



**Audit and Governance Committee**

**Annual Report 2021-22**

## Introduction from the Chair – Councillor Karl Arthur

I am pleased to present the Audit and Governance Committee Annual Report 2021-22.

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.

The Committee met four 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 2021-22 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 2021-22, for their support and continued hard work. 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

27 April 2022

# Audit and Governance Committee Annual Report 2021-22

The following Councillors sat on the Audit and Governance Committee during the 2021-22 municipal year:

8 Members

<b>Conservative</b>	<b>Labour</b>	<b>Selby Independents</b>
Karl Arthur (Chair)	John Duggan	Don Mackay
Neil Reader (Vice-Chair)	Keith Franks	
Mike Jordan		
Andrew Lee		
Charles Richardson		
<b>Substitutes</b>	<b>Substitutes</b>	<b>Substitutes</b>
John Cattanach	Paul Welch	Mary McCartney
Richard Sweeting	Jennifer Shaw-Wright	
Mark Topping		
Keith Ellis		

The Committee will have met four times during the year (27 July 2021, 29 September 2021, 26 January 2022 and 27 April 2022).

Council officer support during the year was provided by:

- Karen Iveson, Chief Finance Officer
- Alison Hartley, Solicitor to the Council and Monitoring Officer
- 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.

## **2021-22 Work Programme**

During 2021-22 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.

## **Conclusion**

Throughout 2021-22, 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 – 2021-22

27 July 2021	
Topic	Outcome
External Audit Progress Report	The Committee considered the External Audit Progress Report, which set out the progress of external audit work to date on the 2020-21 financial statements. Members had no questions and resolved to note the report.
Draft Annual Governance Statement (AGS) 2020-21	<p>Members were informed that the draft Annual Governance Statement provided an assessment of the governance environment for 2020-21 and would form part of the Statement of Accounts which would be brought to Committee in September 2021.</p> <p>It was explained that the accompanying Action Plan identified significant control issues and highlighted that two actions relating to non-compliance with the Payment Card Industry Data Security Standard (PCI DSS), and performance management had been on the action plan for a period of over one year. It was noted that in relation to non-compliance with the PCI DSS, the new income management system had been delayed allowing a review of the proposed approach to taking payments over the telephone. Members were assured that the work was ongoing, a revised date of 5 October 2021 had been given for the system to be implemented and that the security that was already in place was performing well. The Committee heard that the performance management action had been delayed as a direct result of the response to Covid-19, as staff members had been temporarily seconded to other teams within the Council to provide assistance; a revised date of 30 September 2021 had been agreed. Members resolved to note the report.</p>
Annual Report of the Head of Internal Audit 2020-21; Annual Counter Fraud Report and Annual Information Governance Report 2020-21	<p>The Committee heard that the report provided a summary of the internal audit work carried out since April 2020, and the counter fraud and information governance work carried out during the year 2020-21 and noted that the overall opinion of the Head of Internal Audit on the governance, risk management and control framework operated by the Council was that it provided Reasonable Assurance. It was confirmed that this opinion was however qualified, in light of the current pandemic and the impact of this on the Council.</p> <p>The Committee heard that the report included the conclusion of Veritau's internal audit Quality Assurance and Improvement Programme (QAIP), it was explained that the Internal Charter set out how internal audit at the Council would be provided in accordance with the Public Sector Internal Audit Standards (PSIAS); a detailed self-assessment to evaluate performance against the Standards was undertaken in November 2018 which concluded that the internal audit activity provided by Veritau generally conformed to the PSIAS.</p>

	<p>In response to a query regarding the validity of the applications received for grant support, it was confirmed that most of the applications received had been genuine, and the robust checking arrangements in place within the Council, supported by the work of the Veritau counter fraud team, helped to minimise and recover incorrect payments.</p> <p>The Corporate Fraud Manager, Veritau presented the section of the report related to the Council's counter fraud activity in 2020-21, which highlighted that actual savings of £12k had been achieved through fraud investigation; in addition, £30k of Covid-19 grant fraud had been prevented.</p> <p>The Committee heard that there had been a 16% drop in the number of suspected fraud referrals in 2020-21, compared to 2019-20, this was attributed to Covid-19 and less social interaction between members of the public, which may have resulted in less suspicions being raised.</p> <p>The Committee noted that in addition to the fraud work carried out, a new counter fraud strategy had been developed on behalf of the Council, and the counter fraud policy was updated.</p> <p>Members queried once investigations had taken place and fraud had been proven, were the culprits prosecuted, it was confirmed that Veritau would recommend pursuing the matter through the court system, and that Selby District Council took fraud very seriously. It was further confirmed that warnings and cautions were also issued to ensure there was a formal paper trail to be followed.</p> <p>In terms of the information governance work carried out during 2020-21, it was highlighted that advice and support had been provided to officers in respect of the Information Asset register, the Information Governance Policy framework, and surveillance and law enforcement policies. Members noted that a number of meetings had taken place to progress work on overt surveillance activities, along with a review of the current Regulation of Investigatory Powers Act (RIPA) policy; it was confirmed that once finalised all the surveillance documentation would be presented to the Audit and Governance Committee for consideration.</p> <p>Members noted the report.</p>
Risk Management Annual Report 2020-21	<p>The Committee noted the Risk Management Annual Report which summarised the risk management activity during the year 2020-21, whilst also showing the proposed actions to be taken to embed sound risk management processes within the Council for the current 2021-22 municipal year. It was noted that in addition to supporting managers to review risks in their service areas and to identify mitigating actions where necessary, a review of the risk management strategy was completed.</p> <p>The Committee heard that further specific risk management activity was planned for 2021-22 to include a health check review of the risk management framework, an annual review of the risk management strategy, along with risk training and drop-in sessions for officers and Members.</p>
Corporate Risk Register 2021-22	<p>The Committee reviewed the Corporate Risk Register 2021-22, which provided an update on movements within the register. Members noted that the risks had been reviewed and updated by</p>

	<p>officers in June and July 2021, there was a total of 12 risks on the Council's Corporate Risk Register for 2021-2022, and it was highlighted that four of these risks had been identified as being high risk, with a score of 12 or more, this was the same as at the time of the January 2021 update.</p> <p>Members noted that the Local Government Reorganisation (LGR) had been added in this update, the risk described the existential threat that LGR posed to the Council, it also described the controls and mitigating actions that the Council had taken, or were planned, to manage the risk depending on the outcome, which had just been announced by the government.</p> <p>The Committee was assured that an action plan had been developed for all risks requiring active management, and that the Corporate Risk Register continued to be closely monitored.</p>
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<b>29 September 2021</b>	
<b>Topic</b>	<b>Outcome</b>
<p>Corporate Complaints &amp; Compliments Annual Report, April 2019 - March 2020 &amp; April 2020 - March 2021 and Local Authority Ombudsman Annual Review Letter 2021</p>	<p>Members acknowledged that the Corporate Complaints and Compliments Annual report was an opportunity to inform Members on individual service area improvement within the Council. It was explained that this report was for a two-year period, with the delay in reporting the 2020 information, a direct result of the extraordinary circumstances caused by the pandemic, as all service areas focussed resource on immediate customer needs.</p> <p>Members noted that the Local Authority Ombudsman was the final stage for corporate complaints made against Local Authorities, and that during this period there had been a decrease in the number of complaints escalated to the Ombudsman; and that none of the complaints made against the Council had been upheld. In addition, the Council showed a 100% record of implementation of the recommendations made by the Ombudsman.</p> <p>The Committee was assured that the complaints process was operating effectively and to a high standard. Members noted the report and annual review letter.</p>
<p>Corporate Policy: Regulation of Investigatory Powers Act 2000, Version: 2021</p>	<p>The Committee heard that the Regulation of Investigatory Powers Act (RIPA) controlled and regulated surveillance, and other means of gathering information by local authorities, and that the Council had a duty under RIPA 2000 to demonstrate how requests for covert directed surveillance activities were determined and recorded.</p> <p>Members noted that following an inspection by the Investigatory Powers Commissioner's Office (IPCO) in February 2021, it had been commented that the Council's draft RIPA guidance and procedure could be amended to reflect up to date Codes of Practice. Accordingly, officers of the Council had worked with Veritau to develop the revised RIPA Policy which reflected the current legislation and ensured that any consideration regarding the use of covert surveillance by officers complied with the law.</p>

	<p>To reflect the rarity of use of the powers by the Council, the number of authorising officers had been restricted to five at a senior level; the Director of Economic Regeneration and Place, the Director of Corporate Services, the Head of Operational Services, and the Head of Planning; with the Chief Executive dealing with cases which involved confidential information. It was explained that the Enforcement team had been trained to complete the application form to seek authorisation to deploy covert cameras.</p> <p>The process of authorisation and recording had also been revised so that it linked to the guidance and up to date Home Office forms available on the internet.</p> <p>Finally, Members heard that should the use of covert surveillance, on a case-to-case basis, be considered appropriate and proportional by an authorising officer of the Council, this authorisation would then be reviewed, prior to covert surveillance taking place, at the Magistrates Court to ensure compliance with the Human Rights Act.</p> <p>Members queried the possibility of increasing the number of CCTVs within the district to counteract fly tipping, it was confirmed that if this was overt surveillance, which included signs being displayed next to the cameras, additional CCTV could be installed. If a serious case of fly tipping occurred, which was being investigated, and it was considered that covert CCTV be warranted, before the use of covert CCTV could take place the case would have to go through the RIPA process and on to the Magistrates Court for final approval.</p> <p>The Solicitor to the Council clarified for Members that if cameras were overt in nature, then clear signage would be visible to ensure that people were fully aware that they were being filmed. If the cameras were covert this was in effect a secret camera, with no signage.</p> <p>The Committee noted that if the Council were to prosecute a case of fly tipping on evidence that had been collected using a covert camera, if that camera had not been authorised the evidence could be deemed not admissible. All evidence must be collected appropriately and according to the law.</p>
<p>Corporate Policy &amp; Guidance: Surveillance Overview Document and the Overt Surveillance Policy: Version: 2021</p>	<p>The Committee were informed that whilst outside the Regulation of Investigatory Powers Act 2000 (RIPA) legislation, any overt surveillance undertaken by the Council must be monitored in terms of its authorisation and use.</p> <p>Members noted that the Overt Surveillance Policy 2021 policy and guidance provided oversight as to how overt surveillance was managed at the Council in compliance with the Surveillance Camera Commissioner's Codes of Practice and the General Data Protection Regulation (GDPR).</p> <p>One Member advised that some local authorities had CCTV deployed in their town centres which not only recorded but was used to speak to the public on the street, it was queried whether Selby district had any of these types of cameras in operation. It was confirmed that Selby district, to date, did not have any of these cameras, however work was being progressed at present to assess the capability and risks involved in installing this type of CCTV.</p>



	The Committee noted the Overt Surveillance Policy 2021 and guidance.
External Audit Completion Report 2020-21	<p>Members heard that the report set out a summary of the external audit progress for 2020-21, and Members noted that work was yet to be completed in respect of the Council's value for money arrangements and that this would be reported to Committee in the Auditors Annual Report in December 2021.</p> <p>In relation to the significant risks identified in terms of the valuation of property, plant and equipment (PPE), Members heard that the net defined benefit liability valuation, and the management override of controls, additional procedures had been carried out; it was confirmed that this was not unusual and had happened at other local authorities.</p> <p>It was highlighted that there were two outstanding areas of audit work; Information Technology (IT), and Pensions, however it was anticipated that a response would be received shortly with regards to the IT testing. In terms of pensions, to date the assurance that had been requested from the pension fund auditor had not been received. Members noted the report.</p>
Internal Audit, Counter Fraud & Information Governance Progress Report 2021-22	<p>The Committee reviewed the progress made in delivering the internal audit work plan for 2021-22 and received an update on the counter fraud and information governance work undertaken to date in 2021-22. It was noted that due to Covid-19, there had been a higher level of outstanding audit work to be completed for the year 2020-21 than would normally be expected, however much of this work had taken place since the last report to Members in July 2021. It was highlighted that a new approach of flexible audit plans had been implemented for the current priorities in the internal audit work, which ensured the audit service was responsive to potential emerging risks.</p> <p>A number of questions were asked regarding the impact of Covid-19, and the Local Government Review (LGR) on the internal audit work. Members were assured that when the pandemic first started normal work was suspended, however over the course of the year the audit work had been brought back on schedule with the current work plan. In terms of LGR it was confirmed that the auditors core responsibility was to Selby District Council, and as such the auditors would continue to follow the audit work plan to offer reassurance and identify mitigating actions where and when required. It was further confirmed that Veritau had not contributed to the LGR consultation and there was no conflict of interest as part of the audit services that Veritau provided for other local authorities.</p> <p>In relation to the Council's counter fraud activity 2021-22, it was highlighted that actual savings of £2.5k had been achieved through fraud investigation; in addition, £8k of Covid-19 grant fraud had been prevented to date.</p> <p>The Committee heard that a range of work to include activity to promote the awareness of fraud to Council officers and members of the public, data matching as part of the National Fraud Initiative 2020-21 and requests for information from external agencies was ongoing.</p>

	<p>The Committee's attention to annex 3 of the report which provided an update on Information Governance matters, to include the General Data Protection Regulation (GDPR) action plan along with the Information Asset Register, Privacy Notices, Data Protection Impact Assessments, and project specific advice.</p> <p>Members heard that the Information Commissioners Office (ICO) had published additional guidance in relation to privacy notices, therefore the Councils privacy notices had been reviewed and updated. The GDPR action plan had been updated, and the Information Policies had been approved by the Leadership Team and published onto the Council website.</p> <p>In terms of Information Security incidents involving personal data, Members were informed that two such incidents had been reported to the ICO but neither had resulted in further actions for the Council. The Committee were informed that in relation to Data Protection Impact Assessments (DPIA), Veritau was supporting the Council in completing a number of DPIAs as well as providing advice on whether a DPIA was required for other projects, to include CCTV for Selby town centre.</p> <p>In response to a query regarding the main reception in the Civic Centre and a perceived issue around data protection which had the potential to arise, as that area was shared by both Police and Council personnel. It was confirmed that the Solicitor and Data Protection Officers for both organisations had been consulted and the decision was to ensure that the correct signage and privacy notices were in place at reception. It was further confirmed that appropriate action had been taken to mitigate any risk to the Council.</p> <p>Members noted progress on the delivery of internal audit, counter fraud and information governance work.</p>
Statement of Accounts 2020-21	<p>The Committee received the Statement of Accounts. It was explained that the audit was still to be concluded as there were two matters outstanding, as Members had heard featured in the External Auditors Completion Report. It was further explained that some minor amendments and a change to the recommendation had been made to the report within the agenda pack.</p> <p>It was highlighted that in view of the outstanding Pension Fund and Information Technology responses the audit was not complete, and Members were asked to delegate authority to the Chief Finance Officer to make any minor amendments which may arise in the accounts, in consultation with the Chair of the Committee.</p> <p>The Committee's attention was drawn to appendix B which set out key movements between the financial years of 2019-20 and 2020-21 and identified key changes. The accountant briefly explained the minor amendments within the report, but assured Members that the changes did not impact on any of the figures within the accounts.</p> <p>In response to a query regarding what data required verification in relation to property, plant and equipment, the Partner, Mazars explained that assurance was requested when working with property</p>

	<p>valuations as to whether the assertions featured were fairly stated, and sight of the underlying evidence was required.</p> <p>A number of questions were asked in relation to the Councils investments, it was explained that North Yorkshire County Council invested money on Selby Council's behalf, the majority being with banking organisations which were low risk; there were no future plans in place to diversify.</p> <p>The Chair queried if sundry debt arrears were recovered and what process was in place if the monies could not be recovered, it was confirmed that all debtors were pursued to the full effect, however this year had been challenging due to the pandemic, although officers continued to progress.</p> <p>The Committee approved the Statement of Accounts, subject to the completion of the audit.</p>
Consideration of Internal Audit Reports	<p>Members noted that an audit had been completed on 20 September 2021 which had identified that controls within the system only provided "Limited Assurance". As such, the findings had been brought to the Committee for presentation and discussion. Members noted that actions had been agreed to address the issues identified, and that many of the actions had already been completed.</p> <p>The Committee was satisfied that appropriate action was being taken and noted the report.</p>

<b>26 January 2022</b>	
<b>Topic</b>	<b>Outcome</b>
<b>Annual Report of Information Requests 2021</b>	<p>The Committee considered the report, which provided the annual update in relation to information requests received and responded to during 2021 under the Freedom of Information Act and Environmental Information Regulations.</p> <p>Members noted that the Council had maintained an 85.99 percent response rate within the response time of twenty days, which in light of the ongoing pressures faced by the Covid pandemic in 2021 was to be commended and continued to demonstrate that the way in which information requests were handled was fit for purpose.</p>
<b>External Auditor's Annual Report 2021</b>	<p>Members noted that the Auditor's Annual Report summarised the external audit work undertaken for the year ended 31 March 2021.</p> <p>The Committee's attention was drawn to section three of the report which included the new style value for money commentary, Members were pleased to note that no weaknesses had been identified in the Councils arrangements, and that the external auditor had nothing to report by exception.</p> <p>In terms of the external auditor fees which had been set out in the Audit Strategy Memorandum, Members heard that there had been additional fee increases incurred in respect of additional work</p>

	<p>undertaken on the property, plant and equipment (PPE) valuation, the pension liability valuation and the new style value for money approach. As the Committee had heard during the Chairman's address, the government would be providing councils with additional funding over the course of the next Spending Review period to provide support with the costs incurred by increased auditing requirements. In response to a query regarding how confident the external auditors were that all the audit work had been captured, as the work had been undertaken remotely; and should audits be conducted remotely in the future. It was confirmed that conducting the audit work remotely had worked very well, however for the future a hybrid of remote and face-to-face meetings would be the preferable option. Members noted the report.</p>
External Audit Progress Report	<p>Members received the report which set out a summary of external audit work completed to date on the 2020-21 financial statements along with the progress made on the 2021-22 audit planning work. The Committee noted that since the last Audit and Governance Committee meeting in September 2021 work on the 2020-21 financial statements had been completed. It was confirmed that an unqualified opinion had been issued along with a 'follow-up letter' which concluded on all the areas of outstanding work at the time of the September 2021 Committee, and the audit opinion had been issued on 1 October 2021. It was further confirmed that the work on the value for money arrangements was complete with no areas of significant weakness identified.</p> <p>Members heard that work on the Housing Benefit Claim was due to commence and the Manager, Mazars highlighted that the Department for Work and Pensions (DWP) had revised the submission date for receipt of the reporting accountant's reports to 31 January 2022. However, in recognition of the challenges faced by audit firms at this time, the DWP had put in place arrangements for local authorities to request an extension if deemed necessary. It was confirmed that officers had applied to the DWP for an extension to the submission date of the 31 March 2022, but as yet a response had not been received.</p> <p>In terms of the audit for 2021-22, Members noted that planning work was scheduled to commence, and that the Audit Strategy Memorandum and the Audit Plan would be presented at the next meeting of the Audit and Governance Committee in April 2022.</p>
Internal Audit, Counter Fraud and Information Governance Progress Report 2021/22	<p>The Committee was provided with an update on the delivery of the internal audit work plan for 2021-22, along with an update on the counter fraud and information governance work undertaken to date in 2021-22.</p> <p>Members heard that nine 2021-22 audits were in progress. It was highlighted that at the onset of the pandemic, it had been agreed with the Leadership Team to concentrate resources on following up higher priority actions and normal activity had been suspended. Members noted that normal follow up</p>

activity had now been resumed therefore actions that remained outstanding would be escalated as appropriate.

The Committee received an update on the Limited Assurance report which had been brought to Committee in September 2021, in relation to non-compliance with the Payment Card Industry Data Security Standard (PCI DSS), it was noted that the new income management system procured from Civica to enable PCI DSS compliance had gone “live” today and therefore the issue had been resolved. In terms of Performance Management, this action was still ongoing, but should be completed by the next Committee in April 2022.

In relation to Information Technology (IT) and the considerable effort to ensure that officers had the correct technology resources, were trained to work from home, and facilitate and attend remote meetings, Members queried if Veritau had undertaken checks in this area of work. It was confirmed that audit work was due to commence on IT, to look at the effective management of those assets, and once the audit had been completed the summary and findings would be brought to Committee in April 2022.

In terms of the Council’s counter fraud activity 2021-22 the Committee heard that there had been an increase in both regional and national attempts by organised criminals operating from overseas to divert genuine payments made to Council suppliers. To combat this the counter fraud team were reviewing the Council’s processes for verifying changes to supplier’s details, to ensure the process was robust enough to counter the latest threats posed by fraudsters.

Members noted that the Revenue and Benefits team had benefitted from fraud awareness training sessions: in addition, two campaigns had been undertaken to raise awareness of fraud with officers and members of the public, to inform them of how to report fraud if they suspected it was taking place. The Committee were informed that in December 2021 the Chancellor had announced an additional support scheme for the hospitality and leisure sector, the counter fraud team had supported officers with pre and post payment assurance work and investigated potential suspected frauds highlighted when officers verified the applications.

The Information Governance Manager, Veritau drew the Committee’s attention to Annex 3 of the report which provided an update on Information Governance matters, to include the General Data Protection Regulation (GDPR) action plan. Members were informed that to date, 24 privacy notices had been reviewed, the relevant changes applied and once finalised would be published; and the amended Information Governance Policies had been approved and published onto the Council website. In terms of officer training, dates were in the process of being identified to provide online training sessions on subjects to include Records Management, Data Protection Rights and Principles and a new session around Data Protection Impact Assessments. A virtual law enforcement training course was now

	available for selected officers and had been specifically designed to meet the requirements of the Council.
Review of the Risk Management Strategy	<p>The Audit Manager, Veritau presented the annual report, which set out the reviewed strategy for managing risk within Selby District Council following consultation with the Leadership Team.</p> <p>It was noted that the strategy still aligned with best practice and the objectives of the Council in terms of corporate priorities, therefore the strategy remained unchanged following the review.</p> <p>Members requested that should changes be identified to the strategy during future risk management reviews that said changes be highlighted, for ease of reading, at the beginning of the report.</p> <p>Discussion took place regarding the forecast for inflation, interest rate increases, the rising cost of living and the potential for a recession that would impact on both social and political risks. Members were informed that the risk categories were there for guidance and that some risks fell into more than one category, if this was the case, the risk would be analysed and assessed, and controls would be implemented to reduce the impact of the risk.</p>
Corporate Risk Register	<p>The Committee heard that this report contained the twice-yearly update on movements within the Corporate Risk Register, which was last reported to the Committee in July 2021.</p> <p>Members noted that there was a total of 12 risks on the Council's Corporate Risk Register for 2021-2022, with no new risks being added. It was highlighted that the Local Government Reorganisation (LGR) risk had been updated to reflect the government announcement that the unitary North Yorkshire proposal had been accepted, which offered increased clarity around plans for the future.</p> <p>It was highlighted that the Economic Environment and Managing Customer Expectations risks had both reduced to a score of 6 following the latest assessments; these were as a result of a stronger than anticipated economic performance, the re-commencement of face-to-face appointments for the most vulnerable, and the return of reception provision at the Civic Centre.</p> <p>The Committee asked a number of questions in relation to the Local Government Reorganisation, the need for it to be considered as a risk and what would happen to the approved projects on which work had not commenced, as yet. The Chief Finance Officer explained that the risk lay in the Council not being able to deliver on the projects that it had said would be accomplished on the Council's Corporate Plan, and the impact this would have for the district.</p>
Counter Fraud Framework Update	<p>The Committee received an update on the review of the Council's Fraud and Corruption Policy, and the recommendation to update the policy to include specific anti-bribery provisions. The report also provided an update on progress against the actions set out in the counter fraud strategy and presented an updated counter fraud risk assessment which reflected the current fraud risks facing the Council.</p>

	<p>Members were informed that the Covid-19 pandemic had created new online opportunities for potential fraudsters to attack public sector organisations, private businesses, and members of the public. In response to the threat of cybercrime the government had introduced an improved national fraud and cybercrime reporting system to replace the Action Fraud organisation, which would increase intelligence sharing between national and local agencies to help combat fraud.</p> <p>The Committee were assured that as the Council had been responsible for administering support payments to business and residents during the pandemic, robust application processes and verification checks had been established from the onset to minimise the impact of fraudulent attempts to claim funds.</p> <p>The Committee heard that a review of the fraud risk assessment had been undertaken, and it was highlighted that two changes had been made in the risk rating. Firstly, Covid-19 grant frauds had been reduced from high risk to a medium risk due to a reduction in the number of schemes available, the value of the amounts payable, an increase in tools available to officers to verify the payments and the experience gained by officers from administering the schemes to date. The theft of assets risk had also been downgraded from a high risk to a medium risk, this was as a result of the easing of Covid-19 related restrictions and increased staff presence at Council premises.</p> <p>Members acknowledged that raising officers' awareness of fraud was key to identifying and tackling fraud, and noted that training aimed at cybersecurity awareness, and a campaign to raise awareness of bribery and corruption would be delivered to officers during the coming year.</p> <p>The Committee resolved to recommend that the Executive approve the updated Counter Fraud and Corruption Policy.</p>
Annual Governance Statement Action Plan Review 2020-21	<p>The Chief Finance Officer presented the report, which updated the Committee on progress on the Annual Governance Statement (AGS) 2020-21 Action Plan approved in September 2021.</p> <p>Members heard that the report contained two progress updates in relation to non-compliance with the Payment Card Industry Data Security Standard (PCI DSS) and Performance Management.</p> <p>The Committee was informed that the new income management system procured from Civica to enable PCI DSS compliance had experienced delays, however, has had already been identified in an earlier item, the new system had gone "live" today and therefore the issue had been resolved.</p> <p>In terms of Performance Management, Members noted that some progress against the approved action plan had been made although the actions were on-going due to a variety of circumstances and a further revised deadline had been agreed.</p>
Procurement of External Audit for the period 2023-24 to 2027-28	<p>The Chief Finance Officer presented the report, which set out proposals for appointing the external auditor to the Council for the accounts, for the five-year period from 2023-24.</p>

	<p>The Committee were informed that the current auditor appointment arrangements covered the period up to and including the audit of the 2022-23 accounts, as the Council had opted into the 'appointing person' national auditor appointment arrangements established by Public Sector Audit Appointments (PSAA) for the period covering the accounts for 2018-19 to 2022-23.</p> <p>It was explained that the PSAA was now undertaking a procurement for the next appointing period, covering audits for 2023-24 to 2027-28, and had advised that existing councils could, if they chose to do so, opt-in to the arrangements in case the local government reorganisation (LGR) should be delayed for any reason.</p> <p>It was further explained that the section 151 Officers of all eight Councils in North Yorkshire had looked at the alternative options, and although the Council could elect to appoint its own external auditor, given the transition to a new unitary council from 1 April 2023 it had been decided that the sector-wide procurement conducted by PSAA would, on balance, deliver the best value for money and produce better outcomes for the Council.</p> <p>Members noted that if the Council wished to take advantage of the national auditor appointment arrangements, then the final decision would be taken at full Council. The Committee resolved to recommend that Council accepted the Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.</p>
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**The following items are due to be considered at the final meeting of the municipal year:**

<b>27 April 2022</b>	
External Audit Strategy Memorandum	
Internal Audit, Counter Fraud & Information Governance Progress Report	
Internal Audit, Counter Fraud & Information Governance Plan 2022-23	



Constitutional Amendments	
Consideration of Internal Audit Reports	
Audit and Governance Committee Annual Report 2021-22	
Work Programme 2022-23	