

AUDIT AND RISK COMMITTEE

7.00 pm, Monday, 15 April 2013

Present:- Councillor Paul Waring – in the Chair

Councillors Jones, Mrs Peers, Stringer and Turner

In attendance: Kelvin Turner (Executive Director, Resources and Support Services), Mark Bailey (Head of Business Improvement and Partnerships), Paul Clisby (Head of Central Services), Liz Dodd (Audit Manager) and Nick Lamper (Senior Member Services Officer)

1. **APOLOGIES**

Apologies for absence were submitted on behalf of Councillor David Loades and Phil Butters, the independent member.

2. **MINUTES OF LAST MEETING**

Resolved: That the minutes of the meeting held on 18 February 2013 be approved as a correct record and signed by the chair.

3. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

4. **CORPORATE RISK MANAGEMENT REPORT: JANUARY - MARCH 2013**

A report was submitted providing an update on progress in enhancing and embedding risk management for the period January to March 2013, including progress in managing the identified corporate risks.

Mark Bailey, Head of Business Improvement and Partnerships, answered members' questions and provided further information on individual risks.

It was also reported that a list of upcoming Bills and Acts of Parliament potentially affecting the council would be provided at the next meeting of the committee.

Resolved: That the progress made in managing the risks identified within the Strategic, Operational, Project and Partnership Risk Registers, and the new risks identified between January and March 2013, be noted.

5. **REVIEW OF THE COUNCIL'S ANTI-FRAUD AND ANTI-CORRUPTION FRAMEWORK**

A report was submitted as part of the annual review of the above policies. There had been no new legislative changes since the last review and therefore the policies remained unchanged.

A number of initiatives were in hand, including an upcoming Fraud Awareness Week and a range of staff training delivered both through the e-learning tool and also face-

to-face. Measures to prevent and address fraud would also feature in the forthcoming Annual Governance Statement.

Resolved: That the Anti-Fraud and Anti-Corruption Framework, the Whistleblowing Policy and the Fraud Response Plan be approved.

6. ANTI-MONEY LAUNDERING POLICY

A report was submitted on the annual review of the Anti-Money Laundering Policy, which underpinned the council's commitment to creating an anti-fraud culture, and maintaining high ethical standards in its administration of public funds.

It was reported that the major change was the lowering of the limit for cash transactions from £5,000 to £2,000.

Only cash transactions fell within the scope of the policy, but a range of other measures were in place to safeguard transactions by credit and debit card as well as in relation to contracts and leases.

Resolved: That the Anti-Money Laundering Policy be approved.

7. AUDIT COMMISSION REPORT - PROTECTING THE PUBLIC PURSE 2012

A report was submitted summarising the Audit Commission publication 'Protecting the Public Purse 2012'. Published in November 2012, this had been the fourth report of its type produced by the Audit Commission since September 2009 in relation to the key fraud risks and pressures facing local authorities and identifying good practice in fighting fraud. It was reported that the only significant change in comparison to the previous report was in the area of emerging fraud risks.

The publication included a checklist to be used by local authorities to review and assess their current arrangements. This checklist had been completed and an action plan drawn up of the steps now required to reinforce the arrangements already in place. A copy of the checklist was submitted for the committee's consideration.

The council made good use of a number of resources and forums in addressing fraud, including the gathering of intelligence and sharing of information and best practice. These included the Fraud Forum within the online Technical Information Service of the Chartered Institute of Public Finance and Accountancy, the National Fraud Initiative and National Fraud Authority, and the Staffordshire Chief Auditors Group.

Resolved: That the initiatives in place and the work being undertaken in response to the publication be noted.

8. CODE OF CORPORATE GOVERNANCE

A report was submitted along with the council's Code of Corporate Governance.

Under the Accounts and Audit Regulations 2011, the authority was required to produce an Annual Governance Statement, which emphasised the importance of ensuring that it had in place sound governance arrangements and transparent decision making processes.

Alongside this requirement, the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives had together produced a framework for developing and maintaining a local Code of Corporate Governance. The framework was based upon six core principles and its adoption enabled the council to demonstrate that it had reviewed its governance arrangements in line with best practice as well as ensuring that the Code of Corporate Governance was regularly reviewed and remained effective.

The Code of Corporate Governance had been reviewed for the year 2012/13 and, as there had been no updates to the CIPFA/SOLACE framework, no amendments had been made at this time. The code in its present form remained effective in demonstrating that the council was committed to delivering good governance in all aspects of its business.

Resolved:

- (1) That the requirements of the Code of Corporate Governance be noted;
and
- (2) That a covering letter signed by the Chair and Vice-Chair of the Audit and Risk Committee be sent to all members reminding them that a copy of the Code of Corporate Governance was available in the members' area of the council's intranet.

9. REGULATION OF INVESTIGATORY POWERS ACT 2000 - REVISED POLICY DOCUMENT

A report was submitted informing the committee of the council's revised policy on use of the Regulation of Investigatory Powers Act 2000 (RIPA). The purpose of the policy and its associated procedures was to ensure compliance with the requirements of RIPA and the Protection of Freedoms Act 2012 following legislative changes which had come into force on 1 November 2012.

Prior to 1 November, it had been possible for a senior officer in an authority to authorise surveillance where necessary 'for the purpose of preventing or detecting crime or preventing disorder'. The element of 'preventing disorder' had now been removed and additionally the grant of authorisation had been made subject to conditions.

In summary, directed surveillance covered by RIPA would not now be authorised unless it was for the purpose of preventing or detecting a criminal offence punishable by a maximum of at least six months imprisonment, or it was one of a number of licensing or similar offences preventing the sale of tobacco or alcohol to children.

Furthermore, from 1 November 2012 local authorities had been required to obtain judicial approval prior to using covert techniques. Local authority authorisations and notices under RIPA would only be given effect once an order had been granted (in the case of England and Wales) by a Justice of the Peace. The government had considered that the benefit of introducing this approval mechanism would ensure that local authority authorisations were subject to independent judicial scrutiny and ensure that local authorities did not use the techniques in trivial cases.

In the light of the changes in legislation, a new policy document had been drawn up and was submitted for the committee's consideration. Training sessions on the new legislation had been held for all relevant staff on 9 November 2012 and 18 March 2013.

The changes would not affect the council's ability to utilise overt surveillance and other techniques in its detection and enforcement activities.

Resolved:

- (1) That the Policy and Guidance on the Use of RIPA be endorsed and adopted;
- (2) That reports be submitted to the committee on an annual basis to update it on any amendments made to the policy as a result of recommendations from the Office of the Surveillance Commissioners or future legislative changes to ensure it remains fit for purpose; and
- (3) That an internal report be submitted following any use by the council of the Regulation of Investigatory Powers Act 2000.

10. URGENT BUSINESS

There was no urgent business.

11. DATE OF NEXT MEETING

The chair consulted the committee on a proposal to move its next meeting from the scheduled date of 1 July 2013 to the alternative of 15 July 2013 to avoid other commitments. The proposal received general support and arrangements would be put in hand to effect this change, subject to consultation with the chair of the Standards Committee in relation to the rearrangement of the meeting of that committee currently scheduled for 15 July.

COUNCILLOR PAUL WARING
Chair

The meeting concluded at 7.55 pm.