

STANDARDS AND AUDIT COMMITTEE

Wednesday, 28th July, 2021

Present:-

Councillor Rayner (Chair)

Councillors Kellman
T Murphy

Councillors Snowdon
Cawthorne

*Matters dealt with under the Delegation Scheme

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

No declarations of interest were received.

2 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Brady and Caulfield.

3 MINUTES

RESOLVED –

That the Minutes of the meeting of the Standards and Audit Committee held on 21 April, 2021 be approved as a true record and be signed by the Chair.

4 PROCUREMENT UPDATE

The Service Director – Digital, HR and Customer Services presented a report updating the committee on the progress that had been made to address the recommendations made by internal audit to strengthen the governance arrangements and performance of the procurement service.

The report outlined the progress made against each of the internal audit recommendations which included a contractual review of the service resulting in the team being brought in house and new posts established

along with the introduction of a new procurement strategy and dedicated ICT system for logging all procurement activity across the Council.

The Service Director explained that the outstanding recommendations were being progressed with work continuing with the finance team to pull together all the existing contracts to ensure contracts were in place where required and were added to the procurement plan.

The committee acknowledged and thanked all the staff involved for the work which had gone into addressing the internal audit concerns.

***RESOLVED –**

That the report be noted.

5 STANDARDS AND AUDIT COMMITTEE ANNUAL REPORT

The Chair of the Standards and Audit Committee and the Internal Audit Consortium 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 2020/21.

It was noted that the Annual Report would be considered for approval by Full Council on 13 October, 2021.

***RESOLVED –**

That the Annual Report of the Standards and Audit Committee for 2020/21 be noted and referred to Full Council for approval.

6 INTERNAL AUDIT CONSORTIUM ANNUAL REPORT 2020/21

The Internal Audit Consortium Manager presented the Internal Audit Consortium Annual Report in respect of Chesterfield Borough Council for 2020/21.

The report provided a summary of the internal audit work undertaken during the year and included reference to the impact of Covid-19 on the timeliness of the completion of the 2020/21 internal audit plan.

Members were informed that 20 reports had been issued during the year, details of which were included at Appendix 1 of the officer's report, and a summary of the overall assurance levels for these reports was shown at paragraph 4.3 of the officer's report.

The report included the Internal Audit Consortium Manager's opinion that reasonable assurance could be provided on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control for the year ended 2020/21. Paragraphs 4.16 and 4.17 of the officer's report provided details of the issues included in the Annual Governance Statement and Action Plan.

The report also included details of compliance with the Public Sector Internal Audit Standards, other quality control procedures and performance against the current Internal Audit Charter.

***RESOLVED –**

That the report be noted.

7 INTERNAL AUDIT CONSORTIUM PROGRESS REPORT

The Internal Audit Consortium Manager presented a report summarising the internal audit reports issued during the period April to July 2021, in respect of reports issued relating to the 2020/21 internal audit plan.

It was noted that 5 reports had been issued during this period with the following levels of assurance:

- 'Substantial Assurance' – 2
- 'Reasonable Assurance' – 3

A summary of these reports was attached at Appendix 1 to the report. The committee was informed that no fraud had been discovered.

The report also detailed the audits that had been completed during the 2020/21 internal audit plan and those that had been deferred. Where audits had not been completed, they were considered for inclusion in the 2021/22 internal audit plan following a risk assessment exercise and consultation with the Corporate Leadership Team.

***RESOLVED –**

That the report be noted.

8 IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS

The Internal Audit Consortium Manager submitted a report summarising the internal audit recommendations that were made, implemented or outstanding which were detailed in Appendix 1 of the officer's report.

The implementation of audit recommendations was monitored regularly by the Corporate Leadership Team who had committed to being pro-active in ensuring that recommendations were implemented as agreed where possible.

Members queried the delay in implementing the outstanding recommendation relating to the donations box at the Museum. The Internal Audit Manager agreed to follow up the query and provide an update to the committee.

***RESOLVED –**

1. That the report be noted and that it be acknowledged that the implementation of some recommendations had been delayed due to the impact of Covid-19.
2. That a further summary of outstanding internal audit recommendations be submitted to the Standards and Audit Committee in February, 2022.

9 EXTERNAL REVIEW OF INTERNAL AUDIT

The Internal Audit Consortium Manager advised the committee of the results of the external review of internal audit that had taken place in May 2021. An external assessment of internal audit is a requirement of the Public Sector Internal Audit Standards (PSIAS) which were introduced in 2013. The assessments must take place every five years and the last external review took place in 2016.

The assessor who undertook the review was CIPFA qualified with over 40 years internal audit experience. The assessment took place throughout May 2021 and was conducted remotely due to Covid-19. The Consortium's documentation, working practices, committee reports and

working paper files were reviewed and the audit committee chairs and senior managers were invited to complete a questionnaire.

The report, attached at Appendix 1 of the officer's report, concluded that the Internal Audit Consortium were delivering internal audit services to a standard that generally conforms with the PSIAS and there were no areas that did not comply with the standards. The review report benchmarked against other provision in both the sector and the wider industry and showed that that team compared favourably in comparison with its peers and other sectors. The report also made a number of recommendations aimed at highlighting where further development could be made to enhance the value of the service being provided.

The next step was to produce an action plan to address the recommendations arising from the report; progress against the action plan could then be included as part of the 2021/22 annual report.

***RESOLVED –**

That the report be noted.

10 REVIEW OF THE ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY (INCLUDING MONEY LAUNDERING)

The Internal Audit Consortium Manager presented the draft updated Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy) for consideration by the Committee.

The report explained that it was good practice for public bodies to have in place an up-to-date Anti-Fraud and Corruption Strategy as it supported the Council's effective financial governance and arrangements in respect of fraud.

The Strategy was last reviewed in 2018 and it was agreed to undertake regular reviews to ensure the Strategy was kept up-to-date and remained relevant. The strategy had been updated to reflect developing good practices and the changes were highlighted in the draft Strategy attached at Appendix 1 of the officer's report.

***RESOLVED –**

1. That the Anti-Fraud, Bribery and Corruption Strategy (including Money Laundering Policy), attached at Appendix 1 of the officer's report, be approved.
2. That the amended policy be advertised on the intranet to raise awareness amongst members and officers.
3. That a further review of the policy be undertaken after a period of 2 years.

11 **UPDATES TO THE CONSTITUTION**

The Monitoring Officer presented a report seeking approval to make changes to the Constitution. The report advised that the Constitution, a key document which sets out the principal powers, duties and procedures of the Council, required updating from time to time to reflect current legislation, practices, functions, structures and efficient working of the authority. Full Council considers the main changes to the Constitution and other changes are delegated to the Standards and Audit Committee.

The changes were outlined in Appendix 1 to the officer's report and related to the property and estates functions located in Part 3 – Delegation Scheme and the contract procedure rules found in Part 4 – Rules of Procedure.

The committee requested that the Monitoring Officer consult with the procurement team before making certain of the proposed changes to the contract procedure rules and that the response of the procurement team be communicated to members of the committee.

***RESOLVED –**

That the changes to the Constitution, as detailed in Appendix 1 of the officer's report, be approved subject to consultation with the procurement team.