

AUDIT COMMITTEE

**MONDAY 20 MARCH 2023
6.00 PM**

Bourges/Viersen Room - Town Hall

THE CHAIRMAN WILL ASSUME THAT MEMBERS HAVE READ THEIR PAPERS PRIOR TO THE MEETING TO AVOID UNNECESSARY INTRODUCTIONS TO REPORTS. IF ANY QUESTIONS ARE APPARENT FROM THE REPORTS THEY SHOULD BE PASSED TO THE REPORT AUTHOR PRIOR TO THE MEETING

AGENDA

Page No

- 1. Apologies for Absence**
- 2. Declarations of Interest**

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests or is a "pending notification " that has been disclosed to the Head of Legal Services.

- | | |
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| 3. Minutes of the Meeting Held on 30 January 2023 | 3 - 12 |
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| 6. Internal Audit: Internal Audit Plan 2023/24 | 61 - 110 |
| 7. Procurement Update (following January meeting) | 111 - 152 |

INFORMATION AND OTHER ITEMS

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| 9. Approved Write-Offs Exceeding £10,000 | 211 - 224 |
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Committee Members:

Councillors: Haseeb, Allen, N Sandford, Nawaz, Rangzeb, Perkins and I Ali (Vice-Chair)

Substitutes: Councillors: Burbage, Jones and Hogg

Co-Opted Members: Chris Brooks (Chair), Mike Langhorn, Stuart Green

Further information about this meeting can be obtained from Daniel Kalley on telephone 01733 296334 or by email – daniel.kalley@peterborough.gov.uk

**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD AT 6PM, ON
30 JANUARY 2022
BOURGES/VIERSEN, TOWN HALL, PETERBOROUGH**

Committee Members Present: Councillors Imtiaz Ali (Vice-Chair), Haseeb, Perkins, D Jones, Rangzeb, Jackie Allen and Sandford

Co-Opted Members: Chris Brooks (Chair), Mike Langhorn

Officers Present: Cecilie Booth, Executive Director Corporate Services and S151 Officer
Steve Crabtree, Chief Internal Auditor
Richard McCarthy, Procurement Operations Manager
George Wallace, Head of Procurement
Dan Kalley, Senior Democratic Services Officer
Rochelle Tapping, Director of Legal and Governance and Monitoring Officer

Also Present: Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance.
Dan Cooke. Ernst&Young (EY) Senior Manager

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Dr Stuart Green. Councillor Shaz Nawaz sent his apologies and Councillor Dennis Jones attended as substitute.

56. DECLARATIONS OF INTEREST

Councillor Jackie Allen declared that she was a member of the board for Peterborough Limited, however this would not impact her role on the Audit Committee.

57. MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 28 NOVEMBER 2022

The minutes of the meeting held on 28 November 2022 were agreed as a true and accurate record save for the following corrections:

From: This included around £3.5 for transport services.

To: This included around £3.5 *million* for transport services; and

From: There was 40,000m that needed to be refinanced before the end of the fiscal year

To: There was £40 *million* that needed to be refinanced before the end of the fiscal year

58. ACTIONS AND MATTERS ARISING

The Senior Democratic Services Officer confirmed that the actions log had been updated to show completed actions at the bottom of the log.

The EY Senior Manager updated the committee on the 2020/2021 audit which was still being audited, this was due to be completed within the next few weeks and will be presented to the committee at the meeting on the 20 March. There was still some work to be completed across the areas flagged up at the meeting in November.

With regards to the issues around infrastructure assets CIPFA (Chartered Institute of Public Finance and Accountancy) had released a bulletin two weeks ago which was being reviewed. This guidance set out clearly what local authorities needed to do and this, it was hoped, would close down the issue to allow the audit to be completed.

In terms of the ongoing work on the empower valuation the external auditors were still awaiting working papers and have been promised these shortly. In addition, there was still some internal work and reviews taking place following the FRC (Financial Reporting Council) report sent through to the Chair of the committee.

The external auditors were still working on the final set of statement of accounts and recorded audit results report and were waiting for the council to produce these.

There were a few small areas that also still needed picking up, including testing some journals and requesting a few pieces of evidence, additionally there was some work to look at arrangements that were in place for Covid. It had also been useful to have some meetings with new members of the finance team and all indications pointed to a successful conclusion of the audit in March.

In terms of the 2021/22 audit this would not start until the 2020/21 audit had been fully completed. However, members were informed that external auditors had spoken to the finance team and plans were in place to start this in April.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- The issue of infrastructure assets was a national issue. The guidance from CIPFA was clear that the council should remove previous assets that were replaced. Although this involved some work it would ultimately make it easier to audit.
- Members were informed that this would have no impact on the Council's balance sheet.
- External Auditors were on track to complete the audit in the next few weeks with the aim of bringing the final report to the committee in March.

Members raised some concerns over the procurement governance arrangements and the overall landscape with regards to how much was being covered in terms of overall spend for the Council.

There was some confusion over the action point relating to refunds on subsidised bus journeys and who received a refund. The Council provided the Combined Authority with £3.5 million a year to subsidise some stagecoach bus journeys. It was important to find out whether the Council received a refund on these cancelled journeys, or if this was the Combined Authority. The Cabinet Member for Finance and Corporate Governance agreed to speak to the Overview and Scrutiny Committee at the Combined Authority to ascertain

whether the Council or the Combined Authority received a refund from Stagecoach if a bus journey was cancelled.

ACTIONS:

1. Councillor Coles to address the Overview and Scrutiny Committee at the Combined Authority to get clarity over whether the Council or the Combined Authority received a refund from Stagecoach for a cancelled bus journey that was subsidised by the Council. - July 2023 – Councillor Coles

59. ANTI-FRAUD AND CORRUPTION

The Audit Committee received a report in relation to the Council's statement on Anti-Fraud and Corruption.

The purpose of the report was to provide Members with an overview of how the Council provides a raft of services to the public from its scarce resources. Every effort was made to ensure that the resources were used for their intended purpose. However, there were occasions when this may not always be the case and the Council needs to have appropriate mechanisms to protect the public purse. This report set out the Council's approach to tackling fraud and corruption.

The report was introduced by the Chief Internal Auditor who confirmed that the Council had a policy in place for the last ten or eleven years. This was the first revision of the policy bringing together best practice and some guidance from professional bodies, to try and minimise fraud and corruption. The policy was fluid and stood alone from any other policies, the definition of fraud had been updated. It was now important for the Council to engage officers to ensure they fully understood the policy. It was important to note that not many cases were referred to the team to investigate.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Training would be given to staff to help them understand the policy and their responsibilities. This was also something that could be provided to members.
- The training was going to be available on the Council's e-learning portal, this was to be mandatory for some members of staff. A report could be generated to show who had done the training so those crucial officers who had not done the training could be chased.
- The Council had a whistleblowing policy in place. This was not just for staff but for members of the public.
- The policy was not intended to create a blame culture within the authority. The key messages were getting training to members of staff across the Council at different levels.
- Members were informed that an ex-employee had recently used the whistleblowing policy against a former employee, who had not come forward previously due to a different culture. This perception had now changed and this was the reason for the ex-employee now coming forward.
- Each case was risk assessed and Councillors were able to bring forward any suspicious behaviour on behalf of residents they serve. This would then be investigated before a response given.
- The review of the policy was picked up as part of the annual fraud report. This work would now be picked up as part of the annual fraud report.
- This had also been picked up as part of the series of workshops around values that the Council were going to put in place.

- Officers would look at the how the numbers around the policy were presented going forward. This would include the form of reporting, for example whether it was fraud or whistleblowing.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to consider and make appropriate comment on the updated Anti-Fraud and Corruption Statement.

ACTIONS:

1. Officers to present within the Annual Fraud Report a picture of what avenue reports of fraud or corruption were being channelled through and what form this took – Steve Crabtree – July 2023

60. INTERNAL AUDIT PLAN 2023/24; APPROACH TO AUDIT PLANNING

The Audit Committee received a report on the Internal Audit Plan 2023/24 and the Councils approach to audit planning.

The purpose of the report was to provide Members with details of Internal Audit's annual planning approach and emerging issues and risks that Internal Audit need to obtain assurance over. It provided an opportunity to consult with Members in considering these themes and to provide input into the development of the Audit Plan as appropriate.

The report was introduced by the Chief Internal Auditor and confirmed that the final plan would be presented to the committee at the March meeting. Departmental Management Teams were being consulted with to obtain their input and determine what changes had taken place while considering looking forward to the next 12 months.

The resourcing implications within the team was identified as a key issue. There were currently two vacancies within the team, although it was highlighted that an interview was in place for later in the week for a permanent placement which would hopefully alleviate some of the pressures. A separate agency placement for the other post was also in train. Members were informed that some areas had been moved from Internal Audit, this included responsibility for risk management which had been realigned elsewhere within Corporate Services. In addition, the Chief Internal Auditor had been appointed to sit on the board of Peterborough Limited following approval by the Leader of the Council for the remainder of the municipal year. This would only involve some time on the part of the Chief Internal Auditor. Separate governance issues in the plan for the year ahead focussed around partnership relationships between the Council and companies. Any areas suggested for the audit plan were risk assessed to make sure they could be incorporated.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Members were informed that Treasury Management would fall until financial governance and a specific reference to it could be included in the final plan.
- In terms of savings proposals this was included in last year's proposals. This was being regularly reviewed and the team were looking at what had gone through in the last year to see if there was anything that could be picked up going forward. As a minimum we would look at assurance available so far.
- With regards to contracts work, this was being undertaken with procurement to target resources to look more in depth at contracts and where the money was spent to make sure key contracts were being looked at in the right timeframes.
- The Executive Director Corporate Services addressed the issue relating to Peterborough Limited. The reason for placing the Chief Internal Auditor on the board was due to the Council not having the requisite expertise on the Board for a long time. There was a conflict of interest as the last representative was the Chief

Finance Officer. There was no other individual within the finance team that had the correct level of expertise and the Chief Internal Auditor had the right skill set to step up and sit on the Board. Officers were looking into whether an external and independent person could sit on the Board, however there were some issues with this as it needed an individual with a level of finance background to make sure there was good oversight from the Council on this board.

- In terms of the Joint Ventures (JV's) it was not possible to cover every JV in a single year, however they were regularly audited.
- Every member of the audit team received climate change training. The Council has an overall action plan in place. This would help target the team and the Council into specific areas in order to achieve its targets.
- There were still concerns over the level of resources available and it was essential that this was fulfilled. It was good however to see that recruitment was underway which would assist the team in focusing their efforts on a number of audits coming up.
- The Chief Internal Auditor confirmed that as part of his role, the annual declaration of interests would reference being on the Board of Peterborough Limited. The Audit Charter sets out that at this point the rest of the audit team would carry on with the audit with no oversight by the Chief Internal Auditor. This would separate out any potential conflict and ensure the Chief Internal Auditor would have no role in auditing Peterborough Limited. Any final reports would also be presented to the Directors and not the Chief Internal Auditor.
- An option suggested by Members was outsourcing the audit of Peterborough Limited to ensure that no member of the Internal Audit team was potentially compromised.
- Officers welcomed the potential broader approach of looking at internal audit especially as the issues around resources remain. It was important that impartiality remained and that officers investigate how this could be demonstrated to external organisations and individuals.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note and comment upon the emerging themes to be considered for inclusion in the 2023 / 2024 Internal Audit Plan.

ACTIONS:

1. Chief Internal Auditor to include specific reference to Treasury Management under Financial Governance in Audit Plan – Steve Crabtree – March 2023.
2. Officers to investigate how it was possible to demonstrate having the Chief Internal Auditor on the board of Peterborough Limited could be seen as impartial – Cecillie Booth/Rochelle Tapping.

61. UPDATE – PROCUREMENT ACTIVITY JANUARY 2023

The Audit Committee received a report in relation to an update on procurement activity.

The purpose of the report was to set out progress on Procurement Activity since October 2022 and provided additional or background information requested by the Committee at its meeting on 17th October 2022.

The report was introduced by the Procurement Operations Manager. The report was an update following the meeting in October. Officers were working across three themes one of which was around contract values and spend management. This was dependent on using the ERP management system to make sure there were controls in place, this meant that managers wishing to spend money needed to have a valid contract in place. Officers were working on the 2B phase of the project to see what solutions could be put in place

and to make this more real. It was hoped that officers would be further forward by the next meeting in March and how the Council could procure those services.

In terms of governance processes were much stiffer and stricter. The Executive Director of Corporate Services was not signing any exemptions that breached procurement thresholds. At the current time there were seven breaches that were going through CLT, the Procurement Board and then would be reported to the Audit Committee. Officers were putting in place education and processes so that these issues did not occur in the future, one of those was around placements in children's and adults' services, this was mainly due to decisions needing to be made at short notice to ensure the needs of those people were met. There was a proposed exemption around placements that was being considered.

Officers were now taking a tougher stance on procurements that had gone through exemptions, for example around apprenticeships. Reports were now going to CLT to make them aware of any issues, it was hoped this would reduce the number of exemptions going through. There needed to be a more proactive approach to help officers understand the procurement process and what the needs of teams and departments are. There had been the removal of the procurement form and officers were now encouraged to speak to officers within the procurement team. A number of meetings were now scheduled with departments and teams to go through the processes and procedures. Once these meetings had taken place officers would have a better understanding of those teams needs and be able to advise on the resources required and if exemptions would be needed.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- If the Council softened some of the limits it was important to monitor these to ensure that nothing fell through the gaps and left the Council with issues in terms of awarding contracts.
- It was important that comprehensive communications were sent out around the policy as this had not been updated for some time and had been fully enforced before. A letter would be going out to all suppliers reminding them that if no purchase order (PO) was made then there would be no payment made. It was important that training was offered to staff to ensure they were brought up to speed on these rules. (7pm at this point Cllr Perkins left the meeting).
- There were a number of invoices that did not have a corresponding PO or exemption. This was a significant risk and could potentially cause embarrassment for the Council. Managers were now informed that no invoices would be paid unless a Purchase Order could be produced.
- There had been improvements across procurement as a whole and officers had spent time going through a number of spends across the Council and reconciled this to the procurement plan. There had previously been a lack of oversight and a lack of keeping the contract register updated. There had been examples of retrospective procurements that needed to be signed off and this had been a regular theme. Members were informed that the Executive Director of Corporate Services was no longer signing such procurements off as it had failed some basic procurement rules that officers should be aware of.
- Officers were now starting to be aware of the rules and that work streams were being impacted on if the rules were not followed. It was common practice across all other local authorities that if there was no PO then the supplier would not get paid.
- The limits to sign off contract awards were originally £1000, this meant that budget holders were not taking responsibility for their service areas. This had now changed to £25,000 allowing budget holders to take more responsibility for signing off

contracts. The knock-on effect was to allow Directors more time to scrutinise higher value contracts.

- Members welcomed the higher profile on climate change and social value and for this to be a criterion when awarding contracts. This was also important to local residents who wanted to see the Council favour local suppliers and tradespeople.
- Officers agreed to send any interim information that may arise on the criterion used to award contracts the committee would then receive more detail on the work procurement were doing at the March meeting, this included work that was being done to try and mirror what Suffolk Council had implemented. It was hoped this would be a good starting point to introduce to any new suppliers to the Council.
- Members of the committee were keen to see a more complete picture of what was going to be the coverage of procurement and what channels it was going to cover. This would then allow members to see what was not going to be covered.
- Another key issue was the pace of this going forward and to make sure governance arrangements were in place.
- Once officers had the chance to review contracts across the different departments and gone through the spend data then a full picture could be drawn up. This was due to the systems currently in place not allowing officers the ability to investigate the system in that level of data. It was unlikely the systems would be able to do this by March, but officers were looking at if this was possible to do manually.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to

1. Receive an update of Procurement Activity for the key requests from the previous Audit Committee Meeting of 17th October 2022.
2. Agree that more details and evidence of progress be received at the planned meeting of the Audit Committee in March 2023.

ACTIONS

1. Any interim information on the criterion used to award contracts/procure services (especially around climate change and social value) to be sent to members of the committee before the March meeting if applicable. - Richard McCarthy – March 2023.

62. RESERVES STRATEGY AND POLICY

The Audit Committee received a report in relation to the Reserves Strategy and Policy.

The purpose of the report was to provide an overview to members of the Councils Reserves Strategy and Policy

The report was introduced by the Executive Director Corporate Services and S151 Officer, the original draft report came to committee at the end of last year. Comments and suggestions from the meeting had been taken on board and the policy had now been updated. The Council had earmarked reserves that could be re-prioritised, in addition to the general and transformation reserves that were in place. The General Fund reserve was risk based. It was best practice to have between 3-5% of net revenue budget as reserves. The Council had started the year with £7.3 million and was looking to increase the reserves to around 5% by 2025-26. Members were reminded that the government was keeping a close watch on reserves built up by local authorities.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- Some of the reserves were dependent on the cost savings identified for the years going ahead.
- The Council had a transformation reserve fund of £20 million and were looking to spend £10 million of that on a range of services that needed transforming and updating. Officers were still looking at topping up the reserves and trying to get better value for money on some services.
- Members were informed that a review of procurement and the finance teams had identified some savings, in particular there had been a number of savings identified within procurement.
- The most important reserves were the general reserves, however there was nothing on the horizon that would require using the general reserves. Some of the energy costs had been increasing however this was offset by energy waste savings.
- Some of the transformation reserve was there to provide additional resources to help improve the recycling rates.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to consider the Council's Reserves Strategy and Policy provided in Appendix A to this report

63. **SECOND INDEPENDENT IMPROVEMENT AND ASSURANCE PANEL REPORT**

The Audit Committee received a report in relation to the second Independent Improvement and Assurance Panel Report.

The report was introduced by the Executive Director Corporate Services and S151 Officer. Members were reminded that out of the 11 local authorities that had requested a capitalisation directive, Peterborough City Council was the only one who did not have commissioners come in, instead a panel of experts had helped the Council improve. They had a strong steer on how the Council could improve and the Council had accepted the recommendations made by the Panel. There was lots of support for officers and members from the Panel and they were encouraging of the work that had been carried out so far. There was no mention of Peterborough being placed under special measures. There was now a balanced budget and a stronger steer on the medium-term financial strategy.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- It was clear the Council had made a number of improvements over the past year to 18 months. There was still some concern over the rhetoric around all out elections. The Council had carried out its commitment to go out to consultation and a vote on this was taken by all members at a meeting of Full Council. There had been no evidence presented to show how all out elections made for stronger financial sustainability compared to elections in thirds.
- There now seemed to be a plan in place to carry out the basic housekeeping when running a local authority, which should have taken place before now.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to review the second report of the Independent Improvement and Assurance Panel and note the actions and progress being made with the delivery of the Improvement Plan.

USE OF REGULATORY INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE

The Audit Committee resolved to note that there was no RIPA update for the meeting

65. APPROVED WRITE-OFFS EXCEEDING £10,000

The report was introduced by the Executive Director of Corporate Services and S151 Officer. This report had been presented to the Cabinet and was now being presented to the Audit Committee to note.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- There was concern over the confidential appendix not being included in the papers to members of the committee. It was agreed that this item could be deferred to the next meeting.
- It was good practice to write off debts, however this had been on hold during the pandemic. The Council did all it could to recover debts including appointing bailiffs. Members were informed that the Council set aside some budget every year to cover debts that had been written off.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to defer the report to the meeting on 20 March 2023.

ACTIONS:

1. Debt write-off report to be deferred to March meeting to include confidential appendix. - Chris Yates – 20 March 2023.

66. WORK PROGRAMME

The Audit Committee received the report with the committee's work programme for the year 2022/23.

The purpose of the report was to allow the committee to add/remove any items from the work programme for the year ahead.

The report was introduced by the Senior Democratic Services Officer. The work programme had been updated to reflect a rolling programme of work.

The Audit Committee debated the report and in summary, key points raised and responses to questions included:

- There was some concern over the number of external audits that needed to be completed over the next 20 months. It was important for the committee to understand how officers were going to get this back on track.

The Audit Committee considered the report and **RESOLVED** (Unanimous) to note the work programme.

Chair 6pm – 7.50pm

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AUDIT COMMITTEE	AGENDA ITEM No. 4
20 MARCH 2023	PUBLIC REPORT

Report of:	Chair of the Audit Committee	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Dan Kalley, Senior Democratic Services Officer	Tel. 296334

ACTIONS AND MATTERS ARISING

RECOMMENDATIONS	
FROM: <i>Chair of Audit Committee</i>	Deadline date: 20 March 2023
It is recommended that the Audit Committee notes the actions and matters arising from previous meetings and progress made to date.	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Audit Committee following a request made by the members of the committee to be able to see the progress of actions undertaken by officers.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to provide an update on the actions and matters arising from the previous meetings of the Audit Committee.

2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

4.1 At its meeting in July 2022 the Audit Committee agreed to include a standing item to review and note the actions and matters arising from previous meetings of the committee.

4.2 Attached to this report is a list of the actions that have been noted in previous meetings (Attached at Appendix A).

4.3 Members are asked to note the update on actions so far and have the opportunity to ask for an update from the relevant officer at the meeting should they wish to do so.

5. CORPORATE PRIORITIES

5.1 The report links to the following Corporate Priorities:

1. Sustainable Future City Council:

- The report updates the actions that have been requested by the Audit Committee to ensure the Council continues its journey to a financial sustainable future.

6. IMPLICATIONS

Financial Implications

6.1 There are none.

Legal Implications

6.2 There are no legal implications in respect of what is proposed in the report.

Equalities Implications

6.3 There are none.

7. APPENDICES

7.1 Appendix A – Action Log

APPENDIX A

AUDIT COMMITTEE: RECORD OF ACTION TAKEN

MUNICIPAL YEAR: MAY 2022 - APRIL 2023

DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
25 July 2022	Item 5. Annual Report Fraud and Investigations	Any future reports needed to include figures so that the committee could see the hard facts and evidence and advise accordingly.	Steve Crabtree	July 2023	Ongoing – will be completed next time item reported on.	
	Item 6. Internal Audit: Annual Audit Opinion	Head of Internal Audit to review the approach to incorporating assurance from other sources as well as internal audit work when arriving at the Annual Audit Opinion including reflecting in his overall opinion known issues and other challenges to the adequacy of the council's governance, risk management and internal control framework.	Steve Crabtree	July 2023	Will be included in IA Opinion 2023	
	Item 8. Risk Management Framework	Comprehensive review and update of the Risk Management Framework.	TBC / Sam Smith	July 2023	Interim Risk Manager appointed. Start date 27 February 2023.	
		The Chair of the Audit Committee to take on responsibility for the approach to the Annual Review of the Effectiveness of Internal Audit going beyond the checklist in the CIPFA "Toolkit for Local Authority Audit Committees"	Audit Committee Chair / Steve Crabtree	July 2023	Agreement for a meeting to be held in April to discuss with the Chair.	

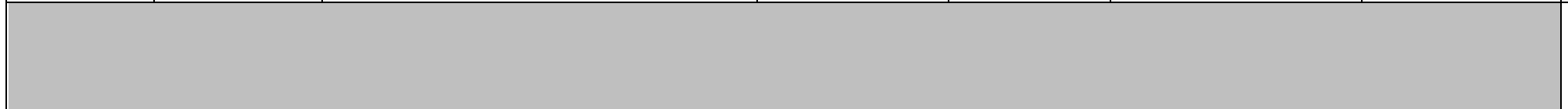
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	Item 9. Review of the Effectiveness of the Audit Committee	Update the Terms of Reference for the Audit Committee to reflect the latest (draft) CIPFA Guidance and implement the necessary changes to the work programme to reflect the updated TOR	Audit Committee Chair / Steve Crabtree / Rochelle Tapping	July 2023	CIPFA best practice Terms of Reference have been obtained. These will be updated centrally by Democratic Services and circulated for comment prior to submission to the Constitution and Ethics Committee and Council for approval prior to adoption by Audit Committee.	
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DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
31 August 2022 (Extraordinary)	Item 3.	Ensure that if any changes were made to the report that the Audit Committee members be notified of these changes	Audit Committee Chair / Cecilie Booth	March 2023 (if any changes are made)	Ongoing	
		Officers to liaise with EY to remove information held in Appendix H from the final report	Sian Warren / Cecilie Booth	March 2023 (when final report ready)	Ongoing	

		Audit Committee to review commercial activities and risks going forward. Item to be added to work programme for a later date.	Audit Committee / Dan Kalley	Potential for July 2023	Ongoing	
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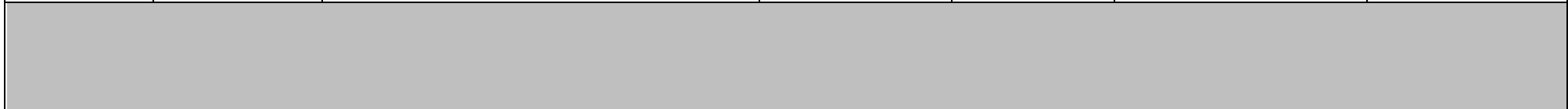


DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
17 October 2022 17	Item 5. Corporate Risk Register	Risk Management Framework to be presented to committee once new lead officer had been appointed and had time to develop the framework – Steve Crabtree / Sam Smith (to pass to new officer) by March 2023.	Sam Smith / Steve Crabtree	July 2023	Update – Interim Risk Manager appointed and started 27 February 2023	
		New Risk Management Framework needed clearer articulation around risks and what the Council's appetite around those top risks were.	Sam Smith / Steve Crabtree	July 2023	As above	



DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
28 November 2022	Item 5. Annual Report of Corporate Complaints 2021/22	Complaint Manager to discuss with procurement how they can ensure that when any new contracts for the delivery of services are tendered complaints management is always being determined before the contract is awarded	Belinda Evans / Procurement	March 2023 onwards	Update – Discussion with the procurement team ongoing	
	Item 7. Treasury Management Report – Mid Year Report	Officers to quantify the risks around financing and the life of assets. This would enable the Council to have in its sight the risks around the gap in the lifetime of debts versus assets.	Carole Coe / Fiona Leverton / Cecilie Booth	July 2023	Ongoing	
	Item 11. Work Programme	Officers to work with Procurement to ensure an update report was presented to committee for March taking on board comments by the committee made at the previous meeting	Lesley Meeks / George Wallace / Richard McCarthy	March 2023	Ongoing, procurement are working to update members on those issues raised at the October meeting, initial report presented at January meeting.	

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DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
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30 January 2023	Item 4. Actions Arising	Councillor Coles to address the Overview and Scrutiny Committee at the Combined Authority to get clarity over whether the Council or the Combined Authority received a refund from Stagecoach for a cancelled bus journey that was subsidised by the Council.	Councillor Andy Coles	TBC	Note to be sent round to all Audit members – Cllr Coles now taking lead and will ask at Combined Authority Overview and Scrutiny Meeting	
	Item 5. Anti-Fraud and Corruption	Officers to include within the Annual Fraud Report a picture of what avenue reports of fraud or corruption were being channelled through and what form this took.	Steve Crabtree	July 2023	Due to Committee in July 2023	
	Item 6. Internal Audit Plan 2023/24: Approach to Audit Planning	Chief Internal Auditor to include specific reference to Treasury Management under Financial Governance in Audit Plan.	Steve Crabtree	March 2023	Included within the IA Plan report on March 2023 agenda	
		Officers to investigate how it was possible to demonstrate having the Chief Internal Auditor on the board of Peterborough Limited could be seen as impartial.	Rochelle Tapping / Cecilie Booth	TBC	Ongoing	

	Item 7. Update on Procurement	Any interim information on the criterion used to award contracts/procure services (especially around climate change and social value) to be sent to members of the committee before the March meeting if applicable.	Richard McCarthy / George Wallace	March 2023	To be circulated or included in part of March report	
	Item 11. Debt Writes exceeding £10,000	Debt write-off report to be deferred to March meeting to include confidential appendix.	Chris Yates	March 2023	Ongoing – to be updated for March meeting	

Completed Actions

DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
20 June 2022	Update from EY	Breakdown in £118 million difference in valuation of assets	Cecilie Booth/Emma Riding	Before Committee 25 July 2022	Completed and sent to Committee 22 July 2022.	22 July
21	Budget Monitoring Report Outturn 2021/22	Officers to include an item on the work programme looking at the Council's reserve policy	Dan Kalley – to include on work programme Cecilie Booth – To draw up reserves policy and present to committee	1. 25 July 2022 2. 17 October 2022	1. Completed and added to work programme for September 2. To be presented to committee at meeting in October	25 July 2022 17 October 2022
		Officers to investigate if there are any unspent S106 monies being held on account and report back	Cecilie Booth/Emma Riding	17 October 2022	Briefing note to be circulated once signed off by Executive Director Corporate Services	18 November 2022

	Work Programme	To include items on the following: 1. Activity of Procurement single supplier procurement over £10,000 and services procured / approved retrospectively. 2. Assets Dashboard over £5 million – if possible 3. Material arrangements and working with joint ventures/partners 4. Financial Plan and Improvement Panel report 5. Risk Management – ensuring controls in place 6. Budget Setting and Scrutiny Process	Dan Kalley	25 July 2022	Completed and items listed on work programme	25 July 2022
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DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
25 July 2022	Item 3. Minutes of the previous meeting	A separate agenda item for actions arising from the previous meetings was to be created.	Dan Kalley	17 October 2022	On agenda for October meeting	17 October 2022
	Item 4. Annual Report on Insurance	The reporting line for the Insurance team to be reviewed in the light of the changes to the responsibility for Risk Management	Steve Crabtree / Cecilie Booth	28 November 2022	Reporting lines have been looked at and it is considered to be the best fit for Insurance to remain as is.	28 November 2022

	Item 6. Internal Audit: Annual Audit Opinion	Officers to investigate potential to add in more qualitative data into the annual governance statement to form a more rounded conclusion on the Council's financial position.	Steve Crabtree	30 January 2023	Chief Internal Auditor has obtained examples from a number of Councils to build up potential data that could be provided in future. Will be incorporated into 2022/23 out turn reports	28 November 2022
	Item 12. Draft Annual Statement of Accounts 2021/22	Political composition within the draft statement of accounts needed to be updated before being published.	Cecilie Booth/Sian Warren / Carole Coe / Emma Riding	Friday 29 July 2022	Done and is now up to date	29 July 2022
		Website needed to explain the delay in signing off the accounts and the delay in starting the audit of the accounts until January 2023.	As above	Friday 29 July 2022	Completed website update	29 July 2022
		Local Authority Trading Companies (LATCO's) needed to be included in the report on procurement that was going to be presented to committee in September.	Cecilie Booth / Mark Sandhu / George Wallace	17 October 2022		17 October 2022 meeting
		Extraordinary meeting in August for signing off the accounts 2020/21	External Audit / Sian Warren	31 August 2022	Date agreed for the signing off of accounts	Done 31 August 2022

DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
17 October 2022	Item 4. Actions and Matter Arising	Officers to re-arrange the action log and move completed items to the bottom of the list	Dan Kalley	By 28 November	Done	28 November
		Officers to highlight any actions that have run past the anticipated completion date	Dan Kalley	By 28 November	Done	28 November
	Item 5. Procurement Activity	Procurement team to identify teams/officers who have not gone through the correct procurement processes and invite to meetings of the Audit Committee to explain reasons for failing to comply. This will be an ongoing item as concerns arise.	Lesley Meeks / Richard McCarthy / Cecilie Booth	Starting from January 2023	Report being presented to committee 30 January 2023	30 January 2023 report presented to committee
	Item 6. Council Reserves Policy	Next version of the Council Reserve Policy needed to be articulate the risks around the reserves balance.	Emma Riding / Cecilie Booth	January 2023	Being presented at committee meeting 30 January 2023	Completed and presented 30 January 2023
	Item 7. Independent Improvement Panel update	Officers to work on reporting structure to the Audit Committee so members can have oversight of Council moving in the right direction with regards to its budget gap.	Cecilie Booth / Emma Riding / Jens Gemmel	March 2023	2 nd report being presented to committee on 30 January 2023	Completed
	Item 8. Budget Setting Process	Officers to circulate MTFS Q1 and MTFS Q2 reports to show projections on budget gap and the difference between Q1 and Q2. -Emma Riding by end of week.	Dan Kalley / Emma Riding	By end of w/c 17 October	Done	Complete 18 October 2022

DATE OF MEETING	AGENDA ITEM	AGREED ACTION	OFFICER RESPONSIBLE	DUE DATE	CURRENT STATUS/ACTION UPDATE	DATE COMPLETED
28 November 2022	Item 5. Annual Report of Corporate Complaints 2021/22	Complaint Manager to compile briefing note for members comparing compensation awarded for complaints in previous years.	Belinda Evans	February 2023	Ongoing briefing note to be circulated	Note sent 13 February 2023
		Committee to see more detail on Aragon's complaints including complaint outcomes (justified/not justified) and which services the complaints are for.	James Collingridge	March 2023	Ongoing briefing note to be circulated	Note sent 13 February 2023
25	Item 6. Internal Audit – Mid-Year Progress Report	Officers to review the overall resources of the Internal Audit team to ensure assurances could be given to the Audit Committee	Steve Crabtree / Cecilie Booth	March 2023	Update to be given to Audit Committee members, this will also be updated on at the January 30 2023 meeting as part of Internal Audit emerging themes.	Completed January 2023

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AUDIT COMMITTEE	AGENDA ITEM No. 5
20 MARCH 2023	PUBLIC REPORT

Report of:	Chris Brooks, Audit Committee Chair	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance	
Contact Officer(s):	Dan Kalley, Senior Democratic Services Officer	Tel. 296334

ANNUAL AUDIT COMMITTEE REPORT

RECOMMENDATIONS	
FROM: Chris Brooks, Audit Committee Chair	Deadline date: Audit Committee 20 March, Full Council July 2023
<p>It is recommended that Audit Committee</p> <ol style="list-style-type: none"> 1. Review and approve the draft Annual Audit Committee Report shown in Appendix 1 for submission to Council in July 2023. 2. Delegate authority to the Chair, in consultation with the Audit Committee Group representatives, to agree any minor changes to the report before submission to Council 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Audit Committee in line with the agreed Work Programme for the Municipal Year 2022 / 2023.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The Audit Committee has been in operation since Annual Council in May 2006 (first meeting in June 2006). The Committee has a wide-ranging remit that underpins the Council's governance processes by providing independent challenge and assurance of the adequacy of risk management, internal controls including internal audit, anti-fraud and the financial reporting framework. These are shown in its terms of reference.
- 2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.1.13

To produce an annual report for consideration by Full Council.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

- 4.1 The attached Draft Annual Report has been produced (**Appendix A**). The report shows:
- Background to the Committee, its roles, responsibilities, terms of reference (**Annex B**)

and membership (**Annex A**).

- An overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities; and
- Training provided to ensure that suitable challenge and scrutiny is adopted.

4.2 During the year the Audit Committee has expanded its coverage by including a standing item on the actions and matter arising from previous meetings. In addition, a matrix of items reviewed against the committee's terms of reference have also been created. This is included as part of the committee's work programme and will form part of the annual report as Annex C.

4.3 Items from this meeting will be included fully before the report is presented to Council in July 2023.

5. CORPORATE PRIORITIES

The report links to the Corporate Priorities as outlined below:

1. *Sustainable Future City Council*
 - *How we Work*
 - *How we Serve*
 - *How we Enable*

6. CONSULTATION

6.1 The Audit Committee has the opportunity to comment on the report before it is presented to Full Council in July 2023.

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 Publication of the report will enable the public to gain an insight into the role of the Committee and will ensure that the Committee can continue to progress and develop in the future. The City Council continues to evolve its Audit Committee in line with best practice to provide effective challenge to the governance arrangements adopted.

7.2 Subject to approval by Audit Committee, it is intended to present the report to Council for noting as part of the Committee's annual update in order to demonstrate the work carried out to improve the governance arrangements across the Council.

8. REASON FOR THE RECOMMENDATION

8.1 To seek endorsement from Members that the Committee is delivering against its terms of reference and provided effective challenge to the organisation.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 There is a requirement for a report to go to Full Council and for the Audit Committee to review this before it goes.

10. IMPLICATIONS

Financial Implications

10.1 None.

Legal Implications

10.2 There are no legal implications in respect of what is proposed.

Equalities Implications

10.3 None

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 The Councils Constitution

Chartered Institute of Public Finance and Accountancy (CIPFA)

12. APPENDICES

12.1 Appendix A - Draft Audit Committee Annual Report

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**PETERBOROUGH CITY COUNCIL AUDIT COMMITTEE
ANNUAL REPORT
2022 / 2023**



Assurance

Governance

Accountability

Risk Management

Independence

AUDIT COMMITTEE: ANNUAL REPORT 2022 / 2023

INTRODUCTION

MEMBERSHIP AND ROLE OF COMMITTEE

KEY ACTIVITIES DURING THE MUNICIPAL YEAR

PLANS FOR 2023 / 2024



FOREWORD FROM THE INDEPENDENT CHAIR OF AUDIT COMMITTEE



I am pleased to provide the Audit Committee's Annual Report for the municipal year 2022 / 2023. The Council is requested to note the work carried out by the Audit Committee in improving the governance arrangements across the Council.

I would like to acknowledge the positive feedback received from the second report of the Independent Improvement and Assurance Panel on the progress made this year in the work of the Audit Committee.

I would like to thank the members of the Audit Committee, and the officers of the Council who have provided reports and papers to the Committee, for their diligence in working through the many areas noted in this report.

Main areas of comfort during the year

The external audits have progressed well and any issues raised addressed by management. The Financial Statements have been produced on time and to a good quality, and the Finance team have been excellent in supporting the progress.

The quality of the external audit work of Ernst & Young has been independently checked by the AQR inspectors of the Financial Reporting Council and found to be good.

Internal audit has a comprehensive rolling program of work and has made progress although they have had resource challenges which if not addressed could reduce the levels of future assurance.

Areas of concern

The governance and tracking of the realisation of the required savings for the Council to achieve its financial plans of a balanced budget will continue to be challenging. The Committee is keen to keep abreast of the situation and any further risks that may emerge.

In these times of economic uncertainty, the ongoing identification and management of strategic risks is important to assess the range of possible outcomes, which should be made transparent so they can be managed effectively.

The risks and governance around Procurement, including the scope of the Procurement department and their systems and exceptions that flow through those systems, is an ongoing focus for the Committee. PCC expenditure flows through many different routes and the Committee is concerned that the governance around all of those routes needs to be as effective as possible for good control and value for money. This risk is also an opportunity for PCC to achieve the savings it needs in this and subsequent financial years.

Conclusion

Overall I am pleased with the progress of the Committee and the positive attitude of the officers of the Council to improve governance, risk management and the control environment.

**Chair of the Audit Committee
Chris Brooks**

INTRODUCTION FROM CHAIR

This is the 15th annual report produced by Peterborough City Council's Audit Committee. It is produced in accordance with latest best practice. This report sets out what the Committee has investigated and looked at over the past 12 months in line with the constitution. I am keen that this work continues and is strengthened in light of the unique challenges the Council face over the coming years. I can see that Councillors and officers are working hard to operate the highest standards of governance.

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risks and weakens the control environment, and to oversee the financial reporting process

The key benefits of an Audit Committee can be seen as:

- Raising greater awareness of the need for internal control and the implementation of both internal and external audit recommendations;
- Increasing public confidence in the objectivity and fairness of financial and other reporting;
- Reinforcing the importance and independence of internal and external audit and similar review processes; and
- Providing additional assurance through a process of independent and objective review.

The Terms of Reference for the Audit Committee can be found at **Appendix B** of this report.

The committee this year has worked hard to create a rolling action log to ensure that areas of concern and interest are followed up and information is circulated back to members of the committee. In addition, the committee has been keeping a track of the items presented and how these relate to the committee's terms of reference and this matrix can be seen at **Appendix C**.

This report sets out the work undertaken by the Audit Committee for 2022 / 2023 and specifically highlights those areas where its scrutiny and review process has made a difference to performance. Furthermore I am pleased that the work of the committee has been recognised by the Independent Improvement and Assurance Panel and they have noted the improvements made to the role of the committee in holding officers to account.

In the forthcoming year I hope that the committee has the opportunity to focus on the risks the Council might encounter in the forthcoming years and how the Council proposes to deal with those. Training is an important element for all Audit Committee members, whether they are experienced or not and it is important that this remains a focus, enabling the committee members to best effectively scrutinise the functions of the Council's audit processes. There are opportunities for the committee to review its terms of reference and I hope this work is completed in the coming months to ensure the committee's work is up to date and ensures the right challenges and scrutiny is put in place to further enhance the work of the Audit Committee.

MEMBERSHIP AND MEETINGS

During 2022 / 2023, the Audit Committee met on the following dates:

- 20 June 2022
- 25 July 2022
- 31 August 2022 - Extraordinary
- 17 October 2022
- 28 November 2022
- 30 January 2023
- 20 March 2023

There is a cross representation of all parties in accordance with the make-up of the Council. The members for 2022 / 2023 are attached at **Appendix A**.

KEY ACTIVITIES DURING THE MUNICIPAL YEAR

Background

The Audit Committee's **terms of reference** covers 6 main areas:

- Internal Audit
- Internal Control and Corporate Governance
- Annual Accounts
- Risk management
- External Audit
- Counter Fraud and Irregularities

Internal Audit

Internal Audit provides an independent review of the functions and services delivered across the Council. Its focus is driven by the risks / controls in those functions and the activities undertaken to mitigate them.

It sets out plans for each year and these are monitored against. Plans change as risks change across the Council and these are reported through to Committee.

Role of the Committee – The review of the Internal Audit Plan is a key task for the Committee and provides an opportunity to review the content of the plan and the risks and priorities identified by the Chief Internal Auditor alongside the resourcing. As well as being important to Internal Audit, it is also at the heart of what the Committee do over the year. The audits contained in the plan will feature risk and assurance issues which will be considered as part of the Committee's agenda. Progress reports will be produced and key issues and recommendations arising highlighted to the Committee together with actions taken to address them by management.

In reviewing the annual Audit Opinion, it will also provide assurance towards the Annual Governance Statement.

Internal Control and Corporate Governance

Each Local Authority operates through a governance framework. This brings together an underlying set of legislative requirements, governance principles and management processes. These are collected in the Local Code of Governance and published as part of the accounts in the Annual Governance Statement. This should be an open and honest statement setting out what

works well and where improvements are needed.

Internal controls represent actions / procedures performed by management to increase the likelihood activities achieve their objectives. In other words, control is a response to risk, either to contain the risk to an acceptable level or to increase the likelihood of a desirable outcome. These would cover operational controls, financial controls or compliance controls.

Role of the Committee: The Audit Committee has an ongoing role in delivering good governance. It should have oversight of the Local Code and the Annual Governance Statement and monitor progress on actions taken against any shortcomings identified.

Internal controls will be closely linked with reviews of the Annual Governance Statement. It will also need to be scrutinised in relation to any reports produced by Internal Audit, Risk Management, Finance or External Audit.

Annual Accounts

The Statement of Accounts brings together the major financial statements for the financial year and are prepared in accordance with statutory guidance. The statements and the notes that accompany them give a full and clear picture of the financial position of the Council.

Role of the Committee:

The Audit Committee has a responsibility to receive and approve the Statement of Accounts. This includes the review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

Risk Management

Risk Management forms part of effective governance. Internal controls are influenced by risks. Effective control will manage an identified risk, perhaps by reducing the likelihood of the risk happening or minimising the impact if it did.

Role of the Committee: The ways that the Audit Committee fulfils its role includes:

- oversight of the risk management function and its effectiveness
- reviewing risks and assessing the maturity of the Council
- commenting on changes to Risk Management policies
- understanding the key strategic risks facing the Council

As well as supporting effective risk management, knowledge of the Council's key risks helps the Committee discharge its responsibilities such as reviewing the Internal Audit Plan or Annual Governance Statement.

External Audit

The external auditors provide an opinion on the Council's Statement of Accounts. Their opinion is provided as to whether they give a true and fair view of the financial position of the Council and if they have been properly prepared. As part of their audit, they will provide a separate report - The Audit Results Report (ISA 260).

Role of the Committee: The Audit Committee has a responsibility to receive and note the Audit Results Report on behalf of the Council. This report will be reviewed by the Committee and any

issues in the report arising from the audit of the accounts will be considered.

Counter Fraud & Irregularities

Good governance is the cornerstone of an effective Council. However, there are occasions when standards drop below this, and steps are taken to investigate and correct. Sometimes these also impact on the Council from external sources and these need to be verified.

Role of the Committee: Key roles for the Committee include:

- reviewing Counter Fraud strategies and championing good practice across the organisation
- monitoring outputs from fraud works undertaken, whether from specific works or the National Fraud Initiative

WORK AT MEETINGS

20 June 2022

- [Update Ernst & Young – Audit Results Report](#)

The Audit Committee received a verbal update from the Council's external auditors with regards to the external audit for the year ended 31 March 2021.

- [Annual Audit Letter for the Year Ended 31 March 2022](#)

This report covered the requirement of the National Audit Office (NAO) Code of Audit Practice for EY to issue an Annual Audit Letter to Those Charged with Governance (the Audit Committee) following the conclusion of the audit and issue of the audit certificate. This closed the 2019/20 audit.

- [Budget Monitoring Report Final Outturn 2021/22](#)

The report provided the Audit Committee with the outturn position for both the revenue budget and capital programme for 2021/22. This also contains performance information on the payment of creditors and collection performance for debtors, local taxation and benefit overpayments.

25 July 2022

- [Annual Report – Insurance](#)

The report presented the work carried out during the past year to provide an effective insurance function which provides cover for all aspects of the Council whilst minimising the cost.

- [Annual Report – Investigations](#)

The report presented the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring in the Council.

- [Annual Internal Audit Report – 2021/22](#)

The purpose of this report was to provide an overall opinion on the soundness of the control environment in place to minimise risk to the Council. It was based on the findings of completed audits and activities undertaken by the Internal Audit Team during 2021 / 2022.

- [National Fraud Initiative](#)

The report set out how the Council tackles fraud and error as part of the wider review undertaken by national government

- [Risk Management Framework](#)

The report set out the Council's risk management framework and asked members to make comments on the policy. More regular reporting was to be presented to the committee going forward.

- [Review of Effectiveness of the Audit Committee](#)

The Audit Committee reviewed its effectiveness over the past 12 months and the key areas that the Committee focused on. The report also contained an assessment against an existing good practice model in respect of the knowledge and skills expected of an effective audit committee to enable it to effectively discharge its duties.

- [Draft Annual Governance Statement.](#)

The production of the Annual Governance Statement (AGS) forms part of the annual closure of accounts process. This provided the committee with an overview of the processes and procedures in place adopted by the Council to manage its affairs.

- [Verbal Update – Audit Results Report for year Ended 31 March 2021](#)

The Audit Committee received a verbal update from the external auditors EY regarding their progress with the Council's audit reporting. There were still some issues that needed addressing before the accounts were able to be signed off.

- [Draft Statement of Accounts to those charged with Governance \(ISA260\).](#)

The Committee considered the robustness of financial processes and the financial standing of the Council. The Council achieved this through the publication of the draft Statement of Accounts ahead of the statutory deadline, and also through the completion of a successful external audit process.

31 August 2022

- [Audit of Statement of Accounts to those charged with Governance](#)

The committee received an updated report on the signing off of the accounts and the delays in signing while issue were resolved at a national level.

17 October 2022

- [Procurement Activity 2022](#)

The report set out how procurement supports the Council's corporate priorities through enabling officers to purchase goods, services and works in a way which is not just legally compliant, but which also secures value for money and considers opportunities to secure social value. This was an overview of the legislative environment and governance of the procurement function.

- [Corporate Risk Register](#)

The report set out details of the current risks being managed across the Council as set out within the risk registers. It enables Audit Committee to monitor the effective development and operation of risk management together with considering compliance with the agreed framework.

- [Council Reserves Policy](#)

The report enabled members of the committee to review and comment on the Councils Reserve Policy

- [Independent Improvement and Assurance Panel Report](#)

The committee received a report on the progress of the Council against the recommendations of the Improvement Panel.

- [Budget Setting Process](#)

The report outlined the Council's approach to setting the budget and invited any comments or suggestions from the committee.

28 November 2022

- [Use of Regulation of Investigatory Powers Act 2000 \(RIPA\)](#)

The report provided the committee with an understanding of the RIPA legislation and the Council's policy. The committee were also informed that some updates to the policy were to be made and presented to the committee at a future date.

- [Annual Report of Corporate Complaints 2021/22](#)

The report outlines the Council's management of complaints and the action taken to address concerns of customers. This was an opportunity to review the effectiveness of handling complaints and identify areas for future scrutiny.

- [Internal Audit: Mid Year Progress Report 2022/23](#)

The report provided an overall opinion on the soundness of the control environment in place to minimise risk to the council. It is based on the findings of the completed internal audits from the Annual Audit Plan 2022 / 2023.

- [Treasury Management Mid-Year Update.](#)

The Committee received an update on the Treasury Management Strategy. The report updated members on the key indicators that the Council adhere to when setting the Treasury Management Strategy.

- [Decisions of the Shareholder Committee](#)

The committee received a report to note the decisions made by the Shareholder Cabinet Committee.

- **FRC's report and update from External Auditors(exempt report)**

The committee received an update from the external auditors following a review by the Financial Reporting Council (FRC) into some of the audits that had been carried out by the external auditors.

30 January 2023

- [Internal Audit Plan 2022/23 – Approach to Audit Planning](#)

The report provided Members with details of Internal Audit's annual planning approach and emerging issues and risks that Internal Audit need to provide assurance over. It provided an opportunity for Members to consider these themes and provide input into the development of the Audit Plan.

- **Anti-Fraud and Corruption**

The committee received a report setting out how the Council tackled fraud and anti-corruption. The report also contained an updated anti-fraud statement for which officers across the authority were receiving training on.

- **Update – Procurement Activity**

Following a report earlier in the year the committee received a report updating the work procurement had carried out to improve systems and processes in order to enhance the value of contracts and services for the authority.

- **Reserves Strategy and Policy**

The committee received an updated report in relation to the Councils reserve strategy to help identify a suitable level of reserves. This was to form part of the budget setting process and would be presented to Full Council at the budget meeting.

- **Second Independent Improvement and Assurance Panel Report**

The committee received the second report on the progress of the Council against the recommendations of the Improvement Panel. This also included an update from the Chair of the Audit Committee.

- **Debt Write-Offs exceeding £10,000**

The committee agreed to defer the item to the following meeting to ensure the exempt annex was shared with the committee members.

30 March 2023(To be completed following meeting)

FUTURE DEVELOPMENTS AND PLANS FOR 2023 / 2024

Overall, the Audit Committee want to continue to develop and build on our current achievements.

For 2023 / 2024 this will involve:

- Continuing to drive up standards of corporate governance;
- Continuing to equip existing and any new Members to fulfil the Audit Committee's responsibilities by providing or facilitating training on all aspects of the Audit Committee's remit. The Chair will seek views of Members on their concerns and areas of perceived risk and will look to get officers to deliver training throughout the year;
- Assisting and supporting officers to promote the work of the Audit Committee and the roles of internal audit, external audit and risk management;
- Supporting the continued production of high quality and compliant statutory accounts;
- Helping to further increase awareness within the Council of its governance arrangements and areas of risk, with particular emphasis on information for tackling fraud and corruption;
- Areas of growing or increased risk will be explored through the Committee and this may include procurement, value for money, MTFs, corporate services and specific "deep dives" to establish compliance against standards; and
- Providing effective challenge to officers, raising awareness for sound internal control arrangements and giving assurance to the Authority that its control arrangements are sound.

Audit Committee Membership 2022-23



Chris Brooks – Independent Co-Opted Member (Chair)



Councillor Imtiaz Ali – Vice-Chair



Councillor Mohammed Haseeb



Councillor Mohammed Rangzeb



Dr Stuart Green – Independent Co-Opted Member



Councillor Jackie Allen



Councillor Michael Perkins



Councillor Shaz Nawaz



Councillor Nick Sandford

Mike Ingram – Independent Co-Opted Member

2.2. Audit Committee

2.2.1 It is advised that Members undertake relevant training within the past three years in order to hold a seat on this committee.

2.2.2 Terms of Reference

2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

2.2.2.2 To consider summaries of specific internal audit reports as requested.

2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.

2.2.2.4 To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

2.2.2.5 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

2.2.2.6 To consider specific reports as agreed with the external auditor.

2.2.2.7 To comment on the scope and depth of external audit work and to ensure it gives value for money.

2.2.2.8 To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.

2.2.2.9 To commission work from internal and external audit.

2.2.2.10 To have oversight of the Regulation of Investigatory Powers policy and processes.

2.2.2.11 Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.

2.2.2.12 To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.

2.2.2.13 To produce an annual report for consideration by Full Council.

Regulatory Framework

- 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- 2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.
- 2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
- 2.2.2.17 To oversee the production of the authority's Annual Governance Statement and to recommend its adoption.
- 2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

Accounts

- 2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

Independent Members of Audit Committee

- 2.2.1.21 The Audit Committee will include up to 3 independent co-opted non-voting members sitting alongside 7 elected members. Independent members will be appointed by the Council to serve an initial 4 year term, which may be extended with the agreement of Council.
- 2.2.1.22 The Committee will be chaired by an Independent Member. In the absence of the appointed chair one of the remaining two Independent Members will be appointed as Chair by the Committee.
- 2.2.1.23 The Vice-Chair will be an elected member whose purpose will be to support the Chair and in the event of an equality of votes, to exercise a second or casting vote.
- 2.2.1.24 The role of an Independent Member is to support the Council's Audit Committee in its role to provide independent assurance to the members of Peterborough City Council, and its wider citizens and stakeholders.

- 2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.

- 2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.

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Planning document linking constitution to delivery in meetings.

Audit Committee

2.2.1 It is advised that Members undertake relevant training within the past three years in order to hold a seat on this committee.

2.2.2 Terms of Reference

2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

2.2.2.2 To consider summaries of specific internal audit reports as requested.

2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.

2.2.2.4 To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

2.2.2.5 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

2.2.2.6 To consider specific reports as agreed with the external auditor.

2.2.2.7 To comment on the scope and depth of external audit work and to ensure it gives value for money.

2.2.2.8 To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.

2.2.2.9 To commission work from internal and external audit.

2.2.2.10 To have oversight of the Regulation of Investigatory Powers policy and processes.

2.2.2.11 Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.

2.2.2.12 To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.

2.2.2.13 To produce an annual report for consideration by Full Council.

Regulatory Framework

- 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- 2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.
- 2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
- 2.2.2.17 To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
- 2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

Accounts

- 2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

Independent Members of Audit Committee

- 2.2.1.21 The Audit Committee will include up to 3 independent co-opted non-voting members sitting alongside 7 elected members. Independent members will be appointed by the Council to serve an initial 4 year term, which may be extended with the agreement of Council.
- 2.2.1.22 The Committee will be chaired by an Independent Member. In the absence of the appointed chair one of the remaining two Independent Members will be appointed as Chair by the Committee.
- 2.2.1.23 The Vice-Chair will be an elected member whose purpose will be to support the Chair and in the event of an equality of votes, to exercise a second or casting vote.

- 2.2.1.24 The role of an Independent Member is to support the Council's Audit Committee in its role to provide independent assurance to the members of Peterborough City Council, and its wider citizens and stakeholders.
- 2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.
- 2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.

Terms of reference	Meeting	Report title	Assurance activity
2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.	Mar 2022	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	July 2022	Internal Audit: Annual Audit Opinion	Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted.
		(Draft) Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required

	Nov 2022	Internal Audit: Mid-Year Progress Report	Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.
	Mar 2023	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.
2.2.2.2 To consider summaries of specific internal audit reports as requested	July 2022	Internal Audit: Annual Audit Opinion	Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted.
	Nov 2022	Internal Audit: Mid-Year Progress Report	Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.
2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.	Mar 2022	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	Mar 2023	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.

2.2.2.4	To consider a report from audit on agreed recommendations not implemented within a reasonable timescale	July 2022	Internal Audit: Annual Audit Opinion	Areas of non-compliance with timescales to implement change
		Nov 2022	Internal Audit: Mid-Year Progress Report	Areas of non-compliance with timescales to implement change
2.2.2.5	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.	Sept 2022	External Audit plan for year ended 31 March 2022	External auditor presents reports
2.2.2.6	To consider specific reports as agreed with the external auditor.	As required		
2.2.2.7	To comment on the scope and depth of external audit work and to ensure it gives value for money.	Mar 2023	External Audit plan for year ended 31 March 2022	To review the External Audit plan and to make initial comment
		Nov 2022	FRC Report	To review the FRC's report on external auditing
2.2.2.8	To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.	As required – last done November 2021		

2.2.2.9	To commission work from internal and external audit	Jan 2023	Internal Audit: Approach to Audit Planning	To set out future audit work based on the current issues impacting on PCC
2.2.2.10	To have oversight of the Regulation of Investigatory Powers policy and processes.	Nov 2022	Update on RIPA for Audit Committee members	To update the committee on the Councils RIPA policy.
		Mar 2023	RIPA Policy – changes to policy	To inform Audit Committee members on changes to the RIPA policy
2.2.2.11	Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.	As required		
2.2.2.12	To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.	July 2022	Decisions made by the Shareholder Cabinet Committee	Committee to note the decisions made by the Shareholder Cabinet Committee
		Nov 2022	Decisions made by the Shareholder Cabinet Committee	Committee to note the decisions made by the Shareholder Cabinet Committee
2.2.2.13	To produce an annual report for consideration by Full Council.	Mar 2022	Annual Audit Committee report	Draft report that currently gets presented to Full Council in July.
		Mar 2023	Annual Audit Committee report	Draft report that currently gets presented to Full Council in July.
2.2.2.14	To review any issue referred to it by the Chief Executive or a Director,	Oct 2022	Council Reserves Policy	To review the Councils Reserve Policy
		Oct 2022	Independent Improvement	To review the first Independent

or any Council body.		Panel Report	Improvement Panel report presented to Cabinet.
	Oct 2022	Budget Setting Process	To review the Councils Budget Setting process
	Jan 2023	Council Reserves Policy	To review updates on the Councils Reserve Policy
	Jan 2023	2 nd Independent Improvement Panel Report	To review the second Independent Improvement Panel report presented to Cabinet.
2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.	Mar 2022	Risk Management Strategic Risks	Overview of current strategic risks.
	July 2022	Insurance: Annual Report 2021 / 2022	Sets out how insurance service has operated to ensure effective management and control of its assets, and provide cover to manage risks
2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.	July 2022	Investigations Team Annual Report 2021 / 2022	Annual report into Investigations Team works.
	Nov 2022	Council Complaints Procedure	To review and comment on the Councils complaints policies and processes
	Jan 2023	Anti-Fraud and Corruption report	To review policy changes to the Anti-Fraud and Corruption Policy
2.2.2.17 To oversee the production of the authority's Statement on	July 2022	(Draft) Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the

Internal Control and to recommend its adoption.			AGS. Reporting of areas where improvements are required
2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	Mar 2022	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	July 2022	Review of Effectiveness of Audit Committee	Overview of the operation of the Committee against the CIPFA standards.
		Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required
		National Fraud Initiative	Report to set out how the Council will look to tackle fraud and error as part of mandatory exercises from central government
Risk Management Framework	Committee to receive an update on the framework		

	Nov 2022	Treasury Management Progress Report (including risks)	Prior to submission at Full Council committee to review the prudential indicators
	Oct 2022	Review of Procurement, reporting of single tender contracts	First report for committee to review procurement as a service
	Jan 2023	To review any updates on procurement issues identified where teams had not followed process.	Further report for committee to review progress made on procurement and contracts
	Mar 2023	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.
		Procurement Activity – March update	
2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and	June 2022	Budget Monitoring Outturn 2021 / 2022	

whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	Mar 2023	Audit Results report for year ended 31 March 2022	
	Aug 2022	Audit of Statement of Accounts year ended 2020/21	
2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.	Mar 2022	Statement of Accounts for the year ended 31 March 2022.	
	Aug 2022	Audit of Statement of Accounts year ended 2020/21 update	
	Mar 2023	Statement of Accounts final for 2020/21	

Independent Audit Committee Members feedback

2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate	
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<p>independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.</p>	
<p>2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.</p>	

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AUDIT COMMITTEE	AGENDA ITEM No. 6
20 MARCH 2023	PUBLIC REPORT

Report of:	Cecilie Booth – Executive Director of Resources and s.151 Officer.
Cabinet Member(s) responsible:	Councillor Coles - Cabinet Member for Finance and Corporate Governance
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor

INTERNAL AUDIT PLAN 2023 / 2024

RECOMMENDATIONS	
FROM: Steve Crabtree, Chief Internal Auditor	Deadline date: N/A
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> 1. Consider and approve Internal Audit Charter for 2023 / 2024 included at Appendix A; 2. Consider and approve the Internal Audit Code of Ethics 2023 / 2024 included at Appendix B; and 3. Consider and approve the Internal Audit Strategy and Plans for 2023 / 2024 included at Appendices C and D). 4. Note the information about Internal Audit work over the previous 3 years included at Appendix E 	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Audit Committee as a routine planned report on the development of the role and service delivery of Internal Audit and investigations.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to ensure that the Audit Committee reviews and agrees the audit activity for the next audit year.

2.2 This report is for the Audit Committee to consider under its Terms of Reference:

2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.

2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.

2.2.2.18 To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. **BACKGROUND AND KEY ISSUES**

4.1 **INTRODUCTION**

4.1.1 In accordance with the mandatory Public Sector Internal Audit Standards (PSIAS), the Chief Internal Auditor must “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. This report explains the strategic approach and the detailed plan for Internal Audit to meet that aim.

4.1.2 The role purpose and authority of Internal Audit is documented in the Internal Audit Charter. The Charter is subject to an annual review by the Committee and is compiled in accordance with the Public Sector Internal Audit Standards and the CIPFA Code of Practice for Managing the Risk of Fraud and Corruption.

4.2 **INTERNAL AUDIT CHARTER 2023 / 2024 (Appendix A)**

4.2.1 The Charter sets out the purpose, objectives and scope of the activities of the service and has been developed to take account of the following requirements, which have previously been reported to the Audit Committee:

- The Public Sector Internal Audit Standards, which came into effect on 1 April 2013 (and revised in 2017); and
- The governance requirements set out in CIPFA Statement on the Role of the Head of Internal Audit in Local Government (2019 Edition).

4.2.2 The Charter has been compiled to ensure compliance with the Public Sector Internal Audit Standards (PSIAS). In summary, the PSIAS, which were agreed by a range of bodies including IIA and CIPFA, place the following requirements on public sector organisations’ internal audit arrangements:

- (i) Compliance with the IIA Code of Ethics (and those of other professional bodies of which an auditor is a member, e.g. CIPFA). The IIA Code of Ethics sets out key principles and rules of conduct covering the following: Integrity; Objectivity; Confidentiality; and, Competency.
- (ii) Purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter which should:
 - define the terms “board” and “senior management” for the purposes of internal audit activity;
 - cover arrangements for appropriate resourcing;
 - define the role of internal audit in any fraud-related work; and
 - include arrangements for avoiding conflicts of interest if internal audit undertakes non-audit activities.
- (iii) Independence and objectivity: the Chief Internal Auditor must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. The Chief Internal Auditor must report functionally to the board. In practice this means that Audit Committee (as the Board) will be involved in:
 - approving the internal audit charter;
 - approving the risk based internal audit plan; and
 - making appropriate enquiries of management and the Chief Internal Auditor to determine whether there are inappropriate scope or resource limitations.

- (iv) Proficiency and due professional care: audit engagements must be performed with proficiency and due professional care. Internal auditors must possess the knowledge skills and other competencies needed to perform their individual responsibilities. The Chief Internal Auditor must hold a professional qualification (CMIIA, CCAB or equivalent) and be suitably experienced.
- (v) Quality assurance and improvement programme: the Chief Internal Auditor should develop an improvement programme that covers all aspects of the internal audit activity. An external assessment should be conducted at least once every five years and progress against any improvement plans, agreed following external assessment, must be reported to senior management and to Audit Committee.

4.2.3 A sharing protocol with Cambridgeshire County Council has been developed to support the delivery of the plan where there is a vested interest in obtaining assurance where a shared service is in operation. Its aim is to avoid duplication and have the potential to use third party assurance where appropriate. The protocol forms part of the Audit Charter and further details can be found at Appendix 1 within the document.

4.3 **INTERNAL AUDIT CODE OF ETHICS (Appendix B)**

4.3.1 The Code of Ethics sets out the expected behaviours of Internal Audit staff in relation to service delivery. The basis of standards of conduct has been reviewed and remains unchanged with reference to those followed by Internal Audit in previous years. The Code of Ethics has been developed to mirror the obligations in this area as per the Public Sector Internal Audit Standards and is therefore considered to be in keeping with professional standards.

4.3.2 Aside from the Code of Ethics, the Chief Internal Auditor in the role of the Chief Audit Executive will also be cognisant of and comply with requirements laid down in CIPFA's Statement on the Role of the Head of Internal Audit. It is also further acknowledged that all Internal Audit staff will operate in accordance with their own professional bodies' Code of Ethics, as well as any organisational Codes of Ethics or Conduct relating to their employer.

4.4 **INTERNAL AUDIT STRATEGY 2023 / 2024 (Appendix C)**

4.4.1 The Internal Audit function will:

- Provide the Section 151 Officer and Audit Committee with an overall annual opinion on the Council's governance, risk and control arrangements, which also supports the Annual Governance Statement;
- Review the Council's governance, risk management and control processes through a risk-based annual work plan which is aligned to the Council's objectives, giving assurance on the Council's wider risk profile, not just financial controls, and on key emerging risks;
- Support the organisation through changes in structure, culture and operating models;
- Demonstrate the value of audit by working proactively with those responsible for transformation and efficiency activities, to avoid duplication of audit and assurance effort and provide assurance across governance arrangements;
- Drive improvement in risk management, controls and governance by making effective recommendations to management arising from our work and monitoring and reporting on implementation;
- Assist management to optimise the control environment through a better understanding of risks which potentially enables fewer but better controls to be put in place;
- Co-operate effectively with external auditors and other review bodies functioning in the council;
- Use technology to improve the efficiency of audit testing, using data analytics to foster greater compliance with policies and procedures;
- Improve governance through strengthening of the challenge role of Audit Committee, promoting appropriate compliance and ethical behaviours, and extending assurance arrangements to partnerships

4.4.2 The approach set out above is underpinned by the Internal Audit Strategy which is set out in **Appendix C** and is aligned with internal audit best practice.

4.5 **INTERNAL AUDIT PLAN 2023 / 2024 (Appendix D)**

4.5.1 At the January 2023 Audit Committee, Members were provided with details of emerging issues which Internal Audit were using to shape its Internal Audit Plans. This was produced following consultation with Directors and Heads of Service, reviews of strategic and operational risk registers, committee papers, budget proposals, strategies and plans.

4.5.2 At the January 2023 Audit Committee, Members were provided with details of emerging issues which Internal Audit were using to shape its Internal Audit Plans. This was produced following consultation with Directors and Heads of Service, reviews of strategic and operational risk registers, committee papers, budget proposals, strategies and plans.

The Plan for 2023/24 aims to give the Council the best audit coverage within the resources currently available, in order to provide an Annual Audit Opinion to feed into the Annual Governance Statement. Assurances from other providers will be utilised where appropriate. The number of days available with a full establishment is 950, however with one Senior Auditor post due to be employed at 0.8 FTE and an adjustment for recruitment delays the current allocation of deliverable audit days is estimated as 844, resulting in a shortfall of 106 days.

Internal Audit Work Activities	Current Days Available	%
Corporate Governance	85	10
Financial Governance	105	15
Information Governance	39	5
Procurement and Contracts	45	6
Programmes and Projects	50	6
Service Delivery	70	8
External Organisations	70	8
Certification & Verification	100	12
Other Resource Provisions	280	33
TOTAL RESOURCES ALLOCATED	844	100

4.5.3 We have included, at **Appendix E**, details of the audit reviews conducted over the past 3 years.

5. **CORPORATE PRIORITIES**

5.1 The annual audit plan is developed to consider and include the corporate priorities of the organisation to ensure that it adds value and assists in the business achieving positive outcomes. Audit activities undertaken will link to one or more of the priorities below depending on the individual scope and the associated risk profile.

1. *The Economy & Inclusive Growth*
 - *Environment (including a summary of the outcome of a completed Carbon Impact Assessment, to be submitted in full to the Transport and Environment Team)*
 - *Homes and Workplaces*
 - *Jobs and Money*
2. *Our Places & Communities*
 - *Places and Safety (including any rural implications)*
 - *Lives and Work*
 - *Health and Wellbeing*
3. *Prevention, Independence & Resilience*
 - *Educations and Skills for All*
 - *Adults*
 - *Children*
4. *Sustainable Future City Council*

- *How we Work*
- *How we Serve*
- *How we Enable*

Further information on the Council's Priorities can be found here - [Link to Corporate Strategy and Priorities Webpage](#)

6. CONSULTATION

- 6.1 Consultation during the drafting of the documents and plans has been through the Directors at Corporate Leadership Team and their respective management teams. Further consultation was undertaken with Members of the Audit Committee at the previous meeting when the Emerging Audit Issues were discussed.

7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 Internal Audit work schedules and resources will be set out for the 2023 / 2024 year.

8. REASON FOR THE RECOMMENDATION

- 8.1 There is a statutory duty for the S151 Officer to put in place appropriate arrangements for the provision of Internal Audit.
Audit Committee have a role to oversee the effective delivery of audit resources to ensure that corporate governance arrangements across the Council are monitored, reviewed and are effective to delivering the Council agenda.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 None

10. IMPLICATIONS

Financial Implications

- 10.1 This report does not give rise to any additional capital or revenue financial implications. Actions to communicate the policies and to ensure compliance will be undertaken within the existing budgets.

Legal Implications

- 10.2 There are no legal implications arising as a result of the proposals contained within this report

Equalities Implications

- 10.3 Not applicable.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

Council Risk Registers
Audit Committee Report: Internal Audit Planning Approach (30 January 23)
Medium Term Financial Strategy
Corporate Strategy

- 11.1 None

12. APPENDICES

- 12.1 A: Internal Audit Charter
- B: Internal Audit Code of Ethics
- C: Internal Audit Strategy
- D: Internal Audit Plan
- E: Audit Reviews over 3 years

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PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT CHARTER

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KEY CONTACTS	
Steve Crabtree	Chief Internal Auditor
Louise Cooke	Group Auditor
Julie Taylor	Group Auditor

March 2023

Next Review: By March 2024

1.0 INTRODUCTION

- 1.1 Organisations in the UK public sector have historically been governed by an array of differing internal audit standards. The Public Sector Internal Audit Standards (the PSIAS), which took effect from the 1 April 2013 and was revised in 2017, is based on the mandatory elements of the Institute of Internal Auditors (IIA) and International Professional Practices Framework (IPPF). It now provides a consolidated approach to promoting further improvement in the professionalism, quality, consistency, transparency and effectiveness of Internal Audit across the whole of the public c sector.
- 1.2 The PSIAS require that all aspects of Internal Audit operations are acknowledged within an Audit Charter that defines the purpose, mission, authority and responsibilities of the service provision. The Charter therefore establishes the position of the service within Peterborough City Council (PCC); its authority to access records, personnel and physical properties relevant to the performance of engagements; in addition to defining the scope of Internal Audit activities. There is also an obligation under the PSIAS for the Charter to be periodically reviewed and presented to the Audit Committee, the Section 151 Officer and senior management. This Charter will therefore be revisited annually to confirm its ongoing validity and completeness, and be circulated in accordance with the requirements specified above.

2. PURPOSE

- 2.1 In accordance with the PSIAS, Internal Auditing is defined as:

"An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

- 2.2 However, it should be appreciated that the existence of Internal Audit does not diminish the responsibility of senior management to establish appropriate and adequate systems of internal control and risk management. Internal Audit is not a substitute for the functions of senior management, who should ensure that Council activities are conducted in a secure, efficient and well-ordered manner with arrangements sufficient to address the risks which might adversely impact on the delivery of corporate priorities and objectives.

3. MISSION AND AIM

- 3.1 “To provide an independent risk based and objective assurance service which is responsive to the needs of Councillors and management, ensuring assurance, advice and insight enhances the values and vision of Peterborough City Council.”
- 3.2 In doing so, the internal audit service will demonstrate effective adherence to and operation of the Core Principles for the Professional Practice of Internal Auditing. This encompasses demonstrating integrity; competence and due professional care; being objective and free from undue influence; aligning with the strategic objectives and risks of the organisation; being appropriately positioned and resourced; quality and continuous improvement; effective communication; provides risk based assurance; is insightful, proactive and future focussed and promotes organisational improvement.

4. AUTHORISATION

- 4.1 The requirement for an Internal Audit Service is outlined within the Accounts and Audit Regulations 2015, which state that “*a relevant authority must undertake an adequate and effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*”;
- 4.2 This statutory requirement for continuous Internal Audit has been formally recognised and endorsed within PCC’s Constitution, making Internal Audit primarily responsible for carrying out an examination of the accounting, financial and other operations of the Council, under the independent control and direction of the Section 151 Officer. The role of Section 151 Officer at PCC is fulfilled by the Executive Director of Resources and s.151 Officer.
- 4.3 Further, there are other requirements placed upon the Chief Audit Executive (see Section 5: Organisation and Relationships), to fulfil all aspects of CIPFA’s Statement on the Role of the Head of Internal Audit in Public Sector Organisations (2019 edition).
- 4.4 The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, is authorised to have full, free, and unrestricted access to any and all of the organisation's:
- Records, documents and correspondence (manual and electronic) relating to any financial and other transactions;
 - Physical properties, i.e. premises and land, plus cash, stores or any other Council property; and
 - Personnel – requiring and receiving such explanations as are necessary concerning any matter under examination and generally assisting the Internal Audit activity in fulfilling its roles and responsibilities.

The above rights also include access to organisations and partners where PCC data is processed as part of contractual protocols where an open book/audit access arrangement is in place. An example of this is the Transactional Services provision provided by SERCO.

4.5 Such access shall be granted on demand and shall not be subject to prior notice, although in principle, the provision of prior notice will be given wherever possible and appropriate, unless circumstances dictate otherwise.

5. ORGANISATION AND RELATIONSHIPS

5.1 Within the PSIAS, the terms 'Chief Audit Executive,' 'Board' and 'Senior Management' are used to describe key elements of the organisation's governance, and the ways in which they interact with Internal Audit. The PSIAS require that the terms are defined in the context of the governance arrangements in each public sector organisation, in order to safeguard the independence and objectivity of Internal Audit. At PCC, the following interpretations are applied, to ensure the continuation of the current relationships between Internal Audit and other key bodies at the Council. The following terms are explained:

- Chief Audit Executive
- Board
- Senior Management
- External Audit
- Other Internal Audit Service Providers
- Other External Review and Inspection Bodies

5.2 Chief Audit Executive

At PCC, the Chief Audit Executive is the Chief Internal Auditor (CIA). The CIA has a direct line of reporting to the Executive Director of Resources and s.151 Officer who would approve all decisions regarding performance evaluation, appointment or removal of the CIA in consultation with senior management. In response to requirements laid down within the PSIAS, it is further confirmed that the CIA has a direct reporting line and free and unfettered access to the Chief Executive and Monitoring Officer should it be required.

5.3 Board

5.3.1 In the context of overseeing the work of Internal Audit, the 'Board' will be the Audit Committee of the Council, which has been established as part of the corporate governance arrangements at the Council. The Committee is responsible for the following with reference to Internal Audit:

- Internal Audit Plans;
- Progress and performance against approved plans;
- Annual Audit Opinion; and
- Compliance with standards.

5.3.2 Internal Audit will work closely with the committee to facilitate and support its activities. Moreover, the CIA also has a direct reporting line, and free and unfettered access to the Chair should it be needed.

5.4 Senior Management

In the context of ensuring effective liaison between Internal Audit and senior officers, Internal Audit has regular access to Directors and Heads of Service. 'Senior Management' for the purposes of this Charter are the Corporate Leadership Team of which the Section 151 Officer is a key member. The Chief Audit Executive also has asked to all senior management / officers through the Extended Corporate Leadership Team meetings.

5.5 External Audit

Internal Audit interact with the Council's External Auditors – Ernst and Young – in order to minimise any potential duplication of work and determine the assurance that can be placed on the respective work of the two parties.

5.6 Other Internal Audit Service Providers

Internal Audit will also liaise with other Council's Internal Audit Service providers, where shared service arrangements exist. A protocol has been developed with Cambridgeshire County Council where there is an increasing level of shared services. The aim is to enable information to be shared, the potential to place reliance on each other's work or for each team to take the lead in some audit areas to avoid duplication and over auditing of service areas. The protocol is attached as an appendix to the charter (see Appendix 1). Where assurance is being provided to the authority from another internal audit provider, this will be included within reports to the Audit Committee where it is utilised in providing assurance as part of the annual audit opinion.

5.7 Other External Review and Inspection Bodies

The Internal Audit Section confirms it will likewise co-operate with all external review and inspection bodies that are authorised to assess and evaluate the activities of the Council, to determine compliance with regulations, standards or targets. Internal Audit will, wherever possible, utilise third party assurances arising from this work.

6. **OBJECTIVES AND SCOPE**

6.1 The provision of assurance services is the primary role of Internal Audit and there is a duty of care on the Chief Audit Executive to give an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. This responsibility to evaluate the governance framework far exceeds examination of controls applying to the Council's core financial systems.

Instead, Internal Audit is required to scrutinise the whole system of risk management, internal control and governance processes established by management.

- 6.2 Internal Audit also has a secondary role, whereby it will provide consultancy services which are advisory in nature and generally performed at the request of the Council to facilitate improved governance, risk management and control, and potentially contribute to the annual audit opinion. This may include participation within working parties such as information governance and risk management.
- 6.3 A risk based Audit Plan will be developed each year to determine an appropriate level of audit coverage to generate an annual audit opinion, which can then be used to assist with the formulation of the PCC's Annual Governance Statement. Moreover, audit work performed will seek to enhance the Council's overall internal control environment. In the event of deficiencies in arrangements being identified during audit assignments, Internal Audit will put forward recommendations aimed at improving existing arrangements and restoring systems of internal control to a satisfactory level, where relevant.
- 6.4 In accordance with the PSIAS, the Internal Audit Service will evaluate and contribute to the improvement of:
- The design, implementation and effectiveness of the organisation's ethics related objectives, programmes and activities.
 - The effectiveness of the Council's processes for performance management and accountability.
 - The Council's IT governance provisions in supporting the organisation's corporate priorities, objectives and strategies.
 - The Council's risk management processes in terms of significant risks being identified and assessed; appropriate risk responses being made that align with the organisation's risk appetite, the capturing and communicating of risk information in a timely manner, and its use by staff, senior management and members to carry out their responsibilities and inform decision making generally.
 - The provisions developed to support achievement of the organisation's strategic objectives and goals.
 - The systems formulated to secure an effective internal control environment.
 - The completeness, reliability, integrity and timeliness of management and financial information.
 - The systems established to ensure compliance with legislation, regulations, policies, plans, procedures and contracts, encompassing those set by the Council and those determined externally.
 - The systems designed to safeguard Council assets and employees.
 - The economy, efficiency and effectiveness with which resources are used in operations and programmes at the Council.
- 6.5 In addition to the areas recorded above, where Internal Audit will give input to their continuing enhancement; the Service will also provide support to the Director in the discharge of their duties as the Section 151 Officer with responsibility for the probity and effectiveness of the Authority's financial arrangements and internal control systems.
- 6.6 **Managing the risk of fraud and corruption is the responsibility of management.** However, as part of the scope of Internal Audit, it will be alert in all its work to the risks and exposures that could allow fraud or corruption to occur and will monitor the extent and adequacy of risk controls built into systems by management, sharing this information with External Audit and other corporate investigators.

- 6.7 In the course of delivering services encompassing all the elements stated above, should any significant risk exposures and control issues subsequently be identified, Internal Audit will report these matters to senior management, propose action to resolve or mitigate these, and appraise the Audit Committee of such situations.
- 6.8 PCC's Anti-Fraud and Corruption arrangements are managed by the CIA, who is responsible for the associated corporate policies. The Anti-Fraud and Corruption Policy and the Whistleblowing Policy both make reference to the requirement to notify the CIA of all suspected or detected fraud, corruption or impropriety.
- 6.9 The CIA will produce an annual investigations report for the Audit Committee which encompasses the work undertaken during the year by the investigations team including any joint reviews with the internal audit team.

7. INDEPENDENCE

- 7.1 The Internal Audit Section operates within an organisational framework that preserves the independence and objectivity of the assurance function and ensures that Internal Audit activity is free from interference in determining the scope of internal auditing, performing work and communicating results. The framework allows the CIA direct access to and the freedom to report unedited, as deemed appropriate, to the Audit Committee, the Chief Executive, Section 151 Officer, Monitoring Officer, External Audit and the Corporate Leadership Team.
- 7.2 The CIA has line management responsibility for the Insurance function and the Corporate Investigations team as well as the Internal Audit function. The CIA is also an authoriser for payments from the Councils bank accounts. Other officers within Financial Services also have this responsibility, and the CIA is used as the approver of last resort if others are absent. The CIA was recently appointed to the board of Peterborough Ltd, a wholly owned company of the council. This position is intended to be a temporary arrangement until the new municipal year. Prior to undertaking any additional management responsibility, the CIA will consider and discuss with senior management any potential conflicts that may be evident and the appropriateness of undertaking the additional roles. Any reviews within these activity areas will be kept separate and reviewed independently of the CIA. In such circumstances the Group Auditor will report directly to the Executive Director of Resources and s.151 Officer.
- 7.3 The remaining Internal Auditors have no operational responsibilities or authority over any of the activities that they are required to review. As a consequence, they do not develop procedures, install systems, prepare records, or engage in any other activity, which would impair their judgement. In addition, Internal Auditors will not assess specific operations for which they were previously responsible, and objectivity is presumed to be impaired if an Internal Auditor provides assurance services for an activity for which they had responsibility within the previous 12 months. Internal Auditors may however provide consulting services relating to operations over which they had previous responsibility.
- 7.4 The CIA will confirm to the Audit Committee, at least annually, the organisational independence of the Internal Audit activity. The Internal Audit Team complete an annual declaration of interests that highlights any potential conflicts which may affect the ability to undertake an

individual assignment. Additionally, the internal audit brief requires a declaration to be made prior to the start of an assignment. Where conflicts are evident an alternative team member will be assigned the audit review.

7.5 Where internal audit services are provided to external organisations on a commercial basis the nature of the work undertaken, and resultant outputs, will not be shared with PCC.

8. PROFESSIONAL STANDARDS

8.1 PCC's Internal Auditors operate and comply in accordance with the revised PSIAS, 2017.

8.2 The Internal Auditors are also governed by the policies, procedures, rules and regulations established by PCC. These include, but are not limited to Financial Regulations and Contract Standing Orders, Data Protection Policy, the Anti-Fraud and Corruption Policy and the Code of Conduct. Similarly, the Council's Internal Auditors will be aware of external bodies' requirements (e.g. as identified by CIPFA) and all legislation affecting the Council's activities.

8.3 The Council's Internal Auditors will additionally adhere to the Code of Ethics as contained within the PSIAS. Internal Auditors will also demonstrate due professional care in the course of their work and consider the use of technology-based audit and other data analysis techniques, wherever feasible and considered beneficial to the Council. They will similarly not be unduly influenced by their own interests or by others in informing judgements. All working arrangements and methodologies followed by PCC's Internal Auditors are set out in the Audit Manual.

9. AUDIT RESOURCES

9.1 The CIA will be professionally qualified (CMIA, CCAB or equivalent) and have wide internal audit management experience, to enable them to deliver the responsibilities of the role.

9.2 The CIA will ensure that there are appropriate resources to deliver an annual evidenced-based audit opinion. As stated in the CIPFA Application Note, "No formula exists that can be applied to determine internal audit coverage needs. However, as a guide, the minimum level of coverage is that required to give an annual evidence-based opinion. Local factors within each organisation will determine this minimum level of coverage."

9.3 The Internal Audit Service has access to staff that have a suitable range of knowledge, skills, qualifications and experience to deliver requisite audit assignments. The type of reviews that will be provided in year include risk based and systems reviews, contract audits, grant certification work, consultancy input to new / modified systems, compliance and special / fraud investigations. In the event of special investigations being required, this will be pursued in conjunction with the Corporate Investigations team if considered appropriate.

- 9.4 If it is identified that there is a shortfall in a particular or specialist/technical skill the CIA will not agree to undertake the audit assignment which could impact on effectiveness or quality of output. In such circumstances external resources may be procured as appropriate until the in-house team gains the required skills.
- 9.5 As previously determined Internal Audit may undertake consultancy activity (additional activity requested by management) where it has the necessary skills and resources to do this. This will be determined by the CIA on an assignment basis in conjunction with the Executive Director of Resources and s.151 Officer where there is likely to be an impact on the delivery of the audit plan.

10. AUDIT PLANNING

- 10.1 The CIA will develop an annual audit strategy, together with annual audit plans and a summary of annual audit coverage using a risk based methodology and an assessment tool. The key factors used in the assessment are:
- Materiality: The size of a system or process in terms of financial value or numbers of transactions or number of people affected.
 - Corporate Importance: The extent to which the Council depends on the system to meet statutory or regulatory requirements or corporate priorities.
 - Stability: The degree of change within the process.
 - Vulnerability: Extent to which the system is liable to breakdown, loss, error or fraud.
 - Specific concerns: Arising from management's assessment of risk as well as audit intelligence.

It will take into account documented corporate and operational risks, as well as any risks or concerns subsequently notified to Internal Audit by senior management. This will be submitted to Senior Management for their approval prior to being taken forward to the Audit Committee for final endorsement, in advance of the new financial year to which they relate.

- 10.2 Resources and required skills are identified as part of the annual planning process. As identified in 9.4 any shortfall in technical skills and/or differences in the resources available to meet the requirements of the audit plan will be highlighted to management and the Audit Committee as part of the planning methodology within the audit strategy along with the continuous review of the Internal Audit Training Strategy. It will outline the assignments to be carried out and the broad resources and skills required to deliver the plan. It will provide sufficient information for the Council to understand the areas to be covered and for it to be satisfied that sufficient resources and skills are available to deliver the plan. Areas included in the audit plan are highlighted in **Table 1**.

TABLE 1: AUDIT ACTIVITIES

- Core system assurance work
- Governance, Risk Management and Assurance Framework
- ICT governance and risk
- Corporate / Cross Cutting audits (including value for money reviews)
- Contracts and projects
- Departmental specific reviews
- Compliance activity
- Grant claim certification work
- Fraud and irregularities
- Follow up activity
- Internal consultancy / advice on risks, controls and procedures
- Fee paying audit work
- Member support

10.3 The audit plan will be kept under review to identify any amendment needed to reflect changing priorities and emerging risks based on planning assessment methodology. It will be flexible but will only contain a small element of contingency to accommodate fraud assignments which could not have been readily foreseen. However, in accordance with the internal audit assessment process, specific audit requests may take precedence over the original audit plan. If a request for additional work arises where the assessment criteria does not identify the review as high priority, Internal Audit will reserve the right to make a charge for any additional work that is still deemed required by the business. This will be done in consultation with the Executive Director of Resources and s.151 Officer and reported to the Audit Committee as appropriate. Resources, such as specialist or additional auditors may be required to supplement this.

11. REPORTING

11.1 The process followed for completing each audit is set out in **Table 2**. Upon completion of each audit assignment, an Internal Audit report will be prepared that:

- Provides an opinion on the risks and controls of the area reviewed, and this will contribute to the annual opinion on the internal control environment, which, in turn, informs the Annual Governance Statement; and
- Provides a formal record of points arising from the audit and management responses to issues raised, to include agreed actions with implementation timescales;
- Prompts management to implement agreed actions within targeted dates; and
- Is quality checked by senior officers within Internal Audit prior to circulation.

11.2 Exit meetings are held enabling management to discuss issued Draft Audit Reports. Accountability for responses to Internal Audit recommendations lies with the Chief Executive, Directors, and Heads of Service, as appropriate, who can either, accept and implement guidance given or formally reject it. However, if audit proposals to strengthen the internal control environment are disregarded and there are no compensating controls justifying this course of action, an audit comment will be made in the Final Audit Report, reiterating the nature of the risk that remains and recognising that management has chosen to accept this risk. Similarly, if following exit meeting discussions findings, recommendations or audit conclusions are disputed by the client every effort will be made to resolve any situations arising with the relevant directorate. In both instances, depending on the severity of the situation and risk, the matter may be escalated upwards to the Chief Executive and drawn to the attention of the Audit Committee.

TABLE 2: WORKING ARRANGEMENTS DURING AUDITS	
Audit Brief	Where possible 10 days' notice will be given prior to the commencement of a review, although audits can commence earlier subject to mutual agreement, or where the nature of the work necessitates an immediate start. A brief is produced and agreed with manager(s) prior to the commencement of the review.
Fieldwork	Assignment undertaking including interviews, testing etc.
Exit Meeting	Held at conclusion of fieldwork, or once draft report has been produced (see below), to discuss issues found (if not already provided during course of fieldwork).
Draft report	A draft report will be produced after audit field work completion. A draft report meeting will be arranged with the Head of Service / Line Manager within 10 days of the report issue to discuss and formally obtain management responses. This will incorporate acceptance (or not) of actions together with timescales for implementation.
Final Report	Internal Audit incorporates management comments within the report along with agreed timescales to implement any agreed actions. The report will be re-issued as a final within 5 days of receiving the response. The report will be distributed in accordance with agreed protocols (see Table 4).
Follow-up Review	Audit activities are normally followed up within 6 months of report finalisation, but this can vary depending on target dates for implementation. Management is required to provide details of recommendation implementation which may be subject to further detailed review by internal audit. It is planned to review the follow up process during 2023/24 and the charter will be updated at this point to reflect any operational change.

11.3 Recommendations are rated and an overall opinion given on the service area reviewed (see **Table 3**). Final Audit Reports will be issued in line with agreed working protocols to the relevant nominated officers and subject to follow up work as necessary. Where there are no responses received from managers despite formally chasing, a report will be deemed as final and issued.

TABLE 3: AUDIT ASSURANCE	
Opinion / Assurance	Description
SUBSTANTIAL	The internal control system is well designed to meet objectives and address relevant risks, and key controls are consistently applied. There is some scope to improve the design of, or compliance with, the control framework in order to increase efficiency and effectiveness.
REASONABLE	The internal control system is generally sound but there are some weaknesses in the design of controls and / or the inconsistent application of controls. Opportunities exist to strengthen the control framework and mitigate further against potential risks.
LIMITED	The internal control system is poorly designed and / or there is significant non-compliance with controls, which can put the system objectives at risk. Therefore, there is a need to introduce additional controls and improve compliance with existing ones to reduce the risk exposure for the Authority.
NO	There are significant weaknesses in the design of the internal control system, and there is consistent non-compliance with those controls that exist. Failure to improve controls will expose the Authority to significant risk, which could lead to major financial loss, embarrassment or failure to achieve key service objectives.
RECOMMENDATION GRADES	
Grade	Description
Critical	Fundamental control weakness that jeopardises the complete operation of the service. TO BE IMPLEMENTED IMMEDIATELY.
High	Major control weakness which significantly increases the risk / scope for error, fraud, or loss of efficiency. To be implemented as a matter of priority.
Medium	Moderate control weakness which reduces the effectiveness of procedures designed to protect assets and revenue of the Authority. To be implemented at the first opportunity.
Low	Minor control weakness, which, if corrected, will enhance control procedures that are already relatively robust. To be implemented as soon as reasonably practical.

11.4 Following the end of the year, an annual report will be produced setting out Internal Audit's opinion on the state of the internal controls and governance across the Council. This will comment upon:

- The scope including the time period to which the opinions pertains;
- Any scope limitations;
- Consideration of all related projects including the reliance on other assurance providers;
- The risk or control framework or other criteria used as a basis for the overall opinion;
- The overall opinion, providing reasons where an unfavourable overall opinion is given; and
- A statement on conformance (or non-conformance) with the PSIAS and the results of the quality assurance and improvement programme.

11.5 Significant issues identified will be referred through to senior management for inclusion in the Annual Governance Statement.

11.6 All reports produced are set out in **Table 4**.

TABLE 4: PLANNING AND REPORTING FREQUENCY			
Report Produced	For	Reason	Content
Audit Report	<ul style="list-style-type: none"> • Service Manager • Director • Chief Executive • S151 officer • Monitoring Officer • Leader of the Council • Cabinet Member Finance and Corporate Governance • Chair of Audit Committee • Relevant Cabinet Member for portfolio area 	The end of each audit assignment as the main recipient and those charged with implementing the issues identified	<ul style="list-style-type: none"> • Executive Summary • Audit Opinion • Detailed risk issues • Agreed improvement plan

Progress Reports (based around the committee cycle)	Audit Committee	To provide the Council with progress at delivering the audit service and any key governance issues arising.	<ul style="list-style-type: none"> • Progress against annual plan • Any amendments to current annual plan • Details of significant risk issues • Details of non-responses or non-implementation of actions
Annual Opinion and Performance Report	<ul style="list-style-type: none"> • Audit Committee • External Audit • S151 officer • Monitoring Officer 	The end of each year in accordance with PSIAS. An evaluation of the works undertaken, and the level of assurance established.	<ul style="list-style-type: none"> • Annual assurance report giving CIA's opinion on the control environment • Achievement of the annual plan and performance data. • Effectiveness of Internal Audit
Annual Audit Plan	<ul style="list-style-type: none"> • Audit Committee • S.151 Officer • External Audit 	Beginning of year. Details of the service delivered and the future plans to provide assurance across the Council in accordance with PSIAS.	<ul style="list-style-type: none"> • Audit Plan and days to be delivered • Audit Charter • Code of Ethics • Performance indicators to monitor service delivery and quality

12. INTERNAL AUDIT SERVICES PROVIDED TO EXTERNAL CUSTOMERS

- 12.1 Audit activities undertaken on behalf of other organisations follow similar protocols to that of PCC in terms of compliance with PSIAS. Internal audit plans are developed on a risk-based methodology in providing assurance and delivering an evidence based Annual Head of Internal Audit Opinion. Reporting and progress monitoring is produced in accordance with the respective audit committee and senior management team and terms of reference detailed within service level agreements.

13. QUALITY ASSURANCE AND IMPROVEMENT

- 13.1 The PSIAS require that the Internal Audit develops and maintains a quality assurance and improvement programme (QAIP) that covers all aspects of the Internal Audit activity. The QAIP is informed by both internal and external assessments, any changes to the PSIAS themselves, best practice guidance and research, and continued improvements in the use of the audit system, Pentana. The results of the quality assurance programme together with progress made against the improvement plan will be reported to senior management and the Audit Committee.

13.2 Internal Assessments

13.2.1 Internal Assessments include on-going monitoring of the performance of the internal audit activity. The Service operates in accordance with a number of key performance indicators.

13.2.2 The PSIAS additionally require periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of Internal Audit practices. This obligation is satisfied by the CIA performing an annual self-assessment of the effectiveness of Internal Audit, before the results are submitted to the Audit Committee. Presenting this information to the Audit Committee enables members to be assured that the Internal Audit Service is operating in a satisfactory manner such that reliance can be placed on the subsequent annual audit opinion provided by the CIA.

13.3 External Assessments

13.3.1 External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. External assessments can be in the form of a full external assessment, or a self-assessment with independent external verification. PCC was subject to an external review in 2018 and was found to be fully compliant.



INTERNAL AUDIT: JOINT WORKING PROTOCOL

Vision

Two authorities with a shared vision to work in collaboration for the benefit of providing a better service to its stakeholders.

The overarching ethos is for each organisation to share information to improve service delivery and resident outcomes where there is an overlap of coverage.

Aims and Objectives

Internal Audit teams at PCC and CCC will use the principles contained within this joint working protocol to achieve the outlined vision.

A number of service areas are already jointly managed between the two organisations which offers the potential to have common governance arrangements. Internal Audit teams will explore ways where work can be aligned to ensure effective and efficient assurances are given in those areas where common governance arrangements are in place.

This joint working protocol will facilitate proportionate, consistent and best practice auditing and in turn result in a continually improving the audit service to both Councils.

Successfully implementing joint working arrangements between the two audit teams will include:

- Agreeing areas for shared audit Plans.
- The potential to place increased assurance on work completed by the other team. However, subject to the results, additional compliance works may be required on their own user data;
- Reducing audit work duplication.
- A shared record for action tracking recommendations in joint areas

- Setting standards to follow to ensure improved service outcomes for users;
- Sharing best practice; and
- Exploring the possibilities for workforce development or secondment.

Data Sharing

Data to be shared is restricted to (unless authorised by both Heads of Internal Audit):

- Annual Audit Plans and Annual Audit Opinions committee reports. These are already in the public domain through committee papers.
- Audit documentation for a specific audit which can be used to provide assurance (or otherwise) to the other authority on an area of service which is jointly managed. This can be the test programme identifying the key risks and controls, the tests undertaken alongside the evaluation reached. The final audit report will be made available for information.
- Implementation status of recommended actions in shared areas.

Excluded from the specification are the specific audit transactional data schedules.

Review of Protocol and Release of Information

The Protocol will be agreed by each Council's respective Head of Internal Audit and s.151 Director. It will be referred to each authorities Audit Committee as part of the annual audit planning process (usually in March each year). It will link in with each teams Audit Charter and will ensure that it meets Public Sector Internal Audit Standards.

The responsibility of the Protocol will remain with each Head of Internal Audit. Regular meetings, as a minimum every 2 months, will monitor its delivery with focus on the joint activities, data shared etc.

Sharing of data can be between all Team members. Requests do not need to be channelled through each Head of Internal Audit for approval but they should be made of aware of requests etc. (CC in emails can be used). Where final reports are shared, each s.151 Director and the appropriate Executive Director should be advised as courtesy.

Reports / data from one organisation must not be referred to by the other in any public reporting unless specific approvals obtained from the S151 Officer and relevant Director.

Steve Crabtree	Mairead Claydon
Peterborough City Council	Cambridgeshire City Council

PETERBOROUGH CITY COUNCIL

INTERNAL AUDIT CODE OF ETHICS

INTRODUCTION

The purpose of a Code of Ethics is to promote an appropriate ethical culture for Internal Audit. The Code sets out the minimum standards for the performance and conduct of Peterborough City Council's (PCC) Internal Auditors. It is intended to clarify the standards of conduct expected when carrying out their duties and promote an ethical, professional culture at all times when undertaking audit duties.

PRINCIPLES

Internal auditors are expected to apply and uphold the following principles:

- **Integrity.** The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.
- **Objectivity.** Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
- **Confidentiality.** Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
- **Competency.** Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

INTEGRITY

PCC Internal Auditors shall:

- Perform their work with honesty, diligence and responsibility;
- Observe the law and make disclosures expected by the law and the profession;
- Not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation;
- Respect and contribute to the legitimate and ethical objectives of the organisation; and

OBJECTIVITY

PCC Internal auditors shall:

- Not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organisation;
- Not accept anything that may impair or be presumed to impair their professional judgement; and
- Disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

CONFIDENTIALITY

PCC Internal auditors shall:

- Be prudent in the use and protection of information acquired in the course of their duties but should ensure that requirements of confidentiality do not limit or prevent reporting within the authority as appropriate; and
- Not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

COMPETENCY

PCC Internal auditors shall:

- Engage only in those services for which they have the necessary knowledge, skills and experience;
- Perform Internal Audit services with the International Standards for the Professional Practice of Internal Audit; and
- Continually improve their proficiency, effectiveness and quality of their services

MANAGING ARRANGEMENTS

To ensure compliance with the Code of Ethics:

- There is an annual review of the Code to reinforce understanding and confirm on-going commitment;
- Quality control processes are in place to demonstrate integrity in all aspects of the work;
- All staff are obliged to declare any potential conflicts of interest;
- Confidentiality is clearly understood and any breaches will not be tolerated; and
- Staff are aware and understand the organisations aims and objectives together with an appreciation of the policies and procedures which govern the areas to be audited.

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT STRATEGY 2023/24**

1 INTRODUCTION

- 1.1 Internal Audit has a key role in supporting the Council and its Audit Committee in discharging its governance responsibilities. Its aim is to provide independent risk based and objective assurance which is responsive to the needs of Councillors and management, ensuring assurance, advice and insight enhances the values and vision of Peterborough City Council.
- 1.2 In accordance with the mandatory Public Sector Internal Audit Standards (PSIAS), the Chief Internal Auditor must “establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals”. The role, purpose and authority of Internal Audit is defined in our Charter, which is updated annually and presented to the Audit Committee for approval.
- 1.3 This document demonstrates how Internal Audit will support the Council in by delivering a relevant and focused Internal Audit Annual Plan for 2023/24. It explains how the plan was developed, the resources required to fulfil it, and how we will continue to develop the audit service.
- 1.4 The strategy will be reviewed throughout the year to ensure its continued relevance, both in terms of supporting the council’s aims and in achieving a professional, modern audit service.

2 INTERNAL AUDIT PLANNING PROCESS

- 2.1 In an ever-changing risk and control environment, it is important that audit plans can adapt quickly to the needs of the Council. To ensure the plan is flexible and meets the needs of the organisation in real time an assessment and planning tool will be used throughout the year on a rolling basis. This approach has been in operation since 2018 and has the advantage that each selected piece of work is the right one.
- 2.2 In February 2022 Audit Committee, received and discussed some emerging themes as part of the annual planning process. These were generated from our review of: departmental and strategic risk registers; discussions with senior management; the Council’s priorities; the Medium-Term Financial Strategy; key decisions and reports taken to Cabinet, Scrutiny Committee and other committees; and contract and project registers. The themes considered were:

Corporate governance	Information governance	Service Delivery	External Organisations
Financial governance	Environment	Contracts and Procurement	Project and Programme management

- 2.3 The list of ideas that this generated was then subject to an assessment, using our planning tool. The key factors being assessed are:
- Materiality: The size of a system or process in terms of financial value or number of transactions or number of people affected.
 - Corporate Importance: The extent to which the Council depends on the system to meet statutory or regulatory requirements or corporate priorities.
 - Stability: The degree of change within the process.
 - Vulnerability: Extent to which the system is liable to breakdown, loss, error or fraud.
 - Specific concerns: Arising from management's assessment of risk as well as audit intelligence.
- 2.4 The Annual Audit Plan was then compiled on the basis of:
- The prioritised list of potential audit reviews generated by the above assessment.
 - The number of audit days available for the year.
 - The skills, knowledge and experience of audit staff.
 - Assurance from other sources, including Cambridgeshire County Council audit plans in respect of our shared services.
 - An allowance for statutory activities, ad hoc consultancy, planning and progress reporting and follow-up reviews.
- 2.5 During the year, there will be new risks and concerns identified, or changes to those already identified and included in the plan. There will be regular review of these changes and a reassessment of priorities in accordance with the approach set out above. This will result in areas of work being added to or removed from the plan. It is anticipated that there will be a higher-than-normal level of change during 2023/24 due to the activities being undertaken as part of the Improvement Plan. These reviews of our governance arrangements, financial resilience, operating model and service delivery will result in changes to our risk governance and control framework, and we will keep activities and outcomes under review to determine the impact on our plans.
- 2.6 Our planning methodology does mean that we cannot state with certainty which audits will be undertaken, but this approach allows us to be responsive to new and changed risks and to ensure that assurance is provided in the most appropriate areas. Changes to the plan will be notified to the S151 officer and Audit Committee as part of agreed reporting arrangements.

3 AUDIT RESOURCES

- 3.1 The Internal Audit Service is provided by an in-house team with an establishment of 6.10 full time equivalent (FTE) staff. This has remained static for the last 4 years, although numbers in post have varied.

Post Name	FTE
Chief Internal Auditor	1.00
Group Auditor	1.60
Principal Auditor	0.50
Senior Auditor	2.00
Auditor	1.00
Total establishment	6.10

- 3.2 The CIA also has line management responsibility for the Insurance function and the Corporate Investigations team as well as the Internal Audit function. A recent appointment to the board of Peterborough Limited until the end of the municipal year will also utilise CIA resource time but this is not anticipated to be significant. These activities equate to approximately 0.4 FTE.
- 3.3 There has been significant efforts made to recruit to 2 vacant senior auditor posts during 2022/23. One senior auditor is due to join the team as a permanent employee in May as an 80% FTE with the remaining vacancy being covered by an agency resource for 2 months into 2023/24 whilst another recruitment exercise is undertaken. There is an assumption that this post will be filled in Qtr1 but a conservative reduction in time of 1 month has been made to the available time as a precaution. After adjusting for both posts and the reduction in time for the CIA's other responsibilities, the remaining FTE available to provide an audit service to Peterborough City Council is 5.4 FTE.
- 3.4 The audit team has a working protocol with Cambridgeshire County Internal Audit services. Peterborough City and Cambridgeshire County Councils operate shared services in many areas, requiring both audit teams to provide assurances to their respective management teams and audit committees. We liaise with our Cambridgeshire colleagues to minimise duplication, use resources efficiently, and to place reliance on each other's work where possible. During 2023/24 there will be some changes to the shared service arrangements across the two authorities but this will be monitored and the teams will continue to place reliance on each other's work where appropriate.
- 3.5 The audit plan does identify conflict of interests regarding the work to be undertaken in relation to Aragon and Peterborough Ltd., due to the Chief Internal Auditor's temporary role on the board of Peterborough Ltd. Our Charter states that such audits will be reviewed independently from the Chief Internal Auditor, and we will determine the most appropriate arrangements at the time. We will continue to keep this under review during the year as individual reviews are scoped to identify any new conflicts arising.

4 QUALITY ASSURANCE AND IMPROVEMENT

- 4.1 The Internal Audit team will operate to the mandatory professional standards outlined in the Public Sector Internal Audit Standards (PSIAS). We will continue to monitor and improve the quality of our work in the following ways:
- Robust, evidenced quality reviews of each piece of audit work by senior management.
 - Ongoing supervision and mentoring of staff, though 1:1s.
 - Assessment of the training needs of staff in conjunction with the internal audit training strategy and the corporate appraisal process.
 - Post-audit questionnaires obtaining the views of auditees.
 - Customer surveys to understand the requirements of management and their views on the quality of our service.
 - Producing and implementing an improvement plan based on any self or externally assessed reviews of our work.

5 AUDIT SERVICE DEVELOPMENT

- 5.1 We aim to continually review and improve our service to ensure it is of the highest quality and meets our aims, as set out in the Charter. We will continue to develop and implement our Quality Assurance Improvement Plan, including the following:

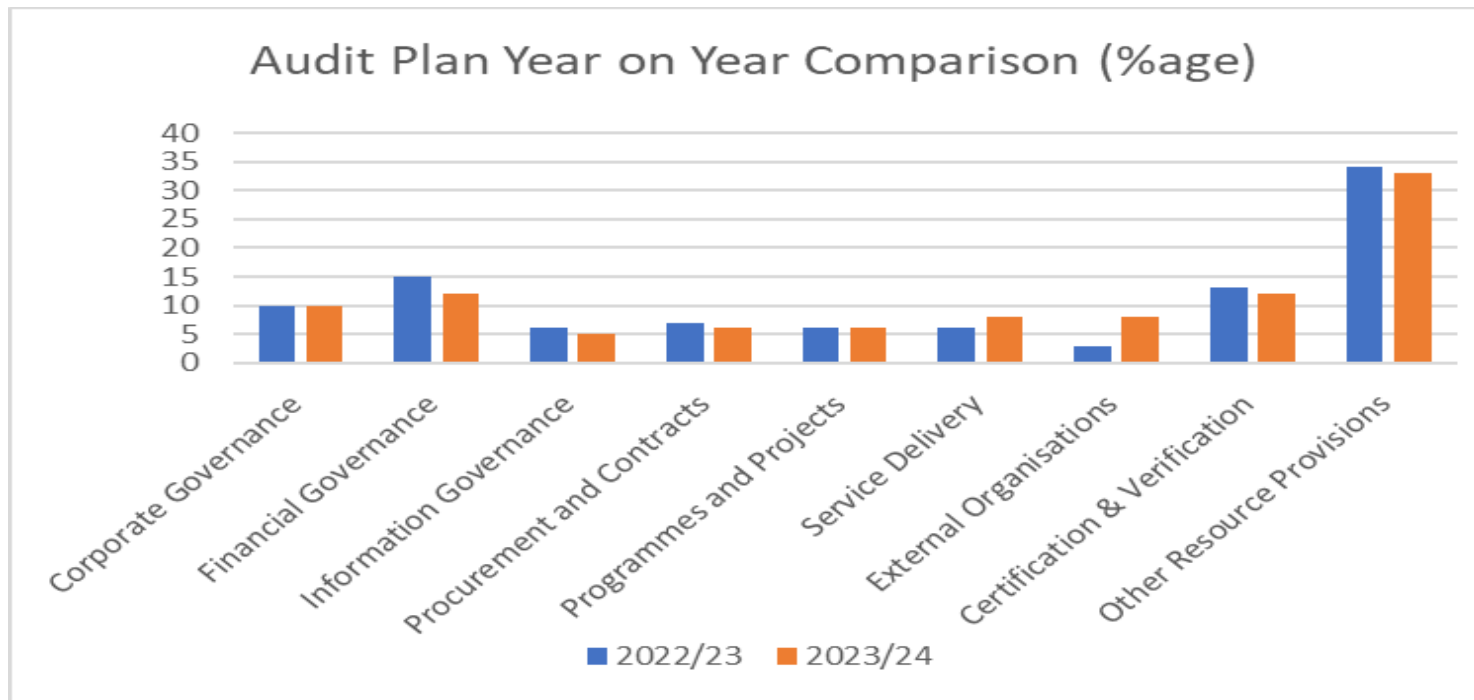
- Development of an assurance framework in conjunction with the business.
- Further development of our joint working protocol with Cambridgeshire County Council following any changes in shared services to improve efficiency and share best practice where appropriate.
- Review our reporting templates to enhance the provision of information about risks and controls.
- Review our performance targets to ensure they are in line with best practice.
- Update our follow-up process, to improve efficiency and ensure all actions are tracked and easily reportable.
- Review our post-audit questionnaire, with the aim of increasing its return rate using electronic surveys.
- Ongoing upgrades of our audit software, to ensure we are making full use of best practice enhancements.

6 OVERVIEW OF PLAN

6.1 The Plan for 2023/24 aims to give the Council the best audit coverage within the resources currently available, in order to provide an Annual Audit Opinion to feed into the Annual Governance Statement. The plan is based on 5.4 FTE, our currently available resources, which equates to 844 days. Appendix D lists the planned audits achievable within current resource levels, but also provides details of other high priority audits that have been considered as part of this planning process. APPENDIX D also identifies where our audits align to departmental and corporate risks.

6.2 The table below summarises our coverage of the key areas we consider annually. The allocation of resource demonstrates our key focus on financial and corporate governance in light the council's current strategy and objectives to enhance financial resilience and improve governance structures. The number of days available with a full establishment is 950, however with one Senior Auditor post due to be employed at 0.8 FTE and an adjustment for recruitment delays the current allocation of deliverable audit days is estimated as 844, resulting in a shortfall of 106 days.

Internal Audit Work Areas	Current Days Available	%
Corporate Governance	85	10
Financial Governance	105	12
Information Governance	39	5
Procurement and Contracts	45	6
Programmes and Projects	50	6
Service Delivery	70	8
External Organisations	70	8
Certification & Verification	100	12
Other Resource Provisions	280	33
TOTAL RESOURCES	844	100



6.3 Corporate Governance

Our plan provides a high-level overview of the governance arrangements at the Council, including Programme Board management, Risk Management and a review of how assurance is gained within the organisation. This is also a key theme resulting from business improvement being undertaken across the authority. We will continue to attend the Risk Management Board providing a critical friend role and consultancy advice.

6.4 Financial Governance

We have a strong focus on financial governance in accordance with financial issues facing the Council. We will look at financial resilience of the authority utilising the Cipfa toolkit and provide advice on the new Financial Operating Framework to ensure adequate controls are built into our financial governance procedures.. Three of our key financial systems are included and this is based on our risk assessment rather than a cyclical approach. We will also review how we charge for services and recover debts across some services along with many of our other audits picking up on financial aspects, including our reviews of contracts and projects.

6.5 Information Governance

This theme includes our work on IT, which is delivered as a shared service arrangement with Cambridge County. We are planning to continue review work around Cyber Security, particularly including arrangements to mitigate the risk and impact of phishing attacks. We will also look at our compliance with GDPR legislation. We will continue to attend the Strategic Information Governance Board, providing consultancy advice on the policy framework and emerging issues.

6.6 Procurement and Contracts

We assess the management of contracts as high priority at a strategic level and always include time in our plan. Procurement services was previously delivered by Serco but transferred into the authority during last year. We will continue to liaise with the team as they develop their in house systems. Three contracts have been identified for review during the year, the highways and maintenance contract – Milestone, Care and Repair and the Resettlement Contracts.

6.7 Programmes and Projects

We assess the management of projects as high priority at a strategic level and always include time in our plan. The 4 Programme Boards are intended to oversee the projects resulting from the Improvement Plan with projects being managed by officers across the council and some of the audit activities will look for assurance around project monitoring in this area. Four projects will be reviewed and we will examine projects to ensure appropriate business cases have been made and that they are being managed effectively to achieve their objectives. We will provide assurance that appropriate project management principles are being applied. Three additional projects are identified as below the line but if additional days become available or there is a change in project priority they may be undertaken.

6.8 Service Delivery

Again, service delivery is a key theme in the Improvement Plan with some shared service arrangement due to change during 2023/24. We will continue to monitor and reprioritise audit requirements during the year. We have included time for property services as a result of the team being brought back in house from Norfolk Property Services. In line with our corporate commitment to tackling climate change, we will continue to work with Climate Change Team to look at how operational activities can be built into our audits to determine their impact on our Climate Change Action Plan targets. In terms of other activities that may have an impact on services we are aware of the Adult Social Care reform that is due to be discussed during the year and we will monitor to determine if any audit work may be required.

6.9 External Organisations

Each year we aim to look at services delivered by external organisations in which we have an interest, such as joint ventures. We have included time to review Peterborough Investment Partnership along with an overarching governance review of the other external bodies. The scope for the latter will be further defined once the constitutional review of the council is formalised to avoid any duplication. We have programmed some work with Aragon and City College which presently operates to an arms length arrangement. We intend to review any new arrangements that are implemented to oversee external organisations once they are embedded, which may be this year or next year.

6.10 Certification and Verification

As a result of the Council continuing to receive and obtain grant funding, the demand for internal audit to certify grants continues. Also included in this area of the plan is other verification work carried out in line with Government requirements, such as the Supporting Families programme, an annual financial audit of the Mayor's Charity and Business Support grant assurance work. The latter has been a requirement in 21/22 and continues into 22/23 but we anticipate that whilst there may be some work arising it will be minimal.

6.11 Other Resource Provisions

This area includes time for:

- Completing 2022/23 audits that have yet to be finalised at the beginning of 2023/24
- Following-up the implementation of audit recommendations, normally within 6 months of the original audit.
- The provision of control advice and consultancy, which is requested on an ad-hoc basis from a variety of managers and officers. A large amount of this work consists of advice during the update or implementation of new systems or processes.
- Fraud related activities, including work under the National Fraud Initiative.
- A small contingency to cover unplanned work arising from changes implemented under the Improvement Plan.
- Annual audit planning, progress monitoring and reporting.
- Other committee support, including reporting, Audit Committee training and a review of Audit Committee effectiveness
- Review and update of the Internal Audit Charter and Ethics statement, Quality Assurance Improvement Plans and review of Internal Audit effectiveness
- As part of placing assurance across the organisation, an assurance mapping exercise will continue. (Will be included as part of annual Audit Opinion reports).

6.12 Anti-fraud Culture

The Chief Internal Auditor manages an Investigations Team, and reports to Audit Committee separately about their work. However, in delivering all of its work, internal auditors are alert to the risks and exposures that could allow fraud or corruption to occur. Our plan also includes time for our annual work in relation to the National Fraud Initiative where internal audit have a key role. Where suspected irregularities require prompt reactive investigating, we will re-prioritise our audit plan to enable time to be released from other audit work. We will also work with the Investigations Team where appropriate.

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**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

AUDIT ACTIVITIES Provision for Internal Audit and Anti-Fraud activities that are not subject to risk assessment.	
SERVICE / SYSTEM	AUDIT SCOPE
Annual Audit Planning and monitoring	Produce risk assessed annual plan and strategy, including reporting of the progress of the plan during the year. In accordance with PSIAS. Review of Internal Audit effectiveness, Internal Audit Charter, Internal Audit Ethics Policy. Development and monitoring of the Quality Assurance Improvement Plan.
Annual Audit Opinion	Produce report detailing work carried out and Head of Internal Audit Opinion of Governance, Risk and Control, in accordance with PSIAS.
Audit Committee Support	This includes a review of Audit Committee effectiveness, update of the Audit Committee Handbook, provision of training and attendance at meetings.
Annual Governance Statement	Review of senior management self-assessment assurance statements to feed into the AGS. Review of action plan progress..
Corporate Governance and Assurance Framework	Overarching review of the organisations assurance framework to include - Fin/contract regs/ethics/standards/Local Code etc. and external providers - Qtr1 to feed into Annual Opinion.
Fraud activities	National Fraud Initiative – Review and investigation of data resulting from the national data matching exercise; Investigations into alleged fraud or irregular activity, as required; Review of fraud policies, including Whistleblowing policy.
Working Groups/ Boards/Committees	Attendance at working group/board meetings (for example: Risk Management, Information Governance, Cyber Security, Project and Procurement boards) and council committees, including annual report of audit activity relating to external organisations to the Shareholder Committee. Reviewing emerging issues.
Carry Forward Provision	Provision for the completion of 2022 - 23 audits.
Follow Up Provision	Reviewing and monitoring the implementation of recommendations.
Contingency	Allowance for unplanned work, particularly considering changes to the risk, control and governance framework that may result from Improvement planning and organisational change..
Advice and Consultancy	Allowance exists for time spent on providing risk and control advice to officers, management and members, as well as ad hoc requests for consultancy work.

TOTAL AUDIT DAYS	280
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**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

CERTIFICATION & VERIFICATION

Certification of grant claims in relation to funding received from government and other funding bodies, as well as other submissions we are required to make to government. These are not subject to risk assessment as they must be completed.

DESCRIPTION	DEPT	COMMENTS
Disabled Facilities	ACE	Non-ring-fenced capital funding towards Disabled Facilities grants that PCC can award to disabled clients for necessary housing alterations. Completion by October 2023.
Integrated Transport Block	PEC	A DfT scheme via the CPCA to help local authorities cut carbon emissions and create local growth. Completion by August 2023
Highways Maintenance	PEC	A DfT grant via CPCA for small transport improvement schemes costing less than £5 million, and for planning and managing the road networks. Completion by August 2023 (Needs Element, Incentive Element, Additional Incentive Element).
Pothole Action Fund	PEC	A capital funded DfT grant via the CPCA to support pothole repairs. Completion by August 2023
National Productivity Investment Fund	PEC	From DfT via CPCA to improve local road networks and public transport. Completion by September 2022
CPCA Funded Schemes	PEC	Project Schemes funded by the CPCA such as Nene Parkway Junction Improvements
Supporting Families	ACE	Payment by results scheme. Requirement to audit 10% of the claims for every submission. Also, to review the council's Outcomes Plan, which documents how PCC will apply the scheme. Claims reviewed monthly.
Household Support Fund	ACE	Grant fund scheme to award vouchers to eligible families
Supplementary Universal Grant	PH	From DHSC. Supersedes the Universal Grant and links to the Drugs and Alcohol Treatment programme.
Rough Sleepers	PH	From DHSC. Links to the Drugs and Alcohol Treatment programme.
Housing / Homelessness Support	PH	From DHSC. Links to the Drugs and Alcohol Treatment programme.
Mayor's Charities	L&G	Independent examination of the Mayor's Charities' accounts, in line with the Charity Commission's requirements.

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

CERTIFICATION & VERIFICATION

Certification of grant claims in relation to funding received from government and other funding bodies, as well as other submissions we are required to make to government. These are not subject to risk assessment as they must be completed.

DESCRIPTION	DEPT	COMMENTS
Business Support Grants (Covid)	CS	Payment Assurance activity, as required by DLUCH, in respect of all Covid business support schemes. Use of government fraud checking service, review payments made to determine error or fraud, submission of monitoring data and documents to evidence our work.
TOTAL AUDIT DAYS		100

Prioritised Audits for Review

The following audit areas have been subject to an assessment (of size, corporate importance, stability, vulnerability and specific concerns) and ranked accordingly. The assessment, and therefore the ranking, may change during the year as circumstances alter and new risks emerge. Audit reviews will be prioritised on the basis of this ranking, along with the number of audit days available, the knowledge and experience of staff and any timing requirements. The shaded areas represent audits that will not be possible with current resources.

SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Financial Resilience	Corporate Risk	CS	Risk: Savings targets are not achieved / financial sustainability not realised. A review of the arrangements in place to ensure that savings targets are robust and that they are monitored. Utilisation of the Cipfa toolkit	H
Financial Operating Framework	Internal Audit	CS	Control advice during the development of revised Financial Operating Framework, including Financial Regulations, Contract Standing orders, Contract management policy, Capital governance strategy – due to be developed by the new Deputy 151 Officer	H
Income Generation / Recovery	Corporate Risk	ACE	A review of processes that ensure accurate and complete billing and debt recovery for Adult Services.	H
Cyber Security	Internal Audit	CS	Follow-up of previous Limited Assurance audit report and focus on security in relation to remote working and phishing	H
Treasury Management	Financial System	CS	A compliance review of limits as specified within the strategy.	H

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

Prioritised Audits for Review

The following audit areas have been subject to an assessment (of size, corporate importance, stability, vulnerability and specific concerns) and ranked accordingly. The assessment, and therefore the ranking, may change during the year as circumstances alter and new risks emerge. Audit reviews will be prioritised on the basis of this ranking, along with the number of audit days available, the knowledge and experience of staff and any timing requirements. The shaded areas represent audits that will not be possible with current resources.

SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Risk Management	Internal Audit	CS	A review of risk Management governance, strategy and operational activities	H
External Organisations Governance	Internal Audit	Cex	An overarching review of External Organisations to include Board membership and the scrutiny arrangements of the Shareholder Committee - Dependent on scope of external constitutional review	H
Aragon – Use of Subcontractors	Mngt Request	PEC	A review of property subcontractors to ensure best value and quality.	H
Highways Maintenance	Contract	PEC	A contract monitoring review of Milestone following contract extension	H
Clare Lodge	Corporate Risk	ACE	Review of financial and budgetary arrangements of the secure unit.	H
Accounts Payable	Financial System / Project	CS	A review of the early payment project review of savings realisation and / or A review of dormant accounts	H
Health and Safety	Corporate Risk	CS	A review of operational resilience arrangements as a result of the termination of the SLA with CCC or monitoring of the SLA arrangements if it is extended.	H
Building Control	Mngt Request	PEC	A review of action plan progress following the Essendyke Ombudsman findings and recommendations.	H
Resettlement Contracts	Contract	PEC	A contract management review to include Befriender Services - PARCA	H
Programme Boards	Internal Audit	CS	A review of governance arrangements of the Programme Boards due to be introduced as a result of business improvement programmes.	H

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

Prioritised Audits for Review

The following audit areas have been subject to an assessment (of size, corporate importance, stability, vulnerability and specific concerns) and ranked accordingly. The assessment, and therefore the ranking, may change during the year as circumstances alter and new risks emerge. Audit reviews will be prioritised on the basis of this ranking, along with the number of audit days available, the knowledge and experience of staff and any timing requirements. The shaded areas represent audits that will not be possible with current resources.

SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Schools Reviews	Mngt Request	ACE	Review of a selection of schools to incorporate arrangements such as governance, budgetary control and contract tendering	H
City College	Mngt Request	PEC	A review to focus on the governance arrangements in place and that responsibilities are being operated in line with the arms length agreement incorporating any issues and actions identified from the Cipfa review	H
Council Tax	Financial System	CS	A review of income collection arrangements	H
Peterborough Investment Partnership	Internal Audit	PEC	A governance review of the external organisation.	H
Economic Growth Projects	Projects	PEC	A review and oversight of the projects with regards to service delivery of growth eg Station Quarter,	H
Information Governance	L&G Risk	L&G	Compliance with GDPR legislation, data retention and how information can be shared. RISK: Lack of oversight and control of information management	H
Emergency Planning	Corporate Risk	CS	A review of emergency planning processes to include the frequency of plan reviews and staff preparedness	H
Performance Framework	Internal Audit	CS	Arrangements for the reporting and monitoring of performance indicators in association with service plans	H
Schools Capital Programme	Project	ACE	Project management review - Heltwate School	H
Property Services	Internal Audit	CS	Review of policies and procedures resulting from the integration of the NPS business into PCC and the relationship with Aragon	H
Home to School transport	Corporate Risk	ACE	Process to ensure transport is awarded in line with eligibility criteria Risk: Budget is insufficient to meet increasing demands on the service	H

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

Prioritised Audits for Review

The following audit areas have been subject to an assessment (of size, corporate importance, stability, vulnerability and specific concerns) and ranked accordingly. The assessment, and therefore the ranking, may change during the year as circumstances alter and new risks emerge. Audit reviews will be prioritised on the basis of this ranking, along with the number of audit days available, the knowledge and experience of staff and any timing requirements. The shaded areas represent audits that will not be possible with current resources.

SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Cost of Living Hub	Project	PEC	A project management review and it's link to future customer Service Strategies	H
Direct Payments	Internal Audit	ACE	Arrangements for managing direct payments to ensure they are spent in line with care plans.	H
Care and Repair	Contract	ACE	A review of the contract framework and management arrangements	H
Aragon – Income Generation	Internal Audit	PEC	Arrangements for billing processes and debt management	H
TOTAL AUDIT DAYS				464

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

Prioritised Audits considered for Review, presently below the line
The following audit areas have been subject to an assessment (of size, corporate importance, stability, vulnerability and specific concerns) and ranked accordingly. The assessment, and therefore the ranking, may change during the year as circumstances alter and new risks emerge. Audit reviews will be prioritised on the basis of this ranking, along with the number of audit days available, the knowledge and experience of staff and any timing requirements. The shaded areas represent audits that will not be possible with current resources.

SERVICE OR SYSTEM	SOURCE	DEPT	OUTLINE AUDIT SCOPE	PRIORITY
Climate Change – Action Plan	Corporate Risk	PEC	Arrangements for dealing with the potential effects of climate change on the council – Organisational Resilience	M
IT Systems	Project	CS	A review of the Insight Spend Data analysis tool project	M
MyView - Expenses Module	Project	CS	Control advice during implementation of expenses module - for online submission and approval of expenses.	M
Blue Badges	Internal Audit	PEC	Arrangements for ensuring Blue Badges are awarded to/used by those eligible to receive them. (could possibly link to NFI data matches)	M
Education Software Suite Replacement	Project	CS	Act as a 'critical friend' during design and procurement stage of the project	M
TOTAL AUDIT DAYS				65

**PETERBOROUGH CITY COUNCIL
INTERNAL AUDIT PLAN 2023/24**

DEPARTMENTS	
CS	Corporate Services
Cex	Chief Exec, including Human Resources
L&G	Law and Governance
ACE	Adults, Children and Education
PEC	Place, Economy and Communities
PH	Public Health

PETERBOROUGH CITY COUNCIL
AUDIT REVIEWS UNDERTAKEN DURING PREVIOUS 3 YEARS

2022/23 (includes reviews in progress)	2021/22	2020/21
Annual Governance and Assurance		
Annual Governance Statement Review Annual Investigations Report Annual Audit Opinion (2021/22) Annual Audit Plan and Strategy Internal Audit Effectiveness	Annual Governance Statement Review Annual Investigations Report Annual Audit Opinion (2020/21) Annual Audit Plan and Strategy Internal Audit Effectiveness Audit Committee Effectiveness / Support Shareholder Cabinet Committee	Annual Governance Statement Review Annual Investigations Report Annual Audit Opinion (2019/20) Annual Audit Plan and Strategy Internal Audit Effectiveness Audit Committee Effectiveness
Corporate Governance and Risk Management		
Risk Management (Management Board and Strategic Review) Risk Management – Follow Up	Risk Management (Management Board and Strategic Review) Risk Management (Shared Service) Shareholder Cabinet Committee – Follow Up	Risk Management (Management Board and COVID-19 Risk Register) External Bodies Oversight – Shareholder Cabinet Committee
Information Governance		
Information Governance (Shared Service Strategic Board) Cyber Security - Follow Up PCI Compliance	Information Governance (Shared Service Strategic Board) Cyber Security Remote Working – Data Protection	Information Governance (Shared Service Strategic Board attendance) Adult Social Care – Website Data Quality

PETERBOROUGH CITY COUNCIL
AUDIT REVIEWS UNDERTAKEN DURING PREVIOUS 3 YEARS

2022/23 (includes reviews in progress)	2021/22	2020/21
Anti- Fraud Culture		
National Fraud Initiative Anti-Fraud Policies	National Fraud Initiative Anti-Fraud Policies	National Fraud Initiative Anti-Fraud Policies
Financial Systems		
Payroll Fraudulent Payment Claim NNDR Sundry Debtors - Follow Up	Procurement Card System Follow-up Energy Management Follow up Payroll and Pension Processes Sundry Debtors Sundry Debtors Follow up Waste Collection Refunds Mosaic Payment Controls	Financial Control Framework Business Model Working Group Home Services Delivery Payment BACS Bureau Energy Management - Follow up
Contracts and Procurement		
Drug and Alcohol Treatment MRF Contract (Fenland DC undertaking review)	Milestone Infrastructure Ltd Contract Approvals (previously Skanska) Integrated Community Equipment Service (CCC Lead)	

PETERBOROUGH CITY COUNCIL
AUDIT REVIEWS UNDERTAKEN DURING PREVIOUS 3 YEARS

2022/23 (includes reviews in progress)	2021/22	2019/20
Projects and Programme Management		
Towns Funds Project Ukraine Support Fund Spectrum Replacement Project Back Up Protocols Project	Payment Data Analysis Programme and Project Management Town Fund Deal Town Fund Assurance Certification Middleholme Project Disaster Recovery Project Digital Signatures Project	Aragon Transition Project – Follow up HR Management System
External Organisations		
	City Culture Peterborough External Bodies Oversight – Shareholder Cabinet Committee Newborough Parish Council	Norfolk Property Services – Follow up Mayors Charity – Follow Up Newborough Parish Council

PETERBOROUGH CITY COUNCIL
AUDIT REVIEWS UNDERTAKEN DURING PREVIOUS 3 YEARS

2022/23 (includes reviews in progress)	2021/22	2020/21
COVID-19 – Grant Schemes or Process Change Reviews resulting from the pandemic		
COVID-19 Business Support Grant Schemes Contain Outbreak Management Fund City College Arts Cultural Recovery Fund – Rounds 3 & 4 Test and Trace Support Payments	COVID-19 Business Support Grant Schemes Compliance and Enforcement Grant City College Arts Cultural Recovery Fund – Round 1 & 2	COVID-19 Corporate Process Changes COVID-19 Business Support Grant Schemes COVID-19 Winter Grant Scheme COVID Hub – Food Parcels COVID Infection Control Grant Test and Trace Isolation Payments Supplier Relief Payment Controls Procurement Card System
Service Delivery		
Business Continuity – Departmental Review Teachers Pensions – Premature Requirement Project Mobile Phone Contract EE Tech Fund Absence Management Follow up Energy Management Integrated Transport System	Business Continuity – Follow Up and Operational Risk Registers Teachers Pensions – Premature Retirement F/up Financial Resilience – Business Improvement Plan Working Group Safeguarding Clients Assets (shared Service)	Business Continuity – Strategy (PCC/CCC shared Service) Health and Safety follow-up Teachers Pensions – Premature Retirement Free School Meals

PETERBOROUGH CITY COUNCIL
AUDIT REVIEWS UNDERTAKEN DURING PREVIOUS 3 YEARS

2022/23 (includes reviews in progress)	2021/22	2020/21
Service Delivery Cont:		
Climate Change	Regional Adoption Agency (shared service) Absence Management Absence Management Follow up IT Asset Management Follow up Payments in Lieu of Notice ITSM System Approval Process	SEN Payments All Saints Church of England School
Grants and Other Certification		
Highways and Infrastructure Grants (4) Traffic Signals Maintenance CPCA Funded Schemes Protect and Vaccinate Grant PIRI Project Homelessness Prevention Grant Rough Sleeper Initiative Drug Treatment Universal Grant Scheme Mayors Charity Fund Supporting Families	Highways and Infrastructure Grants (5) Bus Service Operations Home to School Transport Additional Funding Disabled Facilities Connecting Families Mayors Charity Fund Emergency Active Travel Grant Hampton Hargate NCTL Grant Arts Council Covid Recovery Fund (3) COVID-19 Compliance and Enforcement	Highways and Infrastructure Grants (5) Bus Service Operations Taxi Infrastructure Disabled Facilities Grants Connecting Families Mayor's Charity Fund

<p>PETERBOROUGH CITY COUNCIL</p> <p>AUDIT REVIEWS UNDERTAKEN DURING PREVIOUS 3 YEARS</p>
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Dedicated Schools Grants Post 16 Young People Funding 2021-22 Education Capital Grants Hampton Hargate School NCTL		
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AUDIT COMMITTEE	AGENDA ITEM No. 7
20 MARCH 2023	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services and S.151 Officer	
Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	George Wallace Head of Procurement Richard McCarthy Procurement Operations Manager	Tel. 07773576077 01733 384606

UPDATE – PROCUREMENT BOARD ACTIVITY

RECOMMENDATIONS	
FROM: Executive Director of Corporate Services and S.151 Officer	Deadline date: Update 15 February 2023
<p>It is recommended that the Audit Committee:</p> <p>1. Note the report setting out the actions of the Procurement Activity Board since October 2022.</p>	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Audit Committee following *a request from the Audit Committee at their meeting on [30 January 2023]to provide an update on progress on delivering on the required actions since October 2022.*

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to set out progress on Procurement Activity since October 2022 and provides more detailed information requested by the Committee at its meeting on 30th January 2023.

- 2.2 This report is for Audit Committee to consider under its Terms of Reference No. 2.2.2.15

To monitor the effective development and operation of risk management and corporate governance in the Council.

2.3

The specific detail relating to Appendix 4 is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the financial and business affairs of individuals. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as it is commercially sensitive.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

- 4.1 At the previous Audit Committee Meeting on 30th January 2023 the Procurement Team submitted an update in terms of three broad areas:
- Contract Values and Spend Under Management (App 3)
 - The Governance Process and details of Exemptions to Contract Rules (App 2)
 - Management of the Delivery of Procurement (App 1)
 - Development of the ERP system (App 4) EXEMPT
 - Climate Change and Social Value (App 5)
- 4.2 Audit Committee were encouraged regarding progress made but stated that more detailed information needed to be provided evidencing this. This report provides evidence as indicated at 4.1 above.
- 4.3 The Procurement Board, chaired by Cecilie Booth, Executive Director of Corporate Services and S151 Officer, has received updated reports from the Procurement Team regarding the Annual Plan for 2023/24 for Procurement. The team has pivoted and is now aligned to the 3 Corporate Directorates and a Senior Category Manager has been assigned to meet with relevant Department Management Teams to agree priorities and assign resource. Several meetings have taken place with Place and Economy, Corporate Services and separate meetings with ICT colleagues. Procurements are being categorised by their complexity and priority and value. The lower the value and complexity the lower level of resource required and the speedier the procured solution is delivered. In summary there are 4 levels assigned to procurements, Complex, High, Medium and Low. Appendix 1 shows the elapsed time and procurement resource for each level. Currently the team are in the process in aggregating as many pieces as possible to maximise the efficiency of the process.
- 4.4 Further work has been undertaken to review instances of non-compliance and a draft report included at Appendix 2. It is hoped that this will be a regular agenda item at Corporate Leadership Team (CLT). With the changes in exemption thresholds and the prospect of exemptions being rejected, Procurement colleagues are being approached more proactively to undertake compliant processes rather than submit exemptions. Procurement solutions are planned or are live currently to ensure these key areas of noncompliance do not recur. In addition up to date information and analysis has been included on exemptions raised since 1st September 2022 to date.
- 4.5 A further amendment to the current procedure for processing exemptions has now been agreed by Procurement and Legal colleagues and is being considered by Social Care Commissioners. If approved this will allow Adults and Children’s care placements to be a valid exception to the Contract Rules provided that a valid attempt has been made to procure those services via an existing compliant route first. The Governance will be achieved via a Cabinet Member Decision Notice and all placements made outside existing compliant routes will be recorded and evidence provided as why this was necessary. Approval will be made via the relevant director. The process will be shared once signed off at the next scheduled Procurement Board.
- 4.6 A query was raised by Audit Committee regarding measuring spend under management, i.e. the amount of third party spend the Council makes that is Governed by a current contract. Appendix 3 shows the walk between the MTFs stated budget and spend under management allowing for obvious items that wouldn’t be contracted such as pensions, grants to Parish Councils and so on. In summary the Council has 62% of its spend under management. Developments to the ERP system will allow the Council to achieve best practice levels of 80%.

4.7 A project is well under way to delivering the Council's Enterprise Resource Planning (ERP) system that will be procured in compliance with the Council's Contract Rules. The project group has now developed its vision for the "to be" state and has developed a functional specification honed by several demonstrations of market solutions and will be ready to procure in a matter of weeks. Efficiencies regarding the way in which suppliers share and update their details will reduce the time taken to verify these details and the new system will link the raising of requisitions to current contracts. If a contract is not available a workflow will send the requisition request to the Procurement team to plan the delivery of a compliant route to market. Appendix 4 shows the draft functional specification.

4.8 The outline of a plan based on the work undertaken by Suffolk County Council has been developed in order to embed Climate Change at the heart of the procurement process. Please refer to Appendix 5 for details of the planned Peterborough Climate Commercial Ask of suppliers and associated templates and guidance. Please refer to the Suffolk County Council website for a view of how Peterborough might approach this [here](#).

5. CORPORATE PRIORITIES

- 5.1 The recommendation to receive the update on procurement activity has a positive effect on the Sustainable Future City Council policy in the following ways:
- How we work – the decision taken to bring the Procurement service back in house from Serco has unlocked opportunities to review processes and tasks that don't add value and remove them to deliver efficiencies of process and to ensure the maximum level of resource targets direct procurement activities.
 - How we Serve – re-establishing the forward planning process will make the service proactive and less reactive, and provide leadership for commissioners of services, emphasising the need to deliver outcomes that are essential rather than desirable when specifying goods and services required to operate Council functions.
 - How we enable – in re-engineering systems and processes the procurement team will be better able to establish and minimise rogue spend and non-compliance. Improvement in ERP systems will enable better benchmarking (market insights to other Local Authorities spend and supplier base) and also provide economies of scale by planning 18 months of procurement priorities at a time – enabling decisions to be made earlier and increasing leverage with suppliers.

6. CONSULTATION

- 6.1 The development of the work around procurement has been presented to the ERP development Group, CLT and Procurement Board.
- 6.2 CLT will receive and consider this update in due course.

7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 There will need to be further amendments to the Constitution regarding the Contract Rules to further increase efficiency of process and to ensure focus on services that would legitimately require exposure to competition.

A greater transparency of procurement activity will need to be provided for CLT.

The formal re-launch of the No PO No Pay Policy will affect suppliers and colleagues placing orders for goods and services.

Greater training and support will need to be provided by the Procurement Team to help increase compliance.

8. REASON FOR THE RECOMMENDATION

- 8.1 It is recommended that the Audit Committee receive this report as an update on progress to improve compliance with the Council's Contract Rules, Public Contract Regulations 2015 and the Procurement Bill when implemented.

Fuller details will be delivered at the meeting to be held in March 2023

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 There is no alternative option as the requests from the October Audit Committee will need more time to be delivered and implemented.

10. IMPLICATIONS

Financial Implications

- 10.1 None

Legal Implications

- 10.2 There are no legal implications in respect of what is proposed.

Equalities Implications

- 10.3 None

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 None

12. APPENDICES

- 12.1

- Management of the Delivery of Procurement (App 1)
- The Governance Process and details of Exemptions to Contract Rules (App 2 Category Analysis, Analysis Retrospective, Analysis exemptions Sept 22 – Mar 23)
- Contract Values and Spend Under Management (App 3, Calcs, Data, Notes)
- Development of the ERP system (App 4) EXEMPT
- Climate Change and Social Value (App 5, Presentation, Draft Project Plan)

Appendix 1

Management of Procurement Resources

Complexity Scale

Complexity	Typical Procurement Days required per procurement	Description of Types of Procurement that relate to their complexity
Complex	85 days 12 months elapsed time	Procurements involving designing own process. Heavy Consultations. Unusual type of procurement model. Working jointly with other Local Authorities Multi stakeholder frameworks. Complex Competitive Dialogue or Competitive Procedure with Neotiation
High	65 days 9 months elapsed time	New multi-provider, client unclear of requirements Large frameworks involving a different strategy to previous piece. High Value (at least above £100k)
Medium	24 days 3 months elapsed time	Straight forward tender EU etc. Auctions - because manage the client and manage the suppliers. Contracts under review. See where improve or negotiate Re-opening of manual Light Touch Dynamic Purchasing Systems/Frameworks
Low	8 days 4 weeks elapsed time	Simple Call offs Lower value or simple RFQs re-opening' of an automated Light Touch Dynamic Purchasing System smaller non-complex above or below threshold procurements

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Available Resources

Days Per FTE Available Table 1

Total Workdays	261
Less Bank Holidays	8
Less Annual Leave	25
HR 1:1s, Team Meetings, Appraisals	4
Maximum Days Available	224

Table 2 FTE Numbers	No	Days
FTE HOP	1	224
FTE Direct Delivery	5	1120
FTE Operations	3	672
FTE Direct Delivery Vacancies	1	224
FTE Direct Delivery LTS	1	224
Total FTE	11	2464
Total FTE currently Available	9	2016

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Draft Annual Plan Statistics

No of potential Procurements

2023/2024

Type	No	Resource Days
Complex	15	1275
High	29	1885
Medium	38	912
Low	128	1024
Total	210	5096

Directorate	Type	Resource Days	No
People & Communities	Complex	1105	13
People & Communities	High	1235	19
People & Communities	Medium	96	4
People & Communities	Low	88	11
Place & Economy	Complex	85	1
Place & Economy	High	260	4
Place & Economy	Medium	48	2
Place & Economy	Low	136	17
Corporate Services	Complex	85	1
Corporate Services	High	390	6
Corporate Services	Medium	768	32
Corporate Services	Low	800	100

Place and Economy	People and Communities	Corporate Services
Richard McCarthy - Procurement Operations Manager	Jan Thistleton - Senior Category Manager	Helga Kendall Senior Category Manager
richard.mccarthy@peterborough.gov.uk	jan.thistleton@peterborough.gov.uk	helga.kendall@peterborough.gov.uk
01733 384606 or Teams	01733 864553 or Teams	01733 384593 or Teams
Highways and Transport Planning, Growth and Environment	Adults Services	Finance and Resources
Climate Change and Energy Services	Children's Services	Digital Data Analytics, Risk and IT Services
Housing and Homelessness	Public Health	Communications
Employment and Skills	Peterborough Limited	Commercial and Property
Community Safety		Delivery and Transformation
Regulatory Services		Human Resources and Workforce Development
Emergency Resilience and Planning		Health and Safety
Leisure and Culture		
Legal Governance		

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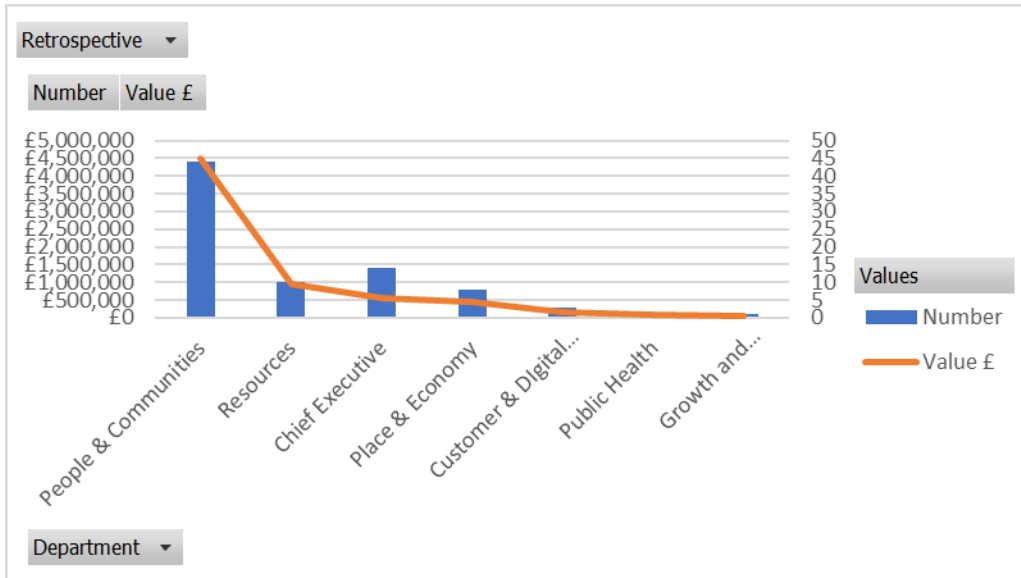
Date	Exemptions	Value	Directorate /Department	Description of Contract	Exemption category	Exemption Primary Reason	Comments	Solutions
09/12/2022	10	£846,380	People and Communities – Adults Commissioning	British Red Cross Hospital Discharge Service	Fully Externally Funded	Proprietary Goods and Services	This service has been funded via exemption since 2017 and is currently funded by the Containment Outbreak Management Fund (COMF). The Provider is now being invited onto the Early Intervention and Prevention DPS so that compliant procurement can take place in future.	Further compliant procurement solutions pushing the boundaries of the Light Touch Regime. CMDN to seek permission for a value and time period for authorisation to meet the needs of Adults and Children where it is evidenced that compliant routes have been exhausted negating the need for individual exemptions.
07/07/2022	4	£1,100,000	Place and Economy	PARCA	Asylum and Refugee funding HM Govt	Proprietary Goods or Services	Due to late allocations of funding by HM Govt and requirements to house and support further refugees before the current procurement could be completed has pushed the total spend above the Light Touch (Schedule 3 Threshold) of £663	Procurement underway for this category of spend so this incident will not reoccur
26/01/2023	1	£1,000,000	People and Communities	Wrixon	Agency staff – secure care specialists	Proprietary Goods and Services	The spend against this category if spend is well over £1m as is therefore significantly above the services threshold of £213,477 inc VAT.	Procurement planned to replace Opus contract will include this category of spend CMDN being drafted to seek permission to contract with this type of supplier until the new contract is in place.
	1			Woodhall			There has been well documented problems with the current Opus Agency contract which has failed to provide for Clare Lodge’s needs and a CMDN seeking Governance for the total spend for a period to allow a compliant procurement solution to be brought about but was never completed or approved.	As above
2022/2023	21	£986,055	People and Communities - Schools	Various Suppliers	Fully Externally Funded	Proprietary Goods or Services	Local authorities are responsible for arranging suitable education for permanently excluded pupils, and for other pupils who – because of illness or other reasons – would not receive suitable education without such arrangements being made. Governing bodies of schools are responsible for arranging suitable full-time education from the sixth day of a fixed period exclusion. Schools may also direct pupils off-site for education, to help improve their behaviour.	A call off via a Dynamic Purchasing System procured by Cambridgeshire which Peterborough are named on.

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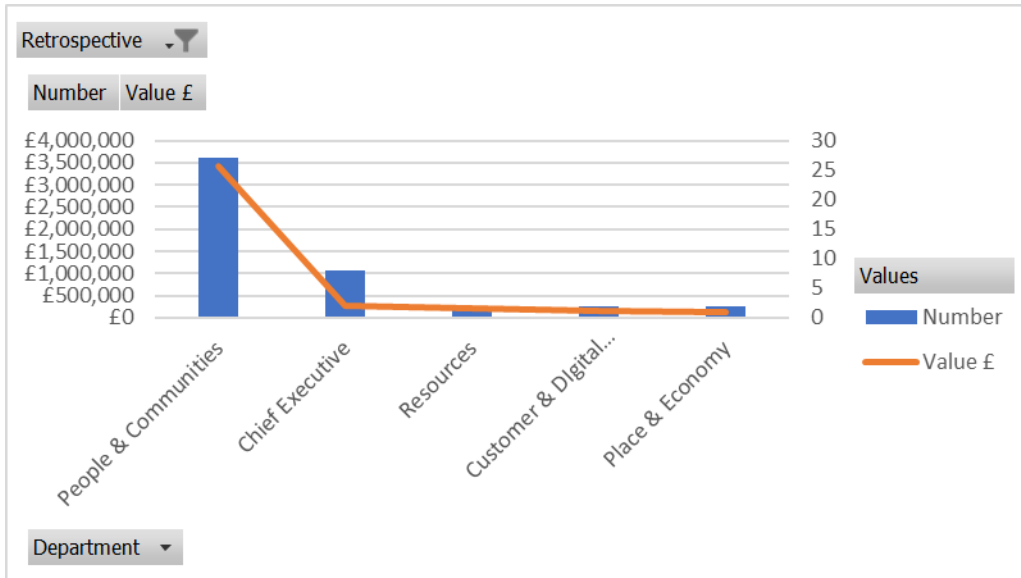
Category	Number of Exemptions	Value £
Placement	25	£3,099,142
Agency	11	£1,145,518
Fully externally funded	11	£508,059
Professional Services	7	£266,323
School Tuition	3	£234,845
Refugees	1	£223,807
ICT	3	£155,921
Translation	1	£154,915
Third Sector Service	4	£147,325
Parent Support	1	£125,900
Highways Assets	2	£115,792
Public Health	2	£100,544
Print & Design	1	£80,000
Deep Cleaning	1	£70,000
Brokerage	1	£50,000
Furniture	1	£48,000
Improvement Panel	1	£45,000
IT Software	1	£40,000
Highways	1	£38,330
Highways J15	1	£23,368
Electric Vehicles	1	£19,552
Events	1	£0
Grand Total	81	£6,692,342

Primary Reason	Number of Exemptions	Value £
Proprietary goods or services	41	£2,624,661
Compliant procurement routes exhausted	23	£2,569,249
Insufficient time	9	£868,582
Unforeseen changes	1	£223,807
An unavoidable temporary extension of existing contract	3	£204,874
An extension to an existing contract	2	£131,169
Sole supplier	2	£70,000
Grand Total	81	£6,692,342

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Retrospective (All) ▾		
Directorate ▾	Number	Value £
People & Communities	44	£4,494,045
Resources	10	£936,508
Chief Executive	14	£549,000
Place & Economy	8	£442,993
Customer & Digital Services	3	£155,921
Public Health	1	£75,544
Growth and Regeneration	1	£38,330
Grand Total	81	£6,692,342



Retrospective		Yes <input type="button" value="▼"/>	
Directorate <input type="button" value="▼"/>	Number	Value £	
People & Communities	27	£3,412,053	
Chief Executive	8	£261,000	
Resources	2	£207,000	
Customer & Digital Services	2	£148,426	
Place & Economy	2	£123,143	
Grand Total	41	£4,151,622	

UID Reference Number	Current Status	Date logged	Department	Category	Report Title	Supplier	Estimated Value £	Retrospective	Primary Reason
E001037	Complete	01/09/2022	People & Communities	Third Sector Service	Interim contract required for the continued delivery of Practical and Social Support Services by Age UK Cambridgeshire and Peterborough.	Age UK Cambridgeshire & Peterborough	£116,169	No	An extension to an existing contract
E001041	Complete	02/09/2022	People & Communities	Third Sector Service	Extension of contract for the delivery of Evidence Based Parenting Programmes to Barnardo's Services Ltd	Barnardo's Services Ltd	£15,000	Yes	An extension to an existing contract
E001044	Complete	04/09/2022	Resources	Agency	Interim Deputy S151 Officer	CIFPA Business Ltd	£117,000	Yes	Proprietary goods or services
E001043	Complete	05/09/2022	Chief Executive	Fully externally funded	2 x Data Analyst apprenticeships to be delivered by Estio	Estio Training Limited (09310120)	£30,000	No	Compliant procurement routes exhausted
E001045	Complete	08/09/2022	Chief Executive	Professional Services	Appointment of Greenwood's GRM Solicitors for Urgent Transaction	Greenwood's GRM	£10,000	Yes	Proprietary goods or services
E001046	Complete	08/09/2022	Chief Executive	Professional Services	Appointment of Barr Ellison LLP Solicitors for Urgent Transaction	Barr Ellison LLP	£27,000	Yes	Proprietary goods or services
E001047	Complete	16/09/2022	Resources	Professional Services	Academy Migration Project User Acceptance Testing Resource via Morgan Hunt	Morgan Hunt Ltd	£66,630	No	Proprietary goods or services
E001048	Complete	20/09/2022	Chief Executive	Professional Services	Contract for provision of legal services support	ST Legal Consulting Ltd	£15,000	Yes	Proprietary goods or services
E001049	Complete	21/09/2022	People & Communities	School Tuition	Contracts for Alternative Provision with Multiple Providers	NTAS 06779537	£56,745	Yes	Compliant procurement routes exhausted
E001050	Complete	21/09/2022	People & Communities	Placement	Contracts for Alternative Provision with Multiple Providers	Young Technicians	£6,300	Yes	Compliant procurement routes exhausted
E001051	Complete	21/09/2022	People & Communities	Placement	Contracts for Alternative Provision with Multiple Providers	Teaching Personnel	£13,860	Yes	Compliant procurement routes exhausted
E001052	Complete	21/09/2022	People & Communities	Placement	Contracts for Alternative Provision with Multiple Providers	Oak Activities	£21,550	Yes	Compliant procurement routes exhausted
E001053	Complete	21/09/2022	Chief Executive	Fully externally funded	Level 3 Early Years Practitioner Apprenticeships	Peterborough Educational Trust (trading as Inspire Education Group/Peterborough College 1143019)	£6,000	No	Proprietary goods or services
E001054	Complete	22/09/2022	Customer & Digital Services	ICT	Permission to purchase budget simulator tool from Delib Ltd	DELIB LIMITED	£7,495	No	Proprietary goods or services
E001055	Complete	23/09/2022	People & Communities	Placement	Return E back into supported living placement in Peterborough from Northampton	Deaf Blind (Rainbow Court)	£24,111	No	Compliant procurement routes exhausted
E001056	Complete	28/09/2022	People & Communities	Placement	Floating Support – extension to existing contract for two months	People Potential Possibilities (P3) via RSI	£44,908	No	Compliant procurement routes exhausted
E001058	Complete	28/09/2022	People & Communities	Placement	Interim contract required: 5-month extension to the British Red Cross Community Support at Home funded by PCC and the British Red Cross A&E 7 Day Discharge Service funded through the Better Care Fund.	British Red Cross	£60,952	No	Compliant procurement routes exhausted
E001057	Complete	28/09/2022	People & Communities	Placement	Educational placement	CMAT Meridian Academies Trust	£9,380	Yes	Compliant procurement routes exhausted
E001061	In Progress	29/09/2022	Customer & Digital Services	ICT	PRF 1544 – Citrix Licence Renewal	Computacentre (UK) Ltd	£99,926	Yes	Proprietary goods or services
E001060	Complete	29/09/2022	Chief Executive	Fully externally funded	Civil Engineer Technician level 3 Apprenticeships	IMET Skills Ltd	£14,000	No	Compliant procurement routes exhausted
E001062	Complete	03/10/2022	People & Communities	Placement	Educational placement	Edith Weston Academy (Brooke Hill Academy Trust)	£49,190	No	Compliant procurement routes exhausted
E001063	Complete	04/10/2022	People & Communities	Electric Vehicles	Award of contract to Pod Point Ltd for maintenance and collection of EV (Electric Vehicle) Charging payments for a 12-month period	Pod Point Ltd	£19,552	No	Proprietary goods or services
E001064	Complete	06/10/2022	People & Communities	Placement	Contract for therapeutic support – CAMHS Professionals Limited	CAMHS Professionals Limited	£345,438	Yes	Compliant procurement routes exhausted
E001065	Complete	06/10/2022	People & Communities	Placement	Exemption Form - Lives through Friends (JH)	Lives through Friends	£22,500	No	Compliant procurement routes exhausted
E001068	Complete	10/10/2022	Chief Executive	Agency	Specialist resource to support the CEXs Delivery Unit and the Council's wider transformation programme	DNS Umbrella Limited (Company Number:04994490)	£144,000	No	Proprietary goods or services
E001067	Complete	10/10/2022	Place & Economy	Highways J15	Award of a contract to UK Power Networks (UKPN) for diversionary works as part of the footbridge replacement works on the A1260 Nene Parkway Northbound at Junction 15.	UK Power Networks	£23,368	Yes	Proprietary goods or services
E001066	Complete	11/10/2022	Customer & Digital Services	ICT	6Stages Recruitment Software Renewal	6 Stages Ltd	£48,500	Yes	Insufficient time
E001070	Complete	12/10/2022	Chief Executive	Fully externally funded	Award of Apprenticeship contracts, one level 3 Business Administrator and twelve level 3 Teaching Assistant apprenticeships from City College	Peterborough Educational Trust T/A Inspire Education Group/Peterborough College (Charity number 1143019)	£65,000	Yes	Proprietary goods or services
E001071	Complete	21/10/2022	Place & Economy	Professional Services	Award of a contract to Atkins for advice and design of city centre wayfinding scheme update	Atkins	£35,000	No	Proprietary goods or services
E001072	Complete	26/10/2022	People & Communities	Placement	Exemption request for the award of temporary healthcare block car provision to Atlas Care Services Ltd and Caring Crew Ltd	Atlas Care Services Ltd (Registered Company no. 06326201) and Caring Crew Ltd (Registered Company no. 11302699)	£296,933	Yes	Compliant procurement routes exhausted
E001073	Complete	27/10/2022	Place & Economy	Professional Services	Atkins - Lynchwood and Fengate Area Travel Plan and Staff Engagement (Sustainable Travel)	Atkins	£82,013	No	Proprietary goods or services
E001076	Complete	29/10/2022	Resources	Agency	Specialist resource to support the CEXs Delivery Unit and the Council's wider transformation programme	The Surefoot Consulting Limited (Company Number: 06737881)	£144,000	No	Proprietary goods or services
E001079	Complete	01/11/2022	People & Communities	Placement	Contract for Residential placement – Hexagon Care Services	Hexagon Care Services	£112,560	Yes	Compliant procurement routes exhausted
E001080	Complete	01/11/2022	People & Communities	Placement	Contract for a Semi-independent placement – Genell Support CIC	Genell Support CIC	£57,304	Yes	Compliant procurement routes exhausted
E001081	Complete	02/11/2022	Chief Executive	Fully externally funded	Award of Apprenticeship contracts, one level 3 Digital Marketer apprentice from City College	(The Trustees of) Peterborough Educational Trust T/A Inspire Education Group/Peterborough College (Charity number 1143019)	£11,000	Yes	Proprietary goods or services
E001083	Complete	07/11/2022	Chief Executive	Fully externally funded	Community Activator Coach level 4 Apprenticeship	(The Trustees of) Peterborough Educational Trust T/A Inspire Education Group/Peterborough College (Charity number 1143019)	£9,000	Yes	Proprietary goods or services
E001094	Complete	07/11/2022	Chief Executive	Fully externally funded	Level 7 Senior Leader Apprenticeship to be awarded to Captiva Ltd. T/A National Education College	Captiva Ltd. T/A National Education College for apprenticeship tuition.	£14,000	No	Proprietary goods or services
E001078	Complete	08/11/2022	People & Communities	Translation	Provision of Translation and Interpretation Services by Capita Translation and Interpretation Services Ltd.	Capita Translation and Interpretation services Ltd	£154,915	No	An unavoidable temporary extension of existing contract
E001082	Complete	14/11/2022	Resources	Improvement Panel	Housing Property Consultant	Jon Sawyer Consultancy Ltd	£45,000	No	Proprietary goods or services
E001085	Complete	17/11/2022	Resources	Agency	Specialist resource to support the CEXs Delivery Unit and the Council's wider transformation programme	Eleve HR Ltd (Company Number: 5958662)	£144,000	No	Proprietary goods or services
E001091	Complete	23/11/2022	Resources	Agency	Specialist resource to support the CEXs Delivery Unit and the Council's wider transformation programme	Tile Hill Executive Recruitment	£144,000	No	Proprietary goods or services
E001087	Complete	24/11/2022	People & Communities	Fully externally funded	ICS Community Health Fund 2022 (Peterborough Council for Voluntary services)	Peterborough Council of Voluntary Services	£153,813	Yes	Proprietary goods or services
E001089	Complete	29/11/2022	Resources	Agency	Contract for specialist resource to support the Chief Executive's Delivery Unit and the Council's transformation programme	Drover Associates Limited	£127,000	No	Proprietary goods or services
E001090	Complete	29/11/2022	Chief Executive	Agency	Improvement Director – Sustainable Future Council	Edpool Limited	£76,000	Yes	Proprietary goods or services
E001096	In Progress	06/12/2022	People & Communities	Placement	Contract for therapeutic support	CAMHS Professionals Limited	£460,584	Yes	Compliant procurement routes exhausted
E001097	Complete	08/12/2022	People & Communities	Agency	Agency Resource to cover the position of Assistant Director of Children's Social Care (PCC and CCC)	Tile Hill Executive Recruitment (Company Number: 10484468)	£120,640	Yes	Proprietary goods or services
E001099	Complete	09/12/2022	People & Communities	Fully externally funded	Increased What If Capacity & Hidden Carers Campaign	Caring Together Peterborough	£23,280	No	Proprietary goods or services
E001101	Complete	16/12/2022	Resources	Agency	Academy Migration Project User Acceptance Testing Resource via Morgan Hunt	Morgan Hunt Ltd	£18,878	No	Proprietary goods or services
E001103	Complete	16/12/2022	People & Communities	Deep Cleaning	Award of Interim Contract for Specialist Decluttering and Deep Cleaning Services	Spotless Cleaning Services	£70,000	No	Proprietary goods or services
E001106	Complete	20/12/2022	People & Communities	Placement	Contract for Alternative Provision	Families First	£25,520	Yes	Insufficient time
E001104	Complete	20/12/2022	People & Communities	Placement	Contracts for Alternative Provision	Oak Activities	£86,050	Yes	Insufficient time
E001105	Complete	20/12/2022	People & Communities	School Tuition	Alternative Education Provision	NTAS 06779537	£45,825	Yes	Insufficient time
E001107	Complete	22/12/2022	People & Communities	Placement	MH(6323)	Sanctuary Housing Association	£54,725	No	Compliant procurement routes exhausted
E001108	Complete	22/12/2022	Resources	Agency	Locality Asset Management Property Consultant	Simon Consultancy Ltd	£90,000	Yes	Proprietary goods or services
E001109	Complete	03/01/2023	Public Health	Public Health	Contract for the delivery of Point of Care blood testing as part of NHS Health Checks in Primary Care	Abbott Ltd	£75,544	Yes	Proprietary goods or services
E001112	Complete	12/01/2023	People & Communities	Parent Support	Purchase of Triple P Online Codes	Triple P UK	£125,900	No	Proprietary goods or services
E001113	Complete	12/01/2023	People & Communities	Highways Assets	Contract Renewal – Contract UK14-881 Maintenance Agreement for 27 P&D Machines and Varioflex Pay on Exit system in SMH multi-storey car park	Flowbird Smart City UK Limited	£45,147	No	An unavoidable temporary extension of existing contract
E001117	In Progress	18/01/2023	Place & Economy	Fully externally funded	Sustrans Bike It – Capability Fund	Sustrans	£99,775	Yes	Proprietary goods or services
E001115	Complete	18/01/2023	Place & Economy	Highways Assets	Award of a contract to CA Telecom Ltd for diversionary works as part of the highway improvement scheme for Eastern Industries	CA Telecom UK Ltd	£70,646	No	Proprietary goods or services
E001116	In Progress	20/01/2023	People & Communities	Placement	Contract for therapeutic support – Serenity Welfare Ltd	Serenity Welfare Ltd	£356,586	Yes	Compliant procurement routes exhausted

E001118	Complete	20/01/2023	People & Communities	Placement	Contract for Seim-independent placement – Melburay Limited	Melburay Limited	£76,000	Yes	Compliant procurement routes exhausted
E001119	In Progress	24/01/2023	People & Communities	Placement	Residential Home supporting adults with learning disabilities and acquired brain injuries that have complex needs and challenging behaviour.	Richardson Care	£378,946	Yes	Compliant procurement routes exhausted
E001120	Complete	25/01/2023	People & Communities	Placement	This exemption request seeks approval to support an off-framework arrangement for the provision of homecare by Total Health Care 11844315	Total Health Care	£22,677	Yes	Compliant procurement routes exhausted
E001121	In Progress	26/01/2023	People & Communities	Agency	Agency Staff Support of a Resident at Clare Lodge Secure Home	Woodhall Personnel Recruitment	£20,000	Yes	Sole supplier
E001123	Complete	26/01/2023	Chief Executive	Print & Design	Electoral Print contract 2023	Print UK Ltd	£80,000	No	Proprietary goods or services
E001124	Complete	27/01/2023	Place & Economy	Fully externally funded	Outspoken Training contract extension (1 April 2023 to 31 March 2024) for delivery of Bikeability training	Outspoken Training Ltd	£82,191	No	Proprietary goods or services
E001125	Complete	01/02/2023	Place & Economy	Brokerage	Peterborough Investment Zone - Lobbying	TWI LTD 03859442	£50,000	No	Sole supplier
E001127	In Progress	02/02/2023	People & Communities	Placement	Alternative Education Provision	Olive Academy	£90,000	Yes	Insufficient time
E001129	In Progress	07/02/2023	People & Communities	Placement	Contract for Education Placement at Bridge House School	Bridge House School	£54,000	Yes	Compliant procurement routes exhausted
E001130	Complete	07/02/2023	People & Communities	Professional Services	Technical Advisory Services to the Council for the delivery of the St Georges SEN School Hydro Pool Project.	Hamson Barron Smith	£30,680	No	Proprietary goods or services
E001131	In Progress	10/02/2023	Resources	IT Software	Contract for supply of Aspire/Hub/Enlight Business Rates software	Destin Solutions Limited	£40,000	No	Proprietary goods or services
E001132	In Progress	16/02/2023	People & Communities	Third Sector Service	30 Day Extension to Peterborough Discharge Services	British Red Cross Peterborough	£11,344	No	Insufficient time
E001133	In Progress	21/02/2023	Chief Executive	Furniture	Procurement of furniture & IT equipment from CITB	CITB	£48,000	Yes	Proprietary goods or services
E001134	In Progress	21/02/2023	People & Communities	Placement	Contracts for Alternative Provision	1- 2 Achieve Limited (company number 13545349)	£340,888	Yes	Insufficient time
E001135	Complete	23/02/2023	People & Communities	Public Health	Direct award to NCT (National Childbirth Trust) for the delivery of the BBCS Programme	National Childbirth Trust (NCT)	£25,000	Yes	Proprietary goods or services
E001136	In Progress	21/02/2023	People & Communities	Placement	Contracts for Alternative Provision	Oak Activities Ltd (company number 09887385)	£88,180	Yes	Insufficient time
E001137	In Progress	21/02/2023	People & Communities	School Tuition	Contracts for Alternative Provision	NTAS 06779537	£132,275	Yes	Insufficient time
E001138	Complete	24/02/2023	People & Communities	Refugees	Contract Variation and Extension relating to the Befriender Services Under Afghanistan Relocations and Assistance Scheme	Peterborough Asylum and Refugee Community Association (PARCA Ltd)	£223,807	No	Unforeseen changes
E001140	In Progress	01/03/2023	Place & Economy	Events	Award of contract to Dash Events Ltd to deliver, construct and operate a real ice rink during the festive period of 2023 & 2024 on Cathedral Square	Dash Events Ltd (company number 11587638)	£0	No	Proprietary goods or services
E001141	In Progress	01/03/2023	People & Communities	Third Sector Service	Arrangement with Enabling Independence Service for Learning Disability and Network Team support – extension of advocacy element of the contract from 1 July 2023 to 2 October 2023	Enabling Independence	£4,812	No	An unavoidable temporary extension of existing contract
E001142	In Progress	07/03/2023	Growth and Regeneration	Highways	Diversionary works as part of the active travel improvement scheme for Malborne Way	CA Telecom UK Ltd	£38,330	No	Proprietary goods or services

2022/23 MTFS

	Revised Budget 2022/23 £000
Employees	72,354
Premises	18,935
Transport	5,774
Supplies and Services	135,764
Third Party Payments	42,925
Transfer Payments	76,544
Support Service	0
Income	-200,453
Financing Capital Expenditure	33,881
Total	185,724

MTFS figure is 181,603

forecast

	18,935	
	5,774	
	135,764	
	42,925	
Third party spend	203,398	REVENUE
	100,027	CAPITAL
TOTAL 3rd party	303,425	or: 254,246 using updated capital figure.

181603	Published MTFS
185724	Jan23 BCR
4121	Difference

using MTFS as start point for analysis:

182	net
200.5	income
382.5	gross
28.5	capital financing
72.5	employees
76.5	transfer payments (housing benefit)
205	THIRD PARTY (REVENUE)

Table 12: The Capital Programme 2021/22- 2023/24 Summary

Capital Programme	2021/22	2022/23	2023/24
	£000	£000	£000
Customer & Digital Services	2,500	3,000	3,000
People & Communities	46,128	13,147	16,453
Place & Economy	46,604	53,258	13,813
Resources	18,152	12,056	2,045
Total Capital Programme	113,384	81,461	35,311
Grants & Third-Party Contributions	67,764	61,975	20,631
Capital Receipts repayment of loans	1,079	15,488	1,219
Borrowing	44,541	3,998	13,461
Total Capital Financing	113,384	81,461	35,311
Invest to Save	13,500	6,575	-
Capitalisation Direction	20,000	-	-
Invest to Save and Other Borrowing	33,500	6,575	-
IFRS16 Transition (estimated)	-	22,000	-
Total Capital Programme	146,884	110,036	35,311

in 2021/22 MTFS

The Capital Programme 2022/23- 2024/25 Summary

Capital Programme	2022/23	2023/24	2024/25
	£000	£000	£000
Customer & Digital Services	3,164	2,080	3,000
People & Communities	22,441	7,203	15,720
Place & Economy	71,457	21,147	13,586
Resources	2,965	1,510	1,560
Total Capital Programme	100,027	31,940	33,866
Grants & Third-Party Contributions	78,994	21,871	24,213
Capital Receipts repayment of loans	15,000	-	-
Capital Receipts - used to fund capital programme	-	233	233
Borrowing	6,033	9,836	9,420
Total Capital Financing	100,027	31,940	33,866
Invest to Save	3,201	-	-
IFRS16 Transition (estimated)	22,000	-	-
Target reduction (tbc)	(9,234)	(9,836)	(9,420)
Total Capital Programme (Including Invest to Save, IFRS16 & reduction to programme)	115,994	22,104	24,446

in 2022/23 MTFS

Appendix A – 2022/23-2024/25 MTFS Detailed Budget Position Phase Two

	2022/23
	£000
NNDR	(54,038)
Revenue Support Grant	(10,794)
Council Tax	(91,593)
New Homes Bonus	(2,951)
Business Rate Pool	(2,541)
Improved Better Care Fund	(7,480)
Social Care Grant	(7,753)
Services Grant	(2,896)
Lower Level Services Grant	(302)
Adult Social Care - New Burdens Grant	(535)
Reserves	(1,000)
TOTAL CORPORATE FUNDING	(181,883)
PLANNED EXPENDITURE	
Chief Executives	1,458
Governance	4,059
Place & Economy	22,043
People & Communities	99,440
Public Health**	(178)
Resources	13,577
Customer & Digital Services	6,854
Business Improvement	719
NET SERVICE EXPENDITURE	147,972
Corporate Expenditure (including Levies)	5,152
Capital Financing Costs	28,479
TOTAL PLANNED EXPENDITURE	181,603
REVISED SURPLUS*	(281)

**Peiord Financial Spend Data to March 2023 vs Current Contracts Register
Spend Under Management Calculation Estimate
Annual Spend vs estimated annual contract spend**

Data from file Supplier Spend - Apr 22 - Mar 23

£m

Revenue	203
Capital	51

[2022/23 MTFS](#)

Total	254
--------------	------------

£m

Source	Description	Amount
Rev	Preschool	8
Rev	Parish Councils	1
Rev	Pensions	1.8
Rev	No Supplier	0.1
Rev	Under £5k	5.5
Cap	Under £5k	0.1
Cap	No Supplier	11
Cap	CCC	0.5
Rev	CCC	18.9

Disregard	46.9
------------------	-------------

In Scope	207.1
PC Annual Estimate	128

Spend Under Management	62%
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The MTFS published budget was approx 182m, this has changed analysis shows the current 186m net revenue budget across gross and net, and the nature of spend (employees etc.).

This level of detail was not published in old MTFS / budget documents, but it will be set out a lot more clearly from 23/24.

There are some adjustments since this was published, (refer to breakdown is of 185.7m) but from this analysis, the gross expenditure estimated to be 3rd party spend is 203k revenue.

Note the forecast capital programme spend is £50.848m rather than the 100.027m that was planned - the reduction is due in part to the capital programme review to bring the programme down to an affordable level, and also the 100m included grant funding for some multi-year schemes, that at the time had not been profiled over the years.

Therefore accurate Capital and Revenue Third Party Spend is to £254m total.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Commercial Ask

**Embedding Carbon Reduction and Social Value into Procurement &
Contract Management**

Why include carbon reduction in procurement?

- Council declared a climate emergency, committing to become a net zero carbon organisation by 2030
- PCC Carbon footprint = Scope 1 + Scope 2 + Scope 3 emissions
- Other LAs estimated Scope 3 emissions = 90-96% of total emissions
- Scope 3 emissions include emissions from purchased goods and materials (and staff mileage)
- Council committed to "Research and explore options with the ambition of developing a procurement plan which will look to include progressive milestones to 2030 to support the council's supply chain to reduce emissions."

Climate Change: Commercial Ask Approach

- Approach inspired by Suffolk County Council
- Two Commercial Asks: Social Value and Climate Change
- Key principles:
 - Transparent – all tender marking criteria and contract management checklist is available online
 - Supportive – information, guidance and tools are provided for suppliers to meet Ask criteria
 - Evolving – the Ask can become more ambitious over time or adapted to new council ambitions
 - Scalable – the Ask can be introduced as a non-enforceable ask of current and future suppliers, a specification in requirements, a requirement in contracts, an evaluation criteria in tenders and quotations or in contract management. This can be expanded over time.

Climate Change Commercial Ask (example to be edited for PCC ambitions)



Our ask of our contractors to focus and deliver on the following

- know the impact that your organisation has on the environment;
- have an **Environmental Policy** that embeds a culture of reducing negative environmental impacts within your organisation;
- ensure your environmental **impact** is **measured** and regularly **reported** and overseen at the highest level;
- reduce negative environmental impacts with a clear **action plan** outlining the work to be undertaken focusing on the biggest impacts, with key targets and timelines to the actions to be undertaken for example;
- if you use travel, reduce your mileage. For the miles that you are not able to reduce, travel in more environmentally friendly ways;
- if you use building/s ensure that you have had Environmental building survey/s undertaken and mitigated the negative environmental impact;
- work with your supply chain to know the environmental impact of the goods/services you purchase and mitigate/reduce the negative impact, where the negative impact is not able to be reduced, offset the impact;
- **work towards your organisation also being Carbon Net Zero by 2030.**

Climate Change Commercial Ask development and required documents

Section	Documents
Non enforceable ask of current and new supplier	<ul style="list-style-type: none"> •Climate Change Commercial Ask •Guidance for suppliers •Communications strategy for potential suppliers including engagement days •Webpage with up to date information •Training / guidance for officer
Tender Specification	<ul style="list-style-type: none"> •Guidance for Category Managers and Commissioners •Revised ITT Documents
Added to Contract Management Process	<ul style="list-style-type: none"> •Guidance and materials for Contract Managers
Tender Evaluation Criteria	<ul style="list-style-type: none"> • Guidance for Evaluators • Evaluation Criteria
Social Value	<ul style="list-style-type: none"> • Evidence tracking tools, Loop, Social Value Portal.

Project Plan

- [ClimateAskPlan.xlsx \(sharepoint.com\)](#)

DRAFT

Climate Ask Link to Social Value

- The Council does not have Social Value Policy or Toolkit
- Procurement Bill – Expectation that all procurements include a social value element.
- Procurement Bill – MEAT now MAT – removing the economic imperative to allow greater emphasis on Social Value.
- Mandate for considering carbon reduction in procurement, should a similar approach be taken for other areas of social value?
- Social Value must link to Corporate Strategy Aims for Sustainable Future City

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AUDIT COMMITTEE	AGENDA ITEM No. 8
20 MARCH 2023	PUBLIC REPORT

Report of:	Rochelle Tapping, Director of Law and Governance & Monitoring Officer	
Contact Officer(s):	Ben Stevenson, Data Protection Officer/Head of Information Governance	Tel. 01733 452387

USE OF REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

RECOMMENDATIONS	
FROM: Rochelle Tapping, Director of Law and Governance & Monitoring Officer	Deadline date:
<p>It is recommended that the Audit Committee</p> <p>1. <i>Receives a report on the authority's process, application and use of powers within the Regulation of Investigatory Powers Act (RIPA)</i></p>	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to the Audit Committee as a scheduled report on the Council's use of the powers contained within the Regulation of Investigatory Powers Act (RIPA)

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide Members with an overview of the following items:

- An updated review of the council's policy
- an understanding of RIPA which enables them to have effective oversight of the use of said powers
- a report detailing the usage of the powers

- 2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.1.13

To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
---	-----------	----------------------------------	--

4. BACKGROUND AND KEY ISSUES

- 4.1 Local authorities exercise criminal investigation powers for a number of reasons from fly tipping, to planning enforcement, to sale of counterfeit goods. The Council may undertake covert surveillance to investigate such matters and that work will be regulated by RIPA. It also provides a statutory process for authorising such work.

RIPA seeks to ensure that any covert activity undertaken is necessary and proportionate because of the impact on an individual's right to a private life under Article 8 of the Human Rights Act. In undertaking such activity, the Council are in effect suspending a person's right to privacy. RIPA seeks to ensure both the public interest and the human rights of individuals are balanced.

The Council is able to undertake directed surveillance meaning that it must be for the purpose of a specific investigation or operation. The Council is not permitted to undertake intrusive surveillance, i.e. surveillance in private premises or vehicles.

- 4.2 Covert surveillance might mean the use of CCTV to monitor an individual's movement or their actions. Whilst the CCTV camera itself is overt, it is the use of that camera to track that individual's actions without that individual knowing which makes that act covert. The Council may also use underage volunteers to purchase tobacco or alcohol whilst being filmed. The viewing of CCTV footage *after* an incident does not constitute covert surveillance and therefore does not fall under RIPA.

- 4.3 RIPA also permits the Council, via the National Anti-Fraud Network (NAFN) to require the release of communications data where the appropriate circumstances exist. We can obtain information which identifies the subscriber to a mobile phone and to see a call history, but we cannot gain access to the actual content of calls. In an investigation into a rogue trader, we could link the contact number to the person and others called. We cannot obtain access to electronic data protected by encryption or passwords, which would include emails.

- 4.4 The Council may also authorise the use of a Covert Human Intelligence Source (CHIS) to obtain information from individuals in a covert manner such as a Trading Standards officer using a pseudonym to carry out a test purchase online. It may also apply to the tasking of a member of the public to obtain private information about an individual. It should be noted that the Council has never authorised the use of a CHIS since the commencement of RIPA.

- 4.5 In addition to RIPA, the Protection of Freedoms Act 2012 introduced two key important provisions for local authorities such as Peterborough City Council. The first is that the offence being investigated must meet the *crime threshold*. This means that either the offence carries a maximum punishment of imprisonment of six months or more or it is an offence relating to the sale of tobacco or alcohol to underage individuals.

The second key factor is the approval process. Any investigations must be properly authorised by one of the Council's Authorising Officers in accordance with our policies and procedures. In addition, the council must also obtain judicial approval from a Justice of Peace i.e. district judge or Magistrate.

5. POLICY AND TRAINING

- 5.1 Peterborough City Council and Cambridgeshire County Council share a policy, authorising officers, easy access guides and training material.

- 5.2 Given recent organisational changes, and to update as appropriate, we have reviewed the policy, attached as Appendix 1. This has been reviewed by Rochelle Tapping as the council's Director of Law & Governance and Monitoring Officer, Peter Gell (Assistant

Director, Regulatory Services) and Rob Hill (Assistant Director Communities & Safety) as the councils' shared authorising officers. Linda Walker, as Cambridgeshire County Council's interim Director of Legal & Governance, has also reviewed the revised policy.

5.3 Key changes are highlighted however a summary of the changes are:

- Reflection that the statutory Code of Practice has been separated into three codes in relation to covert surveillance, CHIS and communications data, plus ensuring the reference to any sections of codes is correctly numbered
- Identification of Senior Responsible Officers and in the ability of the Chief Executive to act in their absence
- Clear definition of an authorising officer as being (a) head of service or above and (b) named in the policy
- Additional guidance on when activity falls outside of the scope of RIPA
- Examples of when the use of CCTV systems is subject to RIPA and when it may not be
- Example regarding the use of "drones"
- Reflect that use of a juvenile or vulnerable adult as a CHIS must be reported to IPCO

5.4 Training

We are currently investigating a tiered approach to training with an online option suitable for most with some more specific face to face training (delivered by an external provider) for others. As key users of the powers, Regulatory Services officers had two sets of face to face training in 2021.

We do also have a number of simple awareness videos available for staff to consider whether they need to think about actions they are taking:

[General Awareness](#)

[Social Media and RIPA](#)

We previously issued these to all directorates in 2021 and offered to discuss any concerns arising. Given organisational changes, we will be reissuing these prior to April 2023, along with a survey to help identify who may require training, guidance or support.

6 **IPCO INSPECTION**

6.1 The Investigatory Powers Commissioner's Officer (IPCO) provides independent oversight of the use of investigatory powers by intelligence agencies, police forces and other public authorities. As part of this oversight, they undertake inspections to assess compliance, provide guidance and assurance that such powers are being used appropriately and in line with the legislation and codes of practice.

Local authorities are inspected on a two to three year basis with our last inspection in 2021. The outcome of that inspection was reported to this committee and the recommendations to update the councils' policy was noted, and actioned.

7. **SURVEILLANCE UNDERTAKEN**

There has been no use of covert surveillance since the last Audit Committee report in November 2022..

8 **CORPORATE PRIORITIES**

The use of RIPA is outlined in the report above and in the policy attached.

9. CONSULTATION

9.1 The report following the inspection was received by the following parties:

- Chief Executive; and
- Director of Law and Governance

10. ANTICIPATED OUTCOMES OR IMPACT

10.1 The Audit Committee continues to be informed of the necessary and proportionate use of RIPA across the Authority through regular updates as required.
The Audit Committee receives and considers the council's policy

11. REASON FOR THE RECOMMENDATION

11.1 It is recommended that the committee continues to receive information on the use of RIPA and receives an updated policy annually based on the changes in the Code of Practice, processes or inspections.

12. ALTERNATIVE OPTIONS CONSIDERED

12.1 There are no alternative options considered at this time.

13. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

13.1 Regulation of Investigatory Powers Act 2000
Protection of Freedoms Act 2012

Peterborough City Council
Cambridgeshire County Council

Regulation of Investigatory
Powers Act Policy



Document Control

Purpose of document:	The approach to the use of RIPA powers and the process followed by Peterborough City Council and Cambridgeshire County Council when these powers are used
Intended audience:	Officers who may use directed covert surveillance as part of an investigation
Type of document:	Policy and procedure
Document lead/author	Ben Stevenson, Data Protection Officer, Peterborough City Council
Other documents that link to this one:	RIPA toolkit on Insite and CambWeb
Document ratified/approved by:	Audit Committee, Peterborough City Council Audit Committee, Cambridgeshire County Council
Version number:	Version 1.5
Issue date:	January 2023
Dissemination method:	Notification to staff via the Weekly Round-up newsletter and via All Staff notifications on the front page of Insite. Notification to staff via CamWeb
Date due for review:	January 2024
Reviewers:	Director of Law and Governance, Peterborough City Council Service Director: Legal and Governance (Cambridgeshire County Council)

DOCUMENT REVISION RECORD:

Description of amendments:	Version No.	Date of re-approval and re-issue
Review in light of legislation and procedural changes	2	March 2015
Document control added. Review in light of inspection and changes in officers	3	June 2018
Review in light of code of practice changes and inspection comments	4	March 2019
Review in light of code of practice changes and inspection comments	5	August 2021
Annual review of policy, formatting changes and reflection of organisational changes	6	January 2023

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1. Introduction

The Regulation of Investigatory Powers Act 2000 ('RIPA') regulates covert investigations by a number of bodies, including local authorities.

The Revised Codes of Practice (separated into Covert surveillance and property interference, Covert Human Intelligence Sources and Interception of communications) for use of such powers provide guidance to understand when RIPA applies and the procedures to follow. The Protection of Freedoms Act 2012 placed restrictions on when a local authority can use RIPA powers.

Authorisation under RIPA by one of the Councils' approved Authorised Officers gives authority to carry out Covert Surveillance, acquire communications data and use Covert Human Intelligence Source.

Authorisation ensures that the powers conferred by RIPA are used lawfully and in a way that does not interfere with the surveillance subject's Human Rights. It also requires those authorising the use of covert techniques to give proper consideration to whether use is necessary and proportionate.

The purpose of this Corporate Policy and Procedures Document is to explain:

- the scope of RIPA and the circumstances where it applies; and
- the authorisation procedures to be followed following the Protection of Freedoms Act 2012

1.1 Key Role Definitions

Senior Responsible Officer – a Senior Responsible Officer (SRO) provides senior management oversight of the use of RIPA and provides assurance and integrity for the process. This will include oversight of authorisations, errors, reporting, training and inspection.

The SROs for each council are:

- Cambridgeshire County Council: Emma Duncan, Service Director: Legal and Governance
- Peterborough City Council: Rochelle Tapping, Director of Law and Governance

In the absence of a SRO, the responsibility will be with the Chief Executive of each authority.

Central Monitoring Officer (CMO) – the CMO will maintain the central registers for covert surveillance and communications data and is responsible for coordinating of training, updates of policies, procedures and inspections.

The CMO for both Peterborough City Council and Cambridgeshire County Council is Ben Stevenson, Data Protection Officer/Head of Information Governance.

Authorising Officer (RIPA) – the code of practice requires that an authorising officer must be of service manager or above rank however the councils' approach taken is to consider authorising officers at head of service level as a minimum. In order to be an authorising officer, the individual must be named in this policy. For the list of current authorising officers, please see Appendix 2.

An authorising officer will consider the application made under RIPA. They will consider the information provided by the applicant and determine whether there is necessity and proportionality in authorising the surveillance request.

Applying Officers – whether the application falls under RIPA, an applying officer is responsible for completing the application in full and providing sufficient details for the Authorising Officer to consider the application. The applying officer must never be the authorising officer.

1.1 Useful Websites

General Guidance from the Investigatory Powers Commissioner's Office	https://www.ipco.org.uk/
Home Office guidance to local authorities on the judicial approval process for RIPA and the crime threshold for directed surveillance	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/118173/local-authority-england-wales.pdf
RIPA Forms	https://www.gov.uk/guidance/surveillance-and-counter-terrorism
Covert surveillance and property interference Code of Practice	https://www.gov.uk/government/collections/ripa-codes
Interception of Communications Code of Practice	https://www.gov.uk/government/collections/ripa-codes
Covert Human Intelligence Sources Code of Practice	https://www.gov.uk/government/collections/ripa-codes

2. Basic determination of RIPA

It is critical that prior to any activity being undertaken, an officer and an authorising officer undertake an assessment of the activity proposed.

This assessment should follow the procedure as detailed below.

Question	Answer	Notes
1. Is the surveillance activity covert?	Yes – proceed to question 2	This means that a subject is unaware of the activity due to the way it being undertaken
2. Is the surveillance directed?	Yes – proceed to question 3	This means that the activity is for a specific investigation or purpose
3. Is the investigation into a criminal offence?	Yes – proceed to question 4	If it is not an investigation the alleged commission of a criminal offence then RIPA does not apply however you should always be able to show that you have considered whether RIPA does apply.
4. Are you likely to obtain confidential or private information	Yes – proceed to question 5	If you are not likely to obtain such information then RIPA does not apply.
5. Does the offence meet the crime threshold?	If yes then RIPA applies	If it does not then RIPA does not apply however you should always be able to show that you have considered whether RIPA does apply.

Please refer to Surveillance Checklist for more detail.

3. General Observation Activities

The general observation duties of council officers will not require authorisation under RIPA whether covert or overt. Such duties form part of the functions we are required to provide as opposed to pre-planned surveillance of a person or group. Paragraph 3.33 of the Covert Surveillance and Property Interference Code of Practice provides some examples of when an authorisation may not be required.

Example 1: Plain clothes police officers on patrol to monitor a high street crime hot-spot or prevent and detect shoplifting would not require a directed surveillance authorisation. Their objective is merely to observe a location and, through reactive policing, to identify and arrest offenders committing crime. The activity may be part of a specific investigation but is general observational activity, rather than surveillance of individuals, and the obtaining of private information is unlikely. **A directed surveillance authorisation need not be sought.**

Example 2: Local authority officers attend a car boot sale where it is suspected that counterfeit goods are being sold, but they are not carrying out surveillance of particular individuals and their intention is, through reactive policing, to identify and tackle offenders. Again this is part of the general duties of public authorities and the obtaining of private information is unlikely. **A directed surveillance authorisation need not be sought.**

Example 3: Surveillance officers intend to follow and observe Z covertly as part of a pre-planned operation to determine their suspected involvement in shoplifting. It is proposed to conduct covert surveillance of Z and record their activities as part of the investigation. In this case, private life considerations are likely to arise where there is an expectation of privacy and the covert surveillance is pre-planned and not part of general observational duties or reactive policing. **A directed surveillance authorisation should therefore be considered.**

4. Covert Surveillance

4.1 What is Surveillance?

Surveillance includes:

- monitoring, observing or listening to persons, their movements, their conversations or their other activities or communication;
- recording anything monitored, observed or listened to in the course of surveillance;
- and

- surveillance by or with the assistance of a surveillance device.

4.2 When is surveillance covert?

Surveillance is covert when it is carried out in a manner calculated to ensure that the subject or others affected by the surveillance are unaware that it is or may be taking place.

RIPA regulates two types of covert surveillance namely directed and intrusive.

4.3 When is surveillance directed?

Surveillance is 'Directed' (paragraph 2.2 of the Covert Surveillance and Property Interference Revised Code of Practice) if it is covert and undertaken:

- it is covert, but not intrusive surveillance;
- it is conducted for the purposes of a specific investigation or operation;
- it is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation);
- it is conducted 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 under Part II of the 2000 Act to be sought.

4.4 When is Surveillance Intrusive?

LOCAL AUTHORITIES ARE NOT AUTHORISED TO CARRY OUT INTRUSIVE SURVEILLANCE

Surveillance is intrusive, (paragraph 3.19 of the Covert Surveillance and Property Interference Code of Practice) if it is covert and:

- is carried out in relation to anything taking place on any "residential premises" or
- in any "private vehicle" (see below); and
- involves the presence of an individual or surveillance device in the premises or in the vehicle, or
- is carried out by a means of a surveillance device

Surveillance which 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 is not intrusive unless 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.

A private vehicle is defined in the Act as any vehicle which is primarily used for the private purposes of the person who owns or has the right to use it. This would include company cars and leased cars used for business and pleasure. This is distinct to vehicles owned or leased by public authorities. Paragraph 7.49 of the Covert Surveillance and Property Interference Code of Practice provides guidance on the latter; if devices are used within a council owned vehicle with the knowledge of the occupants then this is not considered to be surveillance however hidden devices may require authorisation.

5. Authorising Covert Directed Surveillance

For covert directed surveillance, only an agreed individual can act as an Authorising Officer. They will not grant an authorisation unless they believe (and the prescribed forms require that the factors below are shown to have been taken into account):

- (a) that an authorisation is necessary; and
- (b) the authorised surveillance is proportionate to what is sought to be achieved by carrying it out.

An authorisation is necessary if:

- (a) The offence is punishable by a maximum term of six months imprisonment on conviction or is related to the underage sale of alcohol and tobacco as per article 7A of the 2010 Order.

An authorisation will be proportionate if the person granting the authorisation has balanced 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.

The onus is therefore on the person authorising such surveillance to satisfy themselves it is:

- (a) necessary for the ground stated above; and
- (b) proportionate to its aim and
- (c) fair and balanced

In order to ensure that authorising officers have sufficient information to make an informed decision it is important that detailed records are maintained. The prescribed forms (held by the Authorising Officer) must be fully completed.

It is also sensible to make any authorisation sufficiently wide enough to cover all that is required. This will also enable effective monitoring of what is done against that authorised. The use of stock phrases or cut and paste narrative should be avoided at all times to ensure that proper consideration is given to the particular circumstances of each case.

Particular consideration should be given to collateral intrusion or interference with the privacy of persons other than the subject(s) of surveillance and wherever possible steps should be taken to avoid or minimise it. Such collateral intrusion or interference would be a matter of greater concern in cases where there are special sensitivities, for example in cases of premises used by lawyers or for any form of medical or professional counselling or therapy, or in a particular community.

Any application for authorisation should include an assessment of risk of any collateral intrusion or interference. The Authorising Officer will take this into account, particularly when considering the proportionality of the surveillance.

The application should also be presented in a fair and balanced way which should include evidence or information which weakens the case for authorisation.

Those carrying out the covert surveillance should inform the Authorising Officer if the operation/investigation unexpectedly interferes with the privacy of individuals who are not the original subjects of the investigation or covered by the authorisation in some other way. In some cases the original authorisation may not be sufficient and consideration should be given to whether a separate authorisation is required.

The applying officer should have also undertaken a surveillance assessment which includes a health and safety risk assessment, Appendix 7.

Judicial approval should then be sought. The agreed corporate procedure for this can be found in Appendix 5.

Please also see Other Factors to be taken into account in certain circumstances.

6. The Surveillance Checklist for Applicants

Before a council officer undertakes any surveillance of any individual or individuals they need to assess whether the activity comes within RIPA. In order to do this they need to ask themselves the following key questions.

6.1 Is the Surveillance Necessary?

Any application granted must consider that the activity is necessary on one or more of the statutory grounds. In the case of the council then this will be for the prevention and detection of crime in line with the crime thresholds described below.

6.2 Is the Surveillance Covert?

Covert surveillance is that carried out in a manner calculated to ensure that the subject of it is unaware it is or may be taking place.

If activities are open and not hidden from the subject of an investigation, RIPA does not apply. Conversely if it is hidden, consider whether surveillance is likely to be directed or intrusive.

6.3 Is it Directed?

This means whether or not it is for the purpose of a specific investigation or a specific operative. The use of surveillance for general purposes will not normally be 'directed' and will not therefore require RIPA authorisation. An example of this is the use of CCTV cameras for general area wide observation. *However*, if the surveillance is used as a means of targeting a specific person or persons then RIPA will apply if private information is likely to be obtained. In such circumstances officers should also be mindful of the possibility of collateral intrusion when applying for the appropriate authority.

6.4 Private Information

The 2000 Act states that private information includes any information relating to a person's 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 or analysis.

Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the

totality of information gleaned may constitute private information even if individual records do not. Where such conduct includes covert surveillance, a directed surveillance authorisation may be considered appropriate.

Private information may include personal data, such as names, telephone numbers and address details. Where such information is acquired by means of covert surveillance of a person having a reasonable expectation of privacy, a directed surveillance authorisation is appropriate.

Paragraph 3.3 of the Covert Surveillance and Property Interference Code of Practice provides scope for what information which may not be private may include publicly available information such as books, newspapers, TV and radio broadcasts, business reports and websites.

If it is unlikely that observations will result in the obtaining of private information about a person then it is outside RIPA.

6.5 Is the crime threshold met?

The Protection of Freedoms Act 2012 introduced a *crime threshold* for local authorities wishing to carry out directed surveillance.

This means that local authorities can 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 6 months' or more imprisonment **or**
- are related to the underage sale of alcohol and tobacco as per article 7A of the 2010 Order.

A local authority **may not authorise** the use of directed surveillance under RIPA to investigate disorder that does not involve criminal offences or to investigate low level offences such as littering, dog control and fly posting.

If the offence changes during an investigation and meets the threshold test, then an application may be made.

6.6 Is it proportionate?

In determining whether the activity is proportionate, paragraph 4.7 of the Revised Codes of Practice, the following must be considered:

- *Have we balanced the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;*

- *Have we explained how and why the methods to be adopted will cause the least possible intrusion on the subject and others;*
- *have we considered whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;*
- *have we evidenced, as far as reasonably practicable, what other methods had been considered and why they were not implemented.*

7. When surveillance falls outside of RIPA?

There will occasions when a council officer undertakes activity which does not meet the criteria of RIPA.

It is critical that any activity, whether it falls into the scope of RIPA or not, should be undertaken with clear consideration as to whether the activity is necessary and proportional to the objectives. Every officer must consider this prior to engaging in any kind of surveillance.

Given the potential for challenge by a subject during legal proceedings, it is the councils' policy that such actions will still be governed by the RIPA framework to the extent that an officer must show that they have considered whether RIPA applies. This should be done by the using the Basic RIPA Determination at the start of this policy or Appendix 9 Checklist as an aide to the officers – this is an ongoing process for any investigation.

Where an activity fall outside of RIPA, then the officers should record actions taken showing that the activity is necessary and proportionate as they would with a RIPA application. This recording may be formalised during file reviews by managers, supervision meetings, prior to interviews or prior to the consideration of any legal proceedings. A manager or head of service should ensure that activities have followed the correct procedure.

Surveillance which can termed overt does not require authorisation – a visit to a property with the intention to speak to the occupier would not constitute surveillance. If there is no intention to speak to the occupier such as “drive pasts” to obtain information then this may become surveillance and therefore this policy applies. One visit to the property to obtain the details of a vehicle will not be considered surveillance however repeated visits to establish a pattern of behaviour will be considered and the appropriate form will be required.

8. CCTV

Paragraphs 3.36 to 3.39 of the Covert Surveillance and Property Interference Code of Practice provides guidance on the use of overt CCTV cameras.

8.1 Peterborough City Council

Peterborough City Council operates a CCTV system which can be used in surveillance where appropriate and where authorised. The CCTV system is overt and is governed by the Surveillance Camera Code of Practice and the ICO guidance on the matter. This does not mean that the use of overt cameras for surveillance does not require authorisation under the Act. It may be considered covert, pre-planned and directed towards a person or group which would require authorisation.

The corporate code of practice is available and covers the use by Police and non-Police agencies. Peterborough City Council has an agreed protocol with Cambridgeshire Police which is held by the CMO and CCTV Manager.

8.2 Cambridgeshire County Council CCTV

Cambridgeshire County Council have and have access to a number of cameras which are primarily for bus lane enforcement, highways and libraries. These are governed by the codes as described above. These cameras are primarily used for reactive footage but were they to be considered for any directed surveillance then the process used for Peterborough City Council would be followed.

8.3 Use of CCTV system by Cambridgeshire Police

Where the CCTV systems is being operated by Police officers under a RIPA authorisation, we will maintain a register of the details of the date and time of the authority was granted, the nature of the offence under investigation and the operation name and/or authority reference number.

If council officers operate the CCTV under direction of the police, the council will be provided with a redacted authorisation which shows the details of the date and time of the authority being granted, the activity authorised and its boundaries and limitations, the nature of the offence under investigation, the operation name and/or authority reference number.

Example 1: The council's CCTV systems is used to gather information as part of a reactive operation. This is to identify individuals who have committed criminal damage after the event. This use does not amount to covert surveillance as the equipment was overt and not

subject to any covert targeting. Use in these circumstances would not require a directed surveillance authorisation.

Example 2: Trading Standards team receive information that an individual suspected of rogue trading and fraud is known to be operating in the city centre area. A decision is taken to use the council's CCTV system to conduct surveillance against that individual, such that they remains unaware that there may be any specific interest in them. This targeted, covert use of the overt CCTV system to monitor and/or record that individual's movements should be considered for authorisation as directed surveillance.

8.3 Aerial covert surveillance

Whilst the councils do not currently utilise aerial surveillance devices such as drones or helicopters, any use in the future or by contracted providers should be considered for authorisations.

Paragraph 3.18 of the Covert Surveillance and Property Interference Code of Practice provides guidance on when the use of airborne crafts or devices, for example helicopters or unmanned aircraft (colloquially known as 'drones'), is planned.

The same considerations should be applied as with any application to determine whether a surveillance authorisation is appropriate. In considering whether the surveillance should be regarded as covert, account should be taken of the reduced visibility of a craft or device at altitude. The approach should be the same as if it were the use of overt CCTV cameras.

Example 3: An unmanned aircraft deployed by the council to combat fly tipping in a rural area is likely to capture private information and those observed, engaged in fly tipping or not, will be unaware that it is taking place. It does not matter whether the drone is marked as belonging to the council or not. Unless sufficient steps have been taken to ensure that individuals in the area have been made aware of the use of drones for this reason, then this activity should be regarded as covert and authorisation for directed surveillance is likely to be required.

9. Covert Use of Human Intelligence Source (“CHIS”)

Before use of a CHIS is authorised, advice must be sought from the Senior Responsible Officer or their appointed deputy. The application can be authorised by the Chief Executive (or an appointed deputy) and the applicant must ensure that the Authorising Officer have sufficient information to make an informed decision and the prescribed forms must be fully completed.

9.1 What is a CHIS?

Paragraph 2.1 of Covert Human Intelligence Source revised code of practice state that a person is a Covert Human Intelligence Source if:

- (a) they establish or maintain a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within Section 26 (8) (b) or (c) as stated below paragraph b) or c) ;
- (b) they covertly use such a relationship to obtain information or to provide access to any information to another person; or
- (c) they covertly disclose information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

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 that purpose.

9.2 When a CHIS and when not a CHIS?

The following give examples of when a CHIS would and would not be needed.

Would not need a CHIS authorisation	Would need a CHIS authorisation
<p>Intelligence suggests that a local shopkeeper is openly selling alcohol to underage customers, without any questions being asked. A juvenile is engaged and trained by a public authority and then deployed in order to make a purchase of alcohol. In these circumstances any relationship, if established at all, is likely to be so limited in regards to the requirements of the 2000 Act that a public authority may conclude that a CHIS authorisation is unnecessary. However, if the test purchaser is wearing recording equipment but is not authorised as a CHIS,</p>	<p>In similar circumstances, intelligence suggests that a shopkeeper will sell alcohol to juveniles from a room at the back of the shop, providing they have first got to know and trust them. As a consequence the public authority decides to deploy its operative on a number of occasions, to befriend the shopkeeper and gain their trust, in order to purchase alcohol. In these circumstances a relationship has been established and maintained for a covert purpose and therefore a CHIS authorisation should be obtained.</p>

<p>consideration should be given to granting a directed surveillance authorisation.</p>	
<p>Would not need a CHIS authorisation</p>	<p>Would need a CHIS authorisation</p>
<p>A member of the public volunteers a piece of information to a member of a public authority regarding something they have witnessed in their neighbourhood. The member of the public would not be regarded as a CHIS. They are not passing information as a result of a relationship which has been established or maintained for a covert purpose.</p>	<p>A caller to a confidential hotline (such as Crimestoppers, the HMRC Fraud Hotline, the Anti-Terrorist Hotline, or the Security Service public telephone number) reveals that they know of criminal or terrorist activity. Even if the caller is involved in the activities on which they are reporting, the caller would not be considered a CHIS as the information is not being disclosed on the basis of a relationship which was established or maintained for that covert purpose. However, should the caller be asked to maintain their relationship with those involved and to continue to supply information (or it is otherwise envisaged that they will do so), an authorisation for the use or conduct of a CHIS may be appropriate.</p>
<p>Would not need a CHIS authorisation</p>	<p>Would need a CHIS authorisation</p>
<p>A member of the public is asked by a member of a public authority to maintain a record of all vehicles arriving and leaving a specific location or to record the details of visitors to a neighbouring house. A relationship has not been established or maintained in order to gather the information and a CHIS authorisation is therefore not available. Other authorisations under the Act, for example, directed surveillance, may need to be considered where there is a possible interference with the Article 8 rights of an individual</p>	<p>Mr Y volunteers information to a member of a public authority about a work colleague out of civic duty. Mr Y is not a CHIS at this stage as he has not 14 established or maintained (or been asked to establish or maintain) a relationship with his colleague for the covert purpose of obtaining and disclosing information. However, Mr Y is subsequently contacted by the public authority and is asked if he would ascertain certain specific information about his colleague. At this point, it is likely that Mr Y's relationship with his colleague is being maintained and used for the covert purpose of providing that information. A CHIS authorisation would therefore be appropriate to authorise interference with the Article 8 right to respect for private or family life of Mr Y's work colleague</p>

9.3 Conditions for authorisation of Covert Human Intelligence Sources

Authorisation is not required where members of the public volunteer information to the Council as part of their normal civic duties or to contact numbers set up to receive information (e.g. a benefit fraud hotline).

The Council can only use a CHIS if authorisation has been authorised and received judicial approval. Authorisation will only be given if the use of the CHIS is for the purpose of preventing or detecting crime or of preventing disorder.

9.3.1 Necessity and Proportionality

The necessity and proportionality principles apply but the crime threshold does not apply in this area.

If the authorising officer considers it to be necessary, then they should consider proportionality as below:

- balance the size and scope of the proposed activity against the gravity and extent of the perceived crime or harm;
- explain how and why the methods to be adopted will cause the least possible intrusion on the subject and others
- whether the conduct to be authorised will have any implications for the privacy of others, and an explanation of why (if relevant) it is nevertheless proportionate to proceed with the operation; •
- evidence, as far as reasonably practicable, what other methods had been considered and why they were not implemented, or have been implemented unsuccessfully;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the information sought.

9.3.2 The Authorised Conduct

The Conduct so authorised is any conduct that:

- a) is comprised in any such activities involving the use of a covert human intelligence source, as are specified or described in the authorisation;
- b) relates to the person who is specified or described as the person to whose actions as a covert human intelligence source the authorisation relates; and
- c) is carried out for the purposes of, or in connection with, the investigation or operation so specified or described.

It is also sensible to make any authorisation sufficiently wide enough to cover all that is required. This will also enable effective monitoring of what is done against that authorised.

The maximum time limit for authorisation is 12 months for an adult CHIS.

The applicant, and the Authorising Officer if required, will attend to obtain judicial approval.

The corporate procedure can be found at Appendix 6.

9.3.3 Operational Considerations

The Authorising Officer must consider the safety and welfare of the source person acting as a Covert Human Intelligence Source and the foreseeable consequences to others of the tasks they are asked to carry out. A risk assessment should be carried out before authorisation is given. Consideration from the start, for the safety and welfare of the source person, even after cancellation of the authorisation, needs to be considered.

The Applicant will have day-to-day responsibility for dealing with the source person and for the source person's security and welfare. They will be termed the handler. They will have responsibility for

- Dealing with the CHIS on behalf of the authority
- Directing the day to day activities of the CHIS
- Recording accurate and proper information supplied by the CHIS
- Monitoring the CHIS's security and welfare

A senior manager, not the Authorising Officer, will at all times have general oversight of the use made of the source person and maintaining a record of such use. They will be termed the controller in accordance with the codes of practice. They will be responsible for the management and supervision of the handler and general oversight of the use of the CHIS.

The senior manager will need to comply with the Regulation of Investigatory Powers (Source Records) Regulations which requires that certain records be kept relating to each source. Each Authorising Officer has a copy of the aforesaid Regulations.

9.4 Operation involving multiple CHIS

A single authorisation may be used to authorise more than one CHIS. However, this is only likely to be appropriate for operations involving the conduct of several individuals operatives acting as CHISs in situations where the activities to be authorised, the subjects of the operation, the interference with private or family life, the likely collateral intrusion and the environmental or operational risk assessments are the same for each officer. If an authorisation includes more than one relevant source, each relevant source must be clearly identifiable within the documentation. In these circumstances, adequate records must be kept of the length of deployment of a relevant source to ensure the enhanced authorisation process set out in the 2013 Relevant Sources Order and Annex B of the Code of Practice can be adhered to.

9.5 Use of a Juvenile as a CHIS or in Directed Surveillance

In line with, Paragraph 4.1 of the Covert Human Intelligence Source revised code of practice, the Investigatory Powers Commissioner must be informed within seven working days of a CHIS authorisation of a vulnerable adult or a juvenile source. The Investigatory Powers Commissioner intends to keep such authorisations under close review and will report any relevant findings in his Annual Report.

Paragraph 4.3 of the CHIS Code of Practice refers to the use of juveniles in either scenario and how special safeguards also apply to the use or conduct of juveniles. The use of such a person could occur during test purchasing operations. The Code of Practice gives clear guidance:

- On no occasion should the use or conduct of a CHIS under 16 years of age be authorised to give information against their parents or any person who has parental responsibility for them.
- In other cases, authorisations should not be granted unless the special provisions, contained within the Regulation of Investigatory Powers (Juveniles) Order 2000 (as amended), are satisfied.
- Authorisations for use of a juvenile as a CHIS should be granted by the Head of Paid Service i.e. the Chief Executive.
- The duration of such an authorisation is four months from the time of grant or renewal (instead of twelve months), and the authorisation should be subject to at least monthly review.
- For the purpose of these rules, the age test is applied at the time of the grant or renewal of the authorisation.

We must ensure that an appropriate adult is present at any meetings with a CHIS under 16 years of age. The appropriate adult should normally be the parent or guardian of the CHIS, unless they are unavailable or there are specific reasons for excluding them, such as their involvement in the matters being reported upon, or where the CHIS provides a clear reason for their unsuitability. In these circumstances another suitably qualified person should act as appropriate adult, e.g. someone who has personal links to the CHIS or who has professional qualifications that enable them to carry out the role (such as a social worker). Any deployment of a juvenile CHIS should be subject to the enhanced risk assessment process set out in the statutory instrument, and the rationale recorded in writing.

The below give examples of when the juvenile may be a CHIS and when a directed surveillance application may be more appropriate.

CHIS authorisation not needed	CHIS authorisation needed
<p>Intelligence suggests that a local shopkeeper is openly selling alcohol to underage customers, without any questions being asked. A juvenile is engaged and trained by a public authority and then deployed in order to make a purchase of alcohol. In these circumstances any relationship, if established at all, is likely to be so limited in regards to the requirements of the 2000 Act that a public authority may conclude that a CHIS authorisation is unnecessary. However, if the test purchaser is wearing recording equipment but is not authorised as a CHIS, consideration should be given to granting a directed surveillance authorisation.</p>	<p>In similar circumstances, intelligence suggests that a shopkeeper will sell alcohol to juveniles from a room at the back of the shop, providing they have first got to know and trust them. As a consequence the public authority decides to deploy its operative on a number of occasions, to befriend the shopkeeper and gain their trust, in order to purchase alcohol. In these circumstances a relationship has been established and maintained for a covert purpose and therefore a CHIS authorisation should be obtained.</p>

9.6 Security and welfare

When considering deploying a CHIS, we should take into account the safety and welfare of that CHIS when carrying out actions in relation to an authorisation or tasking, and the foreseeable consequences to others of that tasking.

Before authorising the use or conduct of a CHIS, the authorising officer should ensure that a risk assessment is carried out to determine the risk to the CHIS of any tasking and the likely consequences should the role of the CHIS become known. This should consider the risks relating to the specific tasking and circumstances of each authorisation separately, and should be updated to reflect developments during the course of the deployment, as well as after the deployment if contact is maintained.

The ongoing security and welfare of the CHIS, after the cancellation of the authorisation, should also be considered at the outset and reviewed throughout the period of authorised activity by that CHIS.

Consideration should also be given to the management of any requirement to disclose information which could risk revealing the existence or identity of a CHIS. For example this could be by means of disclosure to a court or tribunal, or any other circumstances where disclosure of information may be required, and strategies for minimising the risks to the CHIS or others should be put in place. Additional guidance about protecting the identity of the CHIS is provided at paragraphs 9.26 to 9.29 of the of the Covert Human Intelligence Source revised code of practice.

The CHIS handler is responsible for bringing to the attention of the CHIS controller any concerns about the personal circumstances of the CHIS, insofar as they might affect:

- the validity of the risk assessment;
- the conduct of the CHIS; and
- the safety and welfare of the CHIS.

Where appropriate, concerns about such matters must be considered by the authorising officer, and a decision taken on whether or not to allow the authorisation to continue.

9.7 Considering a Covert Human Intelligence Source (CHIS) authorisation in social media/internet investigations

Any council officer or person acting on their behalf, who conducts activity on the internet in such a way that they may interact with others, whether by publicly open websites such as an online news and social networking service, or more private exchanges such as e-messaging sites, in circumstances where the other parties could not reasonably be expected to know their true identity, should consider whether the activity requires a CHIS authorisation.

A directed surveillance authorisation should also be considered, unless the acquisition of that information is or will be covered by the terms of an applicable CHIS authorisation.

9.7.1 Tasking someone to use a profile for covert reasons

Where someone, such as an employee or member of the public, is tasked by the council to use an internet profile to establish or maintain a relationship with a subject of interest for a covert purpose, or otherwise undertakes such activity on behalf of the public authority, in order to obtain or provide access to information, a CHIS authorisation is likely to be required.

Example of when CHIS authorisation is needed

An investigator using the internet to engage with a subject of interest at the start of an operation, in order to ascertain information or facilitate a meeting in person. • Directing a member of the public (such as a CHIS) to use their own or another internet profile to establish or maintain a relationship with a subject of interest for a covert purpose. • Joining chat rooms with a view to interacting with a criminal group in order to obtain information about their criminal activities.

9.7.2 Registering to access a site

A CHIS authorisation will not always be appropriate or necessary for online investigation or research. Some websites require a user to register providing personal identifiers (such as name and phone number) before access to the site will be permitted. Where an officer sets up a false identity for this purpose, this does not in itself amount to establishing a relationship, and a CHIS authorisation would not immediately be required, though

consideration should be given to the need for a directed surveillance authorisation if the conduct is likely to result in the acquisition of private information, and the other relevant criteria are met.

Example of when CHIS authorisation is not needed	Example of when CHIS authorisation is needed
<p>A Trading Standards officer intends to make a one-off online test purchase of an item on an auction site, to investigate intelligence that counterfeit goods are being sold. The officer concludes the purchase and does not correspond privately with the seller or leave feedback on the site. No covert relationship is formed and a CHIS authorisation need not be sought.</p>	<p>A Trading Standards officer tasks a member of the public to purchase goods from a number of websites to obtain information about the identity of the seller, country of origin of the goods and banking arrangements. The individual is required to engage with the seller as necessary to complete the purchases. The deployment should be covered by a CHIS authorisation because of the intention to establish a relationship for covert purposes.</p>

9.7.3 Use of Likes and Follows

Where a website or social media account requires a minimal level of interaction, such as sending or receiving a friend request before access is permitted, this may not in itself amount to establishing a relationship. Equally, the use of electronic gestures such as “like” or “follow” to react to information posted by others online would not in itself constitute forming a relationship. However, it should be borne in mind that entering a website or responding on these terms may lead to further interaction with other users and a CHIS authorisation should be obtained if it is intended for a council officer or a CHIS to engage in such interaction to obtain, provide access to or disclose information.

Example of when CHIS authorisation is not needed	Example of when CHIS authorisation is needed
<p>An officer maintains a false persona, unconnected to law enforcement activities, on social media sites in order to facilitate future operational research or investigation. As part of the legend building activity they “follow” a variety of people and entities and “likes” occasional posts without engaging further. No relationship is formed and no CHIS authorisation is needed.</p>	<p>The officer sends a request to join a closed group known to be administered by a subject of interest, connected to a specific investigation. A directed surveillance authorisation would be needed to cover the proposed covert monitoring of the site. Once accepted into the group it becomes apparent that further interaction is necessary. This should be authorised by means of a CHIS authorisation.</p>

9.7.4 The identity being used

When engaging in conduct as a CHIS, a council officer 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 considering the need for authorisation. Full consideration should be given to the potential risks posed by that activity.

9.7.5 Risk Assessment

Where use of the internet is part of the tasking of a CHIS, the risk assessment carried out in accordance with section 7.16 of the Covert Human Intelligence Source revised code of practice should include consideration of the risks arising from that online activity including factors such as the length of time spent online and the material to which the CHIS may be exposed. This should also take account of any disparity between the technical skills of the CHIS and those of the handler or authorising officer, and the extent to which this may impact on the effectiveness of oversight.

Where it is intended that more than one officer will share the same online persona, each officer should be clearly identifiable within the overarching authorisation for that operation, providing clear information about the conduct required of each officer and including risk assessments in relation to each officer involved.

10. Use of social media/internet in investigations

The use of the internet and its content such as social media such as Facebook, Instagram and Twitter in an investigation is permitted and may be a means of gathering intelligence. In accessing such sites, officers must consider the issues of privacy and collateral intrusion. The Covert Human Intelligence Source revised code of practice sections 4.29 to 4.35 provides good guidance on the subject.

Even though a person may have placed information about themselves or others in the public arena, they have done so with an expectation of a degree of privacy. Viewing information on the internet may constitute covert surveillance, particularly if there is monitoring of subjects involved for example to establish patterns of behaviour. Appendix 10 may assist officers in assessing whether their actions can be considered to be surveillance.

Where information about an individual is placed on a publicly accessible database such as Companies House, then they are unlikely to have expectations of privacy.

If an investigating officer enters into a 'conversation' with a profile, and the officer informs them that he is contacting them in his role as an employee of the council, then this contact will be overt and no authorisation will be required.

Where the activity does not include monitoring of material in the public domain, RIPA will not apply. If repeated visits to a site are made then this will constitute monitoring and consideration needs to be given to the use of social media or the internet as part of that investigation.

The following from the Code of Practice is a guide of factors to consider

- Whether the investigation or research is directed towards an individual or organisation
- Whether it is likely to result in obtaining private information about a person or group of people
- Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile
- Whether the information obtained will be recorded and retained
- Whether the information is likely to provide an observer with a pattern of lifestyle
- Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life
- Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s)
- Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties

Any similar activity carried out on the councils' behalf by a third party then this may still require a directed surveillance authorisation.

10.1 "Public setting"

If an investigating officer views for example a Facebook profile with whom they are not 'friends' which is not protected by any privacy settings the information can be treated as being in the public domain. Any initial viewing/visiting of this profile will be overt and authorisation under RIPA will not be required.

If the officer frequently or regularly views the same individual's profile this is considered targeted surveillance and a RIPA authorisation is required should it meet the stated RIPA test in this policy. If it does not then the officer should be able to show that they have considered whether RIPA applied.

10.2 Using a covert accounts and identities

Where officers are building and maintaining a relationship with an individual without that individuals knowing the true nature for the purposes of an investigation, this may require an application for the use of a CHIS. Guidance is provided in section

If officers create a false or covert identity, this must only be created with the approval of an Authorising Officer and the CMO must be informed. All use of the identity must be logged and reported to the CMO.

Any use of the internet in an investigation must be fully documented, Appendix 10 may be used as a template.

10.3 Council policy on reviewing use of social media during investigation

Misuse of council devices or misuse of social media may be considered in line with the relevant disciplinary policy. Any usage should be considered in line with the councils' social media policy and this policy.

Both councils have the capability to "audit" the use of social media sites by individual user's profile in line with the appropriate IT policies. The council will undertake such an audit in the event of a complaint or concern that social media has been misused or accessed during an investigation where RIPA may apply and has not been appropriately applied for. The concern will be raised with the Central Monitoring Officer and Data Protection Officer who will advise on the appropriate procedure.

The council may also undertake spot check audits and investigators or staff will be required to detail the reason for access.

11. Surveillance Application and Authorisation Process

Should the criteria be met, an officer will need to submit a directed surveillance application form to an authorising officer. The application form must be the latest version available on the Home Office website to ensure we are using the most up to date.

All sections relevant to the application must be completed and in a manner in which any authorising officer can understand i.e. it is not necessary for the authorising officer to be a specialist in the applicant's area.

The application must contain the following information

- A description of the investigation to date include details of the alleged offence which meets the crime threshold , details of subjects involved and an intelligence evaluation
- The conduct to be authorised must be described in detail
- Assessments of the local area, health and safety and risk have been completed
- Confirm the purpose of the operation and what it hopes to achieve
- What the operation will entail e.g. static, mobile, use of cameras.
- Where it will take place, when and how long will it last, remembering to be proportionate
- A description of what information will be obtained and how this will assist the investigation
- Explain why the directed surveillance is necessary i.e. it meets the crime threshold
- Explain the potential for collateral intrusion, why it is unavoidable and how it will be minimised.
- Explain how this is proportionate to what it seeks to achieve.
- Explain whether there is the likelihood of obtaining confidential information as defined by the codes of practice. This must be answered yes or no – stating that it is unlikely will not be accepted as this suggests it remains a possibility

This application should be submitted to the Authorising Officer to consider.

An authorising officer must review each case on its merits and explain why they authorise the conduct, considering necessity and proportionality along with any collateral intrusion.

Prior to seeking judicial approval, the application must be submitted to the CMO who will allocate a unique reference number. The corporate procedure for obtaining judicial approval should be adhered to. The CMO must be notified of the outcome and provided with a copy of the approval/refusal supplied.

11.1 Combined or Joint Services

As the Council works with its partner agencies such as Cambridgeshire Police or Cambridgeshire Fire and Rescue then consideration must be given to who makes the application and authorise. In a joint operation, one agency must be assigned as the lead and will obtain authorisation. If it is not the Council, we will still record this activity and ensure that our central record reflects this.

In instances where it is a joint or shared service, the appropriate lead authority must make the application with due regard for the governance arrangements at partner authorities.

Paragraph 4.31 of the Codes of Practice advises that where possible, public authorities should seek to avoid duplication of authorisations as part of a single investigation or operation. For example, where two agencies are conducting directed or intrusive surveillance as part of a joint operation, only one authorisation is required. Duplication of authorisations does not affect the lawfulness of the activities to be conducted, but may create an unnecessary administrative burden on authorities.

If the Council is tasked to undertake the surveillance on behalf of another agency then that agency should obtain authorisation. Council officers should ensure that they clearly understand the precise nature of what has been authorised to ensure that they comply. Council officers must only undertake surveillance activity in line with this policy and the limitations of activities placed on local authorities by the Protection of Freedoms Act 2012.

It may be necessary for the councils to work with a third party who are not considered a public authority by the Act. In those cases, the third party are acting as an agent for the council and therefore an authorisation should be considered by the councils.

11.2 Combined Authorisations

In paragraph 4.17 of the Covert Surveillance and Property Interference Code of Practice, it is confirmed that a single authorisation may combine two or more different authorisations under RIPA however the provisions applicable for each of the authorisations must be considered separately by the appropriate authorising officer. It does not preclude the obtaining of separate authorisations.

11.3 Lapse of Authorisations

Authorisation should not be allowed to lapse. They should be reviewed and cancelled or renewed. However the legal position with regard to lapse is as follows:-

Covert Human Intelligence Source - 12 months from the date of the approval of a magistrate (or last renewal) for adult or 4 months for a juvenile.

Directed Surveillance – 3 months from the date of approval of a magistrate or last renewal.

11.4 Renewal of Authorisations

A Magistrate will be responsible for renewing an existing authorisation in the same terms at any time before it ceases to have effect. Prior to this, the Authorising Officer should ensure a review has been carried out using the same criteria as if it were a new application.

For the conduct of a Covert Human Intelligence Source, this should not be renewed unless a review has been carried out and that person has considered the results of the review when deciding whether to renew or not. A review must cover what use has been made of the source, the tasks given to them and information obtained. The renewal must be receive judicial approval.

Authorising Officers are responsible for ensuring that authorisations undergo timely reviews and are cancelled promptly after directed surveillance activity is no longer necessary.

11.5 Retention Period for Authorisations

Directed surveillance authorisations (together with the Application reviews, renewals and cancellation) should be retained by the Authorising Officer, for a period of 3 years.

Authorisations for a CHIS ((together with the Application reviews, renewals and cancellation) should be retained by the Authorising Officer, for a period must be retained for a period of 5 years. Where it is believed that the records could be relevant to pending or future criminal proceedings, they should be retained for a suitable further period, commensurate to any subsequent review. It is each department's responsibility to securely retain all authorisations within their departments.

11.6 Reviews of Authorisations

Regular review of authorisations should be undertaken to assess the need for the surveillance/CHIS to continue. The results of the review need to be sent for recording on the Central Register.

11.7 Cancellation of Authorisations

The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied the authorisation no longer meets the criteria upon which it was authorised. No authorisation should be left to simply expire.

The applicant must also undertake a review throughout the matter and inform the Authorising Officer if the authorisation is no longer required.

The process for cancellation is for the investigating officer to submit the cancellation form to the Authorising Officer. This cancellation should detail the reason for cancellation, the benefits or issues arising of the operation and any outcome. It should also include the time spent on the operation. A copy of this form must be forwarded to the CMO to retain on the central record.

11.8 Immediate response to situations

The ability for a local authority to grant urgent oral authorisation for use of RIPA is not permitted. It is recognised that council officers find themselves in a situation where they need to carry out some form of surveillance without the time to complete a form and obtain authorisations. In these instances, the officer should obtain authorisation from their line manager and also record their reasons, actions, what was observed and be prepared to explain their decisions. These should be reported to the appropriate Senior Responsible Officer.

12. Data Protection & Data Assurance

All material obtained by the councils during authorised activities such as photographs, videos, and notes should be protected against loss and alteration. The councils have both data protection and ICT security policies to ensure that the councils are compliant with the handling of such information.

Authorising officers must ensure compliance with the appropriate data protection requirement such as a data protection impact assessment if necessary as well as the relevant codes of practice in the handling and storage of material.

Information, materials and evidence collected during an investigation

Generally, all material (in whatever media) obtained or produced during the course of investigations subject to RIPA authorisations should be processed, stored and destroyed in accordance with the requirements of the UK General Data Protection Regulation, Data Protection Act 2018, the Freedom of Information Act 2000, any other legal requirements, including those of confidentiality, and the councils' policies and procedures currently in force relating to document retention. These are available on both councils' intranets in the Information Governance sections.

The following paragraphs give guidance on some specific situations, but advice should be sought from the RIPA Monitoring Officer or the Senior Responsible Officer where appropriate.

- Where material is obtained during the course of an investigation which might be relevant to that investigation, or another investigation, or to pending or future civil or criminal proceedings, then it should not be destroyed, but retained in accordance with legal disclosure requirements. All such material should be clearly labelled and stored in such a way to enable compliance with data retention and disposal.
- Where material is obtained, which is not related to a criminal or other investigation or to any person who is the subject of the investigation, and there is no reason to believe that it will be relevant to any 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.
- RIPA does not prevent material obtained through the proper use of the authorisation procedures from being used in other investigations. However, the use outside the councils of any material obtained by means of covert surveillance, unless directed by court order, and other than in pursuance of the grounds on which it was obtained requires authorisation by the Senior Responsible Officer.

12.1 Sharing information

Material obtained should only be shared with individuals within the authority and external partners where this is permitted by legislation, an information sharing agreement or a requirement to disclose. For example, a joint investigation with the Police would require information to be shared as part of that investigation and permitted by data protection legislation.

12.2 Publishing CCTV footage to enable suspect identification

Any consideration of publishing images or film of those believed to committed an offence or involved in an offence must consider the rights and privacy of anyone in those images or film. Failure to do so may result in a breach of data protection legislation and lead to regulatory action. The Senior Responsible Officer and Data Protection Officer must be consulted ahead of any decision.

12.3 Storage

Any material obtained must be stored securely, either electronically or physically, and access only provided to those who have the appropriate clearance for access. Physical information must be protected by an adequate level of security such as locked rooms or a safe with a log of access kept.

12.4 Destruction

Information will be destroyed securely in line with retention requirements and its retention will be reviewed accordingly.

13. Other Factors

13.1 Spiritual Counselling

No operations should be taken in circumstances where investigators believe that surveillance will lead to them intruding on spiritual counselling between a Minister and a Member of his/her faith. In this respect, spiritual counselling is defined as conversations with Minister of Religion acting in his-her official capacity where the person being counselled is seeking or the Minister is imparting forgiveness, or absolution of conscience.

13.2 Confidential or Privileged Material

Consideration should be given in cases where the subject of the investigation or operation might reasonably assume a high degree of confidentiality. This includes:

- where material contains confidential personal information or communications between a Member of Parliament and another person on constituency business. (9.29 to 9.35 of the Covert Surveillance and Property Interference Code of Practice)
- confidential journalistic material or where material identifies a journalist's source, (9.36 to 9.46 of the Covert Surveillance and Property Interference Code of Practice)
- where the material contains information that is legally privileged, (9.47 to 9.75 of the Covert Surveillance and Property Interference Code of Practice))

Guidance on each of these can be found in the Revised Codes of Practice as noted above. In the event that these types of information may be acquired, officers should consult the Revised Codes of Practice and the SRO.

Directed surveillance likely or intended to result in the acquisition of knowledge of confidential or privileged material may be authorised only by the Chief Executive (or a deputy in their absence). In cases where the likely consequence of the conduct of a Covert Human Intelligence Source would be for any person to acquire knowledge of confidential material, the deployment of the Covert Human Intelligence Source should be subject to consultation with the Chief Executive and Senior Responsible Officer.

In general, any application for an authorisation which is likely to result in the acquisition of confidential material should include an assessment of how likely it is that confidential material will be acquired. Special care should be taken where the target of the investigation

is likely to be involved in handling confidential material. Such applications should only be considered in exceptional and compelling circumstances with full regard to the proportionality issues this raises.

The following general principles apply to confidential material acquired under authorisations:

- Those handling material from such operations should be alert to anything that may fall within the definition of confidential material. If there is doubt as to whether the material is confidential, advice should be sought from the Director of Law and Governance before further dissemination takes place;
- Confidential material should not be retained or copied unless it is necessary for a specified purpose;
- Confidential material should be disseminated only where an appropriate officer (having sought advice from the Director of Law and Governance) is satisfied that it is necessary for a specific purpose;

The retention of 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.

Confidential material should be destroyed as soon as it is no longer necessary to retain it for a specified purpose. This should only be with the approval of the Chief Executive and Senior Responsible Officer.

13.3 Vulnerable Individuals

The use of a vulnerable individual as a Covert Human Intelligence Source requires authorisation by the Chief Executive or their delegated deputy. The use must always be referred to the Senior Responsible Officer or their deputy for advice prior to authorisation. Such an individual should only be used as a Covert Human Intelligence Source in exceptional circumstances. 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 herself or unable to protect himself or herself against harm or exploitation.

13.4 Community Sensitivities

Officers should always consider whether there are any particular sensitivities within our communities and take these into account if planning surveillance activities in those areas.

13.5 Errors

Any error such as activity undertaken which was not authorised or is conducted beyond the directions of the authorising officer. It will also include failure to declare thorough reviews, renewals, cancellation and poor administration. Any such errors must be reported to the SRO and Central Monitoring Officer.

14. Central Register of Authorisations

It is a requirement of the revised Code of Practice for Surveillance, paragraph 8.1, that a central register of all authorisations, reviews, renewals, cancellations etc. is maintained and regularly updated. The CMO maintains this Register.

It is the Authorising Officer's responsibility to ensure that any application under RIPA is forwarded to the CMO for central registration **within one week of the relevant authorisation, review, renewal, cancellation or rejection**. Each application will be allocated a Unique Reference Number (URN) at this stage and will be monitored by the CMO to ensure compliance with timescales.

Whenever an authorisation is granted, renewed or cancelled (and this includes authorisations issued by the Police or other third parties using Council CCTV or other facilities) the Authorising Officer must arrange for copies to be forwarded to the CMO. Receipt will be acknowledged.

15. Codes of Practice

There are Home Office Codes of Practice that expand on this guidance and copies are held by each Authorising Officer. They can be accessed [here](#) and officers should ensure that they are consulting the latest version.

The Codes do not have the force of statute, but are admissible in evidence in any criminal and civil proceedings. As stated in the Codes, "if any provision of the Code appears relevant to a question before any Court or tribunal considering any such proceedings, or to the tribunal established under RIPA, or to one of the commissioners responsible for overseeing the powers conferred by RIPA, it must be taken into account".

16. Benefits of Obtaining Authorisation under RIPA

RIPA states that if authorisation confers entitlement to engage in a certain conduct and the conduct is in accordance with the authorisation, then it shall be "lawful for all purposes".

17. Acquisition of Communications Data

Communications data means any traffic or any information that is or has been sent via a telecommunications system or postal system, together with information about the use of the system made by any person.

There are two powers granted by S22 RIPA in respect of the acquisition of Communications Data from telecommunications and postal companies (“Communications Companies”).

S22 (3) provides that an authorised person can authorise another person within the same relevant public authority to collect the data. This allows the local authority to collect the communications data themselves, i.e. if a Communications Service Provider is technically unable to collect the data, an authorisation under the section would permit the local authority to collect the communications data themselves.

In order to compel a Communications Service Provider to obtain and disclose, or just disclose Communications Data in their possession, a notice under S22 (4) RIPA must be issued. This must be followed by the judicial approval process as outlined in Appendix 5.

The sole ground to permit the issuing of a S22 notice by a Permitted Local Authority is for the purposes of “preventing or detecting crime or of preventing disorder”. The issuing of such a notice will be the more common of the two powers utilised, in that the Communications Service Provider will most probably have means of collating and providing the communications data requested.

There is no threshold for subscriber data which can still be acquired for any crime where it is necessary and proportionate to do so. However as of 1 November 2018, there is a crime threshold for the acquisition of service or traffic data which is restricted to “serious crime”. This is defined as:

- An offence capable of attracting a prison sentence of 12 months or more. This can be checked by accessing the Home Office counting rules notifiable offence list.
- An offence by a person who is not an individual i.e. a corporate body
- A Section 81 of RIPA – an offence defined as serious crime such as use of violence, substantial financial gain or large number of people in pursuit of a common purpose
- An offence which integrally involves the sending of a communication
- Breach of privacy offence

Examples of what are non-serious crimes are:

- Certain immigration offences under the Immigration Act 1971; and

- Certain gambling offences under the Gambling Act 2005 including provision of facilities for gambling, use of premises for gambling and offences relating to gambling machines.
- Some sections of the Public Order Act which do not amount to violence (including using offensive words or causing a fear of violence);
- Driving offences, such as: joy riding, driving when disqualified, failure to stop or report an accident and driving when unfit to do so through drink or drugs;
- Some sections of the Consumer Protection Act 1987 i.e. furnishing false information in response to notice, or to enforcement officer.

Once a notice has been issued, it must be sent to the Communications Service Provider. In issuing a notice, the Authorising Officer can authorise another person to liaise with the Communications Service Provider covered by the notice.

17.1 Application procedure

Should you wish to make an enquiry, contact should be made with the Assistant Director of Regulatory Services to consider the request to be made via Trading Standards who have two named authorised officers. The request will be made through NAFN and their process adhered to.

The applicant and authorising officer will need to explain:

- the purpose of the application in terms of the prevention or detection of crime (section 22(2) (b) of the Act)
- specific information required with reference to paragraph 3.30 of the codes of practice to streamline the process when dealing with number porting and also to take a more proactive approach to data capture such as top up details when identifying the user of a prepaid mobile.
- A description of the offence and how this meets the serious crime threshold if it is for traffic or service data
- why it is relevant
- why it is necessary
- why it is proportionate
- how they will minimise collateral intrusion

A unique reference number should be obtained from the CMO before submission to NAFN. The CMO will record the details.

Once authorised by NAFN, the applicant should follow the procedure for obtaining judicial approval.

18. Training

There will be a bi-annual programme of training for officers, which may include face to face or e-learning training. Refresher training will be provided on a biannual basis. Officers may be required to confirm they have read documentation and have understood the intervening times.

Only formally trained Authorised Officers will be permitted to authorised applications.

19. Oversight

19.1 Members

The use of RIPA powers will be a standing item on the agenda for the Audit Committee at both Peterborough City Council and Cambridgeshire County Council. An annual report will be produced detailing the usage along with any inspections, changes to policy and procedure.

19.2 Senior Management

An annual report will be produced detailing the usage along with any inspections, changes to policy and procedure.

20. The Investigatory Powers Commissioner's Office

The Investigatory Powers Commissioner will keep under review, the exercise and performance by the persons on who are conferred or imposed, the powers and duties under RIPA. This includes those Authorising Officers authorising Covert Directed Surveillance and the use of Covert Human Intelligence Sources and the maintenance of the Central Register.

A tribunal has been established to consider and determine complaints made under RIPA if it is the appropriate forum. Complaints can be made by persons aggrieved by conduct e.g. direct surveillance. The forum hears application on a judicial review basis. Claims should be brought within one year unless it is just and equitable to extend that.

The tribunal can order, among other things, the quashing or cancellation of any warrant or authorisation and can order destruction of any records or information obtained by using a warrant or authorisation, and records of information held by any public authority in relation to

any person. The Councils are however, under a duty to disclose or provide to the tribunal all documents they require if:

- A council officer has granted any authorisation under RIPA.
- council employees have engaged in any conduct as a result of such authorisation.

A disclosure notice requirement is given.

21. Relevant case law

There is relevant caselaw which includes but is not limited to:

R v Johnson

In this case the Court of Appeal provided criteria that must be adopted if premises used for observation purposes by the Police are not to be disclosed in open court.

Should PCC wish not to disclose the premises used for the observation, then following the rational in this case it would appear that the Authorising Officer must be able to testify that immediately prior to trial:

- he/she visited premises to be used for observation
- he/she obtained and recorded the views of the owner and/or occupier in respect of the use made of the premises and the possible consequences of disclosure which could lead to identification of the premises and occupiers.

Such views must be recorded and the record marked as sensitive. If this issue arises please contact the Director of Governance for appropriate advice.

R v Sutherland 2002

The recording and handling of confidential material (legal privilege) obtained as a result of recording equipment deployed in the exercise area of two police stations. In this matter, the activity exceeded that which had been authorised and the case against Sutherland collapsed. This emphasises the requirement to ensure that all activity is authorised prior to the operation and any errors are reported.

Peck v United Kingdom [2003]

The applicant was filmed by a CCTV camera operated by Brentwood Borough Council in a public street shortly after he had attempted to commit suicide. The council subsequently released two still photographs taken from the CCTV footage to show the benefits of CCTV. Peck's face was not specifically masked. These pictures subsequently appeared on regional

television but his face was masked. Peck sought to challenge the authority's decision but was rejected by the Court of Appeal. He took the matter to the European Court of Human Rights where he was successful. The case establishes the right to privacy in a public area, even if it is a reduced level.

Martin v. United Kingdom [2004] European Court App

Alleged disorderly behaviour by M towards neighbour. Local Authority mounted covert surveillance of M on the basis that the surveillance by video was justified as the surveillance was targeted at behaviour which was visible to a neighbour or passer by. Claim of Article 8 infringement settled by agreement with damages awarded to Martin.

R v. Button and Tannahill 2005

Audio and video recording of defendants while in police custody. Audio recording had been RIPA authorised; video recording was not authorised. Video record admitted in evidence although common ground that it had been unauthorised and so obtained unlawfully (in breach of s.6 Human Rights Act 1998). *It was argued on appeal that the trial Court was itself in breach of s.6 by admitting the evidence. Held that the breach of article 8 related to the intrusion upon private life involved in the covert surveillance. So far as a trial Court is concerned: any such breach of article 8 is subsumed by the article 6 (and P.A.C.E.) duty to ensure a fair trial. The trial judge had not acted unlawfully by admitting the evidence.*

C v The Police and the Secretary of State for the Home Department (2006, No: IPT/03/32/H)

A former police sergeant (C), having retired in 2001, made a claim for a back injury he sustained after tripping on a carpet in a police station. He was awarded damages and an enhanced pension due to the injuries. In 2002, the police instructed a firm of private detectives to observe C to see if he was doing anything that was inconsistent with his claimed injuries. Video footage showed him mowing the lawn. C sued the police claiming that they had carried out Directed Surveillance under RIPA without an authorisation. The Tribunal ruled that this was not the type of surveillance that RIPA was enacted to regulate. It made the distinction between the ordinary functions and the core functions of a public authority:

“The specific core functions and the regulatory powers which go with them are identifiable as distinct from the ordinary functions of public authorities shared by all authorities, such as the employment of staff and the making of contracts. There is no real reason why the performance of the ordinary functions of a public authority should fall within the RIPA regime,

which is concerned with the regulation of certain investigatory powers, not with the regulation of employees or of suppliers and service providers.

AB v Hampshire Constabulary (Investigatory Powers Tribunal ruling 5 February 2019)

This case relates to whether the use of body worn cameras can amount to surveillance as defined by legislation. In this matter, the Tribunal concluded that in this case video recording was capable of amounting to surveillance under Part II of RIPA (2000). The decision can be viewed here. <https://www.ipt-uk.com/docs/IPT%20Judgment%20-%20AB%20v%20Hants%20Constabulary.pdf>

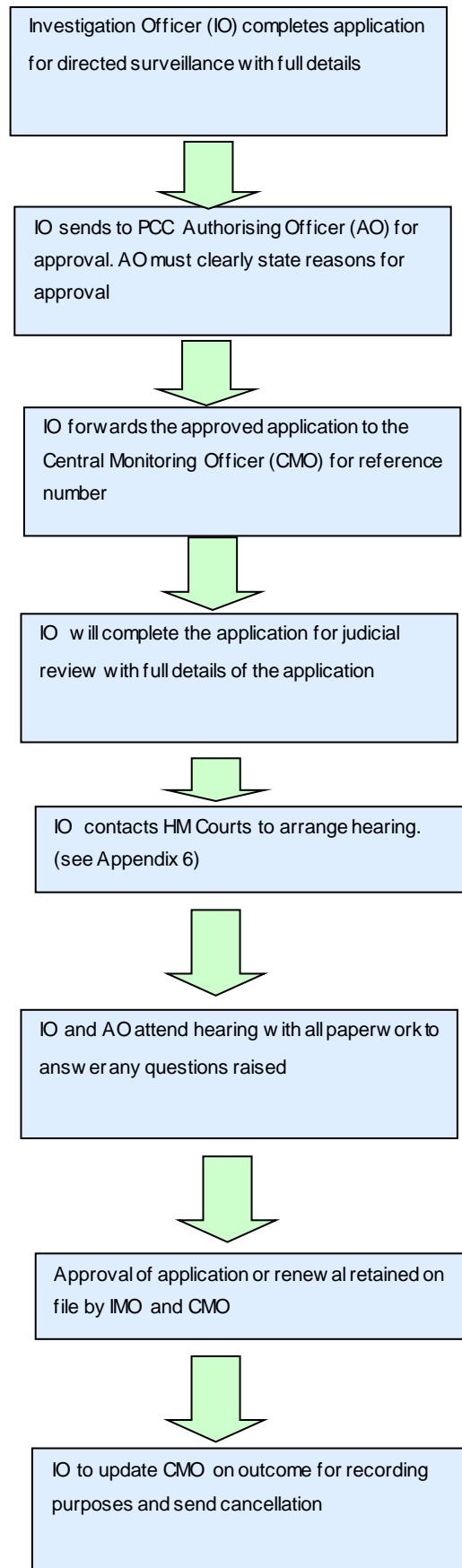
Gary Davies v British Transport Police (Investigatory Powers Tribunal 5 February 2019)

British Transport Police undertook unauthorised surveillance which led to a public arrest and a press release publicising the alleged offences. Mr Davies was subsequently acquitted by a jury. British Transport Police officers had no proper understanding of the legal requirements for such surveillance and should have obtained authorisation. The surveillance was ruled unlawful. The Tribunal rejected the British Transport Police claim that the breach was technical as authorisation could and would have been obtained. This was rejected because the case against Mr Davies required further inquiries to have been made for authorisation to be possible. The Tribunal awarded Mr Davies costs of the criminal trial and also £25,000 in compensation for damages to his reputation suffered and harm caused.

APPENDIX 1 Officers (RIPA)

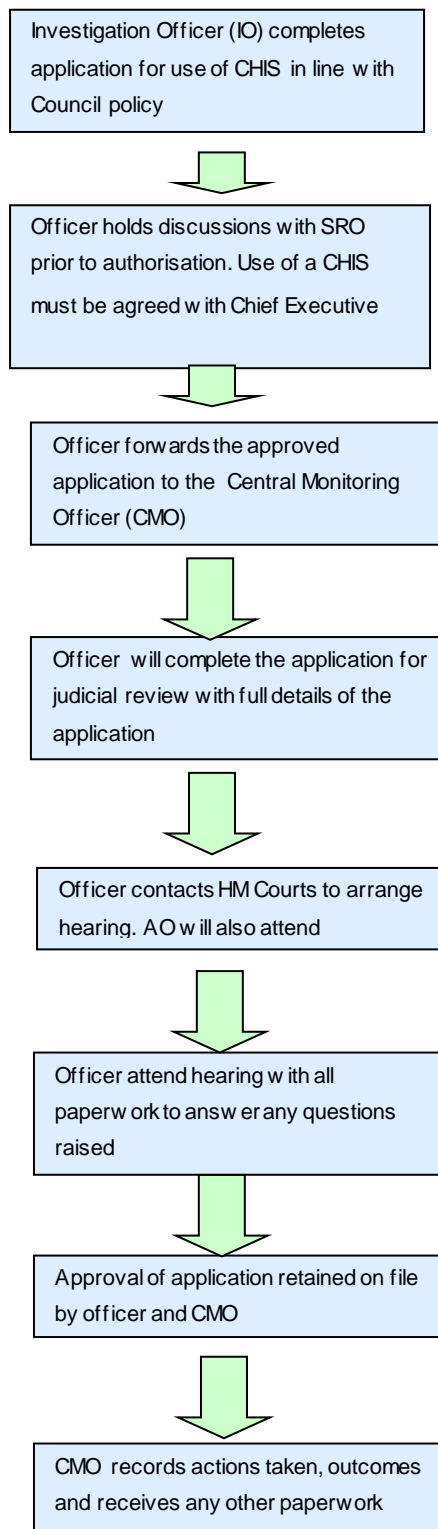
Senior Responsible Officer			
Rochelle Tapping	Director of Law & Governance, PCC & CCC	07973 945459	Rochelle.tapping@peterborough.gov.uk
Emma Duncan	Service Director: Legal & Governance	TBC	Emma.duncan@cambridgeshire.gov.uk
Authorising Officers			
Peter Gell	Assistant Director, Regulatory Services PCC & CCC	01733 453419	peter.gell@peterborough.gov.uk
Rob Hill	Assistant Director, Communities & Safety PCC & CCC	01733 864715	rob.hill@peterborough.gov.uk
Central Monitoring Officer for PCC and CCC			
Ben Stevenson	PCC	01733 452387	Ben.stevenson@peterborough.gov.uk

APPENDIX 2 Procedure for directed surveillance application

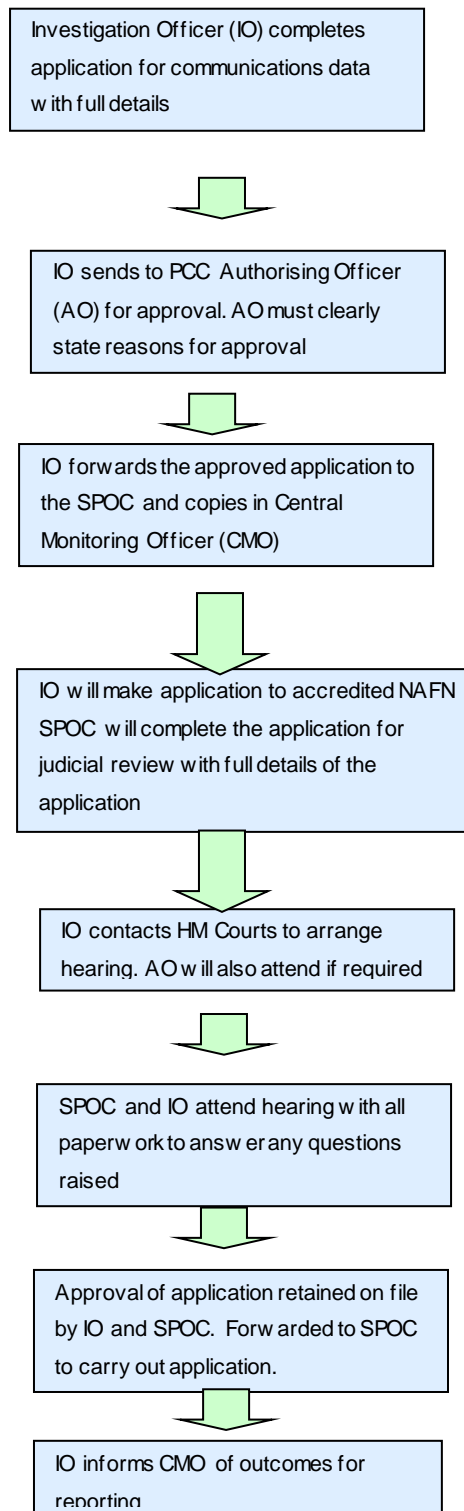


APPENDIX 3 Procedure use of Covert Human Intelligence

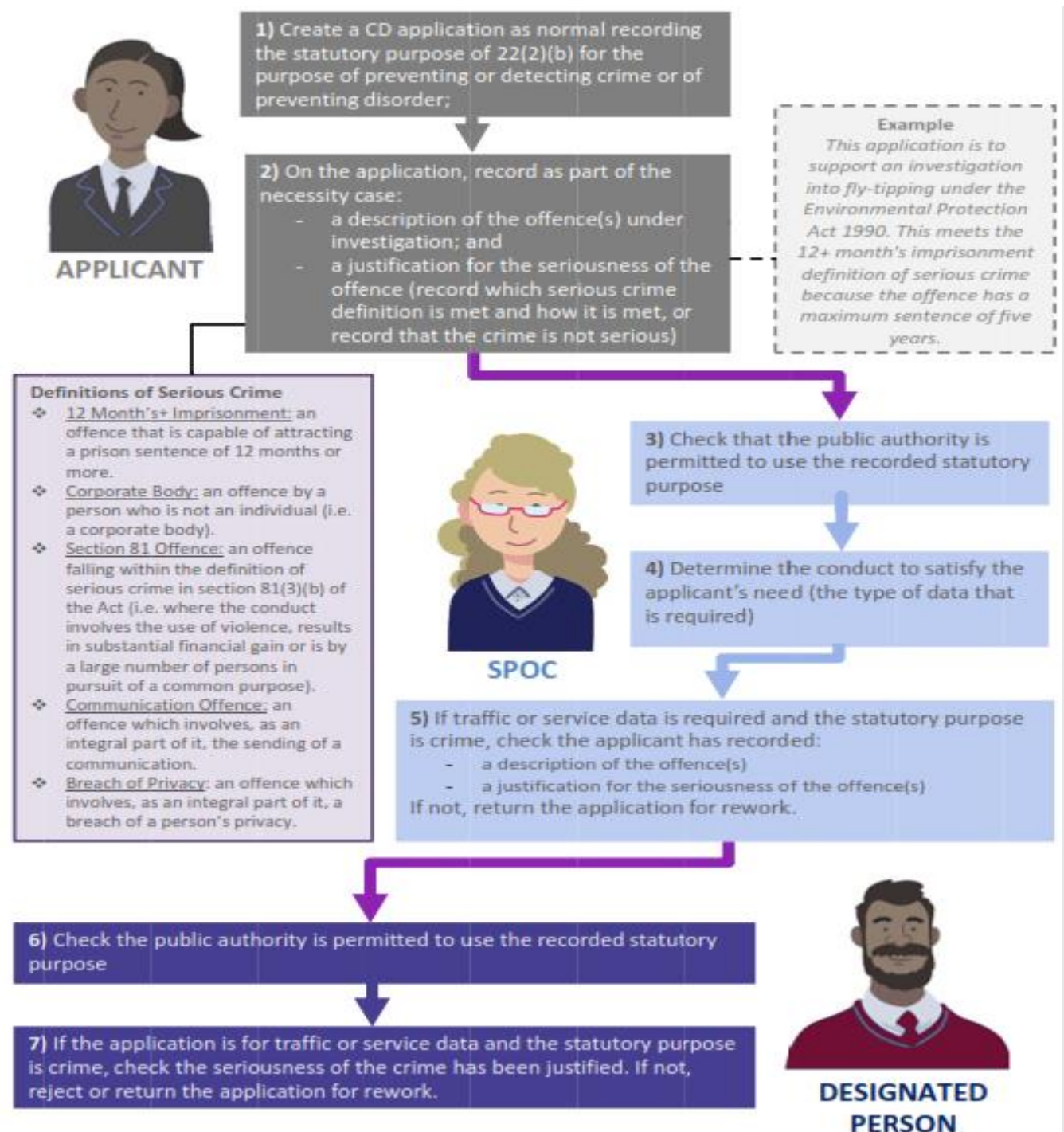
Source



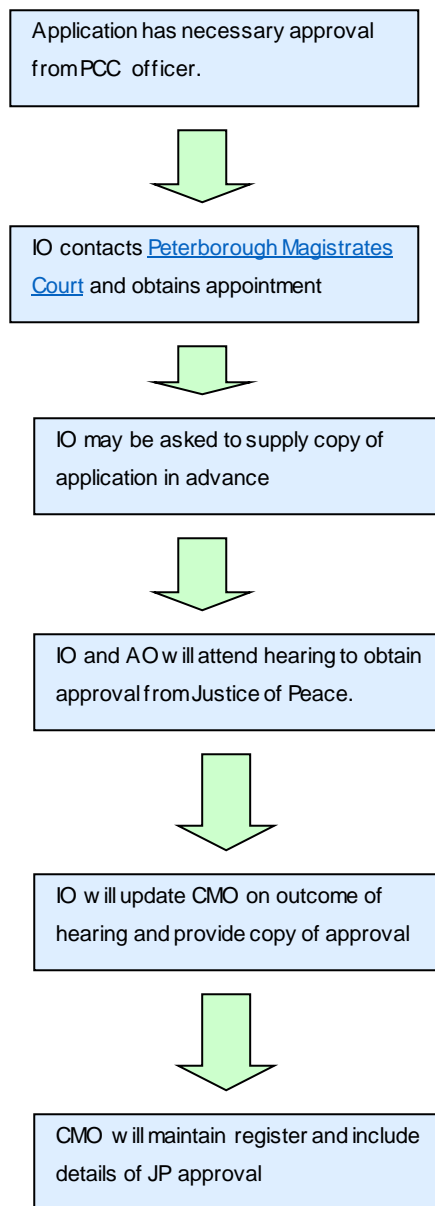
APPENDIX 4 Procedure for obtaining communications data



APPENDIX 5 Flow Chart of Changes to Communications Data



APPENDIX 6 Procedure for obtaining judicial approval



APPENDIX 7 Surveillance Assessment

	Notes
<p>Specific location</p> <ul style="list-style-type: none"> ● Type of property ● Residents ● Number and locations of entrances/exits ● Vehicular access ● Any obstructions ● Any risks 	
<p>General Area</p> <ul style="list-style-type: none"> ● Type of area e.g. residential or commercial ● Shops in locality ● Schools ● Any potential hazards 	
<p>Subject</p> <ul style="list-style-type: none"> ● Identity ● Potentially violent ● Vehicles used ● Any known other sites 	
<p>Collateral intrusion</p> <ul style="list-style-type: none"> ● Detail any other individuals of whom private information may be captured ● Associates ● Family Children ● How will it be limited e.g. times, techniques 	
<p>Observation Point</p> <ul style="list-style-type: none"> ● Is location approved? ● Does it require use of another building? ● Routes to and from ● In event of discovery of operation, agreed movement 	
<p>Equipment</p>	

<ul style="list-style-type: none"> ● What is being used? ● Do they work? ● Any issues regarding signal reception on phones 		
Health and Safety Assessment		
Hazard (including who may be harmed)	Level of Risk	Mitigating controls

APPENDIX 8 – Non RIPA Applications

RIPA Determination Checklist

Name of Applicant		Team	
Service			
Directorate			
Line Manager			
<p>I have considered the following and confirm that no activity requiring authorisation under RIPA is required.</p> <p>If the answer is yes to each question then RIPA <u>did or does</u> apply.</p>			
Is or was activity considered to be covert surveillance?	Yes	No	
Is or was the surveillance directed?	Yes	No	
Is or was the investigation into a criminal offence?	Yes	No	
Is or was confidential or private information likely to be obtained?	Yes	No	
Did or does the offence meet the crime threshold?	Yes	No	
Signed			
<p>Line Manager/File Review:</p> <p>I have reviewed and considered that there has been no activity which required authorisation under RIPA.</p>			
Name:			
Signed:			

Date:

APPENDIX 9 - Social Media/Internet Access Log

Name of Applicant		Team	
Service			
Directorate			
Line Manager			
Case including reference			

Visits number	Date	Site Accessed	Reason	Information obtained	Public or Private?

Please note repeated visits will be considered monitoring and you should seek advice on making an appropriate application

You should not use a false identity or build/maintain a relationship to obtain private information about someone.

If you have obtained private information then you should consider an appropriate application

AUDIT COMMITTEE	AGENDA ITEM No. 9
20 MARCH 2023	PUBLIC REPORT

Report of:	Cecilie Booth – Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Cllr Coles – Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Cecilie Booth – Executive Director of Corporate Services and S151 Officer	Tel: 07970 325557

IRRECOVERABLE DEBTS IN EXCESS OF £10,000

RECOMMENDATIONS	
FROM: Cecilie Booth – Executive Director of Corporate Services and S151 Officer	Deadline date: 20 March 2023
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> Note the Irrecoverable Debts in excess of £10,000 report. 	

1. ORIGIN OF REPORT

- This report is submitted to the Audit Committee for information following consideration at Cabinet on 16th January 2023.

2. PURPOSE AND REASON FOR REPORT

- This report is for information following consideration by Cabinet under its Terms of Reference No. 3.2.1, 'To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services,' and No. 3.2.2, 'To take collective responsibility for any Executive decision that has significant implications across two or more portfolios.'

- This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.2.14

To review any issue referred to it by the Chief Executive or a Director, or any Council body.

- The specific detail relating to these debts is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the financial and business affairs of individuals. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as to do so would disclose personal and private information without the written consent of the individuals.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

4.1 The attached Cabinet report details the approval to write-off irrecoverable debts that exceed £10,000 in relation to Non-Domestic (Business) Rates, Council Tax, Accounts Receivable (sundry debt) accounts and Housing Benefit overpayments. The aggregate total value of these debts is £4,783,391.

4.2 The Council expects to receive approximately £100m in non-domestic rates annually, £100m for Council Tax, and in excess of £60m of sundry debt income. As a result of activity on this scale, the Council recovers millions of pounds every year relating to previous years' debt, sometimes dating back several years, due to persistent recovery activity. Despite our best endeavours, it is inevitable that a small percentage of debt will remain uncollected and will ultimately have to be written off. There are a number of reasons why this happens, with the most common being where a company has gone into liquidation, an individual has been made bankrupt, a debtor has died with no funds available within the estate, or where it has not been possible to trace a debtor.

Over the last 2 years, there has also been the impact of the Covid-19 pandemic on individuals and businesses across the local economy.

4.3 All cases requested for write-off follow a lengthy process to recover the outstanding money, sometimes dating back many years. Only once all avenues have been exhausted will the council consider writing off debt as irrecoverable.

4.4 It is acknowledged that given the high volume and value of invoices and bills issued there will always be a requirement to write off an element of debt as uncollectable. Writing off irrecoverable debt is a necessary management tool, standard practice and recommended as part of good financial management.

4.5 Over 99% of the irrecoverable debt outlined in the Cabinet report has been fully provided for in the council's bad debt provision in accordance with the council's debt provision policies, local accounting procedures and statutory accounting regulations. As a result, the impact on the Council's revenue position from undertaking this write-off exercise is £3,637.

5. CONSULTATION

5.1 Information concerning the consultation undertaken is detailed within the attached Cabinet report.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 It is anticipated that the Committee will note the attached 'Irrecoverable Debts in Excess of £10,000' Cabinet report.

7. REASON FOR THE RECOMMENDATION

7.1 Reasons for recommendation are detailed within the attached Cabinet report.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Alternative options are detailed within the attached Cabinet report.

9. IMPLICATIONS

Financial Implications

9.1 Financial implications are detailed within the attached Cabinet report.

Legal Implications

9.2 Financial implications are detailed within the attached Cabinet report.

Equalities Implications

9.3 There are no significant equalities implications.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 N/A

11. APPENDICES

11.1 Appendix 1. Cabinet report: To approve the write-off of any irrecoverable debts in excess of £10,000.

Appendix 2. Exempt annex: Summary of irrecoverable debts with a value over £10,000

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CABINET	AGENDA ITEM No. XX
16 JANUARY 2023	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance.	
Contact Officer(s):	Chris Yates – Acting Head of Finance (Corporate Services)	Tel. 01733 384552

IRRECOVERABLE DEBTS IN EXCESS OF £10,000

RECOMMENDATIONS	
FROM: Councillor Andy Coles, Cabinet Member for Finance and Corporate Governance.	Deadline date: 16 th January 2023
<p>It is recommended that Cabinet:</p> <p>1. Authorise the write-off of the debt shown as outstanding in respect of Non-Domestic (Business) Rates, Council Tax, Accounts Receivable (sundry debt) accounts and Housing Benefit overpayments, included in the Appendices to this report (which detail the financial year and the category for the write-off request).</p>	
<p>Summary:</p> <p>The total value of irrecoverable debts outlined in this report is £4,783,391. However, it should be noted that although there have been some smaller write-off exercises since January 2021 (primarily focussing on Sundry Debt), this is the first significant write-off of Non-Domestic Rates since March 2020, after witnessing the economic impact of Covid-19 on businesses in the area (79% of the total balance relates to irrecoverable Non-Domestic Rates).</p> <p>Each year, the Council sets aside a provision for bad and doubtful debt, and the write-off of irrecoverable debt is made against this provision. The current provision covers 99.92% of the irrecoverable debt, meaning the impact on the Council's current year's budget is only £3,637.</p> <p>All debt recovery action available to the Council must be exhausted before outstanding debt can be recommended for write-off. Despite our best endeavours, it is inevitable that a small percentage of debt will not be collected, and the authorisation for write-off is requested due to one of the following reasons:</p> <ul style="list-style-type: none"> • the individual/ company being made insolvent/ bankrupt; • recovery action attempted but no longer enforceable under the Limitation Act 1980 (Statute Barred); • the ratepayer is deceased with no further income due from the estate; and • the result of legal processes/ negotiations/ disputes concluding <p>It means the Council has no prospect of recovery. Writing off irrecoverable debts should be an annual housekeeping exercise; it is standard practice in local government and part of good financial management. The write-off value represents only 0.15% of the total debt raised over the period.</p>	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following referrals from CLT on 23rd November 2022 and the 21st December 2022, and Cabinet Policy Forum on the 19th December.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for Cabinet to approve the write-off of irrecoverable debt in excess of £10,000.

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1, *'To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services,'* and No. 3.2.2, *'To take collective responsibility for any Executive decision that has significant implications across two or more portfolios.'*

2.3 The specific detail relating to these debts is NOT FOR PUBLICATION in accordance with paragraph (s) 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the financial and business affairs of individuals. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as to do so would disclose personal and private information without the written consent of the individuals.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 The Council is committed to taking all necessary action before considering a debt for write off. This includes multiple written reminder letters early in the recovery process, telephone call follow-up, senior management dialogue with counterparts, and where necessary, court and enforcement action. It can take several years before all actions have been undertaken.

4.2 The Council expects to receive approximately £100m in non-domestic rates annually, £100m for Council Tax, and in excess of £60m of sundry debt income. As a result of activity on this scale, the Council recovers millions of pounds every year relating to previous years' debt, sometimes dating back several years, due to persistent recovery activity.

4.3 Despite our best endeavours, it is inevitable that a small percentage of debt will remain uncollected and will ultimately have to be written off. There are a number of reasons why this happens, with the most common being where a company has gone into liquidation, an individual has been made bankrupt, a debtor has died with no funds available within the estate, or where it has not been possible to trace a debtor. Over the last 2 years, there has also been the impact of the Covid-19 pandemic on individuals and businesses across the local economy. Writing off irrecoverable debt is a necessary management tool, standard practice and recommended as part of good financial management.

4.4 The balance being written off in this report is a significant sum, however, this is mainly due to almost no write-off of Non-Domestic Rate debt during the Covid-19 pandemic. This report reviews those irrecoverable debts (and any associated balances from prior years), plus any in relation to Council Tax, Housing Benefit overpayments and Sundry Debt, and the resulting amount to be written off in this report represents 0.15% of total debt raised over the period covered.

5. CORPORATE PRIORITIES

5.1 Writing off irrecoverable debts is standard practice and recommended as part of good financial management. While not directly impacting on the Council's Corporate Priorities, it is an important part of authority's financial governance and ensuring that the Council has robust financial reporting.

6. CONSULTATION

6.1 Consultation between relevant Council Officers, the Local Taxation section and key Heads of Service within the Peterborough-Serco Strategic Partnership was undertaken to provide the relevant information for this report.

6.2 This report has been considered at Budget Corporate Leadership Team (CLT) and Cabinet Policy Forum.

The report will also be taken to Audit Committee in January 2023 for information.

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 It is anticipated that Cabinet will approve the write-off of the debt amounts summarised in Appendix 1.

8. REASON FOR THE RECOMMENDATION

8.1 The authorisation for write-off is requested due to one of the following scenarios:

- the individual/ company being made insolvent/ bankrupt;
- recovery action attempted but no longer enforceable under the Limitation Act 1980 (Statute Barred);
- the ratepayer is deceased with no further income due from the estate; and
- the result of legal processes/ negotiations/ disputes concluding

8.2 Where debt being written off is in relation to companies that have gone into administration/ individuals being made bankrupt, proof of debt has been lodged with the Administrators or Liquidators in all appropriate cases and either it has been confirmed that no dividend is payable, or a final dividend payment has been received. Recovery action has therefore been exhausted and there is no further action that can be taken to obtain any further payments in relation to the debt. Table 2 in Appendix 1 summarises the rationale for the different reasons for write-off decisions by year and by value.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 The alternative option is to not write off this debt. This would result in irrecoverable debts continuing to be shown as outstanding, with a bad debt provision apportioned to these balances. It should be noted that once a debt is no longer collectable it should be written off in the Council's accounts and the debt provision adjusted accordingly.

9.2 All other alternative options available to the Council to collect the debt have already been undertaken before making a decision to recommend a debt for write-off.

10. IMPLICATIONS

Financial Implications

10.1 The majority of the aged debt outlined in Appendix 1 has been fully provided for in the council's bad debt provision in accordance with the council's debt provision policies, local accounting procedures and statutory accounting regulations. As a result, the impact on the Council's revenue position as a result of this write-off exercise is £3,637.

All debt recovery actions available to the council must be exhausted before outstanding debt can be recommended for write-off

Legal Implications

- 10.2 Debt recovery processes have been exhausted. The debts are deemed irrecoverable and recommended for write off.

Equalities Implications

- 10.3 There are no equalities implications arising from the recommendation.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 There are no further documents apart from the exempt annex.

12. APPENDICES

- 12.1 Appendix 1 - Debt Write-Offs With A Value Over £10,000 by type
Appendix 2 - Exempt Annex – Not For Publication

Appendix 1 - Debt Write-Offs With A Value Over £10,000

Table 1: By financial year and % of debt type raised

	Non Domestic Rates			Council Tax			Housing Benefit Overpayments			Sundry Debt		
Financial Year	Write-off (£)	Debt raised in year (£)	Write-off in-year %	Write-off (£)	Debt raised in year (£)	Write-off in-year %	Write-off (£)	Debt raised in year (£)	Write-off in-year %	Write-off (£)	Debt raised in-year (£)	Write-off in-year %
Up to 2008/09	91,548	-	-	7,109	-	-	-	-	-	-	-	-
2009/10	24,689	86,843,886	0.028%	860	60,755,510	0.001%	-	1,757,300	0.000%	-	51,430,000	0.000%
2010/11	92,482	84,526,730	0.109%	1,091	62,681,765	0.002%	-	2,136,189	0.000%	-	51,450,000	0.000%
2011/12	83,093	89,444,197	0.093%	1,500	63,452,470	0.002%	-	2,182,339	0.000%	-	47,270,000	0.000%
2012/13	101,056	92,745,954	0.109%	980	65,889,575	0.001%	-	2,632,518	0.000%	-	48,540,000	0.000%
2013/14	302,718	94,532,290	0.320%	2,192	71,080,446	0.003%	-	3,224,687	0.000%	-	46,140,000	0.000%
2014/15	283,949	96,008,318	0.296%	2,660	73,109,247	0.004%	10,409	4,680,398	0.222%	-	45,140,000	0.000%
2015/16	350,315	100,664,032	0.348%	3,071	74,846,674	0.004%	-	3,975,023	0.000%	21,632	54,270,000	0.040%
2016/17	337,609	101,768,770	0.332%	2,916	79,093,000	0.004%	-	3,904,982	0.000%	2,200	56,610,000	0.004%
2017/18	399,143	100,459,326	0.397%	2,123	84,378,529	0.003%	-	4,499,133	0.000%	14,304	56,914,648	0.025%
2018/19	452,556	101,527,035	0.446%	752	91,117,767	0.001%	-	2,700,796	0.000%	8,850	67,843,815	0.013%
2019/20	458,786	101,497,506	0.452%	2,679	96,952,073	0.003%	-	1,638,449	0.000%	10,278	68,726,462	0.015%
2020/21	705,528	62,978,022	1.120%	2,780	100,606,009	0.003%	-	1,066,060	0.000%	896,144	69,698,833	1.286%
2021/22	82,697	85,618,470	0.097%	2,764	108,506,511	0.003%	-	1,634,715	0.000%	9,683	49,443,624	0.020%

2022/23	10,051	100,815,602	0.010%	194	113,239,911	0.000%	-	515,557	0.000%	-	40,827,325	0.000%
Total	3,776,220	1,299,430,138	0.291%	33,671	1,145,709,487	0.003%	10,409	28,992,570	0.036%	963,091	754,304,707	0.128%

Table 2: By financial year and write-off rationale

Financial Year	Company/ ratepayer placed into Administration/ Liquidation/ Bankruptcy	Disputed Debts/ Statute barred - recovery action attempted but no longer enforceable under the Limitation Act 1980	Other – service transfers/ commercial agreement/ negotiation	The ratepayer is deceased with no further income due from the estate	Unable to trace the debtor and collect payment	Total
Up to 2008/09	2,517	96,140	-	-	-	98,657
2009/10	-	25,549	-	-	-	25,549
2010/11	17,715	75,253	-	605	-	93,573
2011/12	8,180	75,799	-	614	-	84,593
2012/13	48,618	53,418	-	-	-	102,036
2013/14	215,755	88,245	-	910	-	304,910
2014/15	165,976	113,442	-	17,600	-	297,018
2015/16	320,364	47,346	-	7,308	-	375,018
2016/17	312,468	17,759	-	5,913	6,585	342,725
2017/18	378,505	13,605	-	18,904	4,556	415,570
2018/19	452,966	-	-	9,192	-	462,158
2019/20	460,308	-	-	11,435	-	471,743
2020/21	707,108	-	887,303	10,041	-	1,604,452
2021/22	84,203	-	-	10,941	-	95,144
2022/23	10,051	-	-	194	-	10,245
Total	3,184,734	606,556	887,303	93,657	11,141	4,783,391

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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AUDIT COMMITTEE	AGENDA ITEM No. 10
20 MARCH 2023	PUBLIC REPORT

Report of:	Chair of Audit Committee	
Cabinet Member(s) responsible:	Councillor Coles, Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Dan Kalley, Senior Democratic Services Officer	Tel.01733 296 334

WORK PROGRAMME 2022/23

RECOMMENDATIONS
<p>It is recommended that the Audit Committee:</p> <ol style="list-style-type: none"> 1. Notes and agrees the rolling work programme and matrix of terms of reference

1. ORIGIN OF REPORT

- 1.1 This is a standard report to the Audit Committee which forms part of its agreed work programme. This report provides details of the Draft Work Programme for the following municipal year.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The Work Programme is based on previous year's agendas. The programme can be refreshed throughout the year in consultation with senior officers and the Committee membership to ensure that it remains relevant and up to date. In addition, any delays in reporting issues are recorded so that they do not drop off the committee agenda.

3. CORPORATE PRIORITIES

- 3.1 This report links to the Corporate Priorities under the following heading:

1. Sustainable Future City Council

The work programme sets out the forward look of committee in assisting the Council in securing its future as a sustainable council for its residents.

4. IMPLICATIONS

Financial Implications

- 4.1 There are none

Legal Implications

- 4.2 There are none

Equalities Implications

4.3 There are none

5. APPENDICES

5.1 Appendix A – Rolling Work Programme 2023/24
Appendix B – Committee matrix – terms of reference

APPENDIX A

Meeting date: 20 March 2023

Training/Briefing dates: 16 March 2023

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Debt Write Offs	Chris Yates – Financial Manager (Business Manager) Cecilie Booth – Executive Director Corporate Services	2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.	An opportunity for the Committee to have a deep dive into an area of interest to the Committee. Further details of the nature of the deep dive will be updated in the work programme.	
Procurement – Areas of concern updates	Lesley Meeks – Procurement Specialist George Wallace – Head of Procurement Richard McCarthy – Procurement Operations Manager	2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To review the procurement function of the Council and audit members to comment on areas of concern	
RIPA Policy update	Ben Stevenson	2.2.2.10 To have oversight of the Regulation of Investigatory Powers policy and processes.	To update members on the RIPA policy and any changes that have been made.	

Draft Annual Audit Committee report	<p>Dan Kalley – Senior Democratic Services Officer</p> <p>Cecilie Booth – Executive Director Corporate Services</p> <p>Steve Crabtree – Chief Internal Auditor</p> <p>Chris Brooks - Chair</p>	<p>2.2.2.13</p> <p>To produce an annual report for consideration by Full Council.</p>	<p>The Audit Committee has been in operation since Annual Council in May 2006 (first meeting June 2006). The Committee has a wide ranging remit that underpins the Council's governance processes by providing independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework.</p>	<p>Presented to June Audit Committee before Full Council July 2023</p>
Internal Audit: Draft Internal Audit Plan 2023 / 2024	<p>Steve Crabtree – Chief Internal Auditor</p>	<p>2.2.1.1</p> <p>To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p> <p>2.2.1.3</p> <p>To consider reports dealing with the management and performance of the providers of internal audit services.</p>	<p>The purpose of this report is to ensure that the Council reviews and agrees the audit activity for the next audit year.</p>	

		2.2.1.18 To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.		
Risk Management: Strategic Risks	Risk Management Manager (TBC)	2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.	The purpose of this report is for the Audit Committee to note and comment on the Risk Management Report.	

July 2023

Training/Briefing: TBC

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Draft Annual Governance Statement	Steve Crabtree – Chief Internal Auditor Cecilie Booth – Executive Director Corporate Services	2.2.1.17 To oversee the production of the authority's Annual Governance Statement and to recommend its adoption	The production of the Annual Governance Statement (AGS) forms part of the annual closure of accounts process. It is not a financial exercise, but represents a corporate overview of the processes and	

		<p>2.2.1.18</p> <p>To consider the Councils arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.</p>	<p>procedures adopted by Peterborough to manage its affairs.</p>	
Risk Management Framework and Policies	Risk Management Manager (TBC)	<p>2.2.1.15</p> <p>To monitor the effective development and operation of risk management and corporate governance in the Council.</p>	<p>Responsibility for the risk management framework</p>	
Internal Audit: Annual Audit Opinion	Steve Crabtree – Chief Internal Auditor	<p>2.2.1.1</p> <p>To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p>	<p>The purpose of this report provides an overall opinion on the soundness of the control environment in place to minimise risk to the Council. It is based on the findings of completed audits and activities undertaken by the Internal Audit Team during 2021 / 2022.</p>	
Treasury Management Strategy (Quarterly report)	Cecilie Booth – Executive Director Corporate Services	<p>2.2.1.18</p> <p>To consider the Council's arrangements for corporate</p>	<p>The purpose of this report is to report current performance and the forecast outturn</p>	

	Fiona Leverton – Capital Accounting & Treasury Manager	governance and agreeing necessary actions to ensure compliance with best practice.	position against the Prudential Indicators in the strategy.	
Council Commercial Activities	Cecilie Booth – Executive Director Corporate Services	2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.	To review the Councils commercial activities and risks associated with this.	
Investigations Team Annual Report 2022 / 2023	Steve Crabtree – Chief Internal Auditor	2.2.1.16 To monitor council policies on “raising concern at work” and the anti-fraud and anti-corruption strategy and the Council’s complaints process.	The purpose of this report is to present the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring in the Council.	
Insurance: Annual Report 2022 / 2023	Steve Crabtree – Chief Internal Auditor	2.2.1.15 To monitor the effective development and operation of risk management and corporate governance in the Council.	The purpose of this report is to present the work carried out during the past year to provide an effective insurance function which provides cover for all aspects of the Council whilst minimising the cost.	
Draft Statement of Accounts and Audit Results report for	Ernst & Young – External Auditors	2.2.1.19 To review the annual statement of accounts,	To review the Audit results report from the External Auditors.	

year ended 31 March 2023	Cecilie Booth – Executive Director Corporate Services	specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.		
Audit Committee Effectiveness	Steve Crabtree – Chief Internal Auditor	2.2.1.18 To consider the Councils arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To provide Members with an update on progress in developing the audit plan.	
Decisions of the Shareholder Cabinet Committee	Pippa Turvey – Democratic & Constitutional Services Manager	2.2.2.12 To consider reports in relation to the performance of the Council’s companies, alongside comments from the Shareholder Cabinet Committee.	The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder Cabinet Committee in relation the Council’s companies.	
Final Statement of Accounts 2020/21	Ernst & Young – External Auditors Cecilie Booth – Executive Director Corporate Services	2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate	To review the Audit results report from the External Auditors.	Moved from March 23

		accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.		
External Audit plan for year ended 31 March 2022	Ernst Young – External Auditors Sian Warren/Cecilie Booth-Finance	2.2.2.5 To consider the external auditors annual letter, relevant reports and the report to those charged with governance. 2.2.2.7 To comment on the scope and depth of external audit work and to ensure it gives value for money.	The purpose of this report is to involve the Audit Committee in determining the audit approach and to identify any additional issues it considers relevant to the audit.	Moved from March 23

Meeting date: September 2023

Training/Briefing dates: TBC

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
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Risk Management: Strategic Risks	Risk Management Manager (TBC)	2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.	The purpose of this report is for the Audit Committee to note and comment on the Risk Management Report.	
Update on procurement	Lesley Meeks – Procurement Specialist Richard McCarthy - Procurement Operations Manager George Wallace – Head of Procurement	2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To review any activity by directorates/teams that had not followed procurement guidelines.	
Independent Improvement and Assurance Panel update (3 rd report)	Emma Riding – Budget and Control Reporting Manager Cecilie Booth – Executive Director Corporate Services	2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.	To receive the Independent Improvement and Assurance Panel 3 rd report to Full Council	

Meeting date: November 2023

Training/Briefing dates: TBC

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and
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				date (if applicable)
Internal Audit: Mid Year Progress Report	Steve Crabtree – Chief Internal Auditor	<p>2.2.2.1</p> <p>To consider the annual audit report and opinion of the Corporate Director of Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.</p>	The purpose of this report provides an overall opinion on the soundness of the control environment in place to minimise risk to the council. It is based on the findings of the completed internal audits from the Annual Audit Plan 2022 / 2023 as at 30 September 2022.	
Audit Committee start time 2024/25	Dan Kalley – Senior Democratic Services Officer	<p>Council Standing Order section 4.4.1</p> <p>The timings of normal committee meetings will be agreed by the committee for the next municipal year in January of the preceding municipal year (or as near to this time as possible).</p>	The purpose of this report is to allow the Audit Committee to discuss and agree the start times for meetings from the beginning of the Municipal Year 2023-24.	Full Council January/March 2023
Treasury Management Strategy (Quarterly report)	<p>Cecilie Booth – Executive Director Corporate Services</p> <p>Fiona Leverton – Capital Accounting & Treasury Manager</p>	<p>2.2.1.18</p> <p>To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure</p>	The purpose of this report is to report current performance and the forecast outturn position against the Prudential Indicators in the strategy.	

	Tony McGuinness -	compliance with best practice.		
Annual Report Corporate Complaints	Belinda Evans – Complaint Manager	2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anticorruption strategy and the Council's complaints process	The purpose of the report is to update members on the Council's Complaints procedure.	
Decisions of the Shareholder Cabinet Committee	Pippa Turvey – Democratic & Constitutional Services Manager	2.2.2.12 To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.	The purpose of this report is to ensure that the Audit Committee is updated on the work of the Shareholder Cabinet Committee in relation to the Council's companies.	

Meeting date: January 2024

Training/Briefing dates: TBC

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Internal Audit: Approach to Audit Planning	Steve Crabtree – Chief Internal Auditor	2.2.2.9	The purpose of this report is to provide Members with details of Internal Audit's annual	

		To commission work from internal and external audit.	planning approach and emerging issues and risks that Internal Audit need to provide assurance over. It provides an opportunity for Members to consider these themes and provide input into the development of the Audit Plan.	
Independent Improvement and Assurance Panel update (final report)	Emma Riding – Budget and Control Reporting Manager Cecilie Booth – Executive Director Corporate Services	2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.	To receive the Independent Improvement and Assurance Panel final report to Full Council	
Update on procurement	Lesley Meeks – Procurement Specialist Richard McCarthy - Procurement Operations Manager George Wallace – Head of Procurement	2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	To review any activity by directorates/teams that had not followed procurement guidelines.	
Debt Write Offs	Chris Yates – Financial Manager (Business Manager) Cecilie Booth – Executive Director Corporate Services	2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.	An opportunity for the Committee to have a deep dive into an area of interest to the Committee. Further details of the nature of the deep dive will be updated in the work programme.	

Date for item TBC

Agenda Item	Responsible Author(s)	Audit Committee Terms of Reference	Brief description	Relevant onward Committee and date (if applicable)
Councils Value for Money position	Cecilie Booth – Executive Director Corporate Services			
Report on Shared Services	Cecilie Booth – Executive Director Corporate Services Matt Gladstone – Chief Executive			

APPENDIX B

Planning document linking constitution to delivery in meetings.

Audit Committee

2.2.1 It is advised that Members undertake relevant training within the past three years in order to hold a seat on this committee.

2.2.2 Terms of Reference

2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

2.2.2.2 To consider summaries of specific internal audit reports as requested.

2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.

2.2.2.4 To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

2.2.2.5 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

2.2.2.6 To consider specific reports as agreed with the external auditor.

2.2.2.7 To comment on the scope and depth of external audit work and to ensure it gives value for money.

2.2.2.8 To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.

2.2.2.9 To commission work from internal and external audit.

2.2.2.10 To have oversight of the Regulation of Investigatory Powers policy and processes.

2.2.2.11 Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.

2.2.2.12 To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.

2.2.2.13 To produce an annual report for consideration by Full Council.

Regulatory Framework

- 2.2.2.14 To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- 2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.
- 2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
- 2.2.2.17 To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
- 2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

Accounts

- 2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.

Independent Members of Audit Committee

- 2.2.1.21 The Audit Committee will include up to 3 independent co-opted non-voting members sitting alongside 7 elected members. Independent members will be appointed by the Council to serve an initial 4 year term, which may be extended with the agreement of Council.
- 2.2.1.22 The Committee will be chaired by an Independent Member. In the absence of the appointed chair one of the remaining two Independent Members will be appointed as Chair by the Committee.
- 2.2.1.23 The Vice-Chair will be an elected member whose purpose will be to support the Chair and in the event of an equality of votes, to exercise a second or casting vote.

- 2.2.1.24 The role of an Independent Member is to support the Council's Audit Committee in its role to provide independent assurance to the members of Peterborough City Council, and its wider citizens and stakeholders.
- 2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.
- 2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.

Terms of reference	Meeting	Report title	Assurance activity
2.2.2.1 To consider the annual report and opinion of the Corporate Director Resources and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.	Mar 2022	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	July 2022	Internal Audit: Annual Audit Opinion	Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted.
		(Draft) Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required

	Nov 2022	Internal Audit: Mid-Year Progress Report	Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.
	Mar 2023	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.
2.2.2.2 To consider summaries of specific internal audit reports as requested	July 2022	Internal Audit: Annual Audit Opinion	Audit Plan 2021/22 outturn. Provide Audit Committee with all works completed together with an opinion of the level of control / governance in place. Details of resources utilised. Areas of concern and non-compliance will be highlighted.
	Nov 2022	Internal Audit: Mid-Year Progress Report	Audit Plan 2022/23. To provide progress against the agreed plan. Details of any changes made to audit risks and resources and how this is impacting on works.
2.2.2.3 To consider reports dealing with the management and performance of the providers of internal audit services.	Mar 2022	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	Mar 2023	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.

2.2.2.4	To consider a report from audit on agreed recommendations not implemented within a reasonable timescale	July 2022	Internal Audit: Annual Audit Opinion	Areas of non-compliance with timescales to implement change
		Nov 2022	Internal Audit: Mid-Year Progress Report	Areas of non-compliance with timescales to implement change
2.2.2.5	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.	Sept 2022	External Audit plan for year ended 31 March 2022	External auditor presents reports
2.2.2.6	To consider specific reports as agreed with the external auditor.	As required		
2.2.2.7	To comment on the scope and depth of external audit work and to ensure it gives value for money.	Mar 2023	External Audit plan for year ended 31 March 2022	To review the External Audit plan and to make initial comment
		Nov 2022	FRC Report	To review the FRC's report on external auditing
2.2.2.8	To liaise with the Public Sector Audit Appointments Ltd (PSAA) over the appointment of the council's external auditor.	As required – last done November 2021		

2.2.2.9	To commission work from internal and external audit	Jan 2023	Internal Audit: Approach to Audit Planning	To set out future audit work based on the current issues impacting on PCC
2.2.2.10	To have oversight of the Regulation of Investigatory Powers policy and processes.	Nov 2022	Update on RIPA for Audit Committee members	To update the committee on the Councils RIPA policy.
		Mar 2023	RIPA Policy – changes to policy	To inform Audit Committee members on changes to the RIPA policy
2.2.2.11	Authority to approve any changes regarding the Council's Whistle-Blowing policy and arrangements.	As required		
2.2.2.12	To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.	July 2022	Decisions made by the Shareholder Cabinet Committee	Committee to note the decisions made by the Shareholder Cabinet Committee
		Nov 2022	Decisions made by the Shareholder Cabinet Committee	Committee to note the decisions made by the Shareholder Cabinet Committee
2.2.2.13	To produce an annual report for consideration by Full Council.	Mar 2022	Annual Audit Committee report	Draft report that currently gets presented to Full Council in July.
		Mar 2023	Annual Audit Committee report	Draft report that currently gets presented to Full Council in July.
2.2.2.14	To review any issue referred to it by the Chief Executive or a Director,	Oct 2022	Council Reserves Policy	To review the Councils Reserve Policy
		Oct 2022	Independent Improvement	To review the first Independent

or any Council body.		Panel Report	Improvement Panel report presented to Cabinet.
	Oct 2022	Budget Setting Process	To review the Councils Budget Setting process
	Jan 2023	Council Reserves Policy	To review updates on the Councils Reserve Policy
	Jan 2023	2 nd Independent Improvement Panel Report	To review the second Independent Improvement Panel report presented to Cabinet.
2.2.2.15 To monitor the effective development and operation of risk management and corporate governance in the council.	Mar 2022	Risk Management Strategic Risks	Overview of current strategic risks.
	July 2022	Insurance: Annual Report 2021 / 2022	Sets out how insurance service has operated to ensure effective management and control of its assets, and provide cover to manage risks
2.2.2.16 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process.	July 2022	Investigations Team Annual Report 2021 / 2022	Annual report into Investigations Team works.
	Nov 2022	Council Complaints Procedure	To review and comment on the Councils complaints policies and processes
	Jan 2023	Anti-Fraud and Corruption report	To review policy changes to the Anti-Fraud and Corruption Policy
2.2.2.17 To oversee the production of the authority's Statement on	July 2022	(Draft) Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the

Internal Control and to recommend its adoption.			AGS. Reporting of areas where improvements are required
2.2.2.18 To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.	Mar 2022	Internal Audit: Draft Internal Audit Plan 2022 / 2023	Provide Audit Committee with detailed planned audit coverage for the year.
	July 2022	Review of Effectiveness of Audit Committee	Overview of the operation of the Committee against the CIPFA standards.
		Annual Governance Statement	Details of the governance arrangements in place at PCC. Reporting of the assurance framework to establish the AGS. Reporting of areas where improvements are required
		National Fraud Initiative	Report to set out how the Council will look to tackle fraud and error as part of mandatory exercises from central government
Risk Management Framework	Committee to receive an update on the framework		

	Nov 2022	Treasury Management Progress Report (including risks)	Prior to submission at Full Council committee to review the prudential indicators
	Oct 2022	Review of Procurement, reporting of single tender contracts	First report for committee to review procurement as a service
	Jan 2023	To review any updates on procurement issues identified where teams had not followed process.	Further report for committee to review progress made on procurement and contracts
	Mar 2023	Internal Audit: Draft Internal Audit Plan 2023 / 2024	Provide Audit Committee with detailed planned audit coverage for the year.
		Procurement Activity – March update	
2.2.1.19 To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and	June 2022	Budget Monitoring Outturn 2021 / 2022	

whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	Mar 2023	Audit Results report for year ended 31 March 2022	
	Aug 2022	Audit of Statement of Accounts year ended 2020/21	
2.2.1.20 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.	Mar 2022	Statement of Accounts for the year ended 31 March 2022.	
	Aug 2022	Audit of Statement of Accounts year ended 2020/21 update	
	Mar 2023	Statement of Accounts final for 2020/21	

Independent Audit Committee Members feedback

2.2.1.25 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate	
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<p>independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.</p>	
<p>2.2.1.26 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, risk management and control of the authority.</p>	

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