

Minutes of the meeting of the Audit,
Governance and Standards Committee held
at 10.00 am on Tuesday, 20th October, 2020
at a Virtual Meeting via Teams

Present

Councillor N A Knapton (in the Chair)

Councillor	P Atkin	Councillor	K G Hardisty
	P Bardon		R W Hudson
	D B Elders		P Thompson

AGS.3 Minutes

The decision:

That the minutes of the meetings of the Committee held on 28 January and 15 September 2020 (AGS.24 to AGS.30 and AGS.1 to AGS.2), previously circulated, be signed as a correct record.

AGS.4 Regulation of Investigatory Powers Act 2000 - Inspection by the Investigatory Powers Commissioner's Office

All Wards

The subject of the decision:

The Director of Law and Governance (Monitoring Officer) presented a report advising the Committee which set out the findings of the Investigatory Powers Commissioner following his recent inspection and asks the Committee to endorse the actions taken to implement the Commissioner's recommendations. The report also provided information on any activities which had been authorised under the Regulation of Investigatory Powers Act 2000 ("RIPA").

Alternative options considered:

None.

The reason for the decision:

To comply with the Regulation of Investigatory Powers Act 2000 (RIPA).

The decision:

That:-

- (1) the position in respect of the inspection by the Investigatory Powers Commissioner's Office is noted;

- (2) the steps taken to comply with the Commissioner's findings are endorsed and the Council's updated RIPA Guide to Practice and Procedure Policy and Central Record of Authorisations are approved;
- (3) it be noted that no RIPA authorisations were made by the Council during the period 22 January 2020 to 20 October 2020; and
- (4) the frequency of the RIPA activity reports is reduced from quarterly reports to six-monthly reports.

AGS.5 Annual Report Code of Conduct Complaints

All Wards

The subject of the decision:

In accordance with the findings in the recent publication by the Committee on Standards in Public Life entitled 'Local Government Ethical Standards – A Review by the Committee on Standards in Public Life', this report sets out the Monitoring Officer's Annual Report on matters relating to ethical governance, including details of any complaint handling activity in relation to allegations of breaches of a code of conduct.

Alternative options considered:

None.

The reason for the decision:

The Committee was required to be presented with an annual report on code of conduct complaints.

The decision:

That the report of the Monitoring Officer be noted.

AGS.6 Annual Review of the Committee's Terms of Reference

All Wards

The subject of the decision:

The Director of Finance and Commercial (s151 Officer) presented a report following a review of the Committee's Terms of Reference.

Alternative options considered:

None.

The reason for the decision:

To fulfil the good practice requirement for an annual review and incorporate the audit terms of reference suggested by CIPFA.

The decision:

That the Committee approves and recommends to Council that:

- (1) the annual review of the Audit, Governance and Standards Committee's terms of reference be noted; and
- (2) the terms of reference for the Audit, Governance and Standards Committee as set out in Annex A of the report be approved.

AGS.7 Politically Restricted Posts

All Wards

The subject of the decision:

The Director of Law and Governance (Monitoring Officer) presented a list of Politically Restricted Posts for approval.

Alternative options considered:

None.

The reason for the decision:

To comply with the Local Government and Housing Act 1989.

The decision:

That the list of Politically Restricted Posts annexed to the report be approved.

AGS.8 Annual Report to Cabinet on the Audit, Governance and Standards Committee's Activities 2019/20

All Wards

The subject of the decision:

The Director of Finance and Commercial (s151 Officer) presented a draft report which analysed the work undertaken by the Committee for the year to 31 March 2020. Under the Committee's Terms of Reference, it was proposed that the report would be presented at Cabinet in November 2020.

Alternative options considered:

None.

The reasons for the decision:

To agree the content of the draft report prior to submission to Cabinet.

The decision:

That:-

- (1) the content of the report be agreed; and
- (2) the report be submitted to Cabinet in November 2020.

AGS.9 Internal Audit and Counter Fraud Annual Report 2019/20

All Wards

The subject of the decision:

The Director of Finance and Commercial (S151 Officer) presented a report which provided an update on counter fraud work undertaken in 2019/20.

Alternative options considered:

None.

The reason for the decision:

In accordance with chapter 5 of the Council's Audit Charter, the Head of Internal Audit is required to provide an annual report to the Audit, Governance and Standards Committee. The report is used by the Committee to inform its consideration of the Council's annual governance statement.

The decision:

That:-

- (1) the results of the audit and counter fraud work undertaken in 2019/20 be noted;
- (2) the opinion of the Head of Internal Audit on the framework of governance, risk management and control operating within the Council be accepted; and
- (3) that the Commercial Initiatives and Economic Development audits be included in the Audit Plan 2020/21 to be commenced at an appropriate time.

Note: Councillor P Bardon left the meeting due to technical difficulties at approximately 10.50am and re-joined the meeting at approximately 10.55am. Councillor P Bardon abstained from voting on the above item.

AGS.10 Annual Governance Statement 2019/20

All Wards

The subject of the decision:

The Director of Finance and Commercial (s151 Officer) presented a report which set out the findings of a review of the governance framework, incorporating systems of internal control operating within the Council during 2019/20 and sought approval of the Annual Governance Statement.

Alternative options considered:

None.

The reason for the decision:

The preparation and publication of an Annual Governance Statement in accordance with the CIPFA/SOLACE Framework was necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations which required authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.

The decision:

That:-

- (1) the Committee agree with the conclusion of the review of the system of internal control; and
- (2) the content of the Annual Governance Statement attached at Annex A which is published within the Annual Financial Report - Statement of Accounts - 2019/20 be approved.

AGS.11 Statutory Auditor Report on the 2019/20 Audit and the Council's Financial Report - Statement of Accounts 2019/20

All Wards

The subject of the decision:

The Director of Finance (s151 Officer) submitted a report which presented the Statutory Auditor Results Report for the year ended 31 March 2020 and the Council's Financial Report 2019/20 for approval. The Management Representation Letter was not available for consideration at the meeting.

The Director of Finance reported that the Audit Results Report was still undergoing further work and the Letter of Representation was not yet finalised, both would be completed by the statutory deadline date of 30 November 2020.

Alternative options considered:

None.

The reason for the decision:

The National Audit Office's Code of Audit Practice (The Code) for Local Government Bodies required a report to be issued from the External Auditor (Ernst & Young LLP) to those charged with governance, on the work carried out during the audit, to discharge Ernst & Young's statutory responsibilities, together with any governance issues identified.

The decision:

That the Chairman of the Committee be given delegated authority to:-

- (1) accept the 'Audit Results Report – IAS 260' presented to the Audit, Governance and Standards Committee for the 2019/20 audit as prepared by Ernst & Young LLP attached at Annex A to the report;
- (2) approve the Management Representation Letter which is required to be signed by the Council's Director of Finance, acting in the capacity of s151 Officer; and
- (3) approve the audited Statement of Accounts for 2019/20 at Annex C of the report.

AGS.12 CIPFA Financial Management Code

All Wards

The subject of the decision:

The Director of Finance and Commercial (s151 Officer) presented a report which informed the Committee of the contents of the Financial Management Code and the actions to be taken by Hambleton District Council to be compliant by 2021/22.

Alternative options considered:

None.

The reason for the decision:

Although the Code did not currently have any specific statutory backing, CIPFA reference that compliance with the Financial Management Code should be linked to the (s151) of the Local Government Act 1972. There was also an obligation upon Members to adhere to the Financial Management Code.

The decision:

That the report be noted.

AGS.13 Report Programme 2020/21

All Wards

The subject of the decision:

The Director of Finance (S151 Officer) presented a report which identified those reports which the Committee wished to receive on a structured basis.

Alternative options considered:

None.

The reason for the decision:

To identify which reports the Committee wished to receive on a structured basis.

The decision:

That the report programme set out in Annex A of the report be approved.

AGS.14 Annual Review of Risk Management

All Wards

The subject of the decision:

The Director of Finance and Commercial (s151 Officer) presented a report which provided the Committee with an annual review of the Council's risk management process.

Alternative options considered:

None.

The reason for the decision:

To comply with the Committee's Terms of Reference as detailed within the Constitution.

The decision:

That the Committee note the Corporate Risks, the Key Corporate Project Risks and the Service Risks with a net risk threshold of 12 or above attached at Annex A, B and C of the report respectively.

AGS.15 Counter Fraud Framework Update

All Wards

The subject of the decision:

The Director of Finance and Commercial (s151 Officer) presented a report which detailed the Council's annual review of counter fraud arrangements. The Council's Counter Fraud and Corruption Strategy had been refreshed in line with a new UK national Counter Fraud Strategy for local government. The report also provides an updated counter fraud risk assessment.

Alternative options considered:

None.

The reasons for the decision:

The work of the Counter Fraud team supported the Council's overall aims and priorities by preventing, detecting and deterring fraud against the organisation. Counter fraud work helped to reduce losses to the Council due to fraud and these savings could be used to fund Council services and initiatives.

The decision:

That the Council's new Counter Fraud and Corruption Strategy (2020-23) with associated action plan be approved and the updated Counter Fraud Risk Assessment be noted.

The meeting closed at 12.05 pm

Chairman of the Committee