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Minutes of the meeting of the AUDIT,
GOVERNANCE AND STANDARDS
COMMITTEE held at 9.30 am on Tuesday,
25th July, 2017 at MAIN COMMITTEE ROOM,
CIVIC CENTRE, STONE CROSS,
NORTHALLERTON

Present

Councillor N A Knapton (in the Chair)

Councillor	C Patmore	Councillor	Mrs C S Cookman
	R A Baker		Mrs J Watson

Also in Attendance

Councillor Mrs I Sanderson

An apology for absence was received from Councillor P R Wilkinson

AGS.4 **MINUTES**

THE DECISION:

That the minutes of the meetings of the Committee held on 21 March and 31 May 2017 (AGS.32 - AGS.40 and AGS.1 - AGS.2), previously circulated, be signed as a correct records.

AGS.5 **REGULATION OF INVESTIGATORY POWERS ACT - REVIEW OF ACTIVITY**

The subject of the decision:

The Director of Law and Governance (Monitoring Officer) submitted a report advising the Committee that the Council, like many public authorities, was governed by the Regulation of Investigatory Powers Act 2000 (RIPA). This Act ensured that public authorities complied with their obligations under the Human Rights Act when undertaking investigations which might interfere with the rights of individuals. The Act introduced safeguards on activities such as surveillance undertaken by public bodies. The Committee had now been given responsibility for RIPA matters. This would involve the Committee reviewing the Council's Policy Statement from time to time and receiving quarterly reports on any activities which had been authorised under RIPA.

Alternative options considered:

None.

The reason for the decision:

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

THE DECISION:

That it be noted that no RIPA authorisations were made by the Council during the period 26 March to 25 July 2017.

AGS.6 **POLITICALLY RESTRICTED POSTS**

All Wards

The subject of the decision:

The Director of Law and Governance (Monitoring Officer) submitted a report which detailed a list of Politically Restricted Posts for approval. The Committee was asked to review the list because of re-organisation and changes in job titles within the Council.

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.7 **INTERNAL AUDIT ANNUAL REPORT 2016/17**

The subject of the decision:

The Director of Finance (S151 Officer) presented a report informing Members of progress made to date in delivering the Internal Audit Plan for 2016/17 and any developments likely to have an impact on the plan throughout the remainder of the financial year.

Alternative options considered:

None.

The reason for the decision:

To take account of the statutory requirement under the Accounts and Audit Regulations.

THE DECISION:

That:-

- (1) the results of the audit work undertaken by Internal Audit in 2016/17 be noted; and

- (2) the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Authority's internal control environment be accepted.

AGS.8 **ANNUAL GOVERNANCE STATEMENT 2016/17**

All Wards

The subject of the decision:

The Director of Finance (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 2016/17 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 conclusion of the review of the system of internal control be agreed; and
- (2) the content of the Annual Governance Statement for publication with the annual Statement of Accounts be approved.

AGS.9 **STATUTORY AUDITOR - QUARTERLY BRIEFING**

The subject of the decision:

The Director of Finance (S151 Officer) presented a report which provided an update on the Council's statutory auditor, Ernst & Young LLP, activities to date.

A representative from Ernst & Young LLP attended the meeting to provide the update and answer questions.

Alternative options considered:

None.

The reason for the decision:

To take account of the work undertaken to date by the Council's statutory auditor.

THE DECISION:

That the quarterly report from the external auditor be noted.

AGS.10 **UPDATE OF INTERNAL AUDIT CHARTER**

All Wards

The subject of the decision:

The Director of Finance (s151 Officer) submitted a report seeking approval of the changes to the Council's Internal Audit Charter.

Alternative options considered:

None

The reasons for the decision:

The Accounts and Audit Regulations 2015 required the Council to have an effective internal audit service that complied with public sector internal audit standards. CIPFA was responsible for setting those standards for Councils.

THE DECISION:

That the Council's updated Internal Audit Charter be approved.

AGS.11 **ANNUAL REPORT TO CABINET ON THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE'S ACTIVITIES 2016/17**

All Wards

The subject of the decision:

The Director of Finance (s151 Officer) presented a draft report which analysed the work undertaken by the Committee for the year to 31 March 2017. Under the Committee's Terms of Reference, it was proposed that the report would be presented at Cabinet in September 2017.

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 September 2017.

AGS.12 **STATUTORY AUDITOR REPORT TO THE AUDIT COMMITTEE ON THE 2016/17
AUDIT AND THE COUNCIL'S FINANCIAL REPORT - STATEMENT OF ACCOUNTS
2016/17**

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 2017, the Management Representation Letter and the Council's Financial Report 2016/17 for approval.

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:-

- (1) the 'Audit Results Report – IAS 260' presented to the Audit, Governance and Standards Committee for the 2016/17 audit as prepared by Ernst & Young LLP attached at Annex A to the report be accepted;
- (2) the signing of the Management Representation Letter at Annex B of the report by the Council's Director of Finance, acting in the capacity of s151 Officer; be approved and
- (3) the audited Statement of Accounts for 2016/17 at Annex C of the report be approved.

The meeting closed at 10.40 am

Chairman of the Committee

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