



Meeting: **AUDIT & GOVERNANCE COMMITTEE**
Date: **WEDNESDAY, 29 JULY 2020**
Time: **5.00 PM**
Venue: **MICROSOFT TEAMS LIVE EVENT - REMOTE**
To: **Councillors K Arthur (Chair), N Reader (Vice-Chair),
J Chilvers, D Brook, J Duggan, K Franks, E Jordan and
J Mackman**

Agenda

1. Apologies for Absence

2. Disclosures of Interest

A copy of the Register of Interest for each Selby District Councillor is available for inspection at www.selby.gov.uk.

Councillors should declare to the meeting any disclosable pecuniary interest in any item of business on this agenda which is not already entered in their Register of Interests.

Councillors should leave the meeting and take no part in the consideration, discussion or vote on any matter in which they have a disclosable pecuniary interest.

Councillors should also declare any other interests. Having made the declaration, provided the other interest is not a disclosable pecuniary interest, the Councillor may stay in the meeting, speak and vote on that item of business.

If in doubt, Councillors are advised to seek advice from the Monitoring Officer.

3. Minutes (Pages 1 - 10)

To confirm as a correct record the minutes of the Audit and Governance Committee held on 29 January 2020.

4. Chair's Address to the Audit and Governance Committee

5. Audit Action Log (Pages 11 - 12)

To review the Audit Action Log.

6. Audit and Governance Work Programme (Pages 13 - 16)

To note the current Work Programme and consider any amendments.

7. External Audit Strategy Memorandum (A/20/1) (Pages 17 - 36)

To consider and note the Audit Strategy Memorandum.

8. Internal Audit, Counter Fraud & Information Governance Plan 2020-21 (A/20/2) (Pages 37 - 58)

To receive the report from the Audit Manager (Veritau) and Assistant Director Corporate Fraud (Veritau), which asks the Committee to approve the Internal Audit Plan 2020-21; and note the Counter Fraud and Information Governance Plans 2020-21.

9. Draft Annual Governance Statement 2019-20 (A/20/3) (Pages 59 - 76)

To receive the report of the Chief Finance Officer, which asks the Committee to comment and note the draft Annual Governance Statement.

10. Annual Report of the Head of Internal Audit 2019-20 (A/20/4) (Pages 77 - 104)

To receive the report of the Head of Internal Audit, which presents the Annual Report for 2019-20 to be noted.

11. Risk Management Annual Report 2019-20 (A/20/5) (Pages 105 - 106)

To receive the report of the Audit Manager, Veritau, which provides a summary of risk management activity undertaken in 2019-20 and proposed risk management actions for 2020-21.

12. Corporate Risk Register 1920-21 (A/20/6) (Pages 107 - 136)

To receive the report from the Audit Manager (Veritau), which provides an update on movements within the Corporate Risk Register and asks the Committee to note the current status of the Corporate Risk Register.

13. Review of the Constitution 2020 (A/20/7) (Pages 137 - 156)

To note the report from the Solicitor to the Council, detailing changes made to the Constitution following the resolution of this Committee dated 10 April 2019 under delegation in respect of changes to standards arrangements; and other changes made by the Monitoring Officer under delegation, including giving effect to remote meetings.

14. Updated Selby District Council Code of Conduct & LGA Model Code of Conduct Consultation (A/20/8) (Pages 157 - 200)

To note the report from the Solicitor to the Council, on the updated Code of

Conduct and arrangements for standards complaints attached at Appendix 1; and to note the LGA Model Code of Conduct attached at Appendix 2 and the consultation.

15. Audit & Governance Annual Report 2019-20 (A/20/9) (Pages 201 - 212)

To approve the Audit and Governance Committee Annual Report 2019-20.

16. Decisions taken Under Urgency due to Covid-19 (A/20/10) (Pages 213 - 228)

The Audit and Governance Committee are asked to note the details of the decisions taken under urgency by the Leader of the Council and senior Officers between 23 March 2020 and 14 July 2020 due to the Coronavirus lockdown; and refer the same to full Council for noting.

Janet Waggott

Janet Waggott, Chief Executive

Dates of next meeting (5.00pm)

Wednesday, 21 October 2020

Enquiries relating to this agenda, please contact Dawn Drury on 01757 292065 ddrury@selby.gov.uk.

his meeting will be streamed live online. To watch the meeting when it takes place, [click here](#) and then on the link under the section titled 'Media'.

Recording at Council Meetings

Selby District Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform Democratic Services of their intentions prior to the meeting by emailing democraticservices@selby.gov.uk.

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Minutes

Audit & Governance Committee

Venue:	Committee Room - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Wednesday, 29 January 2020
Time:	4.30 pm
Present:	Councillors K Arthur (Chair), N Reader (Vice-Chair), J Chilvers, J Duggan, K Franks, E Jordan and J Mackman
Officers present:	Karen Iveson (Chief Finance Officer (s151), from minute item 34), Peter Williams (Head of Finance), Caroline Fleming (Senior Solicitor), Nicola Hallas (Manager, Mazars LLP), Phil Jeffrey (Assistant Director - Audit, Veritau), Jonathan Dodsworth (Assistant Director - Corporate Fraud, Veritau), Rebecca Bradley (Assistant Director – Audit Assurance, Veritau); and Dawn Drury (Democratic Services Officer)
Others present:	Councillor C Lunn (Lead Executive Member for Finance and Resources), Councillor M Jordan (from minute item 38), Daniel Club (Senior Fraud Investigator, Veritau), Ed Martin (Senior Auditor, Veritau); and Carrie Wilson (Information Governance Officer, Veritau)
Public:	0
Press:	0

28 APOLOGIES FOR ABSENCE

The Democratic Services Officer informed the Committee that apologies for absence had been received from Councillor Brook.

29 DISCLOSURES OF INTEREST

Councillor Mackman declared a personal interest in agenda item 11, Internal Audit, Counter Fraud and Information Governance Progress

Report 2019-20: as he was the Chair of the Selby and District Housing Trust (SDHT).

30 MINUTES

The Committee considered the minutes of the Audit and Governance Committee meeting held on 23 October 2019.

RESOLVED:

To approve the minutes of the Audit and Governance Committee meeting held on 23 October 2019.

31 CHAIR'S ADDRESS TO THE AUDIT AND GOVERNANCE COMMITTEE

The Chair was pleased to note the improved attendance at the pre-meeting briefing sessions, as he explained that the sessions were vital to develop the knowledge to assist in the important role of scrutinising the Councils control and governance frameworks.

Members were asked to consider their future needs and interests as officers began to plan the Audit and Governance work programme for 2020-21; and feed any comments to the Democratic Services Officer.

The Chair explained that this was the final meeting for the Assistant Director, Audit Assurance, Veritau as he was moving to a different Authority for a six month period, and wished him all the best in his new role; they then welcomed Ed Martin, who would be taking the lead at Selby District Council.

RESOLVED:

To feed any requests for items to be added to the Audit and Governance work programme for 2020-21 to the Democratic Services Officer.

32 AUDIT ACTION LOG

The Committee reviewed the Audit Action Log. It was noted that the information requested in relation to the Local Government and Social Care Ombudsman Annual Review Letter had been circulated to the Committee, and therefore the action was noted as complete.

RESOLVED:

To note the Audit Action Log.

33 AUDIT AND GOVERNANCE WORK PROGRAMME

The Committee considered the current Audit and Governance Work Programme.

RESOLVED:

To note the Work Programme.

34 INFORMATION GOVERNANCE ANNUAL REPORT 2019 (A/19/13)

The Senior Solicitor presented the report, which provided the annual update on information governance within the Council for 2019. The Senior Solicitor highlighted the following information within the report:

- With regard to the General Data Protection Regulations (GDPR) a new Information Governance Strategy and policies had been put in place; with a Corporate Information Governance Group (CIGG) consisting of internal officers and Veritau to monitor compliance.
- All staff had received mandatory training on GDPR during 2018, and further training in relation to data protection took place in 2019.
- An information security check had been carried out in September 2019 at the Civic Centre by Veritau, to test the systems in place, and check that confidential, personal and sensitive information was stored securely. The audit findings had established that improvements had been made since the previous check.
- With regard to the North Yorkshire Multi Agency Information Sharing Protocol, the Council remained a signatory and had completed a data sharing agreement in relation to Safeguarding Children. To reflect changes brought about by GDPR a variation to data sharing agreements in relation to the settlement of Syrian refugees in the District had been made.
- The number of data protection breaches represented an increase in incidents compared to the previous year, however this was considered to be the result of increased awareness of the requirements around data breaches and how these should be reported. It was noted that a number of data security incidents had been investigated since the last report to Committee in January 2019; however none of the breaches had required reporting to the Information Commissioner's Office (ICO).
- With regard to freedom of information requests the Council had a well-defined system in place to administer and respond to such requests. The Council was currently responding to just over 88.7% of requests on time, above its target of 86%.

In relation to freedom of information requests, the Committee noted that year on year the response times to requests within the required timescales had been reducing and queried what procedures were in place to mitigate this. The Senior Solicitor confirmed that the Council had a robust system in place which logged and tracked all requests to ensure that they were responded to within the statutory time limits.

RESOLVED:

To note the report.

35 EXTERNAL AUDIT PROGRESS REPORT (A/19/14)

The Manager, Mazars LLP presented the report which highlighted that the planning work in relation to the 2019/20 external audit was underway, and the Audit Strategy Memorandum would be presented to the Audit and Governance Committee in April 2020.

The Committee was informed that the 2018/19 Housing Benefits Subsidy report to the Department of Work and Pensions (DWP) had been submitted ahead of the deadline of 30 November 2019. The Manager, Mazars highlighted that following the prescribed testing, two reporting issues out of a sample of 60 had been detected in both rent rebates and rent allowances; however the issues were minor when compared with the total claim.

A query was raised regarding the 2017/18 Housing Benefits Subsidy return which had required amendments, and whether procedures had been put in place to ensure this did not happen again. The Committee was assured that Mazars were working closely with officers to ensure it would not happen again.

In response to a query regarding the error on rent allowances, where benefit had been incorrectly paid as a result of a miscalculation on a claimants earned income, it was explained that this was a common occurrence, and could be something as simple as the rounding of a penny which had caused the discrepancy. The Chief Finance Officer stressed that the amounts were very small in monetary value.

In relation to the national publications listed within the report, and specifically the Chartered Institute of Public Finance and Accountancy (CIPFA), Financial Management Code the Committee queried if work was in progress to ensure that the Council met the first full year of compliance with the Code, in 2021-22. The Chief Finance Officer informed the Committee that a report on the Code had been taken to the Leadership Team, and that a self-assessment document would be brought to Committee in due course.

The Democratic Services Officer was requested to re-circulate the links to the national publications contained within the External Audit Progress Report.

RESOLVED:

- i. To note the report.**
- ii. To ask the Democratic Service Officer to re-circulate the links to the national publications contained within the External Audit Progress Report.**

36 REVIEW OF THE RISK MANAGEMENT STRATEGY (A/19/15)

The Assistant Director, Audit Assurance, Veritau presented the report, which set out the strategy for managing risk within Selby District Council.

The Committee were informed that the Risk Management Strategy had been reviewed following consultation with the Leadership Team, and it was noted that the strategy remained largely unchanged following the review, however minor amendments had been made and an updated definition of risk management had been included at section 2, page 3; the amendments had been shown as tracked changes in Appendix 1 of the report.

In response to a query regarding possible incidents within the District which had not been identified as a risk at the start, the Chief Finance Officer explained that the Council had individual service risk registers and a corporate risk register which were reviewed regularly to identify the possibilities for risk. It was further explained that the vigilance of officers and councillors was relied upon to highlight any areas of concern.

RESOLVED:

To note the revisions to the Risk Management Strategy.

37 CORPORATE RISK REGISTER 2019-20 (A/19/16)

The Committee received the report, presented by the Assistant Director, Audit Assurance, Veritau who explained that this report contained the twice-yearly update on movements within the Corporate Risk Register, which was last reported to the Committee in July 2019.

The Committee was informed that there were a total of 12 risks on the Council's Corporate Risk Register for 2019/20. The Committee's attention was drawn to page 53 of the agenda which contained a summary of the current risks.

In response to a query regarding the risks defined as high risks relating to financial resources and economic environment, the Chief Finance Officer highlighted that financial uncertainty remained pending the reform of local government funding which was why the risk was considered to be high. It was explained that in the absence of a clear forward funding settlement from local government, the Council's medium term financial plan to 2022-23 showed an annual savings requirement of £2.5m.

RESOLVED:

To note the current status of the corporate risk register.

38 INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION GOVERNANCE PROGRESS REPORT (A/19/17)

The Assistant Director, Audit Assurance, Veritau presented the quarterly

report which depicted current progress in relation to the 2019-20 internal audit work plan, along with an update on the counter fraud and information governance work undertaken to date in 2019-20. It was noted that currently there was eleven 2019-20 audits in progress, with three reports being finalised since the last report to the Committee

The Corporate Fraud Assistant Director, Veritau presented the section of the report related to the Council's counter fraud activity 2019-20 which highlighted that savings of £9.4k had been achieved through fraud investigation.

The Committee was informed that in December 2019 the Council had prosecuted a former tenant for subletting a council property over the course of two years; the tenant had pleaded guilty to all charges and was fined £1,400. The Corporate Fraud Assistant Director praised the work of the Council's legal team and thanked them for their help with the prosecution.

The Assistant Director, Information Governance presented the section of the report which updated the Committee on Information Governance matters and developments in the Councils Information Governance arrangements and compliance with relevant legislation.

In relation to privacy notices, the Committee heard that individual privacy notices were being prepared by each service team; these would be reviewed by Veritau as they were completed and would then be published on the Council website.

In terms of training, the Committee were informed that a training session on Data Protection Rights and Principles had been delivered to which 21 staff members had attended; a second session was being planned for early 2020.

The Committee heard that 14 security incidents had been reported to Veritau in 2019-20, however none of the reported incidents had needed to be reported to the Information Commissioner's Officer (ICO).

Members queried in light of the number of audits about to be commenced, was there sufficient capacity to complete the work, it was explained that the resources were there, as Veritau had a large team of auditors.

The Committee raised concerns around the costs of detecting fraud, and queried if the money would be better spent in protecting against fraud, the Chief Finance Officer explained that Veritau provided both fraud detection and protection services, and that the whole counter fraud arrangements were robust. It was further queried if the Council was spending a disproportionate amount of money on the service; the Chief Finance Officer stated that the cost was not disproportionate and that the cost of the Counter Fraud Service could be provided should the Members request it.

The Chair raised a query regarding membership of the Corporate Information Governance Group (CIGG), and whether any Councillors sat on the group, the Chief Finance Officer explained that it was an operational officer group who reported directly to her.

The Committee expressed interest in the training sessions on Data Protection Rights and Principles which had been delivered to staff members, but stated that the training would need to be in the evening or something that could be accessed on-line, the Chief Finance Officer confirmed that training on GDPR could be provided for Members.

RESOLVED:

To note the report.

39 COUNTER FRAUD FRAMEWORK UPDATE (A/19/18)

The Chair informed the Committee that Appendix C, Fraud Risk Assessment, contained exempt information and therefore if the Committee wished to discuss this information, they would need to move into Private Session.

The Corporate Fraud Assistant Director, Veritau presented the report, which updated the Committee on the progress made against the actions set out in the Counter Fraud and Corruption Strategy; in addition the Council's Counter Fraud Risk Assessment had been updated to reflect fraud risks currently facing the Council.

The Corporate Fraud Assistant Director, Veritau highlighted that procurement fraud remained the highest perceived area of threat nationally, and although levels of housing fraud detected had fallen, the average loss per case remained high at £32k. It was explained that housing fraud was attractive to fraudsters as the increase in new council homes had also increased the risk from false applications, illegal subletting and fraudulent rights to buy. The Committee was informed that to mitigate the risk, procurement and housing frauds were areas of focus for Veritau in 2020-21; along with raising awareness by working with officers to put stringent checks in place.

In response to a query regarding the procurement procedure in place within the Council, the Chief Finance Officer explained that the Head of Commissioning, Contracts & Procurement managed the overall procurement function, with levels of spend set to control the amounts that Directors and individual officers could authorise for payment.

The Committee stated they wanted to discuss the information outlined in appendix C, therefore agreed to move into private session.

In accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of

the following item as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraph 3 of Part 1 of Schedule 12(A) of the Act.

It was proposed, and seconded, that the Committee moved into Private Session.

The Counter Fraud Manager, Veritau informed the Committee that the Fraud Risk Assessment was reviewed annually, with the highest area of risk identified as creditor payments.

The Committee asked a number of questions in relation to the report.

RESOLVED:

- i. To approve the updated Counter Fraud and Corruption Strategy Action Plan.**
- ii. To note the updated Counter Fraud Risk Assessment.**

It was proposed, and seconded, that the Committee return to Public Session.

40 REVIEW OF ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2018-19 (A/19/19)

The Chief Finance Officer presented the report, which updated the Committee on progress made against the Action Plan for the Annual Governance Statement for 2018-19; this was the half yearly review and the Action Plan was included at appendix A.

The Chief Finance Officer explained that since the last update, a review of Overview and Scrutiny arrangements had been completed. It was further explained the training needs of all Committee members was being monitored, along with quarterly discussions and the sharing of work programmes between the Executive and the Chairs of Scrutiny.

In terms of Information Governance and Data Protection, as the Committee had heard in an earlier item, an action plan was now in place and significant progress had been made to address the implications of GDPR; however it was stressed that Officers and Councillors must be vigilant to the importance of data security.

In relation to non-compliance with the Payment Card Industry Data Security Standard (PCI DSS), the Committee was informed that Northgate PARIS, the Council's current payments and income management system had been bought out by Civica; who had informed the Council that they could not commit to supporting the software. The Committee were also informed that as a result of this, the Council had put an order in to purchase new software, Civica Pay, which removed the software risks around compliance.

The Chief Finance Officer explained that in terms of the “mandate fraud” which had taken place in 2018-19, resulting in a payment being made to the wrong recipient, the Counter Fraud team had investigated the incident and Internal Audit had reviewed the procedures, and put in actions to strengthen the process. The Committee heard that the 2019-20 audit was currently in progress, and any further update would be reported in due course.

RESOLVED:

To note the report.

The meeting closed at 5.37 pm.

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Audit and Governance Committee: Action Log 2019/20

Record of progress on resolutions and action points

Date	Minute number and subject	Resolution / Action Point	Update(s)	Officer(s)	Status
29 Jan 2020	Audit & Governance Committee pre-brief on Data Protection	To ask the Democratic Services Officer to circulate the Data Protection presentation & associated notes from the Councillor pre-brief	The Data Protection presentation & associated notes from the Councillor pre-brief was emailed to Councillors on 5/2/20	DSO	Complete
29 Jan 2020	35 - External Audit Progress Report	To ask the Democratic Service Officer to re-circulate the links to the national publications contained within the External Audit Progress Report	The External Audit Progress Report was emailed to Councillors on 5/2/20	DSO	Complete

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Audit Committee Work Programme 2020-21

Date of Meeting	Topic	Action Required
29 July 2020	Review of Action Log	To consider the latest Action Log
	External Audit Strategy Memorandum	To review the external Audit Strategy
	Internal Audit, Counter Fraud and Information Governance Plan 2020/21	To approve the Internal Audit Plan 2020-21; and note the Counter Fraud and Information Governance Plans 2020/21
	2019/20 Draft Annual Governance Statement (AGS)	To comment and note the draft Annual Governance Statement
	Annual Report of the Head of Internal Audit 2019-20	To consider and note the Annual Report of the Head of Internal Audit 2019-20
	Risk Management Annual Report 2019-20	To consider the Risk Management Annual Report for 2019-20
	Corporate Risk Register	To review the Corporate Risk Register
	Review of the Constitution 2020	To note the changes to the Constitution and refer the same to Full Council for noting.
	Updated Selby District Council Code of Conduct and LGA Model Code of Conduct Consultation	To note the updated Code of Conduct and arrangements for standards complaints; and to note the LGA Model Code of Conduct, which is presently out for consultation

	Audit and Governance Annual Report 2019-20	To approve the Audit and Governance Committee Annual Report 2019-20
	Decisions taken under Urgency due to Covid -19	To note the urgent decisions taken by the Leader of the Council and senior Officers, and refer same to full Council for noting

21 October 2020	Review of Action Log	To consider the latest Action Log
	Local Government and Social Care Ombudsman Annual Review Letter 2019-20	To receive the Local Government and Social Care Ombudsman Annual Review Letter 2019-20
	External Audit Completion Report 2019-20	To receive the Audit Completion Report from the external auditors
	Statement of Accounts 2019-20	To approve the Statement of Accounts for the financial year 2019-20
	Internal Audit, Counter Fraud and Information Governance Progress Report	To review progress against the Internal Audit, Counter Fraud and Information Governance plans
	Consideration of Internal Audit Reports	To consider any Internal Audit Reports that have concluded 'Limited Assurance' or 'No Assurance'
	External Annual Audit Letter 2020	To review the Annual Audit Letter 2020

27 January 2021	Review of Action Log	To consider the latest Action Log
	Information Governance Annual Report 2020	To approve the Information Governance Annual Report
	External Audit Progress Report	To review the progress of the external auditor
	Risk Management Strategy	To review the Risk Management Strategy
	Corporate Risk Register	To review the Corporate Risk Register
	Internal Audit, Counter Fraud and Information Governance Progress Report	To review progress against the Internal Audit, Counter Fraud and Information Governance plans
	Counter Fraud Framework Update	To approve the revised Counter Fraud and Corruption Strategy Action Plan; and comment on and note the updated Counter Fraud Risk Assessment.
	Consideration of Internal Audit Reports	To consider any Internal Audit Reports that have concluded 'Limited Assurance' or 'No Assurance'
	Review of Annual Governance Statement Action Plan 2019-20	To review the Annual Governance Statement Action Plan 2019-20

21 April 2021	Review of Action Log	To consider the latest Action Log.
	External Audit Strategy Memorandum	To review the external Audit Strategy
	External Audit Progress Report	To review the progress of the external auditor
	Internal Audit, Counter Fraud and Information Governance Progress Report	To review progress against the Internal Audit, Counter Fraud and Information Governance plans
	Internal Audit, Counter Fraud and Information Governance Plan 2021/22	To approve the Internal Audit, Counter Fraud and Information Governance plans 2021/22
	Constitutional Amendments	To consider any proposed amendments to the Constitution.
	Consideration of Internal Audit Reports	To consider any Internal Audit Reports that have concluded 'Limited Assurance' or 'No Assurance'.
	Annual Report 2020/21	To approve the 2020/21 Annual Report of the Audit and Governance Committee
	Work Programme 2021/22	To approve the Audit and Governance Committee Work Programme for 2021/22

Agenda Item 7



Report Reference Number: A/20/1

To: Audit and Governance Committee
Date: 29 July 2020
Author: Dawn Drury, Democratic Services Officer
Lead Officer: Karen Iveson, Chief Finance Officer

Title: External Audit Strategy Memorandum

Summary:

The Audit Strategy Memorandum from the external auditor, Mazars, is provided for comment and noting.

Recommendations:

To consider the Audit Strategy Memorandum.

Reasons for recommendation

The Audit and Governance Committee is required, in accordance with Part 3 of the Constitution, to consider reports of the external auditor and inspection agencies relating to the actions of the Council.

1. Introduction and background

1.1 The report has been submitted by the external Auditor, Mazars and sets out the audit plan in respect of Selby District Council for the year ending 31 March 2020. The report forms the basis for discussion at the Audit and Governance Committee meeting.

2 The Report

2.1 The Audit Strategy Memorandum is attached at Appendix A and sets out the proposed audit approach in respect of the year ending 31 March 2020.

2.2 The audit will be delivered in four main phases, as detailed in the report and is expected to be completed by November 2020.

2.3 The Committee will have the opportunity to ask questions of officers and the external auditors at the meeting.

3 Legal/Financial Controls and other Policy matters

3.1 None.

4. Conclusion

4.1 The Committee is asked to consider the report.

5. Background Documents

None.

Contact Officer:

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Appendices:

A – Audit Strategy Memorandum

Audit Strategy Memorandum

Selby District Council

Year ending 31 March 2020





CONTENTS

1. Engagement and responsibilities summary
2. Your audit engagement team
3. Audit scope, approach and timeline
4. Significant risks and key judgement areas
5. Value for money conclusion
6. Fees for audit and other services
7. Our commitment to independence
8. Materiality and misstatements

Appendix A – Key communication points

Appendix B - Forthcoming accounting and other issues

This document is to be regarded as confidential to Selby District Council. It has been prepared for the sole use of the Audit and Governance Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

Audit and Governance Committee
Selby District Council
Civic centre
Doncaster Road
Selby
YO8 9FT

14 April 2020

Dear Committee Members,

Audit Strategy Memorandum – Year ending 31 March 2020

We are pleased to present our Audit Strategy Memorandum for Selby District Council for the year ending 31 March 2020

The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, Section 7 of this document also summarises our considerations and conclusions on our independence as auditors.

We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Selby District Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

This document, which has been prepared following our initial planning discussions with management, is the basis for discussion of our audit approach, and any questions or input you may have on our approach or role as auditor.

This document also contains specific appendices that outline our key communications with you during the course of the audit, and forthcoming accounting issues and other issues that may be of interest.

Client service is extremely important to us and we strive to continuously provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on 07747 764 529

Yours faithfully



Mark Kirkham
Mazars LLP

1. ENGAGEMENT AND RESPONSIBILITIES SUMMARY

Overview of engagement

We are appointed to perform the external audit of Selby District Council (the Council) for the year to 31 March 2020. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>

Our responsibilities

Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below:

Audit opinion

We are responsible for forming and expressing an opinion on the financial statements.

Our audit is planned and performed so to provide reasonable assurance that the financial statements are free from material error and give a true and fair view of the financial performance and position of the Council for the year.

Value for money

We are required to conclude whether the Council has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach in section 5 of this report.

Reporting to the NAO

We report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission. We expect the Council will once again be below the thresholds required for this reporting to the NAO.

Electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

Our audit does not relieve management or those charged with governance, of their responsibilities. The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance as to their knowledge of instances of fraud, the risk of fraud and their views on management controls that mitigate the fraud risks.

The Council is required to prepare its financial statements on a going concern basis by the Code of Practice on Local Authority Accounting. As auditors, we are required to consider the appropriateness of the use of the going concern assumption in the preparation of the financial statements and the adequacy of disclosures made.

For the purpose of our audit, we have identified the Audit and Governance Committee as those charged with governance.

2. YOUR AUDIT ENGAGEMENT TEAM



- Mark Kirkham, Partner
- Mark.Kirkham@mazars.co.uk
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- Nicola Hallas, Manager
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- 07881 283 559



- Bethan Frudd, Team Leader
- Bethan.Frudd@mazars.co.uk
- 07717 343 237

3. AUDIT SCOPE, APPROACH AND TIMELINE

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those affected by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

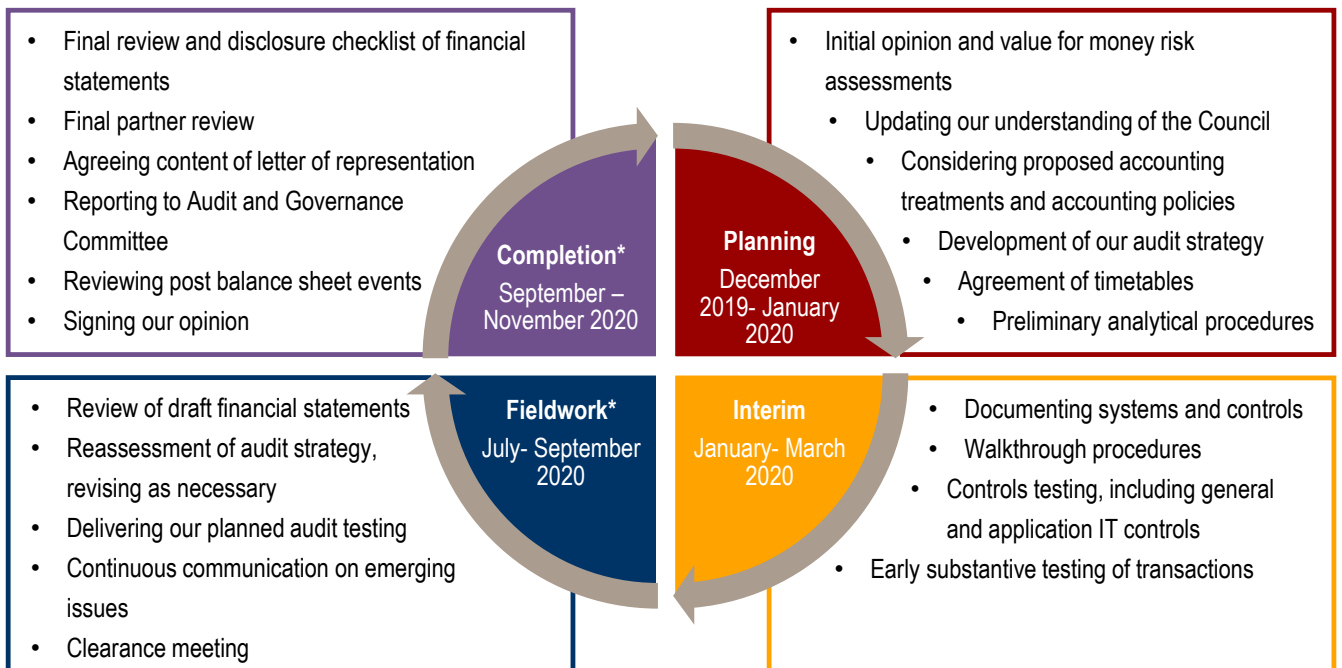
Audit approach

Our audit approach is risk-based approach and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. When we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

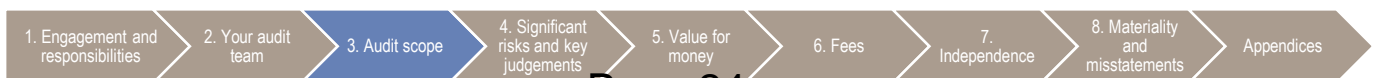
If we conclude that appropriately-designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of details (of classes of transactions, account balances, and disclosures) and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram below outlines the procedures we perform at the different stages of the audit.



*exact timings for fieldwork and completion are yet to be agreed.



3. AUDIT SCOPE, APPROACH AND TIMELINE (CONTINUED)

Reliance on internal audit

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will meet with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures.

Where we intend to rely on the work of internal audit, we will evaluate the work performed by your internal audit team and perform our own audit procedures to determine its adequacy for our audit.

Management's and our experts

Management makes use of experts in specific areas when preparing the Council's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Items of account	Management's expert	Our expert
Defined benefit liability	Actuary (Aon Hewitt)	NAO's consulting actuary (PwC).
Property, plant and equipment valuation	Align Property Partners	We will take into account relevant information which is available from third parties.
Financial instrument disclosures	Link Asset Services	No expert considered necessary.

Service organisations

International Auditing Standards (UK) define service organisations as third party organisations that provide services to the Council that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the Council and our planned audit approach.

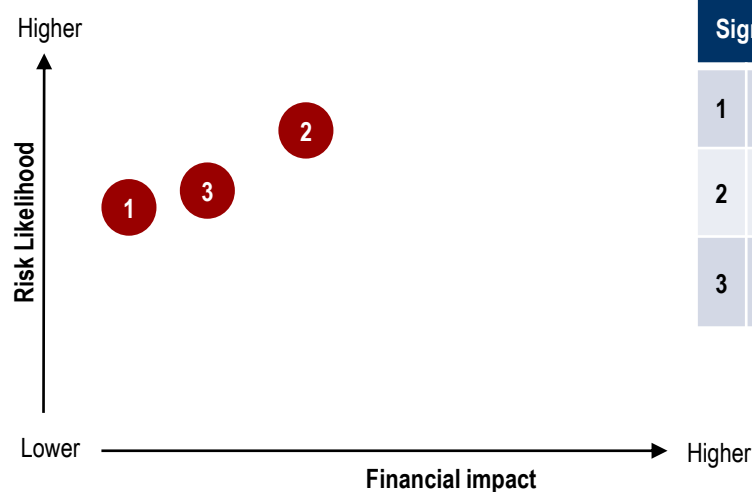
Items of account	Service organisation	Audit approach
Payroll	North Yorkshire County Council (NYCC)	<p>Although some staff are employed by NYCC, and some systems are maintained by them, we have sufficient access to staff on site, along with all of the relevant financial information we need to conduct our audit of Selby District Council.</p> <p>We will perform substantive tests of detail on the information provided to and received from NYCC and also inspect payroll reconciliations.</p>
IT	North Yorkshire County Council (NYCC)	<p>Although Selby District Council maintains a small, internal IT team (who administer the applications used by the Council), services such as the hosting of servers, databases, back up and disaster recovery are outsourced to NYCC.</p> <p>We do not plan to rely on tests of control as part of our audit approach, however will perform detailed IT audit work over the IT systems as a whole at Selby District Council.</p>

4. SIGNIFICANT RISKS AND KEY JUDGEMENT AREAS

Following the risk assessment approach discussed in section 3 of this document, we have identified relevant risks to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard, as defined below:

- Significant risk** A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.
- Enhanced risk** An enhanced risk is an area of higher assessed risk of material misstatement at audit assertion level other than a significant risk. Enhanced risks incorporate but may not be limited to:
- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
 - other audit assertion risks arising from significant events or transactions that occurred during the period.
- Standard risk** This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant. We have summarised our audit response to these risks on the next page.



Significant risks	
1	Management override of control
2	Property, plant and equipment valuation
3	Defined benefit liability valuation

4. SIGNIFICANT RISKS AND KEY JUDGEMENT AREAS (CONTINUED)

We provide more detail on the identified risks and our testing approach with respect to significant risks in the table below. An audit is a dynamic process; should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to the Audit Committee and Governance.

Significant risks

	Description of risk	Planned response
1	<p>Management override of controls</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Because of the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	<p>We plan to address the management override of controls risk by performing audit work on accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.</p>
2	<p>Property, plant and equipment valuation</p> <p>The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle.</p> <p>Although the Council employs external experts to provide information on valuations, there remains a high degree of estimation uncertainty associated with the valuation of PPE because of the significant judgements and number of variables involved.</p>	<p>In relation to the valuation of property, plant & equipment we will:</p> <ul style="list-style-type: none"> critically assess the Council's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; consider whether the overall revaluation methodologies used by the Council's valuer's are in line with industry practice, the CIPFA Code of Practice and the Council's accounting policies; assess whether valuation movements are in line with market expectations by using information available from other sources; and critically assess the treatment of the upward and downward revaluations in the Council's financial statements with regards to the requirements of the CIPFA Code of Practice.

4. SIGNIFICANT RISKS AND KEY JUDGEMENT AREAS (CONTINUED)

	Description of risk	Planned response
3	<p>Defined benefit liability valuation</p> <p>The net pension liability represents a material element of the Council's balance sheet. The Council is an admitted body of the North Yorkshire Pension Fund, which had its last triennial valuation completed as at 31 March 2019.</p> <p>The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation.</p> <p>There are financial assumptions and demographic assumptions used in the calculation of the Council's valuation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2019/20.</p>	<p>As part of our work we will review the controls that the Council has in place over the information sent to the Scheme Actuary, including the Council's process and controls with respect to the assumptions used in the valuation. We will also evaluate the competency, objectivity and independence of the scheme Actuary, Aon Hewitt.</p> <p>We will review the appropriateness of the methodology applied, and the key assumptions included within the valuation, compare them to expected ranges, utilising the information provided by PwC, consulting actuary engaged by the National Audit Office. We will review the methodology applied in the valuation of the liability by Aon Hewitt.</p>

Revenue recognition

International Auditing Standard (ISA) 240 includes a rebuttable presumption that the fraud risk from revenue recognition is a significant audit risk.

We recognise that the nature of revenue in local government differs significantly to the sources of income in the private sector which have driven the requirement in the ISA. We also note that the incentives in local government include the requirement to meet regulatory and financial covenants rather than share-based management concerns.

Based on our understanding of the Council's revenue streams we do not consider this to be a significant risk for the 2019/20 audit. We have, therefore, rebutted this risk and do not incorporate specific work into our audit approach in this area over and above our standard procedures.

5. VALUE FOR MONEY CONCLUSION

Our approach

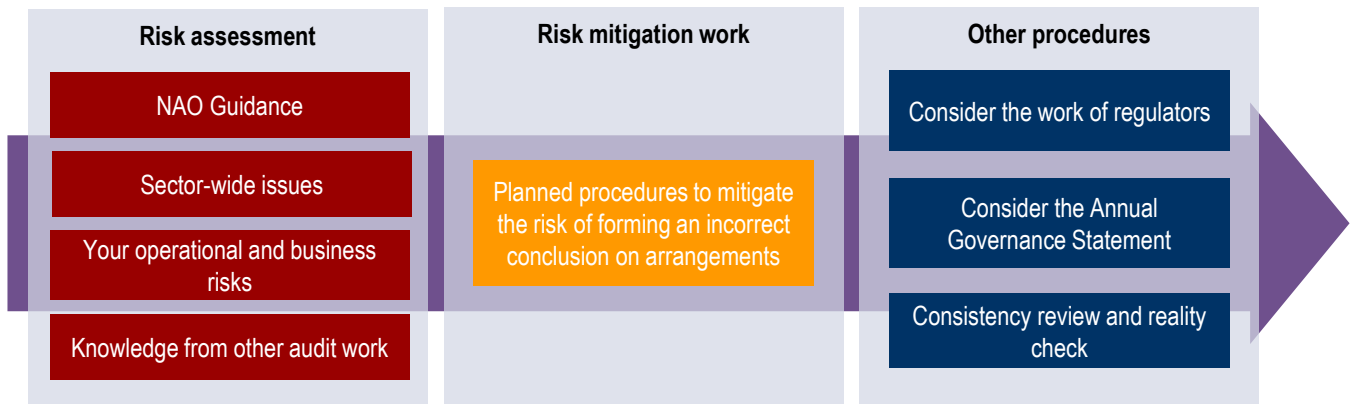
We are required to form a conclusion as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out, and sets out the overall criterion and sub-criteria that we are required to consider.

The overall criterion is that, 'in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.'

To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- informed decision making;
- sustainable resource deployment; and
- working with partners and other third parties.

A summary of the work we undertake to reach our conclusion is provided below:



Significant audit risks

The NAO's guidance requires us to carry out work at the planning stage to identify whether or not a value for money (VFM) conclusion risk exists. Risk, in the context of our VFM work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Council being inadequate. As outlined above, we draw on our deep understanding of the Council and its partners, the local and national economy and wider knowledge of the public sector.

For the 2019/20 financial year, we have not identified any significant audit risks for our VFM conclusion work

6. FEES FOR AUDIT AND OTHER SERVICES

Fees for work as the Council's appointed auditor

At this stage of the audit we expect to need to reflect the scale fee set by PSAA as communicated in our fee letter of 23rd April 2019 and other matters listed below

Service	2018/19 fee	2019/20 fee
Code audit work – scale fee	£34,425	£34,425
Additional work in response to regulatory recommendations to increase level of audit work on defined benefit liability schemes.		To be agreed*
Additional work in response to regulatory recommendations to increase level of audit work on the valuation of property plant and equipment.		To be agreed*
Total	£34,425	To be agreed*

*In common with all local government external auditors we are required to carry out additional procedures which were not expected when fees were set.

Regulatory recommendations

We continually strive to maintain high standards of audit quality. One mechanism for doing this is to consider the outcome of independent quality reviews, in particular by the Financial Reporting Council, of our audit work and that of other audit suppliers. In particular we are planning increases in the level of work we do on:

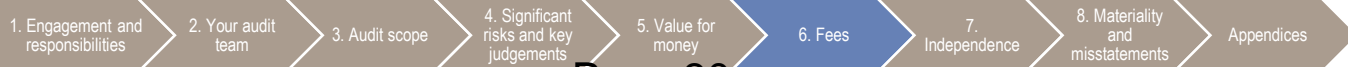
- defined benefit pension schemes; and
- valuation of property, plant and equipment

We will discuss the driving factors with Council officers and the audit fee for 2019/20 will be revisited to reflect the increased level of work that was not considered when the scale fee was set. Any agreed additional fee is also subject to detailed scrutiny by the PSAA as part of the approval process

Fees for non-PSAA work

In addition to the fees outlined above in relation to our appointment by PSAA, we have been separately engaged by the Council to carry out additional work as set out in the table below. Before agreeing to undertake any additional work we consider whether there are any actual, potential or perceived threats to our independence. Further information about our responsibilities in relation to independence is provided in section 7.

Service	2018/19 fee	2019/20 fee
Housing Benefits Subsidy Assurance	£12,450	To be agreed if re-appointed



7. OUR COMMITMENT TO INDEPENDENCE

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually, in writing, that we comply with the Financial Reporting Council's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

- all partners and staff are required to complete an annual independence declaration;
- all new partners and staff are required to complete an independence confirmation and also complete computer-based ethics training;
- rotation policies covering audit engagement partners and other key members of the audit team;
- use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

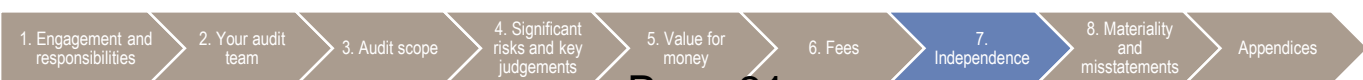
We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, and Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Mark Kirkham in the first instance.

Prior to the provision of any non-audit services Mark Kirkham will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence. Included in this assessment is consideration of Auditor Guidance Note 01 as issued by the NAO, and the PSAA Terms of Appointment.

Principal threats to our independence and identified associated safeguards are set out below in relation the Housing Benefits Subsidy Assurance, should we be appointed to carry out this work.

Issue	
Housing Benefit Subsidy Assurance	<p>We have considered threats and safeguards as follows:</p> <ul style="list-style-type: none"> • Self Review: The work does not involve the preparation of information that has a material impact upon the financial statements subject to audit by Mazars; • Self Interest: The total fee level is not deemed to be material to the Council or Mazars. The work undertaken is not paid on a contingency basis; • Management: The work does not involve Mazars making any decisions on behalf of management; • Advocacy: The work does not involve Mazars advocating the Council to third parties; • Familiarity: Work is not deemed to give rise to a familiarity threat given this piece of assurance work used to fall under the Audit Commission / PSAA certification regimes and was the responsibility of the Council's appointed auditor; and • Intimidation: The nature of the work does not give rise to any intimidation threat from management to Mazars.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.



8. MATERIALITY AND MISSTATEMENTS

Summary of initial materiality thresholds

Threshold	Initial threshold (£'000s)
Overall materiality	£1,109
Performance materiality	£887
Trivial threshold for errors to be reported to the Audit and Governance Committee	£33

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole. Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- have a reasonable knowledge of business, economic activities and accounts;
- have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

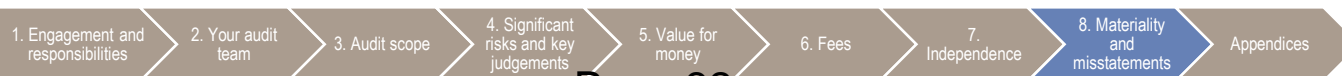
Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage. Our provisional materiality is set based on a benchmark of gross revenue expenditure at the net cost of service level. We have identified a figure for headline materiality but have also identified separate levels for procedures designed to detect individual errors, as well as a level above which all identified errors will be reported to the Audit and Governance Committee.

We consider that gross revenue expenditure at the net cost of service level remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

We expect to set a materiality threshold at 2% of Gross Revenue Expenditure at the net cost of service level



8. MATERIALITY AND MISSTATEMENTS (CONTINUED)

Based on the 2018/19 audited accounts, we anticipate the overall materiality for the year ending 31st March 2020 to be in the region of £1.109m (£1.148m in the prior year).

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Initial assessment of performance materiality is based on low inherent risk, meaning that we have applied 80% of overall materiality as performance materiality.

We have also calculated materiality for specific classes of transactions, balances or disclosures where we determine that misstatements of a lesser amount than materiality for the financial statements as a whole, could reasonably be expected to influence the decisions of users taken on the basis of the financial statements.

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Misstatements

We aggregate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to the Audit and Governance Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £33k based on 3% of overall materiality. If you have any queries about this please do not hesitate to raise these with Mark Kirkham.

Reporting to the Audit and Governance Committee

To comply with International Standards on Auditing (UK), the following three types of audit differences will be presented to the Audit and Governance Committee:

- summary of adjusted audit differences;
- summary of unadjusted audit differences; and
- summary of disclosure differences (adjusted and unadjusted).

APPENDIX A – KEY COMMUNICATION POINTS

ISA (UK) 260 'Communication with Those Charged with Governance', ISA (UK) 265 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' and other ISAs (UK) specifically require us to communicate the following:

Required communication	Audit Strategy Memorandum	Audit Completion Report
Our responsibilities in relation to the audit of the financial statements and our wider responsibilities	✓	
Planned scope and timing of the audit	✓	
Significant audit risks and areas of management judgement	✓	
Our commitment to independence	✓	✓
Responsibilities for preventing and detecting errors	✓	
Materiality and misstatements	✓	✓
Fees for audit and other services	✓	
Significant deficiencies in internal control		✓
Significant findings from the audit		✓
Significant matters discussed with management		✓
Our conclusions on the significant audit risks and areas of management judgement		✓
Summary of misstatements		✓
Management representation letter		✓
Our proposed draft audit report		✓

APPENDIX B – FORTHCOMING ACCOUNTING AND OTHER ISSUES

Financial reporting changes relevant to 2019/20

There are no significant changes in the Code of Practice on Local Authority Accounting for the 2019/20 financial year.

Financial reporting changes in future years

Accounting standard	Year of application	Commentary
IFRS 16 – Leases	2021/22	<p>The CIPFA/LASAAC Code Board has determined that the Code of Practice on Local Authority Accounting will adopt the principles of IFRS 16 Leases, for the first time from 2021/22.</p> <p>IFRS 16 will replace the existing leasing standard, IAS 17, and will introduce significant changes to the way bodies account for leases, which will have substantial implications for the majority of public sector bodies.</p> <p>The most significant changes will be in respect of lessee accounting (i.e. where a body leases property or equipment from another entity). The existing distinction between operating and finance leases will be removed and instead, the new standard will require a right of use asset and an associated lease liability to be recognised on the lessee’s Balance Sheet.</p> <p>In order to meet the requirements of IFRS 16, all local authorities will need to undertake a significant project that is likely to be time-consuming and potentially complex. There will also be consequential impacts upon capital financing arrangements at many authorities which will need to be identified and addressed at an early stage of the project.</p>

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Report Reference Number: A/20/2

To: Audit and Governance Committee
Date: 29 July 2020
Author: Ed Martin; Audit Manager (Veritau).
Jonathan Dodsworth; Assistant Director Corporate
Fraud (Veritau)
Rebecca Bradley; Assistant Director Information
Governance (Veritau)
Lead Officer: Karen Iveson; Chief Finance Officer (s151 Officer)

Title: Internal audit, counter fraud and information governance plans 2020/21

Summary:

The purpose of this report is to present the proposed internal audit, counter fraud and information governance plans for 2020/21.

Recommendations:

It is recommended that the internal audit plan 2020/21 be approved and that the counter fraud and information governance plans be noted.

Reasons for recommendation

Internal audit plans are required to be reported to the audit and governance committee for approval. Veritau provides the council with specialist counter fraud and information governance services. For transparency and information purposes we have included plans for these services alongside the audit plan within this report. These plans do not need committee approval but are presented for information.

1. Introduction and background

- 1.1 This document sets out the planned 2020/21 programme of work for internal audit, counter fraud, risk management and information governance services provided by Veritau for Selby District Council.
- 1.2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards. In accordance with these standards internal audit plans are required to be reported to the audit and governance committee for approval

2. Internal audit plan

- 2.1 The internal audit plan (appendix 1) is based on an assessment of risk undertaken by Veritau; the council's main strategic risks and through discussions with senior officers. While risks related to Covid-19 have been considered in the 2020/21 planning process, it is likely that there will need to be a higher degree of flexibility with audits planned for the year, due to the need to remain responsive to issues that arise as a result of the impact of Covid-19 on all areas of the council.
- 2.2 The plan is a working document, and changes are made throughout the year to reflect changes in risk and issues that may arise. The plan aims to ensure that audit resources are prioritised towards those systems which are considered to be the most risky, or which contribute the most to the achievement of the council's priorities and objectives. For 2020/21 this will be significantly influenced by the impact of Covid-19.
- 2.3 The content of the internal audit plan is submitted for formal approval by the Committee. Significant changes to the plan are agreed through the Council's client management arrangements and are notified to the Committee.
- 2.4 The plan is based on a total commitment of 375 days for 2020/21. The plan includes an allocation of time for work already undertaken in 2020/21, resulting from Covid-19 issues. The remaining time is for 287 days for internal audit and 25 days to support the council's risk management arrangements.

3. Counter Fraud Plan

- 3.1 The counter fraud plan (appendix 2) sets out proposed areas of counter fraud work for 2020/21. No estimate of time is made for each area as time spent is dependent on the levels of work received by the team. Priorities and focus for counter fraud activity is led by the council's counter fraud strategy and counter fraud risk assessment (reported to the committee in January 2020).
- 3.2 Total planned days for 2020/21 are 105.

4. Information Governance Plan

- 4.1 The information governance plan (appendix 3) sets out proposed areas of information governance work for 2020/21. The total planned days for 2020/21 are 60.

5. Implications

- 5.1 There are no legal, financial, policy & risk, corporate plan, resource or other implications from this report.

6. Conclusion

- 6.1 The Internal Audit, Counter Fraud and Information Governance plans have been drafted in consultation with the Chief Finance Officer (s151) as well as other senior officers.
- 6.2 They represent plans which utilise resources effectively are informed by the Council's main strategic risks. The plans support the overall aims and priorities of the council by promoting probity, integrity and accountability and by helping to make the council a more effective organisation.

7. Background Documents

Counter Fraud and Corruption Strategy Action Plan (January 2020)
Counter Fraud Risk Assessment (January 2020)

8. Appendices

Appendix 1 – Internal Audit Plan 2020/21

Appendix 2 – Counter Fraud Plan 2020/21

Appendix 3 – Information Governance Plan 2020/21

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Selby District Council

Internal Audit Plan 2020/21

Audit Manager: Ed Martin
Deputy Head of Internal Audit: Richard Smith
Head of Internal Audit: Max Thomas

Circulation List: Members of the Audit and Governance Committee
Chief Executive
Chief Finance Officer (S151 Officer)

Date: 29 July 2020



Introduction

- 1 This plan sets out the planned 2020/21 programme of work for internal audit and risk management provided by Veritau for Selby District Council. The plan includes an allocation of time for work already undertaken in 2020/21, in response to the impact of Covid-19. The focus of audit work for 2020/21 will be significantly affected by Covid-19 risks and issues.
- 2 In accordance with the Public Sector Internal Audit Standards (PSIAS), internal audit is required to prepare indicative audit plans setting out their proposed programme of work. The plan is a working document, and changes are made as required to reflect changes in risk and issues that may arise. This is the case every year, but is more likely to be a factor in 2020/21 due to the need to remain responsive to issues that arise as a result of the impact of Covid-19 on all areas of the council.
- 3 The plan is informed by the Council's main strategic risks, discussions with senior officers and Veritau's own assessment of risk. This approach is intended to ensure limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the Council's priorities and objectives. The impact of Covid-19 has been considered in the planning process and will be continually assessed through the year.
- 4 The content of the audit plan has been subject to consultation with senior officers and is submitted for formal approval by the Audit and Governance Committee. The 2020/21 audit plan was originally scheduled to be presented to Audit and Governance committee for approval in April 2020. Following cancellation of that meeting Veritau has been undertaking work in response to Covid-19 issues and finalising 2019/20 work; a line is included in the plan for this work.
- 5 The plan sets out potential areas for audit in 2020/21. It will not be possible to carry out all of these audits and the list is not exhaustive and may change as the year progresses depending on emerging risks. Changes to the plan are agreed through the council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the council's external auditors, to ensure that there is no duplication of effort. Further details about the approach to audit planning can be found in the council's audit charter.
- 6 The plan is based on a total commitment of 375 days for 2020/21, for internal audit, and support for the Council's risk management arrangements. Due to the impact of Covid-19 the plan includes an allocation for work already done in 2020/21, of 63 days. The remaining commitment is 287 days for internal audit and 25 days for risk management (312 days in total).

2020/21 Plan

- 7 The impact of Covid-19 will be a significant influence on this year's audit plan. However, the principle remains the same, in that the approach adopted is to focus on higher risk systems.
- 8 The council continues to face significant budgetary pressures, and these are likely to be increased by the impact of Covid-19. Covid-19 also presents many other

challenges, including implementing central government legislative and regulatory changes, administering government grants, new community services, different ways of working and redeployments. In addition to this, some core financial and corporate systems remain vital to the effective operation of the council.

- 9 The plan has been structured into a number of sections and an allocation of days assigned to each section to ensure a breadth of coverage of the council. These are:
- **Corporate risk register:** this work involves reviewing the action taken, or to be taken, in managing the key risks to the council.
 - **Financial systems:** to provide assurance on the key areas of financial risk. These areas will have been significantly impacted by Covid-19 issues. This work helps to provide assurance to the council that risks of loss are minimised.
 - **Operational, technical and project audits:** to provide assurance on areas identified through Veritau's risk assessment and discussion with officers. These involve key service risks or risks that could detrimentally affect the delivery of services.
 - **Covid-19 response and 2019/20 audit completion:** Covid-19 response work and completion of assurance work delayed in 2019/20. This is the work already undertaken so far in 2020/21.
 - **Client support & advice:** work we carry out to support the Council in its functions. This includes the time spent providing support, advice and training in relation to risk management in the Council.
 - **Other:** an allocation of time to allow for unexpected work and the follow up of work we have already carried out, ensuring that agreed actions have been implemented.
- 8 Audit work will include a mixture of: assurance reviews of areas that remain higher risk for the council; reviews of the council's response to Covid-19; reviews and advice on control and process design in light of Covid-19; forward looking advice and support on the implementation of recovery plans.
- 9 Details of the 2020/21 plan are set out below. The table includes a specific reference to Covid-19 related risks in some areas. However, in most areas the audits listed would also cover any additional risks due to Covid-19.

Internal Audit Plan 2020/21

Corporate Risk Register

Risk No	Risk	Audit	Scope
003	The Council's financial position is not sustainable.	Budgeting and savings plans delivery	Covid-19 will put budgets under significant pressure. The audit could review specific delivery of specific savings plan or corporate budget management processes.
008	Poor net economic growth	Economic Development Framework	A review of the delivery of the action plan and the prioritisation of projects within it. The audit would include changes made resulting from Covid-19.
002	Failure to comply with health and safety legislation	Health and safety (Covid-19)	Covid-19 has implications for health and safety for customers, staff and the wider public and across many different environments. The specific scope and objectives will be agreed with officers.
014	Not having the right technology and systems	Digital services	The importance of the right tools and strategies to deliver services and enable staff to work digitally is increased by Covid-19. The specific scope and objectives will be agreed with officers.
Total days for this section - 35			

Financial Systems

Audit	Scope
Council Tax & NNDR	A review of key controls and risks relating to Council Tax and NNDR. Scope will include Covid-19 risks and issues. This could include assurance work on Covid-19 grants, or those could be reviewed as part of a separate audit.
Benefits	To review the key risks/controls involved in awarding and paying benefits. This will include Covid-19

Audit	Scope
	issues and administration of additional government funds.
Creditors	To review the key risks/controls surrounding the payment of creditors invoices. This would include reviewing changes in processes resulting from Covid-19 issues.
General Ledger (including budgetary control)	Review of the council's main accounting system and reconciliations, including virements and journal transfers. This could include the budget setting, monitoring processes or these could be audited separately.
Debtors	A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements. This would include reviewing changes in processes resulting from Covid-19 issues.
Payroll	A review of key controls in relation to the payroll function. This would include reviewing changes in processes resulting from Covid-19 issues.
Housing Rents	A review of key controls and risk relating to setting, collecting, accounting for housing rents income. This would include reviewing changes in processes resulting from Covid-19 issues.
Total days for this section - 80	

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Operational, Technical and Project Audits

Audit	Scope (the scope and objectives for audits will cover risks relating to Covid-19)
Community Engagement and Delivery Arrangements	A provision of time to provide support, advice and challenge to the Council in regards to alternative models for delivering services to the community.
Council House Repairs	A review of the systems involved in carrying out repairs on council housing and turnaround of void properties.
Environmental Health	A review of environmental health processes, including enforcement arrangements.

Absence Management	A review of the processes and procedures in place to manage staff absence.
Data Quality	An audit of systems for capturing key performance data, to ensure information used for management of the organisation is robust.
Organisational Development	A review of the effectiveness of the Council's Organisational Development strategy.
Homes England	Follow up of issues identified in recent Homes England report.
Contract Management & Procurement	The scope will be agreed with officers during the year. This may include a general review of procurement arrangements and/or a review of individual contracts.
Project Management	An audit of project management arrangements within the Council.
Information Security	An allocation of time to review information security. This is likely to require a different approach to take account of new ways of working.
ICT audits	Specific areas for review will be agreed with officers. Areas such as cyber security, ICT asset management and technical infrastructure are likely to be exposed to increased risk resulting from Covid-19 issues.

Total days for this section - 120

Covid-19 response and 2019/20 audit completion

Area	Days
An allocation of time for Covid-19 related risk assessments, guidance, direct support on administration of grant schemes. Completion of assurance work delayed in 2019/20 by Covid-19 impact.	63

Client Support & Advice

Area	Days
Committee Preparation & Attendance including Annual Governance Statement	10

External Audit Liaison	2
Miscellaneous Advice (including financial appraisals)	3
Data analysis	5
Corporate Issues (including audit planning, client liaison and attendance at Leadership Team)	15
Risk Management Facilitation	25
	60

Other

Area	Days
Contingency	5
Follow Ups	12
	17
Total	375

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Selby District Council
Counter Fraud Plan 2020/21

Assistant Director – Corporate Fraud:
Deputy Head of Internal Audit:
Head of Internal Audit:

Jonathan Dodsworth
Richard Smith
Max Thomas

Circulation List:

Members of the Audit and Governance Committee
Chief Executive
Chief Finance Officer (S151 Officer)

Date:

29 July 2020



Introduction

- 1 This plan sets out the activities that the counter fraud service will deliver to Selby District Council in 2020/21. The plan was originally due to be presented to the Audit & Governance Committee for approval in April 2020. Following the cancellation of that meeting Veritau has been undertaking work in response to Covid-19 fraud related issues, such as the investigation of potentially false grant applications, as well as other types of fraud occurring during this period.
- 2 The Counter Fraud Plan is based on an estimate of the amount of resource required to provide the range of counter fraud activities required by the council. A total of 105 days of counter fraud work has been agreed for 2020/21.

2020/21 Counter Fraud Plan

- 3 A summary of planned areas of work is set out in the table below.

Fraud Area / Days	Scope
Counter Fraud General (15 days)	<p>Monitoring changes to regulations and guidance, review of counter fraud risks, and review of the council's counter fraud policy framework.</p> <p>The counter fraud team has provided support to the council on counter fraud risks during its initial response to Covid-19, including preparation of updated fraud risk assessments to reflect current threats during the emergency.</p>
Proactive Work (10 days)	<p>This includes:</p> <ul style="list-style-type: none">• raising awareness of counter fraud issues and procedures for reporting suspected fraud - for example through training and provision of updates on fraud related issues• targeted proactive counter fraud work - for example through local and regional data matching exercises• support and advice on cases which may be appropriate for investigation and advice on appropriate measures to deter and prevent fraud.• any post assurance work on Covid-19 grants.
Reactive Investigations (50 days)	<p>Investigation of suspected fraud affecting the council. This includes feedback on any changes needed to procedures to prevent fraud recurring.</p> <p>A number of potentially fraudulent applications for Covid-19 business grants have already come to light and further cases are expected – for example, as a result of post payment assurance work. The team will</p>

continue to investigate cases and support the recovery of funds.

National Fraud Initiative (NFI)
(15 days)

Coordinating submission of data to the Cabinet Office for the NFI national fraud data matching programme and investigation of subsequent matches.

Fraud Liaison
(15 days)

Acting as a single point of contact for the Department for Work and Pensions, to provide data to support their housing benefit investigations.

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Selby District Council

Information Governance Plan 2020/21

**Assistant Director - Information Governance:
Head of Internal Audit:**

Rebecca Bradley
Max Thomas

Circulation List:

Members of the Audit and
Governance Committee
Chief Executive
Chief Finance Officer (S151
Officer)

Date: 29 July 2020



Introduction

- 1 Veritau undertakes information governance work on behalf of Selby District Council. Veritau is also the Council's appointed statutory Data Protection Officer which involves the carrying out of specific functions. The service helps to ensure the Council complies with all relevant legislation, including the General Data Protection Regulation (GDPR), Data Protection Act 2018 and Freedom of Information Act 2000. This document summarises the agreed areas of work for 2020/21.
- 2 The Information Governance Plan is based on an estimate of the amount of resource required to provide the range of activities required by the Council. A total of 60 days of information governance work has been agreed for 2020/21.

2020/21 Information Governance Plan

- 3 The following table provides an indicative allocation of time across each element of the service:

Area	Days	Scope
Data Protection Officer Role	15 Days	Monitoring compliance with the Council's policy framework and data protection legislation (including undertaking a programme of audits) as Data Protection Officer. This also includes liaising with the UK Information Governance regulator: the Information Commissioner's Office (ICO) and with data subjects who have concerns with how their data is being processed.
Information Governance Strategy and Support	30 Days	Developing the Council's policy framework, advising on the implementation of new information governance processes and supporting service area projects with information governance consultations.
Provision of Advice and Training	15 Days	The provision of advice and guidance on all information governance related matters. Supporting service managers by providing specific information governance training sessions to officers.

2020/21 Information Governance Strategic Objectives

4 The following strategy objectives will be delivered by Veritau in 2020/21:

Information Asset Management

5 As part of the work on developing the Council's information asset register a comprehensive list of other data controllers who may receive data from the Council has been compiled. Veritau will work with service managers to ensure that these data sharing arrangements are formalised through information sharing agreements as per the requirements of the North Yorkshire Information Sharing Protocol, which the Council is a signatory to.

6 A process map detailing how this work will be undertaken can be found in Appendix 1 of this report.

Law Enforcement

7 Veritau will review all law enforcement activity for the collection of personal information to ensure this is captured as part of the information asset register, an appropriate policy document is in place, and this is reflected in privacy notices.

Special Category Appropriate Policy Document

8 Veritau will ensure an appropriate policy document is developed and is reflective of all special category information processed by the council.

Review Surveillance Systems

9 Veritau will ensure appropriate documentation is in place or reviewed, including policies and privacy notices.

2020/21 Information Governance Compliance Review

10 The information governance compliance review will focus on specific requirements of the General Data Protection Regulation (GDPR) and Data Protection Act 2018 which came into force in the UK in May 2018.

11 A key element of the compliance review will be to cross check contracts declared on the corporate information asset register against the Council's contracts register. This will identify where data processing arrangements are in existence to help ensure that contracts have been suitably varied to include adequate GDPR contractual clauses.

12 The outcomes of the compliance review will be published in a report which will determine the information governance strategic objectives for 2021/22

2020/21 Information Governance Training Provision

- 13 The following information governance themes will be covered by specific Veritau delivered training in 2020/21:

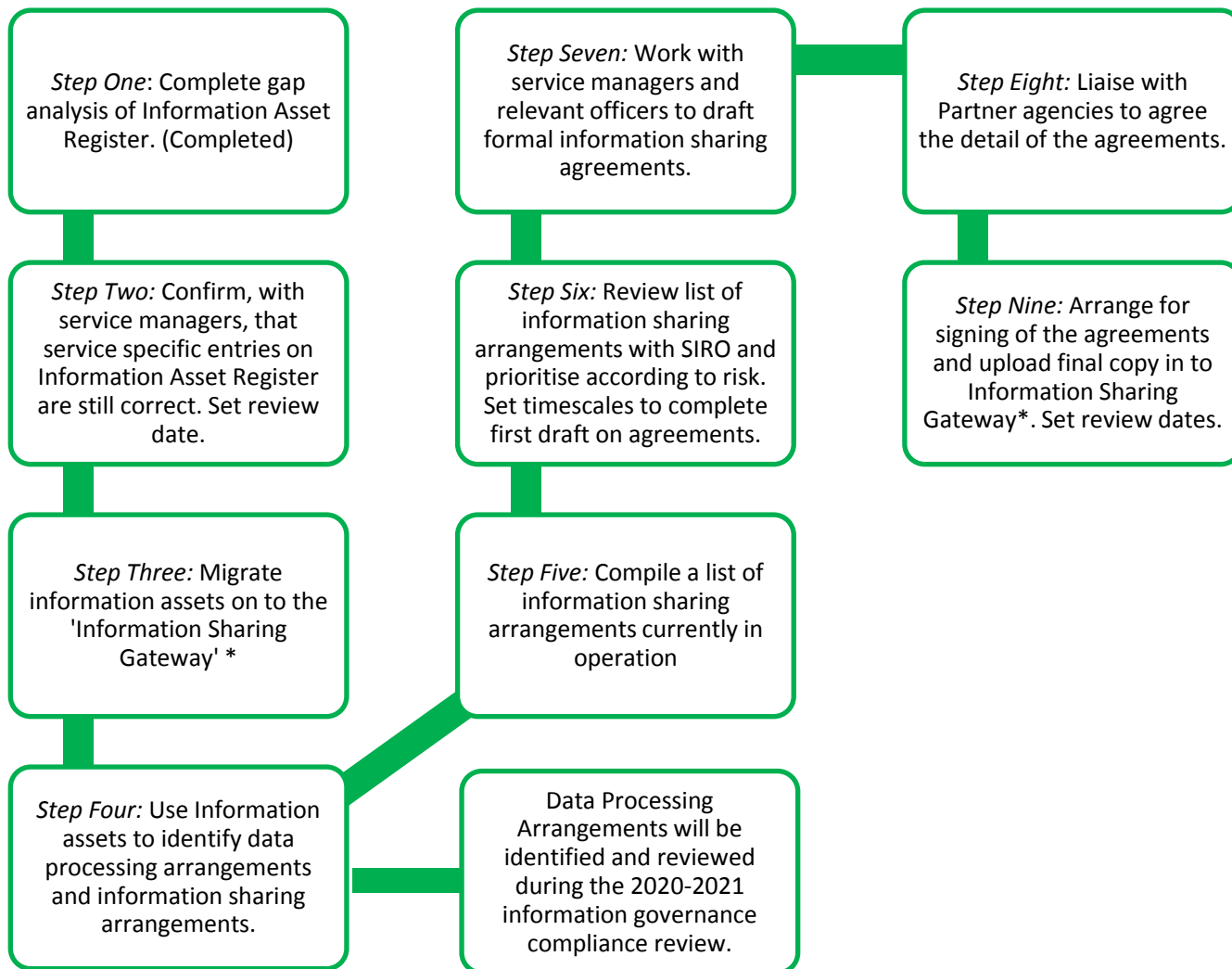
Data Protection Impact Assessment

- 14 Delegates will be introduced to the concept of data protection impact assessments, a now mandatory tool to identify risk, including their purpose and the various aspects that need to be included. The delegates will work through two example DPIAs, one as a whole workshop and one in smaller groups, providing the opportunity to learn how to complete a DPIA and ask any relevant questions.

Law Enforcement

- 15 Delegates will be introduced to part three of the Data Protection Act 2018, they will develop an understanding of the key differences between the law enforcement directive and GDPR in relation to their obligations.

Appendix 1: Process Map detailing development of Information Sharing Agreements across the Council.



* The 'Information Sharing Gateway' is an online framework to support information sharing across a number of organisations. A number of organisations in North Yorkshire are working together to use the gateway to integrate their depositories of information sharing agreements and create a detailed information flow map across the County.

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Report Reference Number: A/20/3

To: Audit and Governance Committee
Date: 29 July 2020
Author: Karen Iveson; Chief Finance Officer (s151)
Lead Executive Member: Cllr Cliff Lunn, Lead Member for Finance and Resources
Lead Officer: Karen Iveson; Chief Finance Officer (s151)

Title: Draft Annual Governance Statement 2019/20

Summary:

This report presents the draft Annual Governance Statement (AGS) for 2019/20, which forms part of the draft Statement of Accounts. The audited accounts and AGS will be presented to this committee at the meeting in October. The accompanying Action Plan identifies significant control issues which require improvement.

Recommendations:

Subject to comments from the Committee it is recommended that the Draft Annual Governance Statement (AGS) be noted.

Reasons for recommendation

To enable the Committee to consider the draft AGS and proposed actions for monitoring during the coming year.

1. Introduction and background

- 1.1** Good governance is important to all involved in local government; however, it is a key responsibility of the Leader of the Council and of the Chief Executive.
- 1.2** The preparation and publication of an annual governance statement in accordance with the CIPFA/SOLACE Framework was necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.

2. The Report

- 2.1** To meet the requirement to review the Annual Governance Statement (AGS) the Draft AGS is set out at Appendix A. This forms part of the draft Statement of Accounts which are in the process of external audit. The audited accounts and AGS will be presented to this committee at the meeting in October.
- 2.2** The AGS includes an Action Plan which will be subject to half yearly review by the Audit and Governance Committee.
- 2.3** The Action Plan identifies significant control risks or weaknesses which require improvement. Progress against the approved action plan will be monitored by Leadership Team over the year in order to ensure actions are delivered to the agreed deadlines.
- 2.4** Some actions have been delayed as a result of Covid-19 and two new actions specifically related to corporate governance and financial processes, also as a result of Covid-19, are included.

3. Alternative Options Considered

Not applicable.

4. Implications

4.1 Legal Implications

None as a direct result of this report.

4.2 Financial Implications

None as a direct result of this report.

4.3 Policy and Risk Implications

Significant control weaknesses present risk for the Council and therefore it is important that agreed actions are implemented.

4.4 Corporate Plan Implications

Ensuring an effective governance and control framework supports the Council in delivery of its 'great value' priority.

4.5 Resource Implications

Resources to deliver the agreed actions are within the approved budget and policy framework.

4.6 Other Implications

There are no other notable implications beyond those set out in the report and associated action plan.

4.7 Equalities Impact Assessment

Not applicable.

5. Conclusion

- 5.1** The AGS and scrutiny of the Action Plan represents progress towards setting the highest Corporate Governance standards and meets the requirements of the Accounts and Audit Regulations.

6. Background Documents

None.

7. Appendices

Appendix A – AGS 2019/20

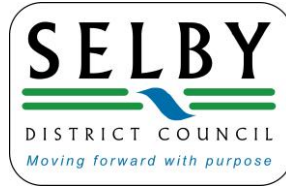
Contact Officer:

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01757 292056

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**Annual Governance Statement
2019/20**



Annual Governance Statement (AGS)

1. Scope of Responsibility

- 1.1 Selby District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.3 The statement is prepared with consideration to the Chartered Institute of Public Finance and Accountancy (CIPFA)'s good governance framework and principles.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.
- 2.3 The Council has operated a Leader and Executive (Cabinet) Model since May 2011. Since the Local Government Elections in 2015, the Council has elected 31 members. Elections were held in May 2019.

3. Selby District Council's Governance Framework

3.1 The key elements of the Council's Governance Framework are as follows:-

- The Council's key priorities during 2019-20 were reflected in its Corporate Plan 2015-20. This plan was refreshed following a peer review and the refreshed plan covering the period April 2018 to March 2020 was approved by Full Council in April 2018.
- During 2019-20 the Council approved a new Council Plan, which set out its key priorities over the next decade. The plan was approved by Full Council on 17th December 2019 and covers the period 2020-30.
- The new 10 year council plan is accompanied by a 3 year Delivery Plan, with the first of these covering April 2020 to March 2023.
- The formal Constitution sets out how the Council operates, how decisions are made, and the procedures that are followed to ensure that these are lawful, efficient, transparent and accountable to local people. This incorporates the Members' Code of Conduct and a number of other locally agreed codes and protocols.
- The Council's budget and policy framework is set by the full Council. The Executive has delegated authority to operate and make decisions within the framework. Some powers are delegated to senior officers.
- In addition to the Executive there are two specific regulatory committees for Licensing and Planning. These have independent powers within their legislative framework. Each of these acts within defined terms of reference agreed by the full Council.
- Towards the end of the 2019-20 financial year, the impact of Covid-19 led to council committee meetings being cancelled. Decisions were made under urgency procedures by the Leader of the Council (or Chief Executive).
- Decisions made under urgency procedures are recorded on the Council's committee management system. At the next available Full Council meeting all such decisions will be reported.
- A Standards Sub-Committee was established as a sub-committee of the Audit and Governance Committee in May 2017 and exercises functions relating to standards of conduct of members under the Localism Act 2011.
- The Executive is subject to review by the Council's Scrutiny function, which has the ability to call-in and review decisions and also to contribute to the development of policy. There are two statutory scrutiny committees: - Policy Review, and Scrutiny. The Audit and Governance Committee also contributes to scrutiny and overview.

- The Committee Management System, which was introduced in 2018-19 enables the recording, tracking and monitoring of committee agenda, minutes, reports and decision records.
- The Council has established five Community Engagement Forums (CEFs), which provide a forum for the public to speak directly to those who deliver local services. The Council also provides Community Funds to the CEF annually; for grants and projects to meet the objectives of each CEFs Community Development Plan (CDP).
- Council meetings are open to the public except when exempt or confidential matters are being disclosed. The public have an opportunity to participate in some of the meetings.
- A number of areas are delegated to officers for the purposes of decision-making; however, limits on the exercise of delegation are laid down in an approved Scheme of Delegation to Officers forming part of the Council's Constitution. The Council also has a sub delegation scheme which is reviewed regularly and is published on the website.
- The Council has adopted a Local Code of Corporate Governance which is reviewed by the Audit and Governance Committee and has developed a 'Governance Framework on a Page', which is appended to this AGS.
- The Council has a counter fraud strategy along with a counter fraud and corruption policy, which was agreed by Executive in 2017/18 and is reviewed annually. The Council also has a separate whistleblowing and anti money laundering policy. The Council employs Veritau to provide a counter fraud service.
- The Chief Executive post is also an Assistant Chief Executive at North Yorkshire County Council (NYCC). As part of The Better Together programme, the two councils are working together to support efficiencies and improved services through effective partnership working.
- The Solicitor to the Council also acts as the Council's Monitoring Officer. The appointment of a Monitoring Officer is required in accordance with Section 5 of the Local Government and Housing Act 1989. It is the function of the Monitoring Officer to report to Members upon any contravention of any enactment or rule of law or any maladministration by the Authority. The Monitoring Officer also has responsibilities relating to the Members' Code of Conduct.
- The Chief Finance Officer (a joint role employed by NYCC under Better Together - Assistant Director Strategic Resources NYCC and Chief Finance Officer SDC) is the officer with statutory responsibility for the proper administration of the Council's financial affairs, in accordance with the Section 151 of the Local Government Act 1972. In compliance with CIPFA's "Statement on the Role of the Chief Financial Officer in Local Government",

Selby is in full compliance as the Chief Finance Officer is a member of the Leadership Team.

- Both the Statutory Officers referred to above have unfettered access to information, to the Chief Executive and to Members of the Council in order that they can discharge their responsibilities effectively. The functions of these Officers and their roles are clearly set out in the Council's Constitution.
- Financial sustainability is a key risk for the Council and a robust financial management framework is fundamental to managing and mitigating that risk. It comprises:
 - Financial and Contract Procedure Rules as part of the Constitution;
 - A Financial Strategy which provides the framework for financial planning – projecting high level resources and spending over 10 years, it identifies the short, medium and long term financial issues the Council is dealing with and its approach to managing reserves;
 - Medium-term financial planning using a three-year cycle, updated annually, to align resources to corporate priorities;
 - An Asset Management Strategy, aligned with the corporate plan – a review of the strategy was planned for 2019/20 in line with the anticipated new Corporate Plan but has been delayed as a result of Covid-19. This will be progressed in 2020/21;
 - A Digital Strategy, which sets out the Council's approach to using information and communications technology to transform the way we work and empower citizens and council employees to reach their full potential;
 - Service and financial planning integrated within the corporate performance management cycle and linked to the Council's corporate objectives;
 - Annual budget process involving scrutiny and challenge;
 - Monthly monitoring by management of revenue and capital budgets – with regular reports to the Executive;
 - Revised financial procedures to enable electronic authorisation and approval of urgent items of expenditure were implemented towards the end of the financial year;
 - Embedded arrangements for securing efficiencies and continuous improvement;
 - Production annually of a Statement of Accounts compliant with the requirements of local authority accounting practice;
 - Compliance with requirements established by CIPFA.
- A performance management framework provides an explicit link between the corporate priorities and personal objectives of Council Officers. Performance is reported to Members and the Council's Leadership Team on a systematic basis with areas of

poor performance investigated. Key features of the Performance Management Framework include:-

- A regular review of the Corporate Plan to ensure that priorities are reviewed, remain relevant and reflect the aims of the Council;
 - Service specific Strategic Plans, which are produced with explicit goals and associated performance targets in order to ensure that achievement of performance is measurable;
 - The Council's staff appraisal system links personal objectives directly to Service Plans;
 - Regular reports on the performance of key indicators, which are presented to the Executive;
 - The production of an Annual Report and communication through Citizen Link, (the Council's community newspaper), providing commentary and data on the previous year's performance and setting out priorities for the coming year(s).
- The Council maintains a professional relationship with Mazars, the body responsible for the external audit of the Council and the appointment of Mazars by the Public Sector Audit Appointments (as part of a national procurement exercise), for a further term, was confirmed during 2017/18. This term lasts until the end of 2022/23.
 - Recruitment and selection procedures are based on recognised good practice and all staff posts have a formal job description and competency based person specification. Services are delivered and managed by staff with the necessary knowledge and expertise with training needs identified via the formal appraisal process contributing to a corporate training strategy.
 - Pay is governed by a Pay Policy considered and approved annually by Council.
 - The maintenance of systems and processes to identify and manage the key strategic and operational risks to the achievement of the Council's objectives. Risk management continues to evolve within the Council and presently includes the following arrangements:-
 - a Risk Management Policy and Strategy has been adopted by the Council and is reviewed annually;
 - a Risk Management guidance document has been issued to key staff along with risk management training;
 - the maintenance of a Corporate Risk Register (CRR) comprising risks for the Council as a whole, assigned to designated officers, with appropriate counter-measures and an action plan established for each key risk;

- detailed Service Based Risk Registers (SBRR) which have been updated along with a mechanism for feeding up to the CRR;
 - the Leadership Team keep the corporate risk management arrangements under review;
 - periodic review of risks in-year with reports to the Audit and Governance Committee and the Leadership Team;
 - the Audit and Governance Committee also approve and review the Risk Management Strategy;
 - the use by Internal Audit of a risk-based approach in the preparation and delivery of the audit plan;
 - the requirement for Officers of the Council to consider risk management issues when submitting reports to the Executive and Council for consideration by Members;
 - the adoption of an abridged version of the PRINCE2 Project Management Methodology as a means of contributing to the effective management of risks in major projects.
- The Council has established a Corporate Information Governance Group (CIGG) in order to address the requirements of the General Data Protection Regulation (GDPR) which came into effect on 25th May 2018. The Council's Senior Information Risk Owner (SIRO) is the Chief Finance Officer. The CIGG includes representatives from Veritau, who have been engaged as the Council's Data Protection Officer (DPO), a requirement of the GDPR. Veritau provide regular updates to the Audit & Governance Committee.
 - The maintenance of an adequate and effective system of Internal Audit is a requirement of the Accounts & Audit Regulations. Internal Audit is provided by Veritau North Yorkshire Ltd. (VNY), which is part of the Veritau group. The work of Internal Audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards. In accordance with these standards Internal Audit is required to prepare an audit plan on at least an annual basis.
 - Internal Audit examines and evaluates the adequacy of the Council's system of internal controls as a contribution to ensuring that resources are used in an economical, efficient and effective manner. Internal Audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control.
 - The audit plan is informed by the Council's main strategic risks. This is intended to ensure limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the Council's priorities and objectives.

- The Council seeks to ensure resources are utilised in the most economic, effective and efficient manner whilst delivering continuous improvement. It aims to achieve this by a variety of means including the following:
 - Service/process transformation and efficiency reviews;
 - Working with partners;
 - External and Internal Audit feedback.

4. Review of Effectiveness

- 4.1 The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review takes account of the work of Internal Audit and the Council's Leadership Team who have a responsibility for the development and maintenance of the governance environment, and also by comments made by external auditors and other review agencies and inspectorates.
- 4.2 The purpose of a review is to identify and evaluate the key controls in place to manage principal risks. It also requires an evaluation of the assurances received, identifies gaps in controls and assurances and should result in an action plan to address significant issues.
- 4.3 The process that has been applied in maintaining and reviewing the effectiveness of the Council's system of internal control includes the following:
- The Council's Monitoring Officer oversaw the operation of the Constitution to ensure its aims and principles were given full effect;
 - The arrangements for Overview and Scrutiny have operated throughout the year allowing for the review of key policy areas and providing opportunities for public involvement in specific matters of business. The arrangements have operated since May 2011 and were reviewed in 2018 following the Peer Challenge. A number of new processes have been introduced since a review of Scrutiny was undertaken such as quarterly meetings between the Chairs of Scrutiny and the Executive and role profiles of the Chairs of Scrutiny. With the introduction of new Members following the election, both Scrutiny Committees have reviewed their work programmes to increase their effectiveness.
 - The Audit and Governance Committee met throughout the year and received reports on the progress by Internal Audit against their work plan. The Committee also considered auditable areas where Internal Audit raised significant internal control concerns;
 - The Chief Finance Officer (s151) supported the Audit and Governance Committee and attended all meetings of the Committee;

- Internal Audit completed a programme of audits during the year according to its plan, including follow up audits. There were no specific investigations in the year.
- Towards the end of the 2019-20 year, the impact of Covid-19 led to some audit work not being completed in full or formal reports agreed. Any significant issues continued to be reported and any previously agreed actions to address significant issues continued to be followed up. The amount of work completed was sufficient to enable the Head of Internal Audit to give the annual opinion.
- The overall opinion of the Head of Internal Audit on the governance, risk management and control framework operated by the Council is that it provides **Reasonable Assurance**. There are no qualifications to that opinion. In addition, no reliance was placed on the work of other assurance bodies in reaching this opinion. Although a reasonable assurance opinion can be given, we are aware of weaknesses in the control environment which have been identified in relation to specific audits. We have recommended one new issue for inclusion in the Annual Governance Statement relating to Performance Management. Actions remain in the AGS for Information Governance, PCI DSS (Payment card security) and Procurement.
- The Council's Corporate Risk Register (CRR) has been maintained under review during the year and updated accordingly. Reports on risk management have been considered by the Leadership Team and the Audit and Governance Committee. The Audit and Governance Committee approved a revised Risk Management Strategy in January 2020.
- The Council's Risk Register has been maintained under review during the year and updated accordingly. Reports on risk management have been considered by the Leadership Team and the Audit and Governance Committee.
- Quarterly monitoring information on key areas of performance has been provided to Strategic Management and Members;
- The external auditor's annual letter confirmed that the Council had satisfactory arrangements to secure Value for Money. In respect of the Council's Statement of Accounts, an unqualified opinion was issued;
- The external auditor did not identify any significant weaknesses in our internal control arrangements;
- The Council commissioned for a Corporate Peer Challenge as part of the Local Government Association's sector led improvement programme. The peer team were on site in November 2017 and the Council has responded to the recommendations, for example:
 - Refreshed the 2015 Corporate Plan and updated it for 2018-20;

- Developed a brand new, long term Council Plan for 2020-30 – following a large number of resident consultation responses;
- Updated the Council’s communications strategy and improved staff engagement;
- Improved transparency around Programme for Growth;
- Reviewed Scrutiny arrangements; and
- Progressed our digital transformation programme – including enabling homeworking during the Covid-lockdown.

5 Significant Governance issues

- 5.1 No system of governance or internal control can provide absolute assurance against material misstatement or loss. This Statement is intended to provide reasonable assurance. In concluding this review of the Council’s Governance Framework and Internal Control arrangements, four issues have been identified for improvement along with actions arising from Covid-19.
- 5.2 The most significant issues for the Council to address during 2020-21 will be those resulting from the impacts of Covid-19. This will present challenges in relation to decision making processes, financial delegations, financial pressures and adjustments to how public services are delivered.
- 5.3 Other issues were those arising from internal audits. Plans to address these requirements have been produced and will be subject to regular monitoring by the Council’s Leadership Team and the Audit and Governance Committee, where appropriate. Updates on these actions have been provided to Audit and Governance committee during 2019-20; most recently in January 2020. The aim is to address these improvements during the 2020/21 financial year.
- 5.4 One issue identified in the 2018-19 AGS (creditors mandate fraud) has now been resolved, which was confirmed by testing in a 2019-20 audit.

Issue Identified	Source of Evidence	Update/Summary of Action Taken & Proposed	By whom & By when	Current Position
Review of Overview and Scrutiny Arrangements		A number of new processes have been introduced since a review of Scrutiny was undertaken such as quarterly meetings between the Chairs of Scrutiny and the Executive and role profiles of the Chairs of Scrutiny. With the introduction of new Members following the election, both Scrutiny Committees have reviewed their work programmes to increase their effectiveness.	Solicitor to the Council 31 March 2020	Completed - The activity of Scrutiny has increased since the election with increased collaborative working with the Executive. The roles of Scrutiny and Policy Review have been clarified in more detail with the current arrangements being maintained for the foreseeable future. Urgency arrangements have been operating since the March 'pandemic lockdown' and Scrutiny chairs have been engaged in this process.
Information Governance and breaches in Data Protection are not adequately managed.	Internal Audit Report / Veritau Information Governance plan	<ul style="list-style-type: none"> • Most actions relating to DPA 2018 & GDPR have been completed and reported to Selby CIGG. • On-going work is required in relation to information asset management and law enforcement processing which is included within the Information Governance work programme agreed with the Data Protection Officer (Veritau). 	Chief Finance Officer (SIRO) Agreed 2020/21 work programme to be completed by 31 March 2021	An Information Governance plan for 2020/21 will address the remaining actions and will be presented to CIGG. An Information Security Sweep took place in September 2019 and an improvement in physical information security was observed. See also performance management below.

Issue Identified	Source of Evidence	Update/Summary of Action Taken & Proposed	By whom & By when	Current Position
Non-compliance with the Payment Card Industry Data Security Standard (PCI DSS)	Internal Audit report	New software purchased as old system ceased to be supported. Implementation of new software should resolve PCI DSS issues Management responsibility has been defined. Responsibility for completing annual PCI DSS assessment to be assigned.	Head of Business Development and Improvement Revised date to 31 December 2020 (previously 31 September 2020).	The council procured a new system during 2019-20 to enable PCI DSS compliance. Whilst originally it was hoped that this would be implemented by September, delays due to Covid-19 mean this is now likely to be delayed slightly to December 2020. The new system should resolve PCI DSS issues.
Procurement	Internal Audit report	There are currently no procedures for reporting breaches to the Contract Procedure Rules once they have been identified.	Head of Commissioning, Contracts & Procurement 31 March 2020	The CPRs have been updated to include that breaches are a serious matter that need to be reported so that they can be investigated further. The CPRs also include details on who breaches should be reported to. Once breaches have been identified they will be recorded so that they can be reported to the Council's Leadership Team.
Performance Management	Internal Audit Report	<ul style="list-style-type: none"> • PDR guidance to be reviewed and updated • HR to undertake QA review of sample of PDRs • Return rate of PDRs to be monitored & all PDRs reviewed and returned to manager if not complete. • Training plan to be completed promptly 	Head of Business Development and Improvement Revised date 31 December 2020 (previously September 2020)	A wholesale review of PDRs is planned for 2020 but this has been delayed. Existing guidance will be updated in advance of the next round of PDRs, to be completed at the end of 2020/21.

Issue Identified	Source of Evidence	Update/Summary of Action Taken & Proposed	By whom & By when	Current Position
		following PDR process. <ul style="list-style-type: none"> • 		Following Covid-19 lockdown, over 80% of staff worked from home. This was enabled by the successful delivery of our Digital Workforce programme. Whilst a return to the workplace is expected for some in 2020/21, it is likely that many staff will continue to work more regularly from home. We will support all staff to work effectively and safely in the new arrangements and will ensure risk assessment, compliance checks, advice, guidance and training takes place to minimise risks, for example around wellbeing or information security, that may arise from new ways of working.
Governance arrangements and decision making to be reviewed as a result of Covid-19		<ul style="list-style-type: none"> • Council and Committee meetings suspended • Urgency arrangements implemented • Subject to necessary legislation, virtual meetings established 	Solicitor to the Council April 2020 By September 2020	Remote meetings are currently being rolled out across the authority. Meetings such as Executive and Planning Committee have already met and it is aimed to have all meetings up and running by September.
Financial procedures and decision making to be reviewed as a result of Covid-19	E-mail communication to Leadership Team	<ul style="list-style-type: none"> • Arrangements for emergency spending in relation to COvid-19 to be implemented 	Chief Finance Officer April 2020	Completed

Issue Identified	Source of Evidence	Update/Summary of Action Taken & Proposed	By whom & By when	Current Position
		<ul style="list-style-type: none"> • Arrangements for electronic sign-off of financial transactions to be implemented 		



Janet Waggott
Chief Executive



Councillor Mark Crane
Leader of the Council



Report Reference Number: A/20/4

To: Audit and Governance Committee
Date: 29 July 2020
Authors: Ed Martin; Audit Manager – Veritau
Jonathan Dodsworth; Assistant Director –
Corporate Fraud - Veritau
Lead Officer: Karen Iveson; Chief Finance Officer

Title: Annual Report of the Head of Internal Audit 2019-20

Summary:

The purpose of the report is to present the Annual Report of the Head of Internal Audit for 2019/20. The report is prepared by Veritau and is based on internal audit work carried out since April 2019. A summary of counter fraud work carried out during 2019/20 is also included.

Recommendation:

That the committee:

- (i) note the annual report of the Head of Internal Audit (appendix A) and the “Reasonable Assurance” opinion regarding the overall framework of governance, risk management and control operating within the council.
- (ii) note the outcome of the internal audit quality assurance and improvement programme and the confirmation that the internal audit service conforms with the Public Sector Internal Audit Standards
- (iii) note the counter fraud work undertaken during the year (appendix B).

Reasons for recommendation

To enable the committee to fulfil its responsibility for reviewing the outcomes of internal audit and counter fraud work and to support its consideration of the Council’s Annual Governance Statement.

1. Introduction and background

- 1.1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with these standards, the Head of Internal

Audit is required to provide an annual report setting out the work done by internal audit. The report should also include an opinion on the framework of governance, risk management and control operating within the Council; and confirmation that internal audit work undertaken complies with professional standards.

2. The Report

- 2.1 The purpose of the report, included at appendix A, is to provide a summary of internal audit work carried out during 2019/20 and to express an opinion on the overall framework of governance, risk management and control in place within the Council.
- 2.2 The report includes a summary of the audit opinions for individual audits completed in the year, to support the overall opinion. Due to Covid-19, most audit work had to be suspended in March 2020. This included a number of audits where the fieldwork had been fully or substantially completed. Where possible, these reports have now been issued. Where reports have not yet been issued or finalised, but the opinion is not expected to change, they have been considered in forming the overall opinion.
- 2.3 The report also includes conclusions from Veritau's internal audit Quality Assurance and Improvement Programme (QAIP).
- 2.4 A summary of counter fraud work carried out during 2019/20 is included at appendix B. Investigations resulted in £17k of savings being made by the council. Overall, 75% of investigations resulted in a successful outcome.

Internal Audit Charter

- 2.5 The Internal Audit Charter sets out how internal audit at the Council will be provided in accordance with the PSIAS. The Charter is reviewed on an annual basis and any proposed changes are brought to the Audit & Governance Committee. No changes are proposed at this time.

3. Implications

- 3.1 There are no legal, financial, policy & risk, corporate plan, resource or other implications from this report.

4. Conclusion

- 4.1 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating within the Council is that it provides Reasonable Assurance.
- 4.2 This opinion is however qualified, in light of the current Covid-19 pandemic and the impact of this on the council. The opinion is based

on internal audit work undertaken, and substantially completed, prior to emergency measures being implemented as a result of the pandemic. These measures have resulted in a significant level of strain being placed on normal procedures and control arrangements. The level of impact is also changing as the situation develops. It is therefore not possible to quantify the additional risk arising from the current short term measures or the overall impact on the framework of governance, risk management and control.

- 4.3 Some weaknesses in the control environment have been identified in relation to specific audits, that are considered relevant to the preparation of the 2019/20 Annual Governance Statement. Further information on these issues is included in appendix A.

5. **Background Documents**

Internal Audit and Counter Fraud Plan 2019/20
Internal Audit and Counter Fraud progress reports to Audit and Governance Committee in 2019/20 (October, January)
The Public Sector Internal Audit Standards 2017

6. **Appendices:** **Appendix A: Annual Report of the Head of Internal Audit 2019/20**
- Appendix B: Summary of counter fraud work 2019/20**

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Selby District Council

Annual Report of the Head of Internal Audit 2019/20

Audit Manager: Ed Martin
Deputy Head of Internal Audit: Richard Smith
Head of Internal Audit: Max Thomas
Date: 29 July 2020



Background

- 1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In respect of reporting, the relevant PSIAS standard (2450) states that the Chief Audit Executive (CAE)¹ should provide an annual report to the board². The report should include:
 - (a) details of the scope of the work undertaken and the time period to which the opinion refers (together with disclosure of any restrictions in the scope of that work)
 - (b) a summary of the audit work from which the opinion is derived (including details of the reliance placed on the work of other assurance bodies)
 - (c) an opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment)
 - (d) disclosure of any qualifications to that opinion, together with the reasons for that qualification
 - (e) details of any issues which the CAE judges are of particular relevance to the preparation of the Annual Governance Statement
 - (f) a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme.
- 2 Councillors approved the annual internal audit plan for 2019/20 at their meeting on 10 April 2019. This report summarises the delivery of the agreed plan and the other information required for the annual report, as set out in paragraph 1 above.

Internal audit work carried out in 2019/20

- 3 A summary of the audit work completed in the year is included at annex 1, below.
- 4 The results of completed audit work are reported to this committee as part of regular progress reports. Some 2019/20 audit work is still to be reported to, and discussed with, officers due to Covid-19. Internal audit normally measures performance by the number of audit reports issued compared to the agreed plan. Due to Covid-19, most audit work had to be suspended in March 2020. This included a number of audits where the fieldwork had been fully or substantially completed. Where possible, these reports have now been issued but it has not been possible to complete all the planned audit work. Before work was suspended due to Covid-19, we were on target to exceed the agreed target of 93% completion of the audit plan by 30 April 2020.

¹ The PSIAS refers to the Chief Audit Executive. This is taken to be the Head of Internal Audit.

² The PSIAS refers to the board. This is taken to be the Audit Committee.

- 5 All of the actions agreed with services as a result of internal audit work are followed up to ensure that the underlying control weaknesses are addressed. The results of follow up work are reported to this committee as part of regular progress reports. The last report in January 2020 confirmed that management were making good progress to implement most agreed actions but some actions had due dates revised by 6 months or more from that originally agreed. Significant outstanding actions are detailed in this report at annex 2.

Audit opinion and assurance statement

- 8 The overall opinion of the Head of Internal Audit on the framework of risk management, governance and control operating within the Council is that it provides Reasonable Assurance.
- 9 This opinion is however qualified, in light of the current coronavirus pandemic and the impact of this on the council. The opinion is based on internal audit work undertaken, and substantially completed, prior to emergency measures being implemented as a result of the pandemic. These measures have resulted in a significant level of strain being placed on normal procedures and control arrangements. The level of impact is also changing as the situation develops. It is therefore not possible to quantify the additional risk arising from the current short term measures or the overall impact on the framework of governance, risk management and control.
- 10 No reliance was placed on the work of other assurance bodies in reaching this opinion. The opinion is based on internal audit work completed during the year including that detailed in annex 1 and in monitoring reports to the committee during the year.
- 11 Although a Reasonable Assurance opinion can be given, we are aware of some weaknesses in the control environment. In respect of 2019-20 these relate to previously agreed actions to address significant issues, which have not yet been implemented in full. These are detailed in Annex 2 and should be considered in production of the Annual Governance Statement.

Conformance with Public Sector Internal Audit Standards

- 12 Veritau maintains appropriate ongoing quality assurance arrangements designed to ensure that internal audit work is undertaken in accordance with relevant professional standards, specifically the Public Sector Internal Audit Standards (PSIAS).
- 13 This Quality Assurance and Improvement Programme (QAIP) includes ongoing quality assurance arrangements and activities, annual self-assessment, external assessments at least once every five years, as well as an annual survey of senior management in each client organisation.
- 14 A detailed self-assessment to evaluate performance against the Standards is undertaken every year. This self-assessment has been carried out using the latest CIPFA checklist published in April 2019. The most recent external

assessment of Veritau internal audit working practices was undertaken in November 2018³. This concluded that Veritau internal audit activity generally conforms to the PSIAS⁴.

- 15 The outcome of the QAIP demonstrates that the service continues to generally conform to the PSIAS, including the Code of Ethics and the Standards. Further details of the QAIP are given in annex 3.

Other Matters

- 16 Veritau set up a Covid-19 Response Team to provide timely advice and support to our member councils to help them to manage the fraud risks and other challenges caused by the pandemic. A specific Covid-19 fraud risk assessment was completed for the council with targeted actions to reduce the emerging fraud risks.
- 17 CIPFA has recently issued guidance on the use of audit opinions by local authority internal audit teams. The guidance includes a recommendation that standard opinions and definitions should be adopted by the sector. The rationale is that it will provide more clarity, improve understanding, allow for easier comparison, reduce disruption (if providers of internal audit services change), allow assurances to be shared more readily across public bodies, and help with training. Annex 4 sets out the recommended opinions and definitions. Adoption of the standard opinions and definitions is not mandatory, however Heads of Internal Audit will be expected to justify why they are not using them. It is expected that most local authorities will adopt the new wording. Apart from a reduction in the number of opinions in use the proposed changes are not considered significant. Council officers have been consulted on the change and the new opinions will be used for all 2020/21 audits.



Max Thomas
Director and Head of Internal Audit
Veritau Ltd

29 July 2020

³ Reported to Audit and Governance committee in January 2019.

⁴ PSIAS guidance suggests a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating.

ANNEX 1: 2019/20 AUDIT WORK COMPLETED

Audit	Status⁵
Corporate Risk Register	
Savings Delivery	Draft report issued (Reasonable Assurance)
Financial Resilience	Draft report issued (Substantial Assurance)
Financial Systems	
Benefits	Draft report issued (Substantial Assurance)
Capital Accounting	Substantial Assurance
Council Tax & NNDR	Fieldwork completed (Reasonable Assurance)
Creditors	Fieldwork completed (Reasonable Assurance)
General Ledger	Draft report issued (Substantial Assurance)
Regularity / Operational Audits	
Community Infrastructure Levy	Draft report issued (Reasonable Assurance)
Data Quality	Draft report issued (Substantial Assurance)
Health and Safety	Draft report issued (Substantial Assurance)
Planning	Support/advice provided
Technical / Project Audits	
ICT Cyber Security Awareness	Reasonable Assurance
Information Security Checks	Substantial Assurance
Project Management	Support/advice provided

⁵ Draft audit opinions have been included in brackets where reports have not been finalised due to Covid-19. The opinion could change if significant new information is received which changes the auditors opinion of risk and control.

INTERNAL AUDIT OPINIONS

The following categories of opinion were used for audit reports during 2019/20.

Opinion	Level of Assurance
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

No opinion is given where the audit work was non-assurance or limited in scope. This includes work such as grant claims, fact-finding work, projects, a review of follow-up implementation or consultancy work.

ANNEX 2: SIGNIFICANT ACTIONS OUTSTANDING FROM AUDITS

Audit	Summary of Actions taken and proposed	Priority rating	Responsible Officer	Due	Notes
Information Governance	<ul style="list-style-type: none"> • Most actions relating to DPA 2018 & GDPR have been completed and reported to Selby CIGG. • On-going work is required in relation to information asset management and law enforcement processing which is included within the Information Governance work programme agreed with the Data Protection Officer (Veritau). 	2	Chief Finance Officer (SIRO)	Agreed 2020/21 work programme to be completed by 31 March 2021	<p>An Information Governance plan for 2020/21 will address the remaining actions and will be presented to CIGG.</p> <p>An Information Security Sweep took place in September 2019 and an improvement in physical information security was observed.</p>
Payment Card Industry Data Security Standard (PCI DSS)	New software purchased as old system ceased to be supported. Implementation of new software should resolve PCI DSS issues Management responsibility has been defined. Responsibility for completing annual PCI DSS assessment to be assigned.	1	Head of Business Development and Improvement	<p>Head of Business Development and Improvement</p> <p>Revised date to 31 December 2020 (previously 31 September 2020).</p>	The council procured a new system during 2019-20 to enable PCI DSS compliance. Whilst originally it was hoped that this would be implemented by September 2020(?), delays due to Covid-19 mean this is now likely to be delayed slightly to December 2020. The new system should resolve PCI DSS issues.

Audit	Summary of Actions taken and proposed	Priority rating	Responsible Officer	Due	Notes
Contract Management and Procurement	<p>An audit found there were no procedures for reporting breaches to the Contract Procedure Rules once they have been identified.</p> <p>CPRs have been updated but due to Covid-19 follow up testing has not been completed to confirm the implementation and effectiveness of the new procedures.</p>	2	Head of Commissioning, Contracts & Procurement	31 March 2020	<p>The CPRs have been updated to include that breaches are a serious matter that need to be reported so that they can be investigated further. The CPRs also include details on who breaches should be reported to.</p> <p>Once breaches have been identified they will be recorded so that they can be reported to the Council's Leadership Team.</p>
Performance Management	<ul style="list-style-type: none"> • PDR guidance to be reviewed and updated • HR to undertake QA review of sample of PDRs • Return rate of PDRs to be monitored & all PDRs reviewed and returned to manager if not complete. • Training plan to be completed promptly following PDR process. 	2	Head of Business Development and Improvement	Revised date 31 December 2020 (previously September 2020)	<p>A wholesale review of PDRs is planned for 2020 but this has been delayed.</p> <p>Existing guidance will be updated in advance of the next round of PDRs, to be completed at the end of 2020/21.</p>



ANNEX 3: INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

1.0 Background

Ongoing quality assurance arrangements

Veritau maintains appropriate ongoing quality assurance arrangements designed to ensure that internal audit work is undertaken in accordance with relevant professional standards (specifically the Public Sector Internal Audit Standards). These arrangements include:

- the maintenance of a detailed audit procedures manual
- the requirement for all audit staff to conform to the Code of Ethics and Standards of Conduct Policy
- the requirement for all audit staff to complete annual declarations of interest
- detailed job descriptions and competency profiles for each internal audit post
- regular performance appraisals
- regular 1:2:1 meetings to monitor progress with audit engagements
- induction programmes, training plans and associated training activities
- attendance on relevant courses and access to e-learning material
- the maintenance of training records and training evaluation procedures
- membership of professional networks
- agreement of the objectives, scope and expected timescales for each audit engagement with the client before detailed work commences (audit specification)
- the results of all audit testing and other associated work documented using the company's automated working paper system (Galileo)
- file review by senior auditors and audit managers and sign-off of each stage of the audit process
- the ongoing investment in tools to support the effective performance of internal audit work (for example data interrogation software)
- post audit questionnaires (customer satisfaction surveys) issued following each audit engagement
- performance against agreed quality targets monitored and reported to each client on a regular basis
- regular client liaison meetings to discuss progress, share information and evaluate performance

On an ongoing basis, samples of completed audit files are also subject to internal peer review by a Quality Assurance group. The review process is designed to ensure audit work is completed consistently and to the required quality standards. The work of the Quality Assurance group is overseen by a senior audit manager. Any key learning points are shared with the relevant internal auditors and audit managers. The Head of Internal Audit will also be informed of any general areas requiring improvement. Appropriate mitigating action will be taken (for example, increased supervision of individual internal auditors or further training).

Annual self-assessment

On an annual basis, the Head of Internal Audit will seek feedback from each client on the quality of the overall internal audit service. The Head of Internal Audit will also update the PSIAS self assessment checklist and obtain evidence to demonstrate conformance with the Code of Ethics and the Standards. As part of the annual appraisal process, each internal auditor is also required to assess their current skills and knowledge against the competency profile relevant for their role. Where necessary, further training or support will be provided to address any development needs.

The Head of Internal Audit is also a member of various professional networks and obtains information on operating arrangements and relevant best practice from other similar audit providers for comparison purposes.

The results of the annual client survey, PSIAS self-assessment and professional networking are used to identify any areas requiring further development and/or improvement. Any specific changes or improvements are included in the annual Improvement Action Plan. Specific actions may also be included in the Veritau business plan and/or individual personal development action plans. The outcomes from this exercise, including details of the Improvement Action Plan are also reported to each client. The results will also be used to evaluate overall conformance with the PSIAS, the results of which are reported to senior management and the board⁶ as part of the annual report of the Head of Internal Audit.

External assessment

At least once every five years, arrangements must be made to subject internal audit working practices to external assessment to ensure the continued application of professional standards. The assessment should be conducted by an independent and suitably qualified person or organisation and the results reported to the Head of Internal Audit. The outcome of the external assessment also forms part of the overall reporting process to each client (as set out above). Any specific areas identified as requiring further development and/or improvement will be included in the annual Improvement Action Plan for that year.

2.0 Customer Satisfaction Survey – 2020

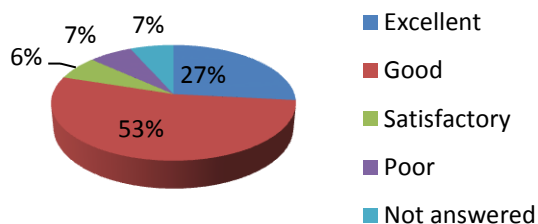
⁶ As defined by the relevant audit charter.

Feedback on the overall quality of the internal audit service provided to each client was obtained in March 2020. Where relevant, the survey also asked questions about the counter fraud and information governance services provided by Veritau. A total of 136 surveys (2019 – 171) were issued to senior managers in client organisations. 15 completed surveys were returned representing a response rate of 11% (2019 - 12%). The surveys were sent using Survey Monkey and the respondents were required to identify who they were. Respondents were asked to rate the different elements of the audit process, as follows:

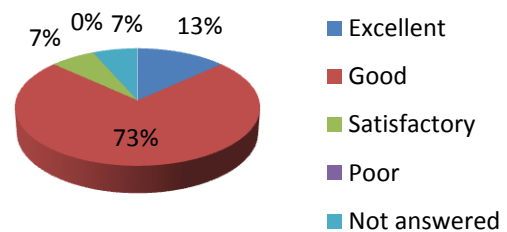
- Excellent (1)
- Good (2)
- Satisfactory (3)
- Poor (4)

Respondents were also asked to provide an overall rating for the service. The results of the survey are set out in the charts below:

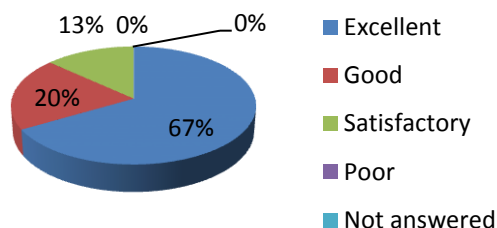
Quality of audit planning / overall coverage



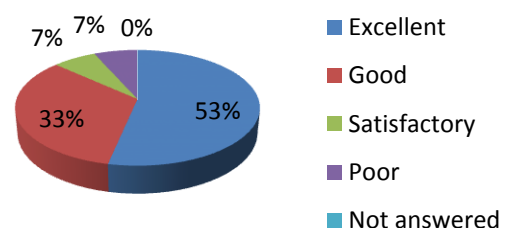
Provision of advice / guidance



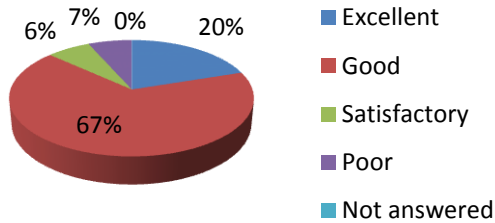
Staff - conduct / professionalism



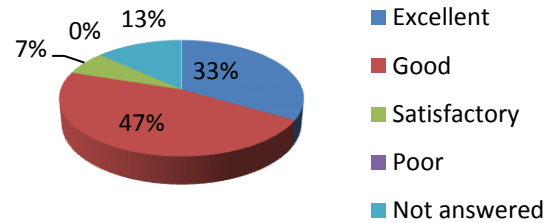
Ability to establish positive rapport with customers



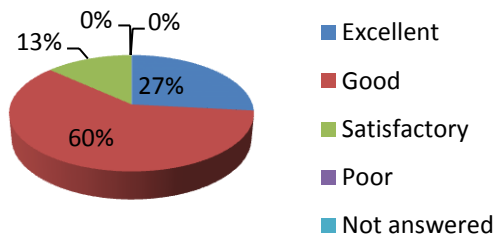
Knowledge of system / service being audited



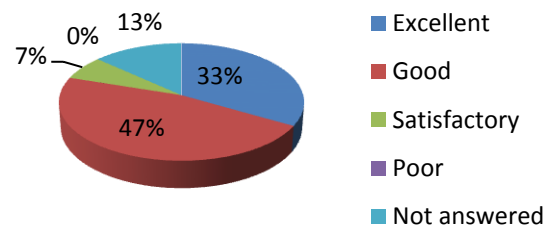
Minimising disruption to the service being audited



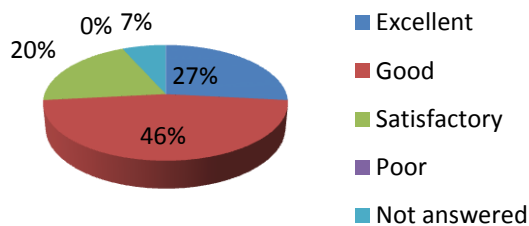
Communicating issues during the audit



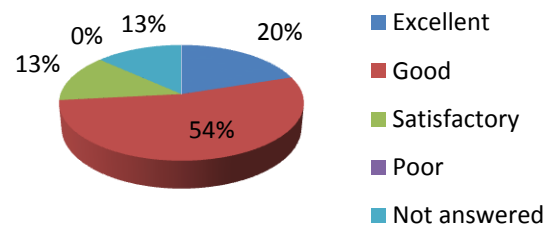
Quality of feedback at end of audit



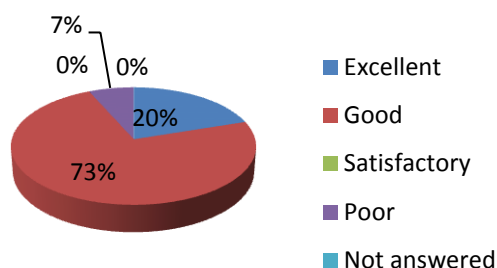
Accuracy / format / length / style of audit report



Relevance of audit opinions / conclusions



Overall rating for Internal Audit service



The overall ratings in 2020 were:

	2020		2019	
Excellent	3	20%	11	55%
Good	11	73%	6	30%
Satisfactory	0	0%	3	15%
Poor	1	7%	0	0%

The feedback shows that the majority of respondents continue to value the service being delivered.

3.0 Self-Assessment Checklist – 2020

CIPFA prepared a detailed checklist to enable conformance with the PSIAS and the Local Government Application Note to be assessed. The checklist was originally completed in March 2014 and has since been reviewed and updated annually. Documentary evidence is provided where current working practices are considered to fully or partially conform to the standards. In April 2019, CIPFA published a modified version of the checklist and this has been used to complete the latest self-assessment. The revised checklist includes some additional guidance on what constitutes compliance, and amalgamates a number of relevant checklist areas.

The current working practices are considered to be at standard. However, a few areas of non-conformance have been identified. These areas are mostly as a result of Veritau being a shared service delivering internal audit to a number of clients as well as providing other related governance services. None of the issues identified are considered to be significant and the existing arrangements are considered appropriate for the circumstances and hence require no further action.

The table below showing areas of non-compliance has been updated to reflect the new checklist.

<u>Conformance with Standard</u>	<u>Current Position</u>
Where there have been significant additional consulting services agreed during the year that were not already	Consultancy services are usually commissioned by the relevant client officer (generally the s151 officer). The

<u>Conformance with Standard</u>	<u>Current Position</u>
included in the audit plan, was approval sought from the audit committee before the engagement was accepted?	scope (and charging arrangements) for any specific engagement will be agreed by the Head of Internal Audit and the relevant client officer. Engagements will not be accepted if there is any actual or perceived conflict of interest, or which might otherwise be detrimental to the reputation of Veritau.
Does the risk-based plan set out the respective priorities of audit work?	Audit plans detail the work to be carried out and the estimated time requirement. The relative priority of each assignment will be considered before any subsequent changes are made to plans. Any significant changes to the plan will need to be discussed and agreed with the respective client officers (and reported to the audit committee).
Are consulting engagements that have been accepted included in the risk-based plan?	Consulting engagements are commissioned and agreed separately.
Does the risk-based plan include the approach to using other sources of assurance and any work that may be required to place reliance upon those sources?	An approach to using other sources of assurance, where appropriate is currently being developed (see below).

4.0 External Assessment

As noted above, the PSIAS require the Head of Internal Audit to arrange for an external assessment to be conducted at least once every five years to ensure the continued application of professional standards. The assessment is intended to provide an independent and objective opinion on the quality of internal audit practices.

An external assessment of Veritau internal audit working practices was undertaken in November 2018 by the South West Audit Partnership (SWAP). SWAP is a not for profit public services company operating primarily in the South West of England. As a large shared service internal audit provider it has the relevant knowledge and expertise to undertake external inspections of other shared services and is independent of Veritau.

The assessment consisted of a review of documentary evidence, including the self-assessment, and face to face interviews with a number of senior client officers and Veritau auditors. The assessors also interviewed audit committee chairs.

A copy the external assessment report was reported to this committee in February 2019.

The report concluded that Veritau internal audit activity generally conforms to the PSIAS⁷ and, overall, the findings were very positive. The feedback included comments that the internal audit service was highly valued by its member councils and other clients, and that services had continued to improve since the last external assessment in 2014.

5.0 Improvement Action Plan

The external assessment identified a number of areas for further consideration and possible improvement. An action plan was developed to address these areas. One action remains to be completed, as follows:

Recommendation	Current Position
<p>Whilst reliance may be placed on other sources of assurance, the self-assessment brought attention to the fact that there has not been an assurance mapping exercise to determine the approach to using other sources of assurance. Completion of such an exercise would ensure that work is coordinated with other assurance bodies and limited resources are not duplicating effort. (Attribute Standard 2050).</p>	<p>This work is ongoing. Other potential sources of assurance have been identified for each client. This information is now being used to develop more detailed assurance mapping. A standard methodology and approach is also being developed.</p>

In 2019/20, the Quality Assurance group reviewed internal processes for undertaking and recording testing of internal controls. The review identified that testing methodologies were generally good, were relevant to the controls being tested and that appropriate conclusions were being reached. However, improvements were needed to the documentation of testing in some areas. The review also found some cases where the use of data analytics should have been considered, rather than relying on sample testing. This could have improved the level of assurance obtained and provided more useful data for the client. Further training will be delivered to the internal audit teams, covering these areas, in 2020/21.

The following areas will also continue to be a priority in 2020/21:

- Further development of in-house technical IT audit expertise
- Investment in new data analytics capabilities

⁷ PSIAS guidance suggests a scale of three ratings, 'generally conforms', 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating.

We also plan to review the audit opinions used for reporting to ensure they remain aligned with best practice.

6.0 Overall Conformance with PSIAS (Opinion of the Head of Internal Audit)

Based on the results of the quality assurance process I consider that the service generally conforms to the Public Sector Internal Audit Standards, including the *Code of Ethics* and the *Standards*.

The guidance suggests a scale of three ratings, 'generally conforms, 'partially conforms' and 'does not conform'. 'Generally conforms' is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards.



ANNEX 4: INTERNAL AUDIT OPINIONS – 2020/21

The opinions and related definitions now being recommended by CIPFA are:

Opinion	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited

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Selby District Council
Counter Fraud Annual Report
2019/20

Assistant Director – Corporate Fraud: Jonathan Dodsworth
Deputy Head of Internal Audit: Richard Smith
Head of Internal Audit: Max Thomas
Date: 29 July 2020



Background

- 1 Fraud is a significant risk to the public sector. Annual losses are estimated to exceed £40 billion in the United Kingdom.
- 2 Councils are encouraged to prevent, detect and deter fraud in order to safeguard public finances.
- 3 Veritau are engaged to deliver a counter fraud service for Selby District Council. The service aims to prevent and deter fraud through maintaining a counter fraud policy framework, helping to maintain and improve controls, and raising awareness of fraud both internally and with the public. The counter fraud team proactively and reactively investigates any fraud or related criminality affecting the council. Veritau deliver counter fraud services to the majority of councils in the North Yorkshire area as well as local housing associations and other public sector bodies.

Counter Fraud work carried out in 2019/20

- 4 Counter fraud work was undertaken in accordance with the approved plan. Investigative work led to £17k of savings during the year which is in line with the annual target. The counter fraud team completed 21 investigations for the council in the financial year. The target for the number of investigations resulting in a successful outcome (30%) was also exceeded as 75% of completed cases resulted in some form of action. A summary of the work undertaken in 2019/20 is contained in annex A of this report.

COUNTER FRAUD ACTIVITY 2019/20

The tables below show the total number of fraud referrals received and summarises the outcomes of investigations completed in the last financial year.

	2019/20 (Full Year)	2019/20 (Target: Full Year)	2018/19 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked).	75%	30%	50%
Amount of actual savings (quantifiable savings - e.g. CTS and CTAX) identified through fraud investigation.	£16,728	£14,000	£22,474

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Caseload figures for the period are:

	2019/20 (Full Year)	2018/19 (Full Year)
Referrals received	114	112
Referrals rejected	72	61
Number of cases under investigation	11	12 ¹
Number of investigations completed	24	20

¹ As at 31/3/18

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	The 2018/19 National Fraud Initiative is now complete. An additional pilot exercise, matching HMRC records to the 2018/19 data also took place last year, looking at areas such as benefits and housing. However, no fraud of significance was identified. A new exercise will take place in 2020/21.
Fraud detection and investigation	<p>The service continues to use criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity in the last financial year included:</p> <ul style="list-style-type: none"><li data-bbox="421 624 2004 767">• Council Tax Support fraud – Council Tax Support fraud occurs when discounts are falsely applied for or changes in people’s circumstances are not reported. The counter fraud team completed eleven investigations in this area in 2019/20. Two people received warnings for failure to declare income or capital to the council and a further seven cases identified underpayments of council tax.<li data-bbox="421 810 2004 954">• Council Tax/Non Domestic Rates fraud – Council Tax fraud relates to false applications for discounts and avoidance of premium charges. Whilst the value of individual Council Tax investigations are relatively low the volume of fraud can be very high. Eight investigations were completed in the course of the financial year of which five produced savings for the council.<li data-bbox="421 997 2004 1214">• Housing fraud – Housing fraud is a significant area of risk for local authorities that own housing stock. Reduced rents and discounts under the Right to Buy scheme make social housing fraud attractive to fraudsters. Fraud in this area includes false applications for housing, illegal subletting, and right to buy fraud. Four housing fraud investigations were completed in 2019/20. One person was prosecuted for illegally subletting their property, one false application for a Right to Buy was blocked, and a warning was issued for a false application for housing.<li data-bbox="421 1257 2004 1326">• Internal fraud – Internal fraud cases occur when a member of staff is suspected of committing fraud or serious misconduct. One internal fraud investigation was completed in 2019/20 with no fraud found.

Activity	Work completed or in progress
Fraud liaison	<p>The counter fraud team acts as a single point of contact for the Department for Work and Pensions (DWP) and is responsible for providing data to support their housing benefit investigations. The team dealt with 81 requests on behalf of the council in 2019/20. This work helped identify £29k of housing benefit fraud and error in the last financial year.</p> <p>In May 2019, the DWP began new joint working arrangements with councils in the Yorkshire and Humber region. Joint working involves council fraud investigation officers working with DWP counterparts to investigate benefit fraud that affects both organisations. No joint working investigations took place in 2019/20.</p>
Fraud Management	<p>In 2019/20 a range of activity was undertaken to support the Council's counter fraud framework.</p> <ul style="list-style-type: none"> • The counter fraud team alerts council departments to emerging local and national threats through a monthly bulletin and specific alerts over the course of the year. • In May, the council's counter fraud transparency data was updated to include data on counter fraud performance in 2018/19, meeting the council's obligation under the Local Government Transparency Code 2015. • The council participated in the annual Cipfa Counter Fraud and Corruption Tracker (CFaCT) survey in June 2019. The information will contribute to a Cipfa national report detailing the extent fraud against local authorities. • In September, the counter fraud team helped deliver a cybercrime awareness week, delivering cybercrime awareness information to council employees through a number of bulletins provided over the course of the week. • In November, the counter fraud team and the council's communications team worked together to raise awareness of fraud internally and with the public during International Fraud Awareness Week. • In March, a leaflet was included in annual council tax billing which encouraged residents to report their suspicions of fraud.

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Report Reference Number: A/20/5

To: Audit and Governance Committee
Date: 29 July 2020
Author: Ed Martin; Audit Manager – Veritau Group
Lead Officer: Karen Iveson; Chief Finance Officer

Title: Risk Management Annual Report 2019/20

Summary:

The report provides a summary of risk management activity in 2019/20 and proposed actions to be taken in 2020/21.

Recommendation:

Councillors note the risk management activity undertaken in 2019/20 and the proposed actions for 2020/21.

Reasons for Recommendation

To support the Audit and Governance Committee's responsibility for considering the effectiveness of the Council's risk management arrangements.

1. Introduction and Background

1.1 It is the responsibility of all service managers to identify and manage risks associated with the delivery of their services. Veritau provides support to this process by facilitating risk management activity and providing advice and training to officers and the committee. This report summarises work undertaken by the Council to review risk registers during the year and work done to support this by Veritau.

2. The Report

2.1 Over the past year, the following action has been taken to develop risk management activity and review current risks.

- The risk management annual report 2018/19 was reported to the Audit and Governance Committee in July 2019.

- A summary of corporate risks was reported to the Audit and Governance Committee in July 2019 and January 2020.
- A review of the risk management strategy was completed and reported to the committee in January 2020.
- Specific risk management support was provided to the Place Branding (Stage 2) project, including facilitation of a risk identification workshop in June 2019.
- Officers have been reminded to update service based risk registers to ensure they accurately reflect existing and emerging risks.
- Veritau has supported managers to review risks in their service areas and to identify mitigating actions where necessary.

2.2 Further specific activity planned for 2020/21 includes the following:

- A health check review of the risk management framework Annual review of the risk management strategy.
- Regular reporting of the corporate risk register to Extended Leadership Team and to Audit and Governance Committee.
- Continuation of risk drop in and training sessions for officers and members.
- Ongoing support for the review and maintenance of service based risk registers.

3. Implications

3.1 There are no legal, financial, policy & risk, corporate plan, resource or other implications from this report.

4. Conclusion

4.1 Overall, a number of actions have been taken in order to further facilitate and embed sound risk management processes within the Council. Work is planned for 2020/21 to continue this further.

5. Background Documents

Risk management strategy – revised January 2020

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Richard Smith; Deputy Head of Internal Audit - Veritau Group

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Report Reference Number: A/20/6

To: Audit and Governance Committee
Date: 29 July 2020
Author: Ed Martin; Audit Manager – Veritau Group
Lead Officer: Karen Iveson; Chief Finance Officer

Title: Corporate Risk Register 2020-21

Summary:

The report updates councillors on movements within the corporate risk register (appendix A) for the Council since the last report to this committee in January 2020.

Recommendation:

Councillors note the current status of the corporate risk register.

Reasons for recommendation

The Audit and Governance Committee has responsibility for scrutinising and monitoring the effectiveness of the Council's risk management arrangements.

1. Introduction and background

1.1 This report updates councillors on the actions taken by the Council to manage the corporate risks it faces.

2. The Report

2.1 Risks are recorded and reported through the Pentana system. Appendix A shows details of the corporate risks currently included in the system. The following information is included:

- Title of the risk.
- Risk description.
- Individual risk scores.
- Risk owner – identifies the officer responsible for monitoring the risk. This is a member of the leadership team.
- Causes of the risk identified.
- Consequences of the risk identified.

- Controls and mitigating actions in place – identifies the required management action and controls which have been put in place to manage the risk. In line with the risk management strategy, only risks with a current score of 12 or over require a formal action plan.
- Original risk rating – identifies the risk level before any treatment.
- Current risk rating – identifies the level at which the risk has currently been assessed, based on the likelihood and impact.
- Target risk rating – identifies the risk level the Council is working towards.

- 2.2 The responsibility for reviewing and updating the risk register lies with Council officers. Whilst Veritau facilitates the risk management process by offering challenge and support it retains its independence and objectivity as it is not part of the risk management process (i.e. it does not assess or score the individual risks).
- 2.3 For the risks identified on the corporate risk register, there are controls or mitigating actions in place to manage those which are, and need to be, closely monitored on an ongoing basis.
- 2.4 The risks were reviewed and updated by officers in July 2020.
- 2.5 There a total of 12 risks on the Council's Corporate Risk Register for 2019-2020. This includes 4 risks (up from 2 at January 2020) with a score of 12 or more (high risk). This is a result of the failure to deliver corporate priorities risk and the organisational capacity risk increasing from 8 to 12. In addition, the financial resources risk has increased from 12 to 16.

3. Implications

- 3.1 There are no legal, financial, policy & risk, corporate plan, resource or other implications from this report.

4. Conclusion

- 4.1 The risks on the corporate risk register continue to be closely monitored and action plans have been developed, or are in the process of being developed, for all risks requiring active management.

5. Background Documents

Risk Management Strategy.

Contact Officer: *Ed Martin; Audit Manager – Veritau Group*

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Appendices:







Appendix A – Corporate Risk Register July 2020

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Selby District Council Corporate Risk Register

Overview: July 2020


Risk Status	
	High Risk
	Medium Risk
	Low Risk

Page	Status	Code	Previous Risk Score (January 2020)	Current Risk Score	Title
	111		SDC_CRR_003	12	16
		SDC_CRR_008	12	12	Economic Environment
		SDC_CRR_000	8	12	Failure to deliver corporate priorities
		SDC_CRR_004	8	12	Organisational Capacity
		SDC_CRR_002	10	10	Health and Safety Compliance
		SDC_CRR_006	8	8	Managing Customer Expectations


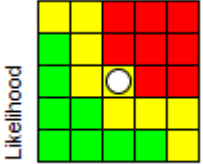
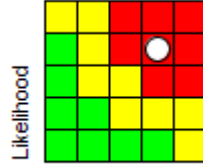
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Status	Code	Previous Risk Score (January 2020)	Current Risk Score	Title
	SDC_CRR_007	8	8	Fraud & Corruption
	SDC_CRR_014	9	6	Systems and Technology
	SDC_CRR_017	6	6	Managing Partnerships
	SDC_CRR_001	3	3	Failure in corporate governance arrangements
	SDC_CRR_013	2	2	Information Governance/Data Protection
	SDC_CRR_018	2	2	No Deal Brexit


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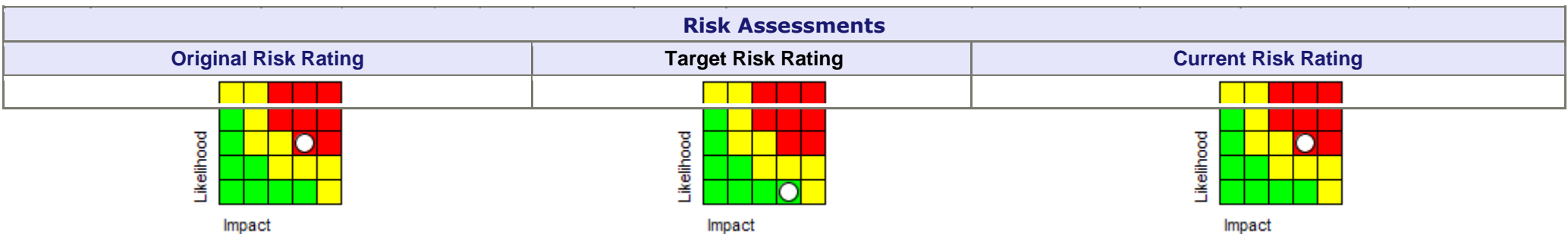
Status	Risk Score	Risk Title	Description		Risk Owner
	16	Financial Resources	The Council's financial position is not sustainable beyond 2021.		Karen Iveson
<p>Causes</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 113</p>		<ul style="list-style-type: none"> • Unforeseen financial pressures as a result of Covid-19 • Poor financial planning • Funding cuts/ Investment Strategy • Non-delivery of savings • Poor spending • Poor decisions • Partnership contract (goes awry) • Fair Funding Review (demonstrate why costs) • Over commitment (i.e. Northamptonshire) • Economic - high inflation/increased demand • Loss of control in service delivery • Political environment changes 	<p>Consequences</p>	<ul style="list-style-type: none"> • Unable to deliver its Corporate Plan ambitions and Statutory functions • Unable to meet financial commitments (long/medium/short term) • Unable to set a balanced budget as required by legislation. • Central Government intervention • Forced to make unplanned service reductions which impact on residents and businesses. • Significant reputational and political change. 	
<p>Controls or Mitigating Actions in Place</p>		<ul style="list-style-type: none"> • Financial support provided by central government • Long term financial strategies (GF & HRA) setting out high level resources and commitments and owned by Council members. • 3 year budget underpinned by reasonable assumptions (inflation, interest rates etc). • Effective in year budget management arrangements in place. • Savings plan approved with supporting delivery plans for each saving. • Programme for Growth resourced with supporting business cases and action plans. Investment decisions supported by robust whole life (at least 5 years) business cases. 			

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Risk Assessments			Review Date
Original Risk Rating	Target Risk Rating	Current Risk Rating	
 <p>20</p>	 <p>9</p>	 <p>16</p>	
<p>Notes</p> <p>10-Jul-2020 A revised budget for 2020/21 is being prepared for consideration by members in September 2020 alongside a refreshed Medium Term Financial Strategy which will model the potential financial impacts of Covid-19 and identify actions to mitigate.</p>			<p>Review Date</p> <p>10-Jul-2020</p>

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Status	Risk Score	Risk Title	Description	Risk Owner
	12	Economic Environment	Poor net economic growth.	Dave Caulfield
Causes		<ul style="list-style-type: none"> Selby District has performed well across a range of economic measures in recent times including low unemployment, high skills levels, significant business investment and increased levels of employment. However, the Covid 19 lockdown has had a significant and unprecedented impact on global, national, regional and the local economy and the full impact has yet to be realised. The impact of leaving the EU is also a cause of uncertainty for businesses. 	Consequences	<ul style="list-style-type: none"> Significant negative impact of Covid-19 lockdown on existing businesses in the district Impact on reputation and willingness by business to engage Inward investment reduces Higher unemployment Decrease in new employment opportunities Potential negative impact on business rates income. Increased demand for economic development and wider Council support services e.g. debt support Increased demand for interventions to stimulate economic growth.
Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> Reviewed the Council Plan to ensure economic recovery is front and centre in the delivery priorities for the next 3 years – including a strong focus on key projects such as the Town Centre Action Plans, Selby Town HAZ, Selby Station TCF and district wider support for businesses. Proactive engagement with YNY and LCR LEPs to influence economic growth programmes and the ensure Selby District priorities are captured in their respective Economic Recovery Plans. Strong focus on Town Centre and High Street Recovery with clear Action Plans being developed for each centre and a bid made to the government’s Re-opening High Streets Safely Fund. Appointed to vacant posts in the Economic Development & Regeneration service to allow the Council to take a proactive approach Continued promotion of Selby District as being open for business and a great place to invest and locate. Detailed engagement with key businesses to understand future challenges and opportunities to identify where the Council can provide additional support including proactive support with small business grants, Federation of Small Businesses Membership and a detailed survey of local businesses to shape where our interventions are most needed. Engagement with key partners to influence investment programmes and decisions e.g. working jointly with NYCC and the YNY LEP to successfully bid to the governments ‘shovel ready’ programme to aide Covid recovery; helping to shape the draft YNY Devo Deal. 		



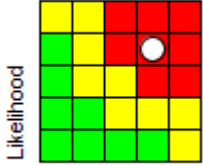

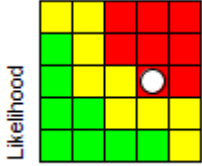
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12	4	12
Notes		Review Date
<p>The Council has over the last few years been working hard with partners and developers to stimulate local economic activity and there are strong positives in terms of job growth and house building with new opportunities and investment taking place such as Create Yorkshire at Church Fenton, development at Sherburn2, Kellingley phase 1, Eggborough Power Station redevelopment, and investment at Drax Power Station. The Council is actively promoting the regeneration and improvement of our town centres and places through bids for funding such as the TCF bid for Selby Station and the successful High Streets HAZ bid and joint work with NYCC on Local Cycling & Walking Infrastructure Plans for each town.</p> <p>Although growth has been significant in the district in recent years, inward investment into the region (apart from Leeds) had started to slow significantly in the last year as the risks and uncertainties around the impact of Brexit played out. This is outside our control but already had the potential to damage investor confidence and growth in the District. We have been doing all we can to manage this risk by ensuring Selby district is seen as a great place to do business and by proactively promoting it as a great place to invest and to exploit any new opportunities that may arise including the governments focus on towns and the North.</p> <p>However, the Covid 19 lockdown has had a significant and unprecedented impact on global, national, regional and local economies and the full impact has yet to be realised. We continue to monitor the emerging situation and be very proactive in providing immediate support to businesses in need through both government and local programmes of support. The mitigating actions we have put in place to address this have been outlined above, but to summarise these are:</p> <ul style="list-style-type: none"> • Reviewed the Council Plan to ensure Covid economic recovery is front and centre in the delivery priorities for the next 3 years • Proactive engagement with YNY and LCR LEPs to ensure their respective Economic Recovery Plans support the district. • A Strong focus on Town Centre and High Street Recovery through Action Plans for each centre and a bid to the Re-opening High Streets Safely Fund. • Appointed to vacant posts in the Economic Development & Regeneration service • Continued promotion of Selby District as being open for business and a great place to invest and locate. • Detailed engagement with key businesses to understand future challenges and opportunities • Engagement with key partners to influence investment programmes and decisions e.g. 'shovel ready' bids to government and draft Devo deal. 		<p>20-July 2020</p>


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Status	Risk Score	Risk Title	Description	Risk Owner
	12	Failure to deliver corporate priorities	The Council fails to deliver its corporate priorities as set out and approved by Councillors.	Janet Waggott
Causes		<ul style="list-style-type: none"> • Lack of prioritisation • Priorities not reflected in service plans • Windfalls re direct priorities • Political and/or external factors • Capacity/single point of failure • Lack of clarity over corporate priorities 	Consequences	<ul style="list-style-type: none"> • Poor performance - impacting on residents • Poor reputation - residents and partners • Political instability • Staff morale decreased • Missed opportunities for funding • Partnership not fulfilled
Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> • New Council Plan 2020/30 approved December 2019; • Clear priorities – cascaded via PDRs/1:1s • Shared with wider workforce via Staff Briefings • Corporate Comms Plan in place. • Delivery via service plans – currently being drafted by Heads of Service in conjunction with employees • Monitoring via Leadership Team as programme board • Executive oversight through quarterly corporate performance monitoring (also subject to quarterly Scrutiny) 		

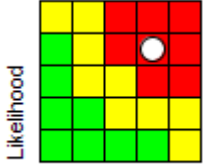

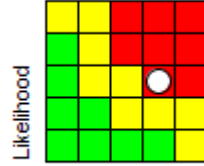
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Risk Assessments			
Original Risk Rating	Target Risk Rating	Current Risk Rating	
 <p>16</p>	 <p>4</p>	 <p>12</p>	
Notes			Review Date
<p>17-Jul-2020 - risk rating amended due to impact of Covid-19 on council finances</p> <p>New ten year Council Plan approved by Council in December 2019 setting out the priorities for the next ten years.</p> <p>Budget for 2020/21 developed along the lines of the new Council Plan priorities - agreed by Council in Feb 2020.</p> <p>Impact of Covid-19 assessed and shared with LRF partners in May 2020.</p> <p>Covid-19 recovery plans being developed and implemented - supported by internal working group.</p> <p>Covid-19 recovery activity incorporated into updated detailed three year Council Delivery Plan shared and discussed with Executive in July.</p> <p>Delivery Plan priorities being reviewed with portfolio holders to ensure activity is SMART and reflects changing context in advance of revised budget discussions in September.</p> <p>Quarterly performance monitoring of delivery of council priorities continues - most recent reported to Executive July 2020.</p> <p>Extensive communication and engagement ongoing with staff supports alignment with delivering priorities.</p> <p>OD Strategy (People Plan) drafted - resources identified to implement in 2020.</p> <p>Digital transformation in progress - supported by staff engagement.</p>			17-Jul-2020


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Status	Risk Score	Risk Title	Description	Risk Owner
	12	Organisational Capacity	Lack of organisational capacity and resilience to effectively deliver agreed outcomes and objectives for now and for the future.	TBC
<p>Causes</p> <p>Page 119</p>		<ul style="list-style-type: none"> • Loss of staff • Pay scales • Skills • Wrong structure • Succession planning • Motivation • Culture • Poor leadership • Ineffective management • Failure to prioritise 	<p>Consequences</p> <ul style="list-style-type: none"> • Increased cost of delivery • High churn • Slowing pace • Loss of talent • Poor delivery of priorities • Impact on reputation • Political frustrations • Failure to deliver outcomes • Low resident satisfaction • Loss of confidence from partners and businesses • Staff stress and dissatisfaction • Poor services 	
	<p>Controls or Mitigating Actions in Place</p>		<ul style="list-style-type: none"> • Organisational review resulting in the right people in the right posts doing the right things, doing them well and funded on a sustainable footing. • Working with partners to lever capacity and expertise – e.g. Better Together. • Utilising Programme for Growth to secure short/medium term capacity to deliver Council priorities – e.g. Economic Development function. • Assessment and review processes (e.g. Peer Challenge; Staff Survey; IIP Assessment) in place. • Organisational Development Strategy (People Plan) and Action Plan • Secure sufficient HR/OD capacity/resources to deliver. 	

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Risk Assessments		
Original Risk Rating	Target Risk Rating	Current Risk Rating
 <p>16</p>	 <p>8</p>	 <p>12</p>
Notes		Review Date
<p>17-Jul-2020 - likelihood changed to significant due to:</p> <ul style="list-style-type: none"> • service backlogs in several services - e.g. housing repairs, enforcement, debt collection - caused by Covid-19 lockdown; • significant budget challenges caused by Covid-19; and • potential impact of LGR-related uncertainty <p>New Council Plan agreed Dec 2019 setting high level priorities for 2020/30 - informed by consultation with stakeholders (including staff).</p> <p>OD Strategy (People Plan) drafted - need to deliver on leadership and skills priorities. Potential for shift in focus to support staff through LGR-related change.</p> <p>Additional HR/OD capacity secured through collaboration with NYCC - this will support the delivery of People Plan priorities. This ensured SDC was able to respond well to the challenges of Covid-19.</p> <p>Digital strategy being delivered. Officer 365 rolled out to all staff in spring 2020. Almost all staff received new laptops or tablets. Over 150 staff now provided with smartphones. This ensured SDC was able to respond well to Covid-19 lockdown.</p> <p>Phase one of the Housing Management System on tract to go live July 2020.</p> <p>Service reviews underway in Planning, Property Management and Taxation and Benefits to ensure resources directed to priorities in the most efficient way. Recruitment underway to address capacity gaps in Economic Development.</p> <p>Benefits of effective communications demonstrated effectively during Covid-19 lockdown.</p>		<p>17-Jul-2020</p>


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Status	Risk Score	Risk Title	Description		Risk Owner
	10	Health and Safety Compliance	Failure to comply with Health and safety legislation.		June Rothwell
Causes		<ul style="list-style-type: none"> • Incident involving a member of staff, visitor or member of the public • Incident involving council property or on council owned land. • HSE or third-party investigation. • Non-compliance with Health and Safety legislation. • Non-compliance with Government or Covid Secure guidance. 	Consequences	<ul style="list-style-type: none"> • Actual or potential injury or loss of life. • Environmental degradation. • Financial loss / impact on value of assets. • Reputational damage. • Covid outbreak resulting in loss of staff and/or reputational damage. 	
Page 121 Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> • Health and Safety Policy and Plan for 2017/18 has been reviewed and is in place led by SDC experts with NYCC providing expertise to provide advice to Managers and ensure Health and Safety procedures are rigorous. • Health and safety due diligence assessment on service areas and contractors. • Public liability and property insurance. • Risk management system in place to manage equipment, contractors, property and environmental and health and safety risks. • Health and safety performance monitoring of Delivery Partners to ensure HS&E compliance. • Risk assessing, and then managing accordingly, every property and asset. • Statutory checks to ensure regulatory HS&E Compliance. • Event Safety Plan for all events managed by external consultants. • Covid Secure risk assessment and all Council operations to be certified Covid Secure. 			

APPENDIX A


Risk Assessments		
Original Risk Rating	Target Risk Rating	Current Risk Rating
<p>10</p>	<p>10</p>	<p>10</p>
Notes		Review Date
21-Jul-2020 Covid Secure requirements have been considered when assessing the current risk.		21-Jul-2020

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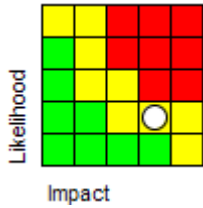
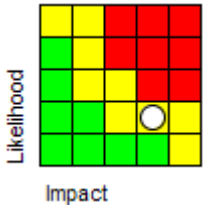
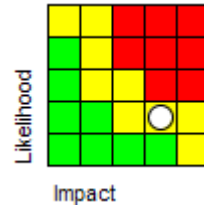
Status	Risk Score	Risk Title	Description		Risk Owner
	8	Managing Customer Expectations	Inability to meet customers' demand for services.		Stuart Robinson; Janet Waggott
Causes Page 123		<ul style="list-style-type: none"> • Lack of clear standards/standards not being met • Staff not demonstrating core values/behaviours • Poorly trained staff/ineffective learning • Staff not empowered to take decisions • Ineffective front:back office processes • Lack of resources/resources not aligned to priorities • Poor services 	Consequences	<ul style="list-style-type: none"> • Poor customer satisfaction. • Quality and timeliness of service suffers. • Sustainability of service. • Increased customer complaints. • Impact on Elected Members. 	
Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> • Increase community delivery. • Channel shift to self-service. • Re-design services using quality data. • Develop structured multi-agency partnerships. • Right first time services to remove avoidable work. 			

APPENDIX A

Risk Assessments			
Original Risk Rating	Target Risk Rating	Current Risk Rating	
<p>8</p>	<p>4</p>	<p>8</p>	
Notes			Review Date
<p>17-Jul-2020 - risk score remains the same despite a number of challenges</p> <p>Walk-in Contact Centre at Market Cross closed due to Covid-19 lockdown.</p> <p>Frontline customer service delivered successfully from home during lockdown. Online and telephony contact channels will operate from the Civic Centre once it is re-opened.</p> <p>Significant communications support to customers in place during lockdown - this will continue to ensure customer expectations are managed.</p> <p>Roll out of technology to support customer self-service continues: Scanstation introduced; implementation of Revenues & Benefits self-service software commenced Jan 2020 although full rollout delayed due to Covid-19; website accessibility improvements in progress; new payments portal scheduled for autumn 2020; housing portal scheduled for late 2020.</p> <p>Complaints annual report shows continuous improvement.</p>			<p>17-Jul-2020</p>


Status	Risk Score	Risk Title	Description	Risk Owner
	8	Fraud & Corruption	Incident of fraud and/or corruption occurs within the Council.	Karen Iveson
Causes		<ul style="list-style-type: none"> • Low staff morale • Debt (Individual) • Lack of vigilance by staff • System weakness - unknown • Failure to report changes • Incorrect information 	Consequences	<ul style="list-style-type: none"> • Financial and reputational loss. • Potentially more fraud (gaps not closed)
Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> • Counter fraud arrangements reviewed through annual self-assessment. • Counter Fraud and Corruption Strategy and Policy to be reviewed regularly. 		

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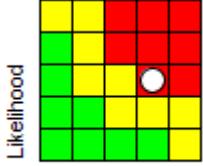
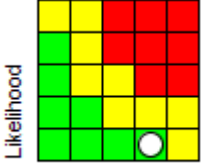
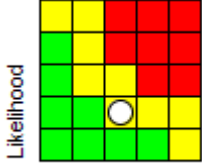
Risk Assessments		
Original Risk Rating	Target Risk Rating	Current Risk Rating
 <p style="text-align: center;">8</p>	 <p style="text-align: center;">8</p>	 <p style="text-align: center;">8</p>

Notes	Review Date
10-Jul-2020 Whilst there is no change to the risk score the potential for fraud is heightened as a result of the effects of Covid-19. The Council is administering a range of financial support schemes which are at risk of abuse. Appropriate steps are being taken to identify potentially fraudulent claims both pre- and post -payment	10-Jul-2020


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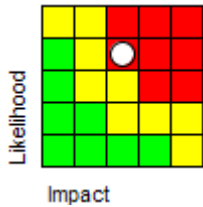
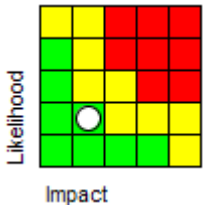
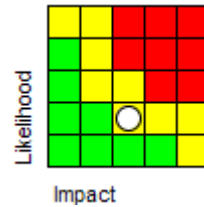
Status	Risk Score	Risk Title	Description	Risk Owner
	6	Systems and Technology	Lack of investment in the right technology and systems.	Stuart Robinson
Causes	<ul style="list-style-type: none"> • Failure to invest /keep up to date • Lack of knowledge to specify what we need • Fraud - internal theft of data or sabotage of system/data • Lack of training • Poor implementation • Policies not up to date • Not utilising fully 		Consequences	<ul style="list-style-type: none"> • System fails - cannot deliver (or less than optimal) • Fraud or financial impact • ICO action/fine • Wasted money/resources • Loss of critical data • Reputational damage and/or undefendable claims
<p>Page 126</p> <p>Controls or Mitigating Actions in Place</p>	<ul style="list-style-type: none"> • Digital Strategy 2018/20 and Implementation Plan with focus on: • Digital customers – channel shift/self-service and meeting changing expectations • Digital workforce – using technology to transform how • Digital foundations – maintaining modern, secure systems and infrastructure and strengthening governance and resilience • IT investment - with 10 year plan - aligned to business needs and requirements (Digital Strategy). • Programme supported by clear business cases and benefit realisation reports. • Robust business continuity and disaster recovery arrangements. • Continue to maximise opportunities for partnership working – e.g. through Better Together - which will deliver on shared ICT resources. 			

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Risk Assessments		
Original Risk Rating	Target Risk Rating	Current Risk Rating
 <p>12</p>	 <p>4</p>	 <p>6</p>
Notes		Review Date
<p>17-Jul-2020 - risk likelihood reduced to low.</p> <p>Cyber security training delivered across the council in summer/autumn 2019 - reducing the potential likelihood.</p> <p>New, off site, digital, backup solution implemented - reducing potential impact.</p> <p>Strengthened DR arrangements - e.g. DR Plan agreed January 2020 supported by new firewalls and remote access solution - reducing the impact.</p> <p>Key systems, e.g. Northgate, IDOX upgraded to latest versions.</p> <p>PSN compliance retained.</p> <p>New hardware roll out completed March 2020.</p> <p>Windows server upgrades completed December 2019.</p> <p>Smartphone rollout continues - MDM solution upgraded December 2019.</p> <p>Microsoft 365 roll out commences January 2020 - supported by staff training portal (implemented December 2019). Phase one of rollout completed March 2020 - ensuring 80%+ staff could work from home during Covid-19 lockdown.</p>		<p>17-Jul-2020</p>

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Status	Risk Score	Risk Title	Description	Risk Owner
	6	Managing Partnerships	<i>Inability to influence strategic partnerships (e.g. health/ LEP/NYCC etc.).</i>	Dave Caulfield
Causes Page 128	<ul style="list-style-type: none"> • Poor relationship management • Political buy in • Performance Management • Clarity of Purpose • Commissioning/contract management • Lack of Shared objectives • Due Diligence • Partnership governance 		Consequences <ul style="list-style-type: none"> • Service Failure - quality of delivery • Reputational • Loss of Service • Impact on customers/residents from lack of partnership resources • Conflicting priorities • Unable to gain additional resource/staff/funding • Capacity - ventures • Overspending • Legal challenge and costs • Conflicting governance • liability of additional cost/spend. 	
	Controls or Mitigating Actions in Place <ul style="list-style-type: none"> • Targeted work with key developers and investors. • Close working with the LEP's to identify potential investment opportunities. • Close involvement in shaping the demands within any Devolution deal. • Re-structure to increase capacity in economic development, regeneration and partnerships. 			


Risk Assessments		
Original Risk Rating	Target Risk Rating	Current Risk Rating
 <p style="text-align: center;">12</p>	 <p style="text-align: center;">4</p>	 <p style="text-align: center;">6</p>

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Notes	Review Date
<p>As a small council with big ambitions we rely on strong partnerships to enable us to deliver. The Council proactively works with key partners in a number of ways and is building up a growing reputation as an outward-looking and proactive organisation who delivers through working with others.</p> <p>There is a partnerships policy in place and successful partnerships delivering across a range of outcomes such as health, economic growth, housing, arts/culture/heritage etc.</p> <p>The Covid-19 pandemic has really put to the test the strength of our partnership working but the foundations we have put in place over recent years have put us in good positive to both respond to the immediate impacts of Covid-19 but to also positively lead the district's recovery. Some examples of this include:</p> <ul style="list-style-type: none"> • the award-winning Selby Health Matters partnership with NYCC public health has brought a wide range of health partners together over recent years to deliver better joint working. This enabled very strong joint working from the outset of the Covid-19 pandemic to ensure vulnerable people in the district were supported, with NYCC very positive about the strength of joint working in Selby District. • We have developed very effective partnership working with both Local Enterprise Partnerships to ensure Selby District's ambitions were properly captured in economic plans, future Local Industrial Strategies and funding programmes. Our Head of Economic Development & Regeneration works for the York & north Yorkshire LEP for 1 day per week to embed strong joint working. This has enabled us to strongly shape the emerging Local Industrial Strategy and the draft York and North Yorkshire Devo Deal to ensure Selby District's priorities are properly captured. This has also meant we have also played a lead role in shaping the Covid-19 economic recovery plan for Y&NY too to ensure it includes locally important priorities. • Culture, arts and the visitor economy has been particularly badly impacted by Covid-19 but needs to play a central role in local economic recovery and re-building community confidence and hope for the future. The multi-partner Selby 950 programme which was delivered in 2019 to celebrate the 950th anniversary of Selby Abbey has had glowing feedback from the Arts Council, and the National Heritage Lottery Fund who helped to fund it. This is opening-up opportunities for strengthened partnership working and additional partner funding into the district going forward. Our Visitor Economy Strategy and Action Plan is being implemented resulting in much stronger collaboration and joint working across the district. 	<p>20-July-2020</p>

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APPENDIX A

Status	Risk Score	Risk Title	Description	Risk Owner
	3	Failure in corporate governance arrangements	The Council's governance and transparency of decision making is not effective and does not align with the Council's required flexibility to adapt.	Alison Hartley
Causes		The changing agenda and drive towards commercialisation requires the council to be 'fleet of foot' which may impact the ability to be accountable and transparent and legally compliant.	Consequences	<ul style="list-style-type: none"> • Councillors and managers may make decisions outside their accountability. • The Council will be vulnerable to legal challenges and ombudsman complaints with attendant costs, consequences and reputational damage. • Budgets may be overspent and outcomes may not improve.
Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> • Constitution reviewed regularly including rules on decision making, access to information rules, contract procedure rules and financial procedure rules. • Governance training programme delivered for management team 		

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Risk Assessments			
Original Risk Rating	Target Risk Rating	Current Risk Rating	
<p>Likelihood</p> <p>Impact</p> <p style="text-align: center;">12</p>	<p>Likelihood</p> <p>Impact</p> <p style="text-align: center;">3</p>	<p>Likelihood</p> <p>Impact</p> <p style="text-align: center;">3</p>	
Notes			Review Date
07-Jan-2020 Constitution updated for 2019/20 AGS revised. 09-Jul-2020 In respect of the Constitution – Covid has increased risk, as we are using urgency powers, remote meetings and working at			09-Jul-2020

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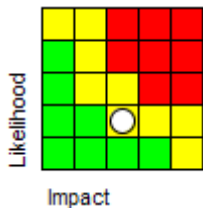
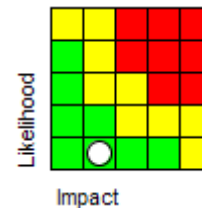
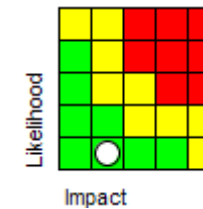
<p>pace with rapid and uncertain changes to legal frameworks. As MO I have made revisions to the Constitution using my delegated power to enable remote meetings and provided webinar training on decision making to all HoS and above to mitigate risk. I am also reviewing the Scheme of Delegation.</p>	
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<p>All delegated urgent decisions will be reported to Full Council in September.</p>	
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APPENDIX A

Status	Risk Score	Risk Title	Description	Risk Owner
	2	Information Governance/Data Protection	Non-compliance with the Freedom of Information and General Data Protection Regulation acts.	Karen Iveson
Causes		<ul style="list-style-type: none"> • ineffective and/out of date policies • staff not aware and/or trained • ineffective communication • lack of an Information Asset Register and associated roles and responsibilities 	Consequences	<ul style="list-style-type: none"> • Loss or inappropriate use of personal data and information. • Damaged reputation. • Financial penalty.
Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> • Information governance action plan delivered to agreed timescales, including - policies and systems in place; training provided to officers and members. • Breaches recorded, monitored and followed up. 		


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Risk Assessments			
Original Risk Rating	Target Risk Rating	Current Risk Rating	
 <p style="text-align: center;">6</p>	 <p style="text-align: center;">2</p>	 <p style="text-align: center;">2</p>	
Notes			Review Date
<p>07-Jan-2020 Cyber security training delivered in summer/autumn 2019 for all staff and councillors - reducing the risk of data security being compromised.</p> <p>SIRO in place.</p> <p>Corporate Information Governance Group in place and meeting regularly - last meeting December 2019.</p>			13-Jul-2020

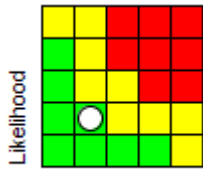
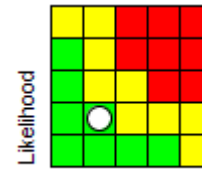
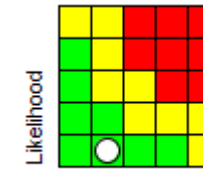
APPENDIX A

<p>DPO in place</p> <p>Info Security sweep of offices undertaken in September 2019 - resulting in a significant reduction in issues found - and recommendations addressed</p> <p>Potential data breaches being reported/investigated.</p> <p>Information Asset Register continues to be developed - supporting GDPR compliance.</p> <p>July 2020 update: Information Governance work programme for 2020/21 to be agreed at Audit and Governance Committee July 2020.</p>	
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APPENDIX A

Status	Risk Score	Risk Title	Description	Risk Owner
	2	No Deal Brexit	<p>The Council fails to prepare effectively for the impact of a no deal Brexit on our communities and the delivery of council services.</p> <ul style="list-style-type: none"> . Lack of awareness and/or understanding . Failure to engage effectively with emergency planning partners . Failure to consider the impact of key issues potentially arising . Failure to plan, resource the plan and implement the plan . Failure to communicate – to all stakeholders 	Janet Waggott
Causes		Consequences		
		<ul style="list-style-type: none"> . Increase in costs . Failure to secure adequate resources, e.g. staffing . Failures/reductions in service delivery – and subsequent reduction on customer satisfaction . Civil unrest 		
Controls or Mitigating Actions in Place		<ul style="list-style-type: none"> . Horizon scanning – including how other local councils are responding – with regular updates to LT/HOS . Agreed roles and responsibilities – Chief executive as strategic lead (emergency planning ‘gold’) . Full participation in LRF planning activities - including reviewing the LRF risk assessment matrix and updating the LRF of any changes . Communications plan 		

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Risk Assessments			
Original Risk Rating	Target Risk Rating	Current Risk Rating	
 <p style="text-align: center;">4</p>	 <p style="text-align: center;">4</p>	 <p style="text-align: center;">2</p>	
Notes			Review Date
<p>17-Jul-2020 risk assessment remains unchanged</p> <p>UK left the EU on 31 Jan 2020 - the risk is now whether a deal can be struck during the transition period.</p> <p>Continue to monitor communications and information from Whitehall and ready to step up preparedness arrangements as required.</p>			17-Jul-2020

APPENDIX A

Covid-19 has prepared SDC in terms of responding to some risks - e.g. inability of staff to get to work - however, it does present additional challenges around responding to multiple emergency planning scenarios.	
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Report Reference Number: A/20/7

To: Audit and Governance Committee
Date: 29 July 2020
Status: Non-key Decision
Ward(s) Affected: All Wards
Author & Lead Officer: Alison Hartley, Solicitor to the Council and Monitoring Officer

Title: Review of the Constitution 2020

Summary:

The purpose of this report is for the Audit and Governance Committee to be made aware of the changes made to the Constitution following:

- (i) the resolution of this Committee dated 10 April 2019 under delegation in respect of changes to standards arrangements; and
- (ii) other changes made by the Monitoring Officer under delegation, including giving effect to remote meetings.

Recommendation:

To note the changes to the Constitution set out at Appendix A to this report (and Appendix 1 of item 14 of the agenda) and refer the same to Full Council for noting.

Reason for recommendation:

To maintain an up to date Constitution of the Council.

1. Introduction and background

1.1 The Constitution is a key document in the Corporate Governance Framework of the Council. The two overarching principles of good governance as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) code are:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- Ensuring openness and comprehensive stakeholder engagement.

1.2 Under Article 15 of the Constitution the Monitoring Officer has a duty to monitor and review the Constitution. The changes made following this review are either

administrative, as a result of legislative changes, or as approved by the Audit and Governance Committee on 10 April 2019 in relation to standards arrangements, and therefore fall within delegation under the existing Constitution.

- 1.3 The Terms of Reference of Audit and Governance Committee include monitoring and reporting on the effectiveness of the Constitution, and therefore the changes are reported to this Committee and referred to Council to note.

2. The Changes

- 2.1 The review has been undertaken by the Monitoring Officer. The review has considered changes to legislation concerning Remote Meetings, and recommendations of the Audit and Governance Committee in relation to Standards arrangements.
- 2.2 The table at Appendix A sets out the proposed changes in the different sections of the Constitution.
- 2.3 Audit and Governance Committee are asked to note the changes and refer the same to Council to note.
- 2.4 As the changes relating to remote meetings fall within delegation and are as a result of legislative changes, they became operative in June 2020. Present legislation allows Remote meetings until May 2021.

3. Alternative Options Considered

Not applicable.

4. Implications

4.1 Legal Implications

A local authority is under a duty to prepare and keep up to date its constitution under the Local Government Act 2000 as amended.

4.2 Financial Implications

None.

4.3 Policy and Risk Implications

If the Constitution is not up to date, there is a risk that decisions will not be made on a lawful basis.

4.4 Corporate Plan Implications

The changes made by the Monitoring Officer enable Council business to be undertaken through remote meetings in a transparent and fair manner, having regard to the public health requirements during the Covid-19 pandemic. The

changes resolved to be made by the A&G Committee on 10 April 2019 ensures that the Council continues to promote and maintain high standards of member conduct in accordance with the most up to date recommendations for best practice.

4.5 Resource Implications

None.

4.6 Other Implications

None.

4.7 Equalities Impact Assessment

None.

5. Conclusion

The amendments made ensure delivery of decision making in an open and transparent manner whilst complying with public health objectives of avoiding face to face meetings to assist in reducing the spread of Covid-19.

6. Background Documents

None.

7. Appendices

Appendix A – Amendments to the Constitution

Contact Officer:

Alison Hartley, Solicitor to the Council and Monitoring Officer
ahartley@selby.gov.uk
01757 292095

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Appendix A

Set out below are extracts from the Constitution where amendments have been made under delegation. The updated Constitution is available on the Council's website in full. Text in red has been added. Words in italics or scored through indicate where text has been deleted.

Part 1 - Summary and Explanation

The Constitution is subject to and must be interpreted in accordance with legislation.¹

¹ NB: Where there is conflict between the Constitution and any legislative changes the legislation takes precedence.

- submit questions to meetings of the Council and contribute to investigations when invited to do so by the overview and scrutiny committees.
- complain to the Monitoring Officer in line with the arrangements in part 5.2 of the constitution if they have evidence which they think shows that a councillor has not followed the Councillor Code of Conduct; and

Part 2 – Articles of the Constitution

1.4 Interpretation and review of the Constitution

The Constitution is subject to and must be interpreted in accordance with legislation.

Any reference in this Constitution to particular statutory provisions, or subsidiary legislation, shall include any subsequent statutory provisions or subsidiary legislation, which either replicates or substantially replicates any of those particular statutory provisions or subsidiary legislation.

Where the provisions of this Constitution require interpretation, such interpretation will be undertaken by the Monitoring Officer and/or in their absence their Deputy Monitoring Officer.

4.1 Meanings

- (a) **Policy Framework.** The policy framework means the following plans and strategies:
- Corporate Plan
 - Asset Management Strategy
 - Statement of Licensing Policy (Gambling)
 - **Licensing Act 2003 Policy (Alcohol)**
 - Plans and strategies which together comprise the Development Plan.

4.3 Council meetings

There are three types of Council meeting:

- (a) the annual meeting;
- (b) ordinary meetings;
- (c) extraordinary meetings.

and they will be conducted in accordance with the Council Procedure Rules¹ in Part 4 of this Constitution.

¹ And/or the Remote Meeting Rules as applicable.

7.6 Proceedings of the Executive

Proceedings of the Executive shall take place in accordance with the Executive Procedure Rules set out in Part 4 of this Constitution.²

² And/or the Remote Meeting Rules as applicable.

13.5 Decision-making by the Council

Subject to Article 13.9, the Council meeting will follow the Council Procedures Rules set out in Part 4 of this Constitution when considering any matter.³

³ And the Remote Meeting Rules where applicable.

16.3 Publication

- (a) The Chief Executive will make available a copy of this Constitution to each councillor upon delivery to him/her of that individual's declaration of acceptance of office on the councillor first being elected to the Council.
- (b) The Chief Executive will ensure that copies are available for inspection at the Council's offices,⁴ its website, libraries and other appropriate locations, and can be purchased by members of the local press and the public on payment of a reasonable fee.

⁴ Access to buildings will be subject to compliance with Covid-19 guidance. The Constitution is available on the Council's website.

Part 3 - Responsibility For Functions
Part 3.2 Summary of Responsibilities
Shared Functions

Function	Decision-Making Bodies	Extent of Functions
Plans and alterations which together comprise the Development Plan ⁵	The Executive	Formulation and Development
	The Council	Adoption, amendment and modification
Licensing Policy Statement (Gambling) ⁶	The Executive	Formulation and Development
	The Council	Adoption, amendment and modification
Licensing Act ⁷ 2003 Policy (Alcohol)	The Executive	Formulation and Development
	The Council	Adoption, amendment and modification

⁵ S38 and s15 Planning and Compulsory Purchase Act 2004

⁶ S349 Gambling Act 2005

⁷ Licensing Act 2003

Role and Composition of the Executive
Members of the Executive

Councillor Mark Crane – Leader of the Council with specific responsibility for Strategic Matters, External Relations, Leisure and Partnerships

Councillor Richard Musgrave – Lead Councillor for Place Shaping and Deputy Leader of the Council

Councillor Clifford Lunn – Lead Councillor for Finance and Resources

Councillor David Buckle – Lead Councillor for Communities and Economic Development

Councillor Chris Pearson – Lead Councillor for Housing, Health and Culture

The Leader

Main Role

To lead on leisure, the development of external relations and local, regional, national and European policy and strategic partnerships.

Deputy Leader and Place Shaping Portfolio

Main Duties and Responsibilities

iv. To lead on the Housing Delivery Programme Board to give strategic oversight and direction to the implementation of the Council's Housing Delivery Plan

Individual Executive Councillor Decision making for 2019/20

3.4.2 LICENSING AND APPEALS COMMITTEE

(c) Animal welfare functions under The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018.

PART 3.7 - JOINT COMMITTEES

REMOVED paragraph 3.7.2 North Yorkshire Procurement Partnership

3.9.3 Specific Functions delegated to the Chief Executive

- (i) to have authority over all other officers (except the Monitoring Officer and the Section 151 Officer when either act in that capacity) and to be able to approve sub delegation of any of their functions in their absence;
- (g) Under the Data Protection Act 2018 and Freedom of Information Act 2000, and guided by the Access to Information Procedure Rules, to decide appeals as to whether applications by councillors for access to material should be refused.

3.9.5 Specific Functions delegated to the Solicitor to the Council

- (d) To undertake all of the Council's functions in connection with:
 - Local Authority Legal Services
 - Local Land Charges and Searches/Enquiries
 -
 -
 - National Assistance Act 1948 and subsequent legislation
- (i) To be responsible for the provision of legal advice to the 151 Officer relating to information governance

3.9.6 Specific Functions delegated to the Chief Finance Officer (s151)

- (xiii) Information governance including Freedom of Information and Data Protection

Part 4 - Rules of Procedure

4.1 - Council Procedure Rules

Annual Meeting of the Council

Timing and Business

The Annual Meeting of the Council shall be held¹:

¹ Unless otherwise determined by the Council (or Chief Executive exercising emergency powers) pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

Time and place of meetings

The time and place of meetings will be determined by the Council and notified in the summons sent by the Chief Executive ²

² Unless otherwise determined by the Council (or Chief Executive exercising emergency powers) pursuant to The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

4.8– Contract Procedure Rules

CONTRACT PROCEDURE RULES – Appendix C

2.7 Failure to comply with the CPRs **are a serious matter and** may result in disciplinary action.

2.8 Breaches to these CPR's are to be reported to the Head of Commissioning, Contracts and Procurement in the first instance who will ascertain if a material breach has occurred. Where further action is judged necessary the breach will be reported to Leadership Team to determine appropriate action.

2.9 A record of all breaches will be maintained by the Commissioning, Contracts and Procurement team.

Key Decision and Forward Plan

9.4 Publication of the Forward Plan

11.3 The estimated Value of the Contract shall be recorded in writing prior to quotations being sought. Quotations above £25,000 **must** be invited using the E-Sourcing system, **unless an alternative method is agreed with the Head of Commissioning, Contracts and Procurement, or a nominated officer.**

11.4 If a Director or Head of Service considers it to be appropriate that any ITQ shall be available to all potential Participants then a notice advertising the opportunity shall be published through the E-Sourcing System (**unless alternative is agreed**) and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the Value, location and subject matter of the Contract. The notice shall specify brief details of the Contract, how the ITQ documents may be obtained and the closing day for receipt of

quotations by the Council.

12.2 Where there are sufficient numbers of providers at least **four** written tenders will be invited. Tenders must be invited by publishing an open opportunity on the E-Sourcing System, **unless an alternative method is agreed with the Head of Commissioning, Contracts and Procurement, or a nominated officer.**

13.3 All OJEU Contract notices must also be published on Contracts Finder.

The current thresholds (as at January 2020) are: **[DATE & FIGURES HAVE BEEN AMENDED]**

Goods OR Services - £189,330

Works - £4,733,252

Contracts for Social and other Specified Services - £663,540 (light touch regime)

18.3 Open Tenders

If a Contract (including a Contract for Social or Other Specific Services or a Contract for Works) has a Value in excess of £50,000 but below EU threshold then the following procedures shall apply:

- (i) A notice advertising the opportunity shall be published through the E-Sourcing System and Contracts Finder, **unless an alternative method is agreed with the Head of Commissioning, Contracts and Procurement, or a nominated officer** and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the Value, location and subject matter of the Contract. The notice shall specify brief details of the Contract, how the ITT documents may be obtained and the closing date for receipt of tenders by the Council.

19. Restricted Tenders

Only in the case of Social or Other Specific Service Contracts or Works Contracts in excess EU thresholds if a Director or Head of Service in consultation with the Solicitor to the Council, **considers** it appropriate that any tender shall be restricted to selected participants by following the restricted procurement procedure, then the following procedures shall apply:

- (i) A notice advertising the opportunity and inviting expressions of interest shall be published through the E-Sourcing System, **unless an alternative method is agreed with the Head of Commissioning, Contracts and Procurement, or a nominated officer** and, if considered appropriate, a local newspaper and a suitable professional or trade journal or website. The form of advertising shall take into account the Value, location and a subject matter of the Contract. The notice shall specify brief details of the Contract and invite potential Participants to complete a request to participate for submission to the Council in order to be considered to be invited to tender. The notice shall include details as to how requests to participate are to be submitted and the closing date for their receipt by the Council.

20. Framework Agreements

[DELETED SECTION 21 - APPROVED LIST OF PROCEDURE]

Submission Receipt, Opening and Registration of Tenders

23.4 Emailed tender documents or tender submissions are not acceptable for procurements that have a Value above £5,000, **unless approved by the Head of CC&P, or nominee**

Submission of Tenders

26.3 Where the electronic tendering system is unavailable or deemed not appropriate for the procurement exercise, authorisation to use alternative electronic means of tender submission is required from **the Head of Commissioning, Contracts and Procurement, or a nominated officer**, Invitations to Tender may be transmitted by electronic means.

Waiver of Contract Procedure Rules

32.2 ...

- (vii) The purchase of a work of art, **performing art, animation / video** or museum specimen;

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REMOTE MEETING PROCEDURE RULES

These rules will be in force until 7 May 2021.

1. Preamble

Regulations¹ made under the Coronavirus Act 2020 define “attendance” at meetings to include by electronic means, including by telephone conference, video conference, live webcasts, and live interactive streaming.

The Regulations modify every Council’s Standing Orders so that they are deemed to enable formal decisions to be made at Council meetings where “attendance” is by remote means. The Regulations also remove the requirement for the Annual Council Meeting in 2020. The Regulations provide flexibility in decision-making and enable formal decision-making meetings to be held whilst still complying with public health social distancing guidance, during the course of the coronavirus pandemic.

These Remote Meeting Rules (RMR) modify the Council’s existing Standing Orders, in accordance with, and further to, the Regulations. These changes are consequential to legislative changes and do not alter the purpose or intent of the Constitution, and so have been made by the Monitoring Officer using delegated powers². Further changes may be made by the Monitoring Officer to facilitate Remote Meetings.

2. Definitions

2.1 In the RMR:

“Meeting” means any meeting of:

- the Council; or
- any committee of the Council; or
- any sub-committee of the Council.

2.2 “Remote Access” means attending a meeting by electronic means, including by telephone conference, video conference, live webcasts, and live interactive streaming.

¹ The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

² Selby District Council Constitution Part 3 – Responsibility for Functions. Para 3.9.5 (b) (vii).

2.3 “Remote Attendance” means attending a meeting by Remote Access and complying with the conditions set out in these Rules about being heard and (where practicable) seen by other attendees.

2.4 “Member” includes:

- an elected Councillor;
- a co-opted member of a committee or sub-committee whether voting or non-voting; and
- an independent member of a committee or sub-committee whether voting or non-voting.

2.5 “Standing Orders” means all or any of the following, as the context requires:

- Council Procedure Rules
- Access to Information Procedure Rules
- Budget and Policy Framework Rules,
- Access to Information Procedure Rules,
- Executive Procedure Rules,
- Overview and Scrutiny Procedure Rules
- CEF Procedure Rules
- Finance Procedure Rules
- Contract Procedure Rules
- Officer Employment Procedure Rules, and
- Councillor Code of Conduct

and associated Codes and Protocols as set out in and accompanying the Constitution of Selby District Council.

3. Application

3.1 The RMR apply to Remote Meetings of:

- the Council;
- any committee of the Council; and
- any sub-committee of the Council.

3.2 The RMR do not apply to meetings of task and finish groups, working groups, or the Local Plan Programme Board, or other similar Boards.

3.3 Standing Orders continue to apply, subject to any modification set out in the RMR. If any Standing Order conflicts, then the RMR shall take precedence to enable voting by Remote Attendance.

3.4 All meetings for which there is Remote Access will be held in accordance with the RMR.

4. Remote Access Meetings

4.1 All meetings should be held through Remote Access only, unless the Chief Executive, in consultation with the Leader, and in accordance with public health guidance, agrees that a Meeting of Members in the same room, which will be open to the public, may take place.

5. The Annual Meeting

5.1 The requirement in Council Procedure Rule 1.1 to have an Annual Meeting is disapplied. Where an appointment would otherwise have been made or is required to be made at the Annual Meeting, the appointment will continue until the next Annual Meeting of the Council or until such time as the Council determines.

6. Meeting Times and Dates

6.1 Standing Orders are modified to allow the Council³ without further notice to:

- hold any Meeting on any date and time, or
- alter the frequency of, move or cancel any Meeting⁴.

7. Place of Meetings

7.1 Any reference in Standing Orders to a Meeting is not limited to one where all or any of the Members are present in the same place.

7.2 Any reference in Standing Orders to a “place” or “location” where a Meeting is held, or to be held, includes reference to more than one place including electronic digital or virtual locations such as internet locations, web addresses or conference call telephone numbers.

8. Remote Attendance by Members

8.1 Any Member who is present at a Meeting through Remote Access is in Remote Attendance at any time if the Member is able:

³ or the Chief Executive or the Solicitor to the Council, in consultation with the Chair

⁴ The Chief Executive or the Solicitor to the Council, may alter the frequency, move or cancel a meeting in consultation with the relevant Chair, without requirement for further notice.

- (a) to hear, (and where practicable see), the other Members in Remote Attendance, and
- (b) to be heard (and where practicable be seen) by the other Members in Remote Attendance, and
- (c) to hear, and where practicable see, any members of the public who are in Remote Attendance at the meeting by virtue of having been permitted to speak by the Chairman, and
- (d) to be heard and, where practicable, be seen by, any members of the public who are in Remote Attendance at the meeting by virtue of having been permitted to speak by the Chairman, and
- (e) to be heard and, where practicable, seen by any other members of the public in Remote Attendance at the meeting.

8.2 All of these conditions (a) to (e) must be satisfied for a Member to be in Remote Attendance.

8.3 These Rules apply even if there is any prohibition or other restriction in Standing Orders, and any such prohibition or restriction has no effect.

8.4 Attendance at a Remote Meeting counts as attendance for the purposes of the Local Government Act 1972.

9. Officers

9.1 An Officer may present a report (or otherwise contribute) to a meeting where this is normal practice, but only where they have Remote Access to the meeting which enables them to be heard by attendees including the public.

9.2 A Democratic Services Officer must be in Remote Attendance at a meeting where all Members are in Remote Attendance. Where a meeting is held in a physical room and some Members are in physical attendance in that room, but some other Members attend by Remote Attendance, the Democratic Services Officer shall be in attendance in the physical room.

10. Other Attendees

10.1 Any other person may attend and contribute to a meeting (in accordance with Standing Orders or otherwise invited to do so by the Chair), provided that they have Remote Access to the meeting which enables them to be heard by attendees including the public.

11. Public Access to Meetings

- 11.1 Any reference in Standing Orders (however expressed) to a Meeting being “open to the public” includes access through Remote Access, and where a meeting is accessible to the public through Remote Access, the Meeting is open to the public whether or not members of the public are able to attend the Meeting in person.
- 11.2 A Meeting shall not be taken as open to the public unless full details of how the public may access the meeting through Remote Access are published on the Council’s website in advance of the Meeting.

12. Documents

- 12.1 Any reference in Standing Orders (however expressed) to a document being “open to inspection” includes being published on the Council’s website.
- 12.2 Any reference in Standing Orders (however expressed) to “the publication, posting or making available of a document at offices of the Council” includes publication on the Council’s website.

13. Conduct of the Meeting

Leaving and joining the meeting

- 13.1 Members should **join the Meeting at least 10 minutes prior to the published start time** to ensure that any technical issues are resolved, avoid interruption to the Meeting, and should remain for the full duration of the Meeting wherever possible.
- 13.2 Members (including those who may be seen) should **inform the Chair** and the Democratic Services Officer as soon as practicable if they:
- **join the Meeting part-way through,**
 - **leave the Meeting** before it is finished, **or**
 - **later re-join** the Meeting.

This will help the record of attendance to be accurate; the minutes will record these declarations. The Chair can be informed via the “Chat” function.

Explanation of the procedures to be adopted

- 13.3 The Chairman will explain how the Remote Meeting will be conducted for the benefit of those in Remote Attendance including the press and public.
- 13.4 The Chairman should be proactive and verbally note the order of speaking at the beginning of discussion on an item.

13.5 Members can assist with this by indicating prior to the meeting to the Chairman or Democratic Services Officer that they may wish to speak on any item on the agenda.

13.6 Before the meeting starts, the Democratic Services Officer will provide the Chairman with a list of Members expected to be in Remote Attendance.

13.7 At the beginning of the Meeting, the Chairman will ask any Member in Remote Attendance who is not able to be seen by attendees to **confirm their attendance verbally**, as a way of confirming their identity.

Speaking

13.8 Members in Remote Attendance who can be seen by other attendees and wish to speak on an item should **raise their hand**. The Chair should check with any Member in Remote Attendance who can't be seen by other attendees whether they wish to speak on each item. Members who cannot be seen may use a 'prompt' function to request time to speak.

13.9 Members should:

- only **speak when invited to** by the Chair,
- **state their name** before making a comment,
- **not speak over each other**,
- keep their **microphones on mute** if they are not speaking,
- **state the relevant page or slide number** where referring to a particular document.

13.10 Any camera (video-feed) should wherever possible show a non-descript background and Members should be careful to not allow exempt or confidential papers to be seen in the video-feed.

14. Voting

14.1 The Chair will ask Members to collectively affirm any recommendation verbally. A Member in Remote Attendance must **inform the Chair if they do not wish to affirm the resolution**, at which point the Chair may ask the Democratic Services Officer to poll members by asking any Member in Remote Attendance who cannot be seen by other attendees to confirm verbally how they are voting.

14.2 The individual vote of any Member confirming verbally in these circumstances will not be formally recorded in the minutes, except in accordance with a vote requested under Council Procedure Rule 22.4 (recorded vote) or 22.6 (right to request an individual vote be recorded).

15. Exempt and Confidential Items

- 15.1 The usual requirements in relation to these continue to apply. These items should be considered at the end of a Meeting to facilitate prohibiting the public's access during these items.
- 15.2 The Democratic Services Officer is responsible for ensuring that the public do not have access to the Meeting during these items.
- 15.3 The Chair must not allow the meeting to discuss any exempt or confidential item until the Democratic Services Officer has verbally confirmed that the public does not have access to the Meeting.
- 15.4 A Member in Remote Attendance must not breach their duty of confidentiality to the Council by allowing any unauthorised person to be present in the same room as them when the Meeting discusses an exempt or confidential item.

16. Technical Difficulties

- 16.1 If the Chair is made aware that the public's Remote Access to the Meeting is lost or interrupted, the Chair should adjourn the meeting during any item which is open to the public.
- 16.2 The Chair should also adjourn the Meeting if the Democratic Services Officer loses their connection.
- 16.3 The Chair may also briefly adjourn a Meeting if made aware that a Member in Remote Attendance has lost their connection to the Meeting.
- 16.4 If a significant number of Members in Remote Attendance lose their connection at the same time, the Chair may adjourn the Meeting to another date or time even if the Meeting is still quorate.
- 16.5 During any period when a Member has lost their connection, they are not deemed to be present at the Meeting. In such circumstances, a Member should consider whether their absence during the debate on the item is such that it is inappropriate for them to take part in the vote.
- 16.6 The Chair may also defer an item if any other person who was expected to participate or contribute in relation to that item loses their connection.

17. Conflicts of Interest

- 17.1 Members need to comply with the Members' Code of Conduct including making declarations of interest at a Meeting. Any declarations made will be recorded in the minutes of the Meeting.

17.2 A Member in Remote Attendance with a disclosable pecuniary interest in an item who has to leave the Meeting should **declare their interest verbally** to the Chair and **leave the Meeting**. Once the item has been dealt with, the Democratic Services Officer attending the Meeting will tell the Member that they may re-join the Meeting.



Report Reference Number: A/20/8

To: Audit and Governance Committee
Date: 29 July 2020
Status: Non-key Decision
Ward(s) Affected: All Wards
Author & Lead Officer: Alison Hartley, Solicitor to the Council and Monitoring Officer

Title: Updated Selby District Council Code of Conduct and LGA Model Code of Conduct Consultation

Summary:

To confirm the amendments made to the Code of Conduct for Members and arrangements for dealing with standards complaints following the Audit and Governance Committee's decision on 19 April 2019, having regard to the best practice recommended in the report of the Committee on Standards in Public Life.

To seek the views of the Audit and Governance Committee on the LGA Model Code of Conduct presently out for consultation until 17 August 2020.

Recommendations:

- (i) to note the updated Code of Conduct and arrangements for standards complaints attached at Appendix 1; and**
- (ii) to note the LGA Model Code of Conduct attached at Appendix 2 and the consultation.**

Reason for recommendations:

To ensure that the Council continues to promote and maintain high standards of Member conduct in accordance with the most up to date recommendations for best practice.

1. Introduction and background

- 1.1** Selby District Council has operated and continues to operate in extraordinary times as a result of Covid-19. Consequently, the present Monitoring Officer has not had an opportunity to formally address the Audit and Governance Committee about the changes that it agreed were to be made in April 2019 to the Code of Conduct, following the previous Monitoring Officer's report. That amended Code is

now attached at Appendix 1 for the Committee to note.

- 1.2** More recently, the LGA has issued a Model Code of Conduct and this is presently out for consultation until 17 August 2020. A copy is appended at Appendix 2, together with the list of questions. The consultation link will be circulated to all Members and they are encouraged to submit their views individually. <https://www.local.gov.uk/code-conduct-consultation-2020>

2. The Report

- 2.1** To remind Members of the background and context to the changes being proposed in the LGA Model Code, a summary of the findings of the Committee on Standards in Public Life is set out below. The Committee was established in 1994 and is responsible for promoting what are sometimes called the Nolan Principles. The 7 Principles of Public Life are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- 2.2** The Committee keeps a watching brief and publishes reviews of the effectiveness of the current arrangements for standards in local government particularly since the changes introduced by the Localism Act 2011. The most recent (20th) report is publicly available and can be seen online here <https://www.gov.uk/government/publications/local-government-ethical-standards-report>

In summary the Committee recognised and recommended:

- 2.2.1** That responsibility for ethical standards should remain with local authorities and not be returned to a national centralised body such as the former Standards Board for England.
- 2.2.2** That a clear, relevant and proportionate code for each individual authority is essential. The Committee recommends that there should be a national model code (not yet available) but this will not be mandatory.
- 2.2.3** Recommends removal of the criminal offences relating to disclosable pecuniary interests (DPIs).
- 2.2.4** Recommends an amendment to the Localism Act 2011 which will replace the rules around declaring pecuniary interests with a more general objective test.
- 2.2.5** Recommends that Councillors should be presumed to be acting in an official capacity in their public conduct including on publicly accessible social media.
- 2.2.6** Recommends that stronger sanctions should be made available for breaches of ethical standards including that local authorities are given the power to suspend Councillors for up to 6 months in serious cases albeit that the Committee envisages that such a sanction would be rarely used and only in the most serious circumstances.

- 2.2.7** Recognises that ‘principal authorities’ such as Selby District Council have responsibility for investigating and resolving standards breaches at Parish Councils, but recognises that this can be a disproportionate burden and makes recommendations, for example, that Parish Councils should be required to adopt either the code of conduct of the principal authority or a new model code, and that the principal authority’s decision on sanctions for a Parish Councillor should be binding.
- 2.3** The Committee made 26 recommendations in all many of which will require a change in legislation and action from central government. The Best Practice list identified by the Committee was considered by the Audit and Governance Committee in April 2019, and the updated version at Appendix 1 now fully complies with these recommendations.
- 2.4** One of the Committee’s recommendations was that a model national Code of Conduct should be adopted. The proposed National Code has been drafted by the LGA as a response to the Committee’s recommendations and is now the subject of consultation. Members are encouraged to access the link and submit individual responses to the consultation before 17 August 2020: <https://www.local.gov.uk/code-conduct-consultation-2020>

3. Alternative Options Considered

- 3.1** None.

4. Implications

- 4.1** There are no financial, policy, risk, corporate plan, resource or other implications from this report.

4.2 Legal Implications

Legal Implications are incorporated into the main text of this report.

5. Conclusion

- 5.1** The Committee Report of Standards in Public Life provided a useful and well considered review of the effectiveness of the current arrangements for local authorities in upholding the principles of public life and of best practice across the country. It provided a helpful framework for the amendments and additions to Selby District Council’s Code. Members are encouraged to respond to the consultation via the link provided, which will be e-mailed to all Members. It should be noted that some of the matters set out in the Model Code will require further legislation in due course and central government action before they could be given effect. It is anticipated that such legislative changes may be made in the future, but at present there is no formal timeframe.

6. Background Documents

<https://www.gov.uk/government/publications/local-government-ethical-standards-report>

7. Appendices

Appendix 1 – Updated Selby District Council Code of Conduct for Members
Appendix 2 – LGA Model Code of Conduct and Consultation Questions

Contact Officer:

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CODE OF CONDUCT FOR SELBY DISTRICT COUNCILLORS

Selby District Council (“the Council”) adopted this code of conduct on 26 June 2012 and it came into force on 1 July 2012. The Code sets out the conduct that is expected of you when acting as a Selby District Councillor or when you are appointed as a co-opted member on any Committee of the Council.

The Code of Conduct is based upon the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

In undertaking your duties as a Councillor you must comply with this Code of Conduct set out below, and if required by the Monitoring Officer, take part in any formal standards investigations :

1. You must not behave in a way that a reasonable person would regard as disrespectful to them.
2. You must not bully or harass¹ or intimidate or attempt to bully or harass or intimidate any person.
3. You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Council.
4. You must not bring the Council, or your office as a Councillor, into disrepute.
5. You must not do anything which may cause the Council to breach any equality enactment.
6. You must not use or attempt to use your position as a Councillor improperly to confer on or secure for yourself or any other person any advantage or disadvantage.

¹ Bullying includes “offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient.”

Harassment is defined in the Equality Act 2010 as “unwanted conduct related to a relevant protected characteristic”, which has the purpose or effect of violating an individual’s dignity or “creating an intimidating, hostile, degrading, humiliating or offensive environment” for that individual

Examples of bullying include: making trivial or malicious allegations about Members to the Monitoring Officer through the standards process; spreading malicious rumours, or insulting someone by word or behaviour ; copying memos that are critical about someone to others who do not need to know ; ridiculing or demeaning someone –picking on them or setting them up to fail ; exclusion or victimisation ; unfair treatment ; overbearing supervision or other misuse of power or position ; unwelcome sexual advances – touching, standing too close, display of offensive materials, asking for sexual favours, making decisions on the basis of sexual advances being accepted or rejected ; making threats or comments about job security without foundation ; deliberately undermining a competent worker by overloading and constant criticism ; preventing individuals progressing by intentionally blocking promotion or training opportunities

7. You must always use the resources of the Council in accordance with the Council's reasonable requirements and never use those resources for political purposes.
8. If, because of your membership of the Council, you are in receipt of or are offered any gift or hospitality with an estimated value of £50 or more you must disclose this to the Monitoring Officer; and you must decline to accept any such gift or hospitality which could reasonably be perceived as creating an obligation upon the Council, or upon yourself as a member of the Council.
9. You must not knowingly prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
10. You must not disclose information which is given to you in confidence, or information which you believe or ought reasonably to be aware is of a confidential nature, unless:
 - You have the consent of a person authorised to give it; or
 - You are required by law to do so; or
 - The disclosure is made to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
 - The disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Council.
11. You must not take part in the scrutiny of any decision you have been involved in making – except that you may provide evidence or opinion to those undertaking the scrutiny process.
12. The Council's Monitoring Officer will maintain a Register of Interests for Councillors and Co-opted members. Subject to paragraph 16, you must register your interests in the Council's Register of Interests. In this code of conduct "your interests" means any disclosable pecuniary interest as defined in paragraph 14 below and also those other interests set out in paragraph 15, where those interests are held in either case:
 - by you; or
 - to your knowledge, by your spouse or civil partner, by a person with whom you are living as husband and wife, or by a person with whom you are living as if you were civil partners.
13. You must register information regarding your interests by giving written notice to the Monitoring Officer, who maintains the Register; and you must give such notice:

- before the end of 28 days beginning with the day of your appointment as a member of the Council; and/or
 - before the end of 28 days beginning with the date of any change in your interests.
14. The following are disclosable pecuniary interests referred to within paragraph 12:
- Your employment, office, trade, profession or vocation carried on for profit or gain;
 - Any payment or provision of any other financial benefit (other than from the Council) made or provided in respect of any expenses incurred by you in carrying out your duties as a Councillor or co-opted member or towards your election expenses including any payment or financial benefit from a Trades Union;
 - Any contract which is made between you (or a body in which you have a beneficial interest) and the Council for the provision of goods or services or the exchange of works and which has not been fully discharged;
 - Any beneficial interest which you have in land which is within the Council's area;
 - Any licence you hold either alone or jointly with others to occupy land in the Council's area for a month or longer;
 - Any tenancies where you know that the Council is the landlord and that the tenant is a body in which you have a beneficial interest;
 - Any beneficial interest in securities in a body where you know that body has a place of business in the Council's area and either:
 1. the total nominal value of the securities exceeds £25,000 or one hundredth of the total share capital; or
 2. if the share capital of the body is more than one class, the total nominal value of the shares of any one class in which you have a beneficial interest exceeds one hundredth of the total issued share capital in that class.
15. The following are the other interests referred to within paragraph 12:
- Your membership of any body to which you are appointed by the Council;
 - Your membership of any public body;
 - Your membership of any charitable body; or

- Your membership of any political party, trade union, or other body where one of the principal purposes of that body is to influence public opinion or policy.
16. Where you consider that disclosure of the details of any of your interests could lead to you, or a person connected with you, being subject to violence or intimidation, you should tell the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the register to the effect that you have a registerable interest, details of which are withheld under Section 32 of the Localism Act 2011.
 17. Where you attend a meeting of the Council, or of a Committee of the Council, and you are, or ought reasonably to be, aware that any of your interests are relevant to an item of business which is being considered, then unless the interest is one which has been registered under paragraph 12, you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later.
 18. Where you attend a meeting of the Council, or of a Committee of the Council, and you are, or ought reasonably to be, aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the well being or financial position of a person described in paragraph 19 to a greater extent than the majority of inhabitants of Selby District, then you must disclose to that meeting the existence and nature of that interest at the commencement of that item of business, or when the interest becomes apparent, if later.
 19. The persons referred to in paragraph 18 are:
 - (a) a member of your family;
 - (b) any person with whom you have a close association; or
 - (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.
 20. You must comply with the Procedure Rule adopted by the Council which requires Councillors to leave the room and take no part during that part of any meeting at which a matter in which you have a disclosable pecuniary interest is being discussed. In the circumstances of a Remote Meeting you must comply with the Remote Meeting Rules and leave that meeting.
 21. You may make a written request to the Monitoring Officer seeking a dispensation from the rules regarding interests and the Monitoring Officer may agree to grant a dispensation in the following circumstances:

1. Where so many members of the decision-making body have DPs in a matter that it would “impede the transaction of the business”;
2. Where, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter;
3. Where the dispensation is in the interests of persons living in the Council’s area;
4. Where, without a dispensation, no member of the Executive would be able to participate in a matter before the executive; or
5. Where the Monitoring Officer considers that it is otherwise appropriate to grant a dispensation.

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ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS UNDER THE LOCALISM ACT 2011

These “Arrangements” set out how you may make a complaint that an elected or co-opted member of Selby District Council (or of a parish or town council within its area) has failed to comply with that Council’s Code of Conduct, and sets out how the Council will deal with allegations of a failure to comply with the Council’s Code of Conduct.

Under Section 28(6) and (7) of the Localism Act 2011, the Council must have in place “arrangements” under which allegations that a member or co-opted member of the Council (or of a parish or town council within the Council’s area), or of a Committee or Sub-Committee of the Council, has failed to comply with that Council’s Code of Conduct can be investigated and decisions made on such allegations.

Such arrangements must provide for the Council to appoint at least one Independent Person, whose views must be sought by the Council before it takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the Council at any other stage, or by a member (or a member or co-opted member of a parish or town council) against whom an allegation has been made.

The Code of Conduct

Selby District Council has adopted a Code of Conduct for members, which is set out at Part 4 of this Constitution and available for inspection on the Council’s website ~~and on request at Access Selby in Selby Town Centre.~~

Each parish or town council is also required to adopt a Code of Conduct. If you wish to inspect a Parish or Town Council’s Code of Conduct, you should inspect any website operated by the parish or town council or request the clerk to allow you to inspect that council’s Code of Conduct.

1. Making a complaint

If you wish to make a complaint, please write or email to:

The Monitoring Officer
Selby District Council
Civic Centre
Doncaster Road
Selby YO8 9FT

Or:

standards@selby.gov.uk monitoringofficer@selby.gov.uk

The Monitoring Officer is a senior officer of the Council who has statutory responsibility for maintaining the register of members’ interests and who is responsible for administering the system in respect of complaints of Councillor misconduct.

2. Procedure for Dealing with Complaints

In order to ensure that we have all the information which we need to be able to process a complaint, complainants are asked to complete and send us the standard complaint form, which can be downloaded from the Council's website, next to the Code of Conduct, ~~and is available on request from the Customer Contact Centre~~. Complainants who choose not to use the standard form must ensure that they provide us with all of the equivalent information; otherwise we may not be able to deal with their complaint.

The Council does not normally investigate anonymous complaints, unless there is a clear public interest in doing so.

The Monitoring Officer will acknowledge receipt of a complaint within 5 working days of receiving it. He/she will keep parties informed of the progress of a complaint.

The Monitoring officer will also normally inform the subject Councillor that a complaint has been made and send them a copy of it. If a complainant has a genuine reason why their details should be withheld from the subject Councillor they should advise the Monitoring Officer of this. The Monitoring Officer may decide to withhold the details or advise the complainant that in the interests of fairness the details will not be withheld. In that case the complainant may choose not to proceed with the complaint.

The following presumptions will apply to the procedure

- There will be a working assumption that details of the allegations made against a Councillor should not be made public until the end of the process and only if there is an investigation (subject to the rules on access to information).
- There will be recognition from the outset of any complaint that the action that can be recommended at the end of any process must be proportionate to the need to ensure effective administration of the Council, the welfare of its staff or the reputation of the Council.
- There will be an overriding presumption that complaints should be settled quickly, efficiently and informally and in a way that represents value for money and takes into account the limited action that can be taken against a Councillor.

Assessment stage

The Monitoring Officer will review every complaint received and apply the assessment criteria at Appendix 1 in considering whether it is in the public interest to formally investigate. He/she will, after consultation with the Independent Person, take a decision as to whether it merits further formal action.

This decision will normally be taken within 14 days of receipt of a complaint. Where the Monitoring Officer has taken a decision, he/she will inform the complainant and the subject Councillor of his/her decision, the views of the Independent Persons and the reasons for the ~~eat~~ decision.

Where he/she requires additional information in order to come to a decision, he/she may come back to the complainant for such information, and may request information

from the member against whom the complaint is directed. Where a complaint relates to a Parish or Town Councillor, the Monitoring Officer may also inform the Parish or Town Council of the complaint and seek views before deciding whether the complaint merits formal investigation.

In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for further formal action. Such informal resolution may involve the Councillor against whom the complaint is made accepting that his/her conduct was unacceptable and offering an apology, or other remedial action by the Councillor.

Where the Councillor or the Council make a reasonable offer of local resolution, but the complainant is not willing to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits further formal action.

If a complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer has the power to call in the Police and other regulatory agencies.

The Investigation Stage

If the Monitoring Officer decides that a complaint merits further formal action he/she will appoint an Investigating Officer who will arrange for an investigation to take place.

There will be a presumption that any investigations will be completed quickly and where possible by correspondence.

Wherever possible the investigation will conclude and report within 6 weeks of the matter being referred for investigation.

The Hearings Stage

On receipt of the investigation report and where the report indicates that a breach of the Code has occurred the Monitoring Officer will arrange a Hearing. The Monitoring Officer will make reasonable efforts to ensure that the date for the hearing is suitable to all parties but will not tolerate unreasonable delay.

The Hearing will be before the Standards Sub-committee of the Audit and Governance Committee. The Sub-committee will consist of 3 District Councillors who will not all be from the same political party. Where a complaint is in relation to a Town or Parish Councillor the panel will also include two co-opted Town or Parish Councillors. The co-opted Parish representatives will not be from the same parish as the subject councillor.

The Complainant will be offered the opportunity to set out their complaint and comment on the investigation report.

The Subject Councillor will have an opportunity to respond to the Complaint and the investigation report.

The Sub-committee will then decide whether a breach has occurred and announce their findings. If the Hearing finds no breach of the Code of Conduct they will close the hearing and close the complaint.

If the hearing finds a breach of the Code of Conduct the Sub-committee may, after consulting the Independent Person, seek a local resolution. Such resolution may include the Councillor accepting that his/her conduct was unacceptable and offering an apology, and/or other remedial action by the Councillor. If the Councillor complies with the suggested resolution, the Monitoring Officer will report the matter to the Council (or the Parish or Town Council) for information, but will take no further action.

However, if no local resolution is possible or appropriate, the Monitoring Officer will refer the matter to the relevant Council and indicate the Sub-committee's views and recommendation on the appropriate sanction.

Recommended Action

The Sub-committee may recommend any sanction which is in accordance with the law and is proportionate to the findings. Examples of such sanctions include:

- 2.1 That Council pass a motion of censure against the Councillor concerned.
- 2.2 Publishing the findings in respect of the member's conduct;
- 2.3 Recommending to the Councillor's Group Leader (or in the case of un-grouped Councillors, recommend to Council or to Committees) that he/she be removed from any or all Committees or Sub-Committees of the Council;
- 2.4 Recommending to the Leader of the Council that the Councillor be removed from the Cabinet, or removed from particular Portfolio responsibilities;
- 2.5 Arranging training for the Councillor;
- 2.6 Removing (or recommend to the Parish or Town Council that the member be removed) from all outside appointments to which he/she has been appointed or nominated by the Council (or by the Parish or Town Council);
- 2.7 Withdrawing (or recommend to the Parish or Town Council that it withdraws) facilities provided to the member by the Council, such as a computer, website and/or email and Internet access; or
- 2.8 Excluding (or recommend that the Parish or Town Council exclude) the Councillor from the Council's offices or other premises, with the exception of meeting rooms necessary for attending Council, Committee and Sub-Committee meetings.

The Council has no power to suspend or disqualify the Councillor or to withdraw Councillors basic or special responsibility allowances.

Revision of these arrangements

These arrangements will be kept under review and may be amended by resolution of the Audit and Governance Committee.

Appeals

There is no right of appeal for complainants or for the Councillor against a decision of the Monitoring Officer or Sub-committee.

Appendix 1

Jurisdiction and Assessment Criteria

Jurisdiction

Before assessment of a complaint begins, the Monitoring Officer, in consultation with the Independent Person, should be satisfied that the complaint meets the following tests:

1. it is a complaint against one or more named Members/voting co-opted Members (“Members”) of the authority or of a Parish Council within the District;
2. the named Member was in office at the time of the alleged conduct and the Code of Conduct was in force at the time.
3. the complaint, if proven, would be a breach of the Code under which the Member was operating at the time of the alleged misconduct.

If the complaint fails one or more of these tests it cannot be investigated as a breach of the Code, and the complainant must be informed that no further action will be taken in respect of the complaint.

Assessment Criteria

All complaints falling within the jurisdiction of the standards regime will be assessed by the Monitoring Officer, in consultation with the Independent Person, in accordance with the criteria below.

More than one criteria may be applicable to a complaint.

1. Capacity

Was the Councillor acting in in the capacity of councillor at the time of the alleged conduct?

If the answer is **no**, the Code did not apply to the Councillor at the time of the alleged conduct and therefore there can be no breach of the Code.

2. Triviality

Is the complaint too trivial to warrant further action?

If the answer is **yes**: the Monitoring Officer may decide the matter does not warrant further investigation

3. Sufficient Information

Has the complainant submitted enough information to satisfy the Monitoring Officer assessing the complaint that the complaint should be referred for investigation or other action?

If the answer is **no**: the Monitoring Officer may decide the matter does not warrant further investigation

4. Prior Investigation/Action

Has the complaint already been the subject of an investigation or other action relating to the Code of Conduct? Similarly, has the complaint been the subject of an investigation by other regulatory authorities?

If the answer is **yes**: the Monitoring Officer may decide the matter does not warrant further investigation

5. Passage of Time

Is the complaint about something that happened so long ago that there would be little benefit in taking action now?

If the answer is **yes**: the Monitoring Officer may decide the matter does not warrant further investigation

6. Underlying Motivation

Does the complaint appear to be simply malicious, vexatious, politically motivated or tit-for-tat?

If the answer is **yes**: the Monitoring Officer may decide the matter does not warrant further investigation

8. Anonymous Complaints

Is the complaint under consideration anonymous?

If the answer is **yes**, the Monitoring Officer will only refer such a complaint for investigation or some other action if it includes documentary or photographic evidence indicating an exceptionally serious or significant matter and/or if there is a significant public interest in doing so.

9. Requests for Confidentiality

Has the complainant asked for his/her identity to be withheld?

If the answer is **yes**, the Monitoring Officer will need to consider the request by the complainant for confidentiality alongside the substance of the complaint itself. As a matter of fairness and natural justice, Members will usually be told who has complained about them. Requests for confidentiality should only be granted in exceptional circumstances and at the discretion of the Monitoring Officer, in consultation with the Independent Person.

The following considerations may assist the Monitoring Officer's deliberations in this respect:

- a) Whether the complainant has reasonable grounds for believing that they will be at risk of physical harm if their identity is disclosed;

- b) Whether the complainant is an officer who works closely with the subject Councillor and they are afraid of the consequences to their employment or of losing their job if their identity is disclosed (NB: this should be covered by the Council's Whistle-Blowing Policy);
- c) Whether the complainant suffers from a serious health condition and there are medical risks associated with his/her identity being disclosed. In such circumstances, the Monitoring Officer may wish to request medical evidence of the complainant's condition. In such cases, the Monitoring Officer may give the complainant the option of requesting a withdrawal of his/her complaint;
- d) Whether the disclosure of the complainant's identity is necessary for the investigation of the complaint; for example, this may be relevant in a bullying allegation. In such cases, the Monitoring Officer may give the complainant the option of requesting a withdrawal of his/her complaint;
- e) Whether it is possible to investigate the complaint without making the complainant's identity known;
- f) Whether the public interest in proceeding with an investigation outweighs the complainant's wish to have their identity withheld from the subject Member.

Where the Monitoring Officer decides to refuse a request by a complainant for confidentiality, s/he may, in the particular circumstances, decide to offer the complainant the option to withdraw the complaint, rather than proceed with their identity being disclosed.

10. Withdrawal of Complaints

Has the complainant indicated that s/he wishes to withdraw his/her complaint?

If the answer is **yes**, the Monitoring Officer will need to decide whether to grant the request. The following considerations may assist the deliberations in this respect:

- a) Does the public interest in taking some action on the complaint outweigh the complainant's desire to withdraw it?
- b) Is the complaint such that action can be taken on it, for example an investigation, without the complainant's participation?
- c) Is there an identifiable underlying reason for the request to withdraw the complaint? For example, is there information to suggest that the complainant may have been pressured to withdraw the complaint?

Possible decisions

The Monitoring Officer assessing a complaint may decide to refer the complaint for investigation or seek local resolution (e.g. training, conciliation); or may decide that no action should be taken in respect of the complaint.

The Local Government Association Model Member Code of Conduct Consultation Draft

LGA introduction

The LGA is providing this Model Member Code of Conduct as part of its work on supporting the sector to continue to aspire to high standards of leadership and performance.

The role of councillors is a vital part of our country's system of democracy. In voting for a local councillor, the public is imbuing that person and position with their trust. As such, it is important that councillors can be held accountable and adopt the behaviors and responsibilities associated with their role. The conduct of an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to and want to participate in. We want to attract individuals from a range of backgrounds and circumstances who understand the responsibility they take on and are motivated to make a positive difference to their local communities.

All councils are required to have a local Member Code of Conduct. This Model Member Code of Conduct has been developed in consultation with the sector and is offered as a template for councils to adopt in whole and/or with local amendments. The LGA will undertake an annual review of the Code to ensure it continues to be fit-for-purpose, particularly with respect to advances in technology, social media and any relevant changes in legislation. The LGA can also offer support, training and mediation to member councils and councillors on the application of the Code.

Introduction

As a Councillor you represent local residents, work to develop better services and deliver local change. The public have high expectations of you and entrust you to represent everyone (in your ward/town/parish), taking decisions fairly, openly, transparently and with civility. You should also be treated with civility by members of the public, other councillors and council employees. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Purpose

The purpose of this Code of Conduct is to assist councillors in modelling the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect yourself, the public, fellow councillors, council officers and the reputation of local government. It sets out the conduct expected of all Members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of Member and local government.

Application of the Code

The Code of Conduct applies to you when you are acting [or claiming or giving the impression that you are acting]ⁱ in [public or in]ⁱⁱ your capacity as a Member or representative of your council, although you are expected to uphold high standards of conduct and show leadership at all times. The Code applies to all forms of Member communication, including written, verbal, non-verbal, electronic and social media, [including where you could be deemed to be representing your council or if there are potential implications for the council's reputation.]ⁱⁱⁱ Model conduct and expectations is for guidance only, whereas the specific obligations set out instances where action will be taken.

The seven principles of public life

Everyone in public office at all levels – Ministers, civil servants, Members, council officers – all who serve the public or deliver public services should uphold the seven principles of

public life^{iv}. This Code has been developed in line with these seven principles of public life, which are set out in appendix A.

Model Member conduct

In accordance with the public trust placed in me, on all occasions I will:

- act with integrity and honesty
- act lawfully
- treat all persons with civility; and
- lead by example and act in a way that secures public confidence in the office of Councillor

In undertaking my role, I will:

- impartially exercise my responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently and in the public interest

Specific obligations of general conduct

This section sets out the minimum requirements of Member conduct. Guidance is included to help explain the reasons for the obligations and how they should be followed. These obligations must be observed in all situations where you act [or claim or give the impression that you are acting] as a councillor [or in public], including representing your council on official business and when using social media.

As a Councillor I commit to:

Civility

1. Treating other councillors and members of the public with civility.
2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.

Civility means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a civil manner. You should not subject individuals, groups of people or organisations to unreasonable or excessive personal attack.

In your contact with the public you should treat them courteously. Rude and offensive behaviour lowers the public's expectations and confidence in its elected representatives.

In return you have a right to expect courtesy from the public. If members of the public are being abusive, threatening or intimidatory you are entitled to close down any conversation in person or online, refer them to the council, any social media provider or if necessary, the police. This also applies to Members, where action could then be taken under the Member Code of Conduct.

Bullying and harassment

3. Not bullying or harassing any person.

Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. The bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and not always be obvious or noticed by others.^v

The Equality Act 2010 defines harassment as “unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual’s dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual”. The relevant protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation.

Impartiality of officers of the council

4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. Although you can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Confidentiality and access to information

5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.
6. Not preventing anyone getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public except in certain circumstances. You should work on this basis but there will be times when it is required by law that discussions, documents and other information relating to or held by the council are treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

7. Not bringing my role or council into disrepute.

Behaviour that is considered dishonest and/or deceitful can bring your council into disrepute. As a Member you have been entrusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on other councillors and/or your council.

Your position

8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a Member of the council provides you with certain opportunities, responsibilities and privileges. However, you should not take advantage of these opportunities to further private interests.

Use of council resources and facilities

9. Not misusing council resources.

You may be provided with resources and facilities by the council to assist you in carrying out your duties as a councillor. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given to you to help you carry out your role as a councillor more effectively, not to benefit you personally.

Interests

10. Registering and declaring my interests.

You need to register your interests so that the public, council employees and fellow Members know which of your interests might give rise to a conflict of interest. The register is a document that can be consulted when (or before) an issue arises, and so allows others to know what interests you have, and whether they might give rise to a possible conflict of interest. The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise.

It is also important that the public know about any interest that might have to be declared by you or other Members, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. Discuss the registering and declaration of interests with your Monitoring Officer/Town or Parish Clerk and more detail is set out in appendix B.

Gifts and hospitality

11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.

12. Registering with the Monitoring Officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

You should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Member. However, you do not need to register gifts and hospitality which are not related to your role as a Member, such as Christmas gifts from your friends and family, or gifts which you do not accept. However, you may wish to notify your Monitoring Officer of any significant gifts you are offered but refuse which you think may have been offered to influence you.

Breaches of the Code of Conduct

Most councillors conduct themselves appropriately and in accordance with these standards. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by Members and co-opted Members of the authority. Each local

authority must publish a code of conduct, and it must cover the registration of pecuniary

interests, the role of an 'Independent Person' to advise on and investigate alleged breaches, and sanctions to be imposed on any councillors who breach the Code.

The 2011 Act also requires local authorities to have mechanisms in place to investigate allegations that a Member has not complied with the Code of Conduct, and arrangements under which decisions on allegation may be made.

Failure to comply with the requirements to register or declare disclosable pecuniary interests is a criminal offence. Taking part in a meeting or voting, when prevented from doing so by a conflict caused by disclosable pecuniary interests, is also a criminal offence.

Political parties may have its own internal standards and resolution procedures in addition to the Member code of conduct that Members should be aware of.

Note – items in square brackets [x] refer to recommendations made by the Committee on Standards in Public Life and may be part of a future Government consultation. This includes possible future sanctions and appeals processes.

LGA Guidance and recommendations

Internal resolution procedure

Councils should have in place an internal resolution procedure to address conduct that is in breach of the Member Code of Conduct. The internal resolution process should make it clear how allegations of breaches of the Code of Conduct are to be handled, including the role of an Independent Person, the appeals process and can also include a local Standards Committee. The internal resolution procedure should be proportionate, allow for Members to appeal allegations and decisions, and allow for an escalating scale of intervention. The procedure should be voted on by the Council as a whole.

In the case of a non-criminal breach of the Code, the following escalating approach can be undertaken. If the breach is confirmed and of a serious nature, action can be automatically escalated.

1. An informal discussion with the Monitoring Officer or appropriate senior officer
2. An informal opportunity to speak with the affected party/ies
3. A written apology
4. Mediation
5. Peer support
6. Requirement to attend relevant training
7. Where of a serious nature, a bar on chairing advisory or special committees for up to two months
8. Where of a serious nature, a bar on attending committees for up to two months

Where serious misconduct affects an employee, a Member may be barred from contact with that individual; or if it relates to a specific responsibility of the council, barred from participating in decisions or information relating to that responsibility.

¹ CSPL recommend that "Section 27(2) of the Localism Act 2011 should be amended to state that a local authority's code of conduct applies to a Member when they claim to act, or give the impression they are acting, in their capacity as a Member or as a representative of the local authority".

ⁱⁱ CSPL recommend that “councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches.”

ⁱⁱⁱ Subject to footnotes 1 and 2 above

^{iv} See CSPL website for further details <https://www.gov.uk/government/news/the-principles-of-public-life-25-years>

^v acas's definition of bullying.

DRAFT

Code Appendix A

The principles are¹:

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

¹ <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life>

Code Appendix B

Registering interests

1. Within 28 days of this Code of Conduct being adopted by the council or your election or appointment to office (where that is later) you must register with the Monitoring Officer the interests which fall within the categories set out in Table A (Disclosable Pecuniary Interests) and Table B (Other Registerable Interests).
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest in Table A or B, or of any change to a registered interest, notify the Monitoring Officer.

Declaring interests

3. Where a matter arises at a meeting which directly relates to an interest in Table A, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
4. Where a matter arises at a meeting which directly relates to an interest in Table B, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
5. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
6. Where a matter arises at a meeting which affects –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a friend, relative, close associate; or
 - c. a body covered by table 1 below

you must disclose the interest.

7. Where the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

Table 1: Interests described in the table below.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made to the Councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Councillor, or towards his/her election expenses.
	This includes any payment or financial benefit from a trade union within the meaning of the <u>Trade Union and Labour Relations (Consolidation) Act 1992</u> .
Contracts	Any contract made between the Councillor or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the Council—
	(a) under which goods or services are to be provided or works are to be executed; and
	(b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the Council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the Councillor or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the Council for a month or longer.
Corporate tenancies	Any tenancy where (to the Councillor's knowledge)—

	(a) the landlord is the Council; and
	(b) the tenant is a body that the Councillor, or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where—
	(a) that body (to the Councillor's knowledge) has a place of business or land in the area of the Council; and
	(b) either—
	(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or
	(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Councillor, or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*'director' includes a member of the committee of management of an industrial and provident society.

*'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table B

- (i) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;
- (ii) Any body—
 - (a) exercising functions of a public nature;
 - (b) directed to charitable purposes; or
 - (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

of which you are a member or in a position of general control or management.

THIS FORM IS FOR INFORMATION ONLY - DO NOT COMPLETE
PLEASE USE THE ONLINE SURVEY FORM TO SUBMIT YOUR RESPONSE

LGA Consultation on Draft Model Member Code of Conduct

Thank you for taking the time to complete this consultation. This Model Member Code of Conduct [[Model Member Code of Conduct.pdf](#)] aims to be concise, written in plain English and be understandable to members, officers and the public. The Model Member Code is designed to aid members in all tiers of local government model the behaviours and high standards that anyone would expect from a person holding public office. Equally, it articulates behaviour which falls below the standards that would be expected of council members. It is designed to help set a framework for public and councillor interaction, emphasising the importance of civility and that councillors should be protected from bullying, intimidation and abuse.

The LGA has reviewed the existing Model Member Code of Conduct and updated it here incorporating the recommendations from the Committee on Standard's in Public Life's recommendations on Local Government Ethical Standards and the representation from its membership. Part of the Committee's recommendations were the introduction of sanctions for breaches of the code, alongside an appeals process. This aspect is out of scope of this consultation, as it requires legislative changes by Government, but the LGA has sought to reflect some of the possible changes by using square brackets where legal changes would be necessary. The LGA is continuing to take soundings from the sector on the issue of sanctions in anticipation of a Government response to the Committee's recommendations.

This consultation addresses key areas that the LGA would like a view on to help finalise the Code. It is aimed at councillors and officers from all tiers of local government. If you would like a wider discussion about the code, please do sign up to one of the forthcoming Webinars the LGA are holding as part of this consultation. Details will be posted on our [LGA events website](#).

Instructions and privacy notice

You can navigate through the questions using the buttons at the bottom of each page. Use the 'previous' button at the bottom of the page if you wish to amend your response to an earlier question.

All responses will be treated confidentially. Information will be aggregated, and no individual or authority will be identified in any publications without your consent. Identifiable information may be used internally within the LGA but will only be held and processed in accordance with our [privacy policy](#). We are undertaking this consultation to aid the legitimate interests of the LGA in supporting and representing authorities.

Please complete your response in one go - if you exit before submitting your response your answers may be lost. If you would like to see an overview of the questions before completing the consultation online, you can access a PDF [here](#).

About you

Your name _____

Are you...

- A councillor
- An officer
- Answering on behalf of a whole council (Please provide council name below)

- Other (please specify below)

Please indicate your council type

- Community/Neighbourhood/Parish/Town
- District/Borough
- County
- Metropolitan/Unitary/London Borough
- Other (please specify below)

Application of the Code

Under the Localism Act 2012, the Code of Conduct applies to councillors only when they are acting in their capacity as a member. The LGA believes that because councillors are elected by the public and widely recognised by the public, it makes sense for them to continue to model these behaviours when they are making public comment, are identifying as a councillor and when it would be reasonable for the public to identify them as acting or speaking as a councillor. The Committee on Standards in Public Life supported this approach in their report into Local Government Ethical Standards. Whilst the LGA is waiting for Government's response to these recommendations the option has been added in square brackets as it would need changes in legislation.

Q1. To what extent do you support the proposal that councillors demonstrate the behaviours set out in the Code when they are publicly acting as, identifying as, and/or giving the impression that they are acting as a councillor, including when representing their council on official business and when using social media?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q1a. If you would like to elaborate on your answer please do so here:

Q2. Is it sufficiently clear which parts of the Model Code are legal requirements, which are obligations, and which are guidance?

- Yes
- No
- Don't know

Q3. Do you prefer the use of the personal tense, as used in the Code, or would you prefer the passive tense?

- Personal tense ("I will")
- Passive tense ("Councillors should")
- No preference

Specific obligations

The Code lists 12 specific obligations – these set out a minimum standard councillors are asked to adhere to.

Each obligation or group of obligations is put into a wider context to explain why that particular obligation is important.

Q4. To what extent do you support the 12 specific obligations?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
1. Treating other councillors and members of the public with civility.					
2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.					
3. Not bullying or harassing any person.					
4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.					
5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.					
6. Not preventing anyone getting information that they are entitled to by law.					
7. Not bringing my role or council into disrepute.					
8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.					

9. Not misusing council resources.

10. Registering and declaring my interests.

11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.

12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

Q5. If you would like to propose additional or alternative obligations, or would like to provide more comment on a specific obligation, please do so here:

Q6. Would you prefer to see the obligations as a long list followed by the guidance, or as it is set out in the current draft, with the guidance after each obligation?

- As a list
- Each specific obligation followed by its relevant guidance
- No preference

Q7. To what extent do you think the concept of 'acting with civility' is sufficiently clear?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q7a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Q8. To what extent do you think the concept of 'bringing the council into disrepute' is sufficiently clear?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q8a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Q9. To what extent do you support the definition of bullying and harassment used in the code in a local government context?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q9a. If there are other definitions you would like to recommend, please provide them here.

Q10. Is there sufficient reference to the use of social media?

- Yes
- No
- Don't know/prefer not to say

Q10a. Should social media be covered in a separate code or integrated into the overall code of conduct?

- Separate code
- Integrated into the code
- Don't know/prefer not to say

Q10b. If you would like to make any comments or suggestions in relation to how the use of social media is covered in the code please do so here:

Registration and declarations of interests

The law at present requires, as a minimum, registration and declaration of 'Disclosable Pecuniary Interests' - that is matters which directly relate to the councillor and their partner if applicable.

The LGA is proposing that all councillors are required to declare interests where matters also relate to or affect other family members or associates. The LGA has broadened the requirement to declare interests beyond this current statutory minimum in line with a recommendation from the Committee on Standards in Public Life. These specific provisions are set out in Appendix B of the Code.

Q11. To what extent to you support the code going beyond the current requirement to declare interests of the councillor and their partner?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q11a. If you would like to elaborate on your answer please do so here:

Q12. Should the requirement to declare interests be in the main body of the code or in the appendix where the draft model code currently references it?

- In the main body of the code
- In the appendix
- Other (please specify below)
- Don't know/prefer not to say

Q12a. If you would like to make any comments or suggestions in relation to how the requirement to declare interests is covered in the code please do so here:

It is also suggested that more outside interests should be registered than is the current statutory minimum. These are set out in **Table 2 of the Appendix** and are designed to demonstrate to the community transparency about other bodies with which the councillor is engaged.

Q13. To what extent do you support the inclusion of these additional categories for registration?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
Any organisation, association, society or party of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council					
Any organisation, association, society or party that exercises functions of a public nature of which you are a member or in a position of general control or management					
Any organisation, association, society or party directed to charitable purposes					
Any organisation, association, society or party of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)					

Q13a. If you would like to propose additional or alternative categories for registration, please provide them here:

Q14. To what extent do you support the proposed requirement that councillors do not accept significant gifts as set out in Obligation 11?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q14a. If you would like to elaborate on your answer please do so here:

Q15. The draft code proposes £25 as the threshold for registering gifts and hospitality. Is this an appropriate threshold?

- Yes
- Yes, but the amount should be reviewed annually with the code's review
- No, it should be lower (please specify amount) _____
- No, it should be higher (please specify amount) _____
- Don't know/prefer not to say

Q16. The LGA will be producing accompanying guidance to the code. Which of the following types of guidance would you find most useful? Please rank 1-5, with 1 being the most useful.

- _____ Regularly updated examples of case law
- _____ Explanatory guidance on the code
- _____ Case studies and examples of good practice
- _____ Supplementary guidance that focuses on specific areas, e.g., social media
- _____ Improvement support materials, such as training and e-learning packages

Q16a. If you would like to suggest any other accompanying guidance please do so here:

Q17. If you would like to make any further comments about the code please do here:

Once you press the 'Submit' button below, you will have completed your response.

Many thanks for taking the time to respond to this consultation. You are in control of any personal data that you have provided to us in your response. You can contact us at all times to have your information changed or deleted. You can find our full privacy policy here: [click here to see our privacy policy](#)

For information only - Do not complete

Agenda Item 15



Report Reference Number: A/20/9

To: Audit and Governance Committee
Date: 29 July 2020
Author: Dawn Drury, Democratic Services Officer
Lead Officer: Karen Iveson, Chief Finance Officer

Title: Audit and Governance Committee Annual Report 2019-20

Summary:

A draft Annual Report is provided for the Committee's consideration and approval.

Recommendations:

- i. **To approve the Audit and Governance Committee Annual Report 2019-20.**

Reasons for recommendation

The Audit and Governance Committee is required, under Article 6 of the Constitution, to prepare an Annual Report reviewing its work during the previous municipal year.

1. Introduction and background

- 1.1 Article 6 of the Constitution requires the Audit and Governance Committee to prepare an Annual Report which should review its work during the previous municipal year.

2 The Report

- 2.1 A draft Annual Report is attached at Appendix A. This has been drafted by the Chair and the Democratic Services Officer and it is now available for the Committee to consider.
- 2.2 The Report has been structured in three sections:
 - An introduction from the Chair
 - A summary of the membership, role and work of the committee

- An appendix comprising a retrospective work programme and summary of decisions for 2019-20

2.3 The Committee is asked to consider any amendments and approve the report for publication.

3 Legal/Financial Controls and other Policy matters

3.1 None.

4. Conclusion

4.1 The Committee is asked to approve the draft Annual Report 2019-20 to comply with the requirement of Article 6 of the Constitution.

5. Background Documents

None.

Contact Officer:

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ddrury@selby.gov.uk

Appendices:

A – Draft Audit and Governance Committee Annual Report 2019-20



Audit and Governance Committee

Annual Report 2019/20

Introduction from the Chair – Councillor Karl Arthur

I am pleased to present the Audit and Governance Committee Annual Report 2019/20.

The overall responsibility of the Committee is to scrutinise and monitor the Council's control systems, procedures and risk management systems. As Chair of the Committee I provided a report to each Council meeting highlighting the Committee's work.

The Committee was fortunate to again have excellent officer support to help guide it through complex reports and also excellent advice from both our Internal and External Auditors. I would like to take this opportunity to thank our head of Internal Audit, Mr Phil Jeffrey for all his hard work with Selby District Council as Head of our Internal Auditor Veritau and welcome Mr Ed Martin to the role. The committee looks forward to working with him in the future.

As in recent years, the Committee continued to attend briefings prior to meetings, which were largely focussed on the most important item of business being considered at the subsequent meeting. This helped to further ensure that Committee members were able to fully undertake their scrutiny duties.

The Committee met three times during the municipal year and considered a range of different issues. The Committee's Work Programme ensured a strong focus on the priorities of the Council and the concerns of local people, this included regular reviews of audit reports and risk management systems.

I am delighted to say that there were no items of business for the Standards Committee to investigate during the course of the 2019/20 municipal year. However, I would like to take this opportunity to thank Philip Eastaugh, Hilary Putman and Wanda Stables for continuing to volunteer as independent members in case it was needed.

I would like to thank all councillors who served on the Audit and Governance Committee during 2019/20, for their support and continued hard work. Owing to elections in May 2019 we were able to welcome new members to the committee (I believe that Cllr. Judith Chilvers and I are the only members who sat on the committee from the previous council). I would like to take this opportunity to wish retiring members of the council or members who have moved to alternative committees well for the future and hope that the new members enjoy their time on this committee. Many people have contributed to the work of the committee, including officers and external partners. I would like to put on record my thanks to them.

I am confident that the audit and governance of Selby District Council is robust and I look forward to the coming municipal year.



Councillor Karl Arthur
Chair, Audit and Governance Committee
29 July 2020

Audit and Governance Committee Annual Report 2019/20

The Audit and Governance Committee membership comprised the following members during the 2019-20 municipal year:

8 Members

Conservative	Labour	Yorkshire Party
Karl Arthur (Chair)	John Duggan	Eleanor Jordan
Neil Reader (Vice-Chair)	Keith Franks	Dave Brook
John Mackman		
Judith Chilvers		
Substitutes	Substitutes	Substitutes
John Cattanach	Paul Welch	Mike Jordan
Ian Chilvers	Jennifer Shaw-Wright	
Andrew Lee		

The Committee met three times during the year (30 July 2019, 23 October 2019 and 29 January 2020) A further meeting was scheduled for 22 April 2020 however as a result of the Coronavirus crisis and national lockdown imposed on 23 March 2020 by the UK Government, all Selby District Council committee meetings were cancelled and therefore this meeting did not go ahead.

Council officer support during the year was provided by:

- Karen Iveson, Chief Finance Officer
- Bernice Elgot, Interim Solicitor to the Council and Monitoring Officer (up to September 2019) and Alison Hartley, Solicitor to the Council and Monitoring Officer (from 23 September 2019)
- Dawn Drury, Democratic Services Officer

Representatives of both internal audit (Veritau) and external audit (Mazars) were in attendance at every meeting and the relevant council officers were also present to answer questions from the Committee. In addition, the Chair maintained a dialogue throughout the year with Veritau and Mazars.

The Role of the Audit and Governance Committee

The Audit and Governance Committee is responsible for scrutinising and monitoring the control systems, procedures and risk management systems operating at the Council.

In accordance with the Council's Constitution, the Committee has delegated authority to:

- monitor and report on the effectiveness of the Council's Constitution;
- receive reports from the Monitoring Officer on the effectiveness of the Standards arrangements adopted by the Council;
- scrutinise and approve the Council's Annual Governance Statement, statement of accounts, income and expenditure and balance sheet or records of receipts and payments (as the case may be);

- be satisfied that the Council's assurance statements, including the Annual Governance Statement, have been properly developed and considered by councillors;
- to scrutinise and monitor the control systems, procedures and risk management systems operating at the Council;
- receive, but not direct, internal audit service strategy and plan and monitor performance;
- receive the annual report of the internal audit service;
- review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary;
- consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements;
- seek assurances that action is being taken on risk-related issues identified by auditors and inspectors;
- consider the reports of external audit and inspection agencies relating to the actions of the Council;
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted;
- review the financial statements, external auditor's opinion and reports to councillors, and monitor management action in response to issues raised by external audit;
- issue reports and make recommendations, where appropriate, and in relation to any matters listed above, for consideration by the Council, Executive or the relevant committee of the Council;
- monitor the Council's use of the Regulation of Investigatory Powers Act (RIPA) 2000 for the use of authorisation of surveillance.

2019/20 Work Programme

During 2019/20 the Audit and Governance Committee reviewed and considered:

- the statutory financial statements of the Council and Annual Governance Statement;
- reports made on Selby District Council by the external auditor (Mazars);
- the work of the internal auditor (Veritau);
- other issues falling within the Council's control and risk management framework.

A summary of the Committee's work over the year is set out at Appendix A.

To assist the Committee in its work, an 'action log' was maintained throughout the year which listed issues and actions arising from each meeting. The action log was considered at each meeting, with updates provided by officers on the progress and status of previously agreed actions. The action log was included on the agenda for each meeting and published in advance.

Member Development

The nature of the Committee's work requires a high level of knowledge of the Council's control framework and financial arrangements. In order to ensure members of the Committee developed the skills and knowledge necessary to fulfil their role, a variety of training and development opportunities were provided throughout the year. Attendance at these sessions was very high.

Member development included training sessions prior to Committee meetings.

Looking forward to 2020/21 the Committee is keen to further develop its skills and knowledge, with the theme of future training continuing to reflect the Committee's Work Programme. The Chair will encourage attendance at these member development sessions to ensure that the Committee is adequately equipped to fulfil its role effectively.

Conclusion

Throughout 2019/20, the Audit and Governance Committee exercised its delegations across a broad range of topics and had the opportunity to further develop the skills and knowledge of its members to ensure that the Council's control framework was adequately scrutinised.

Audit and Governance Committee Work Programme Review – 2019/20

30 July 2019	
Topic	Outcome
Annual Report of the Head of Internal Audit 2018/19	The Committee considered the Annual Report of the Head of Internal Audit (Veritau), which confirmed that the Council provided 'Reasonable Assurance' in respect of the governance, risk management, and control frameworks. It was further confirmed that a total of 96% of reports were completed to draft report stage by the end of April 2018, which exceeded the performance target for Veritau of 93%. The Committee noted that in relation to the Council's counter fraud activity in 2018-19, to date actual savings of £22k had been achieved through fraud investigation.
External Audit Completion Report 2018/19	The Committee considered the External Audit Completion Report, it was highlighted that some of the audits had still been in progress at the date the report had been published, however these audits had now been completed apart from Property, Plant and Equipment. The Committee noted that in relation to the risk relating to Property, Plant and Equipment, an error had been identified in the value of Council Dwellings. For one group of Council Dwellings, the value in the asset register did not agree to the value provided by the valuer, this resulted in a £2.2m understatement in the valuation of Council Dwellings. It was confirmed that the Council would be issued with a value for money conclusion for the 2018/19 financial year; no significant risks had been identified, and there had been no threats to Veritau's independence.
Statement of Accounts 2018/19	The Committee approved the Statement of Accounts 2018/19.
Risk Management Annual Report 2018/19	The Committee considered the Risk Management Annual Report for 2018/19 and noted that over the past year, in addition to supporting managers to review risks in their service areas, project risk management training had been delivered to the Council's corporate project managers; and a risk workshop had been held with the Extended Management Team which had resulted in a revised and refreshed Corporate Risk Register (CRR).
Corporate Risk Register	The Committee reviewed the Corporate Risk Register 2018-19, which provided an update on the movements which had taken place within the Corporate Risk Register since it was last reported to the committee in January 2019; and endorsed the actions of officers in furthering the progress of risk management.
Consideration of Internal Audit Reports	The Committee considered the Internal Audit Report, which advised that an audit completed on 17 July 2019 expressed the overall opinion that the controls within the system only provided 'Limited

	Assurance'. The Committee noted that actions had been agreed to address the issues identified, and that the priority one action had already been implemented: with the other actions in progress. The Committee was satisfied that appropriate action was being taken.
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23 October 2019	
Topic	Outcome
Local Government and Social Care Ombudsman Annual Review Letter 2018/19	The Committee considered the Local Government and Social Care Ombudsman Annual Review Letter 2018/19, which presented a summary of the complaints submitted in relation to Selby District Council and the associated decisions made by the Ombudsman. The Committee noted that the Council had received 15 complaints in the year 2018/19, of which only 3 cases had been progressed to a detailed investigation by the Ombudsman, of which 2 had been upheld.
Internal Audit, Counter Fraud & Information Governance Progress Report	The Committee reviewed progress against the Internal Audit, Counter Fraud and Information Governance Plan and noted progress to date. The Committee were informed that 88% of investigations completed had resulted in a successful outcome, achieving £4.8k of cash savings for the Council, and avoiding a £78k 'loss' in respect of a Right to Buy application being cancelled. The Committee were also informed that the Counter Fraud team, in conjunction with the Council's Communications team, had run a cybercrime awareness week, delivering cybercrime awareness information to Council employees, which had proved very successful. The Committee were informed that in February 2019 CIPFA had published updated guidance on the application of the Public Sector Internal Audit Standards (PSIAS) in local government. To reflect the guidance a number of minor updates to the Internal Audit Charter had been proposed, which received approval from the Committee.
External Annual Audit Letter 2019	The Committee noted that the External Annual Audit Letter was a formal report on the outcome of the external audit, and that the positive findings had been presented to the Committee at the previous meeting in July 2019. The Committee further noted that the Council had positive arrangements in place to ensure value for money. The Partner, Mazars LLP highlighted that the Council were in a fortunate position due to the annual windfall in business rates income arising from renewables at Drax power station.
External Audit Progress Report	The Committee reviewed the External Audit Plan, which provided a progress report in relation to the work and responsibilities of the external auditors. It was noted that the external audit for 2018-19 had been completed, and the report set out a summary of the planning work to be undertaken in relation to the 2019-20 external audit.

Admittance of Scarborough Borough Council to Veritau North Yorkshire	<p>The Committee heard that Veritau North Yorkshire (VNY) had been established in 2012 as a subsidiary of Veritau Limited, which was wholly owned by North Yorkshire County Council and City of York Council. At that time VNY was established with Veritau having 50% shareholding and five North Yorkshire district councils equally shared the remaining 50%, one of which was Scarborough Borough Council. In 2014 Scarborough Borough Council opted to leave the shared service and established its own in-house team for audit services, however as a result of subsequent budget cuts and vacancies the service was no longer sustainable and therefore Scarborough had asked to be re-admitted to Veritau North Yorkshire. The Committee was informed that Scarborough Borough Council would be asked to make a capital contribution of £10k, but there would be no financial impact on any of the existing district councils.</p> <p>The Committee noted that re-admitting Scarborough Borough Council into VNY, would add resilience and further efficiency to the Council's internal audit service, and were therefore supportive of the proposal.</p>
Consideration of Internal Audit Reports	<p>The Committee considered the Internal Audit Report, which advised that an audit had been completed on 2 October 2019 and the overall opinion was that the controls within the system only provided 'Limited Assurance'. The Committee noted that actions had been agreed to address the issues identified, and that many of the actions had already been completed. The Committee was satisfied that appropriate action was being taken.</p>

29 January 2020	
Topic	Outcome
Information Governance Annual Report 2019	<p>The Committee considered the Information Governance Annual Report 2019, which provided an update on information governance matters during 2019. The Committee was satisfied with the content of the report, and noted that with regard to the General Data Protection Regulations (GDPR) a new Information Governance Strategy had been put in place; with a Corporate Information Governance Group (CIGG) consisting of internal officers and Veritau to monitor compliance. The Committee heard that all staff had received mandatory training in relation to data protection, and an information security check had been carried out at the Civic Centre by Veritau to test the systems in place; the audit had established that improvements had been made since the previous check.</p>
External Audit Progress Report	<p>The Committee reviewed progress against the External Audit Plan and noted that the planning work for the 2019-20 external audit was underway. The Committee noted that the 2018/19 Housing Benefits</p>

	<p>Subsidy report to the Department of Work and Pensions (DWP) had been submitted ahead of the deadline of 30 November 2019. In relation to the national publications listed within the report, and specifically the Chartered Institute of Public Finance and Accountancy (CIPFA), Financial Management Code the Chief Finance Officer informed the Committee that work was in progress to ensure that the Council met the first full year of compliance with the Code, in 2021-22, and that a report on the Code had been taken to the Leadership Team; a self-assessment document would be brought to Committee in due course.</p>
Review of Risk Management Strategy	<p>The Committee were informed that the Risk Management Strategy had been reviewed following consultation with the Leadership Team, and it was noted that the strategy remained largely unchanged following the review, however minor amendments had been made and an updated definition of risk management had been included. The Chief Finance Officer explained that the Council had individual service risk registers and a corporate risk register which were reviewed regularly to identify the possibilities for risk.</p>
Corporate Risk Register 2019-20	<p>The Committee reviewed the Corporate Risk Register 2019-20 and noted that there was a total of 12 risks on the Council's Corporate Risk Register for 2019/20. In response to a query regarding the risks defined as high risks relating to financial resources and economic environment, the Chief Finance Officer highlighted that financial uncertainty remained pending the reform of local government funding which was why the risk was considered to be high.</p>
Internal Audit, Counter Fraud & Information Governance Progress Report	<p>The Committee reviewed progress against the Internal Audit, Counter Fraud and Information Governance Plan and noted progress to date. The Committee noted that savings of £9.4k had been achieved through fraud investigation, and that the Council had prosecuted a former tenant for subletting a council property over the course of two years; the tenant had pleaded guilty to all charges and was fined £1,400. The Corporate Fraud Assistant Director praised the work of the Council's legal team and thanked them for their help with the prosecution.</p>
Annual Governance Statement 2018-19 – Action Plan Review	<p>The Committee reviewed progress against the Action Plan for the Annual Governance Statement for 2018/19 and noted progress to date. The Committee heard that a review of Overview and Scrutiny arrangements had been completed, and the training needs of all Committee members was being monitored, along with quarterly discussions and the sharing of work programmes between the Executive and the Chairs of Scrutiny. In terms of Information Governance and Data Protection an action plan was now in place and significant progress had been made to address the implications of GDPR; however it was stressed that officers and Councillors must be vigilant to the importance of data security. The Committee were also informed that the Council had put an order in to purchase new software, Civica Pay, which would remove the software risks around compliance in relation to the Payment Card Industry Data Security Standard (PCI DSS).</p>

Counter Fraud Framework Update	The Committee approved the updated Counter Fraud and Corruption Strategy Action Plan, which was reviewed annually to ensure that it was fit for purpose and noted the updated Counter Fraud Risk Assessment. The Committee noted that procurement fraud remained the highest perceived area of threat nationally, and although levels of housing fraud detected had fallen, the average loss per case remained high at £32k. To mitigate the risk, procurement and housing frauds were areas of focus for Veritau in 2020-21; along with raising awareness by working with officers to put stringent checks in place.
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The following items were due to be considered at the final meeting of the municipal year, as a result of the Coronavirus crisis and national lockdown imposed on 23 March 2020 by the UK Government, all Selby District Council committee meetings were cancelled, and decisions taken using urgency procedures.

22 April 2020	
External Audit Progress Report	
External Audit Strategy Memorandum	
Internal Audit, Counter Fraud & Information Governance Progress Report	
Internal Audit, Counter Fraud & Information Governance Plans 2020-21	
Review of Local Government Ethical Standards on Standards in Public Life	
Audit and Governance Committee Annual Report 2019-20	
Work Programme 2020-21	



Report Reference Number: A/20/10

To: Audit and Governance Committee
Date: 29 July 2020
Status: Non-key
Ward(s) Affected: All
Author: Victoria Foreman, Democratic Services Officer
Lead Executive Member: Councillor Mark Crane, Leader of the Council
Lead Officer: Alison Hartley, Solicitor to the Council

Title: Decisions taken under Urgency due to Covid-19

Summary: As a result of the Coronavirus crisis and national lockdown imposed on 23 March 2020 by the UK Government, all Selby District Council committee meetings were cancelled, and decisions taken using urgency procedures. This report gives details of the urgent decisions taken by the Leader of the Council and senior Officers between 23 March and 14 July 2020.

Recommendation:

That the Audit and Governance Committee note the urgent decisions taken by the Leader of the Council and senior Officers between 23 March and 14 July 2020 and refer the same to full Council for noting.

Reason for recommendation:

Part of the role of the Audit and Governance Committee is to monitor the Council's governance and procedures; in being given an overview of the decisions taken under urgency during the Coronavirus crisis, the Committee can verify that such decisions were taken lawfully.

1. Introduction and background

- 1.1** On 23 March 2020 the Leader of the Council took a decision using his urgency powers to cancel all meetings so that the Council could adhere to Government Guidance regarding social distancing during the Coronavirus crisis. Until 4 April 2020, the Local Government Act 1972 required Members to be present in the room to vote. It was therefore not possible to undertake lawful decision making other than through delegation.

2. Decisions Taken under Urgency

- 2.1** The governance structure at Selby District Council is a Leader and Executive model which gives the Leader of the Council reserved individual powers to take Executive decisions under urgency. The Local Authorities (Functions and Responsibilities) Regulations define whether a decision is an Executive or non-Executive function. Operating under urgency means that Executive decisions that would have been decided at Executive meetings (both key and non-key) were being made by the Leader.
- 2.2** Urgent decisions do not appear on the Council's Forward Plan, and instead require the Chair of Scrutiny Committee to formally agree that a decision is needed urgently. Urgent decisions outside the Budget and Policy Framework require the agreement of the Chair of Policy Review Committee that a decision is needed urgently. Urgent key and non-key decisions taken between 23 March 2020 and 14 July 2020 are set out in Appendix 1 to this report.
- 2.3** The usual call-in procedures do not apply to urgent decisions. The Chairman of Council, or in his absence the Chief Executive, must be satisfied that the decision is reasonable and urgently needed.
- 2.4** Planning decisions are non-Executive functions, and delegated powers to determine applications that would otherwise have been decided by Planning Committee lie with the Chief Executive. A process was put in place to enable the Chief Executive to take decisions on planning applications on a weekly basis, having regard to views of the Planning Committee following consultation. Planning decisions taken by the Chief Executive and Head of Planning between 23 March 2020 and 14 July 2020 are also set out in Appendix 1 to this report.
- 2.5** Licensing decisions are also non-Executive functions. Delegated power to determine matters that would otherwise have been determined by the Licensing Committee again lays with the Chief Executive. However, no urgent licensing decisions were required, but had there been, such decisions would have been taken following consultation with the Chair and Vice Chair of the Licensing Committee.

3. Alternative Options Considered

None.

4. Implications

4.1 Legal Implications

Officers were advised to seek legal advice from the Monitoring Officer and be clear in evidencing that a clear and transparent decision-making process had been followed.

4.2 Financial Implications

Any financial implications relating to the decisions taken under urgency will have been set out in the report accompanying the decision record, or in the decision record itself.

4.3 Policy and Risk Implications

Decisions were made through the urgency processes outlined in the Council's Constitution.

4.4 Corporate Plan Implications

None.

4.5 Resource Implications

None.

4.6 Other Implications

None.

4.7 Equalities Impact Assessment

Not applicable.

5. Conclusion

5.1 Once noted by the Audit and Governance Committee the decisions taken under urgency between 23 March 2020 and 14 July 2020, as set out at Appendix 1 of this report, will be reported to full Council by the Chair of Audit and Governance in his Chair's update which is given at each Council meeting.

5.2 Audit and Governance Committee Members are asked to note the urgent decisions.

6. Background Documents

None.

7. Appendices

Appendix 1 – Schedule of Urgent Decisions taken between 23 March 2020 and 14 July 2020 due to the Coronavirus crisis

Contact Officer: Victoria Foreman, Democratic Services Officer
vforeman@selby.gov.uk

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Executive Decisions – Key

Report/Decision Title	Date Decision Made	Key?	Decision	Made by
Cancellation of Meetings due to Coronavirus (COVID-19)	23-Mar-20	Yes	To cancel all Member meetings until Friday 15 May 2020 and that consideration to be given to making decisions under the urgency process as outlined in the Council's constitution.	Councillor Mark Crane, Leader of the Council
Discretionary Discount Scheme Relief for businesses affected by Covid 19	23-Mar-20	Yes - outside Budget and Policy Framework	<p>The Leader agreed:</p> <p>i. That the Council will implement with immediate effect, on 23 March 2020, the Government's financial rescue package to support and protect businesses affected by COVID-19, as set out in Section 4 of this report;</p> <p>ii. To delegate authority to the Council's Section 151 Officer to agree a new Discretionary Rate Relief Scheme, in consultation with the Leader which shall include;</p> <p>a. The matters set out in section 4 of this report, and</p> <p>b. That the new discounts apply from the 1st April 2020.</p> <p>iii. That delegated authority be given to the Head of Operational Services to administer the approved Scheme.</p>	Councillor Mark Crane, Leader of the Council
Continuation of Cancellation of Meetings due to Coronavirus (COVID-19)	06-Apr-20	Yes	<p>The Leader:</p> <p>1) noted the publication of The Local Authorities and Police and Crime Panels (Corona Virus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020; and</p> <p>2) agreed to continue the Council's current process of cancelling all Member meetings until Friday 15 May 2020, and that consideration to be given to making decisions under the urgency process as outlined in the Council's constitution.</p>	Councillor Mark Crane, Leader of the Council

Covid-19 Emergency – Human Resources Service Level Agreement - part of the Better Together collaboration agreement with NYCC	30-Apr-20	Yes	RESOLVED: That as the matter is urgent, due to putting in place arrangements for Covid-19, the Leader agrees that The Council urgently adds the provision of Human Resources services between NYCC and SDC to the existing Better Together Collaboration Service Level Agreement with NYCC. The addition of the Human Resources Specification to take effect from 1 April for a period of 3 years, and authority be delegated to the Chief Executive in consultation with the Section 151 Officer to agree the detailed terms of the Specification.	Councillor Mark Crane, Leader of the Council
Homelessness and Rough Sleeping Strategy 2020-2025	30-Apr-20	Yes	That the Leader: (i) approves the Homelessness and Rough Sleeping Strategy 2020-2025; and (ii) notes that any legislative changes as a result of the Government reaction to Covid-19 which may affect either our strategic homelessness duty or the delivery of this strategy will be responded to with supplementary homelessness strategy guidance as necessary.	Councillor Mark Crane, Leader of the Council
Continuation of Cancellation of Meetings due to Coronavirus (COVID-19)	30-Apr-20	Yes	That the Leader: 1) agrees to the continuation of the Council's current process of cancelling all Member meetings until Wednesday 1 July 2020, and that in the meantime consideration be given to making decisions under the urgency process as outlined in the Council's constitution; and 2) agrees that the position be kept under review.	Councillor Mark Crane, Leader of the Council
Leisure Services Contract – Waiving of Management Fee Payments April – June 2020	07-May-20	Yes	That the portion of the annual management fee payments between 1 April 2020 to 30 June 2020 is waived for the Leisure Services Contract following the Government decision to close all leisure facilities due to COVID-19.	Councillor Mark Crane, Leader of the Council
Summit Contract – Waiving of Management Fee Payments April – June 2020	07-May-20	Yes	That the portion of the management fee payment from 1 April 2020 to 30 June 2020 be waived for the Summit Contract following the Government decision to close all leisure facilities due to COVID-19.	Councillor Mark Crane, Leader of the Council

Discretionary Business Grant Scheme 2020/21 for businesses affected by Covid-19	03-Jun-20	Yes	<p>RESOLVED:</p> <p>i. That the Leader agrees that the Selby District Council Discretionary Business Grant Scheme which follows the government guidance (attached Appendix 1 to the Officer Report) is approved, including the eligibility criteria set out in Section 4 of the Officer Report; and</p> <p>ii. That delegated authority be given to the Head of Operational Services to administer the scheme and the Chief Finance Officer is authorised to make technical scheme amendments.</p>	Councillor Mark Crane, Leader of the Council
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Executive Decisions – Non-Key

Report/Decision Title	Date Decision Made	Non Key?	Decision	Made by
Council Tax Support Scheme: Covid-19 Hardship Fund 2020-21	30-Mar-20	Non-key	<p>The Leader agreed that:</p> <p>i. That the Council will implement with immediate effect, revisions to the Council Tax Support (CTS) Scheme, including additional hardship relief which will provide a further reduction in their annual council tax bill of up to £150 for those eligible for CTS;</p> <p>ii. To delegate authority to the Council's Section 151 Officer to agree a further CTS Scheme, in consultation with the Leader which shall have regard to:</p> <p>a. The matters set out in section 4 of the attached report, and</p> <p>b. That the additional relief will apply from the 1 April 2020.</p> <p>iii. That delegated authority is given to the Head of Operational Services to administer the approved Scheme.</p>	Councillor Mark Crane, Leader of the Council
Expansion of Discretionary Discount Scheme Relief for Businesses Affected by Covid-19	30-Mar-20	Non-key	<p>The Leader</p> <p>i. agreed that:</p> <p>a. the Council would implement with immediate effect, from 30 March 2020, the Government's financial rescue package for the additional list of businesses to support and protect businesses affected by Covid-19; and</p> <p>b. the new discounts would apply from the 1 April 2020.</p> <p>ii. delegated authority be given to the Head of Operational Services to administer the approved Scheme.</p>	Councillor Mark Crane, Leader of the Council

Suspension of Car Parking Charges for Selby District Council Car Parks, to support Key Workers affected by Covid-19	27-Mar-20	Non-key	That the Council will implement free car parking with immediate effect, from 27 March 2020 for 12 weeks to support residents affected by COVID-19.	Councillor Mark Crane, Leader of the Council
Grant Funding Scheme for Small Business and Retail, Hospitality and Leisure Businesses affected by Covid-19	02-Apr-20	Non key	That as the matter is urgent, due to putting in place arrangements for Covid-19, the Leader agrees that: i. the Council will begin payments of the grants to eligible businesses commencing 2 April 2020 using the eligibility criteria specified in the guidance and set out in Section 4 of the attached report; and ii. delegated authority be given to the Head of Operational Services to administer the approved Scheme.	Councillor Mark Crane, Leader of the Council
Suspension of Rents for Council Owned Commercial and Industrial Units for 12 Weeks to support businesses affected by Covid-19	07-Apr-20	Non-key - outside of Budget and Policy Framework	The Leader agrees that the Council will implement a 12 week rent free period for Council owned retail, commercial and industrial units from 1 April 2020 to 27 June 2020 to support businesses affected by COVID-19.	Councillor Mark Crane, Leader of the Council
Support for Selby District Small Medium Enterprises (SMEs)	17-Apr-20	Non-key under urgency	RESOLVED: That as the matter is urgent, due to putting in place arrangements for Covid-19, the Leader agrees that: i. the Council urgently enters into a contract with a specific provider, National Federation of Self Employed and Small Businesses Limited, Company Registration Number 01263540 whose registered office is at Sir Frank Whittle Way, Blackpool Business Park, Blackpool, FY4 2FE ("FSB") not to exceed £20,000, for advice services to be provided to those SME's that meet the Council's agreed eligibility criteria; and ii. delegated authority be given to the Head of Economic Regeneration to agree the eligibility criteria to be included within the Contract to seek to provide a balanced approach to the type of businesses, the sectors and their impact and contribution to employment, supply chain and community related priorities.	Councillor Mark Crane, Leader of the Council

Extended suspension of car parking charges for Selby District Council car parks, to support key workers affected by Covid-19 for 4 weeks	09-Jun-20	Non-key - outside of Budget and Policy Framework	RESOLVED: The Leader agreed that the Council would implement free car parking with immediate effect, from 19 June 2020 for 4 weeks to support residents and businesses affected by COVID-19.	Councillor Mark Crane, Leader of the Council
Suspension of car parking charges for Selby District Council car parks to 5 September 2020, to support key workers affected by Covid-19	14-Jul-20	Non-key - outside of Budget and Policy Framework	RESOLVED: The Leader agreed that the Council will implement a further 7 weeks free car parking with immediate effect to 5 September 2020 to support residents affected by COVID-19.	Councillor Mark Crane, Leader of the Council

Planning Decisions

Application Number and Address	Date Decision Made	Decision	Made by
2019/0311/FUL - The Byre, Sweeming Lane, Little Fenton	01-Apr-20	RESOLVED: MINDED TO GRANT, following the expiry of the consultation period on 8 April 2020 and subject to: i. no new issues being raised; ii. the conditions set out in the Officer Report; and iii. the additional condition as set out in the Officer Update Note.	Janet Waggott, Chief Executive
2019/0513/FUL - Hilagarth, Main Street, Church Fenton	01-Apr-20	RESOLVED: To REFUSE the application for the following reasons, as set out in the report and as amended in the Officer Update Note: 01. The proposed development of the site for 3 (no.) dwellings is not considered to be acceptable on highways grounds on the basis that the proposed introduction of three access points onto Main Street Church Fenton from the site would result in highway safety issues given the character of the road, surrounding uses, on road parking, and the speed of traffic using the road. As such the development is considered to be contrary to Policy ENV1 of the Selby District Local Plan (2005), Policy T1 and T2 of the Selby District Local Plan (2005) and the NPPF. 02. The proposed development of the site for 3 (no.) dwellings represents overdevelopment of the site and will result in unacceptable long terms impacts on the trees subject of TPO 08/2019. Therefore, the development is considered to be to be contrary to Policy ENV1 of the Selby District Local Plan (2005), Policy SP4 of the Core Strategy and the NPPF.	Janet Waggott, Chief Executive

2019/0883/FUL - Cranton, Church Crescent, Stutton	01-Apr-20	<p>RESOLVED: That the application be REFUSED for the following reasons:</p> <p>1. The proposed redevelopment for 3 dwellings would not provide a sustainable site for further housing in terms of its access to everyday facilities and a reliance on the private car. The proposal is therefore contrary to Policies SP 1 and SP 2 of the Core Strategy and would conflict with paragraphs 11 and 102 of the NPPF.</p> <p>2. The proposal to demolish an existing dwelling and replace it with 3 dwellings does not fall within any of the listed acceptable in principle forms of development in secondary villages, which are identified in Policy SP4 a) and therefore the proposal fails to accord with Policy SP4 of the Core Strategy.</p> <p>3. The proposed development fails to preserve and enhance the character of the local area on account of the increased built form and increased density. The proposal is regarded as an over development of the site and contrary to Policy ENV1 (1) and (4), of the Selby District Local Plan, Policy SP 4 c) and d) and SP19 of Core Strategy, national policy contained within the NPPF and the Stutton Village Design Statement (Feb 2012).</p>	Janet Waggott, Chief Executive
2019/1214/Ful - Cemetery, Long Mann Hills Road, Selby	01-Apr-20	<p>RESOLVED:</p> <p>To GRANT the application, subject to the conditions at paragraph 7 of the report and to the additional condition as set out below:</p> <p>The development hereby approved shall be carried out in accordance with the measures described in the Flood Risk Assessment received by the Local Planning Authority on 26 March 2020.</p> <p>Reason: In the interests of flood risk and flood risk reduction and in order to comply with the advice contained within the NPPF and NPPG.</p>	Janet Waggott, Chief Executive
2019/0663/FUL – Fields Garden Centre, Tadcaster Road, Sherburn in Elmet	08-Apr-20	<p>RESOLVED:</p> <p>To GRANT the application, subject to the conditions at paragraph 7 of the report.</p>	Janet Waggott, Chief Executive
2019/1340/FULM – Brocklesby Building Products Ltd., Unit 1, Long Lane, Great Heck	08-Apr-20	<p>RESOLVED:</p> <p>To GRANT the application subject to the conditions set out at paragraph 7 of the report.</p>	Janet Waggott, Chief Executive
2019/1172/FUL – Divisional Police Headquarters, Station Road, Tadcaster	08-Apr-20	<p>RESOLVED:</p> <p>To GRANT the application subject to the conditions set out at paragraph 7 of the report.</p>	Janet Waggott, Chief Executive
2019/1310/FUL – Hall Farm, Butts Lane, Lumby	08-Apr-20	<p>RESOLVED:</p> <p>To GRANT the application subject to the conditions set out in paragraph 6 of the report.</p>	Janet Waggott, Chief Executive

<p>2019/0941/FULM – Selby District Council – Old Civic Centre, Portholme Road, Selby</p>	<p>08-Apr-20</p>	<p>RESOLVED:</p> <p>To DEFER consideration of the application in order for Officers to gather further information on the following matters:</p> <ul style="list-style-type: none"> • Clarity of position from the Urban Design Team; • More detail on the provision of outside space, i.e. the pocket park; • The loss of trees and related landscaping matters; • Further comments from the Council's Strategic Housing Team on the tenure being offered; • Ensuring that the roads in the scheme are as close to an adoptable standard as possible; and • Additional details relating to a potential Section 106 agreement and planning obligations. 	<p>Martin Grainger, Head of Planning</p>
<p>2018/1116/DOV – Warehousing Depot, Station Road, Hambleton</p>	<p>16-Apr-20</p>	<p>RESOLVED:</p> <p>To APPROVE the request for a Deed of Variation, with delegation being given to Officers to complete a Deed of Variation to the original Section 106 agreement to allow the payment of a commuted sum to be used towards: (1) the provision of a children's play area and play equipment elsewhere in Hambleton; and/or (2) the enhancement of existing areas of recreational open space in Hambleton; in lieu of the provision of a children's play area and play equipment on the land in respect of planning approval 2005/0876/FUL for residential development comprising of 89 (2 storey and 2 1/2 storey) dwellings and associated works on 2.3 ha of land, following demolition of existing buildings on land off Station Road.</p>	<p>Janet Waggott, Chief Executive</p>
<p>2019/1018/PROW – Low Street, Carlton</p>	<p>16-Apr-20</p>	<p>RESOLVED:</p> <p>i) To GRANT the making of the Public Path Diversion Order, which will be subject to the required consultation.</p> <p>ii) That consultation be delayed for a period of three weeks due to the Covid-19 lockdown across the United Kingdom; this delay would be subject to review in light of any decisions on the lockdown taken by Central Government on or after 7 May, following which Officers would assess if the consultation could take place.</p> <p>iii) To APPROVE the delegation to Officers to confirm the Public Path Diversion Order following the expiry of a 28 day consultation period, subject to no objections being received or objections that are received through the consultation period being subsequently withdrawn within two months after the expiration of the objection period. Where objections are received within the specified time limit and not subsequently withdrawn within two months after the expiration of the objection period, that delegation be given to Officers to refer the Public Path Diversion Order to the Secretary of State.</p> <p>iv) To APPROVE delegation to Officers to certify the Public Path Diversion Order following the completion of the diversion works in accordance with the Order (where the Public Path Diversion Order has been confirmed in ii. above).</p>	<p>Janet Waggott, Chief Executive</p>
<p>2017/1381/FULM - Land At Viner Station Roe Lane</p>	<p>29-Apr-20</p>	<p>RESOLVED:</p> <p>To DEFER consideration of the application in order for further legal advice to be sought.</p>	<p>Janet Waggott, Chief Executive</p>

2019/0030/COU - Milford Caravan Park, Great North Road, South Milford	29-Apr-20	<p>RESOLVED: That:</p> <p>a) the Chief Executive Officer be MINDED TO APPROVE the application subject to the schedule of conditions as set out at paragraph 7 of the report;</p> <p>b) that the authority of Officers be confirmed to refer the application to the Secretary of State under The Town and Country Planning (Consultation) (England) Direction 2009 with the Chief Executive Officer's resolution to support it;</p> <p>c) that in the event that the application was not called in by the Secretary of State, authority be delegated to the Planning Development Manager to approve the application subject to the imposition of the attached schedule of conditions, and that delegation to include the alteration, addition or removal of conditions from that schedule if amendment becomes necessary as a result of continuing negotiations and advice and provided such condition(s) meets the six tests for the imposition of conditions, and satisfactorily reflects the wishes of the Chief Executive Officer; and</p> <p>d) that in the event that the application is called in for the Secretary of State's own determination, a further report be presented to the Chief Executive Officer.</p>	Janet Waggott, Chief Executive
2019/0941/FULM - Selby District Council - Old Civic Centre, Portholme Road	29-Apr-20	<p>RESOLVED:</p> <p>To APPROVE the application subject to the prior completion of a Section 106 Agreement relating to affordable housing, maintenance and management of open space, maintenance and management of highways and highway improvement works, and subject to the conditions and informatives set out at paragraph 7 of the report.</p>	Martin Grainger, Head of Planning
2020/0016/S73 - Quarry Drop, Westfield Lane, South Milford	06-May-20	<p>RESOLVED:</p> <p>That the application be GRANTED subject to the conditions set out at paragraph 7 of the report.</p>	Janet Waggott, Chief Executive
2020/0155/S73 - Former Kellingley Colliery, Turners Lane, Kellingley	06-May-20	<p>RESOLVED: That the application be MINDED TO GRANT subject to:</p> <p>(i) the expiration of the consultation period with no new material considerations being raised;</p> <p>(ii) referral of the application to the Secretary of State and their confirmation that the application is not to be called in for their consideration;</p> <p>(iii) the completion of a Deed of Variation to the original Section 106 agreement, and</p> <p>(iv) the conditions set out at paragraph 7 of the report.</p>	Janet Waggott, Chief Executive
2018/1299/FUL – Smallholding, Broach Lane, Kellington	13-May-20	<p>RESOLVED:</p> <p>That the application be MINDED TO GRANT subject to the expiration of the consultation period with no new material considerations being raised, and the conditions set out in the report.</p>	Janet Waggott, Chief Executive

2019/1269/FUL - The Stables, Main Street, Great Heck, Goole	20-May-20	RESOLVED: That permission be GRANTED subject to the conditions set out at paragraph 7 of the report.	Janet Waggott, Chief Executive
2020/0366/FUL – Birchwood Lodge, Market Weighton Road, Barlby	27-May-20	RESOLVED: That consideration of the application be DEFERRED until after the expiration of the consultation period on Friday 29 May 2020, in order for any additional representations to be considered by the Chief Executive when making her final decision.	Janet Waggott, Chief Executive
2020/0366/FUL – Birchwood Lodge, Market Weighton Road, Barlby	03-Jun-20	RESOLVED: That the application be GRANTED subject to the conditions set out in the report.	Janet Waggott, Chief Executive
2019/1318/COU – North House Farm, Oxton Lane, Bolton Percy	10-Jun-20	RESOLVED: That the application be GRANTED subject to the conditions and informatives set out in the report and the Officer Update Note.	Janet Waggott, Chief Executive
2020/0191/FUL – Jubilee Cottage, 13 Main Street, Thorganby	17-Jun-20	RESOLVED: i. To DEFER consideration of the application. ii. That if the proposed extension to the deadline for determination to August 2020 was refused by the applicant and their agent, the application be brought back to the CEO Urgent Decision Session scheduled for 24 June 2020 for a decision.	Janet Waggott, Chief Executive
2017/1381/FULM - Land At Viner Station, Roe Lane, Birkin	24-Jun-20	RESOLVED: To DEFER consideration of the application in order for a debate on technical questions and aspects to be undertaken to be undertaken at a meeting of the Planning Committee.	Janet Waggott, Chief Executive

<p>2019/0901/FUL - Field View, Wistow Road, Selby</p>	<p>24-Jun-20</p>	<p>RESOLVED:</p> <p>That the application be REFUSED for the following reasons:</p> <p>1. The proposed development significantly encroaches into open countryside, where in accordance with the overall Spatial Development Strategy for the District, development will be restricted to the replacement or extension of existing buildings, the re-use of buildings preferably for employment purposes, and well-designed new buildings of an appropriate scale, which would contribute towards and improve the local economy and communities, in accordance with Policy SP13; or meet rural affordable housing need (which meets the provisions of Policy SP10), or other special circumstances. The proposal does not comprise any of the types of development that are acceptable in principle under Policy SP2A (c) of the Core Strategy and therefore the proposal is unacceptable in principle and contrary to Policy SP2A (c) of the Selby District Core Strategy and hence the overall Spatial Development Strategy for the District.</p> <p>2. The application site provides the entrance to the settlement where the countryside meets the residential urban form. The proposed change of use to domestic garden land and the siting of a static caravan in this location, would be harmful to this character, particularly due to the open nature of the site and views from Wistow Road. The caravan would create an incongruous feature in the landscape by virtue of its siting, scale and appearance and the proposal would visibly encroach the residential character into the countryside and relate poorly to the remainder of the residential character along Wistow Road. The proposal would have a significant detrimental impact on the character and appearance of the area and fails to comply with Policies ENV1 (1), (4) and (5) of the Selby District Local Plan, and Policies SP18 and SP19 of the Core Strategy and paragraph 127 - 130 of the NPPF as the proposal would not add to the overall quality of the area or be sympathetic to local character.</p>	<p>Janet Waggott, Chief Executive</p>
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Officer Decisions

Decision Title	Date Decision Made	Key or Non Key?	Decision	Decision Maker
<p>Award of Community Engagement Forum Grants</p>	<p>01-Apr-20</p>	<p>Non-key</p>	<p>To award £5,000 from each CEF area to their respective Community Support Organisation to act as a 'community float'</p>	<p>Angela Crossland, Head of Community, Partnerships and Customers</p>
<p>Award of the Contract for the Servicing, Repair and Installation of Gas Appliances and Associated Works in the Council's Housing Stock</p>	<p>29-Apr-20</p>	<p>Key - Decision Under Urgency</p>	<p>To award the contract for the servicing, repair and installation of gas appliances and associated works in the Council's housing stock.</p>	<p>June Rothwell, Head of Operational Services</p>

Changes to the Discretionary Business Grants Policy, Phase 2 – 2020-21	26-Jun-20	Non-key	To approve the changes to the Discretionary Business Grants Policy, Phase 2 2020-21.	Karen Iveson, Chief Finance Officer
Draw down from Business Rates Equalisation Reserve to fund the 2019/20 General Fund year-end deficit	08-Jul-20	Key - Decision Under Urgency	RESOLVED: To approve the drawdown of £363k from the Business Rates Equalisation Reserve to finance the General Fund deficit.	Janet Waggott, Chief Executive
Age UK Selby Support Funding (grant originally awarded to establish a Bingo group)	In July 2020	Non-key	RESOLVED: To change the use of the Central CEF grant funding from establishing a bingo club to provide a 'community float' to support older residents in the district who are affected or self-isolated by the Covid-19 epidemic.	Angela Crossland, Head of Community, Partnerships and Customers

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