

STANDARDS AND AUDIT COMMITTEE

Wednesday, 23rd September, 2020

Present:-

Councillor Rayner (Chair)

Councillors Caulfield
Brady
Kellman

Councillors T Murphy
Snowdon

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

68 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor A Brittain.

69 **MINUTES**

RESOLVED –

That the Minutes of the meeting of the Standards and Audit Committee held on 22 July, 2020 be approved as a true record and be signed by the Chair.

70 **PROCUREMENT UPDATE**

The Chief Executive presented to the committee an update on Procurement in response to a request received by the committee following its meeting in July 2020.

It was acknowledged that a new strategy had not yet been implemented and the council was continuing to experience performance issues with its present supplier. The strategy was in the final stages of consultation and had been shared with the Chair and the Cabinet Member for Governance.

The new approach was focussed on category management and alongside this a suitable cloud-hosted ICT system had been identified funded from the Council's ICT Improvement budget.

The guidance and training on the new strategy had been developed and was due to commence in December 2020. The preference would have been for this to have been started sooner but pressures due to COVID had prevented this.

The new system would integrate with the Council's finance system enabling to enable data analysis and identify potential savings. The reports requesting approval to adopt the strategy and the recommended structure would be presented to the Joint Cabinet and Employment and General Committee on 20 October, 2020.

The committee requested a copy of the Business Plan and it was agreed to include this in the report presented to Employment and General and provide a copy to members of the Standards and Audit committee.

The Chief Executive noted his respect for the check and challenge role of the Standards and Audit Committee and confirmed he was happy to return and provide further updates as required. It was proposed that Internal Audit conduct a further audit in Spring 2021.

RESOLVED –

1. That the update be noted.
2. That an audit of the Procurement function be added to the Audit Plan for 2021.

71 SUMMARY OF INTERNAL AUDIT REPORTS ISSUED AND 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 27 June to 28 August, 2020, in respect of reports issued relating to the 2020/21 internal audit plan.

It was noted that 3 reports had been issued during this period with the following levels of assurance:

- 'Reasonable Assurance' – 3

A summary of these reports was attached at Appendix 2 to the report and a progress report on the 2020/21 Internal Audit Plan was attached at Appendix 1. The committee was advised that the focus was on high risk areas currently due to the possibility that completion of all reports may not be achieved as a result of COVID-19.

The committee was informed that no fraud had been discovered.

*** RESOLVED –**

1. That the report be noted.
2. That the impact of the coronavirus on the ability to complete the current audit plan and the potential for future changes to the plan is noted and approved.

72 STANDARDS AND AUDIT COMMITTEE ANNUAL REPORT

The Chair of the Standards and Audit Committee, Internal Audit Consortium Manager and the Local Government and Regulatory Law Manager submitted the Annual Report of the Standards and Audit Committee, attached at Appendix 1 to the officer's report, which summarised the work carried out by the Committee during the financial year 2019/20.

It was noted that the Annual Report would be considered for approval by full Council on 14 October, 2020.

***RESOLVED –**

That the Annual Report of the Standards and Audit Committee for 2019/20 be noted and referred to full Council for approval.

73 EXTERNAL REVIEW OF INTERNAL AUDIT

The Internal Audit Consortium Manager advised the committee that the Public Sector Internal Audit Standards require that an external assessment be carried out at least once every five years by a qualified independent assessor. The last assessment took place in the summer of 2016.

It was proposed that the independent assessor would review performance against the Chartered Institute of Public Finance and Accountancy (CIPFA) Public Sector Internal Audit Standards checklist.

A survey had been carried out amongst neighbouring internal audit providers to determine who to approach for quotes. It was noted that the assessor may wish to speak with the section 151 officer, the Chair of the committee and audit staff and a sample of clients.

RESOLVED -

1. That the Standards and Audit Committee authorise proceeding with the procurement of an external provider to undertake an external assessment of the Internal Audit Consortium and Derbyshire Dales District Council.
2. That the Standards and Audit Committee delegate authority to the Internal Audit Consortium Manager and the Section 151 Officers to agree the specification of the assessment, to assess quotations received based on cost and quality and to appoint an external provider to undertake the assessment.

74

REVIEW OF THE INTERNAL AUDIT CHARTER

The Internal Audit Consortium Manager submitted a report detailing the results of the Internal Audit Charter review.

The Public Sector Internal Audit Standards (PSIAS) required the head of internal audit to periodically review the Charter and for the findings to be presented to the Standards and Audit Committee. It was agreed that the Charter be reviewed every 2 years, the Charter was last formally approved in 2018.

The current Charter had been reviewed and was found to be fit for purpose.

***RESOLVED –**

1. That Members note the outcome of the review of the Internal Audit Charter.

2. That subject to any comments Members may wish to make, that the Internal Audit Charter be agreed.
3. That the agreed Internal Audit Charter be reviewed in a years' time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

75 RISK MANAGEMENT STRATEGY AND ANNUAL REVIEW

The Group Financial Accountant presented a report on risk management developments during the year 2019/20 and recommended for approval the updated Risk Management Policy, Strategy and Corporate Risk Register for 2020/21.

The Committee were informed of the key risks that the Council had faced during 2019/20, as set out in paragraph 8.1 of the officer's report, and were advised of the work undertaken to mitigate the risks. It was noted that the most challenging area had been the impact of COVID-19 but the committee were informed that all service leads had conducted risk assessments and updated documentation accordingly.

*** RESOLVED –**

1. That the progress made on developing the Council's approach to risk management during 2019/20, be noted.
2. That the Committee recommends that full Council approve the Risk Management Policy, Strategy and the Corporate Risk Register for 2020/21.

76 TREASURY MANAGEMENT ANNUAL REPORT 2019/20 AND MONITORING REPORT 2020/21

The Group Financial Accountant presented a report for Members to consider the Annual Treasury Management Report for 2019/20 and the Treasury Management activities for the first five months of 2020/21.

The report confirmed that during 2019/20 the Council had complied with its legislative and regulatory requirements.

RESOLVED –

That it be recommended to Full Council that:

1. the outturn Prudential Indicators for 2019/20 be approved;
2. the treasury management stewardship report for 2019/20 be approved;
3. the treasury management position for the first five months of 2020/21 be noted.

77 AUDIT REPORT ON THE 2019/2020 STATEMENT OF ACCOUNTS

The Chief Finance Officer submitted a report on the Statement of Accounts for 2019/20, the 'Letter of Representation' and the External Auditor's 'Report to those Charged with Governance'.

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

The Council's external auditors were required to obtain written representations from management in respect of fraud, compliance with laws and regulations, contingent liabilities, related party disclosure and post balance sheet events in the form of a letter of representation. The letter was attached to the report at Annexe 3.

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

The external auditor noted that they were awaiting assurances from the Derbyshire Pension Fund auditor with regards to the estimate of liability for the pensions calculation. The committee was assured that any change would not be significant enough to affect their opinion.

*** RESOLVED –**

1. That the Statement of Accounts for 2019/20 be approved.
2. That the Management Letter of Representation be approved and signed by the Chair.
3. That the Report to those Charged with Governance be noted.

78 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN ANNUAL REVIEW LETTER 2019/2020

The Monitoring Officer presented a report to the committee informing members about the Local Government and Social Care Ombudsman Annual Review Letter.

It was confirmed that there had been no complaints upheld by the Ombudsman against the Council in the last six years.

RESOLVED –

That the report be noted.

79 COVID-19 - BUSINESS AND PLANNING ACT 2020

The Monitoring Officer presented a report to the committee requesting that an appropriate delegation be put in place to enable the provisions of the Business and Planning Act 2020 relating to determining Additional Environmental Approvals to be put into effect.

The Chair of Planning had been consulted and had no objections. The decisions would be delegated to the Development Management and Conservation Manager consistent with the systems already in place.

RESOLVED –

That the officer delegation proposed in the report be agreed.