



CHESTERFIELD
BOROUGH COUNCIL

STANDARDS AND AUDIT COMMITTEE

ANNUAL

REPORT

2018/19

Standards and Audit Committee

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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 Following a self- assessment the Standards and Audit Committee collectively agreed that it would be useful to produce an annual report as a means of assessing how the Committee is performing and raising the profile of the work of the Committee across the Council. This is the Committee's second annual report.
- 1.3 Audit 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). During 2018/19 these members were:-

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 Mazars (previously KPMG).
- 2.3 During the 2018/19 financial year the Standards and Audit Committee met on 9 occasions (6 programmed meetings and 3 extraordinary meetings).

3. Standards and Audit Committee Business

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

- Received the annual internal audit report for 2017/18
- Approved the internal audit plan for 2018/19
- Received internal audit updates of progress against the audit plan for 2018/19
- 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
- Approved the revised Internal Audit Charter
- 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 2017/18 Annual Governance Statement Action Plan
- Considered the results of CIPFA's Fraud and Corruption Survey 2018
- Approved the revised Anti- Fraud Bribery and Corruption Policy including Money Laundering
- Approved the revised Employee Code of Conduct
- Approved the annual report of the Standards and Audit Committee
- Approved the 2017/18 statement of accounts
- Considered the treasury management 2017/18 annual report and monitoring report 2018/19
- Approved the 2019/20 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
- Noted a report on politically restricted posts

- Considered a report from the Information Assurance Manager in respect of National Audit Office Guidance on Cyber Security and Information Risk Guidance for Audit Committees
- Reviewed a report on and suggested changes to the unreasonable complaints policy
- Considered a complaint referred for determination against a Councillor
- Considered the Monitoring Officers annual report on the Standards of Conduct and adopted the revised hearing procedure

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. This helps to ensure that agreed actions are moved forwards promptly thereby reducing risk.
- 4.2 Reviewed progress against the implementation of internal audit recommendations which has led to a vast improvement in the number of recommendations implemented and a corresponding improvement in the control framework.
- 4.3 Asked for a further audit in 2019/20 of a high risk area which will give the Council assurance that the issues have been addressed.
- 4.4 Reviewed the strategic risk register to ensure that risks are being appropriately mitigated thus providing additional assurance that risk is being managed appropriately.
- 4.5 Scrutinised the statement of accounts prior to approval thereby ensuring that they are an accurate reflection of the Council's finances.

- 4.6 Reviewed the Code of Corporate Governance and approved the Annual Governance Statement and monitored progress against the Annual Governance Statement action plan. This ensures that the Annual Governance Statement is a true and fair view of the Council's governance and risk management arrangements.
- 4.7 Considered a complaint raised for determination against a Councillor. This ensures that Standards are upheld in a transparent way.

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