



**CHESTERFIELD**  
BOROUGH COUNCIL

# **STANDARDS AND AUDIT COMMITTEE**

## **ANNUAL**

## **REPORT**

## **2017/18**

# **Standards and Audit Committee**

## **Chesterfield Borough Council**

### **Annual Report 2017/18**

#### **1. Background**

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) in their guidance note "Audit Committees – Practical Guidance for Local Authorities", recommend that an Audit Committee should produce an annual report on their activity.
- 1.2 Historically the Council has not undertaken this task but the Standards and Audit Committee collectively agreed that it would be useful to do as a means of assessing how the Committee is performing and raising the profile of the work of the Committee across the Council.
- 1.3 These Committees are widely recognised as a core component of effective governance, their key role is to independently oversee and assess the internal control environment, comprising governance, risk management and control and advise the Council on the adequacy and effectiveness of these arrangements. At Chesterfield Borough Council the statutory duty to promote and maintain high standards of conduct by members is also overseen by the Committee.
- 1.4 The Committee is responsible for: –
  - Promoting and maintaining high standards of conduct
  - Good governance
  - Internal Audit
  - External Audit
  - Risk Management
  - The control environment

- Anti-fraud and anti- corruption arrangements
- Carrying out hearings into alleged misconduct by councillors

Details of the responsibilities of the Committee are set out in the Council's Constitution (Part 2, Article 9).

- 1.5 The Committee meets on a regular basis. Chaired by Councillor Mark Rayner it is advised by the Director of Finance and Resources, Kevin Hanlon, the Internal Audit Consortium Manager, Jenny Williams, and the Monitoring Officer, Gerard Rogers.

## **2. Membership and Meetings**

- 2.1 The Standards and Audit Committee is composed of seven members, 5 councillors and 2 parish representative members (appointed by Brimington Parish Council and Staveley Town Council respectively) namely:-

Councillor Rayner (Chair)  
Councillor A Diouf (Vice-Chair)  
Councillor Caulfield  
Councillor Hollingworth  
Councillor Derbyshire

Councillor Bean (Brimington)  
Councillor Tidd (Staveley)

- 2.2 The meetings are also attended by the Council's external auditor, Tony Crawley of KPMG.
- 2.3 During the 2017/18 financial year the Standards and Audit Committee met on 5 occasions.

### **3. Standards and Audit Committee Business**

3.1 During the year the Committee conducted the following business:-

- Received the annual internal audit report for 2016/17
- Approved the internal audit plan for 2017/18
- Received internal audit updates of progress against the audit plan for 2016/17
- Monitored the implementation of internal audit recommendations
- Received full copies of Limited and Inadequate internal audit assurance reports and requested managers to attend the Committee to provide an update on progress made against the recommendations
- Considered the external audit plan for 2016/17 and 2017/18
- Considered external audit progress reports
- Reviewed and approved the Code of Corporate Governance and Annual Governance Statement
- Received an update on progress in the delivery of the 2016/17 Annual Governance Statement Action Plan
- Considered the results of CIPFA's Fraud and Corruption Survey 2017
- Received a report summarising the results of the 2016/17 National Fraud Initiative findings for CBC
- Considered a report of activities relating to surveillance by the Council and policies under the Regulation of Investigatory Powers Act (RIPA)
- Approved the 2016/17 statement of accounts
- Considered the treasury management 2016/17 annual report and monitoring report 2017/18
- Approved the 2018/19 Treasury Management Strategy
- Considered the Risk Management Strategy and annual review
- Undertook a self -assessment of their own effectiveness against a best practice CIPFA framework
- Approved Constitution updates
- Received the Monitoring Officer's Standards of Conduct Annual Report 2017

- Considered the response to the Department for Communities and Local Government Consultation on updating Disqualification Criteria for Local Authority Members

#### **4. The Committee's Main Achievements / Outcomes**

The Standards and Audit Committee aims to add value through its activity and, in particular has:-

- 4.1 Invited senior managers and officers to account for services where financial or internal control weaknesses have been identified.
- 4.2 Raised concerns at meetings and with the Chief Executive in respect of the growing number of Limited and Inadequate assurance internal audit reports.
- 4.3 Requested and received an additional report detailing outstanding internal audit recommendations in order for them to be able to monitor this more closely.
- 4.4 Reviewed the strategic risk register to ensure that risks are being appropriately mitigated thus providing additional assurance.
- 4.5 Scrutinised the statement of accounts prior to approval
- 4.6 Reviewed the Code of Corporate Governance and approved the Annual Governance Statement and monitored progress against the Annual Governance Statement action plan.

#### **5 Conclusion**

- 5.1 In conclusion, the Committee has continued to make a positive contribution to the Council's overall governance and control arrangements, including risk management. It is recognised that the Council has continued to face severe financial challenge however it is essential that good governance is maintained.

- 5.2 The Committee will continue to support the Council in the year ahead. In particular, it will continue to support the work of internal and external audit to ensure that recommendations are implemented in a timely fashion.

**Councillor Mark Rayner (Chair)**  
**Chesterfield Borough Council Standards and Audit**  
**Committee**