

Minutes of the Audit & Governance Committee
held at Riverside, Lowestoft on **Thursday, 20 September 2018 at 6.00pm**

Audit & Governance Committee Members Present:

Councillors S Woods (Chairman), M Barnard, M Cherry, L Coulam, K Patience and K Robinson.

Officers Present:

K Blair (Head of Operations), R Davies (Senior Auditor), L Fuller (Audit Manager), A Jarvis (Director), S Martin (Head of Internal Audit) and S Davis (Democratic Services Officer).

1 APOLOGIES / SUBSTITUTES

Apologies were received from Councillors E Back and A Green.

Councillor M Cherry substituted for Councillor A Green.

Councillor K Robinson substituted for Councillor E Back.

2 DECLARATIONS OF INTEREST

No declarations of interest were made.

3 MINUTES

RESOLVED

(a) That the Minutes of the Meeting of the Joint Audit & Governance and Overview & Scrutiny Committee held on 25 July 2018 be approved as a correct record and signed by the Chairman.

(b) That the Minutes of the Audit & Governance Committee meeting held on 14 September 2017, which had unfortunately been omitted from the agenda for the subsequent scheduled meeting, be signed by the Chairman.

4 INTERNAL AUDIT CHARTER

The Committee received the report giving details of the refreshed Internal Audit Charter. The Head of Internal Audit reported that the Audit Team had to comply with the Charter and the Committee needed to be assured of how effective the team were which was why the Charter needed to be reviewed and refreshed regularly. Members were reminded that they had reviewed the Charter in September 2017. It was noted that the refreshed Charter was exactly the same as last year's except for some minor wording changes on Section 11.1 in relation to the Quality Assurance Section as required by the Public Sector Internal Audit Standards 2016.

RESOLVED

That the refreshed Internal Audit Charter be noted.

5 IMPLEMENTATION OF GENERAL DATA PROTECTION REGULATION (GDPR) AND DATA PROTECTION ACT 2018

The Committee received a report giving an update in relation to the new Data Protection Act 2018 and the GDPR, which both came into force on 25 May 2018.

The Head of Internal Audit advised that she was the Council's Data Protection Officer which was a compulsory role by Law and that Laura Fuller was the Deputy Data Protection Officer. The Committee noted that the Head of Internal Audit belonged to both an East Anglian and nation-wide Group to ensure Waveney could keep up to date. Members were informed that the following work streams had been put in place to ensure compliance with the law:

- Training for Members at full Council and 90% of staff had already completed their training via induction and e-learning. In addition, a number of sessions had been provided for Town and Parish Councils;
- Establish, Train and Coordinate Data Information Champions - each Service area had nominated a champion so if a Subject Access Request was received everyone would know where to get the information then go back to the Internal Audit Team for redaction if necessary;
- A review of policies and guidance;
- The creation of Information Asset Registers;
- The creation of a Corporate and Team Privacy Notices;
- The creation of Data Protection Impact Assessments; and
- A review of Navision to identify potential high risk and/or high value contracts between the Council and third parties in which data processing could be taking place.

The Head of Internal Audit reported that the review of contracts was a significant piece of work also involving Legal Services and it included making improvements to the Contract Register and how robust it was. Members noted that some areas were interacting but some did not want to comply with Data Protection laws possibly due to costs and/or contractors did not have a great knowledge of what the law was so they were pushing against the Council despite us providing support and assisting them. The Head of Internal Audit reported that, given this work was impacting on the Audit Team, she might need to look at additional part time resource to undertake Data Protection administration to ensure Waveney met the Internal Audit Plan but if it was likely that there would be slippage she would let Members know.

Reference was made to Appendix B in particular and it was noted that there had been a huge increase in requests for advice which was positive as it showed that people understood their privacy rights. The Head of Internal Audit reported that the Team was also logging any potential breaches which would help in learning lessons and inform the kind of advice that needed to be provided.

Questions from Members

A Member expressed surprise that Places Leisure and the Sentinel Leisure Trust had not responded. The Head of Internal Audit reported that there had been some initial confusion about documentation but both companies had now made contact and matters were progressing.

The Chairman asked if Waveney was ahead of the game? The Head of Internal Audit stated that Waveney was comparable with where other local authorities were and she pointed out that the Team were experienced to deal with a breach if one occurred.

Following Members' questions, it was

RESOLVED

That the update report on the implementation of the GDPR and DPA 2018 be noted.

6 INTERNAL AUDIT: RECENTLY ISSUED REPORTS

The Head of Internal Audit reminded Members that, previously, they had received these reports by email but in line with best practice they would now be brought before Committee to ensure transparency.

The Committee received the Head of Internal Audit's report in relation to Safeguarding Compliance 2018-19 and Public Sector Internal Audit Standards Compliance 2018-19.

In relation to the Safeguarding report, it was noted that Officers had already completed a good self assessment of work across the Council and, therefore, Internal Audit's overall level of assurance of the arrangements in place over Safeguarding was Good. There was near full compliance with the required standards, as well as a good level of awareness for potential areas for improvement. It was noted that an action plan covering gaps had been created with timescales and responsible officers identified.

Questions from Members

A Member referred to the Internal Audit report on Housing Rents and asked when they would be able to ask questions on it. The Head of Internal Audit responded that this report had only just been issued so it would be brought to the next Committee for consideration but if, in the meantime, Members had any specific queries they could email her or the Team.

The Chairman referred to the "findings" section and queried how action was being managed? Members were informed that a follow up would be carried out on service areas and a report would be made back to this Committee if necessary. The Head of Internal Audit reported that the Council took this issue very seriously so she did not expect any slippage but if there was then she would report back to Committee.

In relation to the Public Sector Internal Audit Standards Compliance 2018-19, the Head of Internal Audit reported that the PSIAS were mandatory and applied to all internal audit

service providers. Members were reminded that periodic self-assessments were required with an assessment by an external person every five years which was last carried out in 2016 by CIPFA. The Committee's attention was drawn to the action plan detailing the minor changes required following the self-assessment.

Questions from Members

The Chairman queried how Performance Indicators (PI's) were looked at? The Head of Internal Audit responded that PI's were reported in the Annual Report in June and when an audit was carried out Officers were given a form to complete with the results being fed in. The Committee was informed that the Head of Internal Audit was proposing to introduce 3 top PI's so if Members had any suggestions for what these could be then they should let her know.

A Member asked about ethics. The Head of Internal Audit reported that this was a compulsory element of the Risk Based Action Plan to assess ethical standards of the Council every year. She added that she was currently in discussion with Service Officers on how to put it into the Plan and the outcome would come to Committee.

Clarification was sought as to why the Overall Assurance Level categories were in black and white rather than colour as it was harder to see. The Head of Internal Audit reported that it should have been in colour as it was a Red, Amber, Green table. She added that whilst Audit would be re-formatting all reports shortly, colour would be retained to show/highlight elements where necessary.

Following Members' questions and comments, it was

RESOLVED

That the Internal Audit Reports in relation to Safeguarding Compliance 2018-19 and Public Sector Internal Audit Standards Compliance 2018-19 be noted.

7 CURRENT POSITION OF THE WORK PROGRAMME

The Committee reviewed the Work Programme and the Chairman suggested that an additional meeting might need to be held to ensure that the Work Programme was complete before the end of the Municipal Year given that there were two outstanding items still to be scheduled, the next few meetings already had heavy agendas and there might be some additional items coming forward in relation to constitutional changes. The Head of Internal Audit indicated that an additional meeting could be useful and that it would also enable two training sessions to be arranged on how to be an effective Audit Committee and on how procurement worked. Members agreed that the latter would be particularly relevant and useful.

RESOLVED

That the current position of the Work Programme for 2018/19 be reviewed by Officers in consultation with the Chairman to ensure that all the items are completed before the end of the Municipal Year and, if necessary, an additional meeting be arranged.

8 EXEMPT/CONFIDENTIAL ITEM

RESOLVED

That under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public were excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

9 INTERNAL CONTROLS – STATUS UPDATE: CONTRACTS, ASSET MANAGEMENT AND HEALTH AND SAFETY RECORDS WITH PARTNERS

The Head of Operations stated that the confidential report gave an update on progress against the overdue audit recommendations as set out in the Internal Audit: Status of Recommendations report, together with updates in relation to Asset Management, Contract Management and Health and Safety with the Leisure and Operations Partnerships.

RESOLVED

1. That the information provided in the report be noted.
2. That an interim report be considered at the January 2019 meeting with a final report submitted to the Committee by year end summarising progress against all actions.

10 MINUTES

RESOLVED

That the Exempt Minutes of the last meeting (Part Two) held on 25 July 2018 were confirmed as a correct record and signed by the Chairman.

The meeting was concluded at 7.05pm.

Chairman