

AUDIT PANEL

22 November 2022

Commenced: 14:00

Terminated: 14:46

Present: Councillors Naylor (Chair), M Smith (Deputy Chair), Kitchen and Billington

In Attendance:

Sandra Stewart	Chief Executive
Kathy Roe	Director of Finance
Caroline Barlow	Assistant Director of Finance
Christine Weston	Interim Head of Risk Management and Internal Audit Services
Karen Murray	Mazars

Apologies for Absence: Councillors L Boyle, Ryan and Bray

11. DECLARATIONS OF INTEREST

There were no declarations of interest.

12. MINUTES

The minutes of the Audit Panel meeting on the 26 July 2022 were approved as a correct record.

13. REVISED RIPA POLICY

Consideration was given to a report of the Head of Legal. The report was brought to Members for a formal review of the Council's Policy in relation to the Regulation of Investigatory Powers legislation and guidance. The Policy was last amended on 17 April 2019.

It was explained that the Council recently underwent a recent desktop inspection undertaken by the Investigatory Powers Commissioner's Office ['IPCO'] on 28 March 2022. The revised RIPA policy incorporated the recommendations from the inspection.

The proposed revised Policy was attached at Appendix 1 to this report. It built on the Policy previously revised in 2019 and contained information within the above recommendation at Section D, pages 20-22, within the Policy in red. Further changes in red, within the revised Policy followed the updated guidance contained in the IPCO newsletter dated October 2022.

Officers within Directorates should therefore continue to keep under review how investigations were carried out in relation to their specific disciplines and ensure their officers are complying with the requirements around surveillance.

Whilst Elected Members of a local authority should review their authority's use of the RIPA and its policy at least once a year it should be noted that there have however been no requests for authorisation here to use the powers under the RIPA since 2013.

RESOLVED

- (i) **To consider the attached revised policy and recommend it to Cabinet with any other changes or otherwise as they consider necessary; and**
- (ii) **Agree that Officers across the Council continue to engage in a corporate programme of refresher training led by the Director of Governance and Pensions in relation to the Regulation of Investigatory Powers legislation and guidance.**

14. PROGRESS REPORT ON RISK MANAGEMENT AND AUDIT ACTIVITIES APRIL 2022 TO SEPTEMBER 2022

Consideration was given to a report of the Interim Head of Risk Management. The report advised Members of the work undertaken by the Risk Management and Audit Service from April 2022 to September 2022 and the proposed revisions to the plan.

It was reported that the Audit Plan approved on 15 March 2022 covered the period April 2022 to March 2023 and totalled 1,207 Days. Appendix 1 showed the progress made against the plan up to the end of September 2022, and the proposed revisions to the plan for the second half of the year. In making the proposed revisions to the plan, Directors and Assistant Directors had been consulted to ensure that their priorities had been taken into account. Further, the proposed revisions ensured that there were sufficient financial system reviews remaining in the plan to enable the service to give the annual assurance required.

The actual days spent up to September were 398, and the service was planning to spend 469 days from October to March 2023. Appendix 1 provided a detailed breakdown for each service area and also the status of the audits and the Level of Assurance given for each audit report issued.

In the period to September 2022, 15 Final Reports were issued, the results of which were summarised in Table 2 below. Two of the reports were consultancy reports so they were not given a level of assurance. Four of the reports were schools, and three were Pension Fund Visits to Employers.

In addition to the Final Reports issued above, nine Draft Reports had been issued for management review and responses and these would be reported to the Panel in due course.

Post Audit Reviews were undertaken approximately six months after the Final Report has been issued, however, where a Low level of assurance was issued the Post Audit Review is scheduled for three months to ensure that the issues identified were addressed. Fourteen Post Audit Reviews had been completed during April 2022 to September 2022. Internal Audit was satisfied with the reasons put forward by management where the recommendations had not yet been fully implemented and there were no significant issues outstanding to report to the Panel.

In regards to irregularities and counter fraud work, the data sets for the National Fraud Initiative (NFI) 2020/21 Exercise were received in February 2021 and the service was currently concluding the investigations in respect of these matches. Table 6 below provided details of the findings to date. Investigations to date had highlighted 37 frauds and 240 errors totalling £195,362, and where appropriate, work was ongoing to recover these amounts.

RESOLVED

That the report and the performance of the Service Unit from April 2022 to September 2022 be noted and the proposed revised Plan be approved.

15. TREASURY MANAGEMENT MID-YEAR

Consideration was given to a report of the First Deputy (Finance, Resources and Transformation)/Assistant Director of Finance. This report provides a mid-year review of the Council's Treasury Management activities for 2022/23.

It was explained that Treasury Management was a critical activity to ensure Value for Money in the use of public funds. It was concerned with safely managing the working capital of an organisation, managing its cash flows, investments, money markets and banking.

It ensured that public funds work for us, and are safely maximised, without undertaking high-risk investments. It was unrelated to the Revenue Budget of the Council.

This report provides an overview of the Treasury Management activities of the organisation over the first 6 months of the year. At 30 September, the total investment balance was £131m and total long term borrowing was £141m.

The current strategy was designed to ensure that borrowing costs are kept low over the longer term, rather than subject to volatility that a high risk strategy might deliver. Where investments were involved, the policy was to ensure the security of the asset rather than pursue the highest returns available.

Due to borrowing being taken up at a time of favourable interest rates, there had been a forecast saving on the Council's borrowing costs of £0.1m. The Council had been able to take advantage of rising interest rates in year and interest earned on day-to-day investments was forecast to be £1.8m against a budget of £0.3m, an over performance of £1.5m. This additional investment income could now be invested in Council activities.

RESOLVED

That Executive Cabinet be recommended to note the treasury activity and performance.

16. ANTI-MONEY LAUNDERING POLICY

Consideration was given to a report of the Interim Head of Risk Management and Internal Audit Services. The report presented the updated Anti-Money Laundering Policy for review and comment.

Tameside Metropolitan Borough Council was committed to establishing and maintaining effective arrangements to prevent and detect attempts to launder money using Council services. The Council required all members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with appropriate legislation. The Council was committed to working constructively with the Police and other relevant agencies in relation to combating money laundering and ensuring compliance with the legislation.

This policy provides guidance in order to ensure that the Council's corporate stance on money laundering was being adhered to and the process to be followed to ensure that the Council to comply with its obligations.

17. ANNUAL REPORT -NAFN - 2021/22

Consideration was given to a report of the Assistant Director of Finance. The Annual Report NAFN 2021/22 set out the NAFN Board Membership, Governance and Organisational Structure and the NAFN Service Team. The report also detailed Intake and Trends including Membership Trends and listed the current Membership of NAFN.

RESOLVED

That the report be noted.

18. CORPORATE RISK REGISTER REVIEW NOVEMBER 2022

Consideration was given to a report of the Director of Finance/Risk, Insurance and Information Governance Manager. The report summarised the Corporate Risk Register which was attached to the report at Appendix 1.

The Corporate Risk Register details the risk scores evaluated both in September 2022 and November 2022.

Risk owners (responsible Assistant Directors or Service Unit Managers) had assisted the Risk, Insurance and Information Governance Manager to review the Corporate Risks they had responsibility for. Review comments had been added to the risk register under Appendix 1 alongside each risk.

Ranking of risks across the whole Corporate register had remained largely consistent with the position in September 2022. There were still Red risks in respect of Risk 1 (Medium Term Financial Plan) where Finance were working with Services to mitigate a forecast budget overspend, Risk 8 (Coronavirus impact) where the potential for an Autumn/Winter surge could not be overlooked, and Risk 26 (Cost of Living Crisis) where the multiple impacts of rising budget costs, a possible downturn in Council revenue and increasing public service demand must be managed.

Risks 25 (Recruitment issues) and 26 (Cost of Living Crisis) were considered as having effect on all Council services. Therefore review comments had been prepared following consultation with all Service areas.

The scoring for Risk 3 (Adults – Failure to manage the local care home market) had been increased from 12 to 16 (Red) due to known concerns over the viability of some providers. The number of Red risks had increased to 9 across the whole register, in comparison to 8 in the last quarter. Current risk scores were displayed in the 'heat map' comparisons provided under item 3.5 below.

RESOLVED

That the Corporate Risk Register attached at Appendix 1 be approved.

19. URGENT ITEMS

There were no urgent items.

CHAIR