



Committee: AUDIT COMMITTEE
Date: WEDNESDAY, 22 NOVEMBER 2023
Venue: MORECAMBE TOWN HALL
Time: 6.00 P.M.

A G E N D A

1. **Apologies for Absence**

2. **Minutes**

Minutes of meeting held on 26th July 2023 (previously circulated).

3. **Items of Urgent Business authorised by the Chair** (Pages 4 - 8)

4. **Declarations of Interest**

To receive declarations by Councillors of interests in respect of items on this Agenda.

Councillors are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Councillors should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Update of the Regulation of Investigatory Powers Act 2000 (RIPA) Policy** (Pages 9 - 33)

Report of the Information Governance Manager

6. **Exclusion of the Press and Public**

Whilst the following report is public, it contains an exempt appendix. The Committee is recommended to pass the following recommendation in relation to the following item:-
"That in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act."

Members are reminded that, whilst the appendix has been marked exempt, it is for the committee itself to decide whether or not to consider it in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.

7. **Strategic Risk Management** (Pages 34 - 42)

Report of the Chief Executive

8. **Internal Audit Progress Report** (Pages 43 - 65)

Report of the Head of Internal Audit

9. **Review of Internal Audit Effectiveness**

Verbal update by the Head of Internal Audit

10. **Annual Review of Audit Committee Performance**

Verbal update by the Head of Internal Audit

11. **Statement of Accounts Update** (Pages 66 - 72)

Report of the Chief Finance Officer

Published 21 November

12. **AGS Action Plan Monitoring** (Pages 73 - 76)

Report of the Chief Officer Governance and Chief Finance Officer

Published 17 November.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Paul Stubbins (Chair), Colin Hartley (Vice-Chair), Ruth Colbridge, Peter Jackson, Kate Knight, Shelagh McGregor and David Whitaker

(ii) Substitute Membership

Councillors Gerry Blaikie (Substitute), Dave Brookes (Substitute) and Tom Fish (Substitute)

(iii) Queries regarding this Agenda

Please contact Sarah Moorghen, Democratic Support - email smoorghen@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support, telephone 582000, or alternatively email democracy@lancaster.gov.uk.

MARK DAVIES,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on 14th November 2023.

AUDIT COMMITTEE

Urgent Business - Risk Categories and Risk Appetite

22 November 2023

Report of Chief Executive

PURPOSE OF REPORT

To enable the committee to approve the appropriate risk appetite level definitions for the council.

This report is public.

RECOMMENDATIONS

1. The Audit Committee is asked to approve the proposed changes to the risk categories used by the council and consider the appropriate risk appetite levels for each category.

1.0 Introduction

- 1.1 The terms of reference of this committee are to “monitor the effective development and operation of risk management in the council and monitor progress in addressing risk-related issues reported to the committee.”
- 1.2 An audit of the council’s risk management function was undertaken in May 2023. As a result of this audit, five recommendations were made. One of those being “Ensure that the Council’s risk appetite statement is sufficient to be applied to risk category, and principal category of risk then used to help inform risk target score.”
- 1.3 The management response to this audit finding was “Further research into best practice to be carried out with the aim of providing clear guidelines on the acceptable level of risk for each risk category to be carried out.”

2 Proposal Details

- 2.1 The research into best practice revealed that councils all do something slightly different to each other when it comes to their risk categories.
- 2.2 It was found that the Treasury produce “The Orange Book. Risk Management Guidance Note” which contains suggested risk categories and five risk appetite level definitions.
- 2.3 It is proposed the council use The Orange Book guidance for risk categories and risk appetite definitions, with some minor changes to make it most suitable for our needs.

(See appendix A).

- 2.4 The Audit committee are asked to approve the recommended risk levels, as shaded in yellow in appendix A. These recommendations are set based on the advice and judgement of officers.

3 Details of Consultation

- 3.1 Expert advice has been sought from our internal auditors, MIAA, on risk management.
- 3.2 The Leadership Team have been consulted on the planned approach and support it as outlined.

4 Options and Options Analysis

	Option 1: Adopt new risk categories and risk appetite level definitions, based on The Orange Book	Option 2: Leave the existing risk categories in place and write risk appetite level guidance for each, in house
Advantages	Best practice on risk categories and risk appetite levels will be adopted.	No effort required to change the risk categories.
Disadvantages	Resource time is necessary to deliver this work	Resource time and effort required to create appropriate risk appetite levels for each risk category. The risk appetite levels will not follow any kind of best practice.
Risks / Mitigation	Adopting best practice would strengthen the councils risk management and make it fit for the future.	The risk categories currently in place are not best practice and do not leave the council in a strong position to continue to improve its risk management practices.

5 Officer Preferred Option (and comments)

- 5.1 The recommended option is to proceed with adopting the risk categories and risk appetite levels as shown in appendix A (Option 1).

<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):</p> <p>No direct impact arising from this report.</p>
<p>LEGAL IMPLICATIONS</p> <p>No direct legal implications arising from this report.</p>
<p>FINANCIAL IMPLICATIONS</p>

No direct financial implications arising from this report.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

No direct resource implications arising from this report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has contributed to this report in his role as Chief Officer Resources, including responsibility for Internal Audit.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Appendix A: Risk Categories and Risk Appetite – 21.11.23

Contact Officer: Chief Executive
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Email: chiefexecutive@lancaster.gov.uk
Ref: N/A

HMT The Orange Book - Risk Categories and Definitions*

Strategy	Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).
Governance	Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.
Operations	Risks arising from inadequate, poorly designed or ineffective/ inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.
Legal	Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).
Property	Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.
Financial	Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.
Commercial	Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives.
People	Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.
Technology	Risks arising from technology not delivering the expected services due to inadequate or deficient system/ process development and performance or inadequate resilience.
Information	Risks arising from a failure to produce robust, suitable and appropriate data/ information and to exploit data/information to its full potential.
Security	Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.
Project/Programme	Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.

* The Orange Book guidance suggests a risk category for "Reputational". However, we propose to remove this as it is a secondary risk as ALL risks contain a reputational element.

Boxes shaded in yellow denote the suggested risk appetite level.

Category	Averse	Minimal	Cautious	Open	Eager
Strategy	Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 5+ year intervals	Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 4-5 year intervals	Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3-4 year intervals	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3 year intervals	Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 1-2 year intervals
Governance	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud, with significant levels of resource focused on detection and prevention.	Willing to consider low risk actions which support delivery of priorities and objectives. Processes, and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention, detection and deterrence through robust controls and sanctions.	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions.	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs.	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs.
Operations	Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority.	Innovations largely avoided unless essential. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
Legal	Play safe and avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge.	Want to be reasonably sure we would win any challenge.	Challenge will be problematic; we are likely to win, and the gain will outweigh the adverse impact.	Chances of losing are high but exceptional benefits could be realised.
Property	Obligation to comply with strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money	Recommendation to follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Requirement to adopt arrange of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Consider benefits of agreed solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements.	Application of dynamic solutions for purchase, rental, disposal, construction, and refurbishment that ensures meeting organisational requirements.
Financial	Avoidance of any financial impact or loss, is a key objective.	Only prepared to accept the possibility of very limited financial impact if essential to delivery.	Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.	Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place).
Commercial	Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority.	Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
People	Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only	Decision making authority held by senior management. Development investment generally in standard practices.	Seek safe and standard people policy. Decision making authority generally held by senior management.	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control.
Technology	General avoidance of systems / technology developments.	Only essential systems / technology developments to protect current operations.	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.
Data Info and Management	Lock down data & information. Access tightly controlled, high levels of monitoring.	Minimise level of risk due to potential damage from disclosure.	Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Accept need for operational effectiveness in distribution and information sharing.	Level of controls minimised with data and information openly shared.
Security	No tolerance for security risks causing loss or damage to HMG property, assets, information or people. Stringent measures in place, including: <ul style="list-style-type: none"> Adherence to FCDO travel restrictions Staff vetting maintained at highest appropriate level. Controls limiting staff and visitor access to information, assets and estate. Access to staff personal devices restricted in official sites 	Risk of loss or damage to HMG property, assets, information or people minimised through stringent security measures, including: <ul style="list-style-type: none"> Adherence to FCDO travel restrictions All staff vetted levels defined by role requirements. Controls limiting staff and visitor access to information, assets and estate. Staff personal devices permitted, but may not be used for official tasks. 	Limited security risks accepted to support business need, with appropriate checks and balances in place: <ul style="list-style-type: none"> Adherence to FCDO travel restrictions Vetting levels may flex within teams, as required Controls managing staff and limiting visitor access to information, assets and estate. Staff personal devices may be used for limited official tasks with appropriate permissions. 	Considered security risk accepted to support business need, with appropriate checks and balances in place: <ul style="list-style-type: none"> New starters may commence employment at risk, following partial completion of vetting processes Permission may be sought for travel within FCDO restricted areas. Controls limiting visitor access to information, assets and estate. Staff personal devices may be used for official tasks with appropriate permissions. 	Organisational willing to accept security risk to support business need, with appropriate checks and balances in place: <ul style="list-style-type: none"> New starters may commence employment at risk, following partial completion of vetting processes Travel permitted within FCDO restricted areas. Controls limiting visitor access to information, assets and estate. Staff personal devices permitted for official tasks.
Project / Programme	Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.	Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.	Innovation pursued – desire to ‘break the mould’ and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance.

REGULATORY**AUDIT COMMITTEE****Update of the Regulation of Investigatory Powers Act 2000
(RIPA) Policy****22 November 2023****Report of the Information Governance Manager****PURPOSE OF REPORT**

- To update the committee on the current state of the RIPA policy and Procedure, including amendments
- To review the authority's use of RIPA since it was last considered by Audit Committee March 2023

This report is public.**RECOMMENDATIONS**

- (1) **Members asked to note that there are changes proposed to the RIPA policy this year and that this policy will remain under annual review to ensure its fitness for purpose in line with the recommendations made by the Investigatory Powers Commissioner's Office (IPCO).**
- (2) **Members are asked to note that we had one RIPA Authorisation and subsequent cancellation in December 2020, there have been no further authorisations.**

1.0 Introduction

- 1.1 Local authorities can undertake surveillance and access communications data under the framework of the Regulation of Investigatory Powers Act 2000. The rules set high standards for all public authorities that use these powers to undertake a range of enforcement functions to ensure they can keep the public safe and bring criminals to justice, whilst protecting individuals' rights to privacy.
- 1.2 The RIPA policy was last reviewed and approved by the Audit Committee on 23 March 2022.

- 1.3 The Council has had one RIPA Surveillance authorisation in December of 2020. This is the first and only authorisation that the Council has had since 2014.

2.0 Proposal Details

- 2.1 The Code of Practice requires a number of best working practices to be adopted by all public authorities, including:
- An annual review of the authority's use of RIPA to ensure that it is being used consistently and in accordance with the Council's policy; and
 - An annual review of the policy ensuring that it remains fit for purpose
- 2.2 In 2017 the IPCO took over the inspection and oversight functions on the application RIPA, which was previously carried out by the Surveillance Commissioner's Office.
- 2.3 The IPCO have stated that they will continue to ensure Local Authorities are complying with RIPA by conducting a programme of inspections. As a generality, their aim is to inspect each authority once every three years but have also introduced remote desktop inspections for authorities that have significantly reduced or stopped using their powers under RIPA and when there are no apparent significant compliance concerns.
- 2.4 Lancaster City Council had a remote desktop inspection by the IPCO in July 2020 and is due another in 2023.
- 2.5 The recommendations in that 2020 report which are outside of the policy amendments, i.e. training of officers engaged in investigatory areas and training of the new Director of Corporate Services in their role as Authorising Officer, have been actioned to an extent but as yet the Director of Corporate Services has not undertaken a RIPA Authorising Officer training (these training sessions are not available often) This should be remedied in the coming year if training is available.
- 2.6 Following a review of the policy, there was a need to amend the policy and as such, the committee are asked to take particular note of the following:
- **Section 6.1** – the Authorising Officer has been updated to Chief Officer Governance (Monitoring Officer) as the structure of the Council has changed and we no longer have a Director of Corporate Services. The Delegation has been updated to provide a delegation option to the Deputy Monitoring Officer if required.
 - **Section 6.4** – the Covert Human Intelligence Source code (CHIS) has been updated so the numbering has changed. In addition, there is new legislation allowing other agencies to let CHIS commit crime in pursuance of their intelligence, this is now referenced in the policy but confirmed as **NOT** available to Local Authorities.
 - **Appendix 1** – has been adjusted to accommodate the new links to the authorisation documents for staff.

This will be reviewed again next year.

3.0 Details of Consultation

- 3.1 The Monitoring Officer, Legal Services and Corporate Fraud have been consulted in compiling this report.

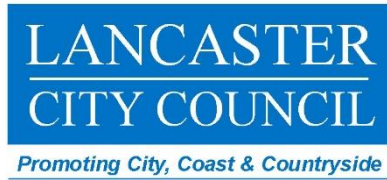
4.0 Options and Options Analysis (including risk assessment)

- 4.1 There are no other options available. It is necessary to carry out a regular review and update of the RIPA policy to ensure it supports the council's officers and protects the rights of the public when carrying out surveillance.
- 4.2 The Chief Officer Governance (Monitoring Officer) should attend a RIPA Authorising Officer training if one is available.

5.0 Conclusion

- 5.1 Currently the policy remains compliant with the law and will be reviewed again next year.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):</p> <p>Not Applicable</p>	
<p>LEGAL IMPLICATIONS</p> <p>No Change</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>None directly arising from this report. Training for staff to ensure that they are kept up to date with appropriate practice and revisions to RIPA will be allocated from existing budgets.</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>The s151 Officer has been consulted and has no comments to make.</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted and has no comments to make.</p>	
<p>BACKGROUND PAPERS</p> <p>None</p>	<p>Contact Officer: Amy Holland Telephone: 01524 58 2205 Email: ajholland@lancaster.gov.uk</p>



THE REGULATION OF INVESTIGATORY POWERS ACT (RIPA) POLICY AND PROCEDURE

Document Control

Approved by:	Audit Committee	Date:	28/11/2018
Document location:			
Document owner:	Information Governance		
Review period:	2 Years		
Next review date:	November 2025		

Revision History

Version	Date	Reviewed By	Amendment Details
V 1.0	28/11/2018	Audit Committee	Approval of final draft
V2.0	27/11/2019	Audit Committee	Social Media Use and guidance approved
V3.0	25/11/2020	Audit Committee	Approval of updated codes and IPCO recommendations
V3.0	23/03/2022	Audit Committee	Approved policy to remain as per last year.
V4.0	22/11/2023	Audit Committee	Update to CHIS guidance reference and forms

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REGULATION OF INVESTIGATORY POWERS ACT (RIPA) POLICY AND PROCEDURE

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1 Purpose

The purpose of this policy is to:

- explain the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA);
- provide guidance and give advice to those Services undertaking covert surveillance; and
- ensure full compliance with RIPA and a Council-wide consistent approach to its interpretation and application.

2 Introduction

RIPA came into force on 25th September 2000 to regulate covert investigations by a number of bodies, including local authorities. It was introduced to ensure that individuals' rights are protected while also ensuring that law enforcement and security agencies have the powers they need to do their job effectively.

Lancaster City Council is therefore included within the 2000 Act framework with regard to the authorisation of both Directed Surveillance and the use of Covert Human Intelligence Sources (CHIS)

In summary RIPA requires that when a Council undertakes "directed surveillance" or uses a "covert human intelligence source" these activities must only be authorised by an officer with delegated powers when the relevant criteria are satisfied. In addition, amendments contained in the Protection of Freedoms Act 2012, which took effect on the 1st November 2012, mean that local authority authorisations, and renewals of authorisations under RIPA, can only take effect once an order approving the authorization (or renewal) has been granted by a Justice of the Peace (district judge or lay magistrate) (JP).

Authorisation for both types of surveillance may be granted only where it is believed that the authorisation is necessary, and the authorised surveillance is proportionate to that which is sought to be achieved:

An authorisation may be granted only where the Authorising Officer believes that the authorisation is necessary in the circumstances of the particular case:

"For the purpose of preventing and detecting crime and disorder"

However, amendments which took effect on the 1st November 2012 mean that a local authority may only authorise use of directed surveillance under RIPA to prevent or detect criminal offences that are either punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or are related to the underage sale of alcohol and tobacco. Local authorities cannot authorise directed surveillance for the purpose of preventing disorder unless this involves a criminal offence punishable by a maximum term of at least 6 months' imprisonment. These amendments are referred to as "the crime threshold".

The background to RIPA is the Human Rights Act 1998, which imposes a legal duty on public authorities to act compatibly with the European Convention on Human Rights (ECHR). Article 8(1) of the ECHR gives a right to respect for private and family life, the home and correspondence. However, this is qualified by Article 8(2) which provides that there shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national

security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others. RIPA was enacted so as to incorporate the provisions of Article 8(2) in English law, and to establish a means by which a public authority may interfere with privacy rights in accordance with the law. The objective is to give protection to the Council and any officer involved in an investigation. The scheme of RIPA is to state that an authorisation for covert surveillance shall be lawful for all purposes, but that such an authorisation may only be granted if the authorising officer believes that what is proposed is necessary and proportionate (see paragraphs 35 and 36 below).

If the authorisation procedures introduced by RIPA are followed, they afford protection to the Council and to investigating officers in respect of challenges to the admissibility of evidence, claims under the Human Rights Act 1998, and complaints to the Local Government Ombudsman or the Investigatory Powers Tribunal.

The Act is supported by statutory Codes of Practice, the most recent versions of which were published in 2014 and are available on the Council's intranet. These are the 'Covert Surveillance and Property Interference' Code of Practice and the 'Covert Human Intelligence Sources' (CHIS) Code of Practice. RIPA requires the Council to have regard to the provisions of the Codes which are admissible as evidence in criminal and civil proceedings and must be taken into account by any court or tribunal.

3 Investigatory Powers Commissioner's Office

In May 2001 an Inspectorate was formed within the Office of Surveillance Commissioners (OSC) to keep under review the exercise and performance of the powers and duties conferred or imposed by RIPA. This Office was replaced in October 2017 and is now called the Investigatory Powers Commissioner's Office (IPCO) and is led by the Investigatory Powers Commissioner. The most recent Procedures and Guidance can be found on their [website](#).

RIPA requires public authorities to disclose or provide to the Investigatory Powers Commissioner all such documents and information as they may require for the purpose of enabling them to carry out their functions.

4 Statement of Intent

The Council's policy and practice in respect of RIPA is to comply fully with the law and strike a fair and proportionate balance between the need to carry out covert surveillance in the public interest and the protection of an individual's fundamental right to privacy. The Council acknowledges that this policy is very much a living document and will be reviewed and updated in line with the best guidance and advice current at the time.

5 Part 1: An explanation of the Key Provisions of RIPA

5.1 What is meant by 'surveillance'?

'Surveillance' includes:

- a) monitoring, observing or listening to persons, their movements, their conversations or their other activities or communication;
- b) recording anything monitored, observed or listened to in the course of surveillance; and
- c) surveillance by or with the assistance of a surveillance device.

5.2 When is surveillance “covert”?

According to RIPA, surveillance is covert if, and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place. If activities are open and not hidden from the subjects of an investigation, the 2000 Act framework does not apply.

5.3 What is ‘directed surveillance’ or when is surveillance ‘directed’?

Surveillance is directed if it is ‘covert’ but not ‘intrusive’ (see below) and is undertaken:

- a) for the purposes of a specific investigation or a specific operation;
- b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not that person is specifically identified for the purposes of the investigation or operation); and
- c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation to be sought for the carrying out of the surveillance.

Essentially, therefore, directed surveillance is any:

- (1) pre-planned surveillance activity;
- (2) undertaken covertly;
- (3) for the purposes of a specific investigation;
- (4) in such a way that is likely to result in obtaining private information about a person.

5.4 Is it for the purposes of a specific investigation or operation?

For example, are CCTV cameras which are readily visible to anyone walking around a Council car park covered?

The answer is no if their usage is to monitor the general activities of what is happening in the car park. If that usage changes at any time the 2000 Act may apply.

For example, if the CCTV cameras are targeting a particular known individual, and are being used in monitoring his activities, that has turned into a specific operation which will require authorisation.

5.5 Is it in such a manner that it is likely to result in the obtaining of private information about a person?

5.5.1 ‘Private Information’

In relation to a person, includes any information relating to his private or family life. Private information should be taken generally to include any aspect of a person’s private or personal relationship with others, including family and professional or business relationships. Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person’s activities in public may still result in the obtaining of private information. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a public authority of that person’s activities for future consideration.

If it is likely that observations will not result in the obtaining of private information about a person, then it is outside the 2000 Act framework. However, the use of “test purchasers” may involve the use of covert human intelligence sources see **section 10.7**

5.5.2 'Immediate response....'

According to the Covert Surveillance Code of Practice, "covert surveillance that is likely to reveal private information about a person but is carried out by way of an immediate response to events such that it is not reasonably practicable to obtain an authorisation under the 2000 Act would not require a directed surveillance authorisation." For example, a police officer would not require an authorisation to conceal himself and observe a suspicious person that he came across in the course of a patrol.

However, if as a result of an immediate response, a specific investigation subsequently takes place, that brings it within the 2000 Act framework.

5.6 What is meant by 'intrusive surveillance' or when is surveillance 'intrusive'?

Surveillance becomes intrusive if the covert surveillance:

- a) is carried out in relation to anything taking place on any 'residential premises' or in any 'private vehicle'; or a "place for legal consultation; and
- b) involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device; or
- c) is carried out by means of a surveillance device in relation to anything taking place on any residential premises or in any private vehicle but is carried out without that device being present on the premises or in the vehicle, and the device is such that it **consistently provides information of the same quality and detail** as might be expected to be obtained from a device actually present on the premises or in the vehicle.

The definition of surveillance as intrusive relates to the location of the surveillance, and not to other consideration of the nature of the information that is expected to be obtained. Officers of the Council are unlikely to have access to any "place of legal consultation" but should seek advice from Legal Services on the detailed definition.

5.6.1 'Residential premises'

Is defined to include any premises that is for the time being occupied or used by any person, however temporarily, for residential purposes or otherwise as living accommodation. For example, the definition includes hotel rooms. It, however, does not include so much of any premises as constitutes any common area to which a person is allowed access in connection with his use or occupation of any accommodation. For example, a hotel lounge.

5.6.2 'Private vehicle'

Means any vehicle which is used primarily for private purposes, for example, for family, leisure or domestic purposes. It therefore does not include taxis i.e. private hire or hackney carriage vehicles.

5.7 Why is it important to distinguish between directed and intrusive surveillance?

It is imperative that officers understand the limits of directed surveillance or, put another way, recognise when directed surveillance becomes intrusive surveillance because **RIPA does not permit local authorities to undertake intrusive surveillance in any circumstances.**

5.8 What is a 'covert human intelligence source' (CHIS)?

According to RIPA a person is a CHIS if:

- a) he **establishes or maintains a personal or other relationship** with a person for the **covert purpose** of facilitating the doing of anything falling within paragraph b) or c).
- b) he covertly uses such a relationship to **obtain information** or provide access to any information to another person; or
- c) he covertly discloses information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

A CHIS is effectively an inside informant or undercover officer, someone who develops or maintains their relationship with the surveillance target, having the covert purpose of obtaining or accessing information for the investigator.

A **purpose is covert**, in relation to the establishment or maintenance of a personal or other relationship, if and only if the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

It is not clear whether '**information**' is restricted to private information in line with directed surveillance. The inference is there, but it is not clear. If in doubt, the Council's policy is to obtain an authorisation.

RIPA also makes reference to the use of a CHIS which refers to inducing, asking or assisting a person to engage in the conduct of a CHIS, or to obtain information by means of the conduct of such a CHIS.

5.9 Use of Social Networking in investigations

Officers often use the internet and social networking sites for the purposes of research and carrying out checks on the subjects of an investigation. Care must be taken to ensure that officers do not stray into a surveillance situation.

It should not be assumed that all monitoring of open social media sites is automatically immune from the need for an authorisation of some sort. Use of open media, in circumstances where there is a reasonable expectation of privacy, is likely to require an authorisation, particularly if the monitoring is intensive or for a prolonged period of time i.e. more than a week. The creation of fake or anonymous websites for investigation purposes is likely to require an authorisation. Entry on to chat rooms or closed groups for investigatory purposes is also likely to require authorisation unless the officer's identity is made clear from the outset.

Use of a 3rd party's identity requires both an authorisation and express written permission from that person. Whilst overt working in this way might avert the need for a surveillance authorisation officers should be aware that a CHIS situation could inadvertently arise.

It is expected that social media sites will generate significant amounts of sensitive information.

Sensitive material that is not relevant to an investigation should be disposed of quickly and safely. Any interaction between an investigator and the public via social media could inadvertently give rise to a CHIS situation. Investigators should generally avoid interaction

whilst monitoring social media sites and take advice should any uncertainty arise. The use of the internet and social media may require an authorisation in the following circumstances:

- (a). Any communications which are made with 3rd parties for the purpose of gathering evidence or intelligence about an offence in circumstances where the third party is not aware that the officer is working for the Council.
- (b) Accessing private pages of social media for the purpose of gathering evidence or intelligence about an offence or other matter subject to potential litigation.
- (c). Any communications between an officer and a 3rd party for the purpose of using that person to gather evidence or intelligence about a suspect.
- (d). Intensive monitoring of a suspect using social media over a sustained period of time particularly when this is used in connection with other methods of investigation.
- (e). The creation of a false personae or use of a third-party identity for investigation purposes.
- (f). Any direct interaction in any forum – open or closed – in which an officer seeks to elicit information, when they are not explicit about their real identity.

Repeated entry to social media sites and copying material for the purpose of an investigation is likely to engage RIPA. As a rule of thumb access to Facebook and other social media sites should be made via the Council's Facebook account as opposed to a private account. If there is any doubt the officer who is conducting this activity is advised to seek legal advice.

Please see **Appendix 2** for the process which is to be followed in relation to the use of social media.

The IPCO has issued the following guidance: -

- Whilst it is the responsibility of an individual to set privacy settings to protect unsolicited access to private information and even though data may be deemed published and no longer under the control of the author, it is unwise to regard it as "open source" or publicly available; the author has a reasonable expectation of privacy if access controls are applied. In some cases, data may be deemed private communication still in transmission (instant message for example). Where privacy settings are available but not applied the data may be considered open source and an authorisation is not usually required.
- Providing there is no warrant authorising interception in accordance with section 48 (4) of the 2000 Act, if it is necessary and proportionate for a public authority to breach covertly access controls, the minimum requirement is an authorisation for directed surveillance. An authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by a member of a public authority or by a person acting on its behalf (i.e. the activity is more than the mere reading of the site's content).
- It is not unlawful for a member of a public authority to set up a false identity, but it is inadvisable for a member of a public authority to do so for a covert purpose without authorisation. Using photographs of other persons without their permission to support the false identity potentially infringes other laws.
- A member of a public authority should not adopt the identity of a person known, or likely to be known, to the subject of interest or users of the site without authorisation, and without the consent of the person whose identity is used, and without considering the

protection of that person. The consent must be explicit (i.e. the person from whom consent is sought must agree (preferably in writing) what is and is not to be done.

6 Part 2: General Authorisation Requirements

6.1 The authorisation requirements

RIPA requires that prior authorisation is obtained by all local authorities using directed surveillance and CHIS techniques.

The authorising officer must give authorisations in writing and a separate authorisation is required for each investigation. Any authorisation must also be approved by an order from a JP. The application form for such approval is available on the Council's intranet, but advice should be sought from Legal Services on making an application for judicial approval.

Whilst according to RIPA, a single authorisation may combine two or more different authorisations (for example, directed surveillance and CHIS), the provisions applicable in the case of each of the authorisations must be considered separately. Because combining authorisations may cause confusion, officers must use separate forms for different authorisations.

The purpose of the authorisation is to comply with the Human Rights Act 1998 by providing lawful authority to carry out surveillance. This is why an authorisation must be obtained where the surveillance is likely to interfere with a person's Article 8 rights to privacy by obtaining private information about that person, whether or not that person is the subject of the investigation or operation. If the surveillance is then actually carried out in accordance with the authorisation, it will be less open to challenge.

6.2 Who can authorise the use of covert surveillance?

To give effect to RIPA, the Chief Officer Governance (Monitoring Officer) has been designated to authorise the use of directed surveillance and CHIS techniques in respect of external investigations and to sanction the use of such covert surveillance in respect of internal officer/Member investigations. This designation can be directly delegated to the Deputy Monitoring Officer. Any RIPA authorisation must be approved by an order from a JP. The JP will be provided with a copy of the authorisation, and with a partially completed judicial application/order form, which is available on the Council's intranet. Advice should be sought from Legal Services, who will contact the court to arrange the hearing date for the application.

It should also be noted that in accordance with the relevant Regulations, the designation of the Chief Officer Governance (Monitoring Officer) to sanction the use of RIPA regulated covert surveillance extends upwards to the Chief Executive.

Ideally, the Authorising Officer should not be responsible for authorising their own activities i.e. those operations/investigations in which they are directly involved. However, the Codes of Practice recognize that this may sometimes be unavoidable, especially in the case of small organisations, or where it is necessary to act urgently.

6.3 Justification for covert surveillance

In order to use covert surveillance (both directed surveillance and a CHIS) lawfully the person granting the authorisation (i.e. the authorising officer) will have to demonstrate that the surveillance is both 'necessary' and 'proportionate' to meet the objective of the prevention or detection of crime or of prevention of disorder. The JP must also be satisfied that the use of the technique is necessary and proportionate.

6.3.1 The ‘necessity’ test

RIPA first requires that the authorising officer must be satisfied that the authorisation is necessary, in the circumstances of the particular case, for the prevention and detection of crime, or prevention of disorder. This is the only statutory ground on which local authorities are now able to carry out directed surveillance and use a CHIS. For the purposes of the authorisation of directed surveillance, the crime threshold referred to in paragraph 4 above must be met. Covert surveillance cannot be “necessary” unless, in that particular case, there is no reasonably available overt method of discovering the desired information.

6.3.2 The ‘proportionality’ test

Then, if the activities are necessary, the authorising officer must be satisfied that they are proportionate to what is sought to be achieved by carrying them out. This involves balancing the intrusiveness of the activity on the target and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is **excessive** in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

6.4 CHIS – additional requirements

In addition, there are further criteria in relation to CHIS authorisations. Namely, that specific arrangements exist to ensure that, amongst other things, the source is independently managed and supervised, that records are kept of the use made of the source, that the source’s identity is protected from those who do not need to know it, and that arrangements also exist to satisfy such other requirements as may be imposed by an Order made by the Secretary of State.

RIPA provides that an authorising officer must not grant an authorisation for the use or conduct of a source unless he believes that arrangements exist that satisfy these requirements. In this regard, the particular attention of authorising officers is drawn to paragraphs 7.15 – 7.21 of the CHIS Code of Practice concerning the security and welfare of a CHIS and the need to carry out a **risk assessment**.

The Regulation of Investigatory Powers (Source Records) Regulations 2000 (SI No. 2725) details the particulars that must be included in the records relating to each CHIS. The authorising officer should comment on all these aspects in his “comments” box, as he may have to justify the fact that he has taken account of these requirements and made an appropriate provision to comply.

6.4.1 The Covert Human Intelligence Sources (Criminal Conduct) Act 2021

This new piece of legislation amends RIPA to allow some agencies to authorise someone that they are deploying as a CHIS to commit crimes in the course of, or otherwise in connection with the conduct of Covert Human Intelligence Source. This act is mentioned here to confirm that Local Authorities are **NOT** one of the relevant authorities or agencies that can authorise this kind of conduct.

6.5 Collateral Intrusion

Before authorising surveillance, the authorising officer should also take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation (particularly when considering the proportionality of the surveillance). This is referred to as collateral inclusion, and the following should be considered:

- I. measures should be taken, wherever practicable, to avoid or minimise unnecessary intrusion into the privacy of those not directly connected with the investigation or operation;
- II. an application for an authorisation should include an assessment of the risk of any collateral intrusion and the authorising officer should take this into account, when considering the proportionality of the surveillance;
- III. those carrying out the surveillance should inform the authorising officer if the investigation or operation unexpectedly interferes with the privacy of individuals who are not covered by the authorisation; and
- IV. when the original authorisation may not be sufficient, consideration should be given to whether the authorisation needs to be amended and re-authorised or a new authorisation is required.

6.6 Local community sensitivities

Any person applying for or granting an authorisation will also need to be aware of what the Codes of Practice refer to as “any particular sensitivities in the local community” where the surveillance is taking place or of similar activities being undertaken by other public authorities which could impact on the deployment of surveillance.

7 Part 3: Directed Surveillance Authorisation Requirements

7.1 Applications for directed surveillance authorisation

Applications for authorisation to carry out directed surveillance must be made in **writing** using the **standard Application Form** and judicial approval form available on the Council’s intranet.

7.2 Duration of directed surveillance authorisations

A written authorisation granted by an authorising officer, and approved by a JP, will cease to have effect (unless renewed) at the end of a period of **three months** beginning with the day on which it took effect.

7.3 Reviews of directed surveillance authorisations

Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to ‘**confidential information**’ (see below) or involves collateral intrusion.

Authorisations must be reviewed by the authorising officer therefore **at least monthly** using the **standard Review Form** available on the Council’s intranet to ensure that they remain in force only for so long as it is necessary.

7.4 Renewals of directed surveillance authorisations

If at any time before an authorisation would cease to have effect, the authorising officer considers it necessary for the authorisation to continue for the purpose for which it was given, he may renew it in writing for a **further period of three months** using the **standard Renewal Form** available on the Council’s intranet. The same conditions attach to a renewal of

surveillance as to the original authorisation. An order from a JP is required for a renewal in the same way as for an authorisation.

A renewal takes effect at the time at which, or day on which the authorisation would have ceased to have effect but for the renewal. An application for renewal should not be made until **10 working days** before the authorisation period is drawing to an end. However, where renewals are timetabled to fall outside of court hours, for example during a holiday period, care must be taken to ensure that the renewal is completed ahead of the deadline.

Any person who would be entitled to grant a new authorisation can renew an authorisation, but an order from a JP is also required. Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation.

7.5 Cancellation of directed surveillance authorisations

The authorising officer who granted or last renewed the authorisation **must** cancel it using the **standard Cancellation Form** available on the Council's intranet if he is satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Authorisations should not be allowed to simply expire.

Where the authorising officer is no longer available, this duty will fall on the person who has taken over the role of authorising officer or the person who is acting as authorising officer (**see the Regulation of Investigatory Powers (Cancellation of Authorisations) Order 2000; SI No: 2794**).

If the authorising officer is on sick or annual leave or is otherwise unable to cancel the authorisation for good reason, any other officer designated to grant authorisations may cancel the authorisation.

7.6 Ceasing of surveillance activity

As soon as the decision is taken that directed surveillance should be discontinued, the instruction must be given to those involved to stop all surveillance of the subject(s). The date and time when such an instruction was given should be recorded in the notification of cancellation where relevant (see standard cancellation form).

7.7 Urgent Cases

A JP may consider an authorisation out of working hours in exceptional cases. This must be arranged through the court, and two completed judicial application/order forms must be provided so that one can be retained by the JP.

7.8 Confidential Information

RIPA does not provide any special protection for 'confidential information'.

The Codes of Practice, however, do provide additional safeguards for such information. Confidential information consists of matters subject to legal privilege; confidential personal information (information relating to the physical or mental health or spiritual counselling of a person who can be identified from it) or confidential constituent information (relating to communications between a Member of Parliament and a constituent in respect of constituency matters) or confidential journalistic material (material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence). Further details about these categories of confidential information are set out in the Codes themselves, and advice can be obtained from Legal Services.

Special care should be taken if there is a likelihood of acquiring any confidential information. Such authorisations should only be granted in exceptional and compelling circumstances with full regard to the proportionality issues such surveillance raises.

In accordance with the provisions of the Code, in cases where through the use of the surveillance it is likely that confidential information will be acquired, the use of surveillance must be authorised by the Chief Executive.

If, exceptionally, any Council investigation is likely to result in the acquisition of confidential material, officers are required to obtain the prior approval of Legal Services before applying for an authorisation.

If confidential material is acquired during the course of an investigation, the following general principles apply:

- confidential material should not be retained or copied unless it is necessary for a lawful purpose;
- confidential material should be disseminated only where an officer (having sought advice from the Legal Services Manager) is satisfied that it is necessary for a lawful purpose;
- the retention or dissemination of such information should be accompanied by a clear warning of its confidential nature. It should be safeguarded by taking reasonable steps to ensure that there is no possibility of it becoming available, or its content being known, to any person whose possession of it might prejudice any criminal or civil proceedings related to the information; and confidential material should be destroyed as soon as it is no longer necessary to retain it for a specified purpose.

8 Part 4: CHIS Authorisation Requirements

Generally speaking, the authorisation requirements for directed surveillance also apply to a CHIS authorisation. There are, however, some variations, and the crime threshold as set out in paragraph 4 does not apply to a CHIS authorisation.

8.1 Duration of CHIS authorisations

A written CHIS authorisation granted by an authorising officer and approved by a JP, will cease to have effect (unless renewed) at the end of a period of **twelve months** beginning with the day on which it took effect.

8.2 Renewal of CHIS Authorisations

An authorising officer may renew a CHIS authorisation in writing **for a further period of twelve months**. This is subject to approval from a JP.

The same conditions attach to a renewal of surveillance as to the original authorisation. However, before renewing an authorisation for the use or conduct of a CHIS, officers are required to carry out a review of the use made of that source, the tasks given to that source and the information so obtained.

8.3 CHIS Forms

Standard **CHIS Application; Review; Renewal, and Cancellation Forms**, and the **Judicial Approval form** are available on the Council's intranet. Officers are required to use these forms in the appropriate circumstances.

8.4 Vulnerable Adults

In accordance with the CHIS Code of Practice, a '**vulnerable person**' should only be authorised to act as a CHIS in the most exceptional circumstances and must be authorised by the **Chief Executive**. Legal advice should always be sought. A 'vulnerable individual' is a person who is or may be in need of community care services by reason of mental or other disability, age or illness and who is or may be unable to take care of himself, or unable to protect himself against significant harm or exploitation.

8.5 Juvenile Sources

Special safeguards also apply to the use or conduct of juvenile sources; that is sources under the age of 18 years. Legal advice should always be sought. On no occasion should the use or conduct of a CHIS under 16 years of age be authorised to give information against his parents or any person who has parental responsibility for him. In other cases, authorisations should not be granted unless the special provisions contained within **The Regulation of Investigatory Powers (Juveniles) Order 2000 (SI No. 2793)** are satisfied. Authorisations for juvenile sources must be authorised by the **Chief Executive** the duration of such an authorisation is **one month only** instead of the usual twelve months.

9 Part 5: Other Authorisation Requirements

The Codes of Practice provide that a centrally retrievable record of all authorisations should be held by each public authority and regularly updated whenever an authorisation is granted, reviewed, renewed or cancelled. The record should be made available to the relevant Commissioner or an Inspector from the Investigatory Powers Commissioner's Office (IPCO), upon request. These records will be retained for a period of at least three years from the ending of the authorisation and will comprise of the information prescribed in the Codes.

The Council will also maintain a record of specified documentation relating to authorisations as further required by the Codes.

To give effect to these requirements The Authorising Officer is required to e-mail all completed RIPA forms to the Monitoring Officer within two working days of the grant; review; renewal; or cancellation of the authorisation so that the Council's central recording and monitoring systems can be kept up to date.

The Authorising Officer should however ensure that original RIPA forms are kept on the investigation case file and stored securely.

In addition, the Monitoring Officer will report periodically to Audit Committee with the register of authorisations to enable them to be satisfied that RIPA authorisation requirements are being complied with.

9.1 Retention and destruction of the product of surveillance

Where the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements for a suitable period, commensurate to any subsequent review.

The Codes of Practice draw particular attention to the requirements of the code of practice issued under the **Criminal Procedure and Investigations Act 1996**. This requires that material which is obtained in the course of a criminal investigation and which may be relevant to the investigation must be recorded and retained.

Where material is obtained by surveillance, which is **wholly unrelated** to a criminal or other investigation or to any person who is the subject of the investigation, and there is no reason to believe it will be relevant to future civil or criminal proceedings, it should be **destroyed immediately**. Consideration of whether or not unrelated material should be destroyed is the responsibility of the authorising officer.

There is nothing in RIPA which prevents material obtained from properly authorised surveillance from being used in other investigations. Each Service must ensure that arrangements are in place for the handling, storage and destruction of material obtained through the use of covert surveillance. Authorising officers must ensure compliance with the appropriate data protection requirements relating to the handling and storage of material.

9.2 Acting on behalf of another

In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by the Police with the use of the Council's CCTV systems, an authorisation must be obtained by the Police.

10 Part 6: Practical Application of RPIA

10.1 Who is affected by RIPA?

As the Council has already recognised in respect of the application of the **Human Rights Act 1998**, RIPA will impact on the enforcement activities of all the Council's regulatory Services, but, in the case of authorisations for directed surveillance, the crime threshold referred to in paragraph 4 must be met. This means that directed surveillance will no longer be able to be used in some investigations where it was previously authorised, e.g. dog fouling. However, this does not mean that it will not be possible to investigate these matters with a view to stopping offending behaviour. Routine patrols, observation at trouble "hotspots", immediate response to events and overt use of CCTV are all techniques which do not require RIPA authorisation.

A public authority may only engage RIPA when in performance of its "core functions" in contrast to the "ordinary functions" which are undertaken by all authorities (e.g. employment and contractual matters). Accordingly, the disciplining of an employee is not a core function, although related criminal investigations may be.

10.2 'General observation vs. 'systematic surveillance'

According to the Covert Surveillance Code of Practice "General observation duties of many law enforcement officers, and other public authorities do not require authorisation under the 2000 Act". For example, police officers will be on patrol to prevent and detect crime, maintain public safety and prevent disorder or trading standards or HM Customs and Excise officers might covertly observe and then visit a shop as part of their enforcement function to verify the supply or level of supply of goods or services that may be liable to a restriction or tax. Such observation may involve the use of equipment to merely reinforce normal sensory perception, such as binoculars, or the use of cameras, where this does not involve systematic surveillance of an individual.

The clear view expressed therefore is that usually low-level activity such as general observation will not be regulated under the provisions of RIPA provided it does not involve the systematic surveillance of an individual. That said, the determination of what constitutes 'general observation' on the one hand and 'systematic surveillance' on the other is a question

of fact, the determination of which is not always straightforward and depends on the particular circumstances of an individual case.

In practice, the issue will turn on whether the covert surveillance is likely to result in obtaining any information in relation to a person's private or family life, whether or not that person is the target of the investigation or operation. If in doubt you are strongly recommended to obtain an authorisation.

10.3 'Covert' vs. 'overt' surveillance

In accordance with the Council's usual practice, wherever possible and appropriate Services should give advance warning of their intention to carry out surveillance. This is because the provisions of RIPA regulate the use of covert surveillance only. In some cases, a written warning may itself serve to prevent the wrongdoing complained of.

However, in order to properly put a person on notice that he is or may be the subject of surveillance, the notification letter must be couched in sufficiently precise terms so that he knows what **form** the surveillance will take (i.e. record of noise; photographs etc.). In fact, in line with directed surveillance requirements, notification letters should state **how long** the surveillance is likely to last (which should not be longer than three months); the necessity for the surveillance should be **reviewed at least monthly**; if it is necessary to continue the surveillance beyond the initial specified period a **renewal letter** should be sent to the 'noisy' neighbour, for example, and he should be informed when the surveillance has ceased.

It is also important to instruct the investigating officer not to exceed the limits of the 'surveillance' he has been asked to carry out.

Whilst it is accepted that the definition of 'covert' set out in RIPA could be interpreted very broadly, it is suggested that whether the surveillance activity is covert or not depends on the investigator's intention and conduct. If there is some element of **secrecy** or **concealment** the activity is likely to be covert.

Wherever possible or appropriate, officers should be **open; obvious and overt**.

10.4 CCTV

Overt CCTV systems used for general purposes are not usually regulated by RIPA (but CCTV in general is regulated by the Data Protection Act 2018, the GDPR 2016/679 and the CCTV Code of Practice issued by the Information Commissioner). If, however, CCTV systems are used to **track individuals** or **specific locations** and the surveillance is **pre-planned** (i.e. not an immediate response to events or circumstances which by their very nature, could not have been foreseen) a **directed surveillance** authorisation must be obtained.

10.5 Recognising a CHIS

The provisions of RIPA are not intended to apply in circumstances where members of the public volunteer information to the police or other authorities, as part of their normal civic duties, or to contact numbers set up to receive information (such as Crime stoppers, Customs Confidential, the Anti-Terrorist Hotline, or the Security Service Public Telephone Number). Members of the public acting in this way would not generally be regarded as sources.

However, when an informant gives repeat information about a suspect or about a family, and it becomes apparent that the informant may be obtaining the information in the course of a family or neighbourhood relationship, this probably means that the informant is a CHIS, to

whom a duty of care is owed if the information is then used, even though he or she has not been tasked by the authority to obtain information on its behalf.

The use of professional witnesses to obtain information and evidence is clearly covered.

10.6 “.... establishing or maintaining a personal or other relationship.....”

Whilst the meaning of “...establishing or maintaining a personal or other relationship...” is not clear and is open to interpretation, it is suggested that there has to be some measure of **intimacy** beyond the ordinary conversation. Only if an officer, for example, establishes some measure of **trust and confidence** with the person who is the subject of the surveillance will he be establishing or maintaining a personal or other relationship.

Usually a simple enquiry or a request for general information (i.e. a request for information which would be supplied to any member of the public who enquired) not obtained under false pretences is not likely to be regulated by RIPA.

10.7 Simple test purchase transactions

Whether or not test purchase transactions are regulated by RIPA depends on the circumstances and in particular the conduct of the person carrying out the surveillance. Usually simple covert test purchase transactions carried out under existing statutory powers where the officer involved does not establish a personal or other relationship will not require a CHIS authorisation.

Officers should, however, be wary of the law on ‘**entrapment**’. Whereas officers can in appropriate circumstances, present a seller or supplier, for example, an opportunity which he could act upon, officers cannot ‘incite’ the commission of an offence i.e. encourage, persuade or pressurise someone to commit an offence.

10.8 Use of DAT recorders

If it is appropriate to do so, Environmental Health officers, and to a much lesser extent Council Housing officers, use a recorder to monitor noise levels (usually at residential premises) following noise nuisance complaints. Whilst the recorder is installed by officers, the complainant decides when to switch the recorder on and off.

The covert recording of suspected noise nuisance where the intention is only to record excessive noise levels from adjoining premises, and the recording device is calibrated to record only excessive noise levels, may not require an authorisation, as the perpetrator would normally be regarded as having forfeited any claim to privacy.

That said, a Digital Audio Tape (DAT) recorder is a sophisticated piece of monitoring equipment and if used covertly may constitute directed surveillance. In general, a letter is sent to the person who is to be the subject of the surveillance, and this should mean that subsequent surveillance is overt, and an authorisation will not as a matter of course be required. However, if there is any doubt as to whether surveillance is covert, e.g. if any longer than a few weeks has passed since the alleged perpetrator was informed that monitoring might be carried out, and if it is likely that private information will be obtained, then an authorisation should be sought.

10.9 RIPA forms

It is imperative that RIPA forms are completed in full whenever RIPA regulated surveillance activity is planned. The information given must be specific and detailed; must relate to the particular facts of an individual case (i.e. avoid standard wording if at all possible) and must demonstrate that a proper risk assessment has been carried out. Both those who apply for an authorisation and the Authorising Officer should refer to this policy and to the relevant Code of Practice in completing the relevant form,

10.10 Role of Authoring Officers

The Authorising Officer is required to ask themselves: “Have I got sufficient information to make an informed decision as to whether or not to authorise surveillance activity on the particular facts of this case?” and must recognise that RIPA imposes new and important obligations on those Services affected by RIPA

Authorising officers must be satisfied that there are adequate checks in place to ensure that the surveillance carried out is in line with what has been authorised. Such monitoring should be properly documented as well as the decision-making process in general.

Officers are strongly recommended to read this policy in conjunction with the Covert Surveillance and CHIS Codes of Practice which provide supplementary guidance.

If the surveillance is not properly authorised, the protection offered by RIPA will be lost.

10.11 How to access RIPA documents?

RIPA itself; explanatory notes to RIPA, the Covert Surveillance and CHIS Codes of Practice; RIPA statutory instruments and other RIPA documents are available on the Home Office website: <https://www.gov.uk/government/collections/ripa-codes>

Relevant RIPA documents as well as this policy and the Council’s standard forms have also been posted on the Council’s intranet.

11 Training and awareness

It is the policy of the Council to provide adequate training for all its employees so that they are aware of the RIPA provisions and know when certain activities are required to be authorised. Authorising Officers will be trained in the proper use of their powers as with investigating officers The Council seeks to ensure that all staff likely to be engaged in surveillance work and the use of CHIS understand the regulatory framework and know which officers are authorised Investigating Officers and the Authorising Officer

Training and refresher training shall be provided on a regular basis.

Appendix 1:

Directed surveillance forms

Application for the authorisation of directed surveillance:
[RIPA-application-directed-surveillance.doc \(sharepoint.com\)](#)

Review of directed surveillance authorisation:
[RIPA-review-directed-surveillance.doc \(sharepoint.com\)](#)

Renewal of directed surveillance authorisation:
[RIPA-renewal-directed-surveillance.doc \(sharepoint.com\)](#)

Cancellation of a directed surveillance authorisation:
[RIPA-cancellation-directed-surveillance.doc \(sharepoint.com\)](#)

CHIS (Covert Human Intelligence Source) forms

Application for authorisation of use or conduct of a CHIS:
[chis-application.doc \(sharepoint.com\)](#)

Review of a CHIS authorisation:
[chis-review.doc \(sharepoint.com\)](#)

Renewal of a CHIS authorisation:
[chis-renewal.doc \(sharepoint.com\)](#)

Cancellation of a CHIS authorisation:
[chis-cancellation.doc \(sharepoint.com\)](#)

Judicial Approval Form
[JP-approval-order-form.doc \(sharepoint.com\)](#)

Appendix 2:**PROCESS TO BE FOLLOWED WHEN CONSIDERING USING SOCIAL NETWORKING SITES IN INVESTIGATIONS OR TO GATHER EVIDENCE.**

Where an officer considers it necessary to view a social networking site to investigate an allegation or to gather information the following process is to be followed:

1. Officers must not use their own personal or private account when accessing social networking sites for investigations/evidence gathering, only Council accounts should be used.
2. Officers may access the main page of an individual's profile to take an initial view as to whether there is any substance to the allegation of the matter being investigated and is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation.
3. Officers are required to keep a log recording when social networking sites are viewed for investigations/evidence gathering. Each viewing of a company or individual's social networking site must be recorded on the log. This is to enable the Council to monitor the use of these sites for investigations/evidence gathering and use this information to review policies and guidance. See attached excel template below.
4. If it is considered that there is a need to monitor a company's or individual's social networking site, for example by systematically collecting and recording information about a particular person or group, then the officer must refer the matter to their Head of Service for consideration as to whether a RIPA authorisation from the Magistrates Court may be required. If officers are in any doubt as to whether an authorisation is required, they should seek advice from the Information Governance Manager or Authorising Officer (Director for Corporate Services), before continuing to access a social networking site.
5. If the offence being investigated falls under RIPA, a formal RIPA application must be completed, authorised by the Council's Authorising Officer and then approved by a Magistrate.
6. If the offence being investigated falls outside RIPA, a 'Non-RIPA' form must be completed and forwarded to the Authorising Officer.
7. Officers also need to be aware that any evidence captured as part of a criminal investigation will need to comply with the relevant legislation (The Police and Criminal Evidence Act 1984, Criminal Procedure Rules 2018 and the Criminal Procedure and Investigations Act 1996) and advice should be sought from the Council's Legal Services Manager.
8. A copy of all forms should be forwarded to the Council's Information Governance Manager so that a central record of RIPA requests and Authorisations can be kept.



Social Media Access
Log v1.0.xlsx

AUDIT COMMITTEE**Strategic Risk Management****22 November 2023****Report of Chief Executive****PURPOSE OF REPORT**

To provide the Committee with an update on the authority's progress in updating the Strategic Risk Register.

This report is public, with appendix B being exempt by virtue of paragraph 3 of Schedule 12A the Local Government Act 1972.

RECOMMENDATIONS

1. The Audit Committee note the updated Strategic Risk Register, as shown as appendix A (public report) and appendix B (restricted report).
- 1.0 Report**
 - 1.1 Audit Committee last received a report on 26 July 2023 providing an update of the Strategic Risk Register.
 - 1.2 The GRACE (Governance, Risk Assessment and Control Evaluation) system has been updated since the end of Q2 23-24 and in line with our policy, risks will be reviewed every quarter.
 - 1.3 Risks SR08 and SR13 have been re-worded to provide more clarity and focus.
 - 1.4 Risk SR18 "Failure of the South Lancaster Growth Catalyst programme to deliver high quality homes and recoup financial investment" has been closed.
 - 1.5 Risk SR23 Corporate Health and Safety, has been reworded following a query raised at the last meeting.
 - 1.6 Since the previous report, two further strategic risks have been added labelled in the appendices as SR26-SR27. Risk SR27 is yet to have the risk scoring fully populated.
 - 1.7 Audit Committee members are asked to note Appendices A and B; any comments will be considered and implemented as appropriate in the ongoing risk management process.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

No direct impact arising from this report, which provides an updated copy of the authority's Strategic Risk Register.

LEGAL IMPLICATIONS

No direct legal implications arising from this report.

FINANCIAL IMPLICATIONS

No direct financial implications arising from this report.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

No direct resource implications arising from this report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has contributed to this report in his role as Head of Financial Services, including responsibility for Internal Audit.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Appendix A: Strategic Risk Register Map and Detail – Export 10.11.23
Appendix B: Strategic Risk Register Restricted Items – Export 10.11.23

Contact Officer: Chief Executive
Telephone: 01524 582501
Email: chiefexecutive@lancaster.gov.uk
Ref: N/A

Strategic Risk Register, report created 10.11.23

NOTE: All risks have been reviewed between 13th October and 10th November 2023

Risk	Risk Description	Residual Risk Score (impact x likelihood)	Risk Category	Existing Control Measure	Existing Control Measure Description	Target Risk Level (impact x likelihood)	Action Plan Title	Action Plan Description	Action Plan Owners	Action Plan Type	Action Plan Due Date		
1	SR01 Central Government funding is insufficient to provide the current level of service leaving the council unable to deliver the financial resilience initiative and achieve financial stability. Link to Plan 2030: Value for Money	4 (2x2)	Financial	Officer/Member Working Groups	Capital Assurance Group (CAG) and Financial Resilience Group (FRG)	2 (2x1)	Outcomes Based Resourcing	Review of existing budgets to identify areas for realignment/ refocusing or cessation to deliver efficiencies but ensuring that Services remain	Suzanne Lodge	In Progress	30/12/2024		
				Council Strategies	Outcome Based Resourcing (OBR), Investment Strategy, Reserves Strategy and Medium Term Financial Strategy		Commercialisation	Development of other alternative service delivery vehicles to deliver efficiencies and/ or operational surpluses which can be reinvested into Council Services.	Mark Davies	In Progress	01/10/2023		
				Monthly income monitoring by applicable services	Monthly income monitoring by applicable services		Funding the Future Strategy	The Strategy contains 4 Pillars to achieve Financial Stability. 1) Investment to reduce costs; 2) Pursuing efficiencies with vigour; 3) Outcomes based resourcing; and 4) Commercialisation	Paul Thompson	In Progress	31/03/2024		
				Quarterly reporting	Formal quarterly reporting to Cabinet and Budget and Performance Panel		Business Plans for Investments	Develop business plans for investment particularly in relation to decarbonisation and renewable energy generation.	Paul Thompson	In Progress	31/03/2024		
							Fees and Charges Income Monitoring	Regular monitoring and forecasting by services of all fees and charges. To be undertaken by Heads of Service and Managers.	Paul Thompson	In Progress	31/03/2024		
2	SR02 The Council fails to meet the 2024/25 funding gap as a result of ineffective delivery of the efficiency programme and failure to deliver on key projects. Link to Plan 2030: Value for Money projects.	6 (3x2)	Financial	Budget and Performance Panel	Budget and Performance Panel	2 (2x1)	Outcomes Based Resourcing	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.	Suzanne Lodge	Implemented	31/12/2024		
				Reserves Policy	Reserves Policy								
				Project Managers	Project Managers - suitably skilled PMs assigned to lead strategic projects								
				Programme Managers	Programme Managers in place for specific programmes								
				Programme Delivery Board	Programme Delivery Board								
				Cabinet	Cabinet								
				Portfolio Holder	Portfolio Holder								
				Outcomes Based Resourcing for 23/24 financial year	Outcomes Based Resourcing for 23/24 financial year								
				Project Delivery Board	Project Delivery Board - Consisting of Leadership Team to monitor delivery via quarterly reports and provide support and challenge to each project as required.								
				Projects and Performance Manager	Established to provide a central co-ordination point for all the Council's projects and performance. Responsible for co-ordination and monitoring.								
				Delivering Our Priorities Quarterly Monitoring Reports	Delivering Our Priorities Quarterly Monitoring Reports - Monitoring report linking Projects, Performance and Resources presented to Cabinet and Budget & Performance Panel.								
				Quarterly Cabinet Meetings	Quarterly Cabinet Meetings - Project and Financial information present to Cabinet/ Portfolio providing an opportunity for review and discussion of performance. As part of the Funding the Future Strategy, the Outcomes Based Resourcing exercise is commencing July 2022 to identify revenue savings for 2023/24 and beyond.								
Outcomes Based Resourcing	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.												

3	SR03 The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver	The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver effective services, projects and council priorities. Link to Plan 2030: Investing in Our Skills	6 (3x2)	Management	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	6 (3x2)					
					Annual Appraisal Process	Annual Appraisal Process embedded						
					Pay and Grading Structure	Pay and Grading Structure - The new pay and grading structure and job evaluation process ensures that all posts are objectively evaluated and then placed on a new pay and grading scale.						
					Restructure Toolkit	Recent experience suggests that this assisted in attracting applicants with the desired skills and values.						
					Restructure Toolkit	Restructure Toolkit - In order to retain the most talented staff as we go through the OBR process, a restructure toolkit has been produced.						
					People Strategy	A People Strategy is launched to ensure staff experience, development and management are aligned to support the success of the council's workforce.						
4	SR04 The use of council assets is not maximised leading to insufficient funding to meet the funding gap and deliver capital projects.	Future capital investment is dependent on capital receipts from the sale and utilisation of council assets. Link to Plan 2030: Innovative Public Service	9 (3x3)	Financial Reputation Management Assets	Use of Council Assets	Capital Strategy Group	6 (3x2)	Council Assets	To progress with disposals of council assets as outlined through 22/23 OBR process.	Joanne Wilkinson	Proposed	29/03/2024
					Use of Council Assets	Ongoing OBR workstream reviewing assets						
					Use of Council Assets	Compliance review and structure update being undertaken						
					Use of Council Assets	Performance monitoring of leases implemented						
					Council Assets	Review of Property Group being undertaken to ensure fit for purpose						
					Use of Council Assets	Budget Monitoring						
5	SR05 Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies	Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies.	6 (3x2)	Regulatory	Resourcing the emergency response function	The Council continues to adequately resource its emergency planning function, including maintaining its team of out of appropriately trained emergency response officers.	6 (3x2)	Financial Planning	Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.	Paul Thompson	In Progress	31/03/2024
					District emergency	Lancaster District Emergency Plan and LRF (Lancashire Resilience Forum) plans that cover site or incident specific risks, including for example: an incident at Heysham Power Station, or a flooding/weather event.						
					Business Continuity Plans	Business Continuity Plans						
					National Emergency (such as a pandemic)	LRF plans.						
					Follow Government Direction							
					Financial Planning	Financial Planning - Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.						
					Business Resilience	Business Resilience - The Council continues to invest in resilience measures eg technology to facilitate remote working.						
					Partnerships	Partnerships - The Council continues to allocate resource to developing its key partnerships LRF, CSP (Community Safety Partnership) and local resilience partners.						
					County wide emergency (such as widespread loss of power and extreme weather events)	The LERP (Lancashire Emergency Response Plan) and plans as required from box 2 and box 3 plans, held in resilience direct.						

6	SR06 The Council fails to reduce its direct Co2 emissions to 'net zero' by 2030.	In January 2019 the Council declared a 'climate change emergency' and have now sought endorsement of an approach to reduce the Council's direct Co2 emissions to 'net zero' by 2030. Whilst an action plan is in place, costs associated with implementing the actions are considerable and are constantly under review.	12 (4x3)	Environment	Delivery plan in place	Delivery plan in place	8 (4x2)	Delivery Plan	The Council continues to work on the delivery of its action plan. More details can be found on our website: https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates	Mark Davies	In Progress	31/03/2024
					Peoples Jury	Peoples Jury - The Council considers the recommendations of the Peoples Jury and builds recs that can be delivered directly by the Council into its plans		Local area energy plan	Local area energy plan (LAEP) has proceeded through procurement (Energy Systems Catapult, June 2023). This document will provide a high-level, costed roadmap to net zero for the district. The LAEP is a 12-month project that will involve Member, stakeholder and public engagement.	Mark Cassidy	In Progress	30/06/2024
7	SR07 The Council fails to deliver its key priorities due to the lack of an underpinning strategy setting out expected delivery / outcomes.	On the 29 January 2019, Full Council approved the Council's strategic priorities for the purpose of informing budget decisions for 2020-21 and future years.	6 (3x2)	Opportunities/ Outcomes	Carbon Zero +	More details can be found on our website: https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates	4 (2x2)	Local Development Plan	Local Development Plan	Mark Davies Suzanne Lodge	In Progress	30/09/2024
					Medium Term Financial Strategy (MTFS)	MTFS - in place to set out how the council proposes to manage its financial resources in line with corporate priorities.						
					Programme Management	Programme Management - in place to ensure strategy is followed and monitored on a regular basis.						
					Corporate Plan / Plan 2030	Corporate Plan / Plan 2030 - Updated in December 2021 to lay out the councils vision.						
8	SR08 The Council fails to deliver its key projects due to the lack of capacity and resources.	The Council has a number of key projects (Canal Quarter, Eden Project Morecambe, OBR, My Mainway, Heysham Gateway, Frontierland etc) all of which have detailed strategies for implementation. In order to deliver these key projects it is essential they are properly prioritised and resourced.	6 (3x2)	Financial New Partnerships/ Projects/ Contracts	Local Plan	Local Plan	3 (3x1)	Local Plan	Local Plan	Mark Davies	In Progress	31/03/2024
					Medium Term Financial Strategy (MTFS)	Medium Term Financial Strategy (MTFS)		Funding the Future	Funding the Future Strategy	Mark Davies	In Progress	31/03/2024
					Investment Strategy	Investment Strategy		Reserves	Adequate reserves are maintained to allow, due diligence of property investment, regeneration projects and key strategic planning strategies.	Mark Davies Paul Thompson	In Progress	31/03/2024
					Capital Programme	Capital Programme		Capital Programme	Ensure capital programme is prioritised to facilitate match funding leverage and maximise the potential to attract external funding.	Mark Davies Paul Thompson	In Progress	31/03/2024
					The Council continues to resource key service teams in Planning, economic development, regeneration, property investment	The Council continues to resource key service teams in Planning, economic development, regeneration, property investment and facilities management.		Staffing Capacity Issues	HRBPs working with services where there are staffing capacity issues to find solutions, e.g. succession planning where there are hard to fill roles, more creative online campaigns for recruitment; service reviews to be undertaken as part of OBR. Wider People Strategy to support services to attract and retain staff.	Alex Kinch	In Progress	31/01/2024
					Collaborative Working	We work in collaboration with other stakeholders. For example, on the Eden Project we are working closely with the County Council.						
					Partnership Working	Many of our projects involve working in collaboration with other partners. For example, working with the County Council for the Eden Project Morecambe.						
10	SR10 Changes in Government policy impact on our ability to deliver major projects and programmes that would benefit our communities.	SR10 Changes in Government policy impact on our ability to deliver major projects and programmes that would benefit our communities. Link to Plan 2030: Value for money	6 (3x2)	Regulatory	Continued monitoring and horizon scanning of Government policy	Continued monitoring and horizon scanning of Government policy	6 (3x2)					
					Clear and focused Council strategy to maximise alignment with Government policy and resourcing	Clear and focused Council strategy to maximise alignment with Government policy and resourcing						
					Strategic Plans	Strategic Plans - Continue to develop Council strategic plans and documentation in light of emerging Government policy						
11	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities.	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities. This risk is outside of the control of the Council. It can not be fully mitigated against but should still be recorded on the strategic risk register.	9 (3x3)	Financial	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues	9 (3x3)					
					Strategic responsiveness through continued risk management review	Strategic responsiveness through continued risk management review						
					Agility and Resilience	Agility and Resilience - Continue to develop agility and resilience across the organisation						
					Strategic risk management approach	Strategic risk management approach						

12	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation.	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation.	6 (3x2)	Financial	Budget Development	Comprehensive, robust and transparent approach to budget development and service delivery.	4 (2x2)	OBR	Outcomes-Based Resourcing (OBR) approach to focusing on where resources can have maximum impact on strategic priority areas.	Suzanne Lodge	In Progress	31/12/2024
13	SR13 The Council's reputation is damaged through its own actions or actions of others in the District	SR13 The Council's reputation is damaged through its own actions or actions of others in the District. Link to Plan 2030: Community Engagement	3 (3x1)	Reputation	Communications	Pro-active communications and transparency	3 (3x1)					
					Strategic Management of Activities	Strategic management of all Council activities to ensure continued high reputation						
					Delivery of Services	Delivery of Services - Continue to manage and deliver services in a way that supports the authority's reputation as a Co-operative, Kind and Responsible Council.						
					Strategic communication	Strategically communicate and engage with residents, partners and stakeholders to ensure actions align with reputation						
14	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services.	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services. Link to Plan 2030: Value for money	6 (3x2)	Financial	Budget and Performance Panel	Budget and Performance Panel	6 (3x2)	Move to sustainable solutions	Minimise exposure to cost spikes such as energy by moving to sustainable solutions independent of external pressures	Mark Davies Paul Thompson	In Progress	31/12/2024
					Reserves Policy	Reserves Policy						
					Continue financial forecasting	Continue financial forecasting and scenario planning e.g. for energy costs						
15	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district.	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district. Link to Plan 2030: Innovative Public Services, Value for money	4 (2x2)	Assets	Asset Management Plan	Asset Management Plan	2 (1x2)	Asset Management Plan	Conduct a major review of Council infrastructure and assets, taking a future focused approach to asset management.	Mark Davies	In Progress	27/09/2024
					Continuous review of assets and infrastructure	Continuous review of assets and infrastructure						
16	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses.	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses. Link to Plan 2030: Enabling	6 (2x3)	Customers/ Citizens	Corporate Plan	Corporate Plan	3 (1x3)					
					Policy Framework	Policy Framework						
					Continuous review of strategy and policy	Continuous review of strategy and policy, and alignment with service delivery.						
					LGA Workshop with Members	These took place in September 2023.						
17	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.	6 (2x3)	Reputation Management	Corporate Governance	Corporate Governance	6 (2x3)	Training and development	Training and development to ensure staff and members are equipped to follow governance requirements	Luke Gorst	In Progress	31/03/2024
					Continuous review of governance processes	Continuous review of governance processes to ensure they are fit for purpose						
					Annual Governance Statement and Code of Corporate Governance	The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts. The Council has recently reviewed and adopted an amended Code of Corporate Governance (dated April 2022). The Preparation and publication of this Annual Governance Statement is in accordance with the principles set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016) (The Framework).						
18	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area.	4 (2x2)	Assets New Partnerships /Projects/ Contracts	Programme Management	Programme Management	2 (1x2)	Development of a Canal Quarter Masterplan	Development of a Canal Quarter Masterplan that sets out a route to successful regeneration of the area in line with local needs and the Council's priorities	Jonathan Noad	In Progress	31/03/2024

19	SR20 Non compliance with Building Safety Executive for LCC owned high-rise buildings	LCC has three high rise buildings which now fall under the Building Safety Act 2022, and require registration with the Building Safety Executive (BSE). There are numerous risks around non-compliance, due to the buildings not meeting specified standards. These risks are:- 1. Failure to register with BSE for 3 x blocks by 1st October 2023. 2. Submit safety case files for each block by 1st October 2023. 3. Establish Tenants Voice by 1st October 2023. 4. Undertake the legal obligations of the Act, including fire door audits, cladding survey, premises information box, signage 5. Risk of financial penalty for non-compliance with the Building Safety Act 2022.	6 (3x2)	Economic Financial Reputation Assets Customers/ Citizens Regulatory	Registration with BSE for high rise blocks	Asset and Compliance Team in RMS working through registration documents	2 (2x1)	Registration with BSE for high risk blocks	Submit safety case files - Template obtained from Penningtons, currently under review in terms of records and resources (physical and financial)	Dennis Graham Paul Mackie Joanne Wilkinson	In Progress	01/04/2024
					Registration with BSE for high rise blocks	Pennington Choices have been employed and providing guidance on registration process						
					Registration with BSE for high rise blocks	Further testing of fire doors being undertaken to seek certification						
					Registration with BSE for high rise blocks	Fortnightly senior housing management meetings updating on risks and plans around building safety review.						
					Registration with BSE for high rise blocks	Fire safety works being completed.						
					Registration with BSE for high rise blocks	Fire door audits being undertaken						
					Registration with BSE for high rise blocks	Monthly Compliance Steering Group comprising staff from across the Housing Service meet to discuss issues and tasks that are needed.						
Registration with BSE for high rise blocks	Establish Tenants Voice group established											
20	SR21 Non compliance with Regulator of Social Housing Standards	The Social Housing White Paper and subsequent amendments have highlighted a significant shift in requirements for social housing providers. This will be the biggest shift in a generation, with changes to standards and expectations. Failure to keep up with changes could result in unlimited fines / DLUHC, Regulator or Ombudsman intervention / bad publicity.	6 (3x2)	Economic Financial Reputation Management Assets Customers/ Citizens Regulatory	Social Housing Regulation	Attendance at benchmarking groups with the Regulator / Ombudsman to stay abreast of updates / developments / best practice / learning	2 (2x1)	Social Housing Regulation	Training for new members to be delivered so members are clear on regulation expectations.	Joanne Wilkinson	Proposed	24/11/2023
					Social Housing Regulation	Action planning within the service occurs in preparation for changes						
					Social Housing Regulation	Quarterly reports available for portfolio holder outlining changes in the previous quarter produced.						
					Social Housing Regulation	Service Improvement Plan well established						
					Social Housing Regulation	Annual self assessment undertaken against current standards						
					Social Housing Regulation	Member advisory group for continued / wider input into the housing service established.						
22	SR23 Corporate Health and Safety	The Council fails to effectively manage, prioritise and embed a proactive Health and Safety culture, leading to avoidable health and safety risks being taken.	9 (3x3)	Regulatory	Health and Safety Checklist for New Starters	Health and Safety Checklist for New Starters	4 (2x2)	Procurement of Health and Safety Consultants	H&S consultants being procured to assess as is and implement changes to address shortfalls and support create of culture of collective ownership of Health and Safety.	Alex Kinch	Proposed	29/02/2024
					Intranet guidance	Intranet guidance						
					Health and Safety Policy	Health and Safety Policy						
					Risk assessments	Risk assessments						
					H&S Training Courses	H&S Training Courses						
					DSE assessments	DSE assessments						
					H&S Committee established	Health and Safety Committee set up. First meeting took place in October 2023, the next meeting is due in December 2023.						
23	SR24 ICT Data Centre	Data Centre is dated and improvements needed to satisfy future demand.	6 (3x2)	Assets	Air conditioning in place to keep the data centre at optimal temperature	2 (2x1)	Full Fibre Project		Nick Goulden	Proposed	28/06/2024	
					Back up Date Centre at SALC							
					Regular fire safety servicing carried out							
					Water ingress alerts							To alert all ICT senior managers to any water detected in data centre

24	SR25 LCC Property Portfolio (non housing) does not meet its Health and Safety compliance obligations	The Council fails to effectively manage Property portfolio health and safety / compliance and meet statutory requirements. Risk is not managed and steps are not taken to protect workers and others from harm. A structure is not in place to ensure that compliance is prioritised and a proactive culture does not exist.	9 (3x3)	Financial Reputation Management Assets Opportunities/ Outcomes Regulatory	Property Group compliance	Review of asset compliance being undertaken.	1 (1x1)	Property Group Compliance	Implement Action plan based on findings from Property Group review.	Paul Mackie Joanne Wilkinson	Proposed	29/12/2023			
					Property Group compliance	Review of Property Group and report shared with SLT including updated position statement on compliance									
					Property Group Compliance	Regular reports to be shared with SLT highlighting current position.									
					Property Group Compliance	Dedicated Team established - combining expertise from Council Housing Compliance Team to monitor and address compliance within the service.		Property Group Compliance	Pilot Stock Condition Surveys within property group portfolio to monitor and understand works required.				Paul Mackie Joanne Wilkinson	Proposed	26/01/2024
					Property Group Compliance	Team employs sector expert to support overall approach to health and safety and compliance.									
					Property Group compliance	Review structure of Property Group ensuring team members have the right skill set and workflows are set up correctly.									
					Property Group compliance	Establish accurate data recording and position statement through individual workbooks for assets.									
25	SR26 - Increasing costs of temporary accommodation for the homeless	In 23-24 we are forecasting the Council will be required to contribute an additional £500k towards the cost of B+B accommodation for homeless residents. Increase in costs is linked to increasing homelessness, reduced subsidy recovery from HB and reduced grant availability. Costs of accommodation also increasing and increase in larger families needing to be accommodated for longer. The subsidy can be met from within budgets this year, however this will need to be	8 (2x4)	Financial	Increasing homeless temporary accommodation costs	Budget reviews ongoing with service accountant.	3 (1x3)	Increasing homeless temporary accommodation costs	Bed and breakfast plan to be developed for DLUHC.	Sharon Parkinson Joanne Wilkinson	Proposed	28/12/2023			
					Increasing homeless temporary accommodation costs			Increasing homeless temporary accommodation costs	Housing Taskforce to be developed				Joanne Wilkinson	Proposed	28/12/2023
					Increasing homeless temporary accommodation costs			Increasing homeless temporary accommodation costs	Letter to registered provider chief execs to be sent reminding of responsibility around consumer regulation and responsibilities to supporting local authorities around						
26	SR27 - Waste Strategy	Increased revenue cost burden to the authority and failure to deliver in line with milestones set out by government (31st March 2026).		Financial Reputation Management Assets Environment											

Document is Restricted

AUDIT COMMITTEE

22 November 2023

Internal Audit Progress Report**Report of Head of Internal Audit****PURPOSE OF REPORT**

To advise Members of the latest monitoring position regarding the Internal Audit plans 2022/23 and 2023/24

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

This report is public

RECOMMENDATIONS

(1) **That the latest monitoring position in relation to the 2022/23 and 2023/24 audit plans be noted.**

1.0 Audit Plan monitoring

1.1 An Internal Audit Plan is agreed on an annual basis and is continually reviewed during the year for appropriateness.

1.2 As part of the service provision MIAA include a separate progress report to each Audit Committee detailing progress against the agreed plans and highlighting key messages for Audit Committee attention.

1.3 Management Team and Service Managers continue to be consulted in delivering both the audit plan and the Annual Governance Statement action plan.

2.0 Options and Options Analysis (including risk assessment)

2.1 As this report is for noting there are no other options presented.

3.0 Conclusion

3.1 The programme of audits for the rest of the year continues to be implemented in consultation with Service Managers.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Not applicable

FINANCIAL IMPLICATIONS

None directly arising from this report

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments

LEGAL IMPLICATIONS

None directly arising from this report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Internal Audit Plan 2022/23

[Agenda for Audit Committee on Wednesday, 23rd March 2022, 6.10 p.m. - Lancaster City Council](#)

Internal Audit Plan 2023/24

[Agenda for Audit Committee on Wednesday, 22nd March 2023, 6.10 p.m. - Lancaster City Council](#)

MIAA Internal Audit Progress Reports

[Agenda for Audit Committee on Wednesday 24th May 2023, 6.10pm - Lancaster City Council](#)

[Agenda for Audit Committee 26 July 2023 6pm](#)

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Internal Audit Progress Report Audit Committee (November 2023)

Lancaster City Council

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Appendix C: Key Areas and Actions to be Delivered

Appendix D: Follow-up of Previous Internal Audit Recommendations

Appendix E: Assurance Definitions and Risk Classifications

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

Executive Summary

This report provides an update to the Audit Committee in respect of the progress made in against the Internal Audit Plans for 2022/23 and 2023/24 and brings to your attention matters relevant to your responsibilities as members of the Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition a consolidated follow up position is reported on a periodic basis to the Audit Committee.

This progress report covers the period July 2023 to November 2023.

3 Executive Summary

Since the last meeting of the Audit Committee, there has been the focus on the following areas:

Audit Reviews

The following reviews have been finalised:

- Key Financial Controls (Moderate Assurance)
- CCTV Compliance (Limited Assurance)
- Recruitment (Moderate Assurance)
- Efficiency Savings (Substantial Assurance)

Refer to Appendix C for details of Key Areas and Actions to be Delivered

The reviews below are currently in progress:

- Contracts Review (draft report)
- IKEN Management System (draft report)
- Climate Change (fieldwork)

- Payroll inc additional payments (fieldwork)
- Mobile Device Management Solution (planning)
- National Non Domestic Rates (NNDR) (planning)

Follow Ups

A summary of the current status of all follow-up activity is included in Appendix D, however, we would draw the committee's attention to the following:
We have received limited responses to action progression and have escalated to the Chief Officer Resources (s151).

Audit Plan Changes

Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process.

The current proposals to amend the approved audit plan are as follows:

- The Changing Places Grant Award required assurance from Internal Audit; therefore, we have used time from the Contingency budget to complete this work.
- To move the Financial Controls Review to quarter 4, as the Finance Team are busy with budgets.
- To replace the Air Quality Duty Review with a National Non Domestic Rates (NNDR) Review. Improvement work is currently ongoing with Lancashire County Council on Air Quality and therefore we propose to postpone this review until the 2024/25 Internal Audit Plan. The NNDR review is required as part of the Shared Service Agreement with Preston City Council.
- MIAA specialist Solutions Team to use the Internal Audit time assigned to the Eden Project, to provide advisory services on Governance and other key risk areas.

Added Value

Briefings

Our latest briefings/blogs are:

- [23/24 MIAA Checklist Series - Risk Management \(Local Authorities\)](#)






Events

- [Leveraging opportunities within Integrated Care Systems \(17th November 2023\)](#)

Appendix A: Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that ‘The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.’




Below sets out the position regarding the outstanding 2022/23 Internal Audit reviews. Please note, reviews which were not included in the 2022/23 Head of Internal Audit Opinion*, will be included in the opinion for 2023/24.

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
2022/23 Reviews				
CCTV Compliance		Completed	Limited	November 2023
Key Financial Controls		Completed	Moderate	November 2023
Recruitment		Completed	Moderate	November 2023
Contract Management*		Draft Report		
Climate Change*		In progress		

Below sets out the overview of delivery for your Head of Internal Audit Opinion for 2023/24

2022/23 Reviews

Core/Mandated Assurances

Risk Management		Qtr 4		
Key Financial Controls		Qtr 4		
NNDR (was Air Quality Duty Review)		Planning		
Risk Based Reviews				
Eden Project Governance	Internal Audit time to be used by MIAA Solutions Team to provide advisory services on Governance and other key risk areas.			
Eden Funding Claims				
Efficiency Savings		Completed	Substantial	November 2023
Corporate Health & Safety		Review scheduled for December 2023		
Iken Case Management System		Draft Report		
Housing Inspections		Qtr 4		
Payroll (inc. Additional Payments)		Fieldwork		
Mobile Device Management Solution		Planning		
Follow Up				

Quarter 1		Completed	N/A	
Quarter 2		Completed	N/A	
Quarter 3				
Quarter 4				
Added Value / Support & Guidance				
Changing Places Grant Award Assurance	N/A	Completed	N/A	
Management				
Head of Internal Audit Opinion/Annual Report/Annual Governance Statement		Ongoing	N/A	
Planning and Management		Ongoing	N/A	
Reporting and Meetings		Ongoing	N/A	
Contingency		Ongoing	N/A	

If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.

Appendix B: Performance Indicators

The primary measure of your internal auditor’s performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Ongoing	Green	Link to questionnaire included within each audit report.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service to the Council are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA’s compliance with the Public Sector Internal Audit Standards. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title	Key Financial Controls			
Executive Sponsor	Chief Officer Resources (s151)			
Objective	The overall objective of the review was to provide assurance that the most significant key controls in the areas detailed in the scope below are appropriately designed and operating effectively in practice.			
Recommendations	0 x Critical	1 x High	5 x Medium	4 x Low
Summary	<p>Overall controls were in place for the Key Financial systems although they were not always operating effectively and improvements are required especially for the management of aged debts.</p> <p>The budget figures reported throughout the year to the Cabinet were accurate and reflected the in-year changes agreed.</p> <p>The Council uses the financial ledger system “Civica”. User access to the system includes financial authorisation limits; the review found it would benefit from a full review of user validity and suitability. Instances of potential access inaccuracies were noted in testing, including two generic user accounts identified.</p> <p>There was segregation of duties between the preparation and review of control account reconciliations. However, there is no enforced segregation of the input and authorisation of journals, with some journals being processed and approved by the same officer, which could result in inaccuracies in the financial accounts.</p> <p>The Council’s preferred method of recording expenditure commitments is by way of a Purchase Order, although there are occasions when payment requests are used for payment of invoices. However, testing identified some invoices paid through this method had no supporting documentation held on the system.</p> <p>Aged debt reports were produced on a monthly basis and issued to each service who are responsible for the managing the debts. The Councils Debt Collection and Management Guidance, requires monthly</p>			

meetings to be held between the relevant services and the Exchequer to discuss the debts and actions being taken where required, but these meetings are not occurring. Additionally, the aged debt figure should be reported twice a year to Cabinet, but no evidence of this could be found.

Report Title	Critical Application Review - CCTV			
Executive Sponsor	Chief Officer - Governance			
Objective	The objective of the review was to provide an assessment of the effectiveness of the control framework being exercised by management over the systems, data flows and associated external processes, with reference to guidelines and good practice as provided by the and Information Commissioners Office (ICO), the Surveillance Camera Code of Practice (amended March 2022) issued by the Secretary of State under Sections 29 to 31 of the PoFA 2012 and highlight areas of improvement, where appropriate.			
Recommendations	0 x Critical	4 x High	0 x Medium	0 x Low
Summary	Overall, the review identified there were weaknesses in the design and/or inconsistent controls, with opportunities identified to strengthen controls in a number of key areas including delivery of services underpinned by contractual arrangements for the satellite CCTV systems, disaster recovery, security around CCTV infrastructure specifically vulnerability management (patching), management of users and user access/permissions and information governance training for Senior Risk Owners (SRO). It should be noted that the majority of these issues related to the satellite CCTV systems which represent only a small proportion of the council's CCTV provision overall. However, there was limited information available for these satellite systems and therefore, it was difficult to provide assurance around the control framework for these satellite systems. The main CCTV provision of cameras was underpinned under a contractual agreement which included some of the expected security requirements, but there were some omissions.			

Report Title	Recruitment			
Executive Sponsor	Chief Officer – People and Policy			
Objective	The objective of the review was to provide assurance on the systems and controls that the Council has in place for recruitment are appropriate and in line with policy and national standards.			
Recommendations	0 x Critical	1 x High	1 x Medium	3 x Low
Summary	<p>Overall, the review identified that there were adequate systems of internal control in place, with areas for improvement identified to enhance the control environment.</p> <p>The Council has a Recruitment and Selection Policy and guidance documents in place which are available to staff through the intranet. However, within the policy it states it needs to be reviewed 2 years after implementation and it was not clear when the Policy was implemented or approved by. Recruitment related training is not formally provided, and reliance is placed upon staff following the existing guidance documents and through any on the job training that may be received.</p> <p>Recruitment records are maintained electronically within shared drives which have restricted access to members of the Human Resources function.</p> <p>We sampled 25 new starters to test the recruitment process including shortlisting and interviews, which identified instances of inconsistent compliance with required processes and the policy.</p> <p>Our testing also identified areas of improvement with regards to the retention of signed contracts of employment.</p> <p>We also tested the pre-employment checks where we found good practice in all areas.</p>			

Report Title	Efficiency Savings			
Executive Sponsor	Chief Officer Resources (s151)			
Objective	The overall objective of the audit was to review the systems and processes in place for identifying, quality assessing, monitoring, and reporting of savings required to support the delivery of the Councils planned cost savings.			
Recommendations	0 x Critical	0 x High	3 x Medium	1 x Low
Summary	<p>Overall, the review identified that there is a good system of internal control, and the controls are generally being applied. However, the evidencing of the approval of saving schemes and the completion of documentation could be improved.</p> <p>The Council has identified £2,423k of savings for the financial year 2023/24. These are clearly outlined in a table that was approved by the Council on 22 February 2023.</p> <p>The Council have introduced an Outcome Based Resourcing, (OBR) process with comprehensive cost saving template forms, requiring detailed assessments including consideration of differing options available along with the impact on services and Council priorities. Each scheme requires an allocated responsible lead for implementation and completion. OBR sessions were held with all Heads of Service and Senior Managers to communicate the new process.</p> <p>We were informed that savings proposals were discussed at length by Heads of Service and Cabinet members in a series of meetings, and we evidenced that a timetable of key deadlines had been developed and documented. However, there was no evidence of written approval for each of the schemes, furthermore no lead Managers or Executives had signed the individual scheme forms to accept and approve the schemes.</p> <p>Review of OBR schemes found that single budget items did not have completed OBR forms in place. Management advised no form was required in these circumstances.</p>			

Monitoring processes and reporting of the schemes was in place, which is undertaken via a monthly group, with further reporting received at the Budgetary and Performance panel and the Cabinet. There were gaps in the updates received from the departments for quarter 1.

Appendix D: Follow up of previous internal audit recommendations

The status of the actions is as at November 2023.

Previous Lancaster City Council Audit Team Recommendations from Limited Reports. No risk ratings were assigned to recommendations.

AUDIT TITLE (YEAR)	NO OF RECS MADE	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				COMMENTS
			✓/S	P	X	Not due	
Insurance (2019/20)	11	Limited	7	4	-	-	Awaiting update on remaining recommendations.
Debt Legal Recovery Services (2021/22)	5	Limited	3	2	-	-	Awaiting update on remaining recommendations.
TOTALS	16		10	6	-	-	

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MIAA Internal Audit Recommendations

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due	C	H	M	L	
2021/22											
Main Accounting System	4	Substantial	1	3	-	-	-	-	-	3	Superseded by 2022/23 Key Financial Controls Review.

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due	C	H	M	L	
Treasury Management	5	Substantial	4	1	-	-	-	-	-	1	One outstanding recommendation in progress.
Council Tax	8	Moderate	3	4	1	-	-	1	4	-	One recommendation overdue. All other recommendations in progress or completed.
P2P System	4	Limited	1	1	2	-	-	2	1	-	Two remaining recommendations overdue and one in progress.
Conflicts of Interest	9	Substantial	5	2	2	-	-	-	1	3	Update provided with 2 recommendations in progress and 2 recommendations overdue.
Efficiency Delivery	5	Moderate	-	-	-	5	-	1	3	1	Superseded by 2023/24 Efficiency Delivery
Property Investment Strategy	2	Substantial	1	-	-	1	-	-	1	-	Remaining recommendation not due.
Collection of Income and Reconciliations	4	Limited	2	-	-	2	-	2	-	-	Remaining recommendations not yet due.
2022/23											
Budgetary Controls	3	Substantial	-	-	3	-	-	-	1	2	Three recommendations overdue.
Externally Managed Events	7	Substantial	1	-	2	4	-	-	1	5	Two recommendations overdue and 4 recommendations not yet due.
Cyber Security	Confidential										

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due	C	H	M	L	
Data Protection: Policy and Process Follow up			Confidential								
Resilience and Emergency Preparedness	7	Limited	1	-	6	-	-	2	3	1	6 recommendations overdue.
Time Recording Systems	7	Moderate	-	-	3	4	-	1	3	3	3 recommendations overdue with 4 recommendations not due.
Risk Management	5	Moderate	1	3	-	1	-	-	1	-	Recommendations complete or in progress.
Project Management	10	Moderate	-	-	-	10	-	1	8	1	Recommendations not yet due.
Financial Controls	10	Moderate	-	-	-	10	-	1	5	4	Recommendations not yet due.
CCTV	4	Limited	-	-	-	4	-	4	-	-	Recommendations not yet due.
Recruitment	5	Moderate	-	-	-	5	-	1	1	3	Recommendations not yet due.
2023/24											
Efficiency Savings	4	Substantial	-	-	-	4	-	-	3	1	Recommendations not yet due.
TOTALS	103		20	14	19	50	-	16	36	28	

Key to recommendations:

✓/S Implemented or Superseded

C Critical priority recommendation

L Low priority recommendation

P Partially implemented/recommendation in progress
X Recommendation not implemented/awaiting update

H High priority recommendation
M Medium priority recommendation

Appendix E: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives; has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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AUDIT COMMITTEE

Statement of Accounts Update

22 November 2023

Report of Chief Finance Officer

PURPOSE OF REPORT

To provide the Committee with an updated position regarding the conclusion of the audits of the 2019/20, 2020/21, 2021/22 and 2022/23 Statement of Accounts.

This report is public.

RECOMMENDATIONS

The Audit Committee is recommended to note the following areas.

1. The progress of the audit of the 2019/20, 2020/21, 2021/22 and 2022/23 Statement of Accounts
2. The current proposals for addressing the significant issues within the Public Sector Audit regime.

1.0 INTRODUCTION

1.1 The position remains **unchanged** from previous updates in relation to the 2019/20, 2020/21 and 2021/22 Statement of Accounts. This paper seeks to remind Members of the current opposition in regard to those Financial Statements, updating Members of the status of the 2022/23 Financial Statements and providing some details of the current proposals to address the national audit backlog.

1.2 Details of the outstanding works for each of the financial years together with a summary of the progress and impact of the work currently outstanding is included in the paragraphs below.

2.0 2019/20 STATEMENT OF ACCOUNTS POSITION

2.1 In line with previous updates, the only significant matters that remain outstanding are the objection from a local Council Taxpayer in regard to Note 42: Contingent Liabilities, and the impact of the national infrastructure assets issue as previously reported, both of these issues are discussed below.

3.0 2020/21 STATEMENT OF ACCOUNTS POSITION

- 3.1 As noted previously all audit matters that have been brought to officers' attention and requests for additional information to date have been addressed and any required revisions made to the draft 2020/21 financial statements.
- 3.2 The Committee will also be aware that, as with 2019/20 statement, Note 42: Contingent Liabilities, was once again subject to formal objections by a local Council Taxpayer. The External Auditor is still considering the objections in accordance with regulatory guidance. As noted above the impact of the national infrastructure assets issue will impact the 2020/21 Statements.

4.0 2021/22 STATEMENT OF ACCOUNTS POSITION

- 4.1 The draft 2021/22 Statement of Accounts were published on the Council's website ahead of the 31 July 2022 deadline. A link was sent to Council Members, and paper copies are available on request.
- 4.2 The Committee should also note that, as with the 2019/20 & 2021/20 Statement of Accounts, Note 42: Contingent Liabilities, is subject to formal objections by local Council Taxpayer. The External Auditor is still considering the objections in accordance with regulatory guidance, but it is hoped that the information supplied will assist in resolving all outstanding matters in this area. Further discussion is provided below.
- 4.3 No audit work has been undertaken on the 2021/22 Financial Statements

5.0 2022/23 STATEMENT OF ACCOUNTS POSITION

- 5.1 The draft 2022/23 Statement of Accounts were published on the Council's website ahead of the 31 July 2023 deadline as agreed with Audit Committee at its meeting 22nd March 2023. A link was sent to Council Members, and paper copies are available on request.
- 5.2 In accordance with regulation the Council published a notice on its website advising of the delay and has now published the formal Notice of the Commencement of the Period for the Exercise of Public Rights. This is the 30-day period during which any person interested, or any journalist may, on reasonable notice, inspect and make copies of the accounts or any Local Government Elector may raise an objection to any item of account.
- 5.3 The Committee should also note that, as with the 2019/20, 2020/21 and 2021/22 Statement of Accounts, Note 42: Contingent Liabilities, is subject to formal objections by local Council Taxpayer. The External Auditor is still considering the objections in accordance with regulatory guidance. Further discussion is provided below.
- 5.4 No audit work has been undertaken on the 2022/23 Financial Statements

6.0 OUTSTANDING MATTERS

- 6.1 The following paragraphs provide a summary of the significant issues that still remain outstanding, which should on completion allow the 2019/20 and 2020/21 audits to be concluded.

Objections to the Financial Statements

- 6.2 The Committee will recall that the 2019/20, 2020/21, 2021/22 and now the 2022/23 Statement of Accounts are subject to formal objections by a local Council Taxpayer. In order to finally conclude the audit, the External Auditors requested that the Council seek assurance from a number of external third parties. Officers from Legal and Economic Growth and Regeneration services have collated this information with two of the assurances requested having been presented to the External Auditors for consideration and, without any information to the contrary, are assumed to have been accepted by them.
- 6.3 Following a recent series of meetings, the remaining third party have proposed a solution which should finally conclude this long-standing matter. The proposal is subject to further work and agreement, but it is hoped this will be concluded Mid-January 2024.
- 6.4 Committee Members should be aware that the annual Audit Fee does not contain an amount for dealing with objections and so the associated costs will be borne by the Council. Current estimates are an additional cost to the Council of c£31K.

Infrastructure Assets Restatement

- 6.5 As initially reported to the Committee 25th May 2022 and subject of several updates, CIPFA was made aware of issues relating to the derecognition of parts of infrastructure assets. Specifically, where Councils have incurred on the replacement, or enhancement of existing infrastructure assets they may not be readily able to identify the cost and accumulated depreciation relating to the original asset components being replaced or enhanced.
- 6.6 This has been a long running and contentious issue and has caused significant delays to a considerable number of Councils across the Country, which now appears to have been resolved. The restatement exercise has now been completed and was presented to the auditors for review in August 2023 with a number of queries raised by the auditors.

Work to Support the Value for Money Conclusions

- 6.7 In addition to providing an opinion of the Council's Financial Statements the External Auditor is required to consider and report on the Council's arrangements for securing economy, efficiency, and effectiveness in the use of resources.
- 6.8 Information requested by the External Auditor to support their consideration is being collated across the Council. However, as the assessments relate to both 2019/20 and 2020/21 the information requested can stretch back to 2017/18 and earlier. It is hoped that all the documents and internal assessment will be available to present to the External Auditor shortly.

Statement of Accounts 2021/22 & 2022/23

- 6.9 Although a substantial amount of work has been undertaken to address the 2019/20 and 2020/21 Statement of Accounts neither the s151 Officer nor key members of the finance team are aware of any audit work having been undertaken on the 2021/22 Financial Statements to date.
- 6.10 As noted in previous updates this lack of work on the Financial Statements should be of concern to the Committee as this significant volume of work will need to be undertaken at some point which will severely impact staff, from both a well-being perspective and also prevent them from supporting other Council projects such as Eden, Mainway, OBR, Canal Quarter. In addition, the Council's incoming External

Auditors, KPMG will require both the 2021/22 and 2022/23 audits to be concluded before they can commence their work in 2023/24.

7.0 ADDRESSING THE AUDIT BACKLOG

7.1 Given the much-publicised crisis with Public Sector Audit regime and the significant number of audit opinions remaining (918 September 2023 and number of regulations and public sector bodies including the National Audit Office (NAO), Department for Levelling Up Housing and Communities (DLUHC), Chartered Institute of Public Sector Accountancy (CIPFA), the Financial Reporting Council (FRC), the Local Government Association (LGA) and Public Sector Audit Appointments (PSAA) have brought forward a series of proposals which they hope will address the situation.

7.2 The NAO and DLUHC intend to set a series of statutory deadlines for both Councils and Auditors to have the outstanding Financial Statement signed off. Auditors would be required to provide as much assurance for a particular year by the relevant date and report using the usual process. There will therefore be substantial scope for audit qualifications and disclaimers where information in the Financial Statements cannot be supported by sufficient, appropriate evidence gathered before the deadline. This recognises that when outstanding audits are eventually signed off, they will offer little assurance about an authority's current financial position. Members should note that no indicative dates have been provided.

7.3 As pointed out in paragraph 6.10 a big problem will be the impact on the opening balances of the Financial Statements of accounts for subsequent years. DLUHC is considering measures to deal with the knock-on effects, with an objective of ensuring there is appropriate assurance in place for opening balances for the start of the new PSAA contract period (i.e., 1 April 2023).

7.4 The various organisations are working in the following areas:

- NAO – Consideration of a replacement Audit Code
- DLUHC – Consideration of need for legislation to effect statutory deadlines and manage knock-on effects.
- CIPFA – Provision of guidance for Councils following any amended regulations for statutory deadlines, and for s151 officers certifying accounts in light of potential qualifications or disclaimers.
- FRC – Publication of guidance on its regulatory approach to local audits, stating the importance of timeliness and compliance with statutory deadlines as an additional measure of audit quality; use of supervisory role to ensure commitment from audit firm leaders and to escalate any pervasive concerns about an audit firm's resilience, risk management and ability to deliver timely audits; suspension of plans for audit quality reviews for 2021/22
- PSAA – Reassessment of fees for historical audits (including full compensation for audit work carried out in good faith before the introduction of statutory deadlines and/or reimbursement of prepayments for work that will not now be done)
- Audit firms – Work with other system members to secure professional commitment to the proposals.
- Chief Executives, s151 officers and Audit Committees – Working co-operatively to approve the final accounts by the statutory deadline.
- LGA – Support for Councils to understand their role in relation to External Audit and that of auditors and help to communicate those messages to Members and Officers.

Longer-Term Change

- 7.5 There will be an escalated reporting framework for audit firms and local bodies to resolve issues ahead of statutory deadlines. DLUHC will look to publish a list of Councils and audit firms that did not meet statutory deadlines.
- 7.6 The FRC intend to produce a workforce strategy by the end of this calendar year, which will identify gaps and barriers across the local audit system that are hindering the development of future capacity and agree actions and solutions to unblock them.
- 7.7 All parties will consider whether the level of work required for the current reporting and disclosures obligations on Councils, and the subsequent level of audit and oversight, is proportionate to its value to the user of the accounts, given the potential financial or governance risks are relatively low. In the coming months, an assessment will be made whether this work is proportionate to risk and a wise use of taxpayers' money (particularly for non-investment assets).
- 7.8 The Comptroller & Auditor General (Head of the NAO) is considering changes to the Audit Code relating to certain balances in the accounts while a broader solution is sought. CIPFA is exploring changes to the Accounting Code for the medium term, in order to enable a more proportionate approach to the accounting requirements for non-investment assets and pension valuations for a local authority context. This work will be advised by the HM Treasury thematic review of the valuation of non-investment assets.
- 7.9 The FRC has committed to set out annually its planned regulatory programme, areas of focus and how its inspection activity serves the public interest through alignment with the significant financial, accounting and governance risks facing local bodies. In particular, it will set out how it will review auditors' work on operational assets and pensions valuation, the rationale for doing so and examples of good practice.
- 7.10 In light of these proposals there is an expectation that the External Auditors will provide the Committee with a detailed plan for resolving the outstanding issues.

8.0 DETAILS OF CONSULTATION

- 8.1 The report provides the Committee with an update on the progress of the audit of the Statement of Accounts 2019/20 to 2022/23 Statement production and so consultation has been limited to discussion with the current and incoming External Auditors.

9.0 OPTIONS AND OPTIONS ANALYSIS

- 9.1 As the report is for noting no alternative options are put forward, but the Committee could make supplementary recommendations regarding any matters arising.

10.0 CONCLUSION

- 10.1 Members should note the progress and matters arising to date.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing): No implications directly arising.</p>
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LEGAL IMPLICATIONS

S27 of the Local Audit and Accountability Act 2014 makes provision for an elector of the Council's area to make an objection to the local auditor in respect of the grounds set out at paragraph 3.4 of this Report. On receipt of an objection the local auditor must decide (a) whether to consider the objection, and (b) if the auditor does so, whether to take action within paragraph (a) and (b) of s27(1) in response.

In considering any objection, the auditor will need to have regard to the provisions of the 2014 Act and the code of audit practice applicable to the Council. The Local auditor must in carrying out functions under the 2014 Act, have regard to guidance issued by the Comptroller and Auditor General under paragraph 9 of Schedule 6 of the 2014 Act. This includes the Auditor Guidance Note 4.

An objector aggrieved by a decision of a local auditor not to consider the objection or not to apply for a declaration under s28 of the 2014 Act may within 6 weeks from notification of the decision require the auditor to provide written reasons for the decision and within 21 days from receipt of the written reasons may appeal against the decision to the court.

FINANCIAL IMPLICATIONS

There are no financial implication flowing directly from this report.

However, Member's should be aware of the additional audit fees that may accrue because of the objection to the financial statements.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

No implications directly arising.

SECTION 151 OFFICER'S COMMENTS

This report forms part of the Chief Finance Officer's responsibilities, under his role as s151 Officer.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Statement of Accounts 2019/20

<http://www.lancaster.gov.uk/the-council-and-democracy/budgets-and-spending/statement-of-accounts>

Statement of Accounts 2020/21

<http://www.lancaster.gov.uk/the-council-and-democracy/budgets-and-spending/statement-of-accounts>

Statement of Accounts 2021/22

<https://www.lancaster.gov.uk/the-council-and-democracy/budgets-and-spending/statement-of-accounts>

Statement of Accounts 2022/23

[Statement of Accounts - Lancaster City](#)

Contact Officer: Paul Thompson

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Ref:

[Council](#)

External Audit Plan 2020/21

[Agenda for Audit Committee on Wednesday, 23rd March 2022, 6.10 p.m. - Lancaster City Council](#)

Statement of Accounts Updates

[Agenda for Audit Committee on Wednesday, 26th July 2023, 6.00 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 24th May 2023, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 22nd March 2023, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 23rd November 2022, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 25th May 2022, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 23rd March 2022, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 24th November 2021, 6.10 p.m. - Lancaster City Council](#)

AUDIT COMMITTEE**Annual Governance Statement Action Plan
22nd November 2023****Report of Monitoring Officer****PURPOSE OF REPORT**

To provide Members with an update on the Action Plan referred to in the AGS in connection with other governance issues identified.

This report is public

RECOMMENDATIONS

- (1) **That the progress and steps yet to be taken on the Action Plan be noted.**

1.0 Introduction

- 1.1 In July 2023 the Council issued its Annual Governance Statement (AGS) following the Audit Committee's consideration of the document on 26th July 2023. The AGS identified various issues to be addressed. These are split into two categories – (a) Other Governance Issues and (b) Significant Challenges for 2022/23 and beyond. This report deals with the first category. That is the issues identified as "Other Governance Issues".
- 1.2 As set out in the AGS, an Action Plan has been put together to address the areas identified. The issues covered by the Action Plan include:
- (a) Policy review/updating
 - (b) The Corporate Complaints Policy and other service complaint procedures
 - (c) Publication of Information
 - (d) Information on the Council's website
 - (e) Better Publication of Officer roles
 - (f) Review of Festival Market Management
- 1.3 Good progress is being made against the Action Plan. Although, more work is yet to be done.

Work undertaken/to be completed

Policy Review / Updating

- 1.4 Unfortunately, many policies lacked sufficient audit trail of review and amendment. This creates weakness in ensuring that policies are kept up-to-date and are kept properly under review.
- 1.5 A Central list of Council Policies has been created from looking at LCC's website and intranet. Managers were contacted in August 2023 and asked to supply the following for each policy:
 - a. date of creation,
 - b. date of review and
 - c. details of the decision maker.
- 1.6 Updates were requested by the end of November, so further reminders can be issued in December, with reminders being scheduled to be issued every 4 months. Limited responses have been received so far, with the majority of policies (85 of 114) listed as remaining overdue according to their review frequency and last review date.

Corporate Complaints Policy and Procedure

- 1.7 Council Housing have a published complaints process policy that is not referred to in the Corporate Complaints Policy.
- 1.8 The central complaints policy and process has been reviewed. There is currently a large consultation taking place around complaints that is both the housing and general ombudsman. Therefore, it makes sense to wait for the outcome of this consultation, which closes at the end of November, before making further amendments to the policy.

Publication of Information

- 1.9 It has been noted that not all information has been published in accordance with the Local Government Transparency Code 2015. This is a matter that officers have been working on.
- 1.10 Further has since been published on the Council's website in compliance with the Code ([Local government transparency code - Lancaster City Council](#)). This action has now been marked as complete and closed.

Information on Website

- 1.11 It has been noted that Information is sometimes difficult to find on the Council's website. This is a vague observation in the Minor Governance Issues Action Plan and has therefore been difficult to make specific improvements.
- 1.12 The Council's Communication Team are looking investigate replacing the technology/system which underpins the website. When this is done the content could also be reviewed. There are no timescales set for this work currently.

Better Publication of Officer roles

- 1.13 It has previously been difficult to identify key officers on the Council's website and intranet. For example, posts such as the Council's anti-money laundering officer, Internal auditors.
- 1.14 The Chief Officers and Statutory Officers are all listed on the Council's website. In October 2023, the page <https://www.lancaster.gov.uk/the-council-and-democracy/about-the-council/council-structure> was updated to add in further information on posts.
- 1.15 This action has now been marked as complete and closed.

Review of Festival Market Management

- 1.16 Following a matter raised under the Raising Concerns Policy the Monitoring Officer has requested that a review of the festival market trading practices be undertaken by the Chief Officer Sustainable Growth to ensure suitable financial management has been, and is being, undertaken.
- 1.17 Unfortunately, this work has been delayed due to staffing issues. This is being resolved presently and work will commence once there is sufficient staffing resource in place.

Conclusion

- 1.18 Audit Committee members are asked to note the progress and work yet to be done under the Action Plan on the other governance issues identified in the AGS.

**CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):**

The Council must keep its governance processes under review and must ensure that it take steps to ensure that its processes are kept up-date and relevant. Good governance ensures that resources are properly used for the community it serves. Implementing the action plan on other governance issues helps ensure the Council's good governance.

LEGAL IMPLICATIONS

There are no direct legal implications arising from this report.

FINANCIAL IMPLICATIONS

No direct financial implications arising from this report

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

No direct resource implications arising from this report.

SECTION 151 OFFICER'S COMMENTS

The S151 officer has seen this report and has no further comments.

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has helped draft this report

BACKGROUND PAPERS

Annual Government Statement – July 2023

Contact Officers: Monitoring Officer

Email: lgorst@lancaster.gov.uk

Ref: N/A