

# GOVERNANCE AND AUDIT COMMITTEE

Date: 27 November 2019

Venue: East Northamptonshire House, Cedar Drive, Thrapston

Time: 7.30pm

Present: Councillors: Peter Wathen (Chairman)

Annabel de Capell Brooke Robin Underwood

**External attendees:**

Rachel Ashley-Caunt (Head of Internal Audit)

Beth Gordon (Operations Manager, NNSRP)

## **288. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Rosalie Beattie, Sylvia Hobbs, Sylvia Hughes, Lance Jones and Alex Smith.

## **289. MINUTES**

The minutes of the meeting held on 25 September 2019 were approved and signed by the Chairman.

## **290. DECLARATIONS OF INTEREST**

No declarations of interest were made.

## **291. QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3**

No questions were submitted under Procedure Rule 10.3.

## **292. CHANGE TO THE ORDER OF THE AGENDA**

The Chairman advised that there would be a change to the order of the agenda and Item 9, Annual Letter from the Local Government Ombudsman and Annual RIPA Report, would be considered first.

## **293. ANNUAL LETTER FROM THE LOCAL GOVERNMENT OMBUDSMAN AND ANNUAL RIPA REPORT**

The Deputy Monitoring Officer presented a report which detailed the annual letter from the Local Government Ombudsman (LGO) and presented a nil return annual report under the Regulation of Investigatory Powers Act 2000 (RIPA).

The LGO produced an annual letter setting out statistics about complaints relating to this Council that had been referred to them. The letter covered the period April 2018 to March 2019

and the following table compared the numbers of complaints referred to the LGO for the past three years:

<b>Service Area</b>	<b>2018/19</b>	<b>2017/18</b>	<b>2016/17</b>
Planning and Development	4	4	4
Benefits and Tax	1	1	0
Corporate and Other	0	0	1
Environmental Services and Public Protection	0	1	1
Housing	2	0	1
Highways and Transport	0	0	0
<b>TOTAL</b>	<b>7</b>	<b>6</b>	<b>7</b>

The LGO had investigated three complaints, of the seven referred to it, and upheld one of them. The LGO had found that the Council had wrongly said that there were no listed buildings nearby when granting advertising consent for signs at a commercial premise; however, they did not consider the outcome was affected or an injustice caused. In the previous two years no complaints were upheld.

The Council had to report annually to the Investigatory Powers Commissioner's Office on the level of Directed Surveillance (RIPA) activity and the use of Covert Human Intelligence Sources (CHIS) and Juvenile Cover Human Intelligence Sources (Juvenile CHIS) by the Council. It was reported to the Commission that the Council had not carried out any such activity in 2018/19.

**RESOLVED:**

That the report be noted and that a similar report be produced annually for the duration of this Council.

*(Reason: To meet the terms of reference of the Committee to receive external regulatory body reports and to demonstrate best practice in making reports available to councillors and the public.)*

**294. ANNUAL STATEMENT OF THE NORTH NORTHAMPTONSHIRE SAFETY AND RESILIENCE PARTNERSHIP (NNSRP)**

The Chairman welcomed Beth Gordon, Operations Manager at NNSRP, to the meeting who presented the annual statement of the NNSRP.

The NNSRP provided corporate health and safety, business continuity and emergency planning services to Kettering, Corby and East Northamptonshire Councils. The Partnership was initially set up in 2014 and worked with organisations such as the Northamptonshire Local Resilience Forum to deliver co-ordinated services across Northamptonshire.

The Annual Statement provided a summary of the work of the NNSRP team during 2018/19 and detailed progress against the agreed work plan, along with details of training courses delivered and an update on the major projects the team was delivering. The Annual Statement had been prepared in June, so many of the outstanding actions had since been completed.

In response to questions from Members, Officers confirmed that those members of staff who had not undertaken the required online training would be followed up as managers received a monthly report on the number of completions within their teams and it was also monitored at performance clinics. The main work related accidents reported in ENC were mainly slips and trips and also some manual handling.

**RESOLVED:**

That the report and accompanying statement be noted.

*(Reason: To provide assurance and governance to partnership arrangements.)*

**295. INTERNAL AUDIT PLANNING 2020/21**

The Head of Internal Audit presented a report which provided the Committee with an overview of the proposed approach to development of the Internal Audit Plan for 2020/21 and to consult with the Committee on risk areas where assurance was required.

In order to ensure that the Audit Plan addressed the Council's key risks and added value to the organisation, it was proposed that the Head of Internal Audit would identify and prioritise the areas for coverage by:

- Reviewing the Council's Risk Registers and Corporate Plan;
- Assessing the changing risk environment arising in the unitary council preparations and potential risk areas emerging;
- Analysing coverage of Internal Audit reviews over the last four years and the assurance opinions provided following each review, to identify any assurance gaps or areas where follow up work would be of value;
- Identifying any other sources of assurance for each of the Council's key risks, which may reduce the added value of an Internal Audit review and where work could be aligned with other assurance providers;
- Identifying any areas of the Audit Universe (a list of potential areas for audit review across the Council) which have not been subject to Internal Audit review during the last four years and pose a risk;
- Consultation with the Governance and Audit Committee to discuss the planning process and areas where Members require assurances from Internal Audit during 2020/21; and
- Meeting with members of Corporate Management Team to discuss key risks and emerging risk areas for the year ahead and any areas where Internal Audit support would be beneficial either in an assurance or consultancy role.

A key consideration in determining the Audit Plan would be the proposed creation of North Northamptonshire Council from April 2021, which would lead to the plan needing to be flexible throughout the year.

**RESOLVED:**

That the proposed approach to developing the Audit Plan for 2020/21 be approved.

*(Reason: To develop the annual Audit Plan in line with Public Sector Internal Standards.)*

## **296. INTERNAL AUDIT – PROGRESS AND PERFORMANCE**

The Head of Internal Audit presented a report on the progress made on the delivery of the Internal Audit Plan for 2019/20 and associated measures of performance.

Since the last meeting of the Committee, four reports had been finalised and fieldwork was completed or underway on a number of further assignments. Internal Audit actively monitored the implementation of recommendations arising from audit reports and since the last meeting of the Committee five actions had been completed, which left 17 overdue actions.

The Chairman expressed concern that the Local Plan Project had been given a moderate assurance opinion. It was suggested that the new Director for Growth and Infrastructure be invited to the next meeting to discuss the issues around delivery of the Local Plan. The Planning Policy Manager advised that the Local Plan was progressing but he had concerns with the internal audit report. He would be happy to attend the next meeting to give assurances on the project.

The Data Protection Officer attended the meeting to give an update on the outstanding actions relating to the General Data Protection Regulations (GDPR). It was explained that in the three years prior to the introduction of GDPR, ENC had received only four Subject Access Requests, however since the introduction of GDPR there had been 18 requests, some of which were very complex, and which all had a legal deadline of one month to respond. Not meeting this deadline could lead to complaints to the Information Commissioner's Office. The Head of Resources advised that the impact of resources on the audit actions was recognised and actions were being taken to address it.

### **RESOLVED:**

That the progress and performance of the Internal Audit Service and the key findings from audits delivered during the period be noted.

*(Reason: To review the performance of Internal Audit against the agreed plan and any key findings regarding the council's risk management and control arrangements in accordance with the Public Sector Internal Audit Standards.)*

## **297. RISK MANAGEMENT UPDATE – QUARTER 2 (2019/20)**

The Finance Manager presented a report on the Council's risk register for Quarter 2 of 2019/20.

The risk report for Quarter 2 2019/20 contained the following information:

- Corporate risks
- High Priority Risks (risks with high current score or very high likelihood score or very high impact score)
- Risks with 'very high' impact scores – by each impact measured
- Ended risks in the last quarter – there were five
- New risks in the last quarter – there was one
- Overdue actions – there were none

At its meeting on 24 July 2019, the Committee identified Planning risks for a 'deep dive' at this meeting. A timetable had been developed for future risk "deep dive" presentations to the Committee as follows

<b>Year</b>	<b>Meeting Date</b>	<b>Service</b>
19/20	29/01/2020	Economic & Commercial Development
19/20	25/03/2020	Environmental Services
20/21	TBC	Resources
20/21	TBC	Customer & Community Services

The Planning Development Manager and Planning Policy Manager were present to discuss the high priority risks within Planning Services. The Planning Development Manager provided an update on the following risks and their potential impacts on the Council:

- PLN 002 – Failure to determine planning applications on time
- PLN 007 – Risk of major appeals and associated costs
- PLN 024 – Ineffective of drafting of decision notices

The Planning Policy Manager provided an update on the following risk and its potential impact on the Council:

- PLN 009 – Failure to maintain a five year Housing land supply

The Chairman advised that he had noted that a number of the risks on the register had had their scores changed, sometimes quite significantly. He would contact the Finance Manager outside of the meeting for her to review them for the next meeting.

**RESOLVED:**

That the current status of risks included in the report for the period to September 2019 be noted.

*(Reason: To ensure the Council has an up to date and effective risk reporting process in place.)*

**298. EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:**

That the public and press be excluded from the meeting for the consideration of the following item (Minutes of the Governance & Audit Working Party) as exempt information as defined under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, was likely to be disclosed.

**299. GOVERNANCE & AUDIT WORKING PARTY UPDATE**

The Head of Resources provided Members with a verbal update of the last meeting of the Governance & Audit Working Party.

**RESOLVED:**

That the verbal update on the work of the Governance & Audit Working Party be noted.

**Chairman**