



Jacqui Sinnott-Lacey
Chief Operating Officer

52 Derby Street
Ormskirk
West Lancashire
L39 2DF

Monday, 20 July 2020

TO: COUNCILLORS N FUREY, P O'NEILL, T BLANE, I DAVIS, C DERELI, G DOWLING, J GORDON, J MEE, E POPE, A PRITCHARD, N PRYCE-ROBERTS

Dear Councillor,

A meeting of the **AUDIT & GOVERNANCE COMMITTEE** will be held by **SKYPE** on **TUESDAY, 28 JULY 2020 at 6.30 PM** at which your attendance is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JS', enclosed in a rectangular box.

Jacqui Sinnott-Lacey
Chief Operating Officer

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. URGENT BUSINESS**
Note, no other business is permitted unless, by reason of special circumstances, which shall be specified at the meeting, the Chairman is of the opinion that the item(s) should be considered as a matter of urgency.

- | | | |
|------------|---|---------|
| 4. | DECLARATIONS OF INTEREST
If a Member requires advice on Declarations of Interest, he/she is advised to contact the Legal and Democratic Services Manager 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). | 1 - 2 |
| 5. | MINUTES OF PREVIOUS MEETING
To receive as a correct record, the minutes of the meeting held on 28 January 2020. | 3 - 6 |
| 6. | PUBLIC SPEAKING
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 10.00am on Friday 24 July 2020. | |
| 7. | INTERNAL AUDIT ANNUAL REPORT
To consider the report of the Head of Finance, Procurement and Commercial Services - report to follow | |
| 8. | ANNUAL GOVERNANCE STATEMENT
To consider the report of the Head of Finance, Procurement and Commercial Services. - report to follow. | |
| 9. | GRANT THORNTON PROGRESS UPDATE
To consider the report of the Head of Finance, Procurement and Commercial Services. - report to follow. | |
| 10. | INTERNAL AUDIT PROGRESS REPORT 2019/20
To consider the report of the Head of Finance, Procurement and Commercial Services. | 7 - 18 |
| 11. | INTERNAL AUDIT ANNUAL PLAN 2020/21
To consider the report of the Head of Finance, Procurement and Commercial Services. | 19 - 28 |
| 12. | INTERNAL AUDIT CHARTER 2020/21
To consider the report of the Head of Finance, Procurement and Commercial Services. | 29 - 50 |
| 13. | RIPA ACT - REGULAR MONITORING OF USE OF POWERS
To consider the report of the Legal and Democratic Services Manager. | 51 - 80 |
| 14. | WHISTLEBLOWING CODE
To consider the report of the Legal and Democratic Services Manager | 81 - 92 |
| 15. | WORK PROGRAMME
To consider the future work programme of the Committee. | 93 - 94 |

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

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

For further information, please contact:-
Kirsty Breakell on 01695 583312
Or email kirsty.breakell@westlancs.gov.uk



REMOTE MEETINGS – GUIDANCE

This guidance is designed to assist members when attending remote meetings.

The guidance should be read in conjunction with the Council's Remote Meetings Protocol and Procedures Rules

General

1. If members wish to speak on a particular item it will assist the smooth running of the remote meeting if they indicate to the Chairman their wish to speak in advance of the meeting.
2. Please join the meeting no later than 15 minutes before the start of the meeting to ensure that the technology is working correctly.
3. It is a requirement of the remote meetings regulations that any member participating in a remote meeting must be able to be heard (and if practicable also be seen) by all other members, officers and public speakers participating in the meeting and, in turn, be able to hear (and if practicable see) those persons.
4. It is also a requirement that the meeting be live broadcast and so any camera (video-feed) should show a non-descript background and members should take care to ensure that no exempt or confidential papers can be seen in the video-feed.

5. At the start of the meeting please ensure that your microphone is muted and your video feed (if available on your device) is paused. Please remember to unmute your microphone (and unpaue your video feed if available) when invited to speak by the Chairman!
6. At the start of the meeting the Member Services Officer will read out which Members and Officers are present. The attendance of members will be recorded.
7. Please remember to mute your mic/pause your video feed when you're not talking.
8. Only speak when invited to by the Chair.
9. Please state your name before you make an address.
10. If you're referring to a specific page or slide mention the page or slide number.
11. In the event of failure of the live broadcast then the Chairman will immediately adjourn the meeting until such time as the live broadcast is restored.
12. In the event that a member's individual remote connection should fail, the Chairman will call a short adjournment to determine whether the connection can be re-established (either by video technology or telephone connection). If connection cannot be restored after a reasonable period of time then the presumption is that the meeting should continue, providing the meeting remains quorate.
13. If connection to a member is lost during discussion of an item of business at a regulatory meeting (planning and licensing committees) that member will not be able to vote on that item (unless that part of the discussion during which connection was lost is, in the view of the Chairman, capable of being repeated for the benefit of the member concerned).

Public speaking

14. Any member of the public participating in a meeting remotely in exercise of their right to speak must be able to be heard (and if practicable also be seen) by members, officers and public speakers participating in the same

item of business and, in turn, be able to hear (and if practicable see) those persons.

15. The Member Services Officer will mute the member of the public once they have spoken and remove them from the remote meeting on the instruction of the Chairman once the relevant item of business has been dealt with. Note: members of the public will be able to view/listen to the remainder of the meeting via the live broadcast.

Voting

16. Unless a recorded vote is called by a member, the method of voting will be, at the discretion of the Chairman, by:
 - General assent by the meeting (where there is no dissent); or
 - By the Member Services Officer calling out the name of each member present with members stating "for", "against" or "abstain" to indicate their vote when their name is called. The Member Services Officer will then clearly state the result of the vote (to be confirmed by the Chairman)
17. Details of how members voted will not be minuted, unless a recorded vote is called for prior to the vote taking place.

Declarations of Interest

18. Any member participating in a remote meeting who declares a disclosable pecuniary interest, or pecuniary interest that would normally require them to leave the room in which the meeting is taking place must leave the remote meeting. Their departure will be confirmed by the Member Services Officer who will invite the relevant member to re-join the meeting at the appropriate time.

Exclusion of the Press and Public

19. There are times when council meetings are not open to the public when confidential, or "exempt" items (as defined in Schedule 12A of the Local Government Act 1972) are under consideration. The Member Services Officer will ensure that there are no members of the public in remote attendance and the live broadcast is ended, once the exclusion has been agreed by the meeting for that item(s).
20. Every Member in remote attendance must ensure there are no other persons present in their remote location who are able to hear, see or record the proceedings (unless those such persons are also entitled to

be so present). Members must declare to the meeting, if at any point during discussion of the item, this requirement is not met.

Agenda Item 4

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		Notes
1.	I have a disclosable pecuniary interest.	<input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 below</i>
2.	I have a non-pecuniary interest.	<input type="checkbox"/>	<i>You may speak and vote</i>
3.	I have a pecuniary interest because 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 or 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	<input type="checkbox"/> <input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i> <i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i>
4.	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: (i) Housing where I am a tenant of the Council, and those functions do not relate particularly to my tenancy or lease. (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. (iii) Statutory sick pay where I am in receipt or entitled to receipt of such pay. (iv) An allowance, payment or indemnity given to Members (v) Any ceremonial honour given to Members (vi) Setting Council tax or a precept under the LGFA 1992	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i>
5.	A Standards Committee dispensation applies (relevant lines in the budget – Dispensation 20/09/16 – 19/09/20)	<input type="checkbox"/>	<i>See the terms of the dispensation</i>
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"/>	<i>You may speak but must leave the room once you have finished and cannot vote</i>

'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

Sponsorship

Prescribed description

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

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.

Agenda Item 5

AUDIT & GOVERNANCE COMMITTEE

HELD: Tuesday, 28 January 2020

Start: 6.35 pm

Finish: 7.15 pm

PRESENT:

Councillor: N Furey (Chairman)

Councillors: T Blane I Davis
C Dereli J Gordon
J Mee M Nixon
P O'Neill D West

In attendance: Andrew Smith and Stuart Basnett from Grant Thornton

Officers: Marc Taylor, Head of Finance, Procurement and Commercial Services
Jacqueline Pendleton, Internal Audit Manager
Tom Dickinson, Principal Solicitor
Adam Spicer, Assistant Solicitor
Kirsty Breakell, Member Services / Civic Officer

39 APPOINTMENT OF CHAIRMAN

Councillor P. O'Neill was appointed Chair for the start of the meeting and Councillor Furey assumed the Chair upon his arrival.

40 APOLOGIES

Apologies were received on behalf of Councillor Pope.

41 MEMBERSHIP OF THE COMMITTEE

In accordance with Council Procedure Rule 4, the Committee note the termination of membership of Councillor N Pryce-Roberts and the appointment of Councillor D West for this meeting only, thereby giving effect to the wishes of the political groups.

42 URGENT BUSINESS

There were no urgent items of business.

43 DECLARATIONS OF INTEREST

There were no declarations of interest.

44 MINUTES OF PREVIOUS MEETING

RESOLVED: That the minutes of the meeting held on the 29 October 2019, be approved as a correct record and signed by the Chairman.

45 PUBLIC SPEAKING

There were no items under this heading.

46 **GRANT THORNTON ANNUAL AUDIT LETTER**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 449–464 of the Book of Reports, the purpose of which was to consider the external Auditors, Grant Thornton's, Annual Audit Letter for the year ended 31st March 2019.

The Chairman invited Andrew Smith from Grant Thornton to present the Annual Audit Letter to the Committee.

Comments and questions were raised in respect of the following:

- Have all previously raised issues been resolved? It was confirmed that the Accounts have been signed off and there are no outstanding issues.

RESOLVED: That the letter be noted.

(Note Councillor Furey arrived during this item)

47 **GRANT THORNTON PROGRESS UPDATE**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 465–473 of the Book of Reports, the purpose of which was to receive an update from the Council's external Auditors, Grant Thornton, on a range of different matters.

The Chairman invited Andrew Smith from Grant Thornton to present the Progress Report to the Committee. He confirmed that all accounts, including the Council's annual Housing Benefit Subsidy claim for 2018/19, have been certified and the audits have been closed. Andrew Smith advised of changes which will affect the 2019/20 audit as a result of changes within the finance industry.

Comments and questions were raised in respect of the following:

- The impact of the new changes being introduced
- The lack of resources and finances across the industry
- People leaving the profession, making recruitment difficult
- Workloads being spread over longer periods meaning deadlines will be missed.
- Representations made to Government by Representatives of the Finance industry.
- Focus of new regulation being in the wrong direction and not what users need.
- Cost of new regulation being disproportionate to workloads.
- Cost to WLBC of audits under new regulation is likely to rise, but is still likely to be cheaper than previous method of audits.

RESOLVED: That the Grant Thornton Progress Report be noted.

48 REGULATION OF INVESTIGATORY POWERS ACT - ANNUAL SETTING OF THE POLICY AND REVIEW OF USE OF POWERS

Consideration was given to the report of the Legal and Democratic Services Manager as contained on pages 475–503 of the Book of Reports, the purpose of which was 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.

The Chairman invited Tom Dickinson, Principal Solicitor, to present the report to the Committee.

Comments and questions were raised in respect of the following:

- Changes to policy are due to restructure and relate to personnel changes only, no change have been made to the actual policy.
- Process in place if we need to use the Act and the reporting of any use back to the Committee.

RESOLVED: That the Council's RIPA activity and the updated RIPA Policy at appendix 1, be noted.

49 RISK MANAGEMENT FRAMEWORK AND POLICY UPDATE

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 505–517 of the Book of Reports, the purpose of which was to set out details of the Risk Management Framework over the last twelve months and to recommend changes to the current Risk Management Policy.

The Head of Finance, Procurement and Commercial Property outlined the report and confirmed there were no significant issues and the framework was working correctly. The proposed changes to the policy were shown as tracked changes in the appendix for approval by Cabinet in March.

RESOLVED:

- That the continuing effective operation of the Risk Management Framework be noted
- That the proposed amendments to the Risk Management Policy set out in the appendix, be endorsed for approval by Cabinet in March 2020.

50 INTERNAL AUDIT ACTIVITIES - QUARTERLY UPDATE

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 519 – 528 of the Book of Reports, the purpose of which was to advise of progress against the 2019/20 Internal Audit Plan.

The Internal Audit Manager, Jacqueline Pendleton, presented the Internal Audit Activities, Quarterly Update Report and gave a full update, to include progress to date and ongoing actions.

RESOLVED: That Members note progress in the year to date.

51 **ANTI MONEY LAUNDERING POLICY**

Consideration was given to the report of the Head of Finance, Procurement and Commercial Property as contained on pages 529–547 of the Book of Reports, the purpose of which was to set out the results of a review of the Council's Anti-money Laundering Policy.

The Internal Audit Manager, Jacqueline Pendleton, presented the Anti-money Laundering Policy and confirmed the same would require amendments once the UK leaves the European Union.

RESOLVED: That the updated Anti-money Laundering Policy as set out in Appendix 1 to the report, be endorsed.

52 **WORK PROGRAMME**

Consideration was given to the Committee's Work Programme as set out at page 549 of the Book of Reports.

Comments and questions were raised in respect of the following:

- Members to return to their groups to discuss ideas for Oct 2020 and Jan 2021 briefings sessions.
- Ideas to be passed to Marc Taylor through the Chairman.
- Future proposed briefings could lead to new ideas.
- Councillor Dereli advised she would like a more in-depth training on budget reading.

RESOLVED:

- That the work programme be noted
- That the Chairman provide Marc Taylor with details of future briefings required.

.....
Chairman



AUDIT AND GOVERNANCE COMMITTEE:

28 July 2020

Report of: Head of Finance, Procurement and Commercial Services

Contact for further information: Jacqui Pendleton (Extn. 2603)

(E-mail: Jacqueline.pendleton@westlancs.gov.uk)

SUBJECT: INTERNAL AUDIT PROGRESS REPORT

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To advise of progress against the 2019/20 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 2019/20 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 for the period 16th October 2019 to 15th July 2020. This work will inform the overall opinion in the Internal Audit Annual Report which is presented to this Committee.

4.0 INTERNAL AUDIT ACTIVITY TO DATE

4.1 An appendix summarising progress to date and any significant issues arising is attached and the Internal Audit Manager will attend the meeting should Members have any questions.

4.2 Progress against the revised plan to date is satisfactory with 83% of audits commenced or completed, for the period 15th October 2019 to 15th July 2020. It should be noted that from 25th March 2020 internal audit activity was suspended due to Covid-19 and staff were redeployed to critical service areas as required.

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 Progress Report 2019/20



INTERNAL AUDIT SERVICE
PROGRESS REPORT 2019/20

1. Summary of Progress against the 2019/20 plan.

- 1.1 For the period 1st June to 31st May 2020 progress against the plan for the financial year 2019/20 has been satisfactory with 83% of planned audit work either completed or in the final stages of completion. This year progress was impacted by the Covid-19 crisis and the need for the Internal Audit Service to be suspended from 25th March 2020. All Internal Audit staff members were redeployed to work in critical service areas of the council. Internal Audit work commenced on the 1st July 2020 but the service is not up to full capacity as one Internal Auditor and the Internal Audit Manager are providing assistance in critical areas on a part time basis.
- 1.2 Covid 19 had an impact of the service's achievement of the target for completion of the audit plan which was 90%. However, up to the date of lockdown and redeployment of staff, excellent progress had been made and resulted in a high proportion of the Internal Audit Plan being completed.

Audit Plan Progress 2019/20

Title	Stage of Audit	Assurance reported to A&G Committee
Works after of Sale of Council Houses	Draft Report Issued	
Asbestos	Suspended until 2020/21	
Property Services – Electric	Final Report Issued	28th January 2020
GDPR	Final Report Issued	28 th July 2020
Stripe Payment Method	Final Report Issued	28th January 2020
Civic Bulky Collections	Final Report Issued	28 th July 2020
Vehicle Maintenance Contract	Draft Report Issued	
Enforcement Charges	Final Report Issued	29th October 2019
Land Charges	Final Report Issued	28 th July 2020
Corporate Credit Card	Final Report Issued	29th October 2019
Benefits	Final Report Issued	28 th July 2020
Creditors	Draft Report Issued	
Debtors	Draft Report Issued	
Council Tax	Final Report Issued	28 th July 2020
Council Tax Support Scheme	Final Report Issued	28 th July 2020
NDR	Final Report Issued	28 th July 2020
Housing Rents Standard	Final Report Issued	29th October 2019
Housing Rents – Rents Sense	Final Report Issued	28th January 2020
Payroll	Suspended until 2020/21	
Income Management Review	Ongoing Project	N/A
Treasury Management	Suspended until 2020/21	
Main Accounting	Final Report Issued	28 th July 2020
Contracts and Procurement	Ongoing project	N/A
Performance Indicators	Suspended	
Service Now - Customer Relationship Management	Suspended	
Development Company	Draft Report	
Property Services Contractor Follow Up Audit Review	Final - No report	N/A
ICT Audit	Final - No report	N/A
Prevention of Fraud and Corruption	Final Report	23rd July 2019

Annual Governance Statement	Final - No Report	N/A
Summary		
Work complete – Final	18	60%
Work complete – Draft	5	17%
Ongoing Project	2	6%
Work not commenced - suspended	5	17%
Total	30	100%

1.3 Since the last report to the Audit and Governance Committee in January 2020, Eight audits relating to financial year 2019/20 have been completed to final report issued stage. There are currently a further five reports at draft report stage and these will move to final report issued stage in the coming weeks, further details will be reported at the next Audit and Governance committee meeting due to be held in October 2020. One follow up audit has been completed and this is reported separately at Section 4 of this report.

1.4 Additional unplanned work has been undertaken during the period following individual requests from management and to support Covid-19 critical services:

- Work to advise on new systems and procedures for Business Support.
- Two members of the team worked in the Covid-19 Business Grants Team.
- All team members undertook work to contact residents who were either shielding or vulnerable due to Covid 19 to ascertain their support requirements.
- One team member was redeployed to work in Home Care Link during lockdown and will continue to cover shifts on a part time basis until the end of the 2020/21 financial year.
- Work in relation to parishes and payroll continues to be undertaken by one Internal Auditor.
- The Internal Audit Manager has been redeployed to act as Critical Community Support Group Lead as part of the Council's Covid-19 response.
- Advice was given throughout the early phase of the Covid-19 response as processes and procedures had to change in line with Government advice.

2. Audit Opinions and Priorities for Recommendations

2.1 Assurance rating system

2.1.1 This report records the levels of assurance provided by Internal Audit's work..

Substantial Assurance	<p>Level of Assurance = High</p> <p>The controls evaluated are well designed, appropriate in scope and applied consistently and effectively. Any issues identified are minor in nature and should not prevent objectives being achieved.</p> <p>There is a low risk of fraud, negligence, loss or damage to reputation.</p>
Moderate Assurance	<p>Level of Assurance = Medium</p> <p>The controls evaluated are generally well designed, appropriate in scope and applied in the main consistently and effectively, but some weaknesses have been identified that require management attention. These issues increase the risk that some objectives may not be fully achieved.</p> <p>There is a medium/low risk of fraud, negligence, loss or damage to reputation.</p>

Limited Assurance	<p>Level of Assurance = Low</p> <p>Some controls evaluated are generally well designed, appropriate in scope and applied consistently and effectively. However, issues of poor design, gaps in coverage or inconsistent or ineffective implementation have been identified that require immediate management attention. The issues if unresolved, mean that objectives may not be achieved.</p> <p>There is a medium risk of fraud, negligence, loss or damage to reputation.</p>
No Assurance	<p>Level of Assurance = None</p> <p>Expected controls are absent, or where evaluated are flawed in design, scope or application leaving the system open to error or abuse. The auditor is unable to form a view as to whether objectives will be achieved.</p> <p>There is a high risk of fraud, negligence, loss or damage to reputation.</p>

2.2 Recommendation Priority Levels

Recommendations made in all internal audit reports are given a priority level as set out in the table below:

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact of frequency presents risk to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

2.3 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.

2.4 Internal Audit's role is to evaluate and improve the effectiveness of risk management and control processes.

2.5 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. Assurance reports:

Audit Year 2019/20

Details of the final reports relating to 2019/20, issued during the period 14th January – 15th July 2020 are as follows:

Audit Title	Assurance Opinion	Recommendations		
		P1	P2	P3
Civic Bulky Collections	No	8	9	3
Land Charges	Moderate	1	5	4
Housing Benefits	Substantial	0	0	0

Council Tax	Moderate	1	2	13
Council Tax Support Scheme	Substantial	0	2	1
NNDR	Moderate	2	13	1
Main Accounting	Moderate	0	10	5
GDPR	No	1	18	4

3.1 Civic Bulky Collections (No Assurance)

3.1.1 The scope of this audit review is restricted to the provision of Bulky Waste Collection Service which included:

- Processes and procedures
- Fees and Charges
- Income Management
- Budget Monitoring

3.1.2 The overall administrative arrangements in place in relation to Civic Bulky Collections were found to be poor and the following areas of concern were noted:

- Up to date processes and procedures were not in place;
- Budget monitoring was not undertaken;
- Inadequate fuel management and apportionment;
- There had been no review of fees and charges to ensure that the cost effective;
- Regular income reconciliations were not undertaken;

3.1.3 It should be noted that the service delivered to the customer was found to be satisfactory, the issues identified by the Auditor related to administrative functions only. There is a new management team in place following the SORP review and work to address the recommendations in the audit report is ongoing. A follow up review will be undertaken no later than six months after the issue of the final report.

3.2 Land Charges (Moderate Assurance)

3.2.1 The scope of the Land Charges review was limited to the following areas:

- Policies and procedures
- Fees and Charges
- Maintenance of registers
- Administration and processing of applications
- Debt on property
- The move to HM land Registry's Digital Service

3.2.2 The overall arrangements in place in relation to Land Charges were found to be satisfactory, and the auditor noted that the team are thorough in checking that all information is included on the applications forms and supplementary information sources, however, the following areas of concern were noted:

- Policy and procedures need to be updated.
- Records are still being held in paper form rather than electronically.
- Fees and charges are not being reviewed on annual basis.

3.3 Housing Benefits (Substantial Assurance)

3.3.1 The scope of this year's Housing Benefit audit review was restricted to the processes and procedures in place for:

- The input of annual parameters
- Processing of Housing Benefits (HB) claims
- Applied Programming Interfacing (API)
- Housing Benefit Debt Recovery Project (HBDRP)

- Tackling Fraud
- 3.3.2 From the work carried out by internal audit in line with the agreed scope the Housing Benefits Team had appropriate controls in place and therefore there were no findings or recommendations made this year.
- 3.4 Council Tax (Moderate Assurance)
- 3.4.1 The scope of this year's Council Tax review was restricted to the following areas:
- The parameters loaded into the system are those approved by Council for the current year.
 - Reconciliations between Northgate, Icon and the General Ledger are being completed on a regular basis and are in balance
 - The procedures relating to updating the system with new and amended properties are operating effectively.
 - The procedures relating to identifying and deciding on the liable person are operating effectively.
 - The procedures relating to identifying credit balances on current accounts and subsequent refunds.
 - The introduction of the advanced recovery initiative and automated review of special payment arrangements.
- 3.4.2 Systems and procedures reviewed by Internal Audit were found to be generally satisfactory, however, the following findings were identified:
- Reconciliation processes and treatment of non-balancing elements required further investigation and explanation.
 - Policies, procedures and work instructions require updating for creation and deletion of council tax properties and dent recovery stages.
 - Unbanded proprieties were only checked on an annual basis when the council tax base is reviewed, and therefore, there is a risk that customers could go extended periods without paying council tax and once a banding notice is received have an accumulated debt due to the backdating of liability.
- 3.5 Council Tax Reduction Scheme (Substantial Assurance)
- 3.5.1 The scope of this year's audit review is restricted to the provision of Council Tax Reduction Scheme namely:
- Processing of Council Tax Reduction Scheme claims
 - Review of eligibility
 - Review of 2nd Adult Council Tax Reduction Scheme claims
 - Review correct parameters have been input into the Council Tax System
- 3.5.2 Systems and procedures reviewed by Internal Audit were found to be working well with only minor findings and recommendations noted in relation to the treatment of 2nd Adult reduction which had not impacted on decisions or reductions offered to customers.
- 3.6 Business Rates (Moderate Assurance)
- 3.6.1 The scope of this year's Business Rates audit review was restricted to the processes and procedures in place for:
- The processing of Accounts in Northgate.
 - Ensuring Northgate is updated for new, amended or deleted properties
 - The process for creating new account liabilities
 - Awarding retail relief to properties

- Ensuring that the pilot advanced recovery initiative is delivering the appropriate outcomes and the work completed by Greenhalgh Kerr is resulting in difficult to collect debts being recovered

3.6.2 Following the audit review of Business Rates it was noted that processes and systems whilst working satisfactory, however, there are areas that require review and appropriate update. The following areas of concern were highlighted by the Internal Auditor:

- Entitlement to Small Business Rates Relief is not reviewed regularly.
- Exemptions are not reviewed regularly.
- Postal correspondence received from customers is not dealt with in a timely manner.
- Information from the Councils Planning Department regarding planning applications/ building regulations and completions is not being actioned in a timely manner.

3.7 Main Accounting (Moderate Assurance)

3.7.1 The scope of this audit review was restricted to the provision of Main Accounting namely:

- Authorised users are necessary, current and up to date
- A sample check of 10 journals to ensure keyed correctly
- Examination of the most recent bank reconciliation
- A review of the most recent reconciliations for Debtors and Creditors and respective control accounts (BTLS)
- A sample check of 15 transactions from the ledger back to the original source documentation
- Policy and procedures in place to support Main Accounting entry, reconciliation and authorisation activities
- Policy and procedures in place to support the use of petty cash floats

3.7.2 Systems and procedures reviewed by Internal Audit were found to be generally satisfactory however, the following findings were identified:

- Whilst there is a Finance Manual in place which provides a general overview of Budget Manager Responsibilities, the Council Budgets, budget monitoring, forecasting and controls along with detail as to the year-end processes. It does not go into process and procedural detail when passing journals or executing reconciliation processes.
- The current list of users of the Civica Financials System was found to be out of date and not reviewed in line with the leavers and movers process.
- Evidence to support reconciliation processes is not being retained in line with the Records Retention Schedule, in that it is retained longer than required.
- Processes and procedures surrounding petty cash accounts require in depth review.

3.8 GDPR (No Assurance)

3.8.1 The scope of this audit review was limited and was not a full review of the councils compliance with GDPR legislation. This review looked at the following areas and what was in place in a sample of service areas:

- **Data Protection Officer (DPO)** - training received and their role and responsibilities in ensuring the Authority's compliance going forward

- **Awareness** – records to confirm that all staff have completed the training and what procedures are in place to monitor ongoing compliance
- **Information held** – what personal data is held, what it is used for, where it came from and with whom it is shared. What special categories of data do we collect, the effectiveness of data handling security controls and how we manage data information risks
- **Privacy** - privacy notices to ensure amended in line with GDPR Legislation and the correct levels of notices are in place
- **Individuals Rights** – processes and procedures in place to ensure individuals rights to be informed, right of access, right to rectification and data quality including the right to be forgotten, right to erasure including processes in place to securely dispose of personal data that is no longer required or where an individual has asked for it to be erased, along with the rights to restrict processing, right to data portability, right to object and right to be forgotten
- **Subject Access Requests** – procedures in line with the new timescales and fees and any performance management data available in relation to the processing of Subject Access Requests
- **Lawful basis for processing data** - have we identified our lawful basis for personal data processing activities
- **Consent** - the basis the customer gives consent is clear on our documentation and how the ongoing process of consent is managed
- **Children** - systems in place to verify individual ages and retain parental / guardian consent for data processing activities. Processes in place when a child reaches 16 and able to give consent themselves and that privacy notices are in a language that a child would understand
- **Data Breaches** - procedures in place to detect, report and investigate data breaches internally and by contractors who process data on the Authorities behalf
- **Data Protection by design** – if the Authority has implemented appropriate technical and organisational measures to integrate data protection into processing activities and whether any privacy impact assessments have been undertaken
- **International** – whether International guidelines are applicable
- **Contracts** - all contracts have been amended where the contractor processes the Authorities data and as the data controller, what testing has the Authority undertaken / evidence seen to ensure contractors are compliant with the GDPR guidelines
- **Vital Interests** – if the Authority processes any data to protect the vital interests of an individual and whether it has documented any circumstances where it would be relevant or the justification for relying on this basis
- **Legitimate interests** – if the Authority is relying on legitimate interests as the lawful basis for processing and applied the three part test to demonstrate they have fully considered and protected the individual's rights and interests
- **Data Protection Fee** – if the Authority is registered with the Information Commissionaires Office (ICO)

3.10.2 At the time of the review, the Auditor recognised the work completed on the implementation of GDPR across the Authority had been significant. The processes and procedures designed by the DPO at that time facilitated and underpinned the necessary actions needed to evidence compliance with the legislation. However, from sampling it was evident in 11 out of 16 scope areas that there were gaps / inconsistencies in applying those processes and procedures.

3.10.3 During Quarter 3 2019/20 a caretaking DPO was in situ, rather than a DPO who was an expert in data protection and resourced to monitor compliance, raise awareness and undertake audits. Reflecting on the original gaps called out and the fact that there has been no further evidence of continued compliance during this period a No Assurance opinion has been given. The opinion is based on an assessment of the overall likelihood of the risks identified in the review materialising, and the scale of

their impact to the Council as a whole. It should be noted that the council has now appointed an Interim Information Governance Manager (DPO) who can provide the advice needed to ensure that the recommendations made in the audit report are addressed and risks mitigated.

3.10.4 It is also important to note that whilst a no assurance opinion has been provided, management have responded positively to the recommendations made and have provided assurance to Internal Audit (through management response to the recommendations raised within the report and verbal assurance) that a plan of action has been prepared to address the issues identified by this review. Internal Audit will work with management to ensure that recommendations made are implemented as soon as possible.

4. Follow-Up Reviews:

4.1 Property Services - Caretakers

4.2.1 The audit assurance rating has increased from Limited to Moderate Assurance. Internal Audit noted that excellent progress had been made to implement all the recommendations made in the audit report.

5. Performance Indicators

5.1 The Internal Audit Service introduced a suite of Performance Indicators (PI's) for 2019/20. However, due to the impact of Covid-19 three out of the five were suspended as they were unachievable due to audit work not being undertaken and reports not being issued. The following PI's were retained:

Performance Indicator	Target	As at 15 th July 2020
1. Completion of the audit plan	90% of the audit plan completed by the end of plan review period (31 May 2020)	83%
2. Customer satisfaction	Through key question customer satisfaction surveys – target 90% satisfaction of Very Good, Good or Average rating.	100%

6. Other matters of note

6.1 Covid-19 has had an impact on the Internal Audit Team and will continue to do so until at least the end of the financial year 2020/21. The Internal Audit Annual Plan 2020/21 will be under regular review to ensure that it meets any changes to the Council's risks and any changes will be notified to this committee at the next available meeting.

6.2. The remaining Audit reports that are currently at Draft Issued stage will be reported to this committee in October 2020.

7. Conclusion

7.1 The 2019/20 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. Despite the impact of Covid-19 on the Internal Audit Service good progress has been made in delivering the 2019/20 plan.



AUDIT AND GOVERNANCE COMMITTEE:

28 July 2020

Report of: Head of Finance, Procurement and Commercial Services

Contact for further information: Mrs J. Pendleton (Extn. 2603)
(E-mail: Jacqueline.pendleton@westlancs.gov.uk)

SUBJECT: INTERNAL AUDIT PLAN 2020/21

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To provide Members with the background to the preparation of the 2020/21 Internal Audit Plan and present it for approval.

2.0 RECOMMENDATION

2.1 That the Internal Audit Plan 2020/21 attached at Appendix 1 be approved to take effect from 1 July 2020.

3.0 BACKGROUND

3.1 The Public Sector Internal Audit Standards require the preparation of a risk based Internal Audit Plan.

3.2 The plan has been prepared taking into account the Council's objectives and considering local and national influences on risks to their achievement. Careful consideration has also been given to the impact of Covid-19 and the risks associated with necessary process changes to accommodate new ways of working. The plan is designed to evaluate the effectiveness of, and promote improvement to, the risk management, control and governance processes the Council has in place.

3.3 The resulting programme of work will provide independent assurance to both management and this Committee in relation to the effectiveness of those processes in securing the Council's objectives.

3.4 The Internal Audit Manager considers that the coverage proposed will support an adequate and effective internal audit of the Council's accounting records and system of internal control for the period in accordance with proper practice.

4.0 SUSTAINABILITY IMPLICATIONS

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

5.0 FINANCIAL AND RESOURCE IMPLICATIONS

5.1 There are no significant financial or resource implications arising from this report as Internal Audit activity is included in existing budget provisions.

6.0 RISK ASSESSMENT

6.1 Approval of the Internal Audit Plan is necessary to comply with the Council's statutory duty to undertake an adequate and effective internal audit of its accounting records and system of internal control in accordance with the Accounts and Audit Regulations 2015.

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 ANNUAL PLAN 2020/21



INTERNAL AUDIT SERVICE
INTERNAL AUDIT ANNUAL PLAN 2020/21

Internal Audit Annual Plan 2020/21

1 Introduction

- 1.1 This document is intended to demonstrate how Internal Audit will support the overall aims and objectives of the Council. It will be reviewed throughout the year to ensure its continued relevance, both in terms of supporting the council's priorities and in maintaining a professional, modern internal audit service.
- 1.2 The Accounts and Audit Regulations 2015 require that the Council "must 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 or guidance."
- 1.3 The Public Sector Internal Audit Standards (PSIAS) require that the Head of Audit "must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals".
- 1.4 Internal Audit provides an independent, objective assurance and consulting service that adds value and improves the Council's control environment. It helps the Council deliver its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.5 The provision of assurance is the key role for Internal Audit. This role requires the Internal Audit Manager to provide an annual Audit Opinion based on an objective assessment of the framework of governance, risk management and control. This opinion is provided to the Audit and Governance Committee and also feeds into the Annual Governance Statement. The Internal Audit Service may also complete consulting services at the request of management, these are advisory in nature, and are generally performed with the aim of improving operations. Requests of this nature are considered in light of resource availability and our primary role of assurance.

2 Internal Audit Plan

- 2.1 Our work will support the Council's corporate objectives, and the corporate governance framework.
- 2.2 The plan has been compiled giving consideration to service action plans, risk registers, consultation with key officers, committee reports, information from other assurance processes, plus horizon scanning to consider emerging risks and opportunities including the impact of Covid-19 on the Borough.
- 2.3 This audit planning process identifies potential reviews, which are subsequently prioritised. Factors that are taken into account include materiality; corporate importance, vulnerability, risks and opportunities. The overall aim of the Internal Audit Service is to add value by providing assurance, reducing risk and improving controls.
- 2.4 There needs to be a flexible approach to planning, to ensure that our work meets the needs of the Council in a continually changing risk and control environment. The risk based planning approach enables the audit plan to be updated when new reviews are identified. The audit plan will be reviewed and monitored throughout the year, and any significant changes will be reported to the Audit and Governance Committee.

- 2.5 Work undertaken by the Internal Audit Service should address key risk areas and draw attention to significant concerns and what needs to be done. Ideally the audit plan will provide coverage across the whole organisation, and some reviews may be cross cutting and involve multiple teams and partners. This enables the Internal Audit Manager to produce an annual internal audit opinion that can be used to inform the Annual Governance Statement.

3 Resources

- 3.1 Resource requirements are reviewed each year as part of the audit planning process. The Internal Audit Service is fully resourced, however, approximately 0.5 FTE is to be spent supporting other services and is classified in the Internal Audit Annual Plan as non-audit activity. Covid-19 has had a significant effect on the Internal Audit Service staffing resource and as such the first three months of the financial year 2020/21 (1st April 2020 to 30th June 2020) has seen Internal Audit Staff redeployed in Critical Service areas.
- 3.2 Demand for potential reviews will exceed the number of audit days available. The risk based planning approach identifies and matches audit work to the available audit resources, based on where the most value can be added.
- 3.3 The audit plan needs to be fluid and flexible enough to enable the Internal Audit Service to be reactive as required to situations arising during the course of the period covered by the plan. A contingency reserve element has been built in, to assist in dealing with any such matters arising to hopefully at least minimise any major impact on the audit plan.
- 3.4 Time allocations within the plan are based on previous audit work undertaken, assessments of current audit work requirements, and the requirement for overall allocations for each key service area. As each audit activity is fully scoped and agreed with the appropriate senior manager, each job will then be monitored to that time allocation. In the event of significant issues being found during an audit review, the initial time allocation may be increased to meet any extra audit work requirements. Any such increase will be at the discretion of the Internal Audit Manager.

4 Key Themes

- 4.1 As in previous years, Internal Audit will continue to support the compliance culture within the Council, with the emphasis on improving service ownership of controls and management of risk and governance including fraud.
- 4.2 A number of audits are identified which aim to provide assurance that corporate systems and processes are robust and protect the Council. Aside from core financial systems, coverage will be prioritised towards the corporate priorities and risks to the Council, to help ensure that desired outcomes are delivered efficiently.
- 4.3 In carrying out this year's Internal Audit Reviews due consideration will be given to the impact Covid-19 has had on service areas and how changes to processes and procedures may have impacted on internal controls and increased risks.
- 4.4 For each audit area, a brief description of the scope for the work to be carried out is detailed below. Timing and detailed scopes for each audit will be agreed with the relevant Senior Manager prior to commencement of the fieldwork.

5 Follow-ups

- 5.1 To ensure that agreed actions are being implemented, follow-up work will be carried out. If an audit review results in significant recommendations, then a full audit may be planned to evaluate the effectiveness of the implementation.

6 Other activities

- 6.1 In addition to delivering the audit plan, resources are allocated to deliver other assurance based activities. Examples include:

- Advice and consultancy: - providing ad-hoc advice to officers and service areas, participating in working groups;
- Anti-fraud and corruption: - including response, proactive work and co-ordinating National Fraud Initiative (NFI) work;
- Governance: - activities which help inform the Annual Governance Statement.

7 Summary

- 7.1 The internal audit plan should help add value to the Council by helping to improve systems, mitigate risks, and inform the Annual Governance Statement.

Internal Audit Plan 2020/21

Summary

The table below provides an overview of the breakdown of audit time in the Internal Audit Plan 2020/21. The audit days available for 2020/21 total 385, this represents time available from 1st July 2020 to 31st March 2021. For the period of 1st April 2020 to 30th June 2020 the Internal Audit Team have been redeployed into critical service areas providing the necessary support needed for the Covid-19 response.

Audit Area	Number of Days allocated
Assurance Audits	90
Core Financial Systems	90
Corporate Governance	20
ICT Audit	15
Anti-Fraud	20
Projects	25
Other Annual Reviews	20
Follow Up Audit Reviews	30
Non Audit Work	75
Total	385

This is the allocation of internal audit work for West Lancashire Borough Council. A breakdown of planned audit work is detailed below.

Internal Audit Annual Plan 2020/2021

Assurance Audits:

Assurance Audits are reviews of the systems and processes which have been risk appraised.

Audit Title	Priority	Audit Days	Audit Scope and Description
Section 106/ Community Infrastructure Levy (CIL) Monies	H	10	Review of the processes in place for the management of Section 106/CIL monies.
Playground Development	H	10	Review of the procurement system and processes and compliance with council policies and procedures.
Key Control - Vehicle and Plant	H	5	Review of the current process for the Key holding of council assets (vehicle and plant).
Fuel Management	H	10	Review of the processes in place for the issue, monitoring and payment of fuel suppliers. Including the use of fuel Cards.
Waste Transfer Site - Administration and Storage	H	10	Review administration of the weighbridge, storage, disposals from WLBC, LCC disposals and risks to staff on site.
Parks and Playgrounds Inspection Regime	H	10	Review the current inspection regime and ensure that it complies with relevant legislation.
Property Services - Asbestos	H	10	Review compliance with legislation.
Service Charges	H	10	Review of the current service charges charged to council tenants.
Disabled Facilities Grants	H	5	Review of a sample of grants to support the compliance with the grant conditions.
Estates - Rent Accounts & Utilities	H	10	Review of the processes in place for the management of commercial rent accounts and utilities.

Core Financial Systems

This work includes reviews of systems that are fundamental to providing control assurance for internal financial systems, and allow the Borough Treasurer (S 151 Officer) to make his statement included in the Council's Annual Statement of Accounts. The work can also provide assurance to the Council's External Auditor.

Audit Title	Priority	Audit Days	Audit Scope and Description
Housing Benefits and CTRS	H	10	Key controls audit as part of the cyclical review of core systems.
Creditors	H	10	Key controls audit as part of the cyclical review of core systems.
Debtors	H	10	Key controls audit as part of the cyclical review of core systems.
Council Tax	H	10	Key controls audit as part of the cyclical review of core systems.
Business Rates	H	10	Key controls audit as part of the cyclical review of core systems.
Rents	H	10	Key controls audit as part of the cyclical review of core systems.
Payroll	H	20	Key controls audit as part of the cyclical review of core systems.
Treasury Management	H	5	Key controls audit as part of the cyclical review of core systems.
Main Accounting	H	5	Key controls audit as part of the cyclical review of core systems.

Other Assurance work

Other assurance work that supports the production of the Annual Governance Statement and fulfils other statutory functions.

Corporate Governance

Audit Title	Priority	Audit Days	Audit Scope and Description
Corporate Governance	H	20	Compliance with CIPFA – Delivering Good Governance in Local Government Framework – 2016 Edition

ICT Audit

Audit Title	Priority	Audit Days	Audit Scope and Description
GDPR	H	10	Provide support to the implementation of audit recommendations and undertaken additional audit review work.
Use of Images - Corporate cross cutting	H	5	A review of the processes in place for the use of images captured by the council.

Fraud

Audit Title	Priority	Audit Days	Audit Scope and Description
Anti-Fraud – National Fraud Initiative	H	20	Internal Audit co-ordinates the National Fraud Initiative, a statutory proactive data matching exercise.

Project Support

Provide advice and support for ongoing council projects

Audit Title	Priority	Audit Days	Audit Scope and Description
Income Management Review Project Support	H	15	
Procurement	H	5	
Business Support	H	5	

Annual Reviews

Undertake the statutory reviews required for Internal Audit

Audit Title	Priority	Audit Days	Audit Scope and Description
Public Sector Internal Audit Standards Review		10	Review of the Internal Audit Teams compliance with the standards.
Managing the Risk of Fraud and Corruption		10	Review of the councils continual compliance with the framework

Follow Up Audit Reviews

All audit reviews undertaken, for which recommendations have been made, will be subject to a follow up review. Follow up reviews will also include audit reviews that have taken place in the previous year.

Audit Title	Priority	Audit Days	Audit Scope and Description
Follow Up Audit Reviews		30	

Non-Audit Work

This is work that is undertaken for other council functions. One Internal Auditor undertakes Payroll and Parish Council Work supporting Finance Business Partners and one Internal Auditor maintains the Councils Authorisation List and is currently working one day a week in Home Care Link.

Non Audit Work			
Parishes - Accountancy Function		15	
Payroll - HR & Accountancy Function		25	
Authorisation List - Accountancy Function		5	
Home Care Link Cover		30	



AUDIT AND GOVERNANCE COMMITTEE:

28 July 2020

Report of: Head of Finance, Procurement and Commercial Services

Contact for further information: Mrs J. Pendleton (Extn. 2603)
(E-mail: Jacqueline.pendleton@westlancs.gov.uk)

SUBJECT: INTERNAL AUDIT CHARTER 2020/21

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To present the Internal Audit Charter 2020/21 to Members for approval.

2.0 RECOMMENDATION

2.1 That the Internal Audit Charter 2020/21 attached at Appendix 1 be approved to take effect from 28 July 2020.

3.0 BACKGROUND

3.1 The Public Sector Internal Audit Standards (PSIAS) require the purpose, authority and responsibility of internal audit to be formally defined in an Internal Audit Charter which must be periodically reviewed by the Internal Audit Manager.

3.2 The Terms of Reference of this Committee include approval of the Internal Audit Charter. The current version was approved in July 2018.

3.3 The Charter has been revised to take account of current guidance and it was not practical to track the differences between versions in detail. The revised Charter is attached at Appendix 1 and the previous version at Appendix 2 to this report for information.

4.0 SUSTAINABILITY IMPLICATIONS

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

5.0 FINANCIAL AND RESOURCE IMPLICATIONS

5.1 There are no significant financial or resource implications arising from this report as Internal Audit activity is included in existing budget provisions.

6.0 RISK ASSESSMENT

6.1 The formal approval and periodic review of the Internal Audit Charter is required by the Public Sector Internal Audit Standards. Approval of the Charter is therefore a key step in ensuring that the Council complies with statutory requirements.

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 CHARTER 2020/21
2. INTERNAL AUDIT CHARTER – JULY 2018



**WEST LANCASHIRE BOROUGH COUNCIL
INTERNAL AUDIT SERVICE**

INTERNAL AUDIT CHARTER

JULY 2020

1. Introduction

- 1.1 West Lancashire Borough Council's (WLBC) Internal Audit Section is provided by an in-house team.
- 1.2 The requirement for the internal audit function is set out in legislation under Statutory Instruments:
- Section 151 of the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs"; and
 - *The Accounts and Audit Regulations 2015 (SI 2015/234), regulation 5.—(1) "A relevant authority must 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 (PSIAS) or guidance."*
- 1.3 The Public Sector Internal Audit Standards (PSIAS), which took effect from the 1st April 2013, and were subsequently updated in April 2017 are based on the mandatory elements of the Institute of Internal Audits (IIA), International Professional Practices Framework (IPPF) and now provide a consolidated approach to promoting further improvements in the professionalism, quality, consistency, transparency and effectiveness of Internal Audit across the public sector.
- 1.4 The objectives of PSIAS are to:
- define the nature of internal auditing within the UK public sector;
 - set the basic principles for carrying out internal audit in the UK public sector;
 - establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations
 - establish the basis for the evaluation of internal audit performance and to drive improvement planning.
- 1.5 Compliance with PSIAS is mandatory and must be subject to both internal and external assessment. The Internal Audit Manager must undertake a self-assessment on an annual basis. An external assessment must also be conducted at least once every five years by a qualified, independent assessor or assessment team from outside of the organisation. The results of the internal and external assessments are reported to the Audit and Governance Committee.

2. Purpose of the Internal Audit Charter

- 2.1 This Internal Audit Charter is a formal document that defines the Internal Audit Services purpose, authority, responsibility and position within WLBC. It has been prepared in accordance with the Public Sector Internal Audit Standards (PSIAS). It establishes the Internal Audit Service's position within WLBC and defines the scope of internal audit activities.
- 2.2 The charter also covers the arrangements for the appointment of the Internal Audit Manager and internal audit staff, and identifies the nature of professionalism, skills and experience required.
- 2.3 This Charter will be updated following any changes to the PSIAS or internal audit's operating environment and, as a minimum be the subject of annual review by the Internal Audit Manager and will be formally presented to the Audit and Governance Committee for approval.

3. Definitions

3.1 Institute of Internal Auditors (IIA) Standards define Internal Audit as

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

4. Internal Audit Mission Statement

4.1 The mission of West Lancashire Borough Council's Internal Audit Section is:

To enhance and protect West Lancashire Borough Council's organisational value by providing risk-based and objective assurance, advice and insight.

5. Authorisation

5.1 The Internal Audit Service, with strict accountability for confidentiality and safeguarding records and information, is authorised to have full, free, and unrestricted access to any and all of the organisation's:

- Records, documents and correspondence (manual and electronic) relating to any financial and other transactions;
- Physical properties i.e. premises and land, plus cash, stores or any other Council property;
- Personnel – requiring and receiving such explanations as are necessary concerning any matter under examination and generally assisting the Internal Audit Service in fulfilling its roles and responsibilities.

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

6. Organisation and Relationships

6.1 Within the PSIAS, the terms 'Chief Audit Executive', 'Board' and 'Senior Management' are used to describe key elements of the organisation's governance and the ways in which they interact with Internal Audit. The PSIAS require that the terms are defined in the context of the governance arrangements in each public sector organisation, in order to safeguard the independence and objectivity of Internal Audit. The following key terms are explained below:

6.2 Chief Audit Executive

The Internal Audit Manager fulfils the role of Chief Audit Executive for WLBC as defined by PSIAS. The Internal Audit Manager reports to the S151 officer (Head of Finance, Procurement and Commercial Services), and has access to the Chief Operating Officer should it be required.

6.3 Board

The 'board' oversees the work of Internal Audit and will be the relevant audit committee of the council. The 'Board' is known as the Audit and Governance Committee and was established as part of the governance arrangements for WLBC.

The Audit and Governance Committee assists the Chief Operating Officer, Corporate Directors and Heads of Service by fulfilling its oversight responsibilities for the financial reporting process, ensuring that there are adequate systems of internal

control, monitoring compliance with the constitution and financial regulations and promoting effective governance and risk management. To achieve this, reliance is placed on the work of internal and external audit.

Internal Audit will work closely with the committee to facilitate and support its activities.

6.4 Senior Management

WLBC's Senior Management are known as the Corporate Management Team (CMT).

The Chief Operating Officer is WLBC's most senior manager and has overall responsibility for the risk management, control and governance processes of the Council. The Chief Operating Officer is ultimately responsible for the performance of the Council.

Corporate Directors and Heads of Service are responsible for ensuring that their Services' internal control arrangements are sufficient to address risks and prevent fraud in relation to the operations they are responsible for, paying due regard to any corporate arrangements in place.

6.5 External Audit

The Council's appointed External Auditor is Grant Thornton UK LLB. Internal Audit aims to minimise any potential duplication of work and determine the assurance that can be placed on the respective work. The Internal Audit Plan is shared with the External Auditor.

6.6 Other External Review and Inspection Bodies

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

7. Objectives and Scope

7.1 The provision of assurance services is the primary role of Internal Audit and there is a duty of care on the Internal Audit Manager to give an annual internal audit opinion based on an objective assessment of the framework of governance, risk management, and control.

7.2 The main functions of Internal Audit are to review, appraise and report on:

- the adequacy and effectiveness of financial, operational and management system controls and their practical application in relation to the business risks to be addressed;
- the extent of compliance with policies, standards, plans and procedures established by the Council and with law and regulation, including reporting requirements to regulatory bodies;
- the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other causes and that adequate business continuity plans exist;
- the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
- the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that processes align with the organisation's strategic goals;

- the suitability of the authority's departments for carrying out their functions, and to ensure that services are provided in a way which is economical, efficient and effective;
 - confirmation that action has been undertaken to remedy weaknesses identified by Internal Audit, ensuring that good practice is communicated widely;
 - the operation of the authority's corporate governance arrangements.
- 7.3 Managing the risk of fraud and corruption is the responsibility of management. However, as part of the scope of Internal Audit, it will be alert in all its work to the risks and exposures that could allow fraud or corruption to occur and will monitor the extent and adequacy of controls built into systems by management. Internal audit investigate fraud and irregularities in accordance with Council procedures.
- 7.4 Internal Audit may also provide, where resources and skills exist, an independent and objective consultancy service, related to governance, risk management and control as appropriate and which is advisory in nature and is generally performed at the request of senior management. Such work may include providing advice on new systems and emerging risks or attendance at working groups and boards.
- 7.5 Based on its activity, Internal Audit is responsible for reporting significant risk exposures and control issues identified to senior management and in summary to Audit and Governance Committee, including fraud risks, governance issues and other matters considered relevant by the Internal Audit Manager.

8. Independence

- 8.1 Internal Audit operates within an organisational framework that preserves the independence and objectivity of the assurance function, and ensures that the Internal Audit Service is free from interference in determining the scope of internal auditing, performing work and communicating results. The framework allows for the Internal Audit Manager direct access to and the freedom to report unedited, as deemed appropriate, to the Audit and Governance Committee, the Chief Operating Officer, Section 151 Officer and Senior Management.
- 8.2 Internal Audit has operational responsibilities for an element of the Payroll System and the Management of the Authorisations Matrix. As a consequence the Internal Auditors involved in these functions do not undertake any internal audit work in these areas to ensure that objectivity is not impaired.
- 8.3 The Internal Audit Manager will confirm to the Audit and Governance Committee, annually in the Internal Audit Annual Report, the organisational independence of the Internal Audit Service.

9. Professional Standards

- 9.1 Internal Auditors operate in accordance with the PSIAS and LGAN (2019). The Internal Auditors are also governed by the policies, procedures, rules and regulations established by WLBC. These include, but are not limited to, Financial Regulations, Contract Procedure Rules, Anti-Fraud, Bribery and Corruption Policy and the Code of Conduct. Similarly, the council's Internal Auditors will be aware of external bodies' requirements and all legislation affecting the Council's activities.
- 9.2 In addition, all members of the Internal Audit Service must comply with the Code of Ethics for Internal Auditors, as detailed in PSIAS and have due regard to the Committee on Standards in Public Life's '*Seven Principles of Public Life*'. Internal Audit must also comply with the following Core Principles for Internal Auditors in all aspects of their role:-
- Demonstrate integrity

- Demonstrate competence and due professional care
- Be objective and free from undue influence (independent)
- Align with the strategies, objectives and risks of the organisation
- Positioned appropriately and resourced adequately
- Demonstrate quality and continuous improvement
- Communicate effectively
- Provides risk-based assurance
- Be insightful, proactive, and future-focused
- Promote organisational improvement

9.3 By achieving these principles Internal Audit will promote improvement throughout the Council, it will add value, and provide assurance on the control and governance processes, highlighting any weaknesses that require attention.

10. Audit Resources

10.1 The Internal Audit Manager must hold a professional qualification (CCAB, CMIIA or equivalent), have sufficient skill, experience and competencies to work with senior management and the Audit and Governance Committee to influence and inform the risk management, governance and internal control arrangements at WLBC.

10.2 The Council has a responsibility to ensure that the Internal Audit Service is adequately resourced. If it is considered that the resource is inadequate, the Internal Audit Manager will report this to the Head of Finance, Procurement and Commercial Services (Section 151 officer), who then has a responsibility to report this to Audit and Governance Committee.

10.3 Audit work must be performed with proficiency and due professional care. The Internal Auditors will be appropriately staffed with the skills, knowledge, experience and competencies to fulfil their responsibilities and objectives. If the in-house team do not have the skills to undertake a piece of work, the Internal Audit Manager may look to obtain appropriately skilled resources from an external provider. Audit assignments are rotated among staff to avoid over familiarity and complacency that could influence objectivity.

11. Audit Planning

11.1 The Internal Audit Manager will develop an Internal Audit Strategy and Annual Audit Plan using a risk based audit methodology. This will take into account:-

- Service action plans,
- Risk registers,
- Consultation with key officers e.g. members of CMT, SIRO, Section 151 Officer,
- Committee reports and Forward plan,
- Information from other assurance processes,
- Horizon scanning to consider emerging risks and opportunities

11.2 The Annual Audit Plan will be presented to the Audit and Governance Committee for final endorsement in advance of the audit year.

11.3 The Annual Audit Plan will outline the reviews to be undertaken and the broad resources required to deliver the plan. It will provide sufficient information for the Audit and Governance Committee to understand the areas to be covered and for it to

be satisfied that sufficient resources and skills are available to deliver the plan. Areas included in the Annual Audit Plan are detailed in Table 1.

Table 1.: Audit Activities	
Assurance audits	Project Support
Core Financial Systems reviews	Follow up audit reviews
Cross Cutting reviews	Ad-hoc advice and consultancy

- 11.4 The Annual Audit Plan will be kept under review to identify any amendment needed to reflect changing priorities and emerging risks. It will be flexible, containing an element of contingency to accommodate audit reviews which could not have been readily foreseen. However, on occasions, specific audit requests take precedence over the original audit plan and will be required as additional work rather than as a replacement. Resources, such as specialists or additional auditors may be required to supplement this.

12. **Audit Reporting**

- 12.1 The process for completing an audit review is set out in Table 2.
- 12.2 Upon completion of each audit review, an Internal Audit report will be prepared and issued that:
- Provides an opinion on the risks and controls of the area reviewed, and this will contribute to the Internal Audit Managers overall annual opinion on the internal control environment, recorded in the Internal Audit Annual Report, which, informs the Annual Governance Statement, and
 - Provides a formal record of points arising from the audit, management responses to issues raised and agreed implementation timescales.
- 12.3 Exit meetings are accommodated enabling management to discuss audit review findings and recommendations. Accountability for responses to Internal Audit recommendations lies with CMT and Heads of Service as appropriate, who can either, accept and implement guidance given or formally reject it. However, if audit recommendations to strengthen the internal control environment are disregarded and there are no compensating controls justifying the course of action, an audit comment will be made in the Final Audit Report, reiterating the nature of the of the risk that remains and recognising that management has chosen to accept the risk. Furthermore, depending on the severity of the risk, the matter may be escalated upwards to the Chief Operating Officer or drawn to the attention to the Audit and Governance Committee.

Table 2. : Working Arrangements During Audits	
Stage	Commentary
Audit Brief	Prepared and agreed with manager(s).
Fieldwork	Audit review undertaken including interviews with subject matter experts and fieldwork to obtain an understanding of inherent risks and controls to allow an analysis to be undertaken of any residual risks.
Exit Meeting	At the conclusion of the fieldwork, findings and recommendations to be included in the audit report will be discussed with manager(s).

Draft Report	<p>Produced following completion of the fieldwork and exit meeting.</p> <p>The Internal Audit Manager will undertake a quality assurance review prior to the issue of the draft report.</p> <p>Auditee is required to check the report for accuracy and formally respond by full completion of the action plan including timescales for implementation of recommendations.</p>
Final Report	<p>Internal Audit incorporates all management comments within the report. A final quality assurance check is undertaken by the Internal Audit Manager.</p> <p>The report is then issued as a final and includes an opinion on the risks and controls of the area under review.</p>
Follow Up review (where required)	<p>No more than six months after the issue of the final report, a follow up review will be undertaken and progress on implementation of recommendations will reported to manager(s) in a follow up audit report.</p>

- 12.4 It is important that following production of each audit report, there is prompt dialogue between managers and Internal Audit so that findings can be discussed, actions identified to remedy any weaknesses and finally an agreed timescale to rectify them. Internal Audit will monitor implementation of recommendations and report any gaps to senior management.
- 12.5 Actions are rated and an overall assurance opinion on the area subject to the audit review given. Final Audit Reports will be issued in line with agreed working protocols to the relevant nominated officers and subject to follow up work as necessary.
- 12.6 All internal audit reports will normally be treated as confidential unless alternative arrangements have been expressly made with the management concerned except as follows: The Internal Audit Manager reserves the right to copy reports to the Chief Operating Officer, the Section 151 Officer, the Monitoring Officer, the Chair of Audit & Governance Committee, the Authority's External Auditors or other appropriate external agencies as deemed appropriate. All reports and associated working papers will be retained in accordance with the prescribed retention and disposal timelines which is currently 6 years plus the current financial year.
- 12.7 Audit Assurance and Recommendation Priority levels will be subject to regular review to ensure that they remain relevant and robust for the Internal Audit Service and WLBC.
- 12.8 Following the end of the year, an annual report will be produced setting out Internal Audits opinion on the state of the internal controls and governance across the Council. This will comment on:
- The scope including the time period covered;
 - Any scope limitations;
 - Consideration of all related projects including the reliance of other assurance providers;
 - The risk or control framework or other criteria used as a basis for the overall opinion;
 - The overall opinion, providing reasons where an unfavourable overall opinion is given; and

- A statement on conformance with the PSIAS and the results of the quality assurance improvement programme (QIAP).

12.9 Any significant issues identified will be referred to the s151 Officer (Head of Finance, Procurement and Commercial Services) and CMT.

12.10 All reports produced are set out in Table 3:

Report Produced	For	Reason
Audit Report	Relevant Director / Head of Service	To report on the findings and recommendations of each audit review undertaken.
Internal Audit Activities – Quarterly Update	Audit and Governance Committee	To provide the Audit and Governance Committee with progress on the delivery of the internal audit plan, provide key assurance and governance issues.
Internal Audit Annual Report	Audit and Governance Committee	End of year report in accordance with PSIAS. An evaluation of the work undertaken and the level of assurance established.
Internal Audit Strategy and Annual Audit Plan	Audit and Governance Committee	The Strategy details how Internal Audit will support the overall aims and objectives of the Council and the Annual Audit Plan details the future plans to provide assurance across the Council in accordance with PSIAS.

13. **Counter-Fraud, Bribery and Corruption**

13.1 Managing the risk of fraud, corruption and bribery is the responsibility of all management and members. Internal Audit can assist management in the effective discharge of this responsibility, including the investigation of suspected fraud, corruption or bribery.

13.2 Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud, bribery or corruption will be detected. Internal Audit does not have responsibility for the prevention or detection of fraud, corruption or bribery. Internal Audit does, however, commit resources to proactive fraud work, which includes raising the awareness of fraud issues, and will also be alert in all audit work, of whatever type, to risks and exposures that could allow fraud, corruption or bribery.

13.3 The Internal Audit Manager must be informed of all suspected or detected fraud, corruption or improprieties so that they may be considered in terms of adequacy of the relevant internal controls and be evaluated for the annual opinion on the control environment.

13.4 All cases will be dealt with in accordance with WLBC's relevant policies and procedures (e.g. Whistleblowing Policy, Anti-Fraud, Corruption and Bribery Policy, Anti-money Laundering Policy).

14. Risk Management

14.1 Internal Audit is not responsible for managing WLBC's risks, which is the responsibility of management. However, Internal Audit evaluates the effectiveness of, and contributes to, the improvement of risk management processes by ensuring significant risks are identified and addressed, and ensuring that internal audit recommendations are appropriate to address key risks areas identified.

15. External Work

15.1 Internal Audit may provide assurances to parties outside of the Council. Such assurances fall under the following categories:

- Work under contract;
- Government grant sign off;
- Other grant sign off (e.g. European funding)

15.2 Approval is sought from the S151 Officer (Head of Finance, Procurement and Commercial Services) before entering into any significant engagement. The level and extent of external work is also reported to the Audit and Governance Committee for approval.

16. Quality Assurance and Improvement

16.1 The Internal Audit Service will maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the Internal Audit Service as required by PSIAS. The programme will include an evaluation of the Internal Audit Service's conformance with the Definition of Internal Auditing and PSIAS along with an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the Internal Audit Service and identifies opportunities for improvement.

16.2 Information in the QAIP will be reported to the Audit and Governance Committee to enable members to be assured that the Internal Audit Service is operating in a satisfactory manner such that reliance can be placed on the subsequent annual audit opinion provided by the Internal Audit Manager

Internal Audit Code of Ethics

A code of ethics is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control, and governance.

The Code of Ethics provides principles and rules of conduct under four headings:

- Integrity
- Objectivity
- Confidentiality
- Competency

The Rules of Conduct describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of internal auditors. Below they are set out together with the principle they interpret.

The Code of Ethics provides guidance to internal auditors serving others. 'Internal auditors' refers to those who provide internal auditing services within the definition of internal auditing.

Applicability and Enforcement

This Code of Ethics applies to both individuals and entities that provide internal auditing services. Disciplinary procedures of professional bodies and employing organisations may apply to breaches of this code of ethics.

The Code of Ethics

1. Integrity Principle

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgement.

Rules of Conduct

Internal auditors:

- 1.1 Shall perform their work with honesty, diligence and responsibility.
- 1.2 Shall observe the law and make disclosures expected by the law and the profession.
- 1.3 Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organisation.
- 1.4 Shall respect and contribute to the legitimate and ethical objectives of the organisation.

2. Objectivity Principle

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgements.

Rules of Conduct

Internal auditors:

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

3. Confidentiality Principle

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

Rules of Conduct

Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organisation.

4. Competency Principle

Internal auditors apply the knowledge, skills and experience needed in the performance of internal auditing services.

Rules of Conduct

Internal auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills and experience.
- 4.2 Shall perform internal auditing services in accordance with the International Standards for the Professional Practice of Internal Auditing.
- 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.

Internal Auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's Seven Principles of Public Life (the 'Nolan Principles') [The 7 principles of public life - GOV.UK](#)

WEST LANCASHIRE BOROUGH COUNCIL INTERNAL AUDIT CHARTER

Introduction

1. This charter sets out the purpose and responsibilities of the Internal Audit Service for West Lancashire Borough Council and has been prepared in accordance with Public Sector Internal Audit Standards and approved by Audit and Governance Committee.
2. The requirement for the internal audit function is set out in legislation under the Statutory Instruments; The Accounts and Audit Regulations 2015 5.—(1) A relevant authority must 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 or guidance.
3. Institute of Internal Auditors (IIA) Standards define Internal Audit as follows 'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.
4. Internal Audit work will be performed in accordance with the Public Sector Internal Audit Standards 2017 (PSIAS) and the Accounts and Audit Regulations 2015.
5. Our mission is;

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight."
6. The Chief Executive is West Lancashire Council's most senior manager and has overall responsibility for the risk management, control and governance processes of the Council. The Chief Executive is ultimately responsible for the performance of the Council.
7. Directors and Heads of Service are responsible for ensuring that their Services' internal control arrangements are sufficient to address risks and prevent fraud in relation to the operations they are responsible for.
8. The Borough Treasurer (S151 officer) has a statutory duty under S151 of the Local Government Act (LGA) 1972 to ensure that there is a clear framework for the proper administration of the local authority' affairs. The S151 officer is required to provide assurance for systems of internal control, the risk management and governance processes, and financial management, placing reliance on internal audit work to help perform that duty.

9. The Monitoring Officer is responsible for ensuring that the Council acts and operates within the law. They have a duty to report to the whole Council if the Council has broken or may have broken the law. They have a responsibility to undertake regular reviews of the Council's Constitution. Support the Council's Audit and Governance Committee by helping to promote and maintain high standards of conduct by Council members, officers, partners and contractors. Ensuring that a register of interests for elected and co-opted members is maintained and updated.
10. The Audit and Governance Committee (which is the body defined as 'the board' in accordance with the Standards) assists chief officers in fulfilling its oversight responsibilities for the financial reporting process, ensuring that there are adequate systems of internal control, and monitor compliance with the constitution and financial regulations, and promoting effective governance and risk management. To achieve this, reliance is placed on the work of internal and external audit.
11. The Council's senior Management Team consists of the Chief Executive, Directors, Borough Solicitor and Borough Treasurer and it is this body that fulfils the role of 'Senior Management' in accordance with the Standards.
12. This charter is reviewed periodically by the Audit Manager and approved by Audit and Governance Committee.

Purpose

13. Internal Audit is an independent review function that is led by the Audit Manager. Through its risk based and objective assurance the function provides confidence to officers, service heads, directors and councillors that the authorities operations are properly controlled and have effective risk management processes and procedures in place which add value to the Councils operations.
14. Where areas of weakness are identified Internal Audit will raise the findings with the service and ensure that risks are understood so that appropriate action can be taken to enhance processes, procedures and controls.
15. Internal Audit is not responsible for the control systems it audits, responsibility for effective internal control lies with the Section 151 Officer under LGA, and in accordance with the Council Constitution, Directors and Heads of Service.

Assurance and Consultancy

16. Internal audits main objective is to provide assurance to Senior Management and the Audit and Governance Committee on the areas set out in paragraph 19 below. However, where appropriate the team may be asked to undertake consultancy assignments which assists management in achieving the goals of

the Council, the nature and scope of which are agreed with the client, are intended to add value and improve the Council's governance, risk management and control processes.

17. The scope of the consultancy work may include:

- Advisory;
- Assistance on assessing the risk and developing the control;
- Training.

Internal audit can give advice and assistance, however they are not responsible for implementing controls and procedures.

Scope and Responsibility of Internal Audit

18. The primary role of Internal Audit is to assess the Council's key risks and evaluate the adequacy and effectiveness of the risk management, governance and internal control frameworks.

19. The main functions of Internal Audit are to review, appraise and report on:

- (a) the adequacy and effectiveness of financial, operational and management system controls and their practical application in relation to the business risks to be addressed;
- (b) the extent of compliance with Policies, standards, plans and procedures established by the Council and within law and regulation, including reporting requirements to regulatory bodies;
- (c) the extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other causes and that adequate business continuity plans exist;
- (d) the suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information;
- (e) the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds; and that processes align with the organisation's strategic goals;
- (f) the suitability of the authorities departments for carrying out their functions, and to ensure that services are provided in a way which is economical, efficient and effective;

(g) to confirm that action has been undertaken to remedy weaknesses identified by Internal Audit, ensuring that good practice is communicated widely;

(h) the operation of the authorities corporate governance arrangements;

20. Internal audit also investigate fraud and irregularities in accordance with Council procedures, although responsibility for preventing and detecting fraud lies with the Council's Senior Management Team and Heads of Service.

21. Internal audit must comply with the Code of Ethics for Internal Auditors and have due regard to the Committee on Standards in Public Life's '*Seven Principles of Public Life*'. Internal Audit must also comply with the following Core Principles for Internal Auditors in all aspects of their role:-

- Demonstrates integrity
- Demonstrates competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives and risks of the organisation
- Is positioned appropriately and resourced adequately
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk-based assurance
- Is insightful, proactive, and future-focused
- Promotes organisational improvement

By achieving these principles internal audit will promote improvement throughout the Council, it will add value, and provide assurance on the control and governance processes, highlighting any weaknesses that require attention.

Access and Confidentiality

22. Internal Audit, through the Audit Manager, where he deems necessary, will have unrestricted access to: The Chief Executive, Members, the Chair of the Audit and Governance Committee, individual Directors and Heads of Service, and all Authority employees and contractors. All employees are required to assist the internal audit function in fulfilling its roles and responsibilities.

23. Internal Audit, therefore, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free and unrestricted access to any and all of the authority's records, physical property, assets and personnel relevant to any engagement.

Independence and Objectivity

24. Internal Audit is independent of the activities which it audits to enable it to provide the objective and unbiased judgement essential to the impartial advice and assurance it provides to management.
25. To ensure this independence Internal Audit operates in a framework that allows:
 - segregation from line operations
 - unrestricted access to senior management
 - reporting in its own name
26. The internal audit activity will remain free from interference in matters of audit selection, scope, procedures, frequency, timing or report content.
27. Internal auditors will have no direct operational responsibility or authority over any of the activities which they audit. Accordingly they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair the auditor's judgement.
28. Individual Internal Auditors will not audit any area of previous responsibility for a period of at least 12 months after the responsibility ended.
29. Internal Auditors must exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

Competencies and Standards

30. The Council has a responsibility to ensure that the audit service is adequately resourced. Whilst the Audit Manager believes he has sufficient resources to deliver the Internal Audit plan, if it is felt that the resource is inadequate, the Audit Manager will report this to the S151 officer, who then has a responsibility to report this to Audit and Governance Committee.
31. Audits must be performed with proficiency and due professional care. The audit team will be appropriately staffed with the skills, knowledge, experience and competencies to fulfil their responsibilities and objectives. If the in-house team do not have the skills to undertake a piece of work, the Audit Manager will obtain appropriately skilled resources from an external provider.
32. Internal auditors are expected to:
 - exercise objectivity, integrity and confidentiality
 - ensure that sufficient evidence is obtained to support audit findings and conclusions

- act in a professional manor

Scope and Responsibility of the Audit Manager

33. The Audit Manager will be required to manage the provision of a complete Internal Audit Service to the Council in addition to the investigation of fraud where required. In discharge of this duty, the Audit Manager will:

- prepare a rolling five-year strategic risk-based audit plan in consultation with Heads of Service. This strategic plan will be regarded as flexible rather than as an immutable expression of audit policy
- translate the strategic plan into annual plans based on the significant foreseeable risks to which the council is exposed for presentation to the Audit and Governance Committee (this is to approve but not direct)
- if requested to undertake significant additional consultancy work by a service that is not in the plan, approval should be sought by the Audit Manager from Audit and Governance Committee
- ensure a system of close supervision of audit work, and maintain a review of audit files through the overview and review process
- carry out a continuous review of the development and training needs of all audit personnel and arrange, where appropriate, training to maintain a competent audit team
- prepare, for agreement with the Chief Executive and Borough Treasurer, annual reports on audit activity for presentation to the Audit and Governance Committee
- provide an overall audit opinion to Audit and Governance Committee on the effectiveness of the Council's internal control framework, risk management and governance arrangements

34. Internal Audit will liaise with the Council's External Auditors and other external review agencies in order to optimise audit coverage from available resources.

35. Internal Audit may also carry out exercises in conjunction with other bodies such as other Local Authorities, the Police and the HM Revenue and Customs etc.

36. Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate at the request of management.

37. Based on its activity, Internal Audit is responsible for reporting significant risk exposures and control issues identified to senior management and in summary to Audit and Governance Committee, including fraud risks, governance issues and other matters considered relevant by the Audit Manager.

Audit Reporting

38. Internal audit reports regularly to management on the results of audit work which provides them with regular assessments of the adequacy and effectiveness of their systems of risk management and internal control.
39. All Internal Audit Reports will normally be treated as confidential unless alternative arrangements have been expressly made with the management concerned except as follows: The Audit Manager reserves the right to copy reports to the Chief Executive, the Section 151 Officer, the Monitoring Officer, the Chairman of Audit & Governance Committee, the Authority's External Auditors or other appropriate external agencies as deemed appropriate.
40. Internal audit regularly reports the results of its work to the Audit and Governance Committee which is a subcommittee of the Council in relation to:
 - regular assessments of the adequacy and effectiveness of the Council's systems of risk management and internal control
 - progress against the annual Internal Audit Plan
 - the adequacy of its resources for maintaining adequate audit coverage in accordance with statute
41. The internal audit report may include management's response and corrective action taken or to be taken in regard to specific findings and recommendations. The internal audit function is responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain open until cleared.

Quality Assurance and Improvement Programme

42. The internal audit activity will maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The programme will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards. Along with an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.
43. The Audit Manager is also responsible for providing a self-assessment on the internal audit activity periodically as regards to its consistency with the Audit Charter and performance relative to its plan.
44. In addition the Audit Manager will communicate to senior management and Audit and Governance Committee on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments (to be conducted at least every five years).

Signed by:

Audit Manager

Chief Executive

Chairman of the Audit Committee



AGENDA ITEM:

**AUDIT AND GOVERNANCE:
COMMITTEE 28th July 2020**

Report of: Legal and Democratic Services Manager

Relevant Portfolio Holder: Councillor I Moran, Leader

Contact for further information: Matt Jones (Ext 5025)

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SUBJECT: REGULATION OF INVESTIGATORY POWERS ACT

Borough Wide Interest

1.0 PURPOSE OF THE REPORT

1.1 To provide an update on the use of the Regulation of Investigatory Powers Act 2000 (RIPA) powers, to report on the results of a desk-top inspection by the Investigatory Powers Commissioner and to note a minor amendment to the RIPA policy.

2.0 RECOMMENDATIONS

2.1 That it be noted that there have been no authorisations for the use of covert surveillance since the last meeting of the Audit and Governance Committee.

2.2 That the satisfactory outcome of a desk-top RIPA Inspection, conducted by the Investigatory Powers Commissioner, be noted.

2.3 That the minor amendment to the RIPA Policy (appendix 1) by the replacing of references to the "Chief Surveillance Commissioner" with references to the "Investigatory Powers Commissioner" be noted.

3.0 BACKGROUND

3.1 The Council employ a number of investigative techniques which assist its regulatory functions. Relevant areas of activity can potentially include investigation by Internal Audit, Environmental Health, Housing, Licensing, CCTV

Services and the MAPs Team. In very limited cases, this may include surveillance. Some activities must be undertaken in accordance with the Regulation of Investigatory Powers Act 2000 (“RIPA”). RIPA, its subordinate legislation and Codes of Practice prescribe the type of activities permitted and the procedures required to monitor RIPA activity within the Council. As reported previously, this is now supplemented by monitoring through this Committee.

- 3.2 In accordance with the current Scheme of Delegation the Chief Operating Officer and Corporate Directors consider whether or not to grant authorisations for surveillance activity. In the case of the authorisation of communications data, (i.e. relating to material, such as subscriber and billing records obtained from telecommunications service providers, but not the content of the communication) the authorisation must be from the Chief Operating Officer and via the externally approved specially trained officer (SPOC) through the National Anti-Fraud Network (NAFN).
- 3.3 The Council’s 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 Policy stresses that grantors 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.
- 3.4 The Code requires that Councillors should consider internal reports on the use of RIPA on a regular basis, to ensure that it is being used consistently with the Council’s Policy and that the Policy remains fit for purpose. It continues that Councillors should not, however, be involved in making decisions on specific authorisations. It is stressed that the involvement of elected members is not to extend to operational decision making or stipulate in detail how the Council discharges the procedure. The Government’s position is that there should be no possibility of political interference in law enforcement operations.

4.0 MONITORING OF RIPA ACTIVITY

- 4.1 In the last quarter no covert surveillance has been authorised.
- 4.2 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.
- 4.3 A RIPA guidance note is circulated within the Council at regular intervals.
- 4.4 The RIPA inspection carried out by the Investigatory Powers Commissioner in April 2020 demonstrated a level of compliance that removes the requirement for a further physical inspection. The only action required was that references to the Chief Surveillance Commissioner in the RIPA Policy be replaced with references to the Investigatory Powers Commissioner, which is the new name for the Commissioner. This amendment has been made to the Policy (Appendix 1). The

Senior Responsible Officer will continue to monitor processes and activities to seek to ensure that high standards of compliance with the Act and relevant codes of practice are achieved.

- 4.5 The inspection letter received from the Investigatory Powers Commissioner is attached at Appendix 2.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 There are no significant sustainability implications arising from this report.

6.0 FINANCE AND RESOURCE IMPLICATIONS

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

7.0 RISK ASSESSMENT

- 7.1 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 and the possibility of breaches of the Human Rights Act.

8.0 HEALTH AND WELL-BEING IMPLICATIONS

- 8.1 There are no health and wellbeing implications arising from this report.

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 will be considered in relation to any particular authorisation.

Appendix

1. RIPA Policy
2. Letter from the Investigatory Powers Commissioner

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.10 2020

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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. 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 Operating Officer, Corporate Director of Place and Community and, Corporate Director of Transformation and Resources 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 Legal and Democratic Services Manager/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 Operating Officer only, **together with the necessary application for an order giving effect to authorisation from a Justice of the Peace**.
- 1.12 The Chief Operating Officer 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 Operating Officer and Corporate 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 Operating Officer).

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 Legal and Democratic Services Manager/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 Legal and Democratic Services Manager/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 Legal and Democratic Services Manager/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 3.23. It recommends regular reviews be undertaken to see if the need for the surveillance is still continuing. Results of reviews should be recorded in a central record of authorisations (see paragraph 8.1). 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 7.1 – 7.2 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 5.12 - 5.16 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 Legal and Democratic Services Manager/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 Chief Operating Officer 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 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 Investigatory Powers 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 application on a judicial review basis. Claims should be brought within one year unless it is just and equitable to extend that.

The tribunal can order, among other things, the quashing or cancellation of any warrant or authorisation and can order destruction of any records or information obtained by using a warrant or authorisation, and records of information held by any public authority in relation to any person. The 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 Legal and Democratic Services Manager upon receipt of this notification. This reference must be used in subsequent correspondence regarding this authorisation.

APPENDIX 3

**Chief Operating Officer
Head of Paid Service
and Returning Officer**

Jacqui Sinnott-Lacey **

**Corporate Director
of Place and
Community**

Heidi McDougall *

**Corporate Director
of Transformation
and Resources**

Chris Twomey *

**Legal and
Democratic
Services Manager
Monitoring
Officer**

**Senior
Responsible
Officer**

Matt Jones

Supported by

**Assistant Solicitor
RIPA
Co-ordinator and
SPOC
Co-ordinator**

Judith Williams

* Authorising Officer

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

Investigatory Powers Commissioner 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).



Investigatory Powers
Commissioner's Office

PO Box 29105, London
SW1V 1ZU

Ms Jacqui Sinnott-Lacey
Chief Operating Officer
West Lancashire Borough Council
52 Derby Street
Ormskirk
Lancashire
L39 2DF

22nd April 2020

Dear Ms. Sinnott-Lacey,

Inspection of West Lancashire Borough Council

Your Council was recently the subject of a telephone-based inspection by one of my Inspectors, Graham Wright. This has been facilitated through your Senior Responsible Officer (SRO), Matt Jones (Legal and Democratic Services Manager) and Judith Williams (Assistant Solicitor and Data Protection Officer), who were interviewed over the telephone and provided the supporting documentation requested by the Inspector.

The information provided has demonstrated a level of compliance that removes, for the present, the requirement for a physical inspection.

My Inspector has reviewed your Council's RIPA Policy, which is dated 2019 and approved by the Audit and Governance Committee. This provides useful and accurate advice to staff and just requires the removal of references to the Chief Surveillance Commissioner and replaced with the Investigatory Powers Commissioner. It also includes clear guidance regarding the retention, review and destruction of material acquired by means of covert activity or communications data. The Council has data protection safeguards in place. Each council department keeps a Record of Processing Activity pursuant to Article 30 of the GDPR and the Council has a Retention and Disposal Schedule which determines how long information should be kept for and how the information should be disposed of. Electronic data will be disposed of with the assistance of the IT experts and paper files will be disposed of by way of confidential shredding.

The SRO outlined his oversight activity, including a description of the processes used to ensure that no unauthorised surveillance or CHIS management activity takes place. This involves all potential RIPA applicants having to seek advice from the lawyers in Legal and Democratic Services before embarking on any surveillance or covert activity. The managers of the departments concerned with law enforcement activities have been familiarised with their obligations under RIPA. A general awareness message, together with the RIPA Policy guidance, has been published on the Council's intranet.

Although your Council has not exercised its powers since 2013, the SRO was reminded of the importance of ensuring that the designated authorising officers maintain their level of training. The last training was delivered in November 2017 and a further session had been planned to take place in 2020, but with the current crisis this has been postponed and will be arranged for a later time.

The monitoring of social media and the internet can offer initial investigative leads and assist with your enforcement or other responsibilities, but it behoves you to ensure that such resources as these are used in a controlled, auditable, and well understood manner. The Home Office Covert Surveillance and Property Interference Code of Practice provides some helpful advice on this point. The Inspector discussed with the SRO your organisation's approach to these activities and he has confirmed the following:

- that guidance was provided to staff within the relevant policy document
- there is very limited use made of social media
- that staff were not permitted to use covert profiles or pseudonymous accounts to conduct internet or social media enquiries.

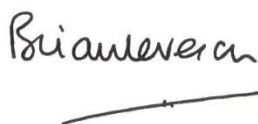
In accordance with section 4.47 of the Home Office Covert Surveillance and Property Interference Code of Practice, the SRO has confirmed that you provide Elected Members on the Audit and Governance Committee with an annual report sufficient to enable them to determine that the Council's policy remains fit for purpose, together with regular reports on RIPA activity (or inactivity).

The Inspector was informed that you do not make any requests to access communications data via the National Anti-Fraud Network and have not signed up to this service, but this is due to be reviewed in the near future. It is also important that officers engaged in investigatory areas where RIPA considerations are not so immediately apparent, maintain their levels of knowledge and know whom to approach for guidance. The SRO has given assurances to the Inspector that the integrity of your Council's processes and governance procedures will be maintained to ensure that high standards of compliance with the Act and relevant codes of practice are achieved.

I hope that this telephone-based inspection has proved to be a worthwhile exercise. My Office is available to you should you have any queries following this inspection, or at any point in the future. Contact details are provided at the foot of this letter.

I shall be grateful if you would acknowledge receipt of this letter within two months.

Yours sincerely,



The Rt. Hon. Sir Brian Leveson
The Investigatory Powers Commissioner



AGENDA ITEM:

**AUDIT AND GOVERNANCE:
COMMITTEE 28th July 2020**

**Report of: Legal and Democratic Services Manager/Head of Finance,
Procurement and Commercial Property**

Relevant Portfolio Holder: Councillor I Moran, Leader

Contact for further information: Matt Jones (Ext 5025)

E-mail: matthew.jones@westlancs.gov.uk

Marc Taylor (Ext 5092) E-mail marc.taylor@westlancs.gov.uk

SUBJECT: WHISTLEBLOWING CODE

Borough Wide Interest

1.0 PURPOSE OF THE REPORT

1.1 To consider any necessary amendments to the Council's Whistleblowing Code.

2.0 RECOMMENDATIONS

2.1 That it be noted that there have been no changes in law or best practice necessitating an amendment to the current Whistleblowing Code adopted in 2019.

3.0 BACKGROUND

3.1 Whistleblowing occurs when an employee or contractor provides certain types of information to the Council which has come to their attention through work. Usually concerns are about danger or illegality that could potentially affect others.

3.2 Whistleblowing acts as an instrument of good corporate governance and helps demonstrate a culture within an organisation that is open, honest, accountable and transparent. It can also aid in the detection and prevention of fraud or misconduct.

- 3.3 The Government expects all public bodies to have a Code in place and Whistleblowing schemes in local authorities in England are assessed regularly as part of external audit review

4.0 CURRENT ARRANGEMENTS

- 4.1 The Council has had a Whistleblowing Code in place for many years and in 2019 the Code was reviewed and updated to ensure compliance with Public Concern at Work and updates to legislation and good practice. The current version of the Code is appended.
- 4.2 The Code has continued to work well in practice. The Council has robust systems of internal control, a strong regulatory environment and effective Codes of Conduct, which means that cases of suspected impropriety are rare.
- 4.3 The Code is the subject of regular reminders ensuring that Council staff are aware of the Code, understand the necessity to express concern quickly, know how to proceed under its provisions and have trust in the process to ensure that whatever action is necessary will be undertaken without any repercussions for themselves
- 4.4 It is also explicitly stated that the Council is committed to protecting and supporting those individuals who speak out, as, without their actions, the repercussions could be of significant detriment to the Council. Effective action will be taken, where necessary, to rectify concerns raised and prevent further instances occurring or a situation escalating.
- 4.5 The Council is committed to regularly reviewing the Code to ensure compliance with current best practice. There are no changes to advise of as there are have been no substantive changes in good practice or law in this area.

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 (it is a helpful process to assist the addressing of potential issues of crime but arrangements are already in place).

6.0 FINANCE AND RESOURCE IMPLICATIONS

- 6.1 All the activity referred to in this report is covered by existing budget provisions.

7.0 RISK ASSESSMENT

- 7.1 Good whistleblowing procedures can protect the Council against numerous risks, and by encouraging employees and others to raise concerns, can help deter wrongdoings, detect problems early, minimise costs and potential compensation claims and maintain and enhance reputation.

8.0 HEALTH AND WELL-BEING IMPLICATIONS

- 8.1 Having good whistleblowing procedures which allow staff concerns to be voiced using appropriate channels assists in the promotion of physical and mental well-being and engenders a culture within the organisation that is open, honest, accountable and transparent.
-

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/stakeholders. Therefore no Equality Impact Assessment is required.

Appendix

1. Whistleblowing Code

Whistleblowing Code

1.0 What is Whistleblowing?

- 1.1 Whistleblowing encourages and enables employees to raise serious concerns **within** the Council rather than overlooking a problem, turning a blind eye or voicing concerns outside. It is a Safe Alternative to Silence.
- 1.2 Without a Whistleblowing avenue, there is increased risk that the Council could be defrauded, damaged or sued. It can also lead to a demoralised workforce who feel unable to express concerns.
- 1.3 Whistleblowing supports good governance, accountability and the Council's risk control framework. It is a valuable contribution to the Council's efficiency and long term success.

2.0 Purpose of the Code

- 2.1 West Lancashire Borough Council not only accepts, but positively encourages, whistleblowing.
- 2.2 Employees are often the first to realise that there may be something seriously wrong within the Council. They have an important role in helping the Council to promote good practice while providing a service to the Community and protecting its residents.
- 2.3 However, they may not express their concern because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear unfair treatment or discrimination. In those circumstances it may be easier to ignore the concern, rather than report what may just be a suspicion of malpractice.
- 2.4 This code makes it clear that employees can voice their concerns without fear of reprisal or adverse repercussions.

3.0 Our Commitment

- 3.1 West Lancashire Borough Council is committed to the highest possible standards of openness, fairness, probity and accountability. It is against any form of impropriety. In line with that commitment, we encourage employees, and others that we deal with, who have serious concerns about any aspect of the Council's work, to come forward with confidence and voice those concerns. All concerns will be taken seriously, will not be ignored or ridiculed, will be investigated and, where applicable, resolved. It is recognised that certain cases will have to proceed on a confidential basis.
- 3.2 The Council is committed to good practice and high standards and is supportive of its employees.

4.0 Who does the Code apply to?

4.1 The Code applies to all employees, irrespective of seniority, rank or status - including casual, temporary, agency, volunteers or work placements, and all contractors and suppliers engaged by the Council.

5.0 Aims and scope of this Code

5.1 This Code aims to:

- encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice;
- provide avenues for you to raise those concerns and receive feedback on any action taken;
- help you to take the matter further if you are dissatisfied with the Council's response;
- reassure you that you will be protected from the possibility of reprisals or victimisation if you have a reasonable belief that you have raised your concerns in good faith, believe the allegation to be substantially true and did not act for personal gain or for malicious purposes.

5.2 This code is not for raising grievances concerning your personal employment circumstances or as an appeal against management decisions, unless these involve malpractice and are in the public interest. Procedures to enable you to pursue grievances etc., relating to your employment, are contained in the Council's Grievance Policy.

5.3 This Code supports the Council's Anti-Fraud, Bribery and Corruption Policy and **supplements** but **does not** replace the Council's other Codes and Policies.

5.4 This code has been discussed with the relevant Trade Unions and has their support.

6.0 What types of concerns are covered?

6.1 The code uses the word malpractice. Malpractice includes any kind of improper practice or conduct which falls short of what is reasonably expected, whether it relates to an act or omission and also includes any form of harassment. Failures could be happening now, have occurred in the past or be likely to happen in the future. The overriding concern should be that it would be in the public interest for the malpractice to be corrected. If in doubt, please raise it.

Some examples are (this list is not exhaustive):

- failure to comply with a legal obligation;
- miscarriage of justice;
- breach of Council's Procedure Rules / Financial Regulations or other Council policies;
- Unlawful discrimination against people with protected characteristics.
- breach of Codes of Conduct
- conduct which falls below established standards or is unethical;

- actions which would put at risk the good reputation of the council;
- a criminal offence occurring;
- showing undue favour over a contractual matter or to a job applicant;
- actions which could cause damage to the environment;
- danger to the health and safety of any individual
- possible bribery fraud and corruption
- deliberate covering up of information
- unlawful discrimination on the grounds of sex, race, disability, religion, sexual orientation or age

7.0 Protection and Safeguards against Harassment or Victimisation

- 7.1 This Code is intended to encourage and enable employees to raise serious concerns **within** the Council, rather than overlooking a problem or ‘blowing the whistle’ outside. It provides protection to employees that do so. **If you choose to voice your concerns in some other way, then you may lose the protection the Code provides.**
- 7.2 The Public Interest Disclosure Act 1998 also protects all employees from detrimental treatment or victimisation, if, in the public interest, they blow the whistle provided disclosures are made in accordance with the Act’s provisions
- 7.3 The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. If you honestly believe what you are saying is true, you should have nothing to fear because you will be doing your duty to your employer and those for whom you provide a service. It may help to think of yourself as a witness, rather than a complainant
- 7.4 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect and support you when you raise a concern in good faith and in the public interest.
- 7.5 If you were subject to reprisals, e.g. denial of training, closer monitoring, ostracism, demotion or re-assignment, from those responsible for the malpractice or any other member of staff, they may be disciplined under the Council’s procedures. Deterring an employee from raising a concern will be considered a serious misdemeanour.
- 7.6 This does not mean, however, if you are already the subject of disciplinary or redundancy procedures, that those procedures will be halted as a result of your whistleblowing.
- 7.7 If you believe you are or have suffered a detriment as a result of raising a concern this should be reported to the Chief Operating Officer, the Legal and Democratic Services Manager, the Head of Finance, Procurement and Property Services, the Internal Audit Manager or the HR Advisor

8.0 Confidentiality

- 8.1 The Council will do its best to protect your identity when you raise a concern and do not want your name to be disclosed. However, it must be appreciated that the investigation process may reveal the source of the information and a statement by you may be required as part of the evidence. Where confidentiality is an issue if it is

possible to establish the truth about allegations from an independent source, the Council will seek to do this.

9.0 Anonymous allegations

9.1 This Code encourages you to put your name to your allegation whenever possible as anonymous allegations are much more difficult to pursue. Concerns expressed anonymously are much less powerful, however, they will be considered at the discretion of the Council. Contact details for the External Auditor are Grant Thornton UK LLP telephone number 0161 952 6900.

9.2 In exercising this discretion the factors to be taken into account would include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

9.3 Clearly, if it is not known who provided the information it is not possible to reassure or protect them.

10.0 Untrue allegations

10.1 If you make an allegation in good faith and in the public interest, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

10.2 Malicious or vexatious allegations include those which are trivial and do not have any substance or are made persistently and annoyingly for the wrong reasons, e.g., simply to make trouble, or purely out of self interest or for personal gain.

11.0 How to raise a concern

11.1 If you are worried that something wrong or dangerous is happening at work, please don't keep it to yourself. Unless you raise your concerns, the chances are we won't find out until it's too late.

11.2 As a first step, you should normally raise concerns with your immediate Manager or their superior and state that you wish to make the disclosure under the provisions of this Code. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach the Chief Operating Officer, the Legal and Democratic Services Manager, the Head of Finance, Procurement and Property Services or the Internal Audit Manager.

11.3 You should **not** try to investigate the matter yourself, although you may be expected to assist with any subsequent investigation, and you should not directly approach or accuse individuals you have concerns about.

11.4 The earlier you express the concern, the easier it is to take action. Also, further wrongdoings can be deterred; any damage caused repaired and potential problems 'nipped in the bud' with corrective action before they become endemic or develop into a crisis.

- 11.5 Concerns may be raised verbally but are better submitted in writing. You should set out details of the background and history of the concern, giving names, dates and locations, where possible, and the reason why you are particularly concerned about the situation. If you have made notes, you may be asked for copies of these to aid the investigation. If you do not feel able to put your concern in writing, you can telephone or arrange a meeting with the appropriate officer.
- 11.6 When any meeting or interview is arranged in connection with the concern you have raised this may be off site if you prefer. If you wish, you may invite your trade union, professional association representative or a friend to be present.
- 11.7 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are sufficient grounds for your concern and that you believe it to be substantially true.
- 11.8 Initial and / or informal advice and guidance on how your concern may be pursued can be obtained from:

Interim Chief Operating Officer
Jacqui Sinnott-Lacey
Tel: 585005
Email: Jacqui-Sinnott-Lacey@westlancs.gov.uk

Legal and Democratic Services Manager
Mr M Jones
Tel: 585025
Email: matthew.jones@westlancs.gov.uk

Head of Finance, Procurement and Property
Mr M Taylor
Tel: 585092
Email: marc.taylor@westlancs.gov.uk

Internal Audit Manager
Jacqueline Pendleton
Tel: 712603
Email: Jacqueline.pendleton@westlancs.gov.uk

Human Resources
Ms S Lewis
Tel: 585027
Email: Sharon.lewis@westlancs.gov.uk

- 11.9 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have similar experiences or concerns.

12.0 How the Council will respond

- 12.1 The Council will respond expeditiously to your concerns and any action taken will depend on the nature of the concern.
- 12.2 The matters raised may:
- be investigated internally by management or Internal Audit or through the disciplinary process
 - be referred to the Police
 - be referred to the External Auditor
 - form the subject of an independent inquiry
 - be referred to the Council's Standards Committee (where the complaint involves a councillor)
- 12.3 In order to protect individuals, the Council and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest.
- 12.4 Concerns or allegations which fall within the scope of specific procedures (for example discrimination issues), will normally be referred for consideration under those procedures.
- 12.5 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before the investigation.
- 12.6 Within ten working days of a concern being raised, the Council will write to you:
- indicating how it proposes to deal with the matter
 - giving an estimate of how long it will take to provide a final response
 - telling you whether any initial enquiries have been made
 - acknowledging that the concern has been received
 - telling you whether further investigations will take place and if not, why not,
 - supplying you with information on staff support mechanisms
- 12.7 The amount of contact between the Officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.
- 12.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, this will include an assessment of any danger or risk which exists or may arise. Also, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.

12.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will be informed of the progress and outcome of any investigation.

13.0 How the matter can be taken further

13.1 This code is intended to provide you with an avenue **within** the Council to raise concerns. The Council hopes that you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- the External Auditor;
- your Trade Union;
- your local Citizens Advice Bureau;
- relevant professional bodies or regulatory organisations;
- a relevant voluntary organisation;
- the Police;
- your Solicitor;
- Public Concern at Work (Tel: 02074046609). This is a registered charity whose services are free and strictly confidential. The charity can also provide advice on the specific provisions and protections detailed in the Public Interest Disclosure Act 1998.

13.2 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information as you may lose protection rights. You are advised to check this with the Legal and Democratic Services Manager.

14.0 The Responsible Officer

14.1 The Legal and Democratic Services Manager as Monitoring Officer, has overall responsibility for the maintenance and operation of this Code. She maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Council. How procedures are working in practice will be continually reviewed to ensure lessons are learned and appropriate action is taken for each concern raised, along with any complaints of victimisations or failures to maintain confidentiality.

15.0 Conclusion

15.1 Existing good practice within the Council, in terms of its systems of internal control, both financial and non-financial, and the external regulatory environment in which the Council operates, ensures that serious cases of suspected impropriety rarely occur.

15.2 This Whistleblowing Code is provided as a reference document to establish a framework within which issues can be raised confidentially internally, and if necessary, outside the management structure of the Council. This document is a public commitment that concerns are taken seriously and is a means of strengthening the organisation's corporate governance arrangements.

Audit & Governance Committee Work Programme – 28 July 2020

Date	Briefing (commencing 6.00pm)	Items
12 October 2020	Key features of the Accounts	<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. RIPA Act - regular monitoring of use of powers
11 January 2021	Social Value in the Procurement Process	<ol style="list-style-type: none"> 1. Grant Thornton – Progress Update 2. Grant Thornton – Annual Audit Letter 3. Risk Management Framework 4. Internal Audit Activities – Quarterly Update 5. RIPA Act regular monitoring of use of powers – annual setting of the policy
10 May 2021	Key features of the Accounts	<ol style="list-style-type: none"> 1. Grant Thornton – Progress Update 2. Internal Audit Annual report 3. Internal Audit Charter, Strategy & Internal Audit Plan 2021/22 4. Annual Governance Statement 5. Statement of Accounts 6. Regulation of Investigatory Powers (RIPA) Act regular monitoring of use of powers
July 2021		<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. RIPA Act – regular monitoring of use of powers 5. Whistleblowing Code

