

Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 19 September 2017 at the Civic Centre, Poulton-le-Fylde.

Audit Committee members present:

Councillors Rita Amos, Emma Anderton, Howard Ballard, Rob Fail, Graham Holden, Tom Ingham, Paul Moon and Val Wilson

Apologies:

Councillor(s) Tom I Balmain, Michael Barrowclough, Ron Greenhough, Ann Turner and Lynn Walmsley

Officers present:

Clare James, Head of Finance and Section 151 Officer
Joanne Billington, Head of Governance
Karen McLellan, Senior Auditor
A Robinson, Fraud and Compliance Manager (attended for item 22)
Carole Leary, Democratic Services Officer

Non-members present:

A Latham – KPMG External Auditors and Councillor I Amos

Members of the public present: None

20 Declarations of interest

Councillor E Anderton declared an Interest on Item 4 – National Fraud Initiative Exercise 2014/15 – because she was employed by the Department for Work and Pensions.

21 Confirmation of minutes

The minutes of the Audit Committee meeting held on Tuesday 25 July 2017 were confirmed as a correct record.

22 National Fraud Initiative Exercise 2014/15

The Fraud and Compliance Manager made a presentation to the Committee on the outcomes of the National Fraud Initiative Exercise 2014/15. He informed the Committee that the Department for Work and Pensions (DWP) had taken over some of the benefit fraud functions previously undertaken by the council. In particular, it was now their responsibility to analyse data matches, which in the past, would have been Wyre Council's responsibility.

He also reported on the analysis of data matches between the electoral registration and council tax systems to identify instances of benefit fraud. He said that the newest detailed National Fraud Initiative Exercise was already in process, with the matches due to be available in December 2017.

RESOLVED that the outcomes of the National Fraud Initiative Exercise for 2014/15, be noted.

23 Annual Review of Financial Regulations and Financial Procedure Rules

The Head of Finance (Section 151 Officer) submitted a report.

The Head of Governance explained that the Financial Regulations and Financial Procedure Rules were reviewed annually, in accordance with best practice and guidance. She said that the regular review process provided evidence which helped the council to demonstrate that it had put arrangements in place to maintain a sound system of internal control. She referred to the proposed amendments listed in paragraph 5.1 of the report.

The Head of Finance commented on forthcoming changes to the Council's external audit arrangements, following the outcome of a previously reported procurement process, as a result of which, Deloitte LLP would take over from KPMG as the Council's external auditors from the financial year 2018/19.

The Head of Governance also highlighted changes which had been made to provisions relating to tendering processes in the Financial Regulations, following discussions with the Council's new Procurement Officer.

RESOLVED that the proposed changes to the Financial Regulations and Financial Procedure Rules referred to in paragraph 5.1 of the report and set out in full as track changes in Appendix 1 of the report, be approved.

24 Annual Review of Internal Audit Charter

The Head of Finance (Section 151 Officer) submitted a report.

The Senior Auditor introduced the report, explaining that an annual review of the Internal Audit Charter was a mandatory requirement of the Public Sector Internal Audit Standards. She explained that the charter outlined the responsibilities of internal audit, including details of organisational roles and relationships, reporting lines, the scope of work undertaken, quality assurance measures and arrangements for the evaluation of the service. The first external assessment of the service was due to be completed in March

2018 by Allerdale District Council and Lancaster City Council. In addition to the current annual operational audit plan submitted to the Committee in March each year, an Internal Audit Strategy would now be developed and maintained to demonstrate how the internal audit service would be delivered in accordance with the requirements of the internal audit charter, council objectives and priorities.

RESOLVED that the Internal Audit Charter attached as Appendix 1 of the report and the Code of Ethics attached as Appendix 2 of the report, be approved.

26 Compliance with the Regulation of Investigatory Powers (RIPA) 2000

The Senior Solicitor submitted a report reviewing the council's use of RIPA since November 2016. There had been no need to use the council's powers to conduct directed surveillance under RIPA or to use a covert human intelligence source during that period.

The Head of Governance introduced the report, informing members that the only proposed changes to the council's policy following the annual review were a couple of typographical corrections.

RESOLVED that the position be noted.

27 KPMG Technical Update - General Data Protection Regulations (GDPR)

The External Auditor referred to changes which the council would need to comply with by May 2018, to ensure that personal information relating to individuals was not made public and was only shared with other public bodies in tightly constrained circumstances. There had been a number of well publicised cases recently where information had not been kept secure and heavy fines had been imposed on councils as a result. Every council would need to designate a named Data Protection Officer, who would need to compile an inventory of all the personal information held and set up clear administrative arrangements for dealing with data subjects. Any loss of information would have to be reported within 72 hours.

The Head of Governance said that she had already started to deal with this and had been tasked to submit a report to the Corporate Management Team and Heads of service. Asset registers were already being populated and the processes which would need to be put in place were being identified.

The Head of Governance explained, in response to questions from Cllr Fail, the arrangements which were already in place for monitoring document retention schedules. She also explained the administrative changes which would need to be put in place to ensure that explicit permission was obtained from data subjects to use information supplied by them for other purposes.

She also confirmed, in response to a question from Cllr Moon, that a member of the public would not be able to obtain personal information about another individual by making a Freedom of Information Act request.

RESOLVED: that the implications for the Council of the General Data Protection regulations be noted.

28 Date and time of next meeting

Tuesday 14 November at 6pm in the Council Chamber.

(Subsequently rearranged to take place at 6pm on Tuesday 21 November)

The meeting started at 6.00 pm and finished at 6.48 pm.

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