



Audit and Standards Committee Minutes

The minutes of the Audit and Standards Committee meeting of Wyre Borough Council held on Tuesday, 14 November 2023 at the Council Chamber - Civic Centre, Poulton-le-Fylde.

Audit and Standards Committee members present:

Councillors Ibison, Higgs, Jackson, Rendell, A Walker and Wells

Independent Co-opted Member:

Paul Taylor

Absent- apologies received:

Councillors Minto, Bolton, Duffy, Leigh, Sorensen and Belshaw

Absent- apologies not received

None.

Other councillors present:

None.

Officers present:

Clare James, Corporate Director Resources and Section 151 Officer
Joanne Billington, Head of Governance and Business Support
Karen McLellan, Audit and Risk Manager (and Chief Internal Auditor)
Dawn Allen, Audit, Risk and Performance Lead
Mary Grimshaw, Legal Services Manager and Monitoring Officer
Jane Collier, Human Resources Manager and Deputy Monitoring Officer
Daphne Courtenage, Democratic Services Officer
Stuart Kenny, External Auditor
Andrew Robinson, Revenues Manager

Officers absent- apologies received:

None.

No members of the public or press attended the meeting.

26 Declarations of interest

None.

27 Confirmation of minutes

The minutes of the meeting of the Audit and Standards Committee, held on the 26 September 2023, were approved as a correct record by those in attendance.

The Chair brought it to the attention of members that prior to the meeting, the Independent Co-Opted Member, Paul Taylor, had submitted some questions on the agenda for this meeting to officers. Those questions and responses from officers would be circulated via email and attached to the minutes for other members to consider.

28 National Fraud Initiative - Data Matching Exercise Year 2022/23

The Corporate Director Resources (S151 Officer) submitted a report to the Audit and Standards Committee with the results of the 2022/23 National Fraud Initiative (NFI) data matching exercise.

The Audit, Risk and Performance Lead introduced the item.

She explained to members that the report before them summarised the results of the 2022/23 National Fraud Initiative (NFI) exercise. The council participated in a full data matching exercise every two years, which matched data between authorities and other audited bodies to prevent and detect fraud. In this instance, 541 matches had been returned with 533 having been fully investigated. Eight matches were still to be fully concluded. However four errors had been identified totalling £3,670.96 to be recovered by the council.

Additionally, the council participated in an annual council tax single person discount (SPD) matching exercise, this exercise returned matches where there was a discrepancy in the recorded household occupancy between the electoral register and the Council Tax system. In this exercise, 4,321 matches had been returned. The council's Revenues and Benefits team usually investigate all these matches. However this year the team were conducting a full review of all SPD claimants and the results of this exercise would be used to update the NFI portal.

At the time of writing the report, 108 matches had been investigated with five errors totalling £2,751.56 identified to be recovered. She explained to members that the financial return for the council was minimal, retaining approximately 11%, with the rest going to other preceptors.

Councillor A Walker queried whether there was a pattern for those matches returned for the SPD exercise.

The Audit, Risk and Performance Lead explained that errors could be caused by the timing of the data matching reports versus the annual update of the electoral register.

Andrew Robinson, Revenues Manager, was invited to the meeting to address any comments or concerns over council tax single person discounts (SPDs). In response to Councillor Walker's question, he told members that issues

relating to the electoral roll were often owing to students who remained on the roll at their home address during term time, and whose parents claimed the SPD.

He explained to members that the Revenues and Benefits team were undertaking a review of all SPD's on the council's database. In total, around 20,000 registered dwellings in the borough received a discount, which amounted to 37%.

Using a new revenue system to analyse the data, they had started with the highest council bands and were in progress with bands D and C. He also explained the process for residents to confirm their discount claim. They intended to make this a rolling review.

Members raised the following questions:

- Whether there was a potential to get an increased contribution from council tax partners for the work done by officers
- A date for the potential completion of the review
- Whether officers completed random checks of claimants
- Whether claims were matched against the electoral roll and whether follow up questions were asked to claimants

The Revenues Manager and Audit, Risk and Performance Lead responded to questions raised by members. They explained that discussions had been held with other beneficiaries (e.g. LCC) but this hadn't yielded an agreement. They would usually aim to complete the exercise by end of the year, and start again with fresh data in January 2024. In response to the question on random checks, officers would do follow-ups with residents who had their discounts cancelled due to discrepancies and then re-submitted a claim. The NFI results would also highlight whether a match had been returned in previous data matching exercises.

The Chair thanked the Revenues Manager for his attendance at the meeting.

The report and results of the two data matching exercises were noted by the committee.

29

Members' Code of Conduct Complaints - Summary

The Legal Services Manager and Monitoring Officer (MO), submitted a report to the Audit and Standards Committee summarising the number and status of complaints received since the last meeting of the Standards Committee. This committee had last met on the 16 March 2023, and was decommissioned by Full Council on the 18 May 2023 and merged with the Audit Committee.

The Legal Services Manager and MO introduced the item. She explained to members that the summary advised members of the number and status of complaints since it was last brought before members. In total, the MO had received nine complaints, with three not progressed due to insufficient information or the complainant not wishing to progress it. Four had been determined to not be a breach of the code and had been concluded, and two complaints were ongoing.

Councillors raised questions around the process by which officers determined whether a complaint was valid or a breach of the code, and at what point a complaint would be brought before the committee.

The MO explained the process for investigating complaints against a councillor. She said that the council had two Independent Persons (IP) who officers worked with in this process.. She agreed that there could be grey areas, for example whether a member was acting in their capacity as a councillor and confirmed that relevant case law could assist in making this assessment. She advised that officers in liaison with the IP would review all the information provided to them and could ask for more information from the parties involved if any clarification was required before a determination was made.

In terms of when a matter would come before the committee, this would only be if a determined breach of the code of conduct could not be resolved informally, either through an informal apology, training or advice given to members on good conduct or an informal resolution was not considered appropriate due to the nature of the breach.

Members noted the report and summary of complaints.

30 Compliance with the Regulation of Investigatory Powers Act 2000 (RIPA)

The Legal Services Manager, submitted a report recommending the committee review the authority's use of the Regulation of Investigatory Powers Act (RIPA) since it was last considered in September 2022, and to approve the policy (attached at appendix 1 of item 6 of the agenda pack).

The Legal Services Manager introduced the report. She told members that this had last been considered by the committee in September 2022; updates to the policy had been brought to that meeting following an inspection review in January 2022.

No further changes were proposed to this policy since it had last been reviewed, as the policy was considered to be compliant. She also informed members that no authorisations had been granted under RIPA since 2012.

Members reviewed the use of RIPA and **approved** the current policy.

Members asked that consistent use of pronouns be used throughout the policy.

31 Internal Audit and Risk Management - Progress Report

The Audit and Risk Manager, submitted a report recommending that the committee review the progress in relation to the 2023/24 audit plan and risk management, and for the committee to consider the progress against the action plan resulting from the 2022/23 Annual Governance Statement (AGS).

The Audit and Risk Manager introduced the item. She told members that this was her six-monthly update from April – November 2023 on the Internal Audit plan. All audit work was now being completed, partly by the in-house team and also by the Lancashire County Council internal audit team.

She directed members to pages 63-73 of the agenda pack. This showed the audit work completed to date, as well as work still to be completed. All completed audit reports, when finalised, were and would be circulated to members.

She also directed members to other work being undertaken by internal audit. This included the NFI, addressed at agenda item one, and the peer review of the internal audit team. The independent peer review of the internal audit service had been completed in July 2023 and full compliance with the Public Sector Internal Audit Standards (PSIAS) was achieved. A report had been issued on this, together with an action plan detailing minor actions; members could review this on the Councillor Portal.

The Head of Governance and Business Support (and Data Protection Officer) addressed members on work undertaken in regards to Information Governance. She told members that this was a six-monthly update to members on the council's compliance with the Data Protection Act 2018 and UK GDPR. Most of the GDPR work was done in-house by the Information Governance Team, which had limited capacity. A limited assurance opinion had been given previously by the Internal Audit team following a recent audit review; this was mainly owing to the refresh of the Information Asset registers, of which work was still outstanding due to the limited resources needed to complete this. She hoped that this would be completed within the next 12 months but noted this might be an optimistic timescale.

Members raised questions over the council's capacity to answer Freedom of Information Requests (FOIs) and a new ICT system.

The Head of Governance and Business Support responded that the nature of FOIs meant that capacity was an issue. However they were hoping for additional resources to address this. They also needed to review the process to include the provision of datasets to lessen administrative work when answering repetitive or similar requests.

In terms of the new ICT system, the council's disaster recovery solution system, it was noted that the procurement of this system was part of the council strengthening its cyber resilience framework and provided the council with 24/7 live monitoring off all the councils data traffic. The Audit and Risk Manager drew members' attention to pages 75-77 of the agenda pack. There had been no reports of suspected money laundering during 2023/24, three registrations of gifts or hospitality by officers and two whistleblowing investigations. Further updates detailing the outcome of these investigations would come before members once finalised. She also reminded members that copies of the council's risk registers were available on the Councillor Portal.

In terms of the Annual Governance Statement (AGS) action plan, this had been published late and paper copies had been distributed at the meeting.

The Head of Governance and Business Support explained to members that the AGS had been presented to them in June 2023; there had been a number of issues reported, and the original action plan would later be published on the Councillor Portal for members to review. Typically, updates to this action plan would come before committee in November, and in future would push for officers to complete the action plan more quickly.

Members noted the internal audit progress reports.

32 **Annual Review of the Financial Regulations and Financial Procedure Rules**

The Corporate Director Resources (S151 Officer), submitted a report for the committee to review the Financial Regulations and Financial Procedure Rules.

The Head of Governance and Business Support, introduced the item. She reminded members that the Financial Regulations and Procedure Rules sat as part of the Constitution. Documents included as part of the supplementary agenda pack included track changes to show the amendments. Paragraph 5.1 of the covering report highlighted the main amendments. Consideration was also needed for the introduction of the new Procurement Act, expected to come into force in October 2024. Officers were informed that there would be more administrative processes introduced and there was a potential that members would be asked to review the rules and procedures again before the next expected date of November 2024.

Members asked the following questions:

- Would members receive update reports of procurement contracts going through the new rules and procedures?
- What was the process if an officer attempted to truncate contracts?

Officers explained that there are a number of controls in place to monitor spend, for example, the Contracts Register, the monthly 'over £500 report' and monthly spend reports all of which are reviewed by the Corporate Director Resources (S151 Officer) and the Procurement Officer on a regular basis.

In response to the second question, officers explained that they were very alert to this tactic, which was why the Corporate Director reviewed spend reports monthly. Tactics such as truncating contracts could be identified relatively easily owing to the size of the council and its typical spend.

Following discussions, the committee **agreed** to the proposed changes to the Financial Regulations and Financial Procedures Rules.

33 **Annual Review of the Council's Counter Fraud Policies**

The Corporate Director Resources (S151 Officer), submitted a report for the committee to approve revised policies for the council's Counter Fraud Policies, namely: Anti-Fraud, Corruption and Bribery; Anti-Money Laundering; Gifts and Hospitality and Registering Interests; and Whistleblowing.

The Head of Governance and Business Support introduced the item. She told members that this was an annual review of the main corporate counter fraud policies of the council, and was a part of the committee's responsibilities. The anti-Fraud, Corruption and Bribery Policy and the Anti-Money Laundering policies had only received minimal changes which had been tracked through both documents. The Gifts and Hospitality and Registering Interests Policy had been amended to strengthen the controls around the reporting and making it clear that officers should always decline any offer of a gift or hospitality if they thought it would cause bias or a conflict of interest. The Whistleblowing Policy had received a number of changes following the Corporate Director Resources (S151 Officer) completing on-line CIPFA training. The changes made were to reflect the current reality of the procedures in place. All amendments were highlighted at paragraph 5 of the covering report.

They expected to bring the up to date gifts and hospitality register to members in February 2024.

In response to a question over checking goods received, officers explained the CIVICA purchasing system to members and the checks done by authorised members of staff on receipt of goods.

Following discussion, members **approved** the revised policy documents in relation to the council's Counter Fraud Policies.

34 Annual Review of the Council's Information Governance Policies and Procedures

The Corporate Director Resources (S151 Officer), submitted a report to the committee recommending the approval of the council's revised information governance policies and procedures, namely: Data Protection Policy and Procedure; Records Management Policy; and Subject Access Request Procedure.

The Head of Governance and Business Support introduced the item. This was an annual review of the main, overarching information governance policies.

She noted that there were no proposed changes to the subject access request procedure, which was set by the Information Commissioner's Office (ICO). Changes proposed to the Data Protection Policy and Procedure and the Records Management Policy mainly centred on the use of alternative systems to process data – which included WhatsApp. A review was being proposed to give assurances that officers weren't continuing to use alternative systems to process data following the pandemic or if they were that this was appropriate and documented.. Other changes included new controls on ICT

equipment and the removal of the requirement for both herself and the Legal Services Manager to sign off information sharing protocols/agreements.

Members raised questions over the monitoring of social media and safeguarding agreements in relation to children.

The Head of Governance and Business Support explained that the council's Communications Team monitored their social media channels, particularly comments towards the council. Difficulties would arise in relation to private social media accounts/groups.

In terms of safeguarding, the council was very careful with how they shared information externally. Whilst limited children's data was processed, it was understood that there was an information sharing platform in which to share data safely and securely.

Following discussion, the committee **approved** the revised policies and procedures.

35 Date of next meeting

The next scheduled meeting of the Audit and Standards Committee was Tuesday 27 February 2024 at 6pm in the Council Chamber.

The meeting started at 6.02 pm and finished at 7.16 pm.

Date of Publication: XXX