

## **AUDIT COMMITTEE**

**7 December 2017**

Present: Councillor D Scudder (Chair)  
Councillor J Johnson (Vice-Chair)  
Councillors Ahsan Khan (for minute numbers 28 to 36) and  
T Williams

Officers: Head of Finance (Shared Services)  
Head of Democracy and Governance (for minute numbers 25 to  
29)  
Head of Service Transformation  
ICT Client Section Head  
Client Audit Manager, Shared Internal Audit Service  
Committee and Scrutiny Officer

### **25 Apologies for Absence/Committee Membership**

Apologies for absence were received from Councillor Mauthoor and Councillor Watkin, Portfolio Holder for Finance.

### **26 Disclosure of Interests (if any)**

There were no disclosures of interest.

### **27 Minutes**

The minutes of the meeting held on 27 September 2017 were submitted and signed.

### **28 Freedom of Information Act/Environmental Information Regulation Requests April to September 2017**

The committee received a report of the Head of Democracy and Governance setting out the number of Freedom of Information and Environmental Information Regulations requests received from 1 April to 30 September 2017. The Environmental Information Regulations requests had been separated from the Freedom of Information requests following a recommendation by the Shared Internal Audit Service.

It was noted that the percentage of requests not responded to in the required amount of time had increased from approximately 15% for the previous half year to 18% for the half year covered by the report. The Head of Democracy and Governance assured the committee that she contacted the relevant teams when the required deadlines were not being met. The matter was raised at Leadership Team meetings.

Councillors commented about some of the regular requests for information, including those about next of kin. There were also requests for information about cyber-attacks on the council and its operating systems. One request had been submitted by a councillor.

The Head of Democracy and Governance confirmed that a Freedom of Information request had been submitted by a councillor and information was supplied by Democracy and Governance. The regular requests about public health funerals and people with no next of kin were probably submitted by people who worked for 'heir hunter' companies.

The ICT Client Section head assured the committee that the requests about the council's computer operating systems and cyber-attacks were probably from companies who wanted to try and sell products to the council. She stated that the council would not supply any information that would compromise the IT network.

The Chair added that in a different report about the council's IT network there were no computers within the council running the Windows XP operating system.

RESOLVED –

that the contents of the report be noted.

29

### **Risk Management Strategy**

The committee received a report of the Head of Democracy and Governance which presented an updated and revised Risk Management Strategy. It was accompanied by a one-page summary.

The Head of Democracy and Governance said that she hoped councillors had noticed that the latest committee reports included 'risks' as the second section of the report. This ensured officers considered risks when putting forward reports asking councillors to make decisions. The revised strategy had been discussed at Leadership Team and Extended Leadership Team meetings. The risk categories had been reviewed as had the council's appetite for risk. At the next

Audit Committee councillors would receive the Corporate Risk Register, which would look different to previous versions.

The Head of Democracy and Governance added that a one-page summary guide had been produced for quick reference. She was holding lunch and learn sessions for officers. She would also be providing the Audit Committee with training and there would be a further training session for all councillors.

In response to a comment about risks, the Head of Democracy and Governance said that the aim was to get officers to think about the range of things that could go wrong and how they might be mitigated. There was always a chance that something could happen that had not been considered as a risk.

Following a question about the new General Data Protection Regulations, the Head of Democracy and Governance advised that she chaired a working group on this subject. All departments had been asked to carry out a data audit, for example the type of personal information the service collected, how it was stored and who it was shared with. The Council had a lot of legal obligations that required it to hold personal information. It was necessary to look at the privacy statements on correspondence. A report would be presented at the next meeting, by which time the council should have clear plans in place.

On a separate note the Head of Democracy and Governance advised that all councillors had been registered with the Information Commissioner's Office and they would each receive their individual registration.

The Head of Democracy and Governance highlighted some of the new elements of the General Data Protection Regulations. These included –

- Requirement to document what information was held by the organisation;
- An individual could withdraw their consent at any point for the information to be held by an organisation if they had given the information as a result of consent;
- An individual could ask for their information held by an organisation to be put into a compatible format and for them to be able to move it elsewhere if they had provided the information by consent;
- Data subject access requests would be free instead of an individual being charged £10 and it would have to be responded to within a month instead of the current 40 days limit.
- The council would be required to employ a Data Protection Officer, who would report to Leadership Team.

RESOLVED –

that the Risk Management Strategy be approved.

### 30 **Shared Internal Audit Progress Report**

The committee received a report of the Shared Internal Audit Service (SIAS) that detailed progress made in delivering the Council's Annual Audit Plan for 2017/18.

The Client Audit Manager introduced the report and provided some of the highlights within it. He noted that performance against the two main indicators was largely on track with billable days at 54% against a profiled target of 57% and projects to draft at 50% which equalled the profiled target. He also noted that it had been possible to delete the IT legacy recommendations which had reduced the overall number of outstanding recommendations.

In response to a comment about the lack of updates for the Tree Surveying recommendations, the Client Audit Manager advised that the deadline was 31 December 2017, so the crucial update would be due in the next report.

The Chair said that he was pleased to see that Appendix C was much shorter than previous versions. He noted that there were several other recommendations that had been completed in this edition.

The Client Audit Manger cautioned that additional recommendations could be added depending on the current audit reports still to be produced for 2017/18.

RESOLVED –

1. that the Internal Audit Progress Report for the period to 17 November 2017 be noted.
2. that the amendments to the Audit Plan as at 17 November 2017 be approved.
3. that the removal of the implemented recommendations (as shown in Appendix C of the report) be agreed.
4. that changes to the implementation dates for two recommendations (as shown in paragraph 2.5 of the report and Appendix C) be agreed.

31 **Treasury Management mid-year report 2017/18**

The committee received a report of the Head of Finance (Shared Services) which gave details of the 2017/18 mid-year review of the Treasury Management function.

The Head of Finance (Shared Services) informed the committee that this was a statutory report he produced for them. He highlighted key aspects in the report, including the investment portfolio, security and yield.

In response to a question about investments, the Head of Finance (Shared Services) advised that the council considered 'security', then 'liquidity' and finally 'yield'. The council ensured it maintained a working balance. Consideration was given to the length of investments, as longer term investments usually attracted better rates of interest.

RESOLVED –

that the contents of the 2017/18 mid-year review of the Treasury Management function be noted.

32 **Draft Treasury Management Strategy 2018/19**

The committee received a report of the Head of Finance (Shared Services) which included the latest draft of the Treasury Management Statement for 2018/19.

The Head of Finance (Shared Services) explained that the strategy would be formally agreed at Full Council when the budget was set. Further work was being carried out which meant that the financial information could change before the strategy was presented in January. He referred to the external borrowing from the Local Enterprise Partnership for two specific projects.

RESOLVED –

that Audit Committee recommends the Draft Treasury Management Strategy 2018/19 to Council with any amendments proposed.

33 **Annual Governance Statement - Action plan update**

The committee received a report from the Head of Finance (Shared Services) regarding the Annual Governance Statement Action Plan.

The Head of Finance (Shared Services) informed the committee that last outstanding actions had been completed. There were no further actions to monitor.

The committee agreed that there was no point including this as a standing item if there was nothing to report. It was noted that the annual report would continue to be presented and would outline the current position.

RESOLVED –

1. that the Annual Governance Statement Action Plan update be removed as a standing item for the committee until such time as there are actions to be monitored.
2. that an annual report on the Annual Governance Statement be presented to explain the latest position.

#### 34 **Committee Work Programme**

The committee received a report from the Head of Finance (Shared Services) setting out the committee's proposed work programme for the remainder of the financial year 2017/18 and 2018/19.

It was agreed that risk training would be given to Audit Committee. Discussions would take place with the Head of Democracy and Governance about the exact timing of the training.

RESOLVED –

that risk training be added to the committee's work programme.

#### 35 **Exclusion of Press and Public**

RESOLVED –

that under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during consideration of the item there would be disclosure to them of exempt information as defined in Section 100(1) Schedule 12A of the Act for the reasons stated in the report.

36

## **Cybersecurity**

The Committee received a report of the ICT Section Head, who highlighted aspects of the report and responded to councillors' questions.

RESOLVED –

that the report be noted.

Chair

The Meeting started at 7.00 pm  
and finished at 8.05 pm