



Lewes District Council

Audit and Standards Committee

Minutes of the meeting held in the Ditchling Room, Southover House, Southover Road, Lewes, BN7 1AB, on 21 January 2019 at 10.00 am

Present:

Councillor Mike Chartier (Chair)

Councillors Stephen Catlin, Johnny Denis, Nigel Enever, Stephen Gauntlett and Julian Peterson

Officers in attendance:

Pauline Adams (Head of Finance), David Heath (Head of Audit and Counter Fraud), Oliver Dixon (RIPA Monitoring Officer) and Jennifer Norman (Committee Officer)

37 Minutes

The minutes of the meeting held on 19 November 2018 were submitted and approved, and the Chair was authorised to sign them as a correct record.

38 Apologies for absence/declaration of substitute members

There were none.

39 Declarations of interest

There were none.

40 Internet and Social Media Research and Investigations Policy and Procedure

The Committee received the report of the Assistant Director of Legal and Democratic Services which sought the approval of the Council's draft policy on conducting internet and social media research and investigations, and authority for creating and issuing an associated procedure.

The RIPA (Regulation of Investigatory Powers Act 2000) Monitoring Officer (MO) highlighted that the report was a follow-up to a previous report that the Committee received 2 years prior, at which time the Committee approved the Council's policy on carrying out covert surveillance. The follow-up report detailed a stand-alone policy which specifically dealt with online covert activity. The RIPA MO highlighted that the need for the new policy had arisen from customers' widespread use of the internet and social media sites for

business or personal use, which could be a useful source of information for officers engaged in research and investigation connected to revenue collection, regulatory or counter-fraud work.

The RIPA MO clarified that the vast majority of the Council's use of internet did not interfere with people's privacy and the type of activity did not need authorisation under RIPA. The new policy stated that if the nature of online activity amounted to 'directed surveillance', it must be done in accordance with RIPA.

The Committee had several questions for the RIPA MO in respect of the report, which included:

- Whether or not the Internet and Social Media Research and Investigations Procedure could, once written, be shown to the Committee in the form of confidential papers. The RIPA MO understood the Committee's interest in the document but advised that he would first need to consult with the Head of Audit and Counter Fraud as to how much of the procedure it would be appropriate to make available to the Committee and in what way, given the sensitivity of the techniques set out. The RIPA MO said the external training course he was attending on 25 January 2019 was on this very topic, which should enable him to report back to Committee in the appropriated manner;
- Which officer/s were allowed to authorise internet or social media research and/or investigative work when this involved directed surveillance. The RIPA MO responded that the overarching policy stipulated that the Council would not use covert surveillance unless it was a last resort, and that the majority of surveillance would be carried out on open source material that any member of the public could access; but that if the research or investigation did constitute directed surveillance, the procedure document would include the authorisation process. Managers would need to alert the RIPA MO, who would then refer it to one of the Council's RIPA authorising officers for evaluation and a decision; and
- The Chair requested that a further report come to Committee which gave more detail on the Council's use of online covert surveillance and the procedural document mentioned above.

Resolved:

1. That Lewes District Council's Internet and Social Media Research and Investigations Policy as set out in draft in Appendix 1 be approved; and
2. That the Director of Service Delivery be delegated authority by the Committee to develop, implement and ensure compliance with an Internet and Social Media Research and Investigations Procedure for Lewes District Council.

41 Written questions from councillors

There were none.

42 Interim Report on the Council's Systems of Internal Control 2018/19

The Committee received the report which informed councillors on the adequacy and effectiveness of the Council's systems of internal control during the first nine months of 2018/2019, and which summarised the work on which that opinion was based.

The Head of Audit and Counter Fraud (HACF) referenced the large amount of work that had been completed on the housing benefit subsidy claim 2016/2017 which was submitted the last week of September 2018. He informed the Committee that Audit and Counter Fraud team had started work on the 2017/2018 subsidy claim and that testing was underway for both Lewes District and Eastbourne Borough Councils.

The Committee referred to section 3.1 of the report and queried if the actual audit days from the previous year could be included in future reports, so the figures were easier to compare from year to year. The HACF agreed that he would provide the information in future reports.

The Committee asked the HACF to expand upon the term satisfactory in relation to the overall standards of internal control as mentioned in the officer recommendations. The HACF clarified that the term satisfactory when used in an accountancy context meant reasonable.

The Committee queried whether or not guidance on how to fill out the Members Register of Interest form was provided to newly elected councillors. The Committee Officer confirmed that guidance was provided to newly elected councillors.

Resolved:

That the overall standards of internal control were generally satisfactory during the first nine months of 2018/19, as detailed in section 2 of the report.

43 Statement of Accounts 2017/18

The Head of Finance provided a verbal update in relation to the Statement of Accounts 2017/18.

The Head of Finance informed the Committee that the District Valuer had completed the review of accounts on 14 January 2019, with the Chair resigning the letter of representation on 14 January and the Head of Finance on 16 January. The Statement of Accounts was signed off on 16 January 2019, with no changes to the Statement of Accounts the Committee had approved in September 2018.

The Head of Finance explained that the accounts were 3 million underneath the materiality level, but the accounts would not be adjusted to reflect this. She clarified changes to the valuation did not affect the Council's bottom line and it bared no significance to the Council's financial position.

The accounts were signed off and had been handed over to the Council's new external auditors for the 2018/2019 interim audit.

Per BDO's requirements an updated governance report had been distributed to the Committee prior to the meeting. The Head of Finance clarified that the report did not have to be approved by the Committee but that it had been distributed to Members for information purposes only. The Committee had several questions in relation to the report, all of which were answered by the Head of Finance during the discussion.

Resolved:

That the verbal update on the Statement of Accounts 2017/18 be noted.

44 Treasury Management

The Committee considered the report which presented details of recent Treasury Management activity between 1 November 2018 and 31 December 2018.

Resolved:

That it be confirmed to Cabinet that Treasury Management activity from 1 November 2018 to 31 December 2018 has been in accordance with the approved Treasury Strategy for the period, as set out in the report.

45 Date of next meeting

Resolved:

That the next meeting of the Audit and Standards Committee that is scheduled to be held on Monday, 19 March 2019 in the Ditchling Room, Southover House, Southover Road, Lewes, BN7 1AB, commencing at 10:00am, be noted.

The meeting ended at 11.20 am.

Councillor Mike Chartier (Chair)