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Minutes of the meeting of the AUDIT,  
GOVERNANCE AND STANDARDS  
COMMITTEE held at 9.30 am on Wednesday,  
26th March, 2014 at MAIN COMMITTEE  
ROOM, CIVIC CENTRE, STONE CROSS,  
NORTHALLERTON

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## Present

Councillor J Smith (in the Chair)

Councillor	R W Hudson	Councillor	Mrs C S Cookman
	D E Adamson		M Rigby

Apologies for absence were received from Councillors G W Dadd and Mrs B S Fortune

### AGS.35 **MINUTES**

#### **THE DECISION:**

That the minutes of the meeting of the Committee held on 29 January 2014 (AGS.27 - AGS.33), previously circulated, be signed as a correct record.

### AGS.36 **REGULATION OF INVESTIGATORY POWERS ACT - REVIEW OF ACTIVITY AND REVIEW OF POLICY**

All Wards

#### **The subject of the decision:**

The Director of Corporate Services presented 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 and receiving quarterly reports on any activities which had been authorised under RIPA.

Since November 2012 the Council was only able to use RIPA for directed surveillance for potential criminal activity with a possible penalty of at least six months imprisonment. This meant that the Council could no longer use the procedure for low-level offences such as littering, dog control and fly-tipping. For serious offences the Council needed approval from a magistrate before it could use directed surveillance.

**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 1 January – 26 March 2014.

AGS.37 **INTERNAL AUDIT PROGRESS REPORT 2013/14**

All Wards

**The subject of the decision:**

The Director of Resources presented a report informing Members of progress made to date in delivering the Internal Audit Plan for 2013/14.

Veritau North Yorkshire (VNY) completed 9 of 17 internal audit reviews to final report stage in the period between April 2013 and February 2014. A further 2 audits were at draft report stage and 6 other audits were in progress. This represented 53% of the plan delivered to final report stage and 65% including draft reports.

**Alternative options considered:**

None.

**The reason for the decision:**

To take account of the work of Internal Audit to date.

**THE DECISION:**

That the work undertaken by Internal Audit in the year to date be noted.

AGS.38 **STATUTORY AUDITOR - ANNUAL GRANT CLAIMS AND RETURNS 2012/13**

All Wards

**The subject of the decision:**

The Director of Resources presented the Statutory Auditor's Annual Grant Claims and Returns for 2012/13.

**Alternative options considered:**

None.

**The reason for the decision:**

To take account of the Statutory Auditor's Annual Grant Claims and Returns Report for 2012/13.

**THE DECISION:**

That the Statutory Auditor's Annual Grant Claims and Returns Report for 2012/13 be received.

AGS.39 **INTERNAL AUDIT PLAN FOR 2014/15**

All Wards

**The subject of the decision:**

The Director of Resources submitted the proposed Internal Audit Plan for the financial year 2014/15 as the Audit, Governance and Standards Committee had responsibility for overseeing the work of internal audit, and agreeing the plan of work to be undertaken on its behalf by the Council's Internal Auditors. This was in line with good practice as set out in the CIPFA Code of Practice for Internal Audit in Local Government.

The plan was explicitly aligned to the Council's risk registers, which was commonly accepted as good practice and would enable Members of the Audit, Governance and Standards Committee and the Management Team to be satisfied that internal audit activity was focused on the main risks to the Council. Veritau also used its own risk based assessment in developing the audit plan. The audit plan was a working document and changes were made throughout the year to reflect changes in risk and any issues that arose.

**Alternative options considered:**

None.

**The reason for the decision:**

To ensure that audit resources are utilised in an economic, efficient and effective way.

**THE DECISION:**

That the Internal Audit Plan for 2014/15 be approved and amended to include a review of systems at the depot.

AGS.40 **AUDIT, GOVERNANCE AND STANDARDS COMMITTEE - REPORT PROGRAMME FOR 2014/15**

All Wards

**The subject of the decision:**

The Director of Resources presented a report which aimed to identify 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 subject to the inclusion of a report on key risks each quarter.

AGS.41 **REVIEW OF ANNUAL TREASURY MANAGEMENT STRATEGY 2014/15**

All Wards

**The subject of the decision:**

The Director of Resources presented for review by the Committee the Council's Treasury Management Strategy for the forthcoming year 2014/15.

**Alternative options considered:**

None.

**The reason for the decision:**

To fulfil the Committees scrutiny role in relation to Treasury Management.

**THE DECISION:**

That the Council's Treasury Management Strategy for 2014/15 be accepted.

AGS.42 **INTERNAL AUDIT CHARTER**

All Wards

**The subject of the decision:**

The Director of Resources advised that the new Public Sector Internal Audit Standards (PSIAS) required the Council to adopt an audit charter setting out the purpose, authority and responsibility of internal audit. Prior to April 2013, the Council had set its requirements for internal audit in terms of reference. These were in line with the former standards set by CIPFA in the Code of Practice for Internal Audit in Local Government in England and Wales (2006). The new PSIAS required that the Council adopts an internal audit charter instead. The purpose of the charter is broadly similar to the terms of reference although some of the detail required was different. For example, the new standards were more explicit about how the Head of Internal Audit reported to the "Board" (represented by the Audit, Governance and Standards Committee).

There was no direct linkage to any of the Council's Priorities, as internal audit was a support service, which provided internal control and activity assurance to Directors on the operation of their services, and specifically to the Council's S151 Officer on financial systems.

It was considered that the proposed Internal Audit Charter gave sufficient assurance to the Council that the internal audit service delivered by Veritau would comply with the revised standards.

**Alternative options considered:**

None.

**The reason for the decision:**

To approve the Internal Audit Charter.

**THE DECISION:**

That the Internal Audit Charter be approved.

The meeting closed at 10.20 am

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Chairman of the Committee

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