



CHESTERFIELD
BOROUGH COUNCIL

STANDARDS AND AUDIT COMMITTEE

ANNUAL

REPORT

2019/20

Standards and Audit Committee

Chesterfield Borough Council

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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 The Standards and Audit Committee 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 third 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 Chief Financial Officer, Helen Fox, 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 eight members, 6 councillors and 2 parish representative members (appointed by Brimington Parish Council and Staveley Town Council respectively). During 2019/20 these members were:-

Councillor M Rayner (Chair)
Councillor M Kellman (Vice-Chair)
Councillor M Brady
Councillor K Caulfield
Councillor T Murphy
Councillor T Snowdon
Councillor A Brittain (Parish representative)
Councillor P Wilson (Parish representative)

- 2.2 The meetings are also attended by the Council's external auditor Mazars.
- 2.3 During the 2019/20 financial year the Standards and Audit Committee met on 6 occasions.

3. Standards and Audit Committee Business

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

Internal Audit

- Received the annual internal audit report for 2018/19
- Approved the internal audit plan for 2019/20
- Received internal audit updates of progress against the audit plan for 2019/20
- Monitored the implementation of internal audit recommendations
- Received full copies of limited internal audit assurance reports and requested managers to attend the Committee to provide an update on progress made against the recommendations
- Considered the CIPFA statement on the role of the Head of Internal Audit

External Audit

- Considered external audit progress reports
- Received the CBC Audit Strategy Memorandum
- Considered the Annual Audit Letter 2018/19

Treasury Management

- Considered the treasury management 2018/19 annual report and monitoring report 2019/20
- Approved the 2020/21 Treasury Management Strategy

Risk Management

- Considered the Risk Management Strategy and annual review

Good Governance

- Reviewed and approved the Code of Corporate Governance and Annual Governance Statement
- Received an update on progress in the delivery of the 2018/19 Annual Governance Statement Action Plan

- Produced an annual report of the Standards and Audit Committee for Council
- Considered the RIPA annual report and a RIPA report in respect of IPCO inspections
- Considered the Committee on Standards in Public Life Review of local government ethical standards
- Considered a report in relation to the appointment to independent remuneration panel
- Received a report on the management of unreasonable complaints and complainants – Annual review 2019
- Considered the Local Government and Social Care Ombudsman Annual Review Letter 2018/19
- Examined the CSPL review of Local Government Ethical Standards – amendments to procedures
- Covid 19 – approved urgent changes required to the delegation scheme

Anti-Fraud and Corruption

- Considered the results of CIPFA's Fraud and Corruption Survey 2019
- Considered the National Fraud Initiative results for CBC

Statement of Accounts

- Approved the 2018/19 statement of accounts

Standards of Conduct

- Considered the Monitoring Officers annual report on the Standards of Conduct

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 Reviewed the strategic risk register to ensure that risks are being appropriately mitigated thus providing additional assurance that risk is being managed appropriately.
- 4.4 Scrutinised the statement of accounts prior to approval thereby ensuring that they are an accurate reflection of the Council's finances.
- 4.5 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.
- 4.6 Ensured that the Council can continue to operate during the Covid 19 epidemic by approving revised delegation procedures.

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