



Audit and Governance Committee

Annual Report 2020-21

Introduction from the Chair – Councillor Karl Arthur

I am pleased to present the Audit and Governance Committee Annual Report 2020-21.

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.

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 2020-21 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 2020-21, 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

21 April 2021

Audit and Governance Committee Annual Report 2020-21

The Audit and Governance Committee membership changed slightly following Council on the 22 September 2020. The following Councillors sat on the Audit and Governance Committee during the 2020-21 municipal year:

8 Members

Conservative	Labour	Selby Independents and Yorkshire Party Group
Karl Arthur (Chair)	John Duggan	Eleanor Jordan (<i>up to September 2020</i>)
Neil Reader (Vice-Chair)	Keith Franks	Dave Brook (<i>up to September 2020</i>)
Judith Chilvers		Don Mackay (<i>appointed September 2020</i>)
Mike Jordan (<i>appointed September 2020</i>)		
Tim Grogan (<i>appointed September 2020</i>)		
John Mackman (<i>up to September 2020</i>)		
Substitutes	Substitutes	Substitutes
John Cattanach	Paul Welch	Mary McCartney (<i>appointed September 2020</i>)
Ian Chilvers	Jennifer Shaw-Wright	
Andrew Lee		

The Committee will have met remotely four times during the year (29 July 2020, 21 October 2020, 27 January 2021 and 21 April 2021).

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.

2020-21 Work Programme

During 2020-21 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 2020-21, 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 – 2020-21

29 July 2020	
Topic	Outcome
External Audit Strategy Memorandum	The Committee considered the External Audit Strategy Memorandum, which outlined the external audit plan for the Council for the year ending 31 March 2020, and confirmed that for the 2019-20 financial year, no significant audit risks had been identified to the value for money conclusion work. It was explained that the timeline within the report had changed and that the Completion Report 2019-20 would be brought to the Committee in October 2020. It was highlighted that three risks had been deemed to be significant: management override of control, property, plant and equipment valuation; and defined benefit liability valuation, however it was confirmed that these risks were not unusual.
Internal Audit, Counter Fraud & Information Governance Plan 2020-21	The Committee approved the Internal Audit Plan 2020-21; and noted the Counter Fraud & Information Governance Plans for 2020-21. The Committee were assured that the contents of the report reflected good coverage of the Council's activities and provided assurance that effective management controls and governance were in place.
Draft Annual Governance Statement 2019-20	Members noted that the draft Annual Governance Statement provided an assessment of the governance environment for 2019-20 which would form part of the draft Statement of Accounts to be brought to Committee in October 2020. It was explained that the accompanying Action Plan identified significant control issues and it was highlighted that two new actions relating to governance arrangements and financial procedures had been added to the action plan as a result of Covid-19. It was further explained that the Leadership Team monitored progress made against the action plan to ensure that actions were delivered to the agreed deadlines, and further confirmed that some actions within the action plan had been completed and implemented.
Annual Report of the Head of Internal Audit 2019-20	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 this opinion was however qualified, in light of the current pandemic and the impact of this on the Council. Discussion took place regarding the Reasonable Assurance opinion given by the Head of Internal Audit on the control framework operated by the Council, and it was queried whether other local Council's achieved a higher rating, and what activity would be required for Selby District Council to reach the Substantial opinion, it was confirmed that Veritau saw a range of opinions over other Council's. The Chief Finance Officer assured the Committee that the Council continually strived for a Substantial opinion and if issues were identified they would be addressed.

	<p>The Committee noted that in relation to the Council's counter fraud activity in 2019-20, to date actual savings of £17k had been achieved through fraud investigation.</p> <p>Members queried the cost in staff hours taken to achieve the £17k savings, it was explained that Veritau had 125 total planned counter fraud days in 2019-20, a large proportion of those days had been utilised for this work. It was further explained that without the fraud work undertaken that there would be no deterrent, and that Selby District Council took fraud very seriously. Members agreed that the work of the Veritau counter fraud team must be publicised to make the public aware.</p>
Risk Management Annual Report 2019-20	<p>The Committee considered the Risk Management Annual Report which provided a summary of risk management activity undertaken in 2019-20 and the proposed risk management actions for 2020-21. Members noted that over the past year, in addition to supporting managers to review risks in their service areas and to identify mitigating actions where necessary, specific risk management support was provided to the Place Branding (Stage 2) project, which included facilitation of a risk identification workshop.</p>
Corporate Risk Register 2020-21	<p>The Committee reviewed the Corporate Risk Register 2020-21, which provided an update on movements within the Corporate Risk Register and asked the Committee to note the current status of the Corporate Risk Register.</p> <p>Members noted that there was a total of 12 risks on the Council's Corporate Risk Register for 2019-20, and it was highlighted that 4 of these risks had been identified as being high risk, this had increased by 2 from January 2020. It was explained that this was largely due to the impact of Covid-19.</p> <p>In response to a query regarding the risk defined as high risk relating to financial resources and the sustainability of the Council's financial position beyond 2021, the Chief Finance Officer highlighted that this was an assessment of the likelihood of the risk with controls and mitigating actions in place.</p>
Review of the Constitution 2020	<p>Members noted the changes made to the Constitution of the Council following a review undertaken by the Solicitor to the Council in her role as Monitoring Officer. The changes which had been made were either administrative, as a result of legislative changes, or as approved by the Audit and Governance Committee in the resolution dated 10 April 2019 in relation to standards arrangements; and also included giving effect to new remote meeting procedure rules.</p>
Updated Selby District Council Code of Conduct & LGA Model Code of Conduct Consultation	<p>The Committee noted the amendments made to the Council's Code of Conduct for Members, and arrangements for dealing with standards complaints following the Audit and Governance Committee's decision made on 19 April 2019, having regard to the best practice recommended in the report of the Committee on Standards in Public Life.</p> <p>Members were informed that one of the Committee's recommendations was that a model national Code of Conduct should be adopted in response to the Committee's recommendations. A proposed National Code had been drafted by the Local Government Association (LGA) and was now the subject</p>

	of consultation. Members were encouraged to access the link and submit individual responses to the consultation before the deadline of 17 August 2020.
Audit & Governance Annual Report 2019-20	The Committee received the report from the Chair, which asked them to approve the Audit and Governance Committee Annual Report for 2019-20. One of the Members felt although the report reviewed the work of the Audit and Governance Committee during the previous municipal year it should also include the future objectives of the Committee and asked that the Chair consider this addition to the Annual Report.
Decisions taken under Urgency due to Covid-19	The Committee was informed that on 23 March 2020 the Leader of the Council took a decision using his urgency powers to cancel all meetings to ensure that the Council could adhere to government guidance regarding social distancing during the Coronavirus crisis. It was further explained that 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. Members noted the urgent decisions taken under urgency procedures by the Leader of the Council and senior officers between 23 March 2020 and 14 July 2020 due to the Coronavirus lockdown; these would be reported to the next meeting of full Council.

21 October 2020	
Topic	Outcome
External Audit Completion Report 2019-20	<p>The Committee considered the work of the external auditor during the financial year ending 31 March 2020. It was explained that the audit report had been slightly modified to include an Emphasis of Matter paragraph in regard to the material uncertainty related to the valuation of land and buildings due to the pandemic. Members heard that the opinion of the external auditor was not modified in respect of this matter, and it was confirmed that this was not unusual and had happened at other local authorities.</p> <p>In reference to the risk relating to the 'Management override of control' the Committee noted that there were no risks found, and it was confirmed that the Council would be issued with an unqualified value for money conclusion for the 2019-20 financial year, with no matters to report.</p> <p>In relation to the 'Defined Benefit Pension Liability Valuation', the Partner, Mazars LLP explained that the valuation of the Local Government Pension Scheme relied on a number of assumptions, this presented a significant risk as estimated figures were used as part of the audit work.</p> <p>It was further explained that the audit was not quite complete as certain steps within the procedure to be followed required completion; figures from the North Yorkshire County Council's (NYCC) auditor for the Council's Pension Scheme were also awaited.</p>

	<p>In response to a question regarding how assurance of the valuation of the NYCC Pension Scheme was acquired, it was confirmed that there was a routine liaison arrangement in place with the auditor at NYCC to provide yearly figures.</p> <p>Members asked a number of questions in relation to material certainty on the valuation of property, plant and equipment made at the 31 March, how assets were valued and how the 33k triviality level was determined. It was confirmed that challenge on the valuation estimation was undertaken and the judgement reached by the valuer had been considered, assets were valued at fair value; and the triviality level was a proportion of the Council's gross revenue expenditure</p>
CIPFA Financial Management Code	<p>The Committee noted the self-assessment, action plan and progress update on the Financial Management (FM) Code. Members heard that the FM Code identified risks to financial sustainability and provided a framework of assurance and it was explained that compliance with the FM Code was mandatory for all local authorities from 2021-22 onwards.</p> <p>Members noted that the self-assessment was completed in December 2019 and adopted by the Leadership Team in January 2020, it was highlighted that some areas for improvement had been identified with a number of actions on the action plan agreed by the Leadership Team.</p>
Internal Audit, Counter Fraud & Information Governance Progress Report 2020-21	<p>The Committee reviewed the progress made in delivering the internal audit work plan for 2020-21, and received an update on the counter fraud and information governance work undertaken. It was explained that due to Covid-19 work on the annual audit plan had been delayed, however planning had commenced on eleven audits for 2020-21, with fieldwork expected to commence shortly. It was further explained that there were nine 2019-20 audits where fieldwork had been completed and where action was required, this would be agreed with managers as part of the 2020-21 work.</p> <p>In relation to the counter fraud aspect of the report Members heard that normal areas of work for the Counter Fraud team had been hindered by Covid-19 but new work had emerged relating to Covid-19 grants. It was highlighted that four investigations of suspected fraudulent Covid-19 grant applications had been completed to date and £30k of payments had been prevented. It was further confirmed that post assurance checks had been undertaken on successful grant applications; of the seventy two successful applications reviewed seventy one applications were verified as being correctly awarded, and one had been flagged for further checks.</p> <p>The Committee's attention to appendix C of the report which provided an update on Information Governance matters, to include the General Data Protection Regulation (GDPR) action plan along with data breaches.</p> <p>Members were informed that to respond to Covid-19 a new privacy notice for council employees had been written and published; and an overall Information Sharing Agreement (ISA) had been put in place with North Yorkshire County Council for Covid-19 related sharing.</p>

	<p>The Committee asked a number of questions in relation to the three identified fraudulent Covid-19 grant applications, it was confirmed that one company had not been operational and two had provided false details to divert monies. It was further confirmed that the perpetrators had been reported to the necessary authorities and were being pursued.</p>
Statement of Accounts 2019-20	<p>The Committee received the Statement of Accounts. It was explained that this was a technical set of statements, with a narrative statement which gave commentary on key issues at the Council during the financial year. It was further explained that following discussion with the External Auditor, additional wording related to the pension fund had been added at page 48 of appendix A, which highlighted material uncertainty in the valuation of some of the Pension Fund assets. This uncertainty had to be highlighted in Selby's accounts and was in keeping with other members of the Pension Fund; it featured in the External Auditors completion report but did not impact on any of the figures within the accounts.</p> <p>It was highlighted that in view of the Pension Fund asset valuation 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; and authority to sign the letter of representation contained within the agenda pack on completion of the audit.</p> <p>The Committee's attention was drawn to appendix B which set out key movements between the financial years of 2018-19 and 2019-20 and identified key changes. The Chair queried what had occurred in the General Fund to produce the variance in customer and client receipts, it was confirmed that the scale of planning applications received had not been as high as had been budgeted for, this had resulted in reduced income from planning fees, there was also reduced property and recycling income, and reduced occupancy in industrial units.</p> <p>In response to a query regarding why targets had not been realised in budget savings, the Chief Finance Officer advised Members that the Council had a comprehensive Savings Plan which was reported to the Executive quarterly. It was highlighted that the shortfall in savings was due to a number of different reasons to include capacity to progress the Digital Strategy and transformation.</p> <p>The Committee approved the Statement of Accounts, subject to the completion of the audit.</p>
Local Government & Social Care Ombudsman Annual Review Letter 2019-20	<p>The Committee noted that the Local Government and Social Care Ombudsman was the final stage for complaints made against Local Authorities. Members heard that the Council had received 12 complaints in the year 2019-20; of those only 5 cases had been progressed to a detailed investigation by the Ombudsman, of which 3 had been upheld. It was further explained that the Council showed a 100% record of implementation of the recommendations made by the Ombudsman.</p>

	The Committee was assured that the complaints process was operating effectively and noted the importance of complaints in terms of positive learning and improvement of services following their consideration.
Audit & Governance Annual Report 2019-20	The Committee approved the Audit and Governance Committee Annual Report 2019-20.

27 January 2021	
Topic	Outcome
Information Governance Annual Report 2020 - Information Requests	<p>The Committee considered the Information Governance Annual Report 2020 – Information Requests, which provided the annual update in relation to information requests received and responded to during 2020, it was explained this was the residual information after incorporation of the information governance report into the Head of Internal Audit Annual Report.</p> <p>In relation to a query regarding if there was a trend in the freedom of information subjects received, the Senior Solicitor confirmed that there was not a trend in the subjects and 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.</p>
External Annual Audit Letter 2020	<p>Members noted that the External Annual Audit Letter, which summarised the external audit work undertaken for the year ended 31 March 2020.</p> <p>The Committee's attention was drawn to sections five and six of the report, External Auditor Fees and Forward Look, as both items were new to the report. Members heard that there had been a significant fee increase as indicated on page 12 of the letter: the additional fee had been incurred to meet the additional work requirements involved with property valuations and pensions.</p> <p>In response to a query regarding how confident the external auditors were that any arising issues were being captured, it was confirmed that officer liaison had not changed, and remote meetings were held on a regular basis with the finance team.</p> <p>In relation to the revised fee for the delivery of the audit work, Members queried what additional work was required in terms of property valuations and pensions, as valuations for property, plant and equipment were provided by external experts. The Manager, Mazars LLP confirmed that more in depth challenging and detailed conversations had taken place with the external valuers.</p>
External Audit Progress Report	The Manager, Mazars LLP presented the report which set out a summary of external audit work

	<p>completed to date on the 2019-20 financial statements along with the progress made on the 2020-21 audit work.</p> <p>The Committee noted that since the last Audit and Governance Committee meeting in October 2020 work on the 2019-20 financial statements had been completed, 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 October 2020 Committee. The Annual Audit Letter had also been issued as reported in the previous agenda item. In terms of the audit for 2020-21 it was confirmed that a timetable was in place with planning work scheduled to commence shortly.</p> <p>In response to a query regarding the national publication section of the report, and in particular the recommendation arising from the recent Redmond Review, that an Office of Local Audit and Regulation (OLAR) be created to manage, oversee and regulate local audit. It was confirmed that the findings in the Redmond Review had been considered by the Secretary of State for Local Government, and Members were informed that a report on the Redmond Review would be presented at the next meeting of the Audit and Governance Committee in April 2021.</p>
<p>Review of Risk Management Strategy</p>	<p>The Committee received the report, which set out the reviewed strategy for managing risk within Selby District Council following consultation with the Leadership Team. It was last brought to the Audit and Governance Committee in January 2020.</p> <p>Members noted that the strategy remained largely unchanged following the review, however, two amendments had been made to its structure. The first was that the text relating to critical links between the strategy and wider business processes had been moved to the section on corporate planning. The second amendment was the table detailing the recurring actions undertaken in support of the strategy had been given its own section in recognition of their importance to the successful achievement of risk management objectives; both amendments had been shown as tracked changes in Appendix 1 of the report. This included the change made to the introduction to the strategy where the Council’s refreshed strategic priorities from its 2020 – 2030 plan have been included.</p> <p>In response to a query regarding what trends in risks to the Council, if any, had been identified in relation to Covid-19, it was explained that the pandemic had made a significant impact on the risks to both the Council’s financial position and with closures and backlogs to services provided to its residents, however in terms of particular trends none beyond these had been identified as the landscape was changing rapidly.</p> <p>Members heard that in terms of financial risk due to Covid-19 the Council had suffered loss of income, additional costs and delays to savings, however the government had provided local authorities with funding through the Covid Grant Scheme, and Selby District Council had substantial reserves due to strong financial management.</p> <p>The Committee queried what lessons had been learned from the events of 2020, it was confirmed that</p>

	<p>professional bodies such as the Institute of Risk Management and the Institute of Internal Auditors had started to reflect on the role that risk management had played, and ought to play, in ensuring the continued success of organisations. It was further confirmed that Veritau would continue to work alongside the Council to ensure that any learning from the events of 2020 and beyond was factored into future strategy-setting and to ensure that the Council's risk management arrangements continued to meet good practice.</p> <p>Members complimented the internal auditors on the report, which was felt to be very comprehensive, and noted the revisions to the Risk Management Strategy.</p>
Corporate Risk Register 2020-21	<p>The Committee reviewed the Corporate Risk Register 2020-21 and noted that there was a total of 11 risks on the Council's Corporate Risk Register for 2020-2021, with the No Deal Brexit risk having been removed following the United Kingdom's (UK) exit from the European Union (EU) and the signing of the EU-UK Trade and Co-operation Agreement. It was confirmed that Brexit related risks, issues and opportunities would continue to be monitored by the Council.</p> <p>Members heard that the Corporate Risk Register included four risks with a score of 12 or more (high risk) but with the exception of the No Deal Brexit risk, no risk scores had changed.</p>
Internal Audit, Counter Fraud & Information Governance Progress Report 2020-21	<p>The Committee were provided with an update on the delivery of the internal audit work plan for 2020-21, along with an update on the counter fraud and information governance work undertaken to date in 2020-21. It was noted that due to Covid-19, work on the annual audit plan had been delayed therefore the report also updated Members on the plans for completion of work over the remainder of 2020-21.</p> <p>Members heard that twelve 2020-21 audits were in progress with eight of these expected to be completed and reported on at the next Audit and Governance committee. It was highlighted to the Committee that there were continued challenges due to Covid-19 and as a result fewer frontline service audits were being conducted due to capacity issues, and to minimise the impact on officers.</p> <p>In relation to monies paid on behalf of the government through the grant scheme, Members queried if Veritau had provided checks to ensure that the grants were being processed and paid according to the government guidance and if the Councils IT server network and the staff were able to manage the additional workload, it was explained that the Counter Fraud team had performed spot checks during and after the process and were confident that the process was well managed and appropriate. The Chief Finance Officer stated that the staff had coped admirably and continued to deliver frontline services and aid the recovery.</p> <p>It was highlighted that due to the Council's counter fraud activity in 2020-21 savings of £8k had been achieved through fraud investigation. Members heard that the counter fraud team had supported the Council with Covid-19 grant payment processes and post payment assurance work was ongoing in relation to successful applications for the initial tranche of grants with no issues being identified. It was</p>

	<p>further confirmed that four grant payment investigations had been completed to date and £30k of incorrect payments had been prevented.</p> <p>In terms of housing fraud, Members noted that in October 2020, a resident was issued with a caution for failing to provide correct information when declaring themselves homeless; the investigation resulted in the housing application being cancelled before a tenancy was offered.</p> <p>The Committee's attention was drawn to appendix C of the report which provided an update on Information Governance matters, to include the General Data Protection Regulation (GDPR) action plan along with data breaches. Members were informed that a new privacy notice for the Self-Isolation Payment for Covid-19 had been finalised and published and the main Covid-19 privacy notice has also been amended to include elements of Track & Trace processing; and an overall Information Sharing Agreement (ISA) had been put in place with North Yorkshire County Council for Covid-19 related sharing.</p>
<p>Annual Governance Statement Action Plan 2019-20</p>	<p>The Committee reviewed progress on the Annual Governance Statement (AGS) 2019-20 Action Plan approved in November 2020. It was noted that progress against the approved action plan had been made although due to the impacts of the pandemic there were some actions on-going which would be monitored by Leadership Team in order to ensure actions were delivered to the agreed revised deadlines.</p> <p>In relation to non-compliance with the Payment Card Industry Data Security Standard (PCI DSS), the Committee was informed that a new income management system had been procured from Civica that would enable PCI DSS compliance. Originally it was hoped that this would be implemented by September, however, whilst the work had commenced, delays due to Covid-19 meant Civica would now be unable to complete this until July 2021.</p> <p>The Committee heard that in terms of Performance Management the review of the capability/performance management policy and procedure forms, part of the Council's plans to review and update all principal human resources policies, had been delayed due to the Covid pandemic response, and ensuring staff were safe and supported in these new working arrangements. It was confirmed that the attendance management and disciplinary policies had now been reviewed and signed off with work on the capability/performance management policy expected to be completed by June 2021.</p>
<p>Counter Fraud Framework Update</p>	<p>The Committee received an update on the Council's Fraud and Corruption Strategy which had been refreshed in line with the new United Kingdom National Counter Fraud Strategy for local government. The report also provided an update on progress against the actions set out in the previous strategy and presented an updated counter fraud risk assessment which reflected the current fraud risks facing the Council. In addition, the Counter Fraud and Corruption Policy had been updated to reflect new</p>

	<p>guidance from the Attorney General.</p> <p>The Corporate Fraud Manager, Veritau highlighted that the first section of the report provided Members with a wider national picture of counter fraud work, and the impact of Covid 19, Members heard that a number of authorities across the Country had fallen victim to organised crime with fraudsters attempting to divert business grants. The Committee were assured that post assurance work had been completed at Selby and no issues had been identified.</p> <p>Members noted that Cyber-crime was a growing concern for local government in the United Kingdom (UK), in recent years there had been a number of attacks on UK public sector organisations, Parliament and the National Health Service</p> <p>The Committee were informed that the Council's Counter Fraud and Corruption Strategy 2017-19 was approved in January 2017, an updated Counter Fraud and Corruption Strategy for 2020-23 had been drafted at appendix B of the report and the committee was asked for comments ahead of approval by the Executive. In addition, as part of the review the Council's counter fraud policy and counter fraud risk assessment were also reviewed. The updated risk assessment was included at appendix C of the report.</p> <p>Members noted the updated Fraud Risk Assessment and agreed to recommend that the Executive approve the new Counter Fraud and Corruption Strategy for 2020 to 2023 and an updated Counter Fraud and Corruption Policy.</p>
Veritau North Yorkshire Contract Extension 2021	<p>The Committee received the report prior to consideration by the Executive and noted that the current contract for assurance services between the Council and Veritau North Yorkshire Limited (VNY) was agreed in 2012. The contract was initially for seven years from 1 April 2012 to 31 March 2019 but included options to extend for three years and then a further two years. In 2018, the Council agreed to extend the contract for three years from April 2019, this extension was due to expire on 31 March 2022.</p> <p>The Committee were informed that a decision was now required whether to enter into a further extension of two years, and if so under the terms of the contract, the Council was required to notify VNY of its intention in respect of extending the contract by 31 March 2021.</p> <p>Members noted that an extension would allow the Council to consider its requirements for assurance services in the longer term once the results of the Government's decision on Local Government Reorganisation was known.</p> <p>In response to a query regarding if Selby District Council was a shareholder of VNY, it was confirmed that the Council was a shareholder, and that VNY was a subsidiary of Veritau which was owned by North Yorkshire County Council and City of York Council.</p> <p>The Chief Finance Officer explained that given the uncertainty over Local Government reorganisation in North Yorkshire an extension under the terms of the current contract was considered the most</p>

	<p>practicable and no other alternative was proposed at this time, in addition, VNY offered value for money and quality performance over a breadth of service.</p> <p>The Committee agreed that taking into consideration Covid-19 and the Local Government Review now was not the correct time to change internal auditors and were supportive of the proposal.</p>
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The following items are due to be considered at the final meeting of the municipal year:

21 April 2021	
External Audit Progress Report	To be completed after the meeting.
External Audit Strategy Memorandum	As above.
Internal Audit, Counter Fraud & Information Governance Progress Report	As above.
Internal Audit, Counter Fraud & Information Governance Plans 2021-22	As above.
Investigatory Powers Commissioner's Office	As above.
Update on the Redmond Review	As above.
Audit and Governance Committee Annual Report 2020-21	As above.
Work Programme 2021-22	As above.