

PUBLIC

MINUTES of a meeting of **AUDIT COMMITTEE** held on Tuesday, 1 February 2022 in the Council Chamber, County Hall, Matlock.

PRESENT

Councillor G Musson (in the Chair)

Councillors R Parkinson, N Atkin, R Mihaly and J Nelson.

Officers present: Dianne Downs (Assistant Director Of Finance (Audit)), Tony Kearsley, Jane Lakin, Philip Spencer, Paul Stone (Interim Director of Finance) and Danny Sunderland (Democratic Services Officer).

12/19 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)

There were no declarations of interest.

13/19 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 7 DECEMBER 2021

RESOLVED that the minutes of the meeting held on 7 December 2021 be confirmed as a correct record and signed by the Chairman.

14/19 AUDIT SERVICES UNIT- PROGRESS AGAINST AUDIT PLAN 2021-22

a

The Committee was informed of the progress that had been made against the approved Audit Services Plan for 2021-22 as at 31 December 2021.

The Covid-19 pandemic had remained a challenge to the delivery of the Plan and the ability to provide an assurance across the Council's key services. After the Government's announcement on 8 December 2021 that England would move to Plan B following the increased spread of the Omicron variant, it became clear that other than the desktop review outlined in the previous progress report, it would not be possible to undertake the audits of schools (174 days) and establishments (64 days) before the end of 31 March 2022.

However, despite these challenges Audit staff had worked diligently with senior management and responsible officers to agree suitable arrangements to enable reviews to be undertaken across a broad range of the current Audit Plan. As a result, the Unit was currently on track to have either reported or undertaken significant elements of the fieldwork by the end of March 2022. There were however areas within the Plan where

coverage would not be possible in this period.

At the last meeting, the Committee was informed of the recruitment exercise that was underway to fill the two Principal Auditor vacancies and a six-month temporary Principal Auditor post to cover maternity leave. Following interviews at the end of December 2021, two individuals with local government experience had accepted job offers. Whilst it would take a number of months for the individuals to work their respective notice periods, it was hoped that they would join the Unit by Spring 2022. Unfortunately, the other candidates did not have the required experience or skills to allow an offer to be made for the vacant six-month temporary post.

At 31 December 2021, a total of 1,789 productive days had been delivered against the pro-rata target of 2,042 days (total planned days for 2021-22 is 2,723).

Members suggested that it would be helpful if more information was provided by way of explanation to reflect the current situation of activities that had not proceeded or had been delayed. Members now had a greater understanding of the criteria and how results were measured, but it was agreed that it would be helpful to be guided through the audit process for a particular corporate project from start to finish. The Assistant Director of Finance (Audit) would arrange this for a future meeting.

RESOLVED that the Committee notes the performance of the Audit Services Unit during this period.

14/19 **REGULATION OF INVESTIGATORY POWERS ACT (RIPA)**
b

The Committee was provided with an update on the use of the Council's statutory powers provided for under the Regulation of Investigatory Powers Act (RIPA) 2000, as amended by the Investigatory Powers Act (IPA) 2016.

The Committee had last received a RIPA update report in May 2020 and this report covered the period from 1 May 2020 to 31 December 2021. No applications had been received in this period in respect of access to communications data or in relation to directed surveillance.

Although there had not been any applications for the use of the Council's powers under RIPA since the last members' report, it had been some time since the Authority's RIPA Policy had last been approved. Work to refresh the Policy had started in 2020, following the last Investigatory Powers Commissioner's Office (IPCO) inspection, but this update was never brought back to members for further approval.

RIPA legislation was supplemented by the Covert Human Intelligence Source (CHIS) Code of Practice which provided detailed, comprehensive guidance and best practice on the use of RIPA powers. The Home Office was due to publish an updated Code of Practice in early 2022 into use of overt investigatory powers and application of RIPA legislation. It was intended that a review of the Council's RIPA Policy would be undertaken after publication of the revised Home Office guidance. This would be followed by training for appropriate officers, and further awareness work to remind officers about RIPA.

RESOLVED that the Committee notes that (1) in the period 1 May 2020 to 31 December 2021 no applications were made under the Council's powers relating to RIPA;

(2) it was intended to review the Council's RIPA Policy following publication of revised Home Office guidance; and

(3) training and awareness activity will be programmed following the RIPA Policy refresh.

15/19 STRATEGIC RISK REVIEW - PLACE DEPARTMENT

Chris Henning, the Executive Director – Place and Claire Brailsford, the Environment and Transport Director had been invited to the meeting to provide Members with details of the particular areas of risk within the department. The Place Department held the greatest number of strategic risks on the council's strategic risk register and these were summarised in the exempt appendices to the report. The Committee would consider these risks further, in the exempt section of the meeting.

On behalf of the Committee, the Chairman thanked Chris Henning and Claire Brailsford for their attendance and informative presentation.

15/19 ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2021-22.

a

At the meeting of the Audit Committee held on 7 December 2021 Members approved the Council's Statement of Accounts 2020-21, which had included the Annual Governance Statement and Action Plan.

One of the responsibilities of the Council's Governance Group was to conduct an ongoing review of key systems and processes operated within the Council to ensure that effective Corporate Governance was promoted and delivered. The Governance Group had a key role in the ongoing review and development of the Local Code of Corporate Governance and the production of the Annual Governance Statement and Action Plan.

The proposed Local Code of Corporate Governance had been finalised by the Governance Group and was attached at Appendix 2 to the report. This had identified the Council's policies, procedures and actions which demonstrated compliance with each sub-principle of the Delivering Good Governance in Local Government and underpinned good governance. The existence of a Local Code of Corporate Governance would help inform the production of future Annual Governance Statements and would be subject to scrutiny to ensure that expected actions were being delivered and any gaps identified and addressed.

Progress against the Annual Governance Statement Action Plan was monitored by the Governance Group. The implementation of the areas for improvement which had been identified in the Action Plan were subject to regular review and was attached at Appendix 3. The current position together with the further actions required to implement the improvements were summarised by this Appendix.

Members requested if consideration could be given to further training provision to help obtain the relevant knowledge and understanding required by the many aspects of the Committee. The officers agreed to explore various areas including sessions with other audit committees within Derbyshire; requesting Mazars to identify any appropriate training; and discussions with the County Council's Member Development Working Group.

RESOLVED that the Committee (1) approves the Local Code of Corporate Governance; and

(2) notes the progress against the Annual Governance Statement Action Plan.

15/19 MEETING DATES AND AGENDA ITEMS FOR 2022-23

b

The proposed dates for Audit Committee meetings and likely agenda items for Members' consideration and/or approval were set out in a schedule at Appendix 2 to the report. These items were based on the existing business of the Committee. Member training proposals and any additional reports arising would be added to this schedule.

RESOLVED that the Committee agrees the proposed programme for 2022-23 and the meeting dates as follows:

- 21 June 2022
- 19 July 2022
- 20 September 2022

- 6 December 2022
- 31 January 2023
- 21 March 2023

16/19 PERFORMANCE MONITORING AND BUDGET MONITORING/FORECAST OUTTURN 2021-22 AS AT QUARTER 2 (30 SEPTEMBER 2021)

Members were provided with an update of Council Plan performance and the Revenue Budget/forecast outturn for 2021-22 as at 30 September 2021 (Quarter 2). The report presented:

- the Council Plan performance and financial budget monitoring and forecast outturn data;
- the Performance Summary which set out the progress the Council was making on delivering the Council Plan with a focus on the achievement of the Council Plan priorities;
- the Revenue Budget Position and Financial Summary which provided an overview of the Council's overall budget position and forecast outturn as at 30 September 2021; and
- the appendices which summarised the progress that had been made over the last quarter on each of the deliverables and key measures set out in the Council Plan and the controllable budget position by Cabinet Member Portfolio for 2021-22 as at 30 September 2021.

RESOLVED that the Committee notes (1) the update of Council Plan performance and the Revenue Budget position/forecast outturn for 2021-22 as at 30 September 2021 (Quarter 2); and

(2) the position on General and Earmarked Reserves.

17/19 EXCLUSION OF THE PUBLIC

RESOLVED to move that under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that in view of the nature of the business, that if members of the public were present exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 would be disclosed to them and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

18/19 TO RECEIVE DECLARATIONS OF INTEREST (IF ANY)

There were no declarations of interest.

19/19 OVERVIEW OF PLACE DEPARTMENT RISKS

RESOLVED that the Committee notes the exempt information provided in the report and the presentations from Chris Henning and Claire Brailsford.

The meeting finished at 3.30 pm