



Audit and Governance Committee

Monday, 21st March 2022 at 6.30pm

Meeting to be held at Belle Vue Suite, Belle Vue Offices, Skipton

Committee Members: The Chair (Councillor Hull) and Councillors Barrett, Handley, Harbron, Lis, Mercer, Noland, Place and Wheeler.

Independent Person: Greg Robinson

Please note the following advice in advance of the meeting:

The Government temporarily removed the legal requirement for local authorities to hold meetings in person during the Covid-19 pandemic. All local authorities were given new powers to enable meetings to take place virtually. The Council's powers to hold remote meetings expired on 7 May 2021.

Whilst the return to face to face meetings provides significant challenges, the Council has undertaken a great deal of work to ensure that face to face meetings are delivered in a COVID safe environment.

Due to social distancing measures, spaces for public attendance are limited and so registration is essential to secure a place.

Everyone who attends this meeting will be required to wear a face covering, unless exempt.

Council staff, elected members and members of the public are urged to take advantage of the national 'next step safely' campaign and access a free, rapid lateral flow test in advance of the meeting:

<https://www.nhs.uk/conditions/coronavirus-covid-19/testing/> Please note that whilst this is advised, it is not a requirement for entry to the meeting.

Anyone displaying Covid-19 symptoms is asked not to attend.

For more information email committees@cravendc.gov.uk

Thank you,

Exclusion of the Public: In accordance with the Council’s Access to Information Procedure Rules, Members are recommended to exclude the public from the meeting during the consideration of agenda items \$5 and \$8(a) on the grounds that it is likely that if members of the public were present that there would be disclosure to them of exempt information as defined in Paragraph 3 (relates to the financial or business affairs of any person including the Authority holding that information) of those Rules and Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

AGENDA

1. **Apologies for Absence** – To receive any apologies for absence.
2. **Minutes** – To approve the minutes of the meeting held on 6 December 2021.
3. **Public Participation** – In the event that any questions/statements are received or members of the public attend, the public participation session will proceed for a period of up to fifteen minutes.
4. **Declarations of Interest** – All Members are invited to declare at this point any interests they have in items appearing on this agenda, including the nature of those interests.

(Note: Declarations should be in the form of:

a “**disclosable pecuniary interest**” under Appendix A to the Council’s Code of Conduct, or “**other interests**” under Appendix B or under Paragraph 15 where a matter arises at the meeting which relates to a financial interest of a friend, relative or close associate.

A Member of Council who has a disclosable pecuniary interest must leave the room and not take part in the discussion or vote. When declaring interests under Appendix B or Paragraph 15 of the Code, Members must move to the public seating area, not vote, and speak only if members of the public are also allowed to speak at the meeting.)

- \$5. **Exception from the Contract Procedure Rules for the Procurement of the Council’s Insurance Programme for 2022/23** – Report of the Chief Finance Officer. Attached.

Purpose of Report – To request that the Contract Procedure Rules are disapplied to allow the extension of the Council’s Long-Term Agreement for the provision of Insurance by one year.

6. **Council Performance Framework for 2022/23** – Report of the Chief Finance Officer. Attached.

Purpose of Report – To update committee members on the Council’s Performance Framework for the coming financial year.

7. **Regulation of Investigatory Powers Act 2000** – Report of the Solicitor to the Council. Attached.

Purpose of Report – To advise the Committee of the Council’s use of covert surveillance under the Regulation of Investigatory Powers Act 2000.

8. Internal Audit

a) Internal Audit Recommendations – Progress Report – Report of the Audit Services and Fraud Manager. Attached.

Purpose of Report – To update committee members on progress against recommendations made by the Internal Audit Team.

b) Audit Services Progress Report as at 10th March 2022 – Report of the Audit Services Manager – Shared Internal Audit Service. Attached.

Purpose of Report – To update Committee Members on the progress made against the 2021/22 Internal Audit plan up to 10th March 2022.

c) Data Breaches 2021/22 – Report of the Audit Services Manager – Shared Internal Audit Service. Attached.

8. Any other items which the Chairman decides are urgent in accordance with Section 100B(4) of the Local Government Act, 1972.

9. Date and Time of Next Meeting – To be confirmed.

Agenda Contact Officer:

David Smith, Democratic Services Officer
E-mail: committees@cravenc.gov.uk
11th March 2022

Recording at Council Meetings: Recording is allowed at Council, Committee and Sub-Committee meetings which are open to the public, subject to

- (a) the recording being conducted with the full knowledge of the Chairman of the meeting; and
- (b) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact the Agenda Contact Officer prior to the start of the meeting. Any recording must be conducted openly and not disrupt proceedings.

AUDIT AND GOVERNANCE COMMITTEE

6th December 2021

Present – Councillors Barrett, Handley, Lis, Place and Wheeler.

Officers – Chief Executive, Chief Finance Officer (s151 Officer), Solicitor to the Council and Monitoring Officer, Performance Manager and Exchequer, Finance Manager, Planning Manager. Audit Services and Fraud Manager (Harrogate Borough Council) and Senior Democratic Services Officer.

Apologies for absence were received from the Chairman (Councillor Hull) and Councillors Mercer and Noland. In the absence of the Chairman, Vice-Chairman Councillor Place took the Chair.

Start: 6.30pm

Finish: 7.34pm

Councillor Wheeler arrived at 6.47pm.

Resolved – That the minutes of the meeting held on 20th September 2021 were approved as a correct record.

EXCLUSION OF THE PUBLIC

That, in accordance with the Council's Access to Information Procedure Rules, the public is excluded from the meeting during consideration of Minute AC.422 (marked\$) below on the grounds that it is not in the public interest to disclose the Category 3 exempt information (financial or business affairs of any particular person including the Council).

Minutes for Report

AC.415

Statement of Accounts 2021/2022 – Update Report

The Chief Finance Officer (S.151) submitted a report updating Members on the audit process for the 2020/21 Statement of Account and, for context provided an overview of the budget out-turn position for the same year.

The audit of accounts was currently underway and the Chief Finance Officer (S.151) stated that the process would be completed in early January 2022. Progress on the final completion and certification of the accounts would be reported to Committee in due course. The Chief Finance Officer (S151) stated that because of the change to the normal timeline of the audit, it was likely that the formal sign-off arrangements would not align to the Committee's schedule of meetings and, accordingly Members were asked to grant delegated authority to facilitate the sign-off process at the conclusion of the audit.

Resolved – (1) That, the updates provided in the report now submitted in relation to the timeframe for the audit of the Statement of Accounts for 2020/21 is noted.

(2) That, the draft Statement of Accounts 2020/21 as detailed in Appendix A to the report now submitted is noted.

(3) That, the final authorisation of the Statement of Accounts 2020/21 is delegated to the Chief Finance Officer (S.151) and the Chair of the Audit and Governance Committee, upon formal conclusion of the audit of the accounts.

AC.416 **Internal Audit Progress Report 2021/2022**

The Audit Services and Fraud Manager presented a report updating Members on the progress made against the 2021/22 Internal Audit plan up to 19th November 2021. Members were given reassurance that all the audits were progressing well and would be completed in line with the agreed plan.

Resolved – That, the progress against the 2021/22 Internal Audit plan is noted.

\$AC. 417 **Internal Audit Recommendations – Progress Report**

The Audit Services and Fraud Manager submitted a report updating Members on progress against recommendations made by the Internal Audit Team. An effective programme of internal audit was a key component of the Council's performance framework and assurance activity, preventing financial loss and value for money.

Resolved – That, the progress against internal audit recommendations are noted.

AC.418 **Audit Services Report – Health and Safety 2021/22**

The Audit Services and Fraud Manager introduced a report which presented a health and safety audit undertaken as part of the annual audit plan 2021/22 in respect of compliance with key control objectives as outlined in the submitted report.

Health and Safety was last audited in 2018/19 and received a partial level of assurance. Since then, there had been a number of changes affecting the function and these were identified in the report together with detailed findings, recommendations, management responses and implementation dates to address the recommendations. The Audit opinion was again a partial level of assurance but overall good practice was in place to improve the health and safety function with steps being taken to rectify the issues identified.

Resolved – That, the report is noted.

AC.419 **Audit Services Report – S.106**

The Audit Services and Fraud Manager presented details of the S.106 audit. The scope of the audit was for the Council to; maximise opportunities under the planning act in respect of S.106 agreements; ensure income was allocated to the correct service; and that schemes were fully reconciled and expended as per legislation. Following receipt of outstanding evidence and documents the auditor had awarded a 'good level of assurance'. Based on the testing carried out, Audit Services were satisfied that 1 out of 3 control objections had been met with the other 2 being partially met. A total of 10 recommendations had been made these along with the progress made were set out in the report.

Resolved – That, the audit services report is noted.

AC.420 **Update from the Quarter 2 Meeting of the Council's Risk Management Group, 12th October 2021**

The Chief Finance Officer (S.151) submitted a report providing an update from the Council's Risk Management Group held on 12th October 2021. A recent internal audit had only given a 'partial level of assurance' and to counteract that rating an action plan was underway as agreed by this Committee. All recommendations were on tract to be completed by the end of January 2022.

The Risk Management Group proposed that two new risks be added to the Risk Register to reflect the likely impact of Local Government Reorganisation:

- The Council is unable to successfully fulfil strategic objectives due to the resource requirements and timescales of Local Government Reorganisation.
- Staffing impacts of Local Government Reorganisation.

Resolved – (1) That, the update from the Risk Management Group is noted.

(2) That, the two recommended additions in respect of Local Government Reorganisation as identified in the report now submitted are added to the Council's Corporate Risk Register.

AC.421 **Exemptions from the Contract Procedure Rules – Quarter 2 2021/22**

The Chief Finance Officer (S.151) submitted a report notifying Members on the exemptions granted from the Contract Procedure Rules during quarter 2 2021/22.

The two exemptions related to the hire of a narrow access refuse collection vehicle and for a contract for the homelessness prevention project (rough sleepers and those at risk of rough sleeping).

Resolved – That, the two exemptions granted from the Council's Contract Procedure Rules are noted.

\$AC.422 **Request for the Exception to the Contract Procedure Rules for Property Services**

The Director of Services submitted a report requesting that the Contract Procedure Rules are dis-applied to allow the direct appointment of a property for the provision of property services for 2022/23.

Resolved – That, the Contract Procedure Rules are dis-applied to allow a direct contract award without competition as set out in the report now submitted.

Minutes for Decision

AC.423 **Updated Risk Management Strategy**

The Chief Finance Officer (S.151) submitted a report on the Council's Risk Management Strategy as updated and presented to the Council's Risk Management Group on 12th October 2021. The Strategy had been reviewed by the Chief Finance Officer (S.151) and appropriate members of the Senior Leadership Team and a number of small updates were

made to ensure that the Strategy reflected current legislation and good practice. The updates were set out in the report.

RECOMMENDED – That, the updated Risk Management Strategy is approved.

AC. 424

Any Other Business

In accordance with Section 100B(4) of the Local Government Act 1972, the Chairman accepted a late report from the Chief Finance Officer (S.151) seeking Member approval to opt into the national scheme for external auditor appointments.

The Council's current external auditors were Mazars and their contract would end when the audit of the accounts for 2022/23 were completed. Because of Local Government Reorganisation, there should be no need for the Council to appoint external auditors beyond 2022/23 as those accounts should be the last set of accounts that Craven District Council produces.

However, all North Yorkshire authorities had been advised it would be prudent to make provisions for the next external auditor appointment and all the Section 151 officers of those authorities were of the opinion that it would be sensible for a formal resolution to be made to opt into the national auditor appointment scheme administered by a body designated by the Secretary of State. That body was currently Public Sector Audit Appointments Limited (PSAA).

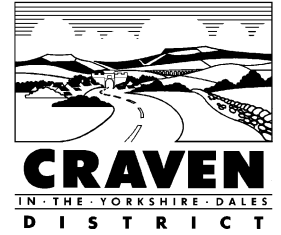
Should the Council wish to take advantage of the national auditor appointment arrangements for 2023/24, it was required under the local audit arrangements to make the decision at full Council before the 11th March 2022 when the opt-in period ended.

The Chief Finance Officer (S.151) informed Members that whilst it was unlikely that the arrangements under the national auditor appointment scheme would be needed by Craven, it provided for a sensible back stop and effectively allowed the new Council to use the route more easily (if it chose to do so). Because the new unitary authority would be a 'continuing authority' it would not need to opt in again.

RECOMMENDED – That, the Council opt in to the national scheme for auditor appointments managed by PSAA as the 'appointing person' as set out in the report now submitted.

Chairman.

**Audit & Governance Committee –
21 March 2022**



Council Performance Framework 2022/23

Report of the Chief Finance Officer

Lead Member – Councillor P. Mulligan

Ward(s) affected: All

1. **Purpose of Report** – To update committee members on the Council’s Performance Framework for the coming financial year.
2. **Recommendations** – Members are recommended to:
 - 2.1 Note updates to monitoring and reporting mechanisms described in the Council’s Performance Framework for the Financial Year 2022/23
3. **Background Information**
 - 3.1 On 28th June 2021, the Council’s Audit & Governance Committee agreed a 2-year plan and arrangements for the Council Performance Framework.
 - 3.2 The Council’s Performance Framework monitors the Council’s progress and performance against stated objectives and statutory requirements.
 - 3.3 The Framework describes the arrangements in place for reporting against:
 - Council Plan delivery actions
 - Service Plan objectives, including any major projects
 - Improvement recommendations from the Internal Audit service
 - Progress in achieving actions identified in the Climate Emergency Strategic Plan
 - Budget Monitoring arrangements (Revenue and Capital Budgets)
 - Risk Management monitoring arrangements
 - 3.4 The attached plan describes monitoring and reporting arrangements under each of these headings, including how assurance is achieved and key dates and meetings for reporting.
 - 3.5 The plan has been updated to show the expected reporting calendar for the financial year 2022/23 and an updated Key Performance Indicator list for reporting in the quarterly performance overview.

4. Financial and Value for Money (vfm) Implications – The monitoring and reporting activity covered by the Performance Framework is key to ensuring that Value for Money is achieved in the delivery of Council services.

5. Legal Implications

No specific legal implications

6. Contribution to Council Priorities

6.1 No direct impact on Council Priorities. Effective Performance Management improves the likelihood of the successful delivery of Council Priorities

6.2 **Impact on the declared Climate Emergency** – Progress on addressing the actions in the Council's Climate Emergency Strategic Plan is reported as part of the Council's Performance Framework

7. Risk Management –

Reporting on Risk Management is covered as part of the Performance Framework. Details of key reports and meetings are included in the attached framework document.

7.2 **Chief Finance Officer (s151 Officer) Statement**

None required.

7.3 **Monitoring Officer Statement**

None required.

8. Equality Analysis – not applicable

9. Consultations with Others

CLT, Service Managers

10. Background Documents

11. Appendices –

Appendix I - 'Performance Management Framework 2021/23 (2022/23 update)'

12. Author of the Report

Rob Atkins, Exchequer and Performance Manager
Telephone: 01756 706464
e-mail: ratkins@cravendc.gov.uk

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.



Craven District Council

Performance Framework 2021/2023

(updated for 2022/23)

Introduction

The Council's Performance Framework monitors the Council's progress and performance against stated objectives and statutory requirements.

The Framework describes the arrangements in place for reporting against:

- Council Plan delivery actions
- Service Plan objectives, including any major projects
- Improvement recommendations from the Internal Audit service
- Progress in achieving actions identified in the Climate Emergency Strategic Plan
- Budget Monitoring arrangements (Revenue and Capital Budgets)
- Risk Management monitoring arrangements

Contact:

Rob Atkins, Exchequer and Performance Manager – ratkins@cravenc.gov.uk

Charlotte Steel, Senior Exchequer and Performance Officer – csteel@cravenc.gov.uk

1. Performance Reporting and Progress Monitoring – Council Plan / Service Plans

There are two monitoring mechanisms for assessing progress on delivering the Council Plan:

- Quarterly qualitative progress reports on Council Plan actions from Service Managers
- Quarterly performance statistics providing a quantitative assessment of progress against targets for Council Plan actions

Statistics are collected directly from a named, responsible member of staff in each service area.

The data source and method of calculation are agreed and signed off by the responsible Service Manager at the start of each reporting year.

Performance reports are verified via the Committee Reporting process, ahead of discussion are reviewed and approved at Policy Committee. The Calendar for 2021/2022, and projected calendar for 2022/23, are shown below.

Quarter 4/End of Year Performance Report 2021/22	<i>Policy – July 2022</i>
Quarter 1 Performance/Target Setting Report 2021/22	<i>Policy – September 2022</i>
Quarter 2 Performance Report 2021/22	<i>Policy – December 2022</i>
Quarter 3 Performance Report 2021/22	<i>Policy – March 2023</i>
Quarter 4/End of Year Performance Report 2021/22	<i>NYC – July 2023</i>

Service Managers are responsible for managing and monitoring progress against Service Plans. Progress against any major projects identified in Service Plans is regularly reported to the Council Leadership Team.

The Council's Performance Management Framework is reviewed as part of the Internal Audit process, and governance arrangements are reported to External Auditors via the Council's Annual Governance Statement which is presented alongside the Council's Annual Statement of Accounts.

2. Improvement Recommendations from the Internal Audit Service

The Council is responsible for ensuring it complies with the law and proper standards to carry out its business. As such, the Council is responsible for ensuring that a sound system of internal control is in place in order to achieve value for money in the use of its resources which includes arrangements for managing risks.

The Internal Audit service, shared with Harrogate Borough Council, reviews the Council's systems of internal control and their implementation, making recommendations for improvement based on legislation, guidance and best practice.

New Internal Audit reports are verified with Service Managers and signed off by the Council's Section 151 Officer before reporting to the Audit & Governance Committee on a Quarterly basis.

All reports contain graded recommended actions for improvement.

For 2021/23, Internal Audit recommendations will be followed up by the Internal Audit Team and progress reported to the Audit & Governance committee. This approach ensures that progress and sign-off against recommendations is independently verified.

The Calendar for 2021/2022, and projected calendar for 2022/23, are shown below.

Quarter 4 Internal Audit progress report 2021/22	<i>June 2022</i>
Quarter 1 Internal Audit progress report 2022/23	<i>September 2022</i>
Quarter 2 Internal Audit progress report 2022/23	<i>December 2022</i>
Quarter 3 Internal Audit progress report 2022/23	<i>March 2023</i>
Quarter 4 Internal Audit progress report 2022/23	<i>NYC - June 2023</i>

3. Progress against the Climate Emergency Strategic Plan

Craven District Council declared a Climate Emergency in August 2019. A Climate Emergency Strategic Plan describing the Council’s approach to working towards Carbon Neutrality for the Council’s own operations and, working with others, across the District of Craven, was agreed by Council in February 2020.

The Council committed to a full annual review of progress against the plan and a light-touch review every 6 months.

In addition to this, a quarterly update on Climate Emergency actions identified in Service Plans is presented as part of the Council’s Quarterly Performance Update to Policy Committee.

The planned reporting calendar for progress updates is shown below.

Climate Emergency – 6-month update 2022/23	<i>Policy – October 2022</i>
Climate Emergency – Annual Review 2022/23	<i>Policy – March 2023</i>

4. Budget Monitoring arrangements (Revenue and Capital Budgets)

The Council conducts routine reviews of both the Revenue and Capital Budget programmes. This is conducted at a Cost Centre Level to provide meaningful detail for the stakeholders. The basis of this review is regularly comparing actual income or expenditure to planned income or expenditure to identify whether corrective action is required. This also includes detailed analysis of salary, agency and key areas of income.

The output of these reviews are reported to Senior Management and to the Council’s Committees as appropriate. They are also used by Budget Holders to better inform decision making and planning for the future.

5. Risk Management monitoring arrangements

Risks to the Council's operations are monitored via an annual data collection exercise and via regular quarterly monitoring as part of the performance reporting process. A Risk Register describing both operational and strategic risks, and any mitigating controls, is maintained by the Financial Services team. In addition to this, detailed records of any Health & Safety risks are maintained by the Council's appointed Health & Safety Advisor.

The governance of the Council's Risk Management processes is monitored by the Council's Risk Management Group, which consists of the Chair of the Audit and Governance Committee, one other appointed Member, the Council's S151 Officer, Chief Information Officer, Director of Services and Performance and Exchequer Manager. The Risk Management Group meet quarterly, in advance of Audit & Governance Committee meetings where decisions about risk governance are verified and agreed.

The Risk Management Group recommends any updates to the Council's Risk Appetite Statement, and monitors progress against any Action Plans identified to address required improvements to risk controls.

Service Managers and other Responsible Officers are required to continually assess risks associated with their Service Plans and projects, particularly when any changes occur. Updates to risks are reported to the Financial Services team to be included in the Council's Risk Registers.

Q4 Risk Management Group (End of year report) 2021/22	<i>May 2022</i>
Q4 Risk Report to A&G (End of year report) 2021/22	<i>June 2022</i>
Q1 Risk Management Group (Risk Register Review) 2022/23	<i>August 2021</i>
Q1 Risk Report to A&G (Risk Register Review) 2022/23	<i>September 2022</i>
Q2 Risk Management Group 2022/23	<i>November 2022</i>
Q2 Risk Report to A&G 2022/23	<i>December 2022</i>

6. Corporate Key Performance Indicators (KPIs) agreed for 2022/23

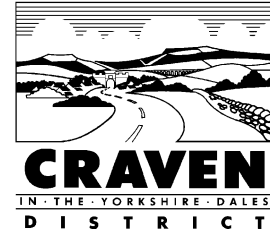
The table below provides the full list of Corporate KPIs for 2022/23, as agreed with Service Managers. Measures highlighted in yellow are new or updated from the 2021/22 list

Service	KPI Name
Assets and Commercial Services	% PDRs completed on time - Assets and Commercial Services
	Ave. Days Absent through sickness (Assets and Commercial Services)
	Forecast Net Expenditure against Budget - Assets and Commercial Services
Bereavement Services	No. Cremations Held (per quarter)
	Ave. Normal Crematorium Capacity Used
	No. Burials
	Compliments - Bereavement Services
	Complaints - Bereavement Services
	% PDRs completed on time - Bereavement Services
	Ave. Days Absent through sickness (Bereavement Services)
Forecast Net Expenditure against Budget - Bereavement Services	
Business Support Services	% PDRs completed on time - Assets and Commercial Services
	Ave. Days Absent through sickness (Assets and Commercial Services)
	Forecast Net Expenditure against Budget - Assets and Commercial Services
Cleaner Neighbourhoods	Fly Tipping Incidents
	Littering Incidents
	Dog Fouling Incidents
	Dog Fouling Signage Requests
	% PDRs completed on time - Environmental Health
	Ave. Days Absent through sickness (Environmental Health)
	Forecast Net Expenditure against Budget - Environmental Health
Craven Leisure	Ave. Number of Members
	Net No. New Members
	Casual Swimming Attendance
	Fitness Studio Attendance
	% PDRs completed on time - Craven Leisure
	Ave. Days Absent through sickness (Craven Leisure)
	Forecast Net Expenditure against Budget - Craven Leisure
Cultural Services	Museum Attendances
	Performance and Event Attendances
	Volunteer Engagement and Training
	% PDRs completed on time - Cultural Services
	Ave. Days Absent through sickness (Cultural Services)
	Forecast Net Expenditure against Budget - Cultural Services
Customer Services	% Calls Answered
	Emails Received to Contact Us
	Ave. Days Absent through sickness (Customer Services)
	Forecast Net Expenditure against Budget - Customer Services
Economic Development	New Business Starts
	Claimant Count
	% PDRs completed on time - Economic Development

AGENDA ITEM 6

	Ave. Days Absent through sickness (Economic Development)
	Forecast Net Expenditure against Budget - Economic Development
Financial Services	% Invoices paid within 30 days
	% payments with an official order
	% PDRs completed on time - Financial Services
	Ave. Days Absent through sickness (Financial Services)
	Forecast Net Expenditure against Budget - Financial Services
Housing Needs Services	No. Supported at Pinder House this Quarter
	% Capacity Occupancy at Pinder House this quarter
	No. Supported through Supported Lettings
	Forecast Net Expenditure against Budget - Housing Needs Services
Legal Services	Number of cases recieved and actioned by Legal Services
	Percentage of cases actioned within 20 working days
	% PDRs completed on time - Legal Services
	Ave. Days Absent through sickness (Legal Services)
	Forecast Net Expenditure against Budget - Legal Services
Parking Services	Pay & Display Income
	Permit Income
	Faults Raised
	% Payments made by Card vs Cash
	Forecast Net Expenditure against Budget - Parking
Planning	Major Applications Processed within Timescale
	Minor Applications Processed within Timescale
	Other Applications Processed within Timescale
	% PDRs completed on time - Planning
	Ave. Days Absent through sickness (Planning)
	Forecast Net Expenditure against Budget - Planning
Revenues and Benefits	Time to process Change of Circumstances
	Time to process new claims
	No. Council Tax Support Claims
	Council Tax collected
	Non-Domestic Rates collected
	% PDRs completed on time - Revenues and Benefits
	Ave. Days Absent through sickness (Revenues and Benefits)
	Forecast Net Expenditure against Budget - Revenues and Benefits
Waste Management	Residual Waste - volume per household
	% Waste Recycled
	% PDRs completed on time - Waste Management
	Ave. Days Absent through sickness (Waste Management)
	Forecast Net Expenditure against Budget - Waste Management

Audit & Governance Committee - 21 March 2022



REGULATION OF INVESTIGATORY POWERS ACT 2000

Ward(s) affected: All

Report of the Solicitor to the Council

1. Purpose of Report

To advise the Committee of the Council's use of covert surveillance under the Regulation of Investigatory Powers Act 2000.

2. **Recommendations** – Members are recommended to note the content of the report.

3. Report

Background

- 3.1 The Council has a number of statutory functions which involve officers investigating the conduct of others with a view to bringing legal action against them. Most investigations are carried out openly (or overtly), but some may require the use of covert surveillance techniques or involve the acquisition of communications data.
- 3.2 The Regulation of Investigatory Powers Act 2000 ('RIPA') regulates the authorisation and monitoring of these investigations to safeguard the public from unwarranted intrusion of privacy and since November 2012, the Protection of Freedoms Act 2012 has required local authorities to obtain the prior approval of a magistrate for the use of covert surveillance.
- 3.3 RIPA provides for the appointment of an Investigatory Powers Commissioner to oversee the way public authorities carry out covert surveillance.

Report

- 3.4 In March 2021 an Inspector appointed by the Commissioner, conducted a remote inspection of the Council's use of powers and procedures in relation to covert activities under RIPA.
- 3.5 The Inspector was satisfied with what he found and made no recommendations.

- 3.6 The Inspector did highlight again the importance of training for both designated authorising officers and applicants. Members may recall that this was a recommendation from the 2018 desktop-based inspection. Unfortunately, a ‘face to face’ training session planned for early summer 2020 had to be cancelled due to COVID.
- 3.7 On 23 April 2021, 19 officers attended a RIPA workshop led by a specialist external trainer. All officers who carry out site visits, whether or not for enforcement purposes, were required to attend this training.
- 3.8 In August 2021, the Investigatory Powers Tribunal issued a Notice of Decision following a complaint that officers had contravened RIPA during a site visit carried out in February 2019. The Tribunal found that the conduct was not ‘covert’ within the meaning of RIPA and as such, no authorisation was required under RIPA.
- 3.9 In February, the Council’s RIPA Policy Statement and Procedures document was reviewed and found to be compliant with the most recent RIPA Codes of Practice.
- 3.10 Since the last report (21 December 2020) no covert surveillance has been authorised.

4. **Financial and Value for Money Implications**

There are no financial implications arising from the recommendation in this report.

5. **Legal Implications**

These are set out in the body of the report.

6. **Contribution to Council Priorities**

6.1 Not applicable.

6.2 **Impact on the declared Climate Emergency**

The report is to note, and the subject of the report has no impact on the declared Climate Emergency.

7. **Risk Management**

7.1 The Council must ensure that it is fully compliant with the legal requirements set out in RIPA to avoid challenge which may lead to both financial and reputational risks.

7.2 **Chief Finance Officer (s151 Officer) Statement** – no additional comments.

7.3 **Monitoring Officer Statement** – no additional comments.

8. **Equality Analysis**

The Council's Equality Impact Assessment procedure does not apply to this report as there are no changes to any policy.

9. **Consultations with Others**

None

10. **Background Documents**

Regulation of Investigatory Powers Act 2000 – Policy Statement and Procedures.

11. **Appendices**

None.

12. **Author of the Report**

Annette Moppett, Solicitor to the Council (Monitoring Officer)

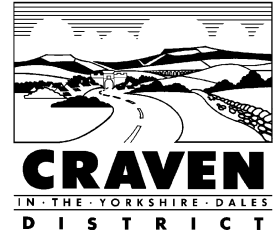
Telephone: 01756 706325

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Audit & Governance Committee – 21st March 2022

Internal Audit Recommendations – Progress Report



Report of the Audit Services and Fraud Manager

Lead Member – Councillor P. Mulligan

Ward(s) affected: All

1. **Purpose of Report** – To update committee members on progress against recommendations made by the Internal Audit team.
2. **Recommendations** – Members are recommended to:
 - 2.1 Note progress against Internal Audit recommendations
3. **Background Information**

The Council's Internal Audit team carries out an agreed programme of work to ensure that the controls that the Council has put in place to meet its objectives, comply with current legislation and ensure best value both reflect good practice and are being consistently and rigorously observed.

During 2020/21, the Internal Audit team focused on ensuring that the arrangements for Covid-19 financial support were robust and that the risk of fraud was minimised. This resulted in fewer Internal Audit recommendations relating to other areas of work than would normally be expected. 2021/22 has seen a return to usual audit work for the most part, and as a result we are now seeing a number of new recommendations emerging and becoming due.

There are 33 recommendations outstanding, 3 of which are Priority 1 recommendations.

Summary of Internal Audit recommendations

	Priority 1	Priority 2	Priority 3
Audit Recommendations completed		3	4
Audit Recommendations Removed as no longer applicable			
Audit Recommendations outstanding	3	25	5

4. Financial and Value for Money (vfm) Implications – An effective programme of Internal Audit is a key component of the Council’s Performance Framework and assurance activity, preventing financial loss and ensuring value for money.

5. Legal Implications – none

6. Contribution to Council Priorities

6.1 No direct impact on Council Priorities. Effective Risk Management improves the likelihood of the successful delivery of Council Priorities

6.2 **Impact on the declared Climate Emergency** – No specific impact on the declared Climate Emergency

7. Risk Management

The Internal Audit programme includes regular review of the Council’s Risk Management arrangements. Recommendations relating to Risk Management are described in this report.

7.2 **Chief Finance Officer (s151 Officer) Statement**

7.3 **Monitoring Officer Statement**

8. Equality Analysis – not applicable

9. Consultations with Others

CLT, SLT members with assigned recommendations.

10. Background Documents

11. Appendices –

Appendix I – ‘Internal Audit Recommendations –Progress Update March 2022

12. Author of the Report

Gill Hoyes, Auditor
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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

Audit & Governance Committee – 21st March 2022

Audit Services Progress Report as at 10th March 2022



Report of the Audit Services Manager – Shared Internal Audit Service

Ward(s) affected: All

1. Purpose of Report

- 1.1 To update Committee Members on the progress made against the 2021/22 Internal Audit plan up to 10th March 2022

2. Recommendations

Members are recommended to:-

- 2.1 Note the contents of the report and the attached Appendix.

3. Background Information

- 3.1 The work undertaken by Audit Services is governed by the Accounts and Audit (England) Regulations 2011 and the Public Sector Internal Audit Standards (PSIAS). In accordance with paragraph 2.11 of the Standards, the Audit Committee must receive progress reports detailing progress made against the agreed Annual Audit Plan.

4. The Report

- 4.1 This report details the work undertaken by Audit Services and contains a summary of completed reviews along with the overall audit opinion given.
- 4.2 Audit Services resources have continued to be required on COVID-19 business support schemes due to the requirement to have pre-checks in place for schemes open during the first quarter of 2021/22.
- 4.3 The effect of this is that commencement of work on the Audit plan was delayed in quarter 1. Work on normal audit work resumed during quarter 2, despite some continued COVID-19 support required.
- 4.4

Further Government COVID-19 grant schemes have opened in quarter 4 putting additional strain on Audit resources.

4.5

In addition to pressures resulting from COVID-19, Local Government Reorganisation work is clearly having increasing impact on services with a knock on effect being seen in response times for Audit work. This has resulted in a significant delay in completing the plan and it is anticipated that there will be a requirement to defer the usual 31st March deadline date until quarter one of the 2022/2023 plan. There is simply insufficient capacity for management to liaise with internal audit and many audits have had to be put on hold. Audit Services are sympathetic to this and do not consider the delay will have any significant impact upon the annual assurance opinion given in the final 2021/23 Audit Report in June.

4.6

Housing Benefits audit has been deferred until 2022/23 due to resourcing issues within the service. This audit will take priority during the first quarter.

4.7

The current position on the 2021/221 Audit Assignments as at 19th November 2021 is as follows:

Status of Audits	Number of Audits	Percentage of Plan
Final report issued	3	27.4%
Draft report issued	0	0%
Managers Review	0	0%
In progress	6	54.6%
Yet to start	1	9%
Deferred to 2022/23	1	9%
Total	11	100%

5. Priority Areas to 31st March 2022

5.1 Managing complex competing priorities to deliver the final audit plan within timescale.

6. Conclusion

6.1 All Audits will be completed in line with the agreed plan. Update meetings will continue to be held with the Chief Finance Officer, s151 Officer or Exchequer and Performance Manager, Financial Services to provide assurance that audit work is progressing as planned.

7. Implications

7.1 Financial and Value for Money Implications

None

7.2 Legal implications

None

7.3 Contribution to Council Priorities

The delivery of an Internal Audit Service contributes to:

- Carbon Neutral – Facilitating economic growth in low carbon Craven
- Supporting the Wellbeing of our Communities – Developing vibrant, connected and health communities.
- Attracting and Retaining Younger People – Creating a district that attracts people of working age to live and work
- Financial Sustainability – Ensuring a self-sustainable Council

7.4 Risk Management

New and unpredicted COVID restrictions and Business Support Grant Scheme are a current risk to the completion of the audit plan, however contingency in the plan will allow for some mitigation of this risk.

7.5 Equality Impact Assessment

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

8. Consultations with Others

Chief Finance Officer and s151 Officer, Financial Services

9. Access to Information : Background Documents

None

10. Author of the Report

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Shared Audit Service.
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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

11. Appendices

Internal Audit Plan 2021/22 April – 10th March 2022 Monitoring

APPENDIX 1

Internal Audit Plan April – 10th March 2022 MONITORING

Audits (includes audits brought forward 2020/21 audits)	Approved Plan (Days)	Actual April-Jan (Days)	Comments (at time of writing)
2020/21 audits			
Risk Management	12	1	Final report issued
Duplicate Payments	1	0.3	NA

2021/22 audits

Housing Benefits	10	0	Deferred to 2022/23
Payroll	10	0.5	In progress
Creditors	10	10.5	Draft preparation
Debtors	10	10	Final Report
Project Management	12	0	Yet to start
Health and Safety	10	13.5	Final report
Empty Properties & High Street Recovery	10	0.78	In progress
Recording and Inspection of Assets	10	6.08	In progress
Climate Change	10	0	In progress
Data Breaches	8	6.19	Final Report
Procurement Rules	8	2	In Progress
Business Support Grant Verification	10	1.42	Ongoing
Duplicate Payments	2	0.3	Ongoing
Follow up work Management	20	2.83	Ongoing
Contingency	20	16.25	Ongoing
	20	0	Ongoing
Total	180	70.35	

*** Key – Levels of Assurance**

Level	Definition
Significant	The system of internal control is designed to support the Councils corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the area reviewed.
None	There are weaknesses in control, or inconsistent non-compliance which places corporate and service objectives at risk in the area reviewed.



Audit Services Report

Data Breaches 2021/22 Report ref: C12/2021

Report

Draft: 19/11/21

Final: 15/12/21

Good Level of
Assurance

Contents

Background	page 2
Scope	pages 2 - 3
Audit Opinion	page 3
Detailed Findings & Action Plan	page 3 onwards

Distribution

Job Title
Chief Executive
Director of Services
CIO and Head of Assets & Commercial

1 Background

- 1.1 This audit has been undertaken as part of the annual audit plan for 2021/22 and has sought to determine compliance with the following key control objective
KCO1 : Personal data breaches are recorded, investigated and reported on, as necessary, in a timely manner in accordance with the UK General Data Protection Regulation.
- 1.2 It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, misappropriation or other irregularities which may exist.
- 1.3 Internal Auditing is an independent, objective assurance and consulting activity to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.4 According to the Information Commissioner's Office (ICO), a personal data breach can be broadly defined as a security incident that has affected the confidentiality, integrity or availability of personal data. In short, there will be a personal data breach whenever any personal data is accidentally lost, destroyed, corrupted or disclosed; if someone accesses the data or passes it on without proper authorisation; or if the data is made unavailable and this unavailability has a significant negative effect on individuals.
- 1.5 The risk surrounding data breaches can involve a fine of up to £8.7 million or 2 per cent of global turnover for failing to notify the ICO of a breach when required to do so. In addition to this financial risk there is also the reputational risk that the effect of a data breach could have on the Authority.
- 1.6 During 2021/22 a new member of staff took over the role of Information Governance Manager
- 1.7 Data Breaches & Non Compliance was an e-learning module released to staff in May 2021. To date, 74% of staff enrolled on this module are recorded as having completed and passed it.

2 Audit Scope

- 2.1 The scope of the audit involved a review of the key control by undertaking compliance testing as well as documentation review and discussion with staff. Testing has concentrated on the following:
- Determining that appropriate action is carried out on becoming aware of a breach
 - Determining that investigative action is carried out
 - Confirming that proper procedure is followed where a breach results in a high risk to individuals rights and freedoms
 - Determining that an appropriate process is in place surrounding notification
 - Establishing that expected content is included when notifying individuals and the ICO of a personal data breach
 - Confirming that reporting timeframes are adhered to
 - Establishing that appropriate action is taken to reduce the risk of human error

3 Audit Opinion

- 3.1 A summary of Audit Services' opinion levels and their definitions is provided below:

Level	Definition
Significant Level of Assurance	The system of internal control is designed to support the Council's corporate and service objectives and controls are consistently applied in all the areas reviewed.
Good Level of Assurance	There is generally a sound system of control designed to support the Council's corporate and service objectives. However, some improvements to the design or application of controls is required.
Partial Level of Assurance	Weaknesses are identified in the design or inconsistent application of controls which put the achievement of some of the Council's corporate and service objectives at risk in the areas reviewed.
No Level of Assurance	There are weaknesses in control, or consistent non-compliance which places corporate and service objectives at risk in the areas reviewed.

- 3.2 Based on this report's findings, Audit Services have given a Good Level of Assurance on the Internal Control Framework within the function in line with the Public Sector Internal Audit Standards.
- 3.3 The total population of data breaches from which to select a sample and perform audit testing was limited. No data breaches have occurred in 2021 to date; there being 4 that occurred during 2020, none of which required reporting to the ICO. Previous audits have established that there are good controls in place surrounding Data Protection at the Authority which are working well. Nevertheless, given the risk of human error, implementation of the recommendations set out at section 4 would prove beneficial in terms of readiness should there be any change to current levels of data breaches.
- 3.4 With reference to the key control being reviewed, this is considered to be partly met; key risks for which are set out in the main body of the report. There are 4 recommendations that have been made in total; 3 at priority 2, and 1 at priority 3.

4 Detailed Findings & Action Plan

The audit findings are detailed in this section on an exception basis only for the attention of Management, therefore KCO's with adequate controls are not included.

Recommendations are prioritised as follows:

Priority 1 - These relate to significant gaps in the Internal Control Framework

Priority 2 - These relate to minor gaps in the Internal Control Framework or significant issues of non-compliance with key controls

Priority 3 - These relate to minor issues of non-compliance with controls

Ref	Findings	Recommendations	Risk	Management Response	Officer Responsible and Implementation Date
KCO1 : Personal data breaches are recorded, investigated and reported on, as necessary, in a timely manner in accordance with the UK General Data Protection Regulation.					
1	<p>The documentation listed below, held on the intranet, refers to raising a potential data breach as follows:</p> <ul style="list-style-type: none"> *The Information Security Incidents Policy; by reporting a security incident on the appropriate form *Security Incidents Guidance; by completing the Security Incident Report Form provided on the intranet *Working From Home Policy Guidance; by immediately reporting any incidents of loss of the Council's information to the Council's Information Governance Manager (phone number provided). Additionally, November's Core Brief provides a link to the intranet folder in which the Security Incident Report Form is held and the shared email address to which it should be sent. <p>However, issues with the above are considered to be:</p> <ul style="list-style-type: none"> *No direct link to the form from the Incidents Policy *The form's reference to whom it should be copied including 2 officers who have since left. 	<p>R1: Priority 2 (MKRef494)</p> <p>The ways in which to initially raise a data breach, and with whom, should be set out clearly and consistently across all documentation which is then kept up to date</p>	<p>Potential delays in initial alerting which could lead to a delay in reporting to the ICO, where required, and incur a fine</p>	<p>Agreed</p>	<p>CIO and Head of Assets & Commercial 15/06/22</p>
		<p>R2: Priority 2 (MKRef495)</p> <p>The ways in which to initially raise a data breach should allow for a sufficient number of substitute officers to access such alerts in the event of staff unavailability</p>		<p>Agreed</p>	<p>CIO and Head of Assets & Commercial 15/06/22</p>

Ref	Findings	Recommendations	Risk	Management Response	Officer Responsible and Implementation Date
	<p>*The Working From Home Guidance indicating reporting to the Information Governance Manager via telephone does not take into account that the current postholder is part time; no alternative contact being listed.</p> <p>*Inconsistency between the Working from Home Guidance, the Security Incidents Policy and Guidance, and Core Brief as to the method of breach alerting; the first providing a phone number, the Policy and the Guidance referring to form completion and Core Brief providing an email address</p>	<p>R3: Priority 3 (MKRef496) Consideration should be given to embedding links to the Security Incident Reporting Form from Security Incidents Policy and Guidance</p>		Agreed	CIO and Head of Assets & Commercial 15/06/22
2	<p>The Security Incidents Guidance has been updated since the original was published on the intranet and includes specific changes following introduction of the GDPR, particularly in relation to the 72 hour ICO reporting timeframe</p> <p>However, although updated advice was evidenced in previous versions of Core Brief and in training modules, the original version of the Guidance remains on the current intranet.</p>	<p>R4: Priority 2 (MKRef497) It should be ensured that it is the updated version of the Security Incidents Guidance that is held on the new intranet once relaunched</p>	Failure in timely data breach alerting leading to potential delays in ICO reporting	Agreed	CIO and Head of Assets & Commercial 15/06/22

Any queries or requests for further information regarding this report should be directed to Audit Services on 01423 500600 extension 58586. Audit Services would like to thank the officers involved for their assistance during this audit.