

**AUDIT AND GOVERNANCE COMMITTEE**

25 June 2019

**Present** – The Chair (Councillor Hull) and Councillors Handley, Lis, Mercer, Noland and Place.

**Officers** – Chief Executive, Exchequer and Performance Manager, Solicitor to the Council and Monitoring Officer, External Audit Manager, Internal Audit Manager, Economic Development Manager and Democratic Services and Scrutiny Officer.

Apologies for absence were received from Councillors Barrett, Harbron and Wheeler and Independent Person, Greg Robinson.

Start: 6.30pm

Finish: 7.30pm

The minutes of the meeting held on 2 April 2019 were approved as a correct record and signed by the Chair.

**Minutes for Report**

AC.350

**ANNUAL GOVERNANCE STATEMENT 2018/19**

The Exchequer and Performance Manager submitted a report which presented the Annual Governance Statement. The Chair emphasised the importance of the document as part of Internal Audit.

One Member commented on the phrasing of the action status for 'Arrangements to Secure Value for Money'. It was proposed that the words "this action has not yet started" replaced "not completed" in the report. The Committee considered that this was a more accurate reflection of the current position.

**Resolved** – That subject to the above amendment the Annual Governance Statement is approved.

AC.351

**ANNUAL INTERNAL AUDIT REPORT 2018/19**

The Internal Audit Manager submitted a report which presented the findings and conclusions from audit work carried out during the financial year of 2018/19. The Internal Audit Manager reminded Members that the Annual Internal Audit Report is required under the Accounts and Audit Regulations and the Public Sector Internal Audit Standards.

The Internal Audit Manager referenced the 3-year shared internal audit agreement with Harrogate Borough Council from 2018/19 and the 180 days purchased with an option of a further 20 days contingency or for a special piece of work. The Internal Audit Manager confirmed that the 20 extra days had not been used for 2018/19.

The Internal Audit Manager explained the structure and contents of the report, particularly the table of assurance levels at 5.4 of the report. It was explained that 75% of the audit work undertaken resulted in either significant or good assurance scores on the control environment in place. The Internal Audit Manager explained the shift to the audit of higher risk areas previously not audited being positive for the identification of risks with management.

Members thanked staff, particularly those in Internal Audit, for their hard work.

**Resolved** – That the Committee notes the contents of the report, particularly the opinion given based on audit work undertaken during 2018/19.

AC.352                    **UPDATE ON THE COUNTER FRAUD AND CORRUPTION ARRANGMENTS ACTION PLAN – OUTSTANDING ACTIONS**

The Exchequer and Performance Manager submitted a report which updated the Committee on outstanding actions that required further work. The Exchequer and Performance Manager clarified the outstanding areas from the 2016 investigation in relation to the CIPFA Code, which were awaiting completion.

**Resolved** – That the Committee notes the elements of the Action Plan that require further work.

AC.353                    **EXEMPTIONS GRANTED UNDER CONTRACT PROCEDURE RULES**

The Exchequer and Performance Manager presented a report in relation to five contracts awarded outside of the normal procedure rules. It was advised that in relation to contract servicing for the Pay and Display machines, this had been thoroughly investigated and there was no suitable, alternative service provider.

One Member expressed concern that the service provider for parking meters purchased by the Council needed to be more flexible, particularly so that the parking metres could be interchangeable. The Exchequer and Performance Manager provided an assurance that the investigation was thorough and all contracts were carefully investigated to ensure service provider flexibility, wherever possible.

**Resolved** – That the Committee notes the exemptions granted.

AC.354                    **EXEMPTION FROM CONTRACT PROCEDURE RULES TO EXTEND AGREEMENT FOR PROVISION OF CIVIL ENGINEERING SUPPORT**

The Economic Development Manager submitted a report that requested an exemption from the Contract Procedure Rules to extend the arrangement with Pendle Borough Council for the provision of civil engineering services.

The Economic Development Manager emphasised the importance that funding from the Local Enterprise Partnership is spent within the deadline (December 2020). The Committee was advised that Pendle Borough Council had been assisting in delivering three externally funded projects to be completed within time-scale.

The Economic Development Manager requested an extension of the current arrangement to March 2022. The Committee considered the importance of continuity for the projects, the critical timescales for the delivery of those projects and the value for money element (as detailed in Appendix A to the report, marked exempt).

**Resolved** – That the request for an exemption from the Contract Procedure Rules to extend the arrangement with Pendle Borough Council until March 2022 is approved.

AC.355                    **INTERNAL AUDIT – IMPLEMENTATION OF RECOMMENDATIONS**

The Exchequer and Performance Manager presented a report that updated the Committee on Priority one outstanding audit recommendations, completions and the number of recommendations not yet cleared.

The Exchequer and Performance Manager updated Members on the four amber status recommendations and seven completed recommendations.

The Solicitor to the Council and Monitoring Officer updated the Committee on a Priority one recommendation in relation to Licensing. Members were advised about the significant progress that had been made, 266 hard copy files cleansed, scanned and destroyed. It was advised that this particular Priority should achieve green status by the next meeting.

Councillor Lis asked that consideration be given to inviting the CIO & Assets and Commercial Services to the next meeting.

**Resolved** –That the Committee notes the contents of the report and appendices.

AC.356                    **REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Solicitor to the Council and Monitoring Officer submitted a report that advised the Committee on the Council's use of covert surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA) since October 2018.

The Solicitor to the Council and Monitoring Officer highlighted the key changes to the RIPA Policy, largely due to advances in technology. The Committee was informed that since October 2018 no covert surveillance had been authorised.

**Resolved** – That the Council's revised RIPA Policy is approved.

**Minutes for Decision**

There were no items for decision.

Chairman.