

AUDIT & REGULATORY COMMITTEE

Meeting: Wednesday, 12 February 2020 at 6.30 pm in The Octagon Lounge, Pavilion Gardens, Buxton

Present: Councillor E Thrane (Chair)

Councillors J Collins, O Cross, J Douglas, E Longden, R Quinn and K Savage

Councillor A Barrow and Messrs. P Grant, J Scampion and M Thomas were also in attendance

Apologies for absence were received from Councillors D Kerr and G Wharmby

20/30 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING
(Agenda Item 3)

RESOLVED:

That the minutes of the meeting held 23 October 2019 be approved as a correct record.

20/31 APPOINTMENT OF INDEPENDENT MEMBER
(Agenda Item 4)

Consideration was given to the appointment of an Independent Member to the Committee.

RESOLVED:

That Mr John Scampion be appointed as an Independent Member of the Audit and Regulatory Committee.

(Mr John Scampion joined the meeting after consideration of this item.)

20/32 2019/20 INTERNAL AUDIT PERIODIC REPORT
(Agenda Item 12)

The Accounts and Audit Regulations 2015 required 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”. In accordance with the Public Sector Internal Audit Standards, the Audit Manager must report periodically to the Audit Committee on the internal audit activity’s performance relative to its plan. The reduction in the insurance contract was welcomed. All of the reports that had been completed had received a satisfactory assurance.



RESOLVED:

That the progress information contained within the report be noted.

20/33 REGULATION OF INVESTIGATORY POWERS ACT (2000) - REVIEW OF POLICY AND PROCEDURES
(Agenda Item 13)

The Council must have arrangements in place to ensure compliance with the Regulation of Investigatory Powers Act 2000 (RIPA) and those arrangements are subject to inspection by the Investigatory Powers 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 2002. Councillors should review the use of RIPA and set the policy at least once per year. They should also consider 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 Policy and Procedures were amended as follows:

- 1.3 to read 'Examples include fraud investigations...'
- 7.8 first bullet point to read '...surveillance and the management...'
- 9.1 to read 'Executive Director (Place) Mr Neil Rodgers'
- 9.16 first sentence to read '...and regulatory functions, if covered by the wording of the original authority.'

RESOLVED:

That, subject to the amendments outlined to the Policy and Procedures and a structured annual training programme, the Council's use of RIPA powers and the outcome of the November 2019 Investigatory Powers Commissioner's Office Inspection Report be noted.

20/34 EXTERNAL AUDIT 2019/20 AUDIT PLAN
(Agenda Item 5)

Grant Patterson was thanked for all his work on the 2018/19 External Audit Plan. Michael Green was welcomed to his first meeting and consideration was given to the Audit Plan for 2019/20. Minor typing amendments were made and there were no additional significant risks. Discussion took place on identifying leased assets, materiality, pensions assumptions and testing, audit fee variation and increase to £43,650, scheduled review of contract and working to achieve a higher rating.

RECOMMENDED:

That Council be recommended to note the External Audit Plan for 2019/20.



20/35 EXTERNAL AUDIT - INFORMING THE RISK ASSESSMENT
(Agenda Item 6)

The purpose of the report was to contribute towards the effective two-way communication between auditors and the Council's Audit and Regulatory Committee. Management responses to questions were provided in the report which councillors were invited to scrutinise. Evidence and limited number of operating leases were considered.

RESOLVED:

That the report be noted.

20/36 ACCOUNTING POLICY AMENDMENTS
(Agenda Item 7)

The report sought approval to make changes to the Authority's accounting policies.

RESOLVED:

That the following change to accounting policies be approved:

- (a) The **Accruals of Income and Expenditure** policy has the 'minimum value' in the following bullet point increased from £5,000 to £10,000: '*The resources available are concentrated on identifying and accruing individual transactions of £10,000 and above.*'

See page 102 of the Council's 2018-19 Statement of

Accounts: <https://www.highpeak.gov.uk/article/1281/Annual-statement-of-accounts>

20/37 RISK MANAGEMENT UPDATE
(Agenda Item 8)

The Committee considered the Council's risk management arrangements in accordance with accepted good practice. Risk Management would be included in future scrutiny reports. Discussion took place on adoption of the Corporate Plan, risk register including supply chain failure, emergency planning and planned training.

RESOLVED:

That the Council's current risk position and the mitigation / fruition plans summarised within Appendix A (strategic risks), Appendix B (operational risks), Appendix C (project risks) and Appendix D (opportunity risks) of the report be noted.



20/38 ANNUAL GOVERNANCE STATEMENT - PROGRESS AGAINST 2018/19 ACTION PLAN
(Agenda Item 9)

Regulations required the Council to conduct a review each financial year of the effectiveness of its system of internal control and approve an Annual Governance Statement (AGS). The AGS Action Plan (Appendix 1 of the report) outlined the progress made against the required actions as at the end of December 2019.

RESOLVED:

That the progress information contained within the report be noted.

20/39 TREASURY MANAGEMENT UPDATE
(Agenda Item 10)

The Council's Treasury Management performance in 2019/20 was scrutinised in compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management and generally accepted good practice. Discussion took place on interest earned and the budget for borrowing costs.

RECOMMENDED:

That the Treasury Management position (as at 31st December 2019) be noted.

20/40 2020/21 TREASURY MANAGEMENT STRATEGY
(Agenda Item 11)

The purpose of the report was to allow members of the Committee to consider and endorse the Council's Treasury Management Strategy for 2020/21 to ensure that its capital and treasury activities for the next four years were affordable and properly managed. Capital expenditure, the Council's borrowing need, provision for debt repayment, investment position, operational boundary and ethical investing were discussed.

RECOMMENDED:

That the Annual Treasury Management Strategy Statement (TMSS) 2020/21 be approved.

20/41 GDPR -ORAL UPDATE
(Agenda Item 14)

The Committee received an update on Data Protection. Internal and external audits, information governance framework, training and asset registers were outlined. Monitoring, risk, contracts and storage of information were discussed.

RESOLVED: That the presentation be received with thanks.



20/42 **WORK PROGRAMME**
(Agenda Item 15)

Consideration was given to the work programme for the Committee.

RESOLVED:

That the Committee Work Programme be noted.

The meeting concluded at 8.15 pm

CHAIRMAN