

STANDARDS AND AUDIT COMMITTEE

Wednesday, 21st April, 2021

Present:-

Councillor Rayner (Chair)

Councillors Caulfield
Brady
Kellman

Councillors T Murphy
Snowdon

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

16 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor A Brittain.

17 **MINUTES**

RESOLVED –

That the Minutes of the meeting of the Standards and Audit Committee held on 3 February, 2021 be approved as a true record and be signed by the Chair.

18 **PROGRESS REPORT ON THE 2020/21 INTERNAL AUDIT PLAN**

The Internal Audit Consortium Manager presented a report summarising the internal audit reports issued during the period January to March, 2021 and provided an update on the progress made in respect of 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' – 1
- 'Reasonable Assurance' – 2

The committee was informed that no fraud had been discovered.

It was reported that a risk analysis would be undertaken to consider which of the audits not completed during this financial year would be included on the 2021/22 internal audit plan.

***RESOLVED –**

That the report be noted.

19 CHESTERFIELD BOROUGH COUNCIL INTERNAL AUDIT PLAN 2021/22

The Internal Audit Consortium Manager presented a report detailing the Internal Audit Plan for 2021/22.

The Public Sector Internal Audit Standards required that a periodic risk-based plan be prepared that would be sufficiently flexible to reflect the changing risks and priorities of the organisation. The internal audit plan links to the Council Plan and audit reviews assess the controls and procedures in operation and make recommendations for improvement.

The internal audit plan, attached at Appendix 1 of the officer's report, detailed the areas where audits would take place during 2021/22 and the number of days allocated to each area. The report noted that the number of contingency days had been increased to allow for the coverage of any unforeseen or emerging risks. In addition, a number of reserve areas had been added to the end of the list; if the contingency days were not required, these would be utilised on the reserve areas.

***RESOLVED –**

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

20 CIPFA FRAUD AND CORRUPTION SURVEY RESULTS 2020

The Internal Audit Consortium Manager presented a report on the results of CIPFA's Fraud and Corruption Tracker Survey 2020 (CFaCT), attached at Appendix 1 of the officer's report, which provided a picture of fraudulent activity in local government.

The report also outlined the level of fraud detected by the Council during 2019/20. The only instances of fraud identified were in relation to single person discount.

The Council had controls and procedures in place to mitigate the risk of fraud, these were detailed in paragraph 4.6 of the officer's report.

***RESOLVED –**

1. That the results of CIPFA's Fraud and Corruption Tracker Survey be noted.
2. That the level of fraud detected by Chesterfield Borough Council in 2019/20 be noted.
3. That the fraud prevention measures put in place by Chesterfield Borough Council to reduce the risk of fraud be noted.
4. That an update on the progress made on the recommendations from the audit of Procurement be brought to the next meeting of the Committee on 28 July, 2021.

21 **REVIEW OF THE CODE OF CORPORATE GOVERNANCE AND THE 2020/21 ANNUAL GOVERNANCE STATEMENT**

The Internal Audit Consortium Manager presented a report on the review of compliance with the Code of Corporate Governance requirements during 2020/21 and the Annual Governance Statement for 2020/21.

The report noted that local authorities are recommended to adopt and regularly review a Code of Corporate Governance which details the system by which the Council controls and directs its functions and how it relates to its local community. The outcomes from the review, as detailed in Appendix 1 of the officer's report, demonstrated that compliance with the Code had largely been achieved during 2020/21.

The Annual Governance Statement, as detailed in Appendix 3 of the officer's report, was derived from a detailed review of the assurances by senior officers and from the work undertaken and risks identified by internal audit. The review indicated that many of the Council's processes and procedures were compliant with good practice; however there were some governance issues and future challenges which were detailed within the Statement, including the continuing impact of Covid-19 on the Council's governance arrangements.

***RESOLVED –**

1. That the Annual Governance Statement be approved and be signed by the Leader and Chief Executive.
2. That a review of the Code of Corporate Governance be undertaken in 12 months' time.
3. That progress on the significant issues and future challenges identified in the Annual Governance Statement be monitored by the Corporate Leadership Team.

22 AUDIT STRATEGY MEMORANDUM 2020/21

The Council's external auditors, Mazars, presented the draft Audit Strategy Memorandum for the year ending 31 March, 2021. The memorandum summarised the audit approach taken by Mazars and highlighted significant audit risks and areas of key judgements.

***RESOLVED –**

That the report be noted.

23 2020/21 AUDIT PROGRESS REPORT

The Council's external auditors, Mazars, presented a report updating members on the progress in delivering their responsibilities as external auditors.

The report noted that the 2020/21 audit was expected to be carried out largely remotely and Mazars were in discussions with the Council regarding the detailed year end audit arrangements and the timing of the

main audit visit and completion. The Committee would be kept informed of the audit's progress and any early matters arising.

***RESOLVED –**

That the report be noted.

24 CONSTITUTION UPDATES

The Monitoring Officer presented a report to update members on changes that were required to the Constitution.

The Constitution was approved by Full Council in October, 2020. Since then, changes had been made to reflect the Corporate Management Team restructure, the Leader's portfolio adjustments, routine updates and corrections. A summary of changes was included in Appendix 1 of the officer's report and the changes that required the approval of the Standards and Audit Committee were detailed in Appendix 2 of the officer's report.

***RESOLVED –**

That the changes to the Constitution be confirmed.

25 COVID-19 - END OF REMOTE MEETINGS

The Monitoring Officer and Senior Democratic and Scrutiny Officer presented a report informing members of the need to return to physical meetings and to seek agreement of revised procedures during the current stage of the Covid-19 pandemic.

The Remote Meeting Regulations enabled member level meetings to be held and decisions made remotely, however these regulations would come to an end on 7 May, 2021. A court application seeking a declaration that remote meetings could continue under existing provisions had been made but the outcome was not yet known.

The Standards and Audit Committee approved emergency delegations in March and April, 2020 to enable decision making to continue until the Remote Meeting Regulations were introduced. These emergency delegations could still be used if necessary, however it had been acknowledged that such delegations led to a "democratic deficit". The

Council had therefore made preparations for a return to physical meetings which included undertaking extensive risk assessments based on the different levels of Covid-19 restrictions as well as other practical considerations including retaining virtual options for non-statutory meetings and focussing agendas to reduce the length of meetings.

***RESOLVED –**

1. That the report be noted.
2. That the Committee be informed of the outcome of the high court case, once known.
3. That, if the high court case confirms that attendance at meetings by remote means can continue after 6 May, 2021, all member-level bodies continue to meet remotely until 21 June, 2021 at the earliest and that the position be reconsidered at that point.
4. That, if the high court case is not successful and remote attendance is no longer permitted after 6 May, 2021, the proposals for safely returning to physical meetings, as set out in the officer's report, be supported.
5. That officers, in consultation with the Leader, Leader of the Main Opposition Group, Chair of Standards and Audit Committee, Cabinet Member for Governance and Chair of the relevant committee as appropriate, determine the most effective way to safely reintroduce physical meetings.
6. That appropriate member training and guidance is put in place to enable the safe and effective reintroduction and conduct of physical meetings.
7. That, after consultation with the Leader, Leader of the Main Opposition Group, Chair of Standards and Audit Committee, Cabinet Member for Governance and Chair of the relevant committee as appropriate, the Monitoring Officer be authorised to make any temporary amendments to standing orders as necessary to ensure the safe and effective reintroduction and conduct of physical meetings.

8. That the emergency delegations and remote meetings standing orders approved by this Committee in 2020 be retained.