



Kim Webber B.Sc. M.Sc.
Chief Executive
52 Derby Street
Ormskirk
West Lancashire
L39 2DF

Monday, 22 October 2018

**TO: COUNCILLORS P COTTERILL, C WYNN, T ALDRIDGE, T BLANE, R COOPER,
C DERELI, J GORDON, N HENNESSY, J MEE, E POPE AND
A PRITCHARD**

Dear Councillor,

A meeting of the **AUDIT & GOVERNANCE COMMITTEE** will be held in the **CABINET/COMMITTEE ROOM - 52 DERBY STREET, ORMSKIRK L39 2DF** on **TUESDAY, 30 OCTOBER 2018** at **6.30 PM** at which your attendance is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be "Kim Webber", written over a horizontal line.

Kim Webber
Chief Executive

AGENDA
(Open to the Public)

- 1. APOLOGIES**
- 2. MEMBERSHIP OF THE COMMITTEE**

To be apprised of any changes to the membership of the Committee in accordance with Council Procedure Rule 4.

- 3. DECLARATIONS OF INTEREST**

If a Member requires advice on Declarations of Interest, he/she is

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advised to contact the Borough Solicitor in advance of the meeting. (For the assistance of members a checklist for use in considering their position on any particular item is included at the end of this agenda sheet).

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|------------|--|--------------|
| 4. | PUBLIC SPEAKING | 299 -
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| | Residents of West Lancashire on giving notice, may address the meeting to make representations on any item on the agenda except where the public and press are to be excluded during consideration of the item. The deadline for submission is 5.00pm on Friday 26 October 2018. | |
| 5. | MINUTES | 303 -
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| | To receive as a correct record the minutes of the meeting held on the 24 July 2018. | |
| 6. | GRANT THORNTON - PROGRESS REPORT AND SECTOR UPDATE | 307 -
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| | To consider the report of the Borough Treasurer. | |
| 7. | GRANT THORNTON ANNUAL AUDIT LETTER | 313 -
326 |
| | To consider the report of the Borough Treasurer. | |
| 8. | INTERNAL AUDIT ACTIVITY - QUARTERLY UPDATE | 327 -
336 |
| | To consider the report of the Borough Treasurer. | |
| 9. | RIPA ACT REGULAR MONITORING OF USE OF POWERS - ANNUAL SETTING OF THE POLICY | 337 -
366 |
| | To consider the report of the Borough Solicitor. | |
| 10. | WORK PROGRAMME | 367 -
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| | To consider the future Work Programme of the Committee. | |

We can provide this document, upon request, on audiotape, in large print, in Braille and in other languages.

FIRE EVACUATION PROCEDURE: Please see attached sheet.

MOBILE PHONES: These should be switched off or to 'silent' at all meetings.

For further information, please contact:-
Jill Ryan on 01695 585017

Or email jill.ryan@westlancs.gov.uk

**FIRE EVACUATION PROCEDURE FOR:
COUNCIL MEETINGS WHERE OFFICERS ARE PRESENT
(52 DERBY STREET, ORMSKIRK)**

PERSON IN CHARGE:	Most Senior Officer Present
ZONE WARDEN:	Member Services Officer / Lawyer
DOOR WARDEN(S)	Usher / Caretaker

IF YOU DISCOVER A FIRE

1. Operate the nearest **FIRE CALL POINT** by breaking the glass.
2. Attack the fire with the extinguishers provided only if you have been trained and it is safe to do so. **Do not** take risks.

ON HEARING THE FIRE ALARM

1. Leave the building via the **NEAREST SAFE EXIT**. **Do not stop** to collect personal belongings.
2. Proceed to the **ASSEMBLY POINT** on the car park and report your presence to the **PERSON IN CHARGE**.
3. **Do NOT** return to the premises until authorised to do so by the **PERSON IN CHARGE**.

NOTES:

Officers are required to direct all visitors regarding these procedures i.e. exit routes and place of assembly.

The only persons not required to report to the Assembly Point are the Door Wardens.

CHECKLIST FOR PERSON IN CHARGE

1. Advise other interested parties present that you are the person in charge in the event of an evacuation.
2. Make yourself familiar with the location of the fire escape routes and inform any interested parties of the escape routes.
3. Make yourself familiar with the location of the assembly point and inform any interested parties of that location.
4. Make yourself familiar with the location of the fire alarm and detection control panel.
5. Ensure that the zone warden and door wardens are aware of their roles and responsibilities.
6. Arrange for a register of attendance to be completed (if considered appropriate / practicable).

IN THE EVENT OF A FIRE, OR THE FIRE ALARM BEING SOUNDED

1. Ensure that the room in which the meeting is being held is cleared of all persons.
2. Evacuate via the nearest safe Fire Exit and proceed to the **ASSEMBLY POINT** in the car park.
3. Delegate a person at the **ASSEMBLY POINT** who will proceed to **HOME CARE LINK** in order to ensure that a back-up call is made to the **FIRE BRIGADE**.
4. Delegate another person to ensure that **DOOR WARDENS** have been posted outside the relevant Fire Exit Doors.

5. Ensure that the **ZONE WARDEN** has reported to you on the results of his checks, **i.e.** that the rooms in use have been cleared of all persons.
6. If an Attendance Register has been taken, take a **ROLL CALL**.
7. Report the results of these checks to the Fire and Rescue Service on arrival and inform them of the location of the **FIRE ALARM CONTROL PANEL**.
8. Authorise return to the building only when it is cleared to do so by the **FIRE AND RESCUE SERVICE OFFICER IN CHARGE**. Inform the **DOOR WARDENS** to allow re-entry to the building.

NOTE:

The Fire Alarm system will automatically call the Fire Brigade. The purpose of the 999 back-up call is to meet a requirement of the Fire Precautions Act to supplement the automatic call.

CHECKLIST FOR ZONE WARDEN

1. Carry out a physical check of the rooms being used for the meeting, including adjacent toilets, kitchen.
2. Ensure that **ALL PERSONS**, both officers and members of the public are made aware of the **FIRE ALERT**.
3. Ensure that **ALL PERSONS** evacuate **IMMEDIATELY**, in accordance with the **FIRE EVACUATION PROCEDURE**.
4. Proceed to the **ASSEMBLY POINT** and report to the **PERSON IN CHARGE** that the rooms within your control have been cleared.
5. Assist the **PERSON IN CHARGE** to discharge their duties.

It is desirable that the **ZONE WARDEN** should be an **OFFICER** who is normally based in this building and is familiar with the layout of the rooms to be checked.

INSTRUCTIONS FOR DOOR WARDENS

1. Stand outside the **FIRE EXIT DOOR(S)**
2. Keep the **FIRE EXIT DOOR SHUT**.
3. Ensure that **NO PERSON**, whether staff or public enters the building until **YOU** are told by the **PERSON IN CHARGE** that it is safe to do so.
4. If anyone attempts to enter the premises, report this to the **PERSON IN CHARGE**.
5. Do not leave the door **UNATTENDED**.

Agenda Item 3

MEMBERS INTERESTS 2012

A Member with a disclosable pecuniary interest in any matter considered at a meeting must disclose the interest to the meeting at which they are present, except where it has been entered on the Register.

A Member with a non pecuniary or pecuniary interest in any business of the Council must disclose the existence and nature of that interest at commencement of consideration or when the interest becomes apparent.

Where sensitive information relating to an interest is not registered in the register, you must indicate that you have an interest, but need not disclose the sensitive information.

Please tick relevant boxes

Notes

	General		
1.	I have a disclosable pecuniary interest.	<input type="checkbox"/>	You cannot speak or vote and must withdraw unless you have also ticked 5 below
2.	I have a non-pecuniary interest.	<input type="checkbox"/>	You may speak and vote
3.	<p>I have a pecuniary interest because</p> <p>it affects my financial position or the financial position of a connected person or, a body described in 10.1(1)(i) and (ii) and the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest</p> <p>or</p> <p>it relates to the determining of any approval consent, licence, permission or registration in relation to me or a connected person or, a body described in 10.1(1)(i) and (ii) and the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest</p>	<input type="checkbox"/> <input type="checkbox"/>	<p>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</p> <p>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</p>
4.	<p>I have a disclosable pecuniary interest (Dispensation 20/09/16) or a pecuniary interest but it relates to the functions of my Council in respect of:</p> <p>(i) Housing where I am a tenant of the Council, and those functions do not relate particularly to my tenancy or lease.</p> <p>(ii) school meals, or school transport and travelling expenses where I am a parent or guardian of a child in full time education, or are a parent governor of a school, and it does not relate particularly to the school which the child attends.</p> <p>(iii) Statutory sick pay where I am in receipt or entitled to receipt of such pay.</p> <p>(iv) An allowance, payment or indemnity given to Members</p> <p>(v) Any ceremonial honour given to Members</p> <p>(vi) Setting Council tax or a precept under the LGFA 1992</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p>You may speak and vote</p> <p>You may speak and vote</p> <p>You may speak and vote</p> <p>You may speak and vote</p> <p>You may speak and vote</p>
5.	A Standards Committee dispensation applies (relevant lines in the budget – Dispensation 20/09/16 – 19/09/20)	<input type="checkbox"/>	See the terms of the dispensation
6.	I have a pecuniary interest in the business but I can attend to make representations, answer questions or give evidence as the public are also allowed to attend the meeting for the same purpose	<input type="checkbox"/>	You may speak but must leave the room once you have finished and cannot vote

‘disclosable pecuniary interest’ (DPI) means an interest of a description specified below which is your interest, your spouse’s or civil partner’s or the interest of somebody who you are living with as a husband or wife, or as if you were civil partners and you are aware that that other person has the interest.

Interest

Employment, office,
trade, profession or
vocation

Prescribed description

Any employment, office, trade, profession or vocation carried on for profit or gain.

Sponsorship

Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.

	This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

"body in which the relevant person has a beneficial interest" means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest; "director" includes a member of the committee of management of an industrial and provident society;

"land" excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income; "M" means a member of a relevant authority;

"member" includes a co-opted member; "relevant authority" means the authority of which M is a member;

"relevant period" means the period of 12 months ending with the day on which M gives notice to the Monitoring Officer of a DPI;

"relevant person" means M or M's spouse or civil partner, a person with whom M is living as husband or wife or a person with whom M is living as if they were civil partners;

"securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

'non pecuniary interest' means interests falling within the following descriptions:

- 10.1(1)(i) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) Any body (a) exercising functions of a public nature; (b) directed to charitable purposes; or (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (iii) Any easement, servitude, interest or right in or over land which does not carry with it a right for you (alone or jointly with another) to occupy the land or to receive income.
- 10.2(2) A decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a connected person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision.

'a connected person' means

- (a) a member of your family or any person with whom you have a close association, or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph 10.1(1)(i) or (ii).

'body exercising functions of a public nature' means

Regional and local development agencies, other government agencies, other Councils, public health bodies, council-owned companies exercising public functions, arms length management organisations carrying out housing functions on behalf of your authority, school governing bodies.

A Member with a personal interest who has made an executive decision in relation to that matter must ensure any written statement of that decision records the existence and nature of that interest.

NB Section 21(13) of the LGA 2000 overrides any Code provisions to oblige an executive member to attend an overview and scrutiny meeting to answer questions.

PUBLIC SPEAKING – PROTOCOL

(For meetings of Cabinet, Overview & Scrutiny Committees, Audit & Governance Committee and Standards Committee)

1.0 Public Speaking

- 1.1 Residents of West Lancashire may, on giving notice, address any of the above meetings to make representations on any item on the agenda for those meetings, except where the public and press are to be excluded from the meeting during consideration of the item.
- 1.2 The form attached as an Appendix to this Protocol should be used for submitting requests.

2.0 Deadline for submission

- 2.1 The prescribed form should be received by Member Services by 10.00 am on the Friday of the week preceding the meeting. This can be submitted by e-mail to member.services@westlancs.gov.uk or by sending to:

Member Services
West Lancashire Borough Council
52 Derby Street
Ormskirk
West Lancashire
L39 2DF

- 2.2 Completed forms will be collated by Member Services and circulated via e-mail to relevant Members and officers and published on the Council website via Modgov. Only the name of the resident and details of the issue to be raised will be published.
- 2.3 Groups of persons with similar views should elect a spokesperson to speak on their behalf to avoid undue repetition of similar points. Spokespersons should identify in writing on whose behalf they are speaking.

3.0 Scope

- 3.1 Any matters raised must be relevant to an item on the agenda for the meeting.
- 3.2 The Borough Solicitor may reject a submission if it:
 - (i) is defamatory, frivolous or offensive;
 - (ii) is substantially the same as representations which have already been submitted at a previous meeting; or
 - (iii) discloses or requires the disclosure of confidential or exempt information.

4.0 Number of items

- 4.1 A maximum of one form per resident will be accepted for each Agenda Item.
- 4.2 There will be a maximum of 10 speakers per meeting. Where there are more than 10 forms submitted by residents, the Borough Solicitor will prioritise the list of those allowed to speak. This will be considered having regard to all relevant matters including:
 - a. The order in which forms were received.
 - b. If one resident has asked to speak on a number of items, priority will be given to other residents who also wish to speak
 - c. Whether a request has been submitted in relation to the same issue.
- 4.3 All submissions will be circulated to Members of the relevant body and officers for information, although no amendments will be made to the list of speakers once it has been compiled (regardless of withdrawal of a request to speak).

5.0 At the Meeting

- 5.1 Speakers will be shown to their seats. At the commencement of consideration of each agenda item the Leader/Chairman will invite members of the public to make their representations. Residents will have up to 3 minutes to address the meeting. The address must reflect the issue included on the prescribed form submitted in advance.
- 5.2 Members may discuss what the speaker has said along with all other information, when all public speakers on that item have finished and will then make a decision. Speakers should not circulate any supporting documentation at the meeting and should not enter into a debate with Councillors.
- 5.4 If residents feel nervous or uncomfortable speaking in public, then they can ask someone else to do it for them. They can also bring an interpreter if they need one. They should be aware there may be others speaking as well.
- 5.5 Speakers may leave the meeting at any time, taking care not to disturb the meeting.

(Please see attached form.)



REQUEST FOR PUBLIC SPEAKING AT MEETINGS

MEETING & DATE

NAME

ADDRESS

.....

Post Code

PHONE

Email

Please indicate if you will be in attendance at the meeting

YES/NO*

*delete as applicable

Note: This page will not be published.

(P.T.O.)

PLEASE PROVIDE DETAILS OF THE MATTER YOU WISH TO RAISE

Agenda Item Number

Title

Details

.....

.....

.....

.....

.....

.....

.....

.....

Name Dated

Completed forms to be submitted by 10.00am on the Friday of the week preceding the meeting to:-

*Member Services, West Lancashire Borough Council, 52 Derby Street,
Ormskirk, Lancashire, L39 2DF or
Email: member.services@westlancs.gov.uk*

If you require any assistance regarding your attendance at a meeting (including access) or if you have any queries regarding your submission please contact Member Services on 01695 585065.

Note: This page will be published.

AUDIT & GOVERNANCE COMMITTEE

HELD: Tuesday, 24 July 2018

Start: 6.30 p.m.

Finish: 7.20 p.m.

PRESENT:

Councillor: P Cotterill (Chairman)
R Pendleton (Vice-Chairman)

Councillors: T Aldridge E Pope
C Dereli A Pritchard
J Gordon C Wynn
J Mee

Officers: Borough Solicitor – Mr T Broderick
Borough Treasurer – Mr M Taylor
Internal Audit Manager – Mr M Coysh
Member Services/Civic Support Officer – Mrs J A Ryan

In Attendance: Andrew Smith (Grant Thornton)
Georgia Jones (Grant Thornton)

14 APOLOGIES

Apologies for absence were received on behalf of Councillor Hennessy.

15 MEMBERSHIP OF THE COMMITTEE

There were no changes to the membership of the Committee.

16 DECLARATIONS OF INTEREST

There were no declarations of interest.

17 PUBLIC SPEAKING

There were no items under this heading.

18 MINUTES

RESOLVED: That the minutes of the meeting held on the 29 May 2018 be approved as a correct record and signed by the Chairman.

19 GRANT THORNTON - AUDIT FINDINGS REPORT

Consideration was given to the report of the Borough Treasurer as circulated and contained on pages 75 to 76 of the Book of Reports and on pages 135 to 158 and pages 269 to 294 of the Supplementary Agendas also published. The purpose of which was to receive a report from the Council's External Auditors, Grant Thornton setting out their findings on the audit of the accounts and value for money.

The Chairman invited Andrew Smith and Georgia Jones from Grant Thornton to present the Audit Finding's Report to the Committee. This report reflected the findings from the external audit of the statement of accounts for 2017-18, which had mainly been completed although there were a small number of issues still to be concluded.

Comments and questions were raised in respect of the following:-

- Accounting treatment of pre-payment of monies into the pension fund.
- Matters in relation to fraud where it was felt that sentence should be put in the report to clarify what this meant.

RESOLVED: That the Audit Findings Report in its current format be noted.

20 **APPROVAL OF STATEMENT OF ACCOUNTS**

Consideration was given to the report of the Borough Treasurer as circulated and contained on pages 77 to 78 of the Book of Reports and on pages 159 to 268 and pages 295 to 296 of the Supplementary Agendas also published. The purpose of which was to approve a Letter of Representation and the Council's Annual Statement of Accounts.

RESOLVED A. That the Letter of Representation set out in Appendix 1 of the report be endorsed.

B. That delegated authority be given to the Borough Treasurer in consultation with the Chairman of the Audit and Governance Committee to approve the Statement of Accounts set out in Appendix 2 subject to the Audit Findings Report being finalised.

21 **INTERNAL AUDIT ACTIVITIES - QUARTERLY UPDATE**

Consideration was given to the report of the Borough Treasurer as circulated and contained on pages 79 to 89 of the Book of Reports which advised of the progress against the 2018/19 Internal Audit Plan.

The Audit Manager reported that delivery of the Internal Audit Plan was satisfactory and that there had been an improvement in performance.

Comments and questions were raised in respect of the following:

- Procurement controls in Property Services
- Management of electronic records
- Cataloguing of records
- Importance of public perception and transparency

RESOLVED: A That the progress in the year to date be noted

B That a further report be brought on progress on actions arising from the report on Property Services presented to the Committee previously.

22 REGULATION OF INVESTIGATORY POWERS (RIPA) ACT - REVIEW OF USE OF POWERS

In relation to the regular monitoring of activity under the Regulation of Investigatory Powers Act 2000 (RIPA) the Borough Solicitor reported that there was no relevant activity to bring to the attention of the Committee.

RESOLVED: That the report be noted.

23 EXTERNAL REVIEW OF INTERNAL AUDIT

Consideration was given to the report of the Borough Treasurer as contained on pages 91 to 115 of the Book of Reports which advised Members of the outcome of the external review of internal audit's conformance to the Public Sector Internal Audit Statements (the review).

Comments and questions were raised in respect of the following:-

- That all involved in this piece of work be thanked for all their hard work and producing an excellent piece of work

RESOLVED: That the review's overall conclusion that West Lancashire Borough Council's Internal Audit Service generally conforms to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note be noted.

(Notes: 1. At the conclusion of this item the Chairman invited Councillor Pope to formally thank the Internal Audit Manager Mr Coysh for all his work supporting the Audit and Governance Committee and for the service he has given to the Council over the years as Mr Coysh was retiring and this would be his last Audit and Governance Committee. The Chairman, Councillor Cotterill also echoed these comments.

2. Councillor Pope left the meeting at the conclusion of this item and was not present for the remainder of the meeting.)

24 INTERNAL AUDIT CHARTER

Consideration was given to the report of the Borough Treasurer as contained on pages 117 to 131 of the Book of Reports the purpose of which was to consider revisions to the Internal Audit Charter.

RESOLVED: That the Internal Audit Charter presented as an appendix to the report be approved to take effect immediately.

25 **WORK PROGRAMME**

Consideration was given to the Committee's Work Programme as set out at page 133 of the Book of Reports.

RESOLVED: That the Work Programme be noted and that the next training session would be on the Development Company.

.....
- CHAIRMAN -



AUDIT AND GOVERNANCE COMMITTEE:

30 October 2018

Report of: Borough Treasurer

Contact for further information: Marc Taylor (Extn. 5092)
(E-mail: marc.taylor@westlancs.gov.uk)

SUBJECT: GRANT THORNTON - PROGRESS REPORT AND SECTOR UPDATE

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To receive an update from our External Auditors on a range of different matters.

2.0 RECOMMENDATION

2.1 That the progress report be considered and that any questions be raised with the Grant Thornton representatives who will be attending the meeting.

3.0 BACKGROUND

3.1 Our external auditors have asked for the document contained in the appendix to be included on the agenda for this meeting so that Members may give it due consideration.

4.0 PROGRESS REPORT

4.1 The Grant Thornton progress report sets out their progress in delivering their responsibilities against their audit plan as well as a range of other matters.

4.2 Representatives of Grant Thornton will present this document at the Committee meeting and will be able to answer any questions that Members may have on its content.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

6.0 RISK ASSESSMENT

- 6.1 The work that our External Auditors undertake is an integral part of the Council's control framework and provides assurance to Members that the Council is operating effectively.
-

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix – Grant Thornton - Progress Report and Sector Update

Audit Progress Report and Sector Update

West Lancashire Borough Council
Year ending 31 March 2019

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30 October 2018



Progress at October 2018

This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

2017/18 Audit

We have completed our audit of the Council's 2017/18 financial statements. Our audit opinion, including our value for money conclusion and certificate of audit closure was issued on the 30 July 2018.

We issued:

- An unqualified opinion on the Council's financial statements; and
- An unqualified value for money conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

We have issued all our deliverables for 2017/18 and have concluded our work on the 2017/18 financial year. Our Annual Audit Letter, summarising the outcomes of our audit is included as a separate agenda item.

2018/19 Audit

We have begun our planning processes for the 2018/19 financial year audit.

Our detailed work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will:

- continue to hold regular discussions with management to inform our risk assessment for the 2018/19 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

Other areas

Certification of claims and returns

We are required to certify the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions. This certification work for the 2017/18 claim will be concluded by November 2018 in line with agreed deadline.

The results of the certification work are reported to you in our certification letter.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

Audit Deliverables

2017/18 Deliverables		Planned Date	Status
Annual Certification Letter			
This letter reports any matters arising from our housing benefits grant certification work carried out under the PSAA contract.		November 2018	Not yet due
2018/19 Deliverables			
Fee Letter			
Confirming audit fee for 2018/19.		April 2018	Complete
Accounts Audit Plan			
We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.		January 2019	Not yet due
Interim Audit Findings			
We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.		March 2019	Not yet due
Audit Findings Report			
The Audit Findings Report will be reported to the July Audit Committee.		July 2019	Not yet due
Auditors Report			
This is the opinion on your financial statement, annual governance statement and value for money conclusion.		July 2019	Not yet due
Annual Audit Letter			
This letter communicates the key issues arising from our work.		August 2019	Not yet due
Annual Certification Letter			
This letter reports any matters arising from our certification work carried out under the PSAA contract.		December 2019	Not yet due



AUDIT AND GOVERNANCE:
30th October 2018

Report of: Borough Treasurer

Contact: Marc Taylor (Extn. 5092)
(E-mail: Marc.Taylor@westlancs.gov.uk)

SUBJECT: GRANT THORNTON ANNUAL AUDIT LETTER

Wards affected: Borough Wide

1.0 PURPOSE OF THE REPORT

- 1.1 To consider the Grant Thornton Annual Audit Letter for the Year Ended 31st March 2018.

2.0 RECOMMENDATION

- 2.1 That the Letter be considered and that any questions on its contents be raised with the External Auditors at the meeting.

3.0 BACKGROUND

- 3.1 Each year our External Auditors produce an Annual Audit Letter. A copy of this year's Letter has been included as the Appendix to this report. The Letter provides an overall summary of the auditor's assessment of the Council, based on all of the work that they have undertaken over the last year.

4.0 CURRENT ISSUES

4.1 The Annual Audit Letter confirms that:

- An unqualified opinion has been given on the accounts, which means that they provide a true and fair view of the Council's income and expenditure for the year and its financial position as at 31 March 2018
- the Council has proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources

4.2 Our external auditors will be attending the meeting and will be able to answer any questions that Members may have on the Letter.

5.0 SUSTAINABILITY IMPLICATIONS

5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

6.0 RISK ASSESSMENT

6.1 The Annual Audit Letter is an integral part of the Council's internal control framework and provides assurance to Members that the Council is operating effectively.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendix

Annual Audit Letter

Annual Audit Letter

Year ending 31 March 2018

West Lancashire Borough Council

20 August 2018

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Contents



**Your key Grant Thornton
team members are:**

Andrew Smith
Engagement Lead
T: 0161 953 6472
E: andrew.j.smith@uk.gt.com

Georgia Jones
Manager
T: 0161 214 6383
E: gerogia.s.jones@uk.gt.com

Lucinda Highfield
In-charge Auditor
T: 0151 224 7238
E: lucinda.m.highfield@uk.gt.com

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Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at West Lancashire Borough Council (the Council) for the year ended 31 March 2018.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit and Governance Committee as those charged with governance in our Audit Findings Report on 24 July 2018.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Our work

Materiality	We determined materiality for the audit of the Council's financial statements to be £1,449,000, which is 2% of the Council's gross revenue expenditure for 2016/17. We reviewed this on receipt of the draft statements for 2017/18 and were satisfied it remained appropriate.
Financial Statements opinion	We gave an unqualified opinion on the Council's financial statements on 30 July 2018.
Use of statutory powers	We did not identify any matters which required us to exercise our additional statutory powers.
Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources. We reflected this in our audit report to the Council on 30 July 2018.
Certification of Grants	We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2018. We will report the results of this work to the Audit and Governance Committee in our Annual Certification Letter.
Certificate	We certify that we have completed the audit of the accounts of West Lancashire Borough Council in accordance with the requirements of the Code of Audit Practice.

Audit of the Accounts

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the Council's accounts to be £1,449,000. This equates to 2% of your gross expenditure in 2016/17. We reviewed this on receipt of the draft statements for 2017/18 and were satisfied it remained appropriate.

We also set a lower level of specific materiality for senior officer remuneration of £11,183 due to its sensitive nature.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed
- the significant accounting estimates made by management are reasonable
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the statement of accounts, the narrative report and the annual governance statement to check that they are consistent with our understanding of the Council, and with the financial statements included in the statement of accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Accounts

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Improper revenue recognition Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none">• there is little incentive to manipulate revenue recognition• opportunities to manipulate revenue recognition are very limited• the culture and ethical frameworks of local authorities, including at West Lancashire Borough Council, mean that all forms of fraud are seen as unacceptable <p>Therefore, we did not consider this to be a significant risk for West Lancashire Borough Council.</p>	<p>Whilst we rebutted this risk, our other work on the Council's income including council tax, non domestic rates, grants and other income did not identify any issues.</p>
Management override of controls Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	<p>We have:</p> <ul style="list-style-type: none">• gained an understanding of the accounting estimates, judgements applied and decisions made by management and considered their reasonableness• obtained a full listing of journal entries, identified and tested any unusual journal entries for appropriateness• evaluated the rationale for any changes in accounting policies or significant unusual transactions.	<p>Our audit work has not identified any issues in respect of management override of controls.</p>

Audit of the Accounts

Significant Audit Risks *(continued)*

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of pension liability</p> <p>The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements. We identified the valuation of the pension fund net liability as a risk requiring special audit consideration.</p>	<p>We have:</p> <ul style="list-style-type: none"> identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. We have also assess whether these controls were implemented as expected and whether they were sufficient to mitigate the risk of material misstatement evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We have gained an understanding of the basis on which the valuation was carried out undertaken procedures to confirm the reasonableness of the actuarial assumptions made checked the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary. 	<p>We identified an error in the way the Council had accounted for the prepayment of pension contributions. The Council has paid three years worth of pension contributions in advance. This has been incorrectly treated as a prepayment in the accounts. This is incorrect as there is no likelihood of the Council being able to retrieve this cash and so does not have control over the asset. The net pension liability had not been reduced for the payments made meaning the pension liability was overstated by £2.023m (amount of pension contributions relating to 2018/19 and 2019/20). Debtors were also overstated by £2.023m. Officers amended the accounts to correct these errors.</p> <p>Our work has not identified any other significant issues.</p>

Audit of the Accounts

Significant Audit Risks *(continued)*

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of plant, property and equipment</p> <p>The Council revalues its land and buildings on a 5-yearly basis to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements.</p> <p>We identified the valuation of land and buildings revaluations and impairments as a risk requiring special audit consideration..</p>	<p>We have:</p> <ul style="list-style-type: none">• reviewed management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work• considered the competence, expertise and objectivity of any management experts used• discussed with the valuer the basis on which the valuation is carried out and challenged the key assumptions• reviewed and challenged the information used by the valuer to ensure it is robust and consistent with our understanding• tested revaluations made during the year to ensure they are input correctly into the Council's asset register• evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.	<p>We identified that there is no annual reconciliation between the information that the Estates section hold and the Fixed Asset Register held by the finance section. There is a risk that the two sources of information may have inconsistencies that would only be identified in the five year revaluation exercise. Reconciliations should be undertaken annually.</p> <p>Our work has not identified any other significant issues.</p>

Audit of the Accounts

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 30 July 2018.

Preparation of the accounts

The Council presented us with draft accounts in accordance with the national deadline, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the accounts

We reported the key issues from our audit to the Council's Audit and Governance Committee on 24 July 2018.

We made one recommendation in that an annual reconciliation between the information that the Estates section hold and the Fixed Asset Register held by the finance section be undertaken.

Certificate of closure of the audit

We are also required to certify that we have completed the audit of the accounts of West Lancashire Borough Council in accordance with the requirements of the Code of Audit Practice. We issued our certificate on the closure of the audit on 30 July 2018.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website in the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risks we identified and the work we performed are set out overleaf.

Overall Value for Money conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2018.

Value for Money conclusion

Key Value for Money risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Financial position and sustainability</p> <p>The Authority does not have a history of financial difficulty but the position is beginning to become more challenging.</p> <p>At the mid-year review budget performance, the Authority was forecasting a favourable variance on the General Revenue Account (GRA) of £90k and a favourable variance on the Housing Revenue Account (HRA) of £875k.</p> <p>In July, the Authority identified a forecast budget gap of £1.925m for 2018/19. The Authority has identified around £1m of savings for 2018/19 via the policy options process and are planning to support the remainder of the budget gap via one off use of reserves and any favourable variance from 2017/18. The Authority continues to face a challenging financial position going forward with a budget gap of around £1.5m – £2m over the two year period of 2019/20 to 2020/21.</p>	<p>As part of our audit we:</p> <ul style="list-style-type: none"> • reviewed budget monitoring reports and updates to the Medium Term Financial Plan • discussed with officers plans to address future potential budget gaps and how the Council is identifying, managing and monitoring financial risks • reviewed and monitored revenue and capital reports. 	<p>The financial position of the Authority is becoming increasingly challenging however the Authority continues to manage this well. In 2017/18, the Authority delivered a favourable variance of £218k on the GRA and a favourable variance of £1,411k on the HRA budget.</p> <p>The Authority has monitored performance against budget and achievement of planned savings through the year enabling it to meet targets and deliver financial balance for 2017/18.</p> <p>The Authority originally forecast a budget gap of £1.925m for 2018/19. Through the policy options process some savings were identified to bridge this gap. Additional resource was identified from Authority reserves in order to fully close the gap and enable a balanced budget to be set for 2018/19. The Authority continues to look for ways to reduce costs and make the most of financial opportunities.</p> <p>The Medium Term Financial Forecast identified budget gaps of £1.5m - £2m for 2019/20 and for 2020/21. The Authority is undertaking a Sustainable Organisation Review aimed at delivering key Authority objectives, maintaining service provision and securing a balanced budget position. Looking forward, funding future budget gaps from reserves is unlikely to be sustainable and the Authority will need to focus on agreeing a programme of funding in order to deliver their vision for a sustainable organisation and may need to make difficult decisions in order to achieve this</p> <p>Conclusion</p> <p>We have concluded that the Authority is managing the risk sufficiently and that the Authority has proper financial management arrangements in place.</p> <p>The Authority will need to continue to monitor spending and the achievement of savings closely through the coming year to ensure budgeted spending is met.</p> <p>The Authority need to ensure future funding decisions are sustainable.</p>

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and the provision of non-audit services.

Report issued	Date issued
Audit Plan	January 2018
Audit Findings Report	July 2018
Annual Audit Letter	August 2018

Report issued	Planned £	Actual fees £	2016/17 fees £
Statutory Council audit	43,746	43,746	43,746
Housing Benefit Grant Certification	11,195	TBC	10,920
Total fees	54,941	TBC	54,666

The planned fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA).

Fees for non-audit services

Service	Fees £
Audit related services	£1,750 (TBC)
- Audit of Pooled Housing Capital Receipts return	

Non-audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the Council's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor.





AUDIT AND GOVERNANCE COMMITTEE:

30 October 2018

Report of: Borough Treasurer

Contact for further information: Marc Taylor (Extn. 5092)
(E-mail: marc.taylor@westlancs.gov.uk)

SUBJECT: INTERNAL AUDIT ACTIVITY – QUARTERLY UPDATE

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To advise of progress against the 2018/19 Internal Audit Plan.

2.0 RECOMMENDATION

2.1 That Members note progress in the year to date.

3.0 BACKGROUND

3.1 This Committee approved the 2018/19 Internal Audit Plan and reports on progress against this plan are presented to each meeting of the Committee.

3.2 This report summarises progress to date. This work will inform the overall opinion in the Internal Audit Annual Report presented to this Committee following the end of the financial year.

4.0 INTERNAL AUDIT ACTIVITY TO DATE

4.1 An appendix summarising progress to date and any significant issues arising is attached. It should be noted that this year the dates of this Committee have been changed to accommodate the new accounts closedown timetable. In previous financial years meetings have generally fallen in June, September, January and March. This year this has been changed to May, July, October and January so figures reported here fall between the dates used for reporting in previous years, preventing direct comparison.

4.2 This year has also seen an increase in work streams with 31 items included in the annual plan compared to 24 in 2017/18.

- 4.3 The Internal Audit Manager, Mike Coysh, retired at the end of August 2018. A recruitment process was undertaken to fill this post but unfortunately it was not possible to appoint a suitable replacement. Consequently this post is currently vacant and a second recruitment process is underway, which will advertise the post more widely to encourage a higher number of applicants. In the mean time I am working with the internal audit team to ensure that good progress continues to be made against the audit plan.
- 4.4 Progress against the plan to date is satisfactory with 52% of audits commenced or completed, falling in the range between the positions reported in September 2017 and January 2018 of 38% and 66% respectively.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 The financial and resource implications arising from activity identified in this report are included in existing budget provisions.

7.0 RISK ASSESSMENT

- 7.1 This report summarises progress against Internal Audit's work programme to date. Internal Audit's work is a key source of assurance to this Committee in relation to the risk management, control and governance processes the Council has in place to secure its objectives.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

1. Internal Audit Quarterly Update.

INTERNAL AUDIT QUARTERLY UPDATE

1.0 Summary of Progress against the 2018/19 plan.

Progress against the plan to date is satisfactory with 52% of audits commenced or completed, falling in the range between the positions reported in September 2017 and January 2018 of 38% and 66% respectively.

AUDIT PLAN PROGRESS

Title	Position
General Data Protection Regulations	Work in progress
Contract and Procurement	Work in progress
Off Street Parking	Work in progress
Main Accounting	Work not commenced
Treasury Management	Work not commenced
Payroll	Work in progress
Property Management	Work not commenced
Service Now	Work not commenced
Home Care Link	Work completed
Business Rates	Work in progress
Sustainable Organisational Review	Work not commenced
Anti-fraud review	Work completed
Insurance	Work in progress
Risk Management	Work not commenced
Sheltered housing	Work not commenced
Housing Rents	Work not commenced
Performance indicators	Work in progress
ICT	Work not commenced
Benefits	Work not commenced
Creditors	Work in progress
Debtors	Work in progress
Cashiers - Income Management	Work not commenced
Council Tax	Work in progress
Right to Buy Sales	Work in progress
Caretaking	Work in progress
Homefinder	Work not commenced
Commercial waste	Work not commenced
Civic bulky collections	Work not commenced
National Fraud Initiative	Work in progress
Annual Governance Statement	Work completed
Money Laundering Reporting Officer	Work not commenced
Summary	
Work complete	3
Work in progress	13
Work not commenced	15
Total	31

2.0 Assurance rating system

- 2.1 This report records the levels of assurance provided by Internal Audit's work. The following categories are used to record the level of assurance.

Full assurance: there is a sound system of internal control designed to secure objectives and controls are being consistently applied.

Substantial assurance: there is a generally sound system of internal control in place designed to secure objectives and controls are generally being applied consistently. Some weaknesses in the design or operation of the controls put the achievement of particular objectives at risk.

Limited assurance: weaknesses in design or inconsistent application of controls put the achievement of objectives at risk.

No assurance: weak controls or significant non-compliance with controls could result (or have resulted) in failure to achieve objectives.

- 2.2 No system of internal control can eliminate every possible risk and increasing the level of control in a system frequently increases costs. Balancing risk appropriately against the costs of control is management's responsibility.
- 2.3 Internal Audit's role is to evaluate and improve the effectiveness of risk management and control processes.
- 2.4 It is important to recognise that the scope of the work in each area examined defines the limits of the assurance which can be provided and to give context to the assurance provided work is summarised in the reports set out below.

3.0 Assurance reports:

3.1 Disabled Facilities Grants

Disabled Facilities Grants are administered by the Council's Homelessness and Private Sector Housing Team with the Lancashire County Council (LCC) Occupational Therapy team being responsible for assessing each applicant's requirements. A pilot scheme has been introduced to try and improve the speed of delivery of assessments in order that they are referred to the Council to access grant funded adaptations in a timely manner.

3.1.1 Objectives

To examine the operation of the scheme generally to ensure operational risks in the application process are adequately addressed. To compare the operation of the scheme pre and post pilot initiative in order to assess whether the pilot scheme is increasing health benefits to residents. To determine if maximum advantage is obtained from the external funding available for grants, and to assess the associated financial implications for the Council.

3.1.2 Observations

Review and testing found that there were no significant issues with the administration of the scheme by the Council.

However the Council is reliant on referrals from LCC and there are concerns that the delays in this process mean that the available external funding is not being used as promptly as is possible.

Despite the introduction of the pilot scheme and discussions with LCC, referrals are currently insufficient to achieve maximum take up of external funding which is beyond the Council's control. The usefulness of the pilot scheme cannot be measured accurately without the release of further information from LCC, for example in terms of the number of applicants awaiting assessment.

3.1.3 Assurance

This Internal Audit work provides **substantial assurance** that appropriate controls are in place on the operation of areas of the scheme within the Council's control.

However only **limited assurance** can be given to the effectiveness of the overall scheme in securing all adaptations required in a timely manner. An action has been agreed to escalate the issues identified, which are outside of this authority's immediate control, through channels of communication with LCC.

3.2 E-tendering system

An e-tendering system has been implemented for contracts and this was the first time that audit had undertaken a formal review of this system.

3.2.1 Objectives

To review the operation of the recently implemented e-tendering system.

3.2.2 Observations

The review of the system concluded:

- that there is an adequate audit trail for activity carried out through the system.
- that it incorporates adequate control on user activity subject to officers being granted appropriate access to enforce segregation of duties.

During implementation, controls have been retained centrally in the procurement team. While this was appropriate in the early stages while expertise in operating the system was gained this tight control has

temporarily restricted the functionality available to end users and hence the overall efficiency of the system.

There is now an opportunity to review the facilities offered by the system and access the efficiency advantages it offers while incorporating appropriate controls on the tendering process through a carefully structured approach.

The audit recommended that the procurement team now review the control framework to realign it where practical with the authority and responsibility of officers under the Scheme of Delegation so that efficiency can be increased while still retaining adequate control. This area will be reviewed again once this further work has been completed.

3.2.3 Assurance

This Internal Audit work provides **Substantial assurance** that appropriate controls are in place on tenders processed through the E-tendering system.

3.3 Main Accounting System Controls

The main accounting system comprises of the Civica Financials system which is an integrated system that consists of the creditors and debtors systems in addition to the general ledger, which supports the Council's financial reporting requirements.

3.3.1 Objectives

To review authorised users and their system privileges for the Civica Financials system, ensuring that the user list is up to date and that appropriate segregation of duties are in place in relation to the main system functions.

To confirm journals are supported by adequate narrative description, relevant accounting codes and that systems incorporate an adequate audit trail back to source documentation.

To confirm that bank reconciliations, debtor reconciliations and creditor reconciliations are undertaken regularly and are in balance.

3.3.2 Observations

The list of system users that was reviewed was up to date and there were adequate segregation of duties in place.

Bank, creditor and debtor reconciliations are being carried out on a regular basis and arrangements were found to be working effectively. A recommendation was made that the bank reconciliation should be subject to review and sign off by a second member of staff to improve the internal controls that operate in this area.

Samples of transactions were reviewed to ensure that they were being processed in line with agreed practices and no significant issues were identified.

3.3.3 Assurance

This Internal Audit work provides **substantial assurance** that the internal controls that are in place on the main accounting system are adequate. An action point was agreed that bank reconciliations should be independently reviewed and certified as being accurate.

4.0 **Other matters of note.**

4.1 Update on the Management of Electronic Records

Background:

The management of electronic records was identified as a significant governance issue for the Council in its 2016-17 Annual Governance Statement. A report was considered at Council in July 2017 summarising the proposed actions to address the issue, which were agreed. An action plan is in place and being implemented to improve governance arrangements to ensure continuing compliance with the relevant regulatory requirements and good practice, including adherence to the Corporate Retention and Disposal Schedule.

In June 2017 this Committee resolved that a report on Electronic Records be submitted to a future meeting. The 2017-18 Annual Governance Statement noted that the Council is continuing to improve and manage its electronic records and is keeping the position under review and monitoring progress through reports to this Committee. As has been noted previously by the Committee this matter will continue to be reported in summary form in Internal Audit updates until such time as the governance issues are resolved.

Current position:

- New data storage architecture for user created files generated across the Council's ICT network has been agreed in principle by WLBC officers and developed in test mode with the Council's ICT contractor
- Revised governance arrangements for data storage and maintenance of user access permissions have been agreed in principle by WLBC officers and relevant processes developed in test mode with the Council's ICT contractor.

(The proposed governance arrangements for the new structure and the arrangements for migration of data to the new storage architecture are designed to ensure council wide adherence to new corporate standards for data storage which will enhance control, increase efficiency and secure a reduction in the volume of data held.)

- BTLS are now implementing in a test area (Property Services) the functional specification to enable implementation of the technical aspects of the proposed solution.
- The scope of WLBC's review project has been widened to encompass the Council's governance arrangements for the use of email.
- Monitoring of the key risks associated with the project will continue through the Council's regular risk assessment process.
- There has been significant improvement in regulation of storage through the Council associated work on the introduction of the Data Protection Act 2018 and the GDPR.
- Implementing these changes requires review and management of the data by WLBC staff

Following the successful completion of testing it is proposed the template solution is rolled out to other Services in sequence. Preparatory work to allow this has been undertaken in accordance with the action plan referred to above.

4.2 Update in relation to Property Services engagement of a contractor.

A report was brought to the March meeting of this Committee summarising issues identified during audit examination of Property Services' arrangements for the engagement of a contractor and the management of the subsequent contract. Members requested to be kept up to date with progress against the actions planned to address the issues identified.

An update was provided at the July meeting of this Committee that identified that 5 of the 8 action points had been completed. A further 2 action points have now been completed (as set out in the plan at the end of this report), and the outstanding item relates to non-compliance with Document Retention requirements, which is being addressed through the Management of Electronic Records initiative as set out above.

Consequently an effective framework for internal control has now been put in place, and these matters have been discussed with the Director of Housing and Inclusion to ensure that there is a clear management commitment to preventing these issues reoccurring.

It is proposed that a further audit of Property Services will take place in a few months' time to verify that the controls are operating effectively and have been embedded into management processes and practices.

5.0 Conclusion

- 5.1 The 2018/19 Internal Audit Plan is designed to fulfil the Council's duty under the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards. The external review of Internal Audit's work concluded that it generally conforms with the Public Sector Internal Auditing Standards. Good progress is being made in delivering the 2018/19 plan, which is expected to be substantially complete by the financial year end.

Property Services Contractor Engagement Action Plan

<u>Ref</u>	<u>Issue</u>	<u>Action</u>	<u>Progress</u>
2.	Failure to comply with Contracts Procedure Rules and Financial Regulations and to record transactions adequately.	Non-compliance cannot be corrected retrospectively. Further training will be provided for staff in property services on the requirements of Contract Procedure Rules, Financial Regulations and in relation to transaction processing to clarify requirements for clearing invoices and to ensure that staff understand the conditions for exceptions to established creditor payment procedures.	COMPLETE Training and staff briefings have been provided to relevant staff, and procedures and practices have been reviewed and updated. Induction material is also being updated to ensure that there is clear guidance in place for new staff.
4.	Absence of a signed agreement governing the arrangement.	Non-compliance cannot be corrected retrospectively. Internal Audit will carry out a review comparing property services expenditure over the threshold at which a contract is required to agreements held by legal services to evidence levels of compliance in other contracts.	COMPLETE This review has now been completed. The review considered historical transactions from 2017 and identified that controls and processes in this area were inadequate and that there were numerous examples of contracts not being held in legal services and / or not being contained on the contracts register. An action plan has been agreed with Property Service to address these issues
5.	Non-compliance with Council's Document retention requirements.	A corporate programme of review and cataloguing of records is in progress. It has been agreed that Property Services will be included early in the programme to ensure appropriate document retention criteria are developed and implemented.	ONGOING See Update on the Management of Electronic Records above



**AUDIT AND GOVERNANCE
COMMITTEE:
30 OCTOBER 2018**

**CABINET:
15 JANUARY 2019**

Report of: Borough Solicitor

Relevant Portfolio Holder: Councillor I Moran, Leader

Contact for further information: Mr T P Broderick (Ext 5001)
(E-mail: terry.broderick@westlancs.gov.uk)
J C Williams (Extn. 5527)
(E-mail: judith.williams@westlancs.gov.uk)

**SUBJECT: REGULATION OF INVESTIGATORY POWERS ACT – ANNUAL
SETTING OF THE POLICY AND REVIEW OF USE OF POWERS**

Wards affected: Borough Wide Interest

1.0 PURPOSE OF THE REPORT

- 1.1 To report on the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA) and to present an updated RIPA Policy document for approval.

2.0 RECOMMENDATIONS TO AUDIT AND GOVERNANCE COMMITTEE

- 2.1 That the Council's RIPA activity and the updated RIPA Policy, at Appendix 1, be noted.

3.0 RECOMMENDATIONS TO CABINET

- 3.1 That the updated RIPA Policy at Appendix 1 be approved.

4.0 BACKGROUND

- 4.1 The Regulation of Investigatory Powers Act 2000 (RIPA) came into force in 2000. Both the legislation and Home Office Codes of Practice strictly prescribe the situations in which and the conditions under which councils can use their RIPA powers. All authorities are required to have a RIPA policy and procedure that they adhere to in using their RIPA powers.

- 4.2 The Council's current approved RIPA Policy is made available on the Council's Intranet and is a working document to assist investigating and co-ordinating officers within the Council. Paragraph 5 of the RIPA Policy stresses that grantors of authorisations must believe the authorised activity is (1) necessary for preventing and detecting crime and (2) is proportionate to what is sought to be achieved in carrying out the surveillance activity (e.g. the 24/7 watching of premises where private individuals may go about their lawful business, for the possibility of gaining collateral evidence for a very minor technical infraction of a byelaw would not in all likelihood be proportionate). If it fails either test, authorisations should not be granted.
- 4.3 With the earlier change in powers and the higher level of criminal offence (one that carries a maximum sentence of 6 months or more imprisonment) only capable of being the basis for a RIPA authorised activity, the Council remains vigilant to ensure that not only all RIPA regulated activity is monitored, but also relevant activity that falls below the level of offence or may be caught by the Human Rights Act 1998 is appropriately controlled and has introduced procedures to deal with this. This is good practice as many of the Council's powers relating to regulated activities cover lower level offences not caught by RIPA.

5.0 MONITORING OF RIPA ACTIVITY

- 5.1 In the last quarter up to the date of the writing of this report (3 October 2018) and indeed in the last 12 months no covert surveillance has been authorised.
- 5.2 The Senior Responsible Officer proactively seeks to ensure that the use of covert surveillance in this authority is well regulated. Applications for authorisation to use covert surveillance must be rejected when the Authorising Officer is not satisfied that the surveillance is necessary or proportionate and legal advice should be sought by Authorising Officers in appropriate cases.
- 5.3 A programme of training is in place and a RIPA guidance note is circulated within the Council at regular intervals to raise awareness. Whenever a new Code of Practice is issued by the Government related to the Council's powers, Officers are informed accordingly, with relevant guidance provided as necessary. This training is targeted at relevant officers who will also train appropriately for their enforcement roles.

6.0 THE RIPA POLICY

- 6.1 The updated RIPA Policy is presented to Cabinet for approval each year as required by guidance (Section 4.47 of the Home Office Covert Surveillance and Property Interference Revised Code of Practice of August 2018 and section 3.30 of the Home Office Covert Human Intelligence Sources Revised Code of Practice of August 2018). Officers ensure the use of RIPA is consistent with the Council's Policy and regularly report on activity, again as is required.
- 6.2 The Council's updated RIPA Policy is annexed in Appendix 1. This contains (in Appendix 3 of the policy) the current RIPA management structure. The update is not substantial (changes at section 12.3 and Appendix 3 only).

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 7.1 There are no significant sustainability impacts associated with this report and, in particular, positive impacts on crime and disorder will be achieved by adhering to RIPA and the RIPA Policy.

8.0 FINANCE AND RESOURCE IMPLICATIONS

- 8.1 There are no significant financial and resource implications arising from this report.

9.0 RISK ASSESSMENT

- 9.1 The Council could be in breach of the relevant legislation if it does not follow the procedures set out in the RIPA Orders and Codes. This could result in the inadmissibility of evidence.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

This was considered in relation to the original formation of the policy and will also form part of any decision on whether or not to authorise action.

Appendices

Appendix 1 – Updated Policy

Appendix 2 - Minute of Audit and Governance (Cabinet only)

WEST LANCASHIRE BOROUGH COUNCIL

RIPA POLICY

The Regulation of Investigatory Powers Act 2000

In respect of

Directed Surveillance, Use of Covert Human Intelligence Sources and Accessing Communications Data

Version : No.8 - 2018

TPBRIPAPOLICYVERSION8-2018

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1 INTRODUCTION

- 1.1. The Regulation of Investigatory Powers Act 2000 (the 2000 Act) regulates covert investigations by a number of bodies, including local authorities. It was introduced to ensure that individuals' rights are protected consistent with the obligations under The Human Rights Act 1998, while also ensuring that law enforcement and security agencies have the powers they need to do their job effectively.
- 1.2. West Lancashire Borough Council is therefore included within the 2000 Act framework with regard to the authorisation of Directed Surveillance, the use of Covert Human Intelligence Sources (CHIS) and the obtaining of communications data through a single point of contact (SPOC).
- 1.3 The purpose of this guidance is to:
 - explain the scope of the 2000 Act and the circumstances where it applies
 - provide guidance on the authorisation procedures to be followed.

This continues to be a developing area of law and the Courts are yet to fully define the limits of the powers. This should be borne in mind when considering this Guide.

- 1.4 The Council has had regard to the Codes of Practice on covert surveillance, CHIS and accessing communications data produced by the Home Office in preparing this guidance and each Service should hold copies to which staff can refer and any guidance issued by the Investigatory Powers Commissioner's Office (IPCO) (formerly the Office of Surveillance Commissioners – OSC). These documents are available at www.homeoffice.gov.uk/ripa.
- 1.5 In summary the 2000 Act requires that when the Council undertakes “directed surveillance”, uses a “covert human intelligence source or accesses communications data (defined below at paragraphs 2, 3 and 4 below) these activities must only be authorised by an officer with delegated powers when the relevant criteria are satisfied.
- 1.6 The Chief Executive, Director of Leisure and Wellbeing, Director of Housing and Inclusion and Borough Solicitor can authorise these activities (in relation to communications data, they shall be known as Designated Persons and shall seek the advice of the SPOC, see further paragraphs 4 and 5.1.3 below). Such nomination permits officers to grant authority for any purpose under the terms of the 2000 Act across all Council Services and service areas.
- 1.7 **Once an authorisation is granted for the use (or renewal) of directed surveillance, or acquisition of communications data, or covert human intelligence source it cannot take effect without an order approving the grant (or renewal) being obtained from a single Justice of the Peace (Magistrate, District Judge) (under amendments made by the Protection of Freedoms Act 2012, to s.32A and s.32B of the 2000 Act). This order must be sought from the Magistrates’ Court, but when the Court is not in session. The arrangements for seeking the order will be made in consultation with Legal Services.**

- 1.8 Authorisation under the 2000 Act gives lawful authority to carry out surveillance and the use of a source. Obtaining authorisation helps to protect the Council and its officers from complaints of interference with the rights protected by Article 8(1) of the European Convention on Human Rights, i.e. the right to respect for private and family life which is now enshrined in English law through the Human Rights Act 1998. This is because the interference with the private life of citizens will be “in accordance with the law”. Provided activities undertaken are also “reasonable and proportionate” they will not be in contravention of Human Rights legislation.
- 1.9 Authorising Officers and investigators within the Local Authority are to note that the 2000 Act does not extend to powers to conduct intrusive surveillance. Investigators should familiarise themselves with the provisions of Sections 3, 4 and 5 of the Code of Practice on Directed Surveillance to ensure a good understanding of the limitation of powers within the 2000 Act.
- 1.10. Deciding when authorisation is required involves making a judgment **and assessing whether specific conditions apply to the investigation target**. Paragraph 3.4 explains this process in detail. If you are in any doubt, seek the advice of an Authorising Officer, if they are in doubt they will seek advice from the Borough Solicitor/Senior Responsible Officer. However, in those cases where there is doubt as to the need for an authorisation it may be safer to consider seeking/granting an authorisation: a broader reading of the application of the Act’s requirements is encouraged.
- 1.11. In the case of CHIS authorisations for vulnerable people or juveniles, or where surveillance involves communication subject to legal privilege, confidential personal information or confidential journalistic material authorisation must be obtained from the Chief Executive only, **together with the necessary application for an order giving effect to authorisation from a Justice of the Peace**.
- 1.12 The Chief Executive should be requested to authorise directed surveillance involving the covert filming of any Council member or employee to the extent that this falls within RIPA.

2. DIRECTED SURVEILLANCE

- 2.1 **The Council must apply to a Justice of the Peace for an order that gives effect to the authorisation for the use of directed surveillance prior to undertaking the activity.**
- 2.2 What is meant by Surveillance?

"Surveillance" includes:

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

2.3 When is surveillance directed?

Surveillance is 'Directed' for the purposes of the 2000 Act if it is covert, but not intrusive and is undertaken:

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

2.4 In certain circumstances, use of social media sites such as Facebook, or using the internet in other ways could need authorisation as directed surveillance. The Office of Surveillance Commissioners has given guidance on when the use of social media and the internet might need authorisation on RIPA. The guidance can be read at appendix 4.

2.5 Surveillance Threshold

2.5.1 Before directed surveillance can be undertaken and the requisite order from a Justice of the Peace applied for, the Council must be satisfied that they are investigating a criminal offence that carries a maximum sentence of 6 months or more imprisonment.

2.5.2 The exception to the 6 month sentence threshold is specific offences of sale of alcohol or tobacco to an underage person which does not fall within the Council's range of regulatory activities.

2.5.3 During the course of an investigation, should the Council become aware that the criminal activity under investigation falls below the 6 month sentence threshold, then use of directed surveillance should cease.

2.5.4 This 6 month sentence threshold does not apply to use of covert human intelligence or communications data techniques.

2.6 The Council cannot undertake intrusive surveillance.

2.6.1 Surveillance becomes intrusive if the covert surveillance:

- a) is carried out in relation to anything taking place on any "residential premises" or in any "private vehicle"; and
- b) involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device; or
- c) is carried out by means of a surveillance device in relation to anything taking place on any residential premises or in any private vehicle but is carried out without that device being present on the premises or in the vehicle, where 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.

- 2.7 Before any officer of the Council undertakes any surveillance of any individual or individuals they need to assess whether the activity comes within the 2000 Act. In order to do this the following key questions need to be asked.

2.7.1 Is the surveillance covert?

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

If activities are open and not hidden from the subjects of an investigation, the 2000 Act framework does not in general apply. However, if there is any doubt in respect of this matter, an officer must consider whether it may be appropriate to seek a RIPA authorisation.

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

For example, are Civic building CCTV cameras which are readily visible to anyone walking around the building covered?

The answer is not if their usage is to monitor the general activities of what is happening in the car park. If that usage, however, changes, the 2000 Act may apply.

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

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

"Private information" is any information relating to a person's private or family life and aspects of business or professional life.

For example, if part of an investigation is to observe a member of staff's home to determine their comings and goings then that would be covered.

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

If in doubt, it is safer to consider getting authorisation.

2.7.4 Is it undertaken otherwise than by way of an immediate response to event or circumstances where it is not reasonably practicable to get authorisation?

The Home Office gives the example of an immediate response to something happening during the course of an observer's work, which is unforeseeable.

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

2.7.5 Is the Surveillance Intrusive?

Directed surveillance turns into intrusive surveillance if it is carried out involving anything that occurs on residential premises or any private vehicle and involves the presence of someone on the premises or in the vehicle or is carried out by means of a (high quality) surveillance device.

If the device is not on the premises or in the vehicle, it is only intrusive surveillance if it consistently produces information of the same quality as if it were.

Commercial premises and vehicles are therefore excluded from intrusive surveillance. **The Council is not authorised to carry out intrusive surveillance.**

2.7.6 Does the offence under investigation meet the 6 month threshold?

3 **COVERT USE OF HUMAN INTELLIGENCE SOURCE (CHIS)**

3.1 A person is a Covert Human Intelligence Source if:

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

3.2. 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.

3.3. The above clearly covers the use of professional witnesses to obtain information and evidence. It is not Council practice to use such witnesses. It can also cover cases such as a Council officer making a test purchase when there is a need to cultivate a relationship with the seller, which would not usually be the case.

3.4. There is a risk that an informant may be, or become, a CHIS. A member of the public giving information will be a CHIS if the information which he covertly passes to the authority has been obtained in the course of (*or as a consequence of the existence of*) a personal or other relationship. See paragraph 2.22 of the CHIS Code of Practice, and paragraph 270 of OSC Procedures and Guidance 2011, which refers to the risk of "status drift". When an informant gives repeat information about a suspect or about a family, and it becomes apparent that the informant may be obtaining that information in the course of a family or neighbourhood relationship, alarm bells should begin to ring. It probably means that the informant is in reality a CHIS, to whom a duty of care is owed if the information is then used. In such circumstances officers should refer any such instance for legal advice before acting on the information received from such an informant.

3.5 In this context (of authorising CHIS) ANY information (ie not confined to private information alone) to be gained by the covert manipulation of a relationship will

require authorisation.

3.6 The Council must apply to a Justice of the Peace for an order that gives effect to the authorisation for the use of covert human intelligence source (see 1.7 above).

3.7 In certain circumstances, use of social media sites such as Facebook, or using the Internet for research in other ways could need authorisation as the use of a covert human intelligence source. The guidance can be read at appendix 4.

4 COMMUNICATIONS DATA

4.1 The Council may also access certain communications data under the 2000 Act, provided this, like all other surveillance, is **for the purpose of preventing or detecting crime**.

4.2 Following the passage of the Data Retention and Investigatory Powers Act 2014 the Home Office has revoked all accreditation which enabled local authority staff to acquire communications data with effect from 1 December 2014. The Council is now required to use the National Anti-Fraud Network's (NAFN's) Single Point of Contact services to acquire communications data under RIPA, if approved by a magistrate. The Acquisition and Disclosure of Communications Data Code of Practice shall be followed at all times. Council staff are not permitted to obtain telecommunications and internet use data other than as provided for by the Act.

4.3 The Council must apply to a Justice of the Peace for an order giving effect to the authorisation of the use of communications data.

4.4 The accredited SPoCs at NAFN will scrutinise the applications independently. They will provide advice to applicants and designated persons ensuring the Council acts in an informed and lawful manner.

5. AUTHORISATIONS, RENEWALS AND DURATION

5.1 The Council must apply to a Justice of the Peace for an order that gives effect to the authorisation for the use of directed surveillance, communications data and covert human intelligence source (see 1.7 above).

5.1.1 The Conditions for Authorisation

5.1.2 Directed Surveillance

5.1.1.3 For directed surveillance no officer shall grant an authorisation **and make an application to a Justice of the Peace** for the carrying out of directed surveillance unless he believes:

- a) that an authorisation is necessary for the purpose of preventing or detecting crime and
- b) the authorised surveillance is proportionate to what is sought to be achieved by carrying it out.

5.1.1.4 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.

5.1.1.5 In order to ensure that authorising officers have sufficient information to make an informed decision **about whether to make an application to a Justice of the Peace for an order to give effect to any authorisation**, it is important that detailed records are maintained. As such the forms in the Appendix and the accompanying Guidance on Completing RIPA Authorisation Forms are to be completed where relevant.

It is also sensible to make any authorisation sufficiently wide enough to cover all the means required as well as being able to prove effective monitoring of what is done against that which has been authorised.

An Authorising Officer may partially approve or partially refuse an application for authorisation. If an Authorising Officer does not authorise all that was requested, a note should be added explaining why.

5.1.2 Covert Use of Human Intelligence Sources

5.1.2.1 The same principles as Directed Surveillance apply. (see paragraph 5.1.1.3 above)

5.1.2.2 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.

5.1.2.3 In order to ensure that authorising officers have sufficient information to make an informed decision it is important that detailed records are maintained. As such the forms attached are to be completed where relevant.

It is also sensible to make any authorisation sufficiently wide enough to cover all the means required as well as being able to prove effective monitoring of what is done against that is authorised.

5.1.3 Communications Data

Section 22(4) of RIPA allows the Council to request “communications data” from Communication System Providers (CSPs). The access allowed under these powers is limited to telephone, postal and email subscriber and billing information. Any access must be obtained through the use of an authorised single point of contact (SPOC). (See Code on Acquisition and Disclosure of Communications Data paragraphs 3.85, 3.86 and 3.87.) The Council does not have the right to

obtain the content of the communication, but can obtain details of the source and destination of a message. The only ground for Local Authorities is the prevention or detection of crime. CSPs must be provided with a Notice Requiring Disclosure of Communications Data, which must have been duly authorised. The only officers who are allowed to authorise such requests are those accredited by the Home Office (the “Designated Persons” (DPs)). The DP is an individual at the level of Chief Executive and Director and will scrutinise all applications for Communications Data.

The authorisation or grant of a notice to obtain communications data require judicial approval on each occasion.

5.2 Further Requirements of the 2000 Act

5.2.1 **An application must be made to the Justice of the Peace for an order that gives effect to the authorisation for the use of Directed Surveillance, Communications Data and CHIS. This process is in addition to the Council’s existing authorisation procedure (see 1.7 above).**

5.2.2 In light of the changes to the regime applications for urgent grants or renewal, must be in writing. In the Guidance on Completing RIPA Authorisation Forms document which accompanies this Guide are standard forms, which must be used. Officers must direct their mind to the circumstances of the individual case with which they are dealing when completing the form.

5.2.3 Although it is possible to combine two authorisations in one form the Council’s practice is for separate forms to be completed to maintain the distinction between Directed Surveillance and the use of a CHIS.

5.2.4 Authorisations lapse, if not renewed:

- 12 months - if in writing/non-urgent - from date of last renewal if it is for the conduct or use of a covert human intelligence source or
- in all other cases (ie directed surveillance) 3 months from the date of their grant or latest renewal.

5.2.5 Any person entitled to grant a new authorisation can renew subject to judicial approval being obtained an existing authorisation in the same terms at any time before it ceases to have effect.

But, for the conduct of a covert human intelligence source, an Authorised Officer should not renew **or make an application to a Justice of the Peace to renew** 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.

5.2.6 The benefits of obtaining an authorisation are described in paragraph 7 below.

5.2.7 Factors to Consider (see further guidance the Guidance on Completing Forms document)

Any person giving an authorisation should first satisfy him/herself that the authorisation is necessary on particular grounds and that the surveillance is proportionate to what it seeks to achieve. The proportionate test involves balancing the intrusiveness of the activity on the target and others who might be affected by it against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

- 5.2.8 Particular consideration should be given to collateral intrusion on or interference with the privacy of persons other than the subject(s) of surveillance. 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.
- 5.2.9 An application for an authorisation should include an assessment of the risk of any collateral intrusion or interference. The authorising officer will take this into account, particularly when considering the proportionality of the surveillance and whether measures to avoid can be stipulated.
- 5.2.10 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.
- 5.2.11 Any person giving an authorisation will also need to be aware of particular sensitivities in the local community where the surveillance is taking place or of similar activities being undertaken by other public authorities which could impact on the deployment of surveillance.

Home Surveillance

- 5.2.12 The fullest consideration should be given in cases where the subject of the surveillance might reasonably expect a high degree of privacy, for instance at his/her home (NB. the Council cannot undertake intrusive surveillance) or where there are special sensitivities.

Spiritual Counselling

- 5.2.13 No operations should be undertaken in circumstances where investigators believe that surveillance will lead them to intrude on spiritual counselling between a Minister and a member of his/her faith. In this respect, spiritual counselling is defined as conversations with a 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.

Confidential Material

5.2.14 The 2000 Act allows in exceptional circumstances for authorisations to gather 'confidential material' (see the definitions in Appendix 1). Such material is particularly sensitive, and is subject to additional safeguards under this code. In cases where the likely consequence of the conduct of a source would be for any person to acquire knowledge of confidential material, the deployment of the source should be subject to special authorisation (by the Chief Executive).

5.2.15 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.

5.2.16 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. Where there is doubt as to whether the material is confidential, advice should be sought from the Borough Solicitor/Senior Responsible Officer 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 Borough Solicitor/Senior Responsible Officer) is satisfied that it is necessary for a specific purpose;
- The retention or dissemination of such information should be accompanied by a clear warning of its confidential nature. It should be safeguarded by taking reasonable steps to ensure that there is no possibility of it becoming available, or its content being known, to any person whose possession of it might prejudice any criminal or civil proceedings related to the information;
- Confidential material should be destroyed as soon as it is no longer necessary to retain it for a specified purpose;
- Any covert surveillance concerning premises on which legal consultations take place are to be regarded as intrusive surveillance and may not be undertaken by the Council.

Combined authorisations

5.2.17 Although it is possible to combine two authorisations in one form the Council's practice is for separate forms to be completed to maintain the distinction between Directed Surveillance and the use of a CHIS.

5.2.18 In cases of joint working with other agencies on the same operation, e.g. by a Housing Benefit Investigator authority for directed surveillance should be given by the lead agency.

5.2.19 On occasion, several Council Services may be included in the same investigation. One authorisation from the Lead Service should cover all activities.

Handling and disclosure of product

5.2.20 Authorising Officers are reminded of the guidance relating to the retention and destruction of confidential material as described in paragraph 5.2.16 above.

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

5.2.22 Authorising Officers must ensure that the relevant details of each authorisation are sent to the Borough Solicitor/Senior Responsible Officer as described in paragraph 9 below.

5.2.23 The originals of applications for authorisations, reviews, renewals and cancellations for directed surveillance and the use of a CHIS should be submitted to and thereafter retained by the RIPA Co-ordinator, for a period of 3 years and at least between inspections. Copies are to be retained by the authorising officer for a commensurate period. 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.

5.2.24 Any personal data collected during the course of a covert surveillance operation must be stored as per data protection guidelines set out in the Council's Data Protection Policy below.

- Analysis of data from the operation must be carried out by the officers who carried out the investigation and should be done in a private office to avoid personal material being accessible to other council employees.
- The authorising officer may also be included in analysis of the data collected.
- Data must be kept in a secure environment with limited access.
- Data must be labelled with the reference of the case and the date of collection.
- Data collected which is not appropriate or useful as evidence in the investigation and subsequent formal action must be deleted as soon as this fact is determined or when the case is closed, whichever is the sooner. Consideration of whether or not this material should be destroyed is the responsibility of the senior authorising officer. Care must be taken in this respect, as it must be considered that even if this information is not to be used as evidence, it may be "unused material" for the purposes of criminal proceedings.

- If there is any reason to believe that the data obtained during the course of an investigation might be relevant to that investigation, or to another investigation, or to pending or future civil or criminal proceedings, then it should not be destroyed but retained in accordance with established disclosure requirements and may be disclosed.

5.2.25 There is nothing in the 2000 Act that prevents material obtained through the proper use of the authorisation procedures from being used in other investigations. However, the use outside the Council, of any material obtained by means of covert surveillance and, other than in pursuance of the grounds on which it was obtained, should be authorised only in the most exceptional circumstances.

5.3 **The Use of Covert Human Intelligence Sources**

5.3.1 The Council will not normally use an external or professional source for the purpose of obtaining information. It is not the Council's usual practice to seek, cultivate or develop a relationship through an external or professional source although this may occur where circumstances require it. In these circumstances appropriate authorisations must be obtained. It is potentially possible, though highly unlikely, that the role of a Council employee may be that of a source, for example, as contemplated in paragraph 3.3 above, please cross refer for detail.

5.3.2 Nothing in the 2000 Act prevents material obtained by an employee acting as a source being used as evidence in Court proceedings.

5.3.3 The Authorising Officer must consider the safety and welfare of an employee acting as a 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 employee, even after cancellation of the authorisation, should also be considered.

5.3.4 The Authorising Officer must believe that the authorised use of an employee as a source is proportionate to what it seeks to achieve. Accurate and proper records should be kept about the source and tasks undertaken.

5.3.5 The Council's practice is not to use an employee acting as a source to infiltrate existing criminal activity, or to be a party to the commission of criminal offences, even where this is within the limits recognised by law.

5.3.6 Before authorising the use of an employee as a source, the authorising officer should believe that the conduct/use including the likely degree of intrusion into the privacy of those potentially affected is proportionate to what the use or conduct of the source seeks to achieve. He should also take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the operation or investigation (collateral intrusion). Measures should be taken, wherever practicable, to avoid unnecessary intrusion into the lives of those not directly connected with the operation.

5.3.7 Particular care should be taken in circumstances where people would expect a high degree of privacy or where, as a consequence of the authorisation, "confidential material" is likely to be obtained.

- 5.3.8 Additionally, the Authorising Officer should make an assessment of any risk to an employee acting as a source in carrying out the proposed authorisation.

6. REVIEWS

- 6.1. The Home Office Code of Practice on directed surveillance makes specific reference to reviews at paragraph 4.34. It recommends regular reviews be undertaken to see if the need for the surveillance is still continuing. Results of reviews should be highlighted at the next renewal. Reviews should be more frequent when access to confidential information or collateral intrusion is involved. Review frequency should be as often as the authorising officer deems necessary or practicable.
- 6.2. Similar provisions appear at paragraphs 3.13 – 3.17 of the code of practice for CHIS, save that tasks given to the source and information obtained should also be included.
- 6.3. Each authorising officer will therefore determine in each case how often authorisations should be reviewed. They will ensure records of the review will be supplied on the relevant form in Section 9 and send copies to the RIPA Co-ordinator to keep the central register up to date. Good practice requires that this should be done monthly at least.

7. RENEWALS

- 7.1. An authorising officer may renew an authorisation before it would cease to have effect if it is necessary for the authorisation to continue for the purpose for which it was given. **An application for a renewal to the Justice of the Peace is also required (see above).**
- 7.2. The Home Office Code of Practice for directed surveillance at paragraph 5.16 - 5.21 refers. A renewal of the authorisation in writing can be made for 3 months. Applications for renewal should detail how many times an authorisation has been renewed; significant changes to the original application for authority; reasons why it is necessary to renew; content and value of the information obtained so far and results of regular reviews of the investigation or operation.
- 7.3. Similar provisions apply in the code of practice for CHIS except that a renewal here can last for a further 12 months, a review must have been carried out on the use of the source and an application should only be made to renew when the initial authorisation period is drawing to an end. Applications to renew a CHIS also should contain use made of the source and tasks given to the source during the previous authorised period.
- 7.4. Each application to renew should be made at least 7 days before the authorisation is due to expire on the relevant form in Appendix 2. A record of the renewal should be kept within the applying service and supplied centrally to the Borough Solicitor/Senior Responsible Officer - see Section 8 to update the central register of authorisations.

8. CANCELLATIONS

- 8.1. All authorisations, including renewals should be cancelled if the need for the surveillance is no longer justified. This will occur in most cases where the purpose for which the surveillance was required has been achieved.
- 8.2. Requesting officers should ensure they inform authorising officers if this is the case before the next review. If, in the opinion of the authorising officer at the next review, the need for surveillance is no longer justified, it must be cancelled.
- 8.3. The cancellation forms at Appendix 2 will be used to record a cancellation; the original will be sent to the RIPA Co-ordinator to update the central register of authorisations and the authorising officer will retain a copy - see Section 8.
- 8.4. The Home Office Codes of Practice for both directed surveillance and CHIS make it clear that authorisations must be cancelled if the original authorising criteria are not met. With CHIS, it must be cancelled if satisfactory arrangements for the source no longer exist. Consideration for the safety and welfare of a source continues after cancellation of any authorisation.

9. CENTRAL REGISTER OF AUTHORISATIONS

- 9.1. The Codes of Practice under the 2000 Act require a central register of all authorisations to be maintained. The Senior Responsible Officer or nominated representative shall maintain this register.
- 9.2. Whenever an authorisation is granted renewed or cancelled the Authorising Officer must arrange for the following details to be forwarded by e-mail to the Senior Responsible Officer or nominated representative. Receipt of the e-mail will be acknowledged.
 - Whether it is for Directed Surveillance or CHIS ;
 - Applicants name and Job Title (manager responsible);
 - Service and Section;
 - Applicant's address and Contact Number;
 - Identity of 'Target';
 - Authorising Officer and Job Title; (in line with delegation scheme)
 - Date of Authorisation.
 - A unique reference number for the investigation or operation
 -
 - Whether confidential information is likely to be reviewed as a consequence of the investigation /operation.
 - The date the authorisation was cancelled

Details should be provided to the Senior Responsible Officer in respect of when an authorisation is refused.

See Appendix 2 for the Form of Notification

The original of the authorisation should also be provided; the authorising officer should retain a copy. The Managing Directors will review authorisations every 6 months. It is suggested that authorising officers supply these directly.

- 9.3. The original authorisations shall be securely retained within the RIPA Co-ordinator's Service. It is each Service's responsibility to securely retain all copy authorisations within their Service. Authorisations should only be held for as long as it is necessary. Once the investigation is closed (bearing in mind cases may be lodged some time after the initial work) the records held by the Service should be disposed of in an appropriate manner (e.g. shredded).

10 CODES OF PRACTICE

There are Home Office codes of practice that expand on this guidance. All relevant Services hold a copy.

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 the 2000 Act, or to one of the commissioners responsible for overseeing the powers conferred by the 2000 Act, it must be taken into account".

Staff should refer to the Home Office Codes of Conduct for supplementary guidance. These should be available to all relevant officers (see earlier).

11 BENEFITS OF OBTAINING AUTHORISATION UNDER THE 2000 ACT.

11.1 Authorisation of surveillance and human intelligence sources

The 2000 Act 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".

Part II of the 2000 Act does not impose a requirement on public authorities to seek or obtain an authorisation where, under the 2000 Act, one is available (see section 80 of the 2000 Act). Nevertheless, where there is an interference by a public authority with the right to respect for private and family life guaranteed under Article 8 of the European Convention on Human Rights, and where there is no other source of lawful authority, the consequence of not obtaining an authorisation under the 2000 Act may be that the action is unlawful by virtue of section 6 of the Human Rights Act 1998.

Public authorities are therefore strongly recommended to seek an authorisation where the surveillance is likely to interfere with a person's Article 8 rights to privacy by obtaining private information about that person, whether or not that person is the subject of the investigation or operation. Obtaining an authorisation will ensure that the action is carried out in accordance with law and subject to stringent safeguards against abuse.

- 11.2 The 2000 Act states that a person shall not be subject to any civil liability in relation to any conduct of his which -
- a) is incidental to any conduct that is lawful by virtue of authorisation; and
 - b) is not itself conduct for which an authorisation is capable of being granted under a relevant enactment and might reasonably be expected to have been sought in the case in question

12. SCRUTINY AND TRIBUNAL

- 12.1. To effectively "police" the 2000 Act, Commissioners regulate conduct carried out thereunder. The Chief Surveillance Commissioner will keep under review, among others, the exercise and performance by the persons on whom are conferred or imposed, the powers and duties under the Act. This includes authorising directed surveillance and the use of covert human intelligence sources.
- 12.2. A tribunal has been established to consider and determine complaints made under the 2000 Act if it is the appropriate forum. Complaints can be made by persons aggrieved by conduct e.g. directed surveillance. The forum hears applications 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 Council is, however, under a duty to disclose or provide to the tribunal all documents they require if:

- A Council officer has granted any authorisation under the 2000 Act.
 - Council employees have engaged in any conduct as a result of such authorisation.
 - A disclosure notice requirement is given.
- 12.3 The Senior Responsible Officer will ensure that a report is submitted to the Council's Audit and Governance Committee on a regular basis and that an annual report is submitted to Cabinet. The reports will include details of the overall number and type of authorisations granted and the outcome of the case, where known. In addition, the reports will provide a breakdown of the same information by service or groups of services, as appropriate. In order to comply with General Data Protection Regulation and Code of Practice requirements, no specific details of individual authorisations will be provided.
- 12.4 The RIPA Co-ordinator will maintain and check the central register of all RIPA authorisations, reviews, renewals, cancellations and rejections. It is the responsibility of the authorising officer, however, to ensure the RIPA Co-ordinator receives the original of the relevant forms as soon as possible and in any event within 1 week of authorisation, review, renewal, cancellation or rejection. The authorising officer should retain copies.

12.5 The management structure for RIPA is set out in Appendix 3.

Definitions from the 2000 Act

- **“2000 Act”** means the Regulation of Investigatory Powers Act 2000.
- **“Confidential Material”** consists of:
 - a) matters subject to legal privilege;
 - b) confidential personal information; or
 - c) confidential journalistic material.
- **Matters subject to legal privilege** includes both oral and written communications between a professional legal adviser and his/her client or any person representing his/her client, made in connection with the giving of legal advice to the client or in contemplation of legal proceedings and for the purposes of such proceedings, as well as items enclosed with or referred to in such communications. Communications and items held with the intention of furthering a criminal purpose are not matters subject to legal privilege (see Note A below)
- **“Confidential Personal Information”** is information held in confidence concerning an individual (whether living or dead) who can be identified from it, and relating:
 - a) to his/her physical or mental health; or
 - b) to spiritual counselling or other assistance given or to be given, andwhich a person has acquired or created in the course of any trade, business, profession or other occupation, or for the purposes of any paid or unpaid office (see Note B below). It includes both oral and written information and also communications as a result of which personal information is acquired or created. Information is held in confidence if:
 - c) it is held subject to an express or implied undertaking to hold it in confidence; or
 - d) it is subject to a restriction on disclosure or an obligation of secrecy contained in existing or future legislation.
- **“Confidential Journalistic Material”** includes material acquired or created for the purposes of journalism and held subject to an undertaking to hold it in confidence, as well as communications resulting in information being acquired for the purposes of journalism and held subject to such an undertaking.
- **“Covert Surveillance”** means surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place.
- **“Authorising Officer”** means a person designated for the purposes of the

2000 Act to grant authorisations for directed surveillance. (see the Regulation of Investigatory Powers (Prescription of Offices, Ranks and Positions) Order) SI 2000/2417.

Note A. *Legally privileged communications will lose their protection if there is evidence, for example, that the professional legal adviser is intending to hold or use them for a criminal purpose; privilege is not lost if a professional legal adviser is properly advising a person who is suspected of having committed a criminal offence. The concept of legal privilege shall apply to the provision of professional legal advice by any agency or organisation.*

Note B. *Confidential personal information might, for example, include consultations between a health professional or a professional counsellor and a patient or client, or information from a patient's medical records.*

Notification to Central Register of Authorisations under RIPA

Whether it is for Directed Surveillance or CHIS	
Applicants name and Job Title (manager responsible)	
Service and Section	
Applicant's address and Contact Number	
Identity of 'Target'	
Authorising Officer and Job Title; (in line with delegation scheme)	
Date of Authorisation	
Whether confidential information is likely to be reviewed as a consequence of the investigation/operation	
The date the authorisation was cancelled	
Whether the authorisation is renewed.	

A copy of the authorisation shall also be sent (See above, Paragraph 9.2).

A unique reference number for the investigation or operation will be allocated by the Borough Solicitor upon receipt of this notification. This reference must be used in subsequent correspondence regarding this authorisation.



APPENDIX 3

Kim Webber, Chief Executive xx*

Community Services – Street Scene
Legal Services, Land Charges, Member Services
Procurement
Civic Services
Member Development
Admin and Elections
Accountancy, Treasury Management
Audit, Insurance, Risk Management

Kim Webber, Chief Executive xx*

Planning Services, Housing & Regeneration
Communication/Consultation
Partnership/Performance
Customer Services/OR
Human Resources, Payroll Client
ICT Client
Exchequer Client

Jacqui Sinnott-Lacey, Director of Housing and Inclusion *

Housing Options, Estate Management
Rent & Money Advice, Sheltered Housing
Property Management, Asset Management
Caretaking & Gardening, Economic Regeneration
Area Regeneration, Tourism, Estates & Valuation
External Funding, Investment Centre
Housing Policy & Strategy

Heidi McDougall, Director of Leisure and Environment Services *

Leisure, Arts & Culture Services
Environmental Protection, Public Protection & Licensing
Commercial Safety, Corporate Health & Safety Community Safety, Emergency
Planning
Technical Services, Ormskirk Market
Off Street Parking
Private Sector Housing & Homelessness
Home Care Link

Terry Broderick – Borough Solicitor, Senior Responsible Officer *

Supported by Judith Williams – Assistant Solicitor, RIPA Coordinator and SPOC
Co-ordinator

Sarah Mooney – Legal Assistant/RIPA Register Officer

* Authorising Officer

xx Authorisations when knowledge of confidential information likely to be acquired or vulnerable individual or juvenile is to be used as a source.

The Office of Surveillance Commissioner's Guidance

Covert surveillance of Social Networking Sites (SNS)

The fact that digital investigation is routine or easy to conduct does not reduce the need for authorisation. Care must be taken to understand how the SNS being used works. Authorising Officers must not be tempted to assume that one service provider is the same as another or that the services provided by a single provider are the same.

Whilst it is the responsibility of an individual to set privacy settings to protect unsolicited access to private information, and even though data may be deemed published and no longer under the control of the author, it is unwise to regard it as "open source" or publicly available; the author has a reasonable expectation of privacy if access controls are applied. In some cases data may be deemed private communication still in transmission (instant messages for example). Where privacy settings are available but not applied the data may be considered open source and an authorisation is not usually required. Repeat viewing of "open source" sites may constitute directed surveillance on a case by case basis and this should be borne in mind.

Providing there is no warrant authorising interception in accordance with section 48(4) of the 2000 Act, if it is necessary and proportionate for a public authority to breach covertly access controls, the minimum requirement is an authorisation for directed surveillance. An authorisation for the use and conduct of a CHIS is necessary if a relationship is established or maintained by a member of a public authority or by a person acting on its behalf (i.e. the activity is more than mere reading of the site's content).

It is not unlawful for a member of a public authority to set up a false identity but it is inadvisable for a member of a public authority to do so for a covert purpose without authorisation. Using photographs of other persons without their permission to support the false identity infringes other laws.

A member of a public authority should not adopt the identity of a person known, or likely to be known, to the subject of interest or users of the site without authorisation, and without the consent of the person whose identity is used, and without considering the protection of that person. The consent must be explicit (i.e. the person from whom consent is sought must agree (preferably in writing) what is and is not to be done).

Audit & Governance Committee Work Programme – 30 October 2018

Date	Training (commencing 6.00pm)	Items
29 January 2019	The Development Company	<ol style="list-style-type: none"> 1. Grant Thornton – Progress Update 2. Risk Management Framework 3. Internal Audit Activities – Quarterly Update 4. Internal Audit Plan 2018/19 5. RIPA Act regular monitoring of use of powers 6. Local Code of Governance 7. Anti-Money Laundering Policy 8. Grant Thornton – Certification Letter 9. Management of Electronic Records
28 May 2019		<ol style="list-style-type: none"> 1. Grant Thornton – Progress Update 2. Internal Audit Annual report 3. Internal Audit Activities – Quarterly Update 4. Annual Governance Statement 5. Statement of Accounts 6. RIPA Act regular monitoring of use of powers 7. Anti-Fraud Bribery and Corruption Activities
July 2019		<ol style="list-style-type: none"> 1. Grant Thornton – Audit Findings Report 2. Approval of Statement of Accounts 3. Internal Audit Activities – Quarterly Update 4. Regulation of Investigatory Powers (RIPA) Act - Annual Setting of the policy and review of use of powers
October 2019		<ol style="list-style-type: none"> 1. Grant Thornton – Progress Report 2. Internal Audit Activities – Quarterly Update 3. RIPA Act regular monitoring of use of powers – annual setting of the policy 4. Grant Thornton Annual Audit Letter

