraud team, disciplinary action is undertaken, or where, a subject resigns during the disciplinary process.

Economic and voluntary sector (grant fraud):

This type of fraud relates to the false application or payment of grants or financial support to any person and any type of agency or organisation.

Housing fraud:

Fraud within housing takes a number of forms, including sub-letting for profit, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principle home, abandonment, and right to buy fraud.

Insurance fraud:

Insurance fraud includes any insurance claim that is proved to be false, made against the organisation or the organisation's insurers.

Mandate fraud:

Action Fraud defines mandate fraud as "when someone gets you to change a direct debit, standing order or bank transfer mandate, by purporting to be an organisation you make regular payments to, for example a subscription or membership organisation or your business supplier".

Manipulation of data fraud:

The majority of manipulation of data frauds relate to employees changing data in order to indicate better performance than actually occurred and staff removing data from the organisation. It also includes individuals using their position to change and manipulate data fraudulently or in assisting or providing access to a family member or friend.

No recourse to public funds:

No recourse to public funds prevents any person with that restriction from accessing certain public funds. A person who claims public funds despite such a condition is committing a criminal offence.

Organised crime:

The widely used definition of organised crime is one planned, co-ordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain.

Payroll fraud:

Payroll fraud covers a wide range of areas such as ghost employees on the payroll, diversion of payments into fraudulent accounts, employees set up to receive higher salaries than they are entitled to by either grade or hours worked and false overtime claims.

Procurement fraud:

The procurement of goods and services often accounts for a significant proportion of an organisation's expenditure and is open to a wide range of potential fraud risks. This is because there are usually multiple individuals involved in a process who often do not work closely together: ie the person who wants something purchased does not always work directly with the people who initiate orders and with those responsible for paying.

This includes any fraud associated with the false procurement of goods and services for an organisation by an internal or external person(s) or organisations in the 'purchase to pay' or post contract procedure, including contract monitoring.

Recruitment fraud:

Recruitment fraud includes applicants providing false CVs, job histories, qualifications, references, immigration status (ie the right to work in the UK) or the use of a false identity to hide criminal convictions or immigration status.

Right to buy:

Right to buy is the scheme that allows tenants who have lived in their properties for a qualifying period the right to purchase the property at a discount. Fraud is committed when an applicant has made false representations regarding the qualifying criteria, such as being resident in the property they are purchasing for a 12 month continuous period prior to application.

Welfare assistance:

Organisations have a limited amount of money available for welfare assistance claims so the criteria for applications are becoming increasingly stringent. Awards are discretionary and may come as either a crisis payment or some form of support payment.

Whistleblowing:

Effective whistleblowing allows staff or the public to raise concerns about a crime, criminal offence, miscarriage of justice or dangers to health and safety in a structured and defined way. It can enable teams to uncover significant frauds that may otherwise have gone undiscovered. Organisations should therefore ensure that whistleblowing processes are reviewed regularly.

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For publication

Review of the Code of Corporate Governance and the Annual Governance Statement

Meeting:	Standards and Audit Committee
Date:	21 April 2021
Cabinet portfolio:	Cabinet Member for Governance
Directorate:	Finance

1.0 Purpose of the report

1.1 To Review compliance with the Code of Corporate Governance requirements during the year 2020/21 and to present the Annual Governance Statement.

2.0 Recommendations

2.1 That the Standards and Audit Committee:

- a) consider the documents listed in 2.1 above, together with any comments from Cabinet;
- b) subject to any amendments that they consider appropriate, approve the Annual Governance Statement, and
- c) recommend that the Annual Governance Statement be signed by the Leader and Chief Executive.

2.3 That a review of the Code of Corporate Governance be undertaken in 12 months' time.

2.4 That progress on the significant issues and future challenges identified in the Annual Governance Statement is monitored by the Corporate Leadership Team.

3.0 Reasons for recommendations

3.1 To enable the Cabinet and the Standards and Audit Committee to monitor compliance with the Code of Corporate Governance.

3.2 In order to comply with the requirements of the Accounts and Audit Regulations 2015.

3.3 To support the maintenance of sound governance arrangements within the Council.

4.0 Report details

Background

4.1 As good practice and to promote sound governance arrangements local authorities are recommended to adopt and regularly review a Code of Corporate Governance. The Code of Corporate Governance details the system by which the Council controls and directs its functions and how it relates to its local community. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

4.2 The Council's Code of Corporate Governance reflects the latest CIPFA / SOLACE guidance "delivering good governance in Local Government Framework 2016 Edition".

4.3 The Annual Governance Statement builds on the annual review of the Code of Corporate Governance. In England, the preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2015. The Regulation requires authorities to prepare an Annual Governance Statement in accordance with "proper practices" in relation to internal control. The CIPFA / SOLACE framework, 'Delivering Good Governance in Local Government: Framework (2016)', defines such "proper practices".

4.4 The Annual Governance Statement should be an open and honest self-assessment of the organisation's performance across all of its activities, with a clear statement of the actions being taken or required to address areas of concern. The 2016 CIPFA/SOLACE Framework sets out the following core principles of good Governance:-

- A) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;

- B) Ensuring openness and comprehensive stakeholder engagement;
- C) Defining outcomes in terms of sustainable economic, social and environmental benefits;
- D) Determining the interventions necessary to optimize the achievement of the intended outcomes;
- E) Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F) Managing risks and performance through robust internal control and strong public financial management;
- G) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

4.5 Local authorities are required to prepare an annual governance statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework.

4.6 Within the delivering good governance in Local Government Framework 2016 Edition is a list of the key elements of the structures and processes that comprise an authority's governance arrangements. The Corporate Leadership Team and other senior officers have reviewed the position in Chesterfield Borough Council against the key elements and this review is shown at Appendix 2.

Review of compliance with the Code of Corporate Governance requirements

4.7 The Review in Appendix 1 shows that compliance with the Code requirements has been largely achieved during the year 2020/21. Where there is only part compliance or no compliance these areas have been addressed within the Annual Governance Statement.

The Annual Governance Statement

- 4.8 The review of compliance with the Code of Corporate Governance helps to identify evidence which is then used in the Annual Governance Statement.
- 4.9 The guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) has also been used when producing the Annual Governance Statement. The Annual Governance Statement (Appendix 3) has been derived from a detailed review of the assurances by senior officers and from the work undertaken and risks identified by internal audit.
- 4.10 The Corporate Leadership Team and other senior officers have all been involved in the review.
- 4.11 The review indicates that many of the processes and procedures in place at Chesterfield Borough Council are compliant with good practice however there are some governance issues and future challenges that are detailed within the Annual Governance Statement.
- 4.12 The Annual Governance Statement includes the continuing impact of COVID 19 on the Council's governance arrangements.
- 4.13 The Annual Governance Statement also confirms compliance with the CIPFA Financial Management Code. Compliance with the code seeks to provide assurance that Council's have financial resilience and sustainability.
- 4.14 The Annual Governance Statement (Appendix 3) follows the layout of a pro forma statement recommended by the CIPFA guidance. The Statement should be signed by the Leader of the Council and the Chief Executive.
- 5.0 Alternative options**
- 5.1 Not applicable.
- 6.0 Implications for consideration – Council Plan**
- 6.1 This review helps to ensure that the council's resources and priorities are focused on achieving the objectives within the council plan.

7.0 Implications for consideration – Financial and value for money

7.1 Ensuring that governance processes, risk management and controls in place are strong and transparent helps to ensure that there is good financial management and that value for money is achieved.

8.0 Implications for consideration – Legal

8.1 The preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2015.

9.0 Implications for consideration – Human resources

9.1 None

10.0 Implications for consideration – Risk management

10.1 The failure to operate a sound system of Corporate Governance would represent a significant risk to the Council. The review of the Code of Corporate Governance and the preparation of the Annual Governance Statement ensures that the identified issues and challenges can be addressed. Progress will be monitored by the Corporate Leadership Team and the Standards and Audit Committee.

11.0 Implications for consideration – community wellbeing

11.1 Whilst there are not considered to be any direct community and wellbeing impacts in relation to this report, sound corporate governance arrangements will support the achievement of the Council's objectives.

12.0 Implications for consideration – Economy and skills

12.1 Whilst there are not considered to be any direct economy and skills impacts in relation to this report, sound corporate governance arrangements will support the achievement of the Council's objectives.

13.0 Implications for consideration – Climate Change

13.1 Whilst there are not considered to be any direct climate change impacts in relation to this report, sound corporate governance arrangements will support the achievement of the Council's objectives.

14.0 Implications for consideration – Equality and diversity

- 14.1 Whilst there are not considered to be any direct equalities impacts in relation to this report, sound corporate governance arrangements will support the achievement of the Council's equalities objectives.

Decision information

Key decision number	195
Wards affected	All Wards

Document information

Report author	
Jenny Williams Internal Audit Consortium Manager Finance	
Background documents	
Accounts and Audit (England) Regulations 2015 CIPFA/SOLACE publication – Delivering Good Governance in Local Government Framework 2016 Edition	
Appendices to the report	
Appendix 1	Annual Review of the Code of Corporate Governance
Appendix 2	Review of the key elements that comprise the Council's governance arrangements
Appendix 3	Annual Governance Statement

Chesterfield Borough Council

Local Code of Corporate Governance – 2020/21 Review

<p>Principle A</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 67</p>	<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p> <p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.</p>
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Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Behaving with integrity</p> <p>Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p>	<p>Member and Officers Codes of Conduct are within the Constitution.</p> <p>Complaints procedures in place. Councillor complaints assessed in accordance with the council procedure.</p> <p>All new staff follow an induction process with their line manager and are required</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	<p>to complete various online training modules.</p> <p>Councillors have training on standards generally and also specifically (relating to e.g. planning, licensing). Training is supplemented by updates and refresher sessions as well as advice as necessary.</p> <p>Specific amendments to the Constitution, guidance and training have enabled virtual meetings to take place during 2020/21 because of Covid-19.</p> <p>The Council is strongly working towards all staff having annual performance appraisals, mid- year review and 1:1's. Mid- year reviews were cancelled due to COVID – 19 however managers are expected to maintain regular contact with staff whilst working from home.</p>
<p>Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p>	<p>There is a Council Plan that includes a vision statement which is approved by Council on an annual basis. The Council Plan is cascaded down through SLT, CLT, service managers meetings, managers weekly bulletins, team meetings and the aspire intranet.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p>	<p>Decision making is set out in the Constitution Declarations of interest are asked for at the start of every Committee meeting. There is a Members Code of Conduct and protocols on Members/Officer relations and an Employee Code. There is an Audit and Standards Committee to consider these issues. Changes to the Standards system were examined following the publication of A Review of the Committee on the Standards in Public Life.</p>
<p>Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively</p>	<p>The Anti-Fraud Bribery and Corruption policy was reviewed and approved by the Standards and Audit Committee in September 2018 and was advertised to staff on the intranet. The policy is currently in the process of being reviewed and updated. Anti – fraud training was provided to officers and Members in September 2016. There is also a fraud and corruption training module on Aspire Learning.</p> <p>Members and staff are expected to declare business interests every 6 months. The process is currently under review.</p> <p>There is a current register of gifts and hospitality that Support Services update every 6 months. The way this information is kept and updated is being reviewed following internal audit recommendations.</p> <p>The Council has a current Confidential Reporting Code (Whistleblowing Policy) in place which is on the intranet and the Council’s website.</p>

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Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	<p>The Council keeps a record of complaints and how they are dealt with Lessons are learnt from complaints.</p> <p>The Members and Officers Codes of Conduct refer to a requirement to declare interests.</p> <p>Declarations of interest is a standard heading on Committee agendas and minutes and any declarations are recorded.</p> <p>All members and senior officers are required to sign a declaration of related party interests on an annual basis.</p>
<p>Demonstrating strong commitment to ethical values <small>P80670</small> Seeking to establish, monitor and maintain the organisation's ethical standards and performance</p>	<p>There are 3 Scrutiny Committees: -</p> <ol style="list-style-type: none"> 1) Overview and Performance Scrutiny Forum 2) Enterprise and Wellbeing Scrutiny Committee 3) Community, Customer and Organisational Scrutiny Committee <p>An annual Scrutiny report goes to Full Council.</p>
<p>Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</p>	<p>Members receive training on ethical standards which is repeated as necessary. Regulatory Committees have a mandatory training requirement. Specific training given for virtual meetings during Covid-19.</p> <p>All staff and elected members receive a comprehensive induction which covers</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values</p>	<p>behaviour and ethical values.</p> <p>Training is also available to both members and officers on specific equality and diversity issues.</p> <p>The Council has established core values which are publicised widely to staff and members and re-enforced during the Performance Development Review process.</p>
<p>Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation</p>	<p>An employee's commitment to the Council's values are assessed at performance development reviews.</p> <p>The Council has the following policies in place: -</p> <ul style="list-style-type: none"> Anti- harassment and bullying policy Anti- Fraud, Bribery and corruption policy Codes of Conduct Equality, diversity and social inclusion policy Recruitment Policy <p>A Procurement Strategy has recently been adopted.</p>
<p>Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation</p>	<p>There is a partnership guidance/protocol in place. This includes arrangements for considering partnership arrangements including concerns and resource requests at the Finance and Performance Board.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Respecting the rule of law Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations</p>	<p>Legal Services Protocols Constitution Standards and Audit Committee - the legal duty to promote and maintain standards are vested in the Standards and Audit Committee Procedures in place and training to ensure e.g. planning decisions properly made.</p>
<p>Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p>	<p>All jobs are required to have job descriptions and person specifications that must be reviewed each time a post becomes vacant. Employment contracts specify whether posts are politically restricted and the constraints placed on office holders.</p> <p>The Service Director - Finance is the nominated section 151 Officer (currently recruiting for a finance service lead) and there is also a nominated Deputy. CIPFA'S statement on the role of the Chief Financial Officer is complied with.</p> <p>Each Committee has its own terms of reference.</p> <p>The Local Government and Regulatory Law Manager (the Council's senior solicitor) is the Monitoring Officer. The Deputy Monitoring Officer is a nominated solicitor in their team.</p> <p>The Constitution is underpinned by legal references.</p> <p>Democratic and Scrutiny functions.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<p>Constitution is underpinned by legal references Committee minutes and reports</p> <p>Constitution reviewed and updated as necessary and is subject to regular review, with amendments approved by Standards and Audit committee/Full Council (as appropriate). Special emergency delegations and arrangements for virtual meetings put in place with approval of Standards and Audit Committee during Covid-19.</p>
Dealing with breaches of legal and regulatory provisions effectively	The Council has a Monitoring Officer and team to deal with legal breaches. The Monitoring Officer has oversight of governance at the Council and a Deputy Monitoring Officer (in whom vests the legal function in the absence of the Monitoring Officer).
Ensuring corruption and misuse of power are dealt with effectively	The Anti-Fraud Bribery and Corruption Policy was approved by the Standards and Audit Committee September 2018.
Principle B	<p>Ensuring openness and comprehensive stakeholder engagement</p> <p>Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.</p>
<p>Openness</p> <p>Ensuring an open culture through demonstrating, documenting and communicating the organisation's</p>	<p>There is not a specific annual report published but there are other means of communication: -</p> <ul style="list-style-type: none"> • Annual financial statements • Council Plan

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
commitment to openness	<ul style="list-style-type: none"> • The council Newsletter” Your Chesterfield” which includes Our Homes for Tenants and Leaseholders • The council website • Videos • Social media channels. • An annual report to tenants is prepared and sent to the Housing Regulator (HCA), published on the website and summarised in the Our Homes publication which goes to all households in the Borough as part of the Your Chesterfield publication. • FOI Publication Scheme • Council Tax information is on the website
<p>Public Part 7</p> <p>Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided</p>	<p>All reports are “open” agenda items unless there is a valid reason to exclude the public. All decisions by Committees are minuted.</p>
<p>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about</p>	<p>Decision making is set out in the Constitution.</p> <p>There is a template for Committee reports with standard headings and an online system in place for reviewing and signoff of reports via ModGov.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p> <p>Page 75</p>	<p>Officers reports are all retained with the Committee agendas and papers. Officer recommendations are included in Committee reports.</p> <p>Members can request whatever information they need.</p> <p>All Committees have adopted Terms of Reference and have scheduled meetings during the year.</p> <p>An annual meeting timetable is published.</p>
<p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p>	<p>There is a Communications and Engagements Strategy which includes an annual action plan.</p> <p>Housing have a Customer Engagement Strategy as required by the HCA and provide a variety of opportunities for tenants to be involved in and shape service delivery including a Tenant Challenge” Scrutiny” Panel.</p>
<p>Engaging comprehensively with institutional stakeholders Effectively engaging with institutional stakeholders to ensure that the</p>	<p>There is an approved internal and external Communication and Engagement Strategy in place.</p> <p>Senior Leadership Team has defined relationship leads.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	
Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	Stakeholder groups identified for different consultation types e.g. community and voluntary sector, sport and leisure organisations, planning consultations, equality and diversity forum etc. Bespoke communication consultation and research plans.
<p>Ensuring that partnerships are based on: trust</p> <p>Finance and Performance Board a shared commitment to change a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit</p>	<p>Housing's Tenant Challenge Panel (Scrutiny equivalent) has a clear set of Terms of Reference and Code of Conduct for Members.</p> <p>A partnership guidance/protocol has been developed. This includes arrangements for considering partnership arrangements including concerns and resource requests at the Finance and Performance Board.</p>
<p>Engaging stakeholders effectively, including individual citizens and service users</p> <p>Establishing a clear policy on the type of issues that the organisation will</p>	<p>There is a Communications and Engagement Strategy that includes an annual action plan.</p> <p>Consideration in decision reports</p> <p>Equality impact assessments take place</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</p>	
<p>Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p>	<p>There is an approved Communications and Engagement Strategy in place.</p> <p>Community Engagement Group.</p> <p>Derbyshire wide engagement group to share best practice and develop joint approaches where applicable.</p>
<p>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p>	<p>There is an approved Communication and Engagement Strategy in place including an annual action plan.</p> <p>Annual Community Engagement Programme.</p> <p>Housing operates a variety of ways for tenants to be involved and give their views e.g. focus groups/ formal meetings/ informal drop in's/ use of a consultation bus in the community.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	Stakeholder mapping. Bespoke communication consultation and research plans developed.
<p>Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 78</p>	<p>There is an approved Communication and Engagement Strategy in place.</p> <p>Community Engagement Group A consultation page is being developed on the website which brings together all consultation activities including “you said, we did” reports on what actions were taken following consultation.</p> <p>Part of decision-making process – report template.</p> <p>Equality Impact Assessments.</p> <p>Results of consultation exercises are published e.g. employee survey.</p> <p>Alternative Covid-19 secure consultation routes developed during the pandemic to enable key consultation activity to continue.</p>
Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	<p>Forms part of the decision-making report template.</p> <p>Equality Impact Assessments.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Taking account of the interests of future generations of tax payers and service users</p> <p>Page 79</p>	<p>Annual State of the Borough Report and briefing notes on emerging issues.</p> <p>Horizon scanning activity with Corporate Cabinet/CLT at development days Review of the Council Plan.</p> <p>Supporting the Office of National Statistics to deliver the 2021 Census with a commitment to feed in key demographic data into decision making and service delivery – via the State of the Borough report updates and briefings.</p>
Principle C	<p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p> <p>The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>
<p>Defining outcomes Having a clear vision which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate</p>	<p>There is a Council Plan that defines the Council’s vision and priorities. This sets the framework for all service plans. Progress against the Council Plan is reviewed on an annual basis.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions	
Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<p>The Council Plan covers 4 years and covers what the Council aims to achieve and what that will mean for people.</p> <p>Service Plans are renewed every year and are developed from the Council Plan Communications and Engagement Strategy.</p> <p>State of the Borough Report.</p>
Page 8 Delivering defined outcomes on a sustainable basis within the resources that will be available	<p>The Council Plan is aligned to the medium-term financial plan (2019 – 2023) and is refreshed each year based on the affordability of each of the priorities.</p> <p>The Council's financial arrangements have been assessed against the CIPFA Financial Management Code and been found to be compliant.</p>
Identifying and managing risks to the achievement of outcomes	<p>The performance framework includes quarterly challenge at the Finance and Performance Board and Overview and Performance Scrutiny.</p> <p>Annual performance report to Cabinet.</p> <p>The risk management group meets on a quarterly basis and reviews the strategic risk register and the service risk registers on a rotational basis.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	There is a risk management strategy in place.
Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available	Communications and Engagement strategy. Service plans include performance targets. Budgeting/service reviews/forward planning.
Sustainable economic, social and environmental benefits Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision	<p>The Council's property portfolio is constantly under review. The aim is to dispose of a number of assets to release funds for capital projects.</p> <p>The capital programme is approved by Members each year. Officers have to submit capital bids.</p> <p>There is a treasury management strategy that is reviewed and approved on an annual basis.</p>
Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	<p>Meetings with Cabinet Member for Governance on constitution review and effective decision making. Scrutiny interest in these matters.</p> <p>HRA Business Plan Steering Group to lead on the development of the HRA Business Plan. Comprises of tenants, officers and elected members (scrutiny is part of this group).</p> <p>All committee meetings are minuted and the associated reports retained.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p>	<p>Communications and Engagement Strategy Annual action plans</p> <p>State of the Borough Report. Modgov system to access decision making papers and records.</p>
<p>Ensuring fair access to services</p>	<p>Communications and Engagement Strategy</p> <p>Consultation is part of The Council's Equality Impact Assessments. Equality, Diversity and Social Inclusion Policy, Strategy and action plan.</p>
<p>Principle D</p>	<p>Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Determining interventions Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided</p>	<p>Member/officer decision making protocols in place.</p> <p>All Committee reports contain various options and an officer recommendation. All committee reports contain a risk analysis.</p>
<p>Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts</p>	<p>There is a medium- term financial strategy in place and a savings plan both of which are regularly reviewed.</p> <p>HRA Business Plan Steering Group has been fully involved in recommending financial savings to Cabinet in respect of HRA Business Plan.</p>
<p>Planning interventions Establishing and implementing robust planning and control cycles that cover strategic and operational plans,</p>	<p>Schedule of meetings in place Annual budgets and revised budgets Council Plan reviewed annually Forward Plan</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
priorities and targets	
Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	<p>The Council has adopted a Communications and Engagement Strategy and develops annual action plans.</p> <p>Feedback given on consultation via the CBC website, social media, public meetings, and Your Chesterfield/ Our Homes where appropriate</p> <p>Managers weekly bulletin</p> <p>Elected members e-bulletin</p> <p>Aspire intranet for staff and members</p>
<p>Considering and monitoring risks facing each partner when working collaboratively including shared risks</p>	<p>There is a risk management strategy in place that is refreshed every year.</p> <p>There is a risk management group</p>
Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	<p>Corporate Leadership Team managers are empowered to run their service flexibly to deliver the Council Plan priorities.</p> <p>Competency based Job Descriptions/Person Specifications for SLT/CLT increases flexibility and agility. This is being rolled out across the Council.</p> <p>One Council: One Team is a core CBC value which is considered during all</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	Performance Development Reviews.
<p>Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured</p>	<p>Service plans all contain performance indicators.</p> <p>The performance framework includes quarterly challenge at Finance and Performance Board and Overview and Performance Scrutiny. Annual update on progress against the Council Plan.</p>
<p>Ensuring capacity exists to generate the information required to review service quality regularly</p>	<p>The performance framework includes quarterly challenge at Finance and Performance Board and Overview and Performance Scrutiny. Annual Performance report to Cabinet.</p>
<p>Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan</p>	<p>Accountancy has regular budget meetings with service managers.</p> <p>Budgets prepared in liaison with service managers taking in to account service plans and savings targets.</p>
<p>Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at</p>	<p>Budget guidance protocols issued to all managers.</p> <p>There is a medium- term financial plan that is reported to Members on a quarterly basis.</p> <p>There is a Finance and Performance Board that meets every 3 weeks.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
developing a sustainable funding strategy	
<p>Optimising achievement of intended outcomes</p> <p>Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints</p>	<p>Service managers are involved in the budget and revised budget process and receive monthly budget information. The medium- term financial plan incorporates budget savings targets etc.</p>
<p>Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term</p>	<p>Budget guidance and protocols are issued to all service managers. Well established budget preparation and review procedures. Medium term financial plan covers the current year and future 5 years. Budget challenge sessions.</p>
<p>Ensuring the medium term financial strategy sets the context for on-going decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while</p>	<p>The financial strategy is regularly reviewed and updated as new external information emerges.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
optimising resource usage	
<p>Ensuring the achievement of ‘social value’ through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this “the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes”</p>	<p>The priorities in the Council plan are</p> <ol style="list-style-type: none"> 1) To make Chesterfield a thriving Borough 2) To improve the quality of life for local people 3) To provide value for money services <p>Service plans are built up to reflect these priorities.</p>
<p>Principle E</p>	<p>Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p> <p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Developing the entity's capacity Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness</p>	<p>The use of the Council's buildings is regularly reviewed to ensure that they are fully utilised or potentially sold. The Town Hall is being modernised to facilitate bringing in other businesses to share the accommodation. Council staff from Venture house have been relocated so that more rental income can be achieved at Venture House.</p> <p>Housing has an agreed process for disposing of underperforming assets. Disposal of shops, miscellaneous properties and plot garage sites.</p> <p>The condition of the Council's non housing properties are in the process of being assessed in order to be able to identify appropriate capital and revenue budgets to maintain assets to an appropriate standard. There is a risk that there is insufficient funding to meet requirements.</p>
<p>Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently</p>	<p>Within each service area use is made of available benchmarking e.g. through APSE, in order to compare service provision, value for money etc. Fees and charges are set with regard to those in place in other areas and reviewed each year by Cabinet.</p> <p>Sector led improvement activity including LGA peer challenge, East Midlands Performance Network and APSE.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
Recognising the benefits of partnerships and collaborative working where added value can be achieved	The Council has many partnerships including the Internal Audit Consortium, a Building Control company, Joint Crematorium, Sheffield City Region and D2N2 LEP; these are monitored to ensure that the desired outcomes are obtained.
Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	The Council has a People Plan 2019 - 23 that all managers have been made aware of.
Developing the capability of the entity's leadership and other individuals Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained	Every post has a job description and person specification. The CE has regular meetings with the leader.
Publishing a statement that specifies the types of decisions that are delegated and those reserved for the	The Constitution is reviewed on an on-going basis. Standing Orders and Financial Regulations are reviewed periodically with special

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
collective decision making of the governing body	standing orders put in place for virtual meetings during Covid-19.
<p>Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's Authority</p>	<p>The Constitution defines the roles of Committees and Members. Part 2 of the Constitution defines management roles at paragraph 12.1 including the role of the Chief Executive.</p> <p>A new Corporate Leadership Team Structure came in to force from December 2020.</p>
<p>Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political</p>	<p>Training programme for managers – management modules on Aspire Learning Annual performance development reviews that identify training requirements Induction programme.</p> <p>IIP accreditation – going for gold delayed by COVID-19 but due to take place during 2021/22.</p> <p>.</p> <p>Specific series of training provided for remote leadership and management during</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>and environmental changes and risks by:</p> <ul style="list-style-type: none"> -ensuring members and staff have access to appropriate induction tailored to their role and that on-going training and development matching individual and organisational requirements is available and encouraged ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ensuring personal, organisational and system-wide development through shared learning, including 	<p>Covid-19.</p> <p>Cabinet members and senior management hold regular away days to foster a collaborative working relationship.</p> <p>All members undergo induction training, and this is supplemented by specific training on e.g. planning, licensing, standards. Officers undergo relevant CPD to ensure their professional skills and knowledge maintained and updated. Specific training given for virtual meetings during Covid-19.</p> <p>People Plan 2019 – 23</p> <p>Officers encouraged to undertake continuous professional development</p> <p>Aspire Learning – additional COVID 19 modules</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
lessons learnt from governance weaknesses both internal and external	
Ensuring that there are structures in place to encourage public participation	<p>Communications and Engagement Strategy.</p> <p>Annual Community Engagement Programme.</p> <p>Stakeholder mapping.</p> <p>Bespoke communication consultation and research plans.</p>
<p>Peer Review</p> <p>Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p>	<p>Member development group includes learning and development programme.</p> <p>Investors in people.</p> <p>Employee survey.</p> <p>Peer review planned (cancelled due to COVID-19, re-arranged for June 2021 but could be changed due to further restrictions).</p>
Holding staff to account through regular performance reviews which	Annual PDRs and regular 1:1's. The PDR contains Objectives and a Learning Plan is completed.

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
take account of training or development needs	Learning and Development undertaken in the previous year is also reviewed. There are appropriate human resources policies in place.
Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<p>Managing workplace Stress policy Capability Policy Managing attendance Policy Employee support programme – counselling and advice line Mental Health awareness training day for managers. Webinars for managers and staff to help mental health Training on various topics available on Aspire Learning. Referral to Occupational Health. Corporate Health & Safety Committee Additional risk assessments during COVID 19 Equipment e.g. chairs, desks, monitors supplied to Officers homes whilst working from home due to COVID 19.</p>
Principle F	<p>Managing risks and performance through robust internal control and strong public financial management</p> <p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.</p> <p>A strong system of financial management is essential for the implementation of</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	<p>policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.</p> <p>It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>
<p>Managing risk Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making</p>	<p>There is a risk management strategy in place that is reviewed every year. All committee reports include a risk section. All services have an operational risk register that is reviewed by the risk management group. There is a corporate risk register.</p>
<p>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</p>	<p>There is a risk management strategy in place that is reviewed every year. There is a Corporate risk register and service risk registers. There is a risk management Group that meets on a quarterly basis. Internal audit review risk management arrangements on a regular basis.</p>
<p>Ensuring that responsibilities for managing individual risks are clearly allocated</p>	<p>The risk management strategy outlines everybody's responsibilities. Individual risk owners are identified on operational risk registers.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>Managing performance Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</p>	<p>All areas have a service plan and performance measures form part of that.</p> <p>Finance and Performance Board receives regular reports from each service to track delivery against financial targets.</p> <p>Performance Management Framework with quarterly reporting schedule.</p>
<p>Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</p>	<p>All committee reports have a section for risk that officers must complete for Members information.</p> <p>All agendas and minutes are published.</p> <p>Agreed between Members and Officers.</p>
<p>Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is</p>	<p>Scrutiny Roles and Responsibilities are defined in the Constitution. There are 3 scrutiny committees: -</p> <ul style="list-style-type: none"> • Enterprise and Wellbeing, • Community, Customer and Organisational • Overview and Performance <p>Their role is to produce reports and recommendations which advise Cabinet, the</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>responsible</p> <p>(OR, for a committee system) Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making</p>	<p>Council or relevant Committees on Policies, budget and service delivery.</p>
<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>A full Committee calendar is published at the start of each financial year.</p> <p>Progress against the objectives in the Council Plan are monitored regularly.</p>
<p>Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg. financial statements)</p>	<p>Financial Standards and guidance are adhered to. The accounts are audited by Mazars.</p> <p>Financial Regulations and Standing orders are within the Constitution.</p> <p>Variances between budget and outturn are reported to Cabinet on a quarterly basis.</p>
<p>Robust internal control Aligning the risk management strategy</p>	<p>The audit plan takes in to account high risk areas and areas that are included in the corporate and service risk registers.</p>

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Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
and policies on internal control with achieving the objectives	
Evaluating and monitoring the authority's risk management and internal control on a regular basis	The risk management Strategy is formally reviewed and approved every year by Standards and Audit Committee and Cabinet Internal Audit review the Council's risk management arrangements.
Ensuring effective counter fraud and anti-corruption arrangements are in place	There is an anti-fraud Bribery and Corruption policy in place (revised September 2018). This policy is in the process of being reviewed. All managers received fraud awareness training in September 2016.
Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	The Internal Audit Consortium Manager oversees the production of the AGS. The IAC is resourced and maintained at a satisfactory level. An external review of internal audit took place in October 2016 and concluded that the IA Consortium was compliant with the PSIAS. A further review will be undertaken in 2021. The IAC Manager provides an annual audit opinion on the council's governance, risk and control processes.
Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:	The Standards and Audit committee terms of reference are defined in the constitution. The Committee consists of 7 members – 5 Councillors other than the Executive leader. No more than one of those 5 councillors may be a member of the Cabinet.

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
<p>provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon</p>	<p>Two parish reps one from Staveley Town Council and one member of Brimington PC.</p> <p>Standards and Audit Committee members received relevant training after appointment in May 19 and new appointees receive relevant training. The Standards and Audit Committee undertake self -assessments against the CIPFA audit committees Practical Guidance for Local Authorities and Police 2018 edition on a regular basis and in the main the Committee complies with best practice.</p>
<p>Managing data Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p>	<p>There is a data disposal and retention schedule covering all areas of the Council.</p> <p>There is a data asset register</p> <p>There is a designated Data Protection Officer.</p> <p>There are IT and Data Protection Policies in place.</p> <p>The Council has an information assurance risk register in place which details the mitigating actions and steps we are taking to address issues identified.</p>
<p>Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies</p>	<p>Data sharing agreements have been reviewed and updated where appropriate for GDPR. Processes are in place preventing new contracts being taken out without the appropriate data sharing agreement in place or approval to progress has been</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	provided by the Council's SIRO.
Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	Methodology checks for data e.g. consultation activity, State of the Borough report. Performance Management Framework Service plans are in place.
Strong public financial management Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	Medium term financial plan in place. Finance and Performance Board. Quarterly monitoring reports to Cabinet / Council.
Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Managers receive monthly budget monitoring reports. Regular reporting to Members. Finance and Performance Board. Progress in achieving savings action plan reported to SLT monthly and members as part of the quarterly budget monitoring reports to Cabinet.
Principle G	Implementing good practices in transparency, reporting, and audit to deliver

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	<p>effective accountability Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p>
<p>Implementing good practice in transparency Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and</p> <p>Interrogate Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>	<p>There is an approved Communications and Engagement strategy. The website has been developed. The council newspaper “Your Chesterfield” which incorporates Our Homes for council tenants is sent out 4 times a year.</p> <p>There is no specific annual report but achievements against priorities are communicated to the public through the media, council website, Statement of Accounts and various social media channels.</p> <p>Social media is used to report on council meetings in live time.</p> <p>The style of committee reports is specified to ensure ease of reading and consistency.</p>
<p>Implementing good practices in reporting Reporting at least annually on performance, value for money and the</p>	<p>The annual update on the council plan includes a section on performance in the previous year.</p> <p>The annual financial statements for 2019/20 were signed off by the required date.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
stewardship of its resources	
Ensuring members and senior management own the results	The Corporate Leadership Team are all involved in monitoring progress against the council plan which is reported to members.
Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	The annual governance statement is produced via a robust process that involves all of the Corporate Leadership Team. Attainment against the framework is assessed. Each year an action plan is produced and monitored to address identified weaknesses.
Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	The framework applies to jointly managed and shared service organisations.
Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements	The financial statements are reviewed and signed off by external audit (Mazars) which confirms that they comply with best practice.

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
allow for comparison with other similar organisations	
<p>Assurance and effective accountability Ensuring that recommendations for corrective action made by external audit are acted upon Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon</p>	<p>The implementation of internal audit recommendations is monitored by CLT and the Standards and Audit Committee.</p> <p>The Internal Audit Consortium Manager is CIPFA qualified and complies with the statement on the role of the Head of Internal Audit.</p> <p>An external review in October 2016 confirmed that internal audit is compliant with PSIAS. An annual internal self-assessment of internal audit also confirms compliance.</p>
Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<p>Achieved Investors in people silver status in 2018 – going for gold in 2021.</p> <p>External review of Internal audit undertaken October 2016 and a further review scheduled for May 2021.</p> <p>Effective risk management procedures in place.</p>

Sub-principles and behaviours and actions that demonstrate good governance in practice	In place at CBC
	<p>Safeguarding – CBC is fully engaged with the Derbyshire Safeguarding boards including the district subgroup which challenge and share best practice amongst district authorities. There is mandatory safeguarding training for all officers.</p> <p>A peer challenge review was to take place in March 20 (cancelled due to COVID-19, to be re arranged).</p>
<p>Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p>	<p>Internal audit review the areas that are delivered through third parties.</p>
<p>Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p>	<p>Communications and Engagement Strategy.</p> <p>Decision making arrangements – committee management and Modgov.</p>

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CHESTERFIELD BOROUGH COUNCIL

KEY ELEMENTS OF THE SYSTEMS AND PROCESSES THAT COMPRISE THE COUNCIL'S GOVERNANCE ARRANGEMENTS 2020/21

Key Element	CBC Arrangement
<p>Developing codes of conduct which define standards of behaviour for members and staff, and policies dealing with whistleblowing and conflicts of interest and that these codes and policies are communicated effectively</p>	<p>Codes of conduct for members and staff are included within the Constitution which is available to all staff on the intranet. Codes of conduct cover conflicts of interest. The Employee Code of Conduct was revised in March 2018</p> <p>The Council has a Confidential Reporting (Whistle blowing) Policy which is held in the policies section on the intranet</p> <p>Councillors have training on standards generally and also specifically (relating to e.g. planning, licensing). Training is supplemented by updates and refresher sessions as well as advice as necessary.</p> <p>All staff and elected members receive a comprehensive induction which covers behaviour and ethical values.</p>
<p>Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful</p>	<p>The Council has a properly resourced internal audit function and have an appointed monitoring officer and Section 151 officer.</p>
<p>Documenting a commitment to openness and acting in the public interest</p>	<p>Annual financial statements Council Plan The Council has adopted a current FOI Publication Scheme Compliance with the Transparency Agenda There is an approved Communication and Engagement Strategy which covers internal and external communications, engagement and consultation. All decisions by Committees are minuted There is an HRA Business Plan Steering Group to lead on the development of the HRA Business Plan that comprises of tenants, officers and elected members.</p>
<p>Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation</p>	<p>The Council Magazine "Your Chesterfield" which includes a specific section around Council Housing (Our Homes). The Council website Social Media Channels Council Tax information is on the website Current website full of information</p>

	<p>All reports are “open” agenda items unless there is a valid reason.</p> <p>Communications and Engagement Strategy. Feedback given on consultation through the website.</p> <p>An annual report to tenants is prepared and sent to the Housing Regulator (HCA), published on the website and a summary sent to all tenants each year via the Your Chesterfield/Our Homes newsletter.</p> <p>Housing have a Customer Engagement Strategy as required by the HCA and provide a variety of opportunities for tenants to be involved in and shape service delivery e.g. focus groups/formal meetings/informal drop ins/ use of a consultation bus in the community.</p>
Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning	<p>The council has a Council Plan 2019 – 23 which specifies the Council’s vision, priorities and values. This document details the aims of the council and sets the framework for all service plans. The Council Plan is aligned to the medium-term financial plan and refreshed each year on the basis of the affordability of each of the priorities.</p> <p>One Council: One Team is a core CBC value which is considered during all employee Performance Development reviews.</p>
Translating the vision into courses of action for the authority, its partnerships and collaborations	<p>The “vision” / Council Plan is fed in to service plans which include service objectives and performance indicators which all tie back to the Council’s Plan. Service plan objectives then feed into individuals performance development review objectives.</p>
Reviewing the effectiveness of the decision making in partnerships, information provided to decision makers and robustness of data quality	<p>A partnership protocol has been adopted. This includes arrangements for considering partnership arrangements including concerns and resource requests at Finance and Performance Board.</p>
Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money	<p>Annual service plans are produced and link to the council’s objectives. Plans include improvements to performance indicators and projects which has supported increased information and challenge via Finance and Performance Board and Scrutiny. Further improvements planned to coincide with the Council Plan and Performance Management Framework 2019 – 2023.</p>
Defining and documenting the roles and responsibilities of members and management with clear protocols for effective communication in respect of the authority and partnership arrangements	<p>The roles of members and management are documented within the Constitution. All managers have job descriptions.</p>

Ensuring that financial management arrangements conform with the governance requirements of the CIPFA statement on the role of the Chief Financial Officer in Local Government (2015) and where they do not, explain why and how they deliver the same impact	The Council has in place an experienced qualified accountant as Acting Chief Financial Officer and complies with the requirements of the CIPFA statement on the Role of the Chief Financial Officer. A recruitment exercise is underway to recruit a service lead – finance.
Ensuring effective arrangements are in place for the discharge of the monitoring officer function	The Council has an experienced Monitoring Officer and Deputy in place
Ensuring effective arrangements are in place for the discharge of the head of paid service function	The Chief Executive is the Head of Paid service
Providing induction and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training	All Members undergo induction training and this is supplemented by specific training on e.g. planning, licensing, standards. All officers have an induction and undergo relevant CPD to ensure that their professional skills and knowledge are maintained and updated. Training needs are identified at Performance Development Reviews and feed through into a learning and development plan.
Reviewing the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability	There is a risk management Group in place, membership is made up of senior officers from every area of the Council and the Member for Governance. The Group regularly review the strategic and operational Risk registers. Internal audit undertake regular reviews of the risk management process.
Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014)	The Council has an anti-fraud, bribery and corruption policy and a confidential reporting Code. CIPFA's fraud checklist has been completed and the results reported to the Standards and Audit Committee. Aspire Learning has a fraud risk module that can be completed by all staff. The Council has a fraud risk register
Ensuring an effective scrutiny function is in place	There are 3 Scrutiny Committees Overview and Performance Scrutiny Forum Enterprise and Wellbeing Scrutiny Committee Community, Customer and Organisational Scrutiny Committee An annual Scrutiny report goes to Full Council
Ensuring that assurance arrangements conform with the governance	The Council is compliant with the CIPFA statement on the Role of Head of Internal Audit.

<p>requirements of the CIPFA statement on the Role of the Head of Internal Audit (2019) and, where they do not, explain why and how they deliver the same impact</p>	<p>The Internal Audit Consortium Manager is CIPFA qualified and there are sufficient resources to deliver the risk based audit plan. Due to COVID-19 the whole of the 2020/21 internal audit plan will not be delivered however sufficient work has been completed to provide an annual audit opinion.</p>
<p>Undertaking the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA 2018)</p>	<p>The Standards and Audit Committee's terms of reference are included within the Constitution. The Standards and Audit Committee undertook a self- assessment of their role against CIPFA's Practical Guidance for Local Authorities and Police 2018 Edition in January 2020. The Committee were found to be compliant but identified a few improvement areas.</p>
<p>Ensuring that the authority provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.</p>	<p>The 2019/20 final accounts were signed off in a timely manner. External audit recommendations are properly considered and acted upon.</p>
<p>Incorporating good governance arrangements in respect of partnerships and other joint working and ensuring that they are reflected across the authority's overall governance structures.</p>	<p>Core partnerships are supported by Service Level Agreements and are monitored accordingly by the Council's Client Officer, Joint Board etc. Housing's Tenant Challenge panel has a clear set of Terms of Reference and Code of Conduct for Members.</p>

CHESTERFIELD BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2020/21

Scope of Responsibility

Chesterfield Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Chesterfield Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government Framework 2016 edition*. This Statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31st March 2021 and up to the date of approval of the Statement of Accounts.

The governance framework

The key elements of the systems and processes that comprise the Council's governance framework are as follows: -

The Council's vision is "Putting our communities first". Chesterfield Borough Council identifies and communicates the authority's vision of its purpose and intended outcomes for citizens and service users via its Council Plan and Vision statement. The Council Plan consists of 3 priorities: -

To make Chesterfield a thriving borough
To improve the quality of life for local people
To provide value for money services

The Council's values reflect the way the council wants to achieve its vision, these are: -

Customer focused: delivering great customer service, meeting customer needs

Can do: striving to make a difference by adopting a positive attitude

One council, one team: proud of what we do, working together for the greater good

Honesty and respect: embracing diversity and treating everyone fairly

COVID-19

Coronavirus was categorised as a pandemic by the World Health Organisation on 11 March 2020 and this has impacted on the council for the whole of 2020/21. The Council's Business Continuity Plan was brought in to play and systems and processes were revised and introduced to focus efforts on the highest prioritised areas. These included: -

- Payments of benefits
- Emergency housing repairs
- Waste collection
- Payment of salaries
- Payment of invoices to suppliers
- Homelessness / rough sleeping
- Death management
- Access to parks and open spaces
- Careline Services

The following new activities were required during the response and recovery phases and have been coordinated through the council's tactical task and finish teams: -

- Provision of support to local pharmacies to deliver medicines and food parcels. Over 10,000 prescriptions were delivered by our staff.
- Provision of marshalling at Covid-19 testing stations.
- Delivery of the 'keeping people in' initiative.
- Delivery of business grants to Chesterfield businesses.
- Delivery of further Test and Trace grants within the community to those who are on low income and need to self-isolate.
- Delivery of the further phases of business grants generated by the need for a 2nd and third national lockdown and movement to local tiered restrictions.
- Co-ordination and live streaming of virtual meetings.
- Development of new policies to support redeployment, furlough, flexible furlough and agile working.

In support of these activities, the Council has developed a central list of available resources, co-ordinated by the HR business partners and have redirected those staff from 'closed' or low priority services to support the new activities. Those staff who were unable to work from home or be redeployed have been furloughed where they meet the criteria of the scheme.

Urgent changes were made to the delegation scheme within the Constitution to enable the Council to continue to make decisions in the exercise of its functions during the pandemic, including facilitating decisions by virtual meetings. These changes were approved by the Standards and Audit Committee. These arrangements have operated well and are deemed fit for purpose.

In September 2020 following the adoption of an economic recovery plan, Cabinet approved a strategic and community recovery approach aimed at supporting the borough in recovery from the impacts of COVID-19. This included 4 targeted recovery priorities: -

Partnership and collaboration
Social connectedness
Young people
Carbon reduction

Three task and finish groups have been implemented to deliver recovery activities. These groups are focusing on the economy, community wellbeing and the safety of our workforce.

Governance Arrangements

The Council Plan is cascaded down through, managers, meetings, service plans, team plans, budgets, the medium- term financial plan and employee performance development reviews. This flow ensures that resources are utilised for the achievement of the Council Plan and vision.

The Council works with a number of partnerships to deliver its aims. Where the Council has entered into partnership arrangements it seeks to ensure that these promote the Council's vision of its purpose and intended outcomes for citizens and service users and that they are subject to appropriate governance and performance management arrangements. A significant amount of work is progressing across the partnerships in Chesterfield and Derbyshire to understand the impacts of COVID-19 in more detail and to develop targeted activities to tackle these impacts.

The Council is a member of D2N2 Local Enterprise Partnership (LEP) and a non constituent member of the Sheffield City Region mayoral combined authority. We are a key partner in the East Midlands HS2 partnership which comprises of a cross party group of County Borough, District and City Council leaders, two local enterprise partnerships and the East Midlands Chamber of Commerce, Midlands Connect and a range of other stakeholders. The prospect of an HS2 connection at Chesterfield station is already driving major regeneration of the town centre and adjacent commercial areas.

The Council has a number of growth and regeneration projects underway e.g. Chesterfield Waterside, Peak Resort, Northern Gateway, Staveley Corridor. A partnership arrangement has been established with DCC, to be led through a Joint Growth Board in order to provide improved focus on the delivery of key projects within the Borough.

Chesterfield Borough Council has secured a forward funding agreement with the developer, Chesterfield Waterside Ltd, as a key strategic investment opportunity for the town. Funding for the delivery of the high-quality office building was approved as part of Chesterfield Borough Council's ambitious growth strategy. The investment is designed to kick-start the town's economic recovery from Covid-19 and will spearhead major developments around the train station as part of the council's HS2 Station Masterplan.

The new office building, known as No.1 Waterside Place, will provide office accommodation of the highest specification. It represents the first step in delivering the commercial element of Chesterfield Waterside's Basin Square neighbourhood.

Also, in terms of partnerships, the council have successfully managed the end of the Kier and Arvato public private partnerships with services and staff returning to CBC.

The best use of resources and value for money challenge and assurance are obtained by scrutiny reports and reviews, reviewing service performance, benchmarking and monitoring budgets.

Chesterfield Borough Council has a formal Constitution in place that sets out how it operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. In addition, the Constitution sets out the roles and responsibilities of Members and Senior Managers.

The Cabinet is the part of the authority which is responsible for most day to day decisions. The overview and scrutiny committees support the work of the Council by scrutinising the decisions made. The Standards and Audit Committee are responsible for maintaining and promoting high standards of conduct and for considering the effectiveness of the Council's risk management arrangements and the control environment. The Committee also reviews reports from internal and external audit and other inspection agencies and seeks assurance that action has been taken where necessary.

Formal Codes of Conduct are in place for Members and Officers and are available on the intranet and form part of induction procedures. To further enhance these high standards the Council has in place a comments, complaints and compliments procedure, a Customer Services Charter, an Anti- Fraud, Bribery and Corruption policy and a Confidential Reporting (whistle blowing) Code.

In order to ensure compliance with relevant laws and regulations, internal policies and procedures Chesterfield Borough Council has a comprehensive induction package and provides training for staff and Members on a regular basis. The Constitution is underpinned by legal references. Training needs are identified through Member and employee performance and development reviews and continuous professional development is encouraged. There is an online learning tool that records all training and includes a comprehensive bank of training modules. Policies are readily available on the intranet to view.

The Council has adopted a 'People Plan 2019 – 2023' which aims at developing great leaders, managing change well, developing capacity and skills, supporting employee wellbeing and providing recognition and reward.

Chesterfield Borough Council has a risk management strategy, a risk management group and risk is considered as part of all Cabinet reports. The Corporate risk register and service risk registers are regularly reviewed and appropriate training is provided. The corporate risk register has been updated during the year to reflect the risks created by the COVID-19 pandemic.

The ICT and digital improvement programme have continued to move at pace during the year. More end to end digital services are available, increased access channels are available for our residents and we have a stable and resilient ICT infrastructure. The ICT improvement programme has been fundamental to enabling services to continue during the COVID-19 pandemic.

In June 2017 Building Control left the Council to become part of a limited company (The Derbyshire Building Control Partnership). There are a series of legal agreements that support the new company including a shareholder agreement and a service level agreement. A separate Board has been set up to govern the new company. The company is consolidating its position in the market and has significantly outperformed the budget forecast as set out in the original business case.

The Chief Executive is the designated Head of Paid Service, with the statutory responsibility for the overall review of the Council's staffing and operation. The Chief Executive is monitored for performance in the delivery of political priorities which are in turn monitored and measured across all staff. The Council's Monitoring Officer attends Corporate Leadership team meetings and is suitably qualified.

This year the Corporate Management Team has been restructured and rebranded the Corporate Leadership Team. Roles and responsibilities have been reviewed in order to ensure that there is the right capacity and skills at the top level to take the council forward. This review will be extended to the tiers below in the coming year.

The Chief Financial Officer is professionally qualified and experienced to undertake their roles and responsibilities and is supported by an experienced and appropriately qualified finance team (interim arrangements currently in place). The Chief Financial Officer is a key member of the Corporate Leadership team and leads and directs a finance function that is fit for purpose. The Chief Financial Officer ensures compliance with S151 requirements. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

The Council has assessed its arrangements against the CIPFA Financial Management Code and is compliant with these. CIPFA's Financial Management Code (FM Code) was published in October 2019 and provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that authorities are managing resources effectively, regardless of their current level of financial risk. The Code provides 6 principles against which to judge financial management (leadership, accountability, transparency, standards, assurance and sustainability). The principle of proportionality is embedded within the code and reflects a non-prescriptive approach. Full compliance with the Code is a requirement from 2021/22.

Internal Audit is provided on a Consortium basis for Bolsover District Council, North East Derbyshire District Council and Chesterfield Borough Council. The Internal Audit function operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and conforms to the requirements of the CIPFA statement on the Role of the Head of Internal Audit 2019. The Internal Audit Consortium Manager is a senior manager, professionally qualified and leads an appropriately resourced and experienced audit team. The external review of internal audit confirmed that the team is compliant with the PSIAS.

Chesterfield Borough Council has a variety of means of communicating with all sections of the community and stakeholders including an internal and external Communication and Engagement Strategy, the Council's website, the publication of "Your Chesterfield" four times a year which includes "Our Homes" for tenants and leaseholders and an annual Community Engagement Programme.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Corporate Leadership Team within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Consortium Manager's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The processes that have been applied in maintaining and reviewing the effectiveness of the governance framework include:

- Internal audit reviews of systems and procedures in accordance with the agreed internal audit plan
- Annual review of the Council's Code of Corporate Governance
- Assessment against the key elements (as specified by CIPFA) of the governance framework
- Monitoring Officer reviews and monitors the operation of the Council's Constitution
- The Chief Executive, Executive Directors and Corporate Leadership Team monitoring the risks and the associated controls assigned to them
- The Chief Financial Officer providing the Council and the leadership team, with financial reports and financial advice covering the whole range of Council activities
- Reviews by external agencies such as the Council's external auditor
- A review of the system of assurances/internal controls
- The Council's Standards and Audit Committee receives reports on the work of internal audit, including the annual report by the Internal Audit Consortium manager.
- The annual review of the Local Code of Corporate Governance is reported to both the Standards and Audit Committee and the Council's Cabinet.
- The Cabinet receives and considers reports on the outcome of reviews by the external auditor and other review agencies.

It can be demonstrated that the Council's governance arrangements support the council's plan by the sheer volume of achievements. Although many targets have undoubtedly been affected by COVID-19, many continue to progress at pace. A few of the Council's achievements during the year are: -

- Staff across the Council were re-deployed to support key Covid-19 response activities including ensuring key services such as the crematorium could be maintained but also to support new areas of work including business grant allocations, food and medicine deliveries, supporting testing facilities, town centre ambassadors and supporting the community and voluntary sector volunteering programmes.
- Construction has started on the Northern Gateway enterprise centre.
- First phase of commercial development at Waterside.
- Successfully bidding for £2.4 million in external funding to help secure maximum benefits from HS2 for Chesterfield communities and businesses.
- Progressing ambitious plans for the Heart of Chesterfield project including securing a further £650k in external funding to support market improvements.
- Refreshing the skills action plan and activities to ensure it responds to the significant employment and skills challenges emerging from the pandemic, in particular for young people.
- Rough sleepers strategy - the Covid-19 pandemic has placed an absolute focus on rough sleeping.
- The Getting everyone in and Keeping Everyone In requirements have improved access to support and accommodation.
- Year 2 of the five-year housing environmental schemes programme – improvement works at Grangewood are now complete. Phase 1 at Barrow Hill is complete with phase 2 progressing on time and within budget.
- Significant progress has been made on the climate change action plan against key areas including housing capital programme priorities, energy efficiency, tree planting etc.
- Core elements of the Derbyshire Care Leaver Offer are now in place including council tax support, housing policy changes and key worker activity plus enhanced leisure provision.
- Core elements of the Armed Forces Covenant action plan are now in place including revised leave policy for reservists, attained the Bronze Award in the Ministry of Defence's Employer Recognition Scheme, service concessions etc.

Internal Audit Opinion 2020/21

The Internal Audit Consortium Manager is responsible for the delivery of an annual audit opinion that can be used by the council to inform its governance system. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework for governance, risk management and control for the year ended 2020/21.

Although COVID-19 has meant that less internal audit work has been undertaken than usual during the year, in my opinion, sufficient work has been completed and assurances ascertained to be able to provide an unlimited opinion on the systems of governance, risk management and control in place.

Assurance can never be absolute. In this context "reasonable assurance" means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas where improvements are required.

A Review of 2019/20 Governance Issues

As part of formulating the 2020/21 Annual Governance Statement a review of progress against the issues raised in 2019/20 has taken place. Whilst positive progress has been made, the impact of COVID-19 has delayed some actions. Where further action / monitoring is required these areas have been carried forward to the 2020/21 Annual Governance Statement action plan which will be delivered through the 2021/22 municipal year.

Significant governance issues

Whilst there are many areas of the Governance Framework that are operating satisfactorily, the work of internal audit and discussions with the Corporate Leadership Team have identified that there are some areas where action can be taken to improve the governance arrangements in place. The areas identified below either present significant future challenges and/or require further targeted improvements.

No.	Issue Identified	Action to address
1.	<p>Budget Many budget risks continue from previous years: -</p> <ul style="list-style-type: none"> • Business rate appeals • ICT savings not being delivered • The outcome of the Governments Fair Funding and changes to business rate funding is still not clear • Staffing cost pressures • Achieving income targets for rents, fees, charges and 	<p>Need to continue to closely manage the Medium- Term Financial Plan to ensure that the Council remains of sound financial standing, and to support decisions on the alignment of budgets to enable delivery of the Council's corporate plan.</p> <p>This will be achieved through the established mechanisms for financial planning and reporting:</p> <ul style="list-style-type: none"> • Finance and Performance Board • Corporate Cabinet and CMT workshops

	<p>interest</p> <ul style="list-style-type: none"> • Delivering required budget savings • Additional costs, unachieved savings targets and income reduction in terms of COVID-19 that may not be fully reimbursed by central government 	<ul style="list-style-type: none"> • Monthly budget monitoring reports to service managers • Quarterly budget monitoring reports to the Council, Cabinet and Scrutiny Forum • Regular dialogue with the trade unions • Looking at how to increase the income levels of services such as venues and leisure centres <p>There will also be a range of activities to inform and shape the quarterly review of the MTFP:</p> <ul style="list-style-type: none"> • Horizon scanning to identify future pressures and opportunities (ongoing) • Assessing implications of external pressures e.g. local government finance review/fair funding, new homes bonus and business rate changes (ongoing) • Delivery of savings identified in Action Plan during 2021/22 (ongoing) • Delivery of the savings targets included in the budget and meeting income targets (ongoing) • Ensuring all opportunities for external funding to mitigate impact of pandemic on organisation are identified
2	<p>Asset Management</p> <p>The Council needs to improve the way in which it manages its assets: -</p> <ul style="list-style-type: none"> • Introduction of a new IT system • Development of a 10-year maintenance plan based on condition surveys and supported by the budget. • Disposal of assets that are no longer required 	<p>The Council's Asset Management Group are in the process of ascertaining the complete picture for future maintenance plans and repairs budget requirements.</p> <p>As the costs become clearer decisions will be required to rationalise poor quality assets, increase contribution to the property repairs fund or to borrow for major capital repairs. Options for funding of the works will be required and</p>

		<p>progressed through the appropriate governance structure.</p> <p>This work is being taken forward as a priority and the target for a report being prepared is by September 2021 which will contain recommendations for consideration by stakeholders.</p> <p>The asset management system will be replaced as part of the ICT improvement programme.</p>
3	<p>Workforce Capacity and capability Ongoing budget challenges and service demands mean that the Council will need to continue to manage workforce capacity and capability.</p> <p>This year the top 3 tiers of the staffing structure have been reviewed and there is now a new Corporate Leadership team in place.</p> <p>Capacity issues remain at lower tiers and these are in the process of being addressed.</p>	<p>The people plan 2019 – 23 is in the process of being implemented and aims to develop great leaders, manage change well, develop capacity and skills, support employee wellbeing and promote recognition and reward.</p> <p>The Corporate Leadership Team will review staffing structures beneath them particularly tiers 4 and 5.</p> <p>There will be a review of staff subject to red book terms and conditions.</p> <p>Vacancy control processes will continue to be followed ensuring that service demands can be met whilst managing budget. This will be managed together with a renewed Voluntary Redundancy Programme, as set out in the savings action plan.</p>
4	<p>Project and programme management / decision making / governance processes.</p> <p>As the Council's ambitions have developed and increasing numbers of projects have been started, governance arrangements to ensure effective project management have not been implemented consistently across the Council.</p>	<p>A paper on the organisational development strategy is going to Cabinet in April 2021. This paper will include a Corporate Project Management Framework for approval.</p> <p>The Framework provides strategic direction, processes, governance and tools to support the corporate development and management of projects across the Council.</p>

	Work in this area has been delayed due to COVID-19	The Corporate Project Management Framework will be implemented and go live from August 2021
5	<p>Procurement</p> <p>A lot of work has been undertaken in this area:-</p> <ul style="list-style-type: none"> • Adoption of a procurement strategy • Agreement to bring the procurement service back in house by Cabinet January 2021 • New E Procurement system purchased and live from the 1st January 2021 • Training is being rolled out to all relevant officers <p>The new systems and processes will take time to embed</p>	<p>A new in-house procurement team will be appointed.</p> <p>All relevant officers will have completed training on the new procurement system and processes by November 2021.</p> <p>A Procurement plan is being developed in accordance with new strategic approach. Internal performance management to be developed within new CBC Procurement team.</p>
6	<p>Health and Safety</p> <p>Good progress has been made on the recovery plan and with the Health and Safety Committee however capacity issues remain that need addressing to ensure that a comprehensive corporate function is provided.</p>	<p>A review will take place to ensure that there is the right capacity and competencies in place.</p>
7	<p>COVID-19 / Recovery / impact on the community</p> <p>The Council's Business Continuity Plan has been utilised to focus efforts on the highest prioritised areas.</p> <p>The Council has been successful in keeping key services running and looking after the community and its own staff.</p> <p>The challenge ahead is to aid economic recovery and to support the community in its recovery.</p> <p>In September 2020 Cabinet approved a strategic and community</p>	<p>The Council will ensure that it plays a key role in helping the community to recover.</p> <p>The Council will progress its economic development plans and community recovery approach.</p>

	recovery approach aimed at supporting the borough in recovery from the impacts of COVID-19. This included 4 targeted recovery priorities: Partnership and collaboration Social connectedness Young people Carbon reduction	
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We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Cabinet and the Standards and Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas identified for improvement form part of the 2020/21 Annual Governance Statement action plan.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

H Bowen
Chief Executive

Councillor T Gilby
Leader of Chesterfield Borough
Council

Date:

On behalf of Chesterfield Borough

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Draft Audit Strategy Memorandum

Chesterfield Borough Council

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Year ending 31 March 2021



Agenda Item 8

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Appendix – Key communication points

This document is to be regarded as confidential to Chesterfield Borough Council. It has been prepared for the sole use of Standards and Audit Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

12 April 2021

Dear Committee Members

Draft Audit Strategy Memorandum – Year ending 31 March 2021

We are pleased to present our Draft Audit Strategy Memorandum for Chesterfield Borough Council for the year ending 31 March 2021. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 7 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Chesterfield Borough Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit,

It is clear that the accounts preparation and audit will once again be significantly impacted by the COVID-19 working arrangements and it is important that we continue to keep in close contact with the finance team and are able to respond to emerging issues.

We will keep the Standards and Audit Committee informed and updated on the matters identified in this document as the audit progresses but if you have any concerns or comments about this document or our audit approach at this stage then please contact me on 07795 506766.

Yours faithfully

Mark Dalton

Mazars LLP

01

Section 01:

Engagement and responsibilities summary

1. Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of Chesterfield Borough Council (the Council) for the year to 31 March 2021. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.



Audit opinion

We are responsible for forming and expressing an opinion on the financial statements. Our audit does not relieve management or Standards and Audit Committee, as those charged with governance, of their responsibilities.

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Going concern

The Council is required to prepare its financial statements on a going concern basis by the Code of Practice on Local Authority Accounting. The Chief Finance Officer is responsible for the assessment of whether it is appropriate for the Council to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements and the adequacy of disclosures made.



Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, key management and Internal audit as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.



Value for money

We are also responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in section 5 of this report.



Reporting to the NAO

We report to the NAO on the Council's financial statements and the matters arising from our audit which are relevant to the Council's Whole of Government Accounts (WGA) submission.



Electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

Engagement and responsibilities summary

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Section 02:

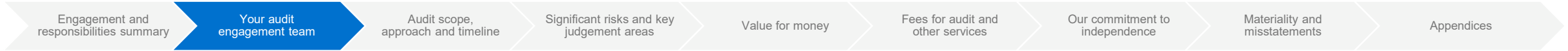
Your audit engagement team

2. Your audit engagement team

Your external audit service continues to be led by Mark Dalton.

Who	Role	E-mail
Mark Dalton Director	Engagement Lead	mark.dalton@mazars.co.uk
Michael Norman Senior Manager	Engagement Manager	michael.norman@mazars.co.uk
David Schofield Assistant Manager	Assistant Manager	David.Schofield@mazars.co.uk

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Section 03:

Audit scope, approach and timeline

3. Audit scope, approach and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements. Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

Audit approach

Our audit approach is a risk based approach primarily driven by the risks we consider to result in a higher risk of material misstatement of the financial statements. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment. At this stage our risk assessment remains in progress and this Audit Strategy Memorandum is draft. Following completion of our planning procedures, we will update the Standards and Audit Committee on any new risks, if necessary.

If we conclude that appropriately designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise: tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

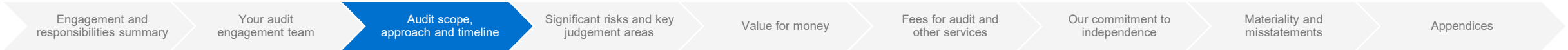
The diagram on the next page outlines the procedures we perform at the different stages of the audit and the indicative timeline at this stage based on the current national timetable. The specific dates are subject though to

- the timely provision of information by third parties; and
- us being able to fully complete the audit procedures to the required quality standards.

We are continuing to discuss the detailed year-end audit arrangements with management, together with the timing of the main audit visit and completion stages. It is clear that the impact of the 2019/20 changes to the year-end timetable and delays nationally in completing audits is taking some time to unwind, with MHCLG confirming in March 2021 their expectation that the 2020/21 and 2021/22 draft and audited accounts publication dates will be 31 July and 30 September respectively. These dates are challenging and we will keep the Committee informed on the audit progress and any early matters arising.

COVID-19 Working Arrangements and impact on our auditor’s report

The accounts preparation and audit will once again be significantly impacted by the COVID-19 remote working arrangements and it is important that we continue to keep in close contact with the finance team and are able to respond to emerging issues. The 2020/21 audit is again expected to be carried out largely remotely.



3. Audit scope, approach and timeline

Planning – February/March

- Planning visit and developing our understanding of the Council
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Preliminary analytical review

Completion – September **

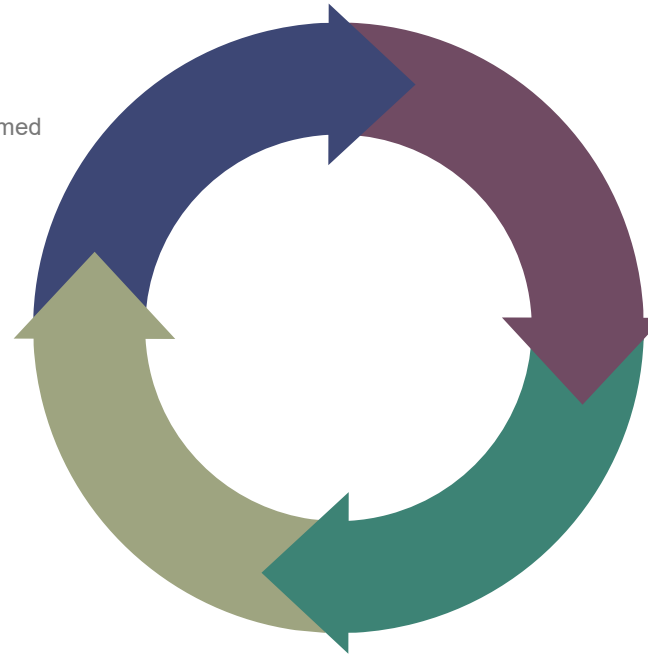
- Final review and disclosure checklist of financial statements
- Final partner review
- Agreeing content of letter of representation
- Reporting to the Standards and Audit Committee
- Reviewing subsequent events
- Signing the auditor’s report

Interim – March/April

- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Fieldwork – July to September *

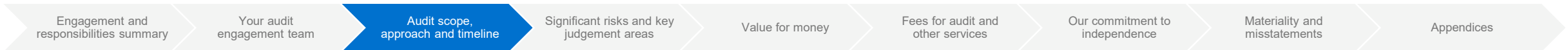
- Receiving and reviewing draft financial statements
- Reassessment of audit plan and revision if necessary
- Executing the strategy starting with significant risks and high risk areas
- Communicating progress and issues
- Clearance meeting



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* Specific dates TBC

** Completion subject to, amongst other things, the timely provision of information by third parties and us being able to fully complete the audit procedures to the required quality standards



3. Audit scope, approach and timeline

Reliance on internal audit

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will meet with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures, and we will take the Head of Internal Audit's Annual Report findings into account in forming our Value for Money Conclusion.

Management's and our experts

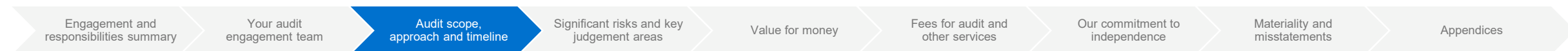
Management makes use of experts in specific areas when preparing the Council's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management's expert	Our expert
Defined benefit liability	Hymans Robertson <i>Actuary for Derbyshire Pension Fund</i>	PWC <i>Consulting actuary appointed by the NAO</i>
Property, plant and equipment valuation	Christopher Oakes <i>Internal valuation specialist</i>	Not applicable
Business Rates Appeals valuation	Inform CPI Ltd <i>Analyse LOCAL Valuation System</i>	Not applicable
Financial instrument disclosures	Arlingclose <i>Treasury management advisors</i>	Not applicable

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Council that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the Council and our planned audit approach.

Items of account	Service organisation	Audit approach
Council Tax (CT) Revenue, debtors and creditors Business Rates (BR) Revenue, debtors and creditors Housing Benefits (HB) Expenditure Payroll Expenditure	Partnership with Avarto (until January 2021, when these services were brought back 'in-house') <i>The Council has a Public Private Partnership (PPP) contract for a range of back office services including revenues and benefits and payroll.</i>	We will review the controls operating at the Council over these transactions and gain an understanding of the services provided by the service organisation. We expect to be able to audit these transactions based on the records at the Council.



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Section 04:

Significant risks and other key judgement areas

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4. Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified relevant risks to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

A significant risk is an identified and assessed risk of material misstatement that, in the auditor’s judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity’s controls, including control activities relevant to that risk.

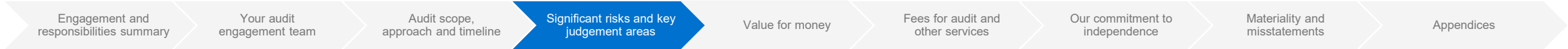
Enhanced risk

An enhanced risk is an area of higher assessed risk of material misstatement (‘RMM’) at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
- other audit assertion risks arising from significant events or transactions that occurred during the period.

Standard risk

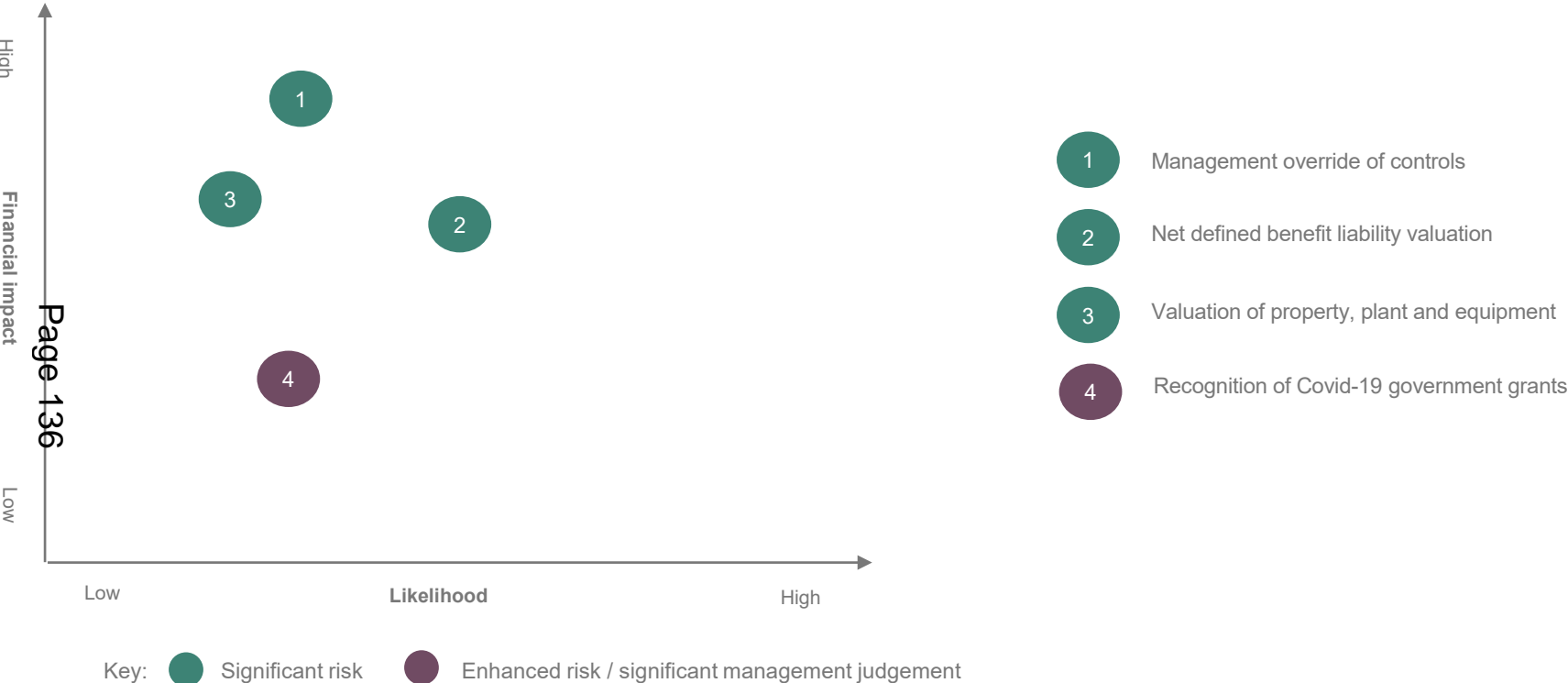
This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.



4. Significant risks and other key judgement areas

Summary risk assessment

The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant and other enhanced risks in respect of the Council. We have summarised our audit response to these risks on the next page.



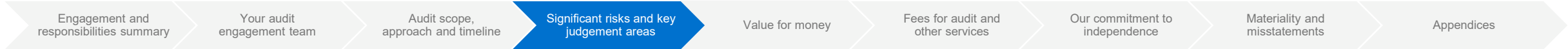
4. Significant risks and other key judgement areas

Specific identified audit risks and planned testing strategy

We have presented below in more detail the reasons for the risk assessment highlighted above, and also our testing approach with respect to significant risks. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to Standards and Audit Committee.

Significant risks

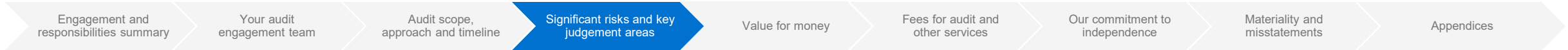
	Description	Fraud	Error	Judgement	Planned response
Page 137	<p>Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	●	○	○	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.



4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
Page 138	<p>2 Net defined benefit liability valuation The Council's accounts contain material liabilities relating to the local government pension scheme. The Council uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.</p>	○	●	●	<p>In relation to the valuation of the Council's defined benefit pension liability we will:</p> <ul style="list-style-type: none"> • Critically assess the competency, objectivity and independence of the Derbyshire Pension Fund's Actuary; • Liaise with the auditors of the Derbyshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This will include the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation is complete and accurate; • Test payroll transactions at the Council to provide assurance over the pension contributions which are deducted and paid to the Pension Fund by the Council; • Review the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information provided by PWC, the consulting actuary engaged by the National Audit Office; and • Agree the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements. <p>In line with 2019/20 and the continuing Covid-19 pandemic, we will monitor the valuation approach for pension fund investment assets and whether a material uncertainty disclosure will again be required for 2020/21.</p>

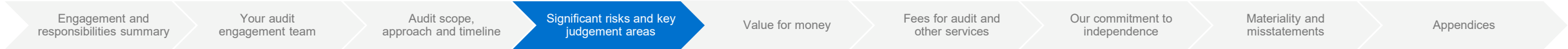


4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
3	<p>Valuation of Land and Buildings and Investment Properties</p> <p>The Council's accounts contain material balances and disclosures relating to its holding of land, buildings and investment properties which are required to be carried at valuation. Due to high degree of estimation uncertainty associated with those held at valuation, we have determined there is a significant risk in this area.</p>	○	●	●	<p>In relation to the valuation of property, plant & equipment, and investment properties we will:</p> <ul style="list-style-type: none"> Critically assess the Council's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; Consider whether the overall revaluation methodologies used by the Council's valuer's are in line with industry practice, the CIPFA Code of Practice and the Council's accounting policies; Critically assess the treatment of the upward and downward revaluations in the Council's financial statements with regards to the requirements of the CIPFA Code of Practice; Critically assess the approach that the Council adopts to ensure that any assets not subject to revaluation in 2020/21 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Council's valuer's. Consider movement in market indices between revaluation dates and the year end in order to determine whether these indicate that fair values have moved materially over that time; and Test a sample of items of capital expenditure in 2020/21 to confirm that the additions are appropriately valued in the financial statements. <p>In line with 2019/20 and the continuing Covid-19 pandemic, we will monitor the valuation approach for property assets and whether a material uncertainty disclosure will be required for 2020/21.</p>

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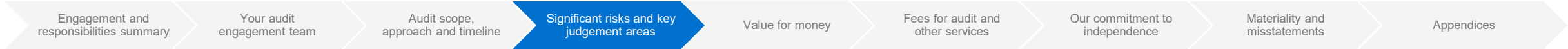


4. Significant risks and other key judgement areas

Other key areas of management judgement and enhanced risks

	Description	Fraud	Error	Judgement	Planned response
4	<p>Recognition of Covid-19 Government grants</p> <p>Throughout 2020/21, the Government has provided substantial sums of grant support to local authorities including general support grant, the Income Compensation and Job Retention schemes and grants that have been passed through to businesses. The Council needs to ensure it applies the correct accounting treatment for these funds.</p> <p>We therefore identified the completeness and accuracy of this income as an enhanced audit risk for 2020/21.</p>	○	●	●	<p>We plan to address this risk by:</p> <ul style="list-style-type: none"> • Reviewing the Council’s approach in determining whether grants are ringfenced for specified areas of expenditure; • Testing grant income recorded in the ledger to grant allocations/ notifications; and • Reviewing a sample of grants to establish whether conditions to recognise the income in 2020/21 have been met.

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Section 05: **Value for Money**

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6. Value for Money

The framework for Value for Money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view, and sets out the overall criterion and sub-criteria that we are required to consider.

The new Code of Audit Practice (the Code) has changed the way in which we report our findings in relation to Value for Money (VFM) arrangements from 2020/21. We are still required to be satisfied that the Council has proper arrangements in place and to report in the auditor's report where we identify significant weaknesses in arrangements. However, the key output of our work on VFM arrangements will now be a commentary on the Council's arrangements which will form part of the Auditor's Annual Report.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

1. **Financial sustainability** – how the Council plans and manages its resources to ensure it can continue to deliver its services
2. **Governance** – how the Council ensures that it makes informed decisions and properly manages its risks
3. **Improving economy, efficiency and effectiveness** – how the Council uses information about its costs and performance to improve the way it manages and delivers its services

Further details of the specified reporting criteria are provided on the following page.

Our approach

Our work falls into three primary phases as outlined opposite. We need to gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.

Identified risks of significant weaknesses in arrangements

Due to the late release of the NAO's Auditor Guidance Note and supporting information to auditors, we have not yet fully completed our planning and risk assessment work. On completion of our risk assessment, we will report any risks of significant weaknesses in arrangements identified to the Standards and Audit Committee.

Planning	<p>Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include:</p> <ul style="list-style-type: none"> • NAO guidance and supporting information • Information from internal and external sources including regulators • Knowledge from previous audits and other audit work undertaken in the year • Interviews and discussions with staff and members
Additional risk based procedures and evaluation	<p>Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.</p>
Reporting	<p>We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements. This will form part of the Auditor's Annual Report.</p> <p>Our commentary will also highlight:</p> <ul style="list-style-type: none"> • Significant weaknesses identified and our recommendations for improvement • Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.



6. Value for Money – specified criteria

Under the 2020 Code, we are required to structure our commentary on the Council’s ‘proper arrangements’ under three specified reporting criteria, which are expanded in the supporting guidance notes produced by the National Audit Office:

Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services

- how the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them
- how the body plans to bridge its funding gaps and identifies achievable savings
- how the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- how the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system
- how the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Governance: how the body ensures that it makes informed decisions and properly manages its risks, including

- how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- how the body approaches and carries out its annual budget setting process
- how the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed
- how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

Improving VFM: how the body uses information about its costs and performance to improve the way it manages and delivers its services

- how financial and performance information has been used to assess performance to identify areas for improvement
- how the body evaluates the services it provides to assess performance and identify areas for improvement
- how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve
- where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.



06

Section 06:

Fees for audit and other services

6. Fees for audit and other services

Fees for work as the Council's appointed auditor

Details of the 2019/20 actual and planned 2020/21 fees are set out below:

Area of work	2020/21 Fees	2019/20 Actual Fee
Scale audit fee	£40,383	£40,383
<i>Fee variations:</i>		
Additional Testing on Property, Plant & Equipment and Defined Benefit Pensions Schemes as a result of changes in regulatory expectations	£7,952 ¹	£7,952
Additional testing as a result of the implementation of new auditing standards: ISA 220 (Revised): Quality control of an audit of financial statements; ISA 540 (Revised): Auditing accounting estimates and related disclosures; and ISA 570 (Revised) Going Concern.	£2,000 ²	-
Other additional costs	TBC	£5,032 ³
Sub-total	£50,335	£53,367
Additional work arising from the change in the Code of Audit Practice	TBC - Expected to be at least £10,000 or 20% of the revised fee ⁴	-
Total	£50,355 ⁵	£53,367

Fee variations are subject to confirmation from PSAA.

PSAA have issued a consultation on the 2021/22 audit fee scale. We will revisit our fee proposal in line with the outcome of this consultation to ensure we are consistent with sector wide changes.

¹ As previously reported to you, the scale fee has been adjusted to take into account the additional work required as a result of increased regulatory expectations in these areas.

² For 2020/21, new auditing standards have been introduced which will lead to additional audit work not reflected in the scale fee. The implementation of IFRS 16 Leases is deferred to the financial year 2021/22.

³ The additional audit cost in 2019/20 has been disclosed within our Annual Audit Letter. This mainly relates to additional testing and reporting of uncertainties in key estimates as a result of Covid-19.

⁴ As explained in section 5, the revised Code of Audit Practice will lead to a substantial amount of additional audit work to support the new value for money commentary and the changes in reporting requirements. Our review of the Code and supporting guidance notes shows that the additional fee impact at all public sector entities is expected to be at least £10,000 or 20% of the post fee variation 2020/21 fee. The final fee will take into account the extent and complexity of any significant weaknesses in arrangements we identify.

⁵ This is a proposed fee for 2020/21 at the point of the issue of our ASM. This figure is subject to change, including the specific fee for the Value for Money Conclusion work required this year. All fee variations will be discussed with management.

Engagement and responsibilities summary

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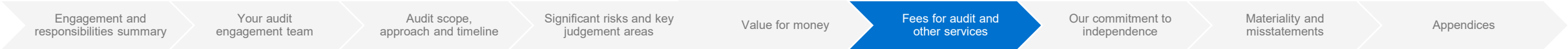
6. Fees for audit and other services

Fees for non-PSAA work

In addition to the fees outlined above in relation to our appointment by PSAA, we have been separately engaged by the Council to carry out additional work as set out in the table below. Before agreeing to undertake any additional work we consider whether there are any actual, potential or perceived threats to our independence. Further information about our responsibilities in relation to independence is provided in section 7.

Area of work	2020/21 Estimated Fee	2019/20 Actual Fee
Other services - Housing Benefits Subsidy Assurance	£8,500 (TBC)	£7,000
Other Services – Pooling of Housing Capital Receipts Assurance	£4,000 (TBC)	£4,000

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07

Section 07:

Our commitment to independence

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7. Our commitment to independence

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the FRC's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

The Ethical Standard 2019 is applicable for any non-audit services commencing on or after 15 March 2020.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

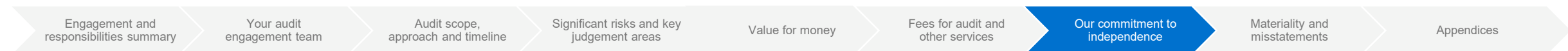
- All partners and staff are required to complete an annual independence declaration;
- All new partners and staff are required to complete an independence confirmation and also complete computer based ethical training;
- Rotation policies covering audit engagement partners and other key members of the audit team; and
- Approval by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Mark Dalton in the first instance.

Prior to the provision of any non-audit services Mark Dalton will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

Principal threats to our independence and identified associated safeguards in relation to the planned non-audit work for 2020/21 are set out below. Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.

Issue	
<p>Housing benefit subsidy certification</p> <p>Pooling of Housing Capital Receipts assurance</p>	<p>We have considered threats and safeguards as follows:</p> <ul style="list-style-type: none"> • Self Review: The work does not involve the preparation of information that has a material impact upon the financial statements subject to audit by Mazars; • Self Interest: The total fee level is not deemed to be material to the Council or Mazars. The work undertaken is not paid on a contingency basis; • Management: The work does not involve Mazars making any decisions on behalf of management; • Advocacy: The work does not involve Mazars advocating the Council to third parties; • Familiarity: Work is not deemed to give rise to a familiarity threat given this piece of assurance work used to fall under the Audit Commission / PSAA certification regimes and was the responsibility of the Council's appointed auditor; and • Intimidation: The nature of the work does not give rise to any intimidation threat from management to Mazars.



08

Section 08:

Materiality and other misstatements

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8. Materiality and misstatements

Summary of initial materiality thresholds

Threshold	Initial threshold £'000s
Overall materiality	2,200
Performance materiality	1,760
Specific materiality: - Officers' remuneration	£5k banding
Trivial threshold for errors to be reported to Standards and Audit Committee	66

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole.

Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- Will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

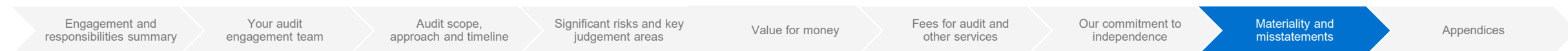
Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Our provisional materiality is set based on a benchmark of total gross expenditure. We will identify a figure for materiality but identify separate levels for procedures design to detect individual errors, and also a level above which all identified errors will be reported to Standards and Audit Committee.

We consider that the total gross expenditure remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.



8. Materiality and misstatements

Materiality (continued)

We expect to set a materiality threshold at 2% of total gross expenditure. Based on the 2019/20 audited financial statements we anticipate the overall materiality for the year ending 31 March 2021 to be £2.2m (£2.0m in 2019/20).

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In setting performance materiality we have taken into account that this is our third year of audit, we have cumulative audit knowledge about the Council's financial statements, and there were no significant matters arising last year. We have therefore set our performance materiality again at 80% of our overall materiality being £1.76m.

Misstatements

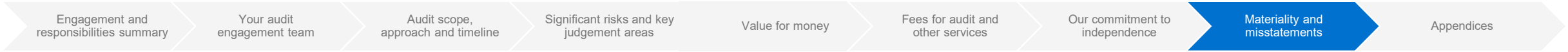
We accumulate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to Standards and Audit Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we

expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £66 based on 3% of overall materiality. If you have any queries about this please do not hesitate to raise these with Mark Dalton.

Reporting to Standards and Audit Committee

The following three types of audit differences will be presented to Standards and Audit Committee:

- summary of adjusted audit differences;
- summary of unadjusted audit differences; and
- summary of disclosure differences (adjusted and unadjusted).





Appendix: Key communication points

Appendix: Key communication points

We value communication with Those Charged With Governance as a two way feedback process at the heart of our client service commitment. ISA 260 (UK) 'Communication with Those Charged with Governance' and ISA 265 (UK) 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Our Audit Strategy Memorandum;
- Our Audit Completion Report; and
- Auditor's Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

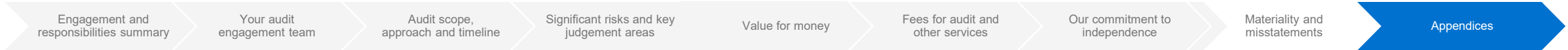
Key communication points at the planning stage as included in this Audit Strategy Memorandum

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;

- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.

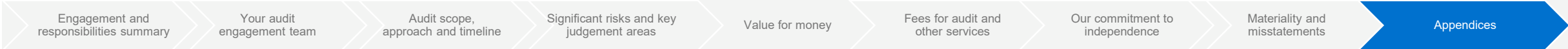


Appendix: Key communication points

ISA (UK) 260 'Communication with Those Charged with Governance', ISA (UK) 265 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' and other ISAs (UK) specifically require us to communicate the following:

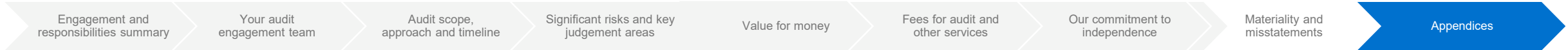
Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion; • The effect of uncorrected misstatements related to prior periods; • A request that any uncorrected misstatement is corrected; and • In writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • Enquiries of Standards and Audit Committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • A discussion of any other matters related to fraud. 	Audit Completion Report and discussion at Standards and Audit Committee, Audit Planning and Clearance meetings

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Appendix: Key communication points

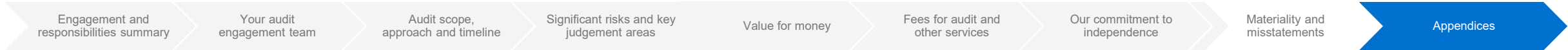
Required communication	Where addressed
<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management; • Inappropriate authorisation and approval of transactions; • Disagreement over disclosures; • Non-compliance with laws and regulations; and • Difficulty in identifying the party that ultimately controls the entity. 	<p>Audit Completion Report</p>
<p>Significant findings from the audit including:</p> <ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • Significant difficulties, if any, encountered during the audit; • Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • Written representations that we are seeking; • Expected modifications to the audit report; and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to Standards and Audit Committee in the context of fulfilling their responsibilities. 	<p>Audit Completion Report</p>
<p>Significant deficiencies in internal controls identified during the audit.</p>	<p>Audit Completion Report</p>
<p>Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.</p>	<p>Audit Completion Report</p>



Appendix: Key communication points

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of Standards and Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that Standards and Audit Committee may be aware of.	Audit Completion Report and Standards and Audit Committee meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty; • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and • The adequacy of related disclosures in the financial statements. 	Audit Completion Report
Reporting on the valuation methods applied to the various items in the annual financial statements including any impact of changes of such methods	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity	Audit Completion Report

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

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Audit progress report

Chesterfield Borough Council

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April 2021



1. Audit progress
2. National publications

01

Section 01:

Audit progress

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Audit progress

Purpose of this report

This report provides the Standards and Audit Committee meeting with an update on progress in delivering our responsibilities as your external auditors and also includes, at Section 2, for your information, a summary of recent reports and publications which are relevant to the Committee's audit role.

Housing benefit subsidy claim 2019/20

We completed our work and issued our report in respect of the 2019/20 housing benefits subsidy claim on 26 January 2021. There were no amendments required to the final claim and there are no matters arising from the work that we need to bring to the Committee's attention.

2020/21 audit

Our Audit Strategy Memorandum for 2020/21 is on the same agenda as this report.

In this period we have also:

- continued to liaise with officers in respect of planning the 2020/21 audit;
- considered the latest agendas and papers;
- started our interim review of the financial systems and processes; and
- carried out some early substantive testing.

The 2020/21 audit is again expected to be carried out largely remotely. We are continuing to discuss the detailed year end audit arrangements with management, together with the timing of the main audit visit and completion. We will keep the Committee informed on the audit progress and any early matters arising.

02

Section 02:

National publications

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National Publications

	Publication/update	Key points
Chartered Institute of Public Finance and Accountability (CIPFA)		
1.	Fraud and Corruption Tracker	CIPFA's latest information has been published.
2.	Consultation on stronger Prudential Code	CIPFA is consulting on the Prudential Code, including proposals to strengthen the requirements for commercial investments.
3.	CIPFA Bulletin 06 – Application of the Good Governance Framework 2020/21	Provides updated guidance and takes into account the introduction of the CIPFA Financial Management Code 2019 during 2020/21.
Ministry of Housing, Communities and Local Government (MHCLG)		
4.	MHCLG's Consultation on amendments to the Accounts and Audit Regulations 2015	Consultation closed on the 1 st March 2021; the Accounts deadline was set as 31 July 2021 and Audit deadline of 30 September 2021.
National Audit Office (NAO)		
5.	Local government finance in the pandemic, March 2021	The report found that the Department's successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government.
6.	Timeliness of local auditor reporting in England, 2020	The report is based on published data, the views of local authority finance directors, key stakeholders in the audit landscape, and audit firms.
7.	The adult social care market in England	COVID-19 has focused attention on social care as never before. It has highlighted existing problems with social care and emphasised significant gaps in the Department's understanding of the market. The renewed focus, impetus and collaborative approach by the Department must be capitalised upon when government finally focuses on the long-awaited social care reforms.
8.	Public service pensions	This report outlines how the public service pensions landscape has changed since the Hutton Review and highlights key challenges for the future.

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NATIONAL PUBLICATIONS

CIPFA

1. Fraud and corruption Tracker, February 2021

The latest CIPFA Fraud and Corruption Tracker (CFaCT), which includes local government data between 1 April 2019 and 31 March 2020, provides a baseline illustration about the prevalence of grant fraud in the public sector, just before unprecedented levels of COVID-19 grant funding for councils were released by the government in March of last year. The report follows previous warnings from the National Crime Agency and other law enforcement bodies of an increase in cases related to suspected COVID-19 grant fraud. Valued at an estimated loss of £36.6m, the report reveals only 161 instances of grant fraud occurred in 2019/20.

The report also shows that council tax continued to be the largest area of identified fraud for councils, with more than 30,600 cases totalling £35.9m in 2019/20. This year, 32% of respondents also stated their organisation had been a victim of a Distributed Denial-of-Service (DDoS)/hacking attack in the last 12 months, a 5% increase from the previous year. Survey respondents also expressed concern about councils' inability to tackle usual areas of fraud due to resource being re-directed into the processing and review of COVID-19 business grants.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/grant-fraud-represented-less-than-of-uk-public-sector-fraud-pre-pandemic>

2. CIPFA consults on a stronger Prudential Code, January 2021

CIPFA has launched a consultation on proposals to strengthen the Prudential Code, following growing concerns over local government commercial property investments. The Prudential Code is a professional code of practice that aims to ensure local authorities' financial plans are affordable, prudent and sustainable. To date, the provisions in the Code have not prevented a minority of councils from taking on disproportionate levels of commercial debt to generate yield. The proposed changes are intended to prevent future misinterpretations of the Code and strengthen the necessary regard to its provisions to protect local decision making and innovation. The consultation will be open for 10 weeks and responses must be submitted by 12 April 2021.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/cipfa-consults-on-stronger-local-government-prudential-code>

3. CIPFA Bulletin 06, Application of the Good Governance Framework 2020/21, February 2021

This bulletin covers the impact of the continuing COVID-19 pandemic on governance in local government bodies and the requirements of the Delivering Good Governance in Local Government Framework 2016 CIPFA and Solace (the Framework). It also takes into account the introduction of the CIPFA Financial Management Code 2019 (FM Code) during 2020/21.

<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-06-application-of-the-good-governance-framework-202021>

NATIONAL PUBLICATIONS

MHCLG

4. MHCLG's Consultation on amendments to the Accounts and Audit Regulations 2015, February 2021

MCHLG has consulted on its proposed changes to the accounts publication deadline for 2020/21 and 2021/22.

The draft regulations includes provisions, at regulation 2 to change the publication deadline for principal authorities from 31 July to 30 September as proposed in recommendation 10 by the Redmond review, but for 2 years - 2020/21 and 2021/22. The intention is for the amended deadline to be reviewed after that period when it will be clearer as to whether the audit completion rate has improved.

The draft regulations also enable principal bodies to publish their draft accounts for inspection, linked to the later publication deadline, by removing the fixed period for public inspection, to say instead that the draft accounts must be published on or before the first working day of August. This will allow authorities and audit firms more flexibility to schedule their audits in line with the later publication deadline but, importantly, will not prevent them from being signed off earlier. This mirrors the approach taken in the Accounts and Audit (Amendment) (Coronavirus) Regulations 2020.

MCHLG's consultation closed on 1 March 2021 and the 31 July and 30 September publication dates have been confirmed.

NATIONAL PUBLICATIONS

National Audit Office

5. Local government finance in the pandemic, March 2021

The NAO published its report *Local government finance in the pandemic* in March 2021. Local authorities in England have made a major contribution to the national response to the pandemic. This has in turn placed significant pressure on finances, which in many cases were already under strain. The report examines if MHCLG's approach to local government finance in the COVID-19 pandemic enabled the Department to assess and fund the costs of the new services which local authorities have been asked to deliver. It also examines whether the Department fulfilled its responsibilities in securing financial sustainability across the sector. The report focuses on:

- the financial health of the sector before the pandemic and the financial impact of the pandemic in 2020/21;
- action taken by the government to support the sector in 2020/21, including its effectiveness; and
- action taken by government to support the sector's financial sustainability in 2021/22.

The report found that the Department's successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government. Action by the Department and wider government to support the sector averted system-wide financial failure at a very challenging time and means that the Department managed the most severe risks to value for money in the short term.

However, the financial position of local government remains a cause for concern. Many authorities will be relying on reserves to balance their 2020/21 year-end budgets. Despite continuing support into 2021/22, the outlook for next year is uncertain. Many authorities are setting budgets for 2021/22 in which they have limited confidence, and which are balanced through cuts to service budgets and the use of reserves.

<https://www.nao.org.uk/report/local-government-finance-in-the-pandemic/>

NATIONAL PUBLICATIONS

National Audit Office

6. NAO Report – Timeliness of local auditor reporting in England, 2020

On 16 March, the NAO published its report Timeliness of local auditor reporting on local government in England, 2020. Since 2015, the Comptroller and Auditor General (C&AG) has been responsible for setting the standards for local public audit in England, through maintaining a Code of Audit Practice and issuing associated guidance to local auditors. This report sets out the:

- roles and responsibilities of local auditors and national bodies to the local audit framework in England; and
- facts relating to the decline in the timeliness of delivering audit opinions on local government in England and the main factors contributing to that decline in timeliness.

The report is based on published data, the views of local authority finance directors, key stakeholders in the audit landscape, and audit firms. The report also considers the impact on central government. Given the increasing financial challenge and service pressures on local authorities since 2010, local councils need strong arrangements to manage finances and secure value for money.

The report concludes that the position for 2019/20, with 55% of local authorities failing to publish audited accounts by 30 November, is concerning, given the important part that external audit plays in assurance over taxpayers' money both centrally and locally.

Since the NAO reported on local authority governance and audit in 2019, and despite efforts by the various organisations involved in the local audit system and by the Ministry of Housing, Communities and Local Government, the report concludes that the situation has worsened. The increase in late audit opinions, concerns about audit quality and doubts over audit firms' willingness to continue to audit local authorities all highlight that the situation needs urgent attention, which will require co-operation and collaboration by all bodies involved in the local audit system, together with clear leadership from government.

<https://www.nao.org.uk/report/timeliness-of-local-auditor-reporting-on-local-government-in-england-2020/?slide=1>

NATIONAL PUBLICATIONS

National Audit Office

7. NAO Report – the adult social care market in England, March 2021

In 2019/20, local authorities spent a net £16.5 billion on care. Current demographic trends suggest a greater demand for care and increasingly complex care needs in the future, resulting in care forming an ever-increasing proportion of public expenditure. Future reforms, promised for several years, will need to tackle these growing challenges. This report examines the current care market and the Department's role in overseeing the market now and in the future, with the aim of offering insights and recommendations ahead of future social care reforms.

High-quality care is critical to the well-being of some of the most vulnerable adults in society. Yet levels of unpaid care remain high, too many adults have unmet needs and forecasts predict growing demand for care. The lack of a long-term vision for care and short-term funding has hampered local authorities' ability to innovate and plan for the long term, and constrained investment in accommodation and much-needed workforce development. In a vast and diverse social care market, the current accountability and oversight arrangements do not work. The Department currently lacks visibility of the effectiveness of care commissioned and significant data gaps remain. As such, it cannot assess the outcomes achieved across the system and whether these are value for money.

COVID-19 has focused attention on social care as never before. It has highlighted existing problems with social care and emphasised significant gaps in the Department's understanding of the market. However, we have also seen substantial efforts from those across the sector to deliver these essential services in such challenging circumstances. The Department has recently taken steps to increase the capacity of its teams; address data gaps, with local government and care providers; and strengthen system accountability and assurance. This renewed focus, impetus and collaborative approach must be capitalised upon when government finally focuses on the long-awaited social care reforms.

<https://www.nao.org.uk/report/adult-social-care-markets/>

NATIONAL PUBLICATIONS

National Audit Office

8. NAO Report – public service pensions, March 2021

As an employer, the government provides public service employees with access to occupational pension schemes. As at 31 March 2020, there were more than 8 million members of four of the largest public service pension schemes (the armed forces, civil service, NHS and teachers' pension schemes), of which 2.8 million were retired and receiving pension benefits and 5.2 million were either current or former employees. Around 25% of pensioners and 16% of the working-age population are members of a public service pension scheme.

In general, public service pensions have become more expensive over time as the number of people receiving them has increased, owing to more members entering retirement and living longer. This trend applies across public and private pensions and is consistent with international experience. In 2010 the government established the Independent Public Service Pensions Commission, chaired by Lord Hutton (the Hutton Review) to undertake a fundamental structural review of public service pensions. Following the Hutton Review final report in March 2011, and a period of negotiations with trade unions representing public service employees, the government introduced reforms intended to manage the future costs of providing pensions.

Public service pensions are a notable benefit to public servants. HM Treasury focuses on the affordability of these pensions and who pays for them. The total costs of providing pensions have been increasing over time, reflecting increasing numbers of pensioners. The government's pension reforms over recent years have contained the rise in future taxpayer costs by making pensions less generous and by increasing contributions from employees. However, taxpayer funding has increased and it will take decades for the full effects of the 2011/2015 reforms to be seen in the government's affordability measure. The balance of taxpayer funding has shifted from central payments by HM Treasury to employer contributions by departments and organisations to ensure that employers bear the consequences of their employment decisions.

However, HM Treasury needs to monitor more than just affordability. Government's approach to protecting those nearest retirement has been ruled unlawful and will cost time and money to resolve. The government's reforms also take no account of pensions as a recruitment and retention tool, with pensions continuing to be relatively inflexible; the only real choice for most employees is to stay in the scheme or opt out altogether.

<https://www.nao.org.uk/report/public-service-pensions/>

Contact

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

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For publication

Delegation Scheme and Constitution

Meeting:	Standards and Audit Committee
Date:	21 ST April 2021
Cabinet portfolio:	Governance
Directorate:	Resources

1.0 Purpose of report

- 1.1 To note and where necessary to seek approval of updates to the Constitution.

2.0 Recommendations

- 2.1 That members confirm the changes to Constitution.

3.0 Reasons for Recommendation

- 3.1 To ensure effective and efficient operation of the Council.

4.0 Report Details

- 4.1 The Constitution is a key document, required by law, which sets out the principal powers, duties and procedures of the Council. It also sets out in Part 3 to whom decision making over the Council's various functions is delegated.
- 4.2 The current form of Constitution has been in place since the early 2000s, using a government model. Most council constitutions follow a similar format, though some are now

moving away from it. The constitution is publicly available on the Council's website at

<https://www.chesterfield.gov.uk/your-council/the-council/the-constitution.aspx>

- 4.3 The Constitution needs to be changed and updated from time to time to ensure it reflects current legislation, practices, functions, structures and efficient working of the authority.
- 4.4 Full Council considers the main changes and other changes are delegated to Standards and Audit Committee. Any consequential amendments and general updates are the responsibility of the Monitoring Officer.
- 4.5 Council approved and confirmed the Constitution at its October 2020 Annual Business Meeting.
- 4.6 Since that time there have been changes reflecting the Corporate Management Team restructure, the Leader's portfolio adjustments, routine updates and corrections. These are referred to in Appendix 1. Changes requiring approval by this Committee are set out in Appendix 2.
- 4.6 Due to Covid-19 there was need to amend the Constitution in various ways, not least to facilitate remote meetings. These were approved by Standards and Audit Committee at various meetings in 2020 and reported to Council in July and October. On 22nd July Standards and Audit Committee reviewed the governance measures which had been put in place in response to the pandemic.
- 4.7 With the government not extending the ability to hold virtual meetings beyond 6th May 2021, a separate report on this agenda (21st April) also considers how physical meetings could be reintroduced safely and effectively once remote meetings ceased.

- 4.8 The Constitution and delegation scheme will next be considered at the Council's Annual Business Meeting on 28th April.

Decision information

Key decision number	<i>All key decisions must be in the Forward Plan at least 28 days in advance. There are constitutional consequences if an item is not in the Forward Plan when it should have been. Contact Democratic Services if in doubt.</i>
Wards affected	All
Links to Council Plan priorities	to provide value for money services

Document information

Report author	Contact number/email
Gerard Rogers Monitoring Officer	01246 936471 gerard.rogers@chesterfield.gov.uk
Background documents	
The Council's Constitution – on Council website https://www.chesterfield.gov.uk/your-council/the-council/the-constitution.aspx	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix 1	Summary of changes - Table showing Constitution updates since October 2020
Appendix 2	Constitution changes requiring approval by Standards and Audit Committee

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Constitution - Document Control

Brief information about updates to each Part of the Constitution October 2020 to April 2021

Key: *Italics: authority for change (since September 2017): C = Council, S&A = Standards and Audit Committee, L = Leader, U = other update, OC = other correction,*
CV-19 Supplement - temporary changes in response to coronavirus pandemic

Part	Date of Change (most recent first)	Version	Change <i>Key to right hand column Italics: authority for change (since September 2017): C = Council, S&A = Standards and Audit Committee, L = Leader, U = other update, OC = other correction</i>	Annual Review/ Update	By
Part 1	December 2020	24	Change of Assistant Directors to Service Directors	Reviewed – updated	<i>U 01/12/20 Gerard Rogers</i>
Part 2	April 2021	29	Inclusion of treasury management in Standards and Audit Committee role and function to reflect established practice	update	<i>U 12/04/21 Gerard Rogers</i>
	December 2020	29	Change of Assistant Directors to Service Directors	Reviewed – updated	<i>U 01/12/20 Gerard Rogers</i>
Part 3	April 2021	42	Amendment to G200D relating to sub-stations		<i>S&A 21/04/21</i>
	April 2021	42	Revised Cabinet portfolios		<i>L 01/04/21 Gerard Rogers</i>
	December 2020	41	Change of Assistant Directors to Service Directors and Format reviewed and tidied	Reviewed – updated	<i>U 01/12/20 Gerard Rogers</i>

Part	Date of Change (most recent first)	Version	Change <i>Key to right hand column Italics: authority for change (since September 2017): C = Council, S&A = Standards and Audit Committee, L = Leader, U = other update, OC = other correction</i>	Annual Review/ Update	By
	November 2020	40	<i>Skills and employability moved to Deputy Leader portfolio and Skills and employment support removed from Cabinet Member Economic Growth)</i>		<i>L 09/11/20 Gerard Rogers</i>
Part 4	April 2021		Amendment to contract signatories		S&A 21/04/21
	December 2020		Change of Assistant Directors to Service Directors	Reviewed – updated	<i>U 01/12/20 Gerard Rogers</i>
Part 5	December 2020		Change to Service Directors		<i>U December 20 Gerard Rogers</i>
Part 6	March 2021	25	Updates to member allowance scheme from IRP review 2019		Gerard Rogers
Part 7	March 2021	n/a	Updates to Senior Leadership Team		<i>U 29/03/21 Gerard Rogers</i>
	December 2020	n/a	Change of Assistant Directors to Service Directors	Reviewed and updated	<i>U 01/12/20 Gerard Rogers</i>
	October 2020	n/a	Updated CMT (added interim/acting posts)		<i>U October 2020 Gerard Rogers</i>
Part 8			[no changes]		

Part	Date of Change (most recent first)	Version	Change <i>Key to right hand column Italics: authority for change (since September 2017):</i> <i>C = Council, S&A = Standards and Audit Committee, L = Leader, U = other update, OC = other correction</i>	Annual Review/ Update	By
All Parts	October 2020		Delegation Scheme approved. Whole Constitution confirmed		C 21/10/20 Gerard Rogers

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Appendix 2

Constitution changes requiring approval by Standards and Audit Committee

Council Constitution:

<https://www.chesterfield.gov.uk/your-council/the-council/the-constitution.aspx>

Changes shown in red below

Part 3 – Responsibilities for Functions

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COUNCIL LAND

Management of Land, VAT and Repairs

...

OFFICER DELEGATIONS: to each Service Director:

...

*G200D To approve the siting of electricity sub-stations, gas kiosks and other installations or equipment of statutory undertakers on Council Land and to **transfer or lease relevant land and** grant easements and rights for that purpose.*

This change is for clarification, so approved development schemes on Council land do not require separate member approval for sub-stations necessary for the development where the interest in the land and sub-station will pass to the utility company.

Part 4 – Rules of Procedure: Contract Procedure Rules

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15.6 Contract formalities

CONTRACT VALUE	SIGNATORY/EXECUTION REQUIREMENTS
...	...
£25,000.00 to £49,999.00	Signed by an officer of the Council who is a Solicitor or Legal Executive of five or more years standing
...	...

There is a hierarchy of execution requirements, so Council contracts are signed/executed at the appropriate level. This change removes an inconsistency as a long qualified Legal Executive is the manager of the Property, Contract and Procurement legal team which includes solicitors qualified for more than five years.