

Minutes of the meeting of the Audit,  
Governance and Standards Committee held  
at 9.30 am on Tuesday, 23rd March, 2021 at  
a Virtual Meeting via Teams

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Present

Councillor N A Knapton (in the Chair)

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| Councillor | P Atkin    | Councillor | K G Hardisty |
|            | P Bardon   |            | R W Hudson   |
|            | D B Elders |            | P Thompson   |

Also in Attendance

Councillor M S Robson

#### AGS.18 Minutes

**The decision:**

That the minutes of the meeting of the Committee held on 26 January 2021 (AGS.16 - AGS.17), previously circulated, be signed as a correct record.

#### AGS.19 Regulation of Investigatory Powers Act - Review of Activity and Review of Policy

All Wards

**The subject of the decision:**

The Director of Law and Governance (Monitoring Officer) submitted a report advising the Committee that the Council, like many public authorities, was governed by the Regulation of Investigatory Powers Act 2000 (RIPA). This Act ensured that public authorities complied with their obligations under the Human Rights Act when undertaking investigations which might interfere with the rights of individuals. The Act introduced safeguards on activities such as surveillance undertaken by public bodies. The Committee had now been given responsibility for RIPA matters. This would involve the Committee reviewing the Council's Policy Statement from time to time and receiving bi-annual reports on any activities which had been authorised under RIPA.

**Alternative options considered:**

None.

**The reason for the decision:**

To comply with the Regulation of Investigatory Powers Act 2000 (RIPA).

**The decision:**

That:-

- (1) the current Policy on the Regulation of Investigatory Powers Act be approved;
- (2) it be noted that no RIPA authorisations were made by the Council during the period 27 January to 22 March 2021.

**AGS.20 Annual Report Code of Conduct Complaints**

All Wards

**The subject of the decision:**

In accordance with the findings in the recent publication by the Committee on Standards in Public Life entitled 'Local Government Ethical Standards – A Review by the Committee on Standards in Public Life', this report sets out the Monitoring Officer's Annual Report on matters relating to ethical governance, including details of any complaint handling activity in relation to allegations of breaches of a code of conduct.

**Alternative options considered:**

None.

**The reason for the decision:**

The Committee is required to be presented with an annual report on code of conduct complaints.

**The decision:**

That the report of the Monitoring Officer be noted.

**AGS.21 Internal Audit, Counter Fraud and Information Governance Plans 2021/22**

All Wards

**The subject of the decision:**

The Director of Finance and Commercial (S151 Officer) submitted a report presenting the proposed Internal Audit Plan for the financial year 2021/22 for approval and the Counter Fraud and Information Governance plans for information.

**Alternative options considered:**

None.

**The reason for the decision:**

The work of internal audit was governed by the Public Sector Internal Audit Standards (PSIAS). In accordance with those standards and the Council's Audit Charter, Internal Audit was required to prepare and audit plan on at least an annual basis.

**The decision:**

That:-

- (1) the Internal Audit Plan for 2021/22 be approved;
- (2) the Counter Fraud and Information Governance plans be noted.

**AGS.22 Internal Audit and Counter Fraud Progress Report 2020/21**

All Wards

**The subject of the decision:**

The Director of Finance and Commercial (S151 Officer) presented a report informing Members of progress made to date in delivering the Internal Audit Plan for 2020/21 and any developments likely to have an impact on the plan throughout the remainder of the financial year. The report also provided a summary of counter fraud work undertaken up to 19 February 2021.

**Alternative options considered:**

None.

**The reason for the decision:**

To take account of the statutory requirement under the Accounts and Audit Regulations.

**The decision:**

That the work undertaken by Internal Audit and the Counter Fraud Team in the year to date be noted.

**AGS.23 Review of Annual Treasury Management Strategy 2021/22**

All Wards

**The subject of the decision:**

The Director of Finance and Commercial (S151 Officer) presented the Council's Treasury Management Strategy for the forthcoming year 2021/22 for review.

**Alternative options considered:**

None.

**The reason for the decision:**

To ensure the Committee fulfils its terms of reference and scrutiny role in relation to Treasury Management.

**The decision:**

That:-

- (a) the Council's Treasury Management Strategy for 2021/22 be accepted;  
and
- (b) training on treasury management be held during 2021/22.

**AGS.24 Review of Capital Strategy 2021/22**

All Wards

**The subject of the decision:**

The Director of Finance and Commercial (S151 Officer) presented a report which provided an opportunity for the Committee to review the Council's Capital Strategy for the forthcoming financial year 2021/22; review the monitoring of 'separate bodies' that have been set up which were reported to Cabinet on a quarterly basis as an Annex to the Capital Monitoring and Treasury Management report; and review the Joint Venture Company – Central Northallerton Development Company Ltd – Accounts 2019/20.

**Alternative options considered:**

None.

**The reason for the decision:**

To comply with the Council's Constitution.

**The decision:**

That the Capital Strategy 2021/22 be noted.

**AGS.25 Statutory Auditor Report on the 2019/20 Audit and the Council's Financial Report - Statement of Accounts - 2019/20**

All Wards

**The subject of the decision:**

The Director of Finance and Commercial (s151 Officer) submitted a report which provided an update on the position of the statutory auditor report - Audit Results Report and the Council's financial report for 2019/20 as well as information on the external audit scale fees and fee variations. The Statutory Auditor Report – Ernst Young's Audit Results Report was not yet complete due to Ernst Young LLP requesting, as a result of their final internal consultation process, the Council to carry out a further independent review in relation to the Value for Money Opinion. Therefore, the Statement of Accounts 2019/20, the Annual Governance Statement along with the Audit Results Report and Letter of Representation would be brought back to the next meeting of Audit, Governance and Standards Committee when the independent review had been concluded and the Audit Results Report finalised.

**Alternative options considered:**

None.

**The reason for the decision:**

The Committee acknowledged that the external audit of the draft statement of accounts for the year ended 31 March 2020 had not yet been completed by the Council's external auditors, Ernst Young LLP, due to their request for the Council to carry out a further independent review in relation to the Value for Money Opinion. This situation was in line with the Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404.

**The decision:**

That the Committee notes:-

- 1) the statutory auditor report on the 2019/20 audit and the Council's financial report – Statement of Accounts – 2019/20 will be presented at the next appropriate meeting; and
- 2) the external audit scale fees and fee variations.

**AGS.26 CIPFA Financial Management Code**

All Wards

**The subject of the decision:**

The Director of Finance and Commercial (s151 Officer) presented a report which informed the Committee of the contents of the Financial Management Code and demonstrated the Council's compliance to the Financial Management Code. In recognition of the financial pressures that Councils were facing, the Chartered Institute of Public Finance and Accountancy (CIPFA) had developed the Financial Management Code. The intention of the Financial Management Code is to provide guidance to Local Authorities to create a culture of strong, sustainable financial management giving assurance that authorities are managing resources effectively. The report detailed the Council's Financial Management Action Plan.

**Alternative options considered:**

None.

**The reason for the decision:**

Complying with the standards set out in the Financial Management Code was the collective responsibility of elected members and Management Team. Explicit standards of financial management were set out by the Financial Management Code. Although the Code did not currently have any specific statutory backing, CIPFA reference that compliance with the Financial Management Code should be linked to the (s151) of the Local Government Act 1972. There was also an obligation upon Members and Management Team to adhere to the Financial Management Code.

**The decision:**

That the report be noted.

**AGS.27 Report Programme for 2021/22**

All Wards

**The subject of the decision:**

The Director of Finance and Commercial (S151 Officer) presented a report which identified those reports which the Committee wished to receive on a structured basis.

**Alternative options considered:**

None.

**The reason for the decision:**

To identify which reports the Committee wished to receive on a structured basis.

**The decision:**

That the report programme set out in Annex A of the report be approved.

The meeting closed at 10.16 am

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Chairman of the Committee