



## AUDIT & REGULATORY COMMITTEE

**Meeting: Wednesday, 9 February 2022 at 6.30 pm in Octagon Lounge, Pavilion Gardens, Buxton**

**Present:** Councillor E Thrane (Chair)

Councillors L Grooby (substitute for J Douglas) and R Quinn

Apologies for absence were received from Councillors O Cross, J Collins, J Douglas, F Sloman and G Wharmby

Councillor Barrow was also in attendance

The Chair referred to the recent death of Councillor Keith Savage and paid tribute to his work undertaken as a member of the Audit & Regulatory Committee.

**22/55 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING**  
(Agenda Item 3)

RESOLVED:

That the minutes of the meeting held on 1 December 2021 be approved as a correct record.

**22/56 APPOINTMENT OF INDEPENDENT MEMBER - UPDATE (ORAL)**  
(Agenda Item 4)

The Chair advised that two applications for Independent Member had been received and interviews would be held in due course.

Martin Owen had been appointed as Executive Director (Finance and Revenues and Benefits), and would be taking up his position in late April.

RESOLVED:

That the update be noted.

**22/57 EXTERNAL AUDIT COMMITTEE UPDATE (ORAL)**  
(Agenda Item 5)

The External Auditor provided the Committee with an update and advised that the accounts have now been signed off, the value for money assessments would be submitted to the next meeting, work was on-going around the Council's housing benefit claim and planning was underway for the 2021/22 audit.

Discussion ensued around recent announcements around changes to auditing practices, a key suggestion of which was to remove the requirement for councils to value their land and buildings annually in future years. Proposals were also in hand to work with the Committee to develop its role in the audit process.

RESOLVED:

That the update be noted.

**22/58**      **EXTERNAL AUDIT - INFORMING THE RISK ASSESSMENT**  
(Agenda Item 6)

The Committee considered a report which contributed towards the effective two-way communication between the external auditors and the committee and covered some important areas of the auditor risk assessment. A series of questions to and responses from management around a number of areas including fraud, laws and regulations, related parties, going concern and accounting estimates were included within the report.

Reference was made to the recent Peer Challenge which had recommended that more contextual information be included in the Medium Term Financial Plan, particularly around scenario planning which would be included in future. In response to a query around evidence used to qualify management responses, the External Auditor advised that a broad spectrum of evidence was gathered, reviewed and recorded which ultimately informs the audit opinion. The process of auditing the External Auditors was also set out. Regarding the issue of fraudulent loan payments reported by some councils, members were advised that no such weaknesses had been identified at this council, but that processes would still be reviewed going forward. Regarding IT security, the Head of Internal Audit advised that the Transformation Service was responsible for cyber security, who advised external assistance if required,

RESOLVED:

That the report be noted.

**22/59**      **TREASURY MANAGEMENT UPDATE**  
(Agenda Item 7)

The Committee considered the Council's Management performance in 2021/22 in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

RESOLVED:

That the current Treasury Management position as at 31 December 2021 be noted.

**22/60**      **TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS) 2022/23**

(Agenda Item 8)

The Committee considered the Council's Treasury Management Strategy for 2022/23, ensuring that its capital and treasury activities for the next four years are affordable and properly managed. Discussion took place around the Council's Ethical investments with it being noted that there was a need for the market to develop such products for investment opportunities.

An alternative option for the calculation of the MRP which would allow the debt to be paid off earlier was set out in paragraphs 6.12 and 6.13 of the report, following discussion, it was requested that this be considered further at the next meeting in conjunction with the Link report to enable members to gain a greater understanding of the policy and implications.

RESOLVED:

1. That the Annual Treasury Management Strategy Statement (TMSS) 2022/23 be recommended to Council for approval; and
2. A further report on the alternative method of calculating MRP be submitted to the next meeting.

**22/61**

**REGULATION OF INVESTIGATORY POWERS ACT (2000) - REVIEW OF POLICY AND PROCEDURES**

(Agenda Item 9)

The Council must have arrangements in place to ensure compliance with the Regulation of Investigatory power Act 2000 (RIPA) which are subject to inspection by the Investigatory power Commissioner's Office (IPCO). This is achieved through the adoption of a set of Policy and Procedures that ensure compliance with the requirements of the legislation. The Council has had arrangements and procedures in place for authorising and conducting necessary surveillance since 2022. Councillors should review the use of RIPA and set the policy at least once per year, together with considering internal reports on use of RIPA periodically to ensure it is being used consistently with the policy and that the policy remains fit for purpose. The Committee considered the updated Policy and Procedures together with an update on the use of RIPA powers.

It was noted that the future training provision for officers is in the process of being arranged.

RESOLVED:

1. That the Councils use of RIPA powers, be noted; and
2. That the updated Regulation of Investigatory Powers Act 2000 Policy and Procedure attached at Appendix 1 be approved and adopted.

**22/62**

**2021/22 INTERNAL AUDIT PERIODIC REPORT**

(Agenda Item 10)

The Committee considered the performance of internal audit in relation to its plan as required by The Accounts and Audit Regulations 2015 which require

the Council to ‘undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes,, taking into account public sector internal auditing standards or guidance”.

Discussion ensued around the impact of the administration of the covid grants on the council’s operations. Members of the Committee and the Executive Councillor conveyed their thanks to the Audit & Finance Teams for their continued work.

RESOLVED:

That the report be noted,

**22/63**

**WORK PROGRAMME**

(Agenda Item 11)

The Work Programme would be reviewed to ensure a manageable workload for the committee.

The Chair advised that this was the meeting of this committee to be attended by John Betts, who was thanked for all his work as Interim Executive Director.

RESOLVED:

That the Work Programme be noted.

The meeting concluded at 7.47 pm

**CHAIR**