

# Minutes

<b>Meeting name</b>	<b>Audit and Standards Committee</b>
<b>Date</b>	<b>Wednesday, 27 January 2021</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>This meeting was held by remote access</b>

## **Present:**

**Chair** Councillor J. Douglas (Chair)

**Councillors** J. Wilkinson (Vice-Chair) P. Chandler  
R. Child M. Glancy  
A. Hewson

**Observers** Councillor P. Cumbers

**Officers** Director for Corporate Services  
Assistant Director for Governance & Democracy  
Head of Internal Audit  
Democratic Services Manager  
Democratic Services Officer (CR)

Minute No.	Minute
63	<p><b>Apologies for Absence</b></p> <p>Apologies for absence were received from Councillors Fisher and Smith. Councillor Bains was not present at the meeting.</p>
64	<p><b>Minutes</b></p> <p>The minutes of the meeting held on 14 December 2020 were confirmed and authorised to be signed by the Chair.</p>
65	<p><b>Declarations of Interest</b></p> <p>Councillor Hewson declared an interest in any items relating to the Cattle Market, due to his work as a farmer.</p>
66	<p><b>Internal Audit Progress Report</b></p> <p>The Head of Internal Audit, Rachel Ashley-Caunt introduced the report, the purpose of which was to update Members on the progress made in delivering the 2020/21 Internal Audit Plan and key findings arising from audit assignments completed.</p> <p>Ms. Ashley-Caunt highlighted that a copy of the Internal Audit Plan, including the status of each assignment was detailed at Appendix A of the report. Good progress was being made on the Plan. 2 assignments had been finalised and a number of others were significantly underway. There were many conflicting demands on staff due to the Covid-19 pandemic but work was progressing with support from Senior Management Team.</p> <p>Ms. Ashley-Caunt advised that since the last meeting of this Committee, the Cattle Market – Open Book Accounting audit had been finalised (as detailed in section 2.5 of the report). This audit had focused on the Council's agreement percentage in relation to various income streams. The open accounting arrangement ensured that the Council recovered the correct amounts from the Market and processes were in place to make sure the figures reported were accurate and the payments received were in line with the agreement. 'Block payments' referred the receipt of regular monthly payments (based on estimates of various income stream totals), which were reconciled against the actuals at year end to ensure accurate income recovery.</p> <p>Ms. Ashley-Caunt advised that there were no significant issues identified by Internal Audit. It had shared a template with the Council's Finance team to undertake open book reviews and had made recommendations to strengthen processes, which had been agreed with Senior Management Team. Overall a satisfactory level of assurance for the design and compliance with the controls had been issued and actions arising from this would be monitored.</p> <p>Ms. Ashley-Caunt confirmed that an update on the implementation of audit recommendations was detailed within the appendix. The consolidation of intensive</p>

housing management scheme actions had resulted in a reduction in the number of recommendations and as previously agreed, a full review would be undertaken as part of the 2021/22 Audit Plan. Revised implementation dates had been issued for all other outstanding actions and a further update would be provided to the Committee at its meeting on 9 March.

During discussion the following points were noted:

- The Cattle Market – Open Book Accounting audit had specifically excluded any review of contract management, as this had been undertaken (within the last 12 months) as part of MJP Property Services’ consultancy review.
- The consultancy review had been comprehensive. It had been useful for understanding which aspects of the current contract could be negotiated further and had highlighted areas which needed firmer contract management and those which were not working well for both the Council and the Cattle Market (and needed further discussion).
- The majority of the cattle market income recovered related to cattle sales but for smaller income streams, such as car parking, recommendations had been made to implement processes which enabled a thorough verification of records (e.g. a more robust cash receipting process).
- The 2017 Cattle Market lease was not ‘in perpetuity’ and had an end date (which was not confirmed during the meeting).
- Incomes classed as ‘excluded incomes’ within the Cattle Market lease had been considered and advice had been taken when the lease had been negotiated. There would always be business undertaken by the contractor, which was not covered by the lease.
- Development of the Cattle Market North carpark was outside the scope of the Cattle Market – Open Book Accounting audit. MJP Property Services’ had reviewed in scope income streams as part of their consultancy review and this may be of interest to Members.
- The latest update on Housing and Communities actions was detailed within the appendix. The housing management policies (including the Right to Buy Policy) had been approved at Cabinet on 20 January 2021 and it was anticipated that related actions would be closed shortly.
- Further updates on outstanding actions and assurances relating to revised dates would be circulated outside this meeting.
- There would be no report on the Cemetery Consultancy Support as it related to proactive advice to queries.
- Internal Audit were liaising with the Finance team on facilitating the Budgetary Control audit in Quarter 4.
- Some audits had been delayed but progress had been made in the last Quarter.
- The 2 audits yet to commence (Housing Repairs and Landlord Health and Safety Follow Up) were commissioned for March 2021.
- Internal Audit would revise the table detailed at Appendix 3 of Appendix A, to include an additional row showing ‘actions due over six months ago but not implemented’. The Committee would continue to focus on those actions

	<p>which were due over three months ago.</p> <ul style="list-style-type: none"> <li>• Confirmation on whether there had been an increase to commission charges would be provided outside the meeting.</li> <li>• Members noted that Internal Audit had delivered 93% productivity against the target set of 90%.</li> <li>• Members noted the importance of the Procurement Compliance (following the adoption of new procedures) and Asset Management audits.</li> <li>• The Cattle Market – Open Book Accounting audit report would be circulated to Members.</li> </ul> <p>Audit and Standards Committee <b>NOTED</b> the report and progress made by the Internal Audit team in the delivery of the Audit Plan.</p>
67	<p><b>Assessment Against the CIPFA Statement on the 'Role of the Head of Internal Audit'</b></p> <p>Rachel Ashley-Caunt, Head of Internal Audit introduced the report, the purpose of which was to provide Members with a copy of an assessment against the Chartered Institute for Public Finance and Accountancy (CIPFA) statement on the 'Role of the Head of Internal Audit in Public Service Organisations'.</p> <p>Ms. Ashley-Caunt advised that the CIPFA statement set out effective working, to ensure best value from the Internal Audit service. Both she and the Council had assessed various areas and the results, as detailed within the Assessment at Appendix A of the report were positive, giving assurances over Internal Audit's effective delivery of the service and compliance with good practice. The results also identified where further development and strengthening of arrangements could be made and 3 actions (with timescales) had been agreed with Senior Management Team, as detailed within the Action plan at Appendix B. Progress on these actions would be reported to the Committee.</p> <p>Ms Ashley-Caunt highlighted the following actions:</p> <ul style="list-style-type: none"> <li>• Action 1 (level of engagement with Internal Audit for projects at the initiation stage). Internal Audit were actively looking to engage and support managers in undertaking project management, ensuring they considered Internal Audit involvement at an early stage;</li> <li>• Action 3 (review of Committee effectiveness), advising that undertaking regular (annual) reviews was part of good practice and was an opportunity for the Committee to reflect upon how it operated.</li> </ul> <p>During discussion the following points were noted:</p> <ul style="list-style-type: none"> <li>• Members agreed that self-assessment against the latest recommended best practice guidelines was a very useful exercise to help develop and progress, particularly in view of current organisational challenges.</li> <li>• Members were pleased with the results of the assessment.</li> <li>• Members welcomed the opportunity to review the effectiveness of the</li> </ul>

	<p>Committee.</p> <ul style="list-style-type: none"> <li>• Members noted Action 2 (IT Partnership assurance framework). 1 annual audit of the Partnership (rather than 3 separate audits of each individual council) would be beneficial and the new suite of governance arrangements for the Partnership would progress this.</li> <li>• The Action Plan was realistic and Members looked forward to an update on progress made on the actions.</li> </ul> <p>Audit and Standards Committee <b>NOTED</b> the findings of the assessment and the action plan arising from this.</p>
68	<p><b>Regulation of Investigatory Powers Act 2000 [RIPA] Update 2019/20</b></p> <p>Kieran Stockley, Monitoring Officer introduced the report, the purpose of which was to update Members on the Council's use of powers under the Regulation of Investigatory Powers Act 2000 (RIPA) from April 2019 to March 2020 and on the RIPA Inspection.</p> <p>Mrs. Stockley provided an overview of the report, highlighting that:</p> <ul style="list-style-type: none"> <li>• RIPA sets out a regulatory framework for the use of covert investigatory techniques. These techniques were restricted and only used when considered necessary, proportionate and as a last resort to prevent crime and disorder.</li> <li>• From November 2012, RIPA authorisation for covert surveillance needed Magistrates' Court approval.</li> <li>• The use of the Council's RIPA powers had declined significantly over the years. The Council was able to use RIPA powers for fly-tipping and some licensing offences but these needed to meet the serious crime threshold.</li> <li>• The Council had not used RIPA powers or applied for RIPA authorisations since 2010.</li> </ul> <p>Mrs. Stockley advised that the Council's RIPA processes were subject to intense scrutiny and regular inspection by the Investigatory Powers Commissioner's Officer (IPCO). Findings of the last inspection (undertaken in April 2020) were detailed at paragraph 5.4.3 of the report and included 'it is to be applauded that whilst the council has not exercised its RIPA power since 2010, there is a robust training regime with the latest training being undertaken in June 2019 by an external provider and further training schedule for June 2020.'</p> <p>Mrs. Stockley highlighted that whilst the Council's current RIPA usage was low, it was essential to maintain RIPA processes and procedures. RIPA awareness would be maintained throughout the organisation (even if not seeking to obtain authorisations or use covert techniques) and RIPA usage would be monitored, reviewed and reported in line with legislation.</p> <p>During discussion the following points were noted:</p> <ul style="list-style-type: none"> <li>• It was noted that Members had requested additional guidance on covert surveillance in December 2020. This training would be incorporated into the</li> </ul>

	<p>Council's Member Development Programme and details would be circulated to Members.</p> <ul style="list-style-type: none"> <li>• Identifying Member training needs linked in to the planned review of Committee effectiveness.</li> <li>• The Council's use of RIPA powers was low but the Policy was vital to enable the Council to prevent or detect crime and prevent disorder if necessary.</li> <li>• Members noted the regular RIPA training received by relevant officers.</li> </ul> <p>Audit and Standards Committee</p> <p>1) <b>NOTE</b> the update for the period April 2019 to March 2020;</p> <p>2) <b>NOTE</b> the outcome of the RIPA inspection.</p>
69	<p><b>Urgent Business</b></p> <p>There was no urgent business.</p>

The meeting closed at: 7.34 pm

Chair