

# Performance and Audit Scrutiny Committee



<b>Title</b>	<b>Agenda</b>											
<b>Date</b>	<b>Thursday 29 September 2022</b>											
<b>Time</b>	<b>5.00 pm - (Training by Arlingclose for Members at 4pm)</b>											
<b>Venue</b>	<b>Conference Chamber West Suffolk House</b> Western Way, Bury St Edmunds, Suffolk, IP33 3YU											
<b>Full Members</b>	<p style="text-align: center;"><b>Chair</b> Ian Houlder <b>Vice Chair</b> Karen Richardson</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><b>Conservative Group (8)</b></td> <td style="width: 33%;">John Augustine Nick Clarke James Lay Ian Houlder</td> <td style="width: 33%;">Robert Nobbs Peter Thompson Karen Richardson Vacancy</td> </tr> <tr> <td><b>The Independent Group (3)</b></td> <td>Victor Lukaniuk Andy Neal</td> <td>Phil Wittam</td> </tr> <tr> <td><b>Labour Group (1)</b></td> <td>Cliff Waterman</td> <td></td> </tr> </table>			<b>Conservative Group (8)</b>	John Augustine Nick Clarke James Lay Ian Houlder	Robert Nobbs Peter Thompson Karen Richardson Vacancy	<b>The Independent Group (3)</b>	Victor Lukaniuk Andy Neal	Phil Wittam	<b>Labour Group (1)</b>	Cliff Waterman	
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<b>Substitutes</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%;"><b>Conservative Group (4)</b></td> <td style="width: 33%;">Stephen Frost Marion Rushbrook</td> <td style="width: 33%;">Clive Springett Vacancy</td> </tr> <tr> <td><b>The Independent Group (1)</b></td> <td>Mick Bradshaw</td> <td></td> </tr> <tr> <td><b>Labour Group (1)</b></td> <td>Pat Hanlon</td> <td></td> </tr> </table>			<b>Conservative Group (4)</b>	Stephen Frost Marion Rushbrook	Clive Springett Vacancy	<b>The Independent Group (1)</b>	Mick Bradshaw		<b>Labour Group (1)</b>	Pat Hanlon	
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<b>Labour Group (1)</b>	Pat Hanlon											
<b>By invitation</b>	Sarah Broughton	<b>Portfolio Holder for Resources and Property</b>										
<b>Interests – declaration and restriction on participation</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non-pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.											
<b>Quorum</b>	Six Members											
<b>Committee administrator</b>	<b>Christine Brain</b> Democratic Services Officer (Scrutiny) <b>Telephone</b> 01638 719729 <b>Email</b> <a href="mailto:christine.brain@westsuffolk.gov.uk">christine.brain@westsuffolk.gov.uk</a>											

<p><b>Venue</b></p>	<p><b>Conference Chamber West Suffolk House</b> Western Way Bury St Edmunds, Suffolk, IP33 3YU</p>
<p><b>Contact information</b></p>	<p>Telephone: 01638 719729 Email: <a href="mailto:democratic.services@westsuffolk.gov.uk">democratic.services@westsuffolk.gov.uk</a> Website: <a href="http://www.westsuffolk.gov.uk">www.westsuffolk.gov.uk</a></p>
<p><b>Access to agenda and reports before the meeting</b></p>	<p>The agenda and reports will be available to view at least five clear days before the meeting on our website.</p>
<p><b>Attendance at meetings</b></p>	<p>This meeting is being held in person in order to comply with the Local Government Act 1972.</p> <p>Measures have been applied to ensure the health and safety for all persons present at meetings.</p> <p>We may also be required to restrict the number of members of the public able to attend in accordance with the room capacity.</p> <p>If you consider it necessary for you to attend, please let Democratic Services know in advance of the meeting so they can endeavour to accommodate you and advise you of the necessary health and safety precautions that apply to the meeting. For further information about the venue, please visit <a href="http://www.westsuffolk.gov.uk/contact-us-cfm">http://www.westsuffolk.gov.uk/contact-us-cfm</a></p>
<p><b>Public participation</b></p>	<p>Members of the public who live or work in the district are welcome to speak and may ask one question or make a statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only.</p> <p>If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.</p> <p>The Constitution allows that a person who wishes to speak must register at least 15 minutes before the time the meeting is scheduled to start.</p> <p>In accordance with government guidance, the Council has developed general protocols on operating buildings safety in order to reduce the risk of the spread of coronavirus.</p> <p><b>We would therefore strongly urge anyone who wishes to register to speak to notify Democratic Services by 9am on the day of the meeting so that advice can be given on the arrangements in place.</b></p>

	There is an overall time limit of 15 minutes for public speaking, which may be extended at the Chair's discretion
<b>Accessibility</b>	If you have any difficulties in accessing the meeting, the agenda and accompanying reports, including for reasons of a disability or a protected characteristic, please contact Democratic Services at the earliest opportunity using the contact details provided above in order that we may assist you.
<b>Recording of meetings</b>	<p>The Council may record this meeting and permits members of the public and media to record or broadcast it as well (when the media and public are not lawfully excluded).</p> <p>Any member of the public who attends a meeting and objects to being filmed should advise the Committee Administrator who will instruct that they are not included in the filming.</p>
<b>Personal Information</b>	<p>Any personal information processed by West Suffolk Council arising from a request to speak at a public meeting under the Localism Act 2011, will be protected in accordance with the Data Protection Act 2018. For more information on how we do this and your rights in regards to your personal information and how to access it, visit our website: <a href="https://www.westsuffolk.gov.uk/Council/Data_and_information/howweuseinformation.cfm">https://www.westsuffolk.gov.uk/Council/Data_and_information/howweuseinformation.cfm</a> or call Customer Services: 01284 763233 and ask to speak to the Information Governance Officer.</p>

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## Agenda

### Procedural matters

**1. Substitutes**

Any member who is substituting for another member should so indicate, together with the name of the relevant absent member.

**2. Apologies for absence**

**3. Minutes**

To confirm the minutes of the meeting held on 28 July 2022 (copy attached.)

**1 - 8**

**4. Declarations of interest**

Members are reminded of their responsibility to declare any pecuniary or local non-pecuniary interest which they have in any item of business on the agenda **no later than when that item is reached** and, when appropriate, to leave the meeting prior to discussion and voting on the item.

### Part 1 – public

**5. Public participation**

Members of the public who live or work in the district are welcome to speak and may ask one question or make a statement of not more than three minutes duration relating to items to be discussed in Part 1 of the agenda only. If a question is asked and answered within three minutes, the person who asked the question may ask a supplementary question that arises from the reply.

In accordance with government guidance, the Council has developed general protocols on operating buildings safety in order to reduce the risk of the spread of coronavirus and will apply to members of the public registered to speak. **We would therefore strongly urge anyone who wishes to register to speak to notify Democratic Services by 9am on the day of the meeting so that advice can be given on the arrangements in place.**

There is an overall limit of 15 minutes for public speaking, which may be extended at the Chair's discretion.

<b>6.</b>	<b>Ernst and Young - External Audit Plan and Fees 2021-2022</b>	<b>9 - 64</b>
	Report number: <b>PAS/WS/22/014</b>	
<b>7.</b>	<b>Local Government and Social Care Ombudsman: Annual Report 2021-2022</b>	<b>65 - 76</b>
	Report number: <b>PAS/WS/22/015</b>	
<b>8.</b>	<b>Regulation of Investigatory Powers Act 2000 - Annual Report and Review of the RIPA Guidance</b>	<b>77 - 120</b>
	Report number: <b>PAS/WS/22/016</b>	
<b>9.</b>	<b>Delivering a Sustainable Medium-Term Budget</b>	<b>121 - 128</b>
	Report number: <b>PAS/WS/22/017</b>	
<b>10.</b>	<b>Appointment to Sub-Committee Vacancies</b>	<b>129 - 134</b>
	Report number: <b>PAS/WS/22/018</b>	
<b>11.</b>	<b>Work programme update</b>	<b>135 - 138</b>
	Report number: <b>PAS/WS/22/019</b>	

## **Part 2 – exempt**

**None**

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# Performance and Audit Scrutiny Committee



**Minutes** of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 28 July 2022** at **5.00 pm** in the **Conference Chamber, West Suffolk House**, Western Way, Bury St Edmunds IP33 3YU

Present **Councillors**

**Chair** Ian Houlder

John Augustine  
Nick Clarke  
James Lay  
Victor Lukaniuk

Andy Neal  
Robert Nobbs  
Peter Thompson  
Phil Wittam

**In attendance**

Sarah Broughton, Cabinet Member for Resources and Property

122. **Substitutes**

No substitutions were declared.

123. **Apologies for absence**

Apologies for absence were received from Councillors Elaine McManus, Karen Richardson and Cliff Waterman.

124. **Minutes**

The minutes of the meeting held on 26 May 2022 were confirmed as a correct record and signed by the Chair.

125. **Declarations of interest**

Members' declarations of interest are recorded under the item to which the declaration relates.

126. **Public participation**

There were no members of the public in attendance on this occasion.

127. **Annual Financial Resilience Management Report 2021 to 2022**

The Committee received report number FRS.WS.22.003, which had been considered by the Financial Resilience Sub-Committee on 11 July 2022. The report set out West Suffolk Council's Annual Treasury Management and Financial Resilience Report for 2021 to 2022, which included tables

summarising the interest earned and the average rate of return achieved during 2021 to 2022; investment activity during the year; investments held as at 31 March 2022; borrowing and temporary loans and capital borrowing budget 2021 to 2022.

The budget for investment income in 2021 to 2022 was £45,000 which was based on a 0.25% target average rate of return on investments. Interest actually earned during the financial year totalled £96,451.98 (average rate of return of 0.395%), against a budget for the year of £45,000; a budgetary surplus of £49,451.98. The report included assumptions on borrowing for the capital projects included within it and was based around the following main projects:

- Western Way development;
- Mildenhall Hub;
- West Suffolk Operational Hub;
- Toggam Solar Farm; and
- Investing in our Growth Fund.

The report also included a summary of the capital borrowing budget for 2021 to 2022; borrowing and income – proportionality; borrowing and asset yields.

During the financial year 2021 to 2022 the councils underlying need to borrow in investing in its communities increased by just over £6m. With £10m of external borrowing taken out in the year, the level of internal borrowing has reduced by £3.9m. This would help to reduce the level of interest rate risk the council was currently exposed to.

The Sub-Committee had scrutinised the Annual Treasury Management and Financial Resilience Report (2020 to 2021), and asked questions to which responses were provided. Discussions were held on the £10m external loan and how would the Council rebuild its cash balances over the longer term.

The Performance and Audit Scrutiny Committee considered the report and asked questions to which responses were provided. In particular discussions were held on who decided on which bank(s) the council placed its money for investment; the asset value of the solar farm; and at what point would the council look at selling the solar farm if income decreased significantly.

In response to a question raised relating to the £10m external loan and whether it was being used for a specific reason, officers referred the Committee to paragraph 4.7 on page 13 of the report which set out the council's capital finance requirements. This was made up of all projects based on the need to borrow externally. To date, the council had been able to use internal cash available. The £10m would be used towards that future capital finance requirement.

Members did not raise any issues at this time to be brought to the attention of Cabinet.

Councillor Phil Wittam then moved the recommendation, which was duly seconded by Councillor Robert Nobbs and with the vote being unanimous, it was



## **Recommended**

**That subject to the approval of Cabinet and Council the Annual Treasury Management and Financial Resilience Report 2021 to 2022, being Report number: FRS/WS/22/003, be approved.**

### **128. Treasury Management Report (June 2022)**

[Councillor Peter Thompson arrived at 5.58pm during the consideration of this item.]

The Committee received Report No: FRS/WS/22/004, which had been considered by the Financial Resilience Sub-Committee on 11 July 2022. The Service Manager (Finance and Procurement) gave a PowerPoint presentation which set out the investment activity for the first three months of the 2022-2023 financial year.

The 2022-2023 Annual Treasury Management and Investment Strategy sets out the Council's projections for the current financial year. The budget for investment income for 2022 to 2023 was £45,000, which was based on a 0.25% target interest rate of return on investments.

At the end of June 2022, interest earned during the first quarter of the financial year amounted to £90,077.11 against a profiled budget for the period of £11,250, a budget surplus of £78,827.11.

External borrowing as at 30 June 2022 was £13,875,000, a reduction of £125,000 from 1 April 2022, which relates to the repayment plan for the recent PWLB £10m 40-year loan, with the council's level of internal borrowing increasing slightly to £41,536,828 as at 30 June 2022. Overall borrowing, both external and internal was expected to increase over the full financial year.

The presentation set out cashflow forecasts; PWLB rates and forecast rate trends.

The Service Manager (Finance and Procurement) explained that future reports would include a section on "liability benchmark". At the end of 2021 a CIPFA consultation was issued with a proposal to include a new indicator for the "liability benchmark" in the Treasury Management Code. The liability benchmark was effectively the net borrowing requirement of a local authority, plus a liquidity allowance over the long-term life of any external loans. This showed the funding position of a local authority after taking into account reserves and the working capital cash position. It then measured current and committed external borrowing against that need and reflected the current capital programme.

The Sub-Committee had scrutinised the investment activity for 1 April 2022 to 30 June 2022, and asked questions to which responses were provided.

The Performance and Audit Scrutiny Committee considered the report and asked questions to which responses were provided. In particular discussions

were held on forecast rates; interest rates, external borrowing and the Western Way Development.

In response to a question raised on when the interest forecast was made, officers explained that forecasts were done every year as part of the annual budget setting process based on current and predicted interest rates at that point in time.

In response to a question as to whether the council should consider further external borrowing whilst interest rates were still low, officers explained the council could reasonably go out to the market and fix interest rates. However, the markets were currently volatile and there was the uncertainty of a recession. Therefore, our external advisors were not recommending any long-term borrowing at this moment in time.

In response to a question raised relating to the £5m loan made to Thurrock Borough Council in December 2021 and the recent article by the "Bureau of Investigative Journalism", officers advised that the exposure to the council was considered low. Advice from Arlingclose was that clients with an existing exposure to Thurrock retain all the standard protections for lenders to local authorities. All authorities, including Thurrock had access to the PWLB for refinancing irrespective of other activity. Therefore, the risk of lending was at worst a delay in receiving funds back without interest, rather than a loss of principal.

Councillor Robert Nobbs then moved the recommendation, which was duly seconded by Councillor Victor Lukaniuk and with the vote being unanimous, it was

### **Recommended**

**That subject to the approval of Cabinet and Council the Treasury Management Report (June 2022), being Report number: FRS/WS/22/004, be approved.**

#### **129. Work programme update**

The Committee received report number: PAS/WS/22/012, which updated members on the current status of its rolling work programme of items for scrutiny during 2020-2021 (Appendix 1).

The Committee was informed that the Council's Treasury Advisors, Arlingclose had been invited to provide training to members of the Performance and Audit Scrutiny Committee on treasury management, which would take place at 4pm on 29 September 2022.

The Director (Resources and Property) advised members that Mark Hodgson, Associate Partner for Ernst Young who had been the Council's external auditor would be replaced by David Riglar who would be attending the Committee's September 2022 meeting.

The Committee **noted** the contents of its forward work programme and the training to be provided by Arlingclose at 4pm on 29 September 2022 prior to the Committee's meeting at 5pm.

130. **2022 to 2023 Performance Report (Quarter 1)**

[Councillor Andy Neal left the meeting at 6.28pm during the consideration of this item.]

The Committee received Report number PAS/WS/22/013, which set out the impact of Covid-19, the Quarter 1 performance and the 2022 to 2023 revenue and capital positions.

The Covid-19 outbreak had had a significant impact on the council's financial position. Whilst the council was now in the process of recovering from the pandemic, the effects were likely to be felt for years to come. In addition, the cost-of-living crisis, which the Ukraine War had exacerbated, was not only impacting on communities and businesses, but also adversely putting pressure on the council's budgets.

All of these elements, as well as national public behavioural changes in travel, shopping and working created by these issues, had had an adverse impact on businesses, retail and public services nationally. Income generation for public services across the UK had been severely impacted by a combination of all these challenges as well as recent issues, such as national and local lockdowns. West Suffolk Council was not alone in continuing to face these issues although there were good signs of recovery by services and areas – some stronger than others. This included income from leisure and cultural events; trade waste and the garden waste service. In addition, other services were recovering, such as car parks and markets. However, the challenges outlined affected services and localities in different ways.

For 2022 to 2023 the central government funding which had helped to partly mitigate the effects of the pandemic, such as the Sales, Fees and Charges Compensation and the Covid-19 Support Grant were no longer available, meaning the council had to make provision to fully cover any reduced income and increased costs from within its own budgets. As part of the 2022 to 2023 budget setting process the council had made provision for the sum of around £0.5m in its budgets for the ongoing impacts of Covid-19. This provision was to be funded by a contribution from the council's general fund (a reserve fund that the council traditionally kept at around £5m to meet emergency issues such as this) and had been factored into the year-end forecasts in the report.

Attached to the Quarter 1 performance and forecast year-end financial position for 2022 to 2023 were a number of appendices as follows:

- Appendix A: Key Performance Indicator Dashboards
- Appendix B: Income and expenditure report
- Appendix C: Capital programme
- Appendix D: Earmarked reserves
- Appendix E: Strategic risk register
- Exempt Appendix F: Aged debt over 90 days

The Service Manager (Policy, Projects and Performance) explained that a lot of the changes behind the key performance indicators were behavioural, and it was hard to get to the evidence as to why people were changing their behaviour. Therefore, officers would be looking at a deeper dive into the evidence available to try and ascertain the changes in performance. She then drew the Committee's attention to a number of key performance indicators as follows:

- Cross-cutting performance: local economic context
  - Shop vacancy rates in West Suffolk towns were all below the national average of 12 per cent or in the case of Newmarket, the same as the national average.
- Housing and Strategic Health:
  - Households in bed and breakfast accommodation – these were below target and down from the previous quarter.
  - Households in temporary accommodation – this was above target.
  - Homelessness prevention cases – this was at its lowest for four years.
  - Discharge of homelessness duty into private rented sector – this was the highest for 12 months.
  - Youth homelessness – this was increasing, and officers would be keeping an eye on this indicator.
- Resources and Property:
  - Business rates collection was back to pre-COVID levels.
  - Fraud collection by Anglia Revenues Partnership was above 2021-2022, but below pre-COVID levels.
  - Use of e-forms for revenues and benefits – this was high due to energy rebate applications.
  - Low void levels in the commercial estate.
- Governance:
  - Sick days were high due to COVID absences.
- Regulation and environment:
  - Toggam solar farm had generated electricity at its highest rate since 2018-2019.

The Committee considered the report in detail and asked a number of questions to which responses were provided. In particular discussions were held on investments in Barley Homes; the council's general fund; managing the council deficit and the current volatile market.

In response to a question raised relating to e-forms and whether the trend would continue to increase, officers advised it was hoped the trend would continue to increase. For example, work on council tax had shown an increase in the take-up of direct debit payments.

The Committee discussed the cost-of-living crisis etc. meaning the council was likely to see more people presenting as homeless and questioned what the council was doing in terms of resourcing the team in order to cope with

an increase in cases. In response officers agreed to provide a written response.

At the conclusion of the discussions, the Committee **noted** the forecast 2022 to 2023 revenue and capital positions as detailed in Report number PAS/WS/22/013 and attached appendices.

**131. Exclusion of press and public**

With the vote being unanimous, it was

**Resolved:**

That, under Section 100(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as prescribed in Part 1 of Schedule 12A of the Local Government Act 1972, and indicated against each item and, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**132. 2022 to 2023 Performance Report (Quarter 1): Exempt Appendix F: Aged Debt Over 90 Days Monitoring (paragraphs 1 and 2)**

The meeting moved into private session to allow for the Committee to pose specific questions on the information which related to the aged debt over 90 days, as set out in this exempt Appendix.

Once the discussion was concluded, the Committee then moved back into the open session of the meeting.

**133. Re-admittance of press and public**

The press and public were re-admitted to the meeting.

The meeting concluded at 7.17pm

**Signed by:**

**Chair**

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# Ernst and Young – Presentation of External Audit Plan and Fees 2021 to 2022

<b>Report number:</b>	<b>PAS/WS/22/014</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny Committee</b>	29 September 2022
<b>Cabinet member:</b>	Councillor Sarah Broughton Deputy Leader and Cabinet Member for Resources and Property Tel: 07929 305787 Email: <a href="mailto:sarah.broughton@westsuffolk.gov.uk">sarah.broughton@westsuffolk.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Director (Resources and Property) Tel: 01638 719245 Email: <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	

**Decisions Plan:** This item is not included in the Decisions Plan.

**Wards impacted:** All wards

**Recommendation:** It is recommended that:

- 1. Members note Ernst and Young’s Provisional Audit Plan and Fees for 2021 to 2022.**

## 1. Context to this report

- 1.1 The Council's appointed external auditors, Ernst and Young (EY), are required to provide an audit plan (attached at **Appendix A**) which covers the work they plan to perform in order to provide the Council with:
- An audit opinion on whether the financial statements of the Council give a true and fair view of the financial position at 31 March 2022 and of the income and expenditure for the year then ended.
  - Commentary on the Council's arrangements to secure economy, efficiency and effectiveness (value for money).

## 2. Proposals within this report

- 2.1 When planning the audit EY take into account several key inputs:
- Strategic, operational and financial risks relevant to the financial statements.
  - Developments in financial reporting and auditing standards.
  - The quality of systems and processes.
  - Changes in the business and regulatory environment.
  - Management's views on all of the above.
- 2.2 Sections 2 and 3 of **Appendix A**, summarise EY's assessment of the key risks which drive the development of an effective audit for the Council, and outlines their planned audit strategy in response to those risks. Identification of these risks does not mean that these practices have actually taken place. Officers will be working with EY over the coming months to ensure that these risks are managed and where possible to come to an agreement over their treatment prior to the issuing of the Audit Results Report, and Audit Opinion.
- 2.3 The Ministry of Housing, Communities and Local Government established regulations to extend the target date for publishing audited local authority accounts from 31 July to 30 September, for a period of two years (covering the audit of the 2020 to 2021 and 2021 to 2022 accounting years). In December 2021, the Department for Levelling Up, Housing and Communities announced proposals to further extend the deadline for the publication of audited accounts to 30 November for 2021 to 2022.
- 2.4 A provisional timeline for delivering the audit is set out in Section 7 of **Appendix A**. It is expected that the Audit Results Report will be presented to a special December meeting of the Committee.
- 2.5 The planned and scale fees for carrying out this work for 2021 to 2022 are set out on page 43 of the Audit Plan at **Appendix A**. EY are currently in discussion with management to agree the planned fee for the year.



### **3. Alternative options that have been considered**

- 3.1 The audit of the financial statements is governed by the Local Audit and Accountability Act 2014 and is conducted in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Therefore, there are no alternative options.

### **4. Consultation and engagement undertaken**

- 4.1 This report and the appendix have been compiled by the Finance team in consultation external audit.

### **5. Risks associated with the proposals**

- 5.1 The assessment of the key strategic or operational risks and the financial statement risks facing the Council have been identified by EY through their knowledge of the organisation's operations, and through discussion with members and senior officers.

### **6. Implications arising from the proposals**

- 6.1 All implications arising from the proposals are covered within the report and its associated appendices.

### **7. Appendices referenced in this report**

- 7.1 **Appendix A** – West Suffolk Council Provisional Audit Plan for the year ended 31 March 2022

### **8. Background documents associated with this report**

- 8.1 None

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# West Suffolk Council Provisional Audit Plan

Year ended 31 March 2022

17 August 2022

Performance & Audit Scrutiny Committee  
West Suffolk Council  
West Suffolk House  
Bury St Edmunds  
Suffolk  
IP33 3YU

17 August 2022

Dear Performance & Audit Scrutiny Committee Members

We are pleased to attach our Provisional Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Performance & Audit Scrutiny Committee with a basis to review our proposed audit approach and scope for the 2021/22 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This Provisional Audit Plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks. Our planning procedures remain ongoing; we will inform the Performance & Audit Scrutiny Committee if there any significant changes or revisions once we have completed these procedures and will provide an update to the next meeting of the committee.

This report is intended solely for the information and use of the Performance & Audit Scrutiny Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 29 September 2022 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

David Riglar

Partner

For and on behalf of Ernst & Young LLP

# Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA (<https://www.psa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature. This report is made solely to the Performance & Audit Scrutiny Committee and management of West Suffolk Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Performance & Audit Scrutiny Committee and management of West Suffolk Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Performance & Audit Scrutiny Committee and management of West Suffolk Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



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# Overview of our 2021/22 audit strategy



# Overview of our 2021/22 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Performance & Audit Scrutiny Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

## Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Misstatement due to fraud or error	Fraud risk	No change in risk or focus	<p>As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p>
Inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	<p>We have considered the key areas where management has material opportunity and incentive to override controls. We have identified the main areas as being; inappropriate classification of revenue spend as capital expenditure.</p>
Valuation of the Council's solar farm asset	Significant risk	No change in risk or focus	<p>The fair value of the Solar Farm represent significant balances in the Council's accounts and are estimates which are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p> <p>The current volatility in the energy market which is resulting in significantly higher energy costs will have an impact on the power price forecasting, this being one of the key judgements used in the valuation of the solar farm. The impact of this judgement will potentially be material and it is therefore important that the most appropriate and relevant power price forecast is used in the solar farms valuation.</p>
Valuation of the Milden Hall Hub	Significant risk	New significant risk	<p>During the 2021/22 financial year the Council's Milden Hall Hub asset became operational. This asset is material to the Council with a 31 March 22 valuation of £25.42 million held in the Council's balance sheet. The valuation of this asset is complex due to the different valuation methodologies employed on different parts of the asset (existing use value and depreciated replacement cost) and that ownership of part of the asset has been transferred to other bodies. Ensuring that the correct elements of the asset owned by the Council is valued under the correct methodology and that the underlying information used to value the different elements is correct increases the risk of material misstatement.</p>

## Overview of our 2021/22 audit strategy (Continued)

Risk / area of focus	Risk identified	Change from PY	Details
Infrastructure Assets	Inherent risk	New Inherent Risk	<p>In March 2022, an issue was raised with the National Audit Office's Local Government technical network in relation to the accounting for infrastructure assets. Under the CIPFA Code of Local Authority Accounting, these assets are held at depreciated historic cost. It has been identified that whilst local authorities add expenditure incurred on replacing or enhancing such assets, most do not appear to be reviewing the Code requirement to establish whether this spend is a replacement of an asset, or a recognised component, and therefore, are not derecognising the old component. As a consequence gross cost and accumulated depreciation will continually increase, and the balance sheet may be misstated where the expenditure is a replacement for an asset/component not fully depreciated.</p> <p>CIPFA are considering a potential Code amendment, but it is not yet clear when this will be issued. We will need to assess whether the Council's accounting treatment of infrastructure assets complies with current Code requirements and any updated guidance or Code amendments issued by CIPFA. This issue may therefore lead to additional work being required to determine the impact on the Council's accounts.</p>
Property, Plant and Equipment - Valuation of Land and Buildings	Inherent risk	Decrease in risk	<p>The valuation of land and buildings represent significant balances in the Group accounts and are subject to valuation changes, impairment reviews and depreciation charges.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p> <p>There is a reduced risk on these balances compared to the prior year as the impact of the Covid-19 pandemic on the valuation of land and buildings has reduced.</p>

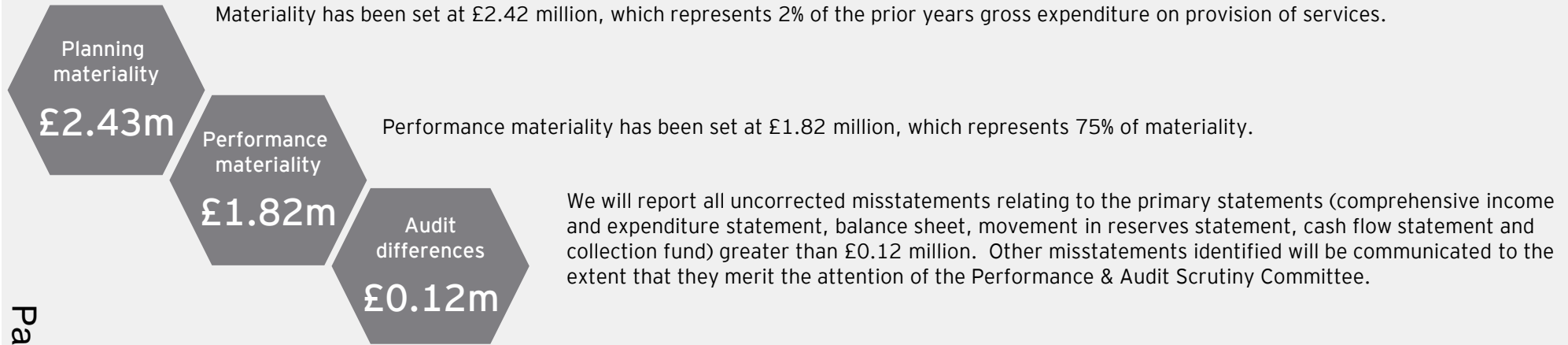


## Overview of our 2021/22 audit strategy (Continued)

Risk / area of focus	Risk identified	Change from PY	Details
Group Account consolidation	Inherent risk	No change in risk or focus	This is the second year of preparing group accounts, consolidating Barley Home Ltd. As at the time of writing this report management have not yet employed an auditor of Barley Homes Ltd which includes a number of material balance for the group in 2021/22. There is therefore the risk that the balances consolidated into the group accounts maybe materially misstated.
Pension Liability Valuation	Inherent risk	No change in risk or focus	<p>The Local Authority Accounting Code of Practice (the Code) and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.</p> <p>The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.</p> <p>Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>

# Overview of our 2021/22 audit strategy

## Group Materiality



# Overview of our 2021/22 audit strategy

## Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of West Suffolk Council give a true and fair view of the financial position as at 31 March 2022 and of the income and expenditure for the year then ended; and
- Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 03.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

Taking the above into account, and as articulated in this audit plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit with increased focus on, for example, the valuations of land and buildings, the auditing of groups, the valuation of pension obligations, the introduction of new accounting standards such as IFRS 9 and 15 in recent years as well as the expansion of factors impacting the ISA 540 (revised) and the value for money conclusion. Therefore to the extent any of these or any other risks are relevant in the context of West Suffolk Council's audit, we will discuss these with management as to the impact on the scale fee.

### Effects of climate-related matters on financial statements and Value for Money arrangements

Public interest in climate change is increasing. We are mindful that climate-related risks may have a long timeframe and therefore while risks exist, the impact on the current period financial statements may not be immediately material to an entity. It is nevertheless important to understand the relevant risks to make this evaluation. In addition, understanding climate-related risks may be relevant in the context of qualitative disclosures in the notes to the financial statements and value for money arrangements.

We make inquiries regarding climate-related risks on every audit as part of understanding the entity and its environment. As we re-evaluate our risk assessments throughout the audit, we continually consider the information that we have obtained to help us assess the level of inherent risk.

# Overview of our 2021/22 audit strategy

## Value for money conclusion

We include details in Section 03 but in summary:

- We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.
- Planning on value for money and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.
- We will provide a commentary on the Council's arrangements against three reporting criteria:
  - Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
  - Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
  - Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

The commentary on VFM arrangements will be included in the Auditor's Annual Report.

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## Timeline

The Ministry of Housing, Communities and Local Government established regulations to extend the target date for publishing audited local authority accounts from 31 July to 30 September, for a period of two years (i.e. covering the audit of the 2020/21 and 2021/22 accounting years).

In December 2021, the Department for Levelling Up, Housing and Communities (DLUHC) announced proposals to extend the deadline for the publication of audited accounts to 30 November for 2021/22.

We are working with the Council to deliver the audit. In Section 07 we include a provisional timeline for the audit.



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# 02 Audit risks



## Our response to significant risks

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

	What is the risk?	What will we do?
<p><b>Fraud Risk:</b> <b>Misstatements due to fraud or error</b></p> <p>Page 24</p>	<p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We identify and respond to this fraud risk on every audit engagement.</p>	<p>We will undertake our standard procedures to address fraud risk, which include:</p> <ul style="list-style-type: none"> <li>➤ Identifying fraud risks during the planning stages.</li> <li>➤ Inquiring of management about risks of fraud and the controls put in place to address those risks.</li> <li>➤ Understanding the oversight given by those charged with governance of management's processes over fraud.</li> <li>➤ Considering the effectiveness of management's controls designed to address the risk of fraud.</li> <li>➤ Determining an appropriate strategy to address those identified risks of fraud.</li> <li>➤ Performing mandatory procedures regardless of specifically identified fraud risks, including;             <ul style="list-style-type: none"> <li>➤ testing of journal entries and other adjustments in the preparation of the financial statements;</li> <li>➤ reviewing accounting estimates for evidence of management bias; and</li> <li>➤ evaluating the business rationale for significant unusual transactions;</li> </ul> </li> </ul>

## Our response to significant risks (continued)

**Fraud Risk:**

**Inappropriate capitalisation of revenue expenditure**

**What is the risk?**

We have considered the key areas where management has material opportunity and incentive to override controls. We have identified the main areas as being;

- Inappropriate classification of revenue spend as capital expenditure.

This would improve the financial position of the general fund as capitalised revenue expenditure can be funded through borrowing with only minimal charges recorded in the general fund, deferring the expenditure for a number of years until the borrowing is repaid.

**What will we do?**

Our approach will focus on:

- ▶ For significant capital additions, examining invoices, capital expenditure authorisations, leases and other data that support these additions. Reviewing the sample selected against the definition of capital expenditure in IAS 16.
- ▶ Extending our testing of items capitalised in the year by lowering our testing threshold. We will also review a larger random sample of capital additions below our testing threshold.
- ▶ Journal testing - we will use our testing of journals to identify high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised.

## Our response to significant risks (continued)

<p><b>Significant Risk:</b></p> <p>Valuation of the Council's solar farm asset</p>	<p><b>What is the risk?</b></p>	<p><b>What will we do?</b></p>
	<p>The fair value of the Solar Farm represent significant balances in the Council's accounts and are estimates which are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p>	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> <li>▶ Reviewing the information provided to the Council's Valuer as Management Expert (Cornwall Insight);</li> <li>▶ Undertaking procedures to ensure that we can rely on the Valuer as management's expert;</li> <li>▶ Employing our internal valuation specialist as our expert to review the assumptions and conclusions of Cornwall Insight and the Council in relation to the valuation of the solar farm at the balance sheet date; and</li> <li>▶ Reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to Solar Farm asset.</li> </ul>
	<p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet. At 31 March 2022, the value of the solar farm totalled £14.98 million.</p>	
	<p>The current volatility in the energy market which is resulting in significantly higher energy costs will have an impact on the power price forecasting this being one of the key judgements used in the valuation of the solar farm. The impact of this judgement will potentially be material and it is therefore important that the most appropriate and relevant power price forecast is used in the solar farms valuation.</p>	
	<p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	



## Our response to significant risks (continued)

<p><b>Significant Risk:</b></p> <p>Valuation of the Milden Hall Hub</p>	<p><b>What is the risk?</b></p>	<p><b>What will we do?</b></p>
<p>Page 27</p>	<p>The valuation of land and buildings represent significant balances in the Councils accounts and are subject to valuation changes, impairment reviews and depreciation charges.</p> <p>During the 2021/22 financial year the Council's Milden Hall Hub asset became operational. This asset is material to the Council with a 31 March 22 valuation of £25.42 million held in the Council's balance sheet. The valuation of this asset is complex due to the different valuation methodologies employed on different parts of the asset (existing use value and depreciated replacement cost) and that ownership of part of the asset has been transferred to other bodies. Ensuring that the correct elements of the asset owned by the Council is valued under the correct methodology and that the underlying information used to value the different elements is correct increases the risk of material misstatement.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.</p> <p>ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> <li>▶ Reviewing the information provided to the Council's Valuer as Management Expert (Wilkes Head and Eve);</li> <li>▶ Undertaking procedures to ensure that we can rely on the Valuer as management's expert;</li> <li>▶ Employing our internal valuation specialist as our expert to review the assumptions and conclusions of Wilkes Head and Eve and the Council in relation to the valuation of the Milden Hall Hub at the balance sheet date; and</li> <li>▶ Reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to the Milden Hall Hub.</li> </ul>

## Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?	What will we do?
<p><b>Infrastructure Assets</b></p> <p>In March 2022, an issue was raised with the National Audit Office's Local Government technical network in relation to the accounting for infrastructure assets. Under the CIPFA Code of Local Authority Accounting, these assets are held at depreciated historic cost. It has been identified that whilst local authorities add expenditure incurred on replacing or enhancing such assets, most do not appear to be reviewing the Code requirement to establish whether this spend is a replacement of an asset, or a recognised component, and therefore, are not derecognising the old component. As a consequence gross cost/gross accumulated depreciation are therefore continually increasing, and the balance sheet may be misstated where the expenditure is a replacement for an asset/component not fully depreciated.</p> <p>West Suffolk Council has material infrastructure assets of £4.36 million held on its balance sheet at 31 March 2022. Therefore the impact on the Council is potentially material.</p> <p>CIPFA are considering a potential Code amendment, but it is not yet clear when this will be issued. We will need to assess whether the Council's accounting treatment of infrastructure assets complies with current Code requirements any updated guidance or Code amendments issued by CIPFA, depending on the timing of this. This issue may therefore lead to significant additional work being required to determine the impact on the Council's accounts.</p>	<p>Our approach will be dependent on the outcome of CIPFA's considerations, but will likely focus on:</p> <ul style="list-style-type: none"> <li>▶ Reviewing the Council's assessment of the issue and the impact on the Council for the current year and prior years;</li> <li>▶ Testing the Council's impact assessment which may include estimates as to the level of capital spend and level replaced assets; and</li> <li>▶ Reviewing any additional disclosures to ensure that these adequately reflect the impact on the financial statements.</li> </ul>

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## Other areas of audit focus (continued)

### What is the risk/area of focus?

#### Property, Plant and Equipment – Valuation of Land and Buildings

The valuation of land and buildings represent significant balances in the Councils accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

### What will we do?

Our approach will focus on:

- ▶ Considering the work performed by the valuer, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Perform testing of key assumptions and methodologies on a sample of assets and consider the reasonableness of the estimation techniques employed;
- ▶ Sample testing key asset information used by the valuer in performing their valuation, and agreeing this to what has been recorded in the fixed asset register and general ledger;
- ▶ Considering if there are any specific changes to assets that have occurred and that these have been communicated to the valuer;
- ▶ Considering changes to useful economic lives as a result of the most recent valuation;
- ▶ Consider the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code;
- ▶ Reviewing assets not subject to valuation in 2021/22 to confirm that the remaining asset base is not materially misstated;
- ▶ Testing accounting entries have been correctly processed in the financial statements; and
- ▶ Reviewing the disclosures to ensure this is adequate in relation to estimation uncertainty.

## Audit risks

### Other areas of audit focus (continued)

#### What is the risk/area of focus?

##### **Pensions liability - IAS19**

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The Council's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Council's balance sheet.

As at 31 March 2022, this totalled £58.9 million. The information disclosed is based on the IAS 19 report issued to the Council by the actuary to the administering body.

Accounting for this scheme involves significant estimation and judgement and management engages an actuary to undertake the calculations on their behalf

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

##### **Group Account consolidation**

This is the second year of preparing group accounts, consolidating Barley Home Ltd. As at the time of writing this report management have not yet employed an auditor of Barley Homes Ltd which includes a number of material balance for the group in 2021/22. There is therefore the risk that the balances consolidated into the group accounts maybe materially misstated.

#### What will we do?

Our approach will focus on:

- ▶ Liaising with the auditors of Suffolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to West Suffolk Council;
- ▶ Assessing the conclusions drawn on the work of the actuary by the Consulting Actuary, PwC, commissioned by the National Audit Office for all local government sector auditors, and considering reviews of this undertaken by the EY actuarial team;
- ▶ Using our internal EY pensions team to calculate an estimate of the Council's pension liability by running their own 'actuarial model' and comparing this to that produced by the Council's actuary; and
- ▶ Reviewing and testing the accounting entries and disclosures made within the Council's financial statements in relation to IAS19.

Our approach will focus on:

- ▶ Review the group assessment prepared by the Council, ensuring that the accounting framework and accounting policies are aligned to the Council group;
- ▶ Scope the audit requirements for each component based on their significance to the group accounts;
- ▶ Test the consolidation procedures applied; and Check compliance with the Code of Audit Practice in respect of the group accounts and associated disclosures;
- ▶ Prepare group instructions for the auditor of Barely Homes Ltd; and
- ▶ Review work undertaken by the auditor of Barely Homes Ltd and determine whether we can place reliance on this work to obtain assurances over the balances consolidated into the group accounts.



# 03

## Value for Money Risks





# Value for Money

## Councils responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

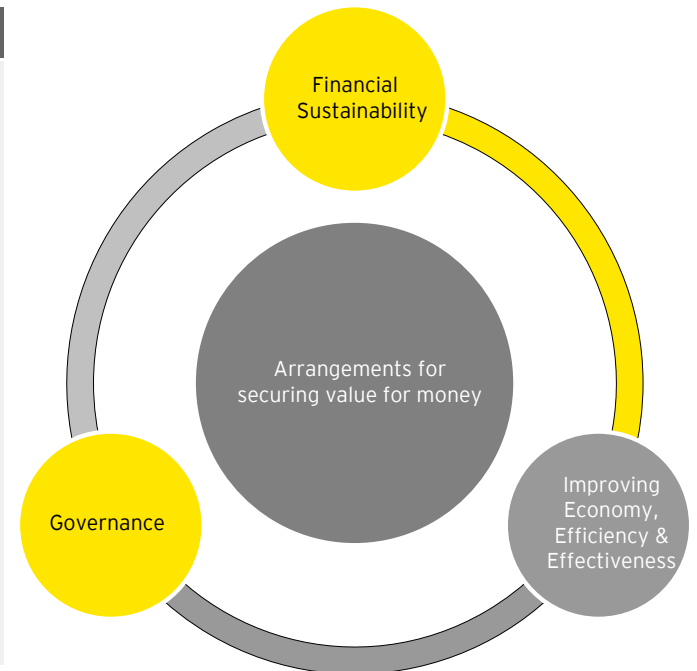
As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

## Auditor responsibilities

Under the NAO Code of Audit Practice we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.





## Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Council's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

In considering the Council's arrangements, we are required to consider:

- The Council's governance statement;
- Evidence that the Council's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates and other bodies; and
- Any other evidence source that we regards as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- Exposes - or could reasonably be expected to expose - the Council to significant financial loss or risk;
- Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Council's reputation;
- Leads to - or could reasonably be expected to lead to - unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Council;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Council's reported performance;
- Whether the issue has been identified by the Council's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Council has had to respond to the issue.



# Value for Money

## Responding to identified risks of significant weakness

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Performance & Audit Scrutiny Committee.

## Reporting on VFM

Where we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include the commentary on arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Council's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

## Status of our 2021/22 VFM planning

We have yet to complete our detailed VFM planning. However, one area of focus will be on the arrangements that the Council has in place in relation to financial sustainability - including any ongoing impact of Covid-19 and on current high rates of inflation on the medium term financial planning.

We will update the next Performance & Audit Scrutiny Committee meeting on the outcome of our VFM planning and our planned response to any additional identified risks of significant weaknesses in arrangements.





# 04

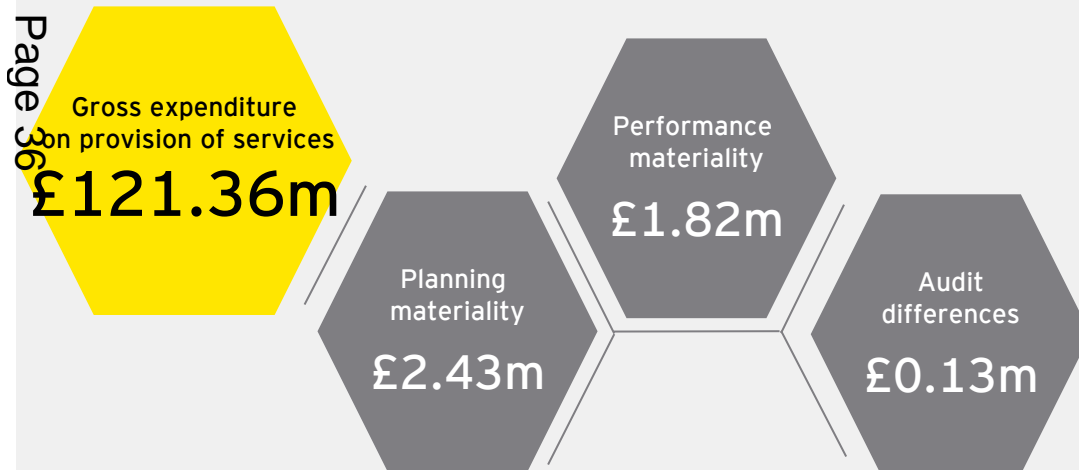
## Audit materiality



## Group Materiality

### Group Materiality

For planning purposes, materiality for 2021/22 has been set at £2.43 million. This represents 2% of the Group's prior year gross expenditure on provision of services. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix C.



We request that the Performance & Audit Scrutiny Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

### Key definitions

**Planning materiality** - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

**Performance materiality** - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £1.82m which represents 75% of planning materiality.

**Audit difference threshold** - we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, housing revenue account and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Performance & Audit Scrutiny Committee, or are important from a qualitative perspective.

**Component performance materiality range** - we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group. We have provided further detail on the next page as to the materiality levels of the West Suffolk Council component.

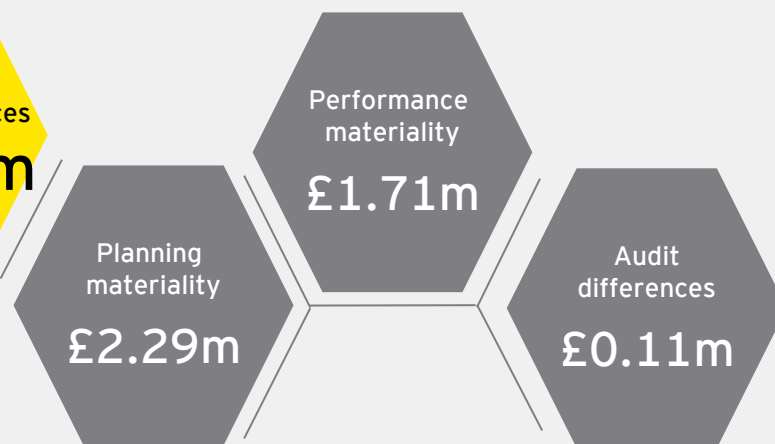
## Council Materiality

### Council Materiality

For planning purposes, materiality for 2021/22 has been set at £2.29 million. This represents 2% of the Council's prior year gross expenditure on provision of services. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix C.

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Gross expenditure  
on provision of services  
**£114.30m**



We request that the Performance & Audit Scrutiny Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

### Key definitions

**Planning materiality** - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

**Performance materiality** - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £1.71m which represents 75% of planning materiality.

**Audit difference threshold** - we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, housing revenue account and collection fund that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Performance & Audit Scrutiny Committee, or are important from a qualitative perspective.

## Materiality

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

We also identify areas where misstatement at a lower level than our overall materiality level might influence the reader and develop an audit strategy specific to these areas, including:

- ▶ Remuneration disclosures: we will agree all disclosures back to source data. We will report any differences above £5k as these are the bandings used in the disclosure.
  - ▶ Councillor allowances: we will agree and councillor allowances to the agreed and approved amounts and report any differences above £5k.
  - ▶ Related party transactions: we will test the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence. We will consider the impact of any differences identified by reference to the materiality for the related party.
- Audit fees: we will agree these to the PSAA scale fees and any agreed variations and report any differences above £1k.



**05** Scope of our audit



## Our Audit Process and Strategy

### Objective and Scope of our Audit scoping

Under the Code of Audit Practice, our principal objectives are to undertake work to support the provision of our audit report to the audited body and to satisfy ourselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

#### 1. Financial statement audit

##### Our opinion on the financial statements:

Page 40 whether the financial statements give a true and fair view of the financial position of the audited body and its expenditure and income for the period in question; and whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

##### Our opinion on other matters:

- whether other information published together with the audited financial statements is consistent with the financial statements; and
- where required, whether the part of the remuneration report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

##### Other procedures required by the Code:

- Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the NAO.

#### 2. Arrangements for securing economy, efficiency and effectiveness (value for money)

As outlined in Section 03, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

## Our Audit Process and Strategy (continued)

### Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

For 2021/22 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Performance & Audit Scrutiny Committee.

Internal audit:

We will regularly meet with the Head of Internal Audit, and review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

## Scoping the group audit

### Group scoping

Our audit strategy for performing an audit of an entity with multiple locations is risk based. We identify components as:

1. **Significant components:** A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements.
2. **Not significant components:** The number of additional components and extent of procedures performed depended primarily on: evidence from significant components, the effectiveness of group wide controls and the results of analytical procedures.

For all other components we perform other procedures to confirm that there is no risk of material misstatement within those locations. These procedures are detailed below.

### Scoping by Entity

Our preliminary audit scopes by number of locations we have adopted are set out below.

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1	A	Full scope audits
1	B	Specific scope audits
0	C	Review scope audits
0	D	Specified procedures
0	E	Other procedures

### Scope definitions

**Full scope:** locations where a full audit is performed to the materiality levels assigned by the Group audit team for purposes of the consolidated audit. Procedures performed at full scope locations support an interoffice conclusion on the reporting package. These may not be sufficient to issue a stand-alone audit opinion on the local statutory financial statements because of the materiality used and any additional procedures required to comply with local laws and regulations.

**Specific scope:** locations where the audit is limited to specific accounts or disclosures identified by the Group audit team based on the size and/or risk profile of those accounts.

**Review scope:** locations where procedures primarily consist of analytical procedures and inquiries of management. On-site or desk top reviews may be performed, according to our assessment of risk and the availability of information centrally.

**Specified Procedures:** locations where the component team performs procedures specified by the Group audit team in order to respond to a risk identified.

**Other procedures:** For those locations that we do not consider material to the Group financial statements in terms of size relative to the Group and risk, we perform other procedures to confirm that there is no risk of material misstatement within those locations.



## Scope of our audit

### Scoping the group audit (continued)

The below table sets out the scoping details of all locations. We set audit scopes for each reporting unit which, when taken together, enable us to form an opinion on the group accounts. We take into account the size, risk profile, changes in the business environment, and other factors when assessing the level of work to be performed at each reporting unit. Based on the group's prior year results, our scoping is expected to achieve coverage of the group's gross expenditure and total assets as per the table set out below.

The group accounts will also consolidate West Suffolk Council and Barley Homes Ltd.

#### Detailed scoping

In scope locations	Scope	Statutory audit performed by EY	Coverage		Current year rationale for scoping	
			Gross Expenditure	Total Assets	Size	Risk
West Suffolk Council	Full	✓	94%	98%	Yes	No
Barley Homes Ltd	Specific	✗	6%	2%	No	Yes
<b>Total</b>			<b>100%</b>	<b>100%</b>		

#### Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams. We have listed our planned involvement below.

#### What will we do?

Our approach will focus on:

- ▶ Review of group wide entity level controls over these components, including group management oversight and results of Internal Audit visits;
- ▶ Write to and obtain assurance from the components auditors over material balances in the components accounts;
- ▶ Perform analytical review procedures on each component;
- ▶ Test consolidation journals and intercompany eliminations; and
- ▶ Enquiry of management about unusual transactions in these components.



06

Audit team



# Audit team

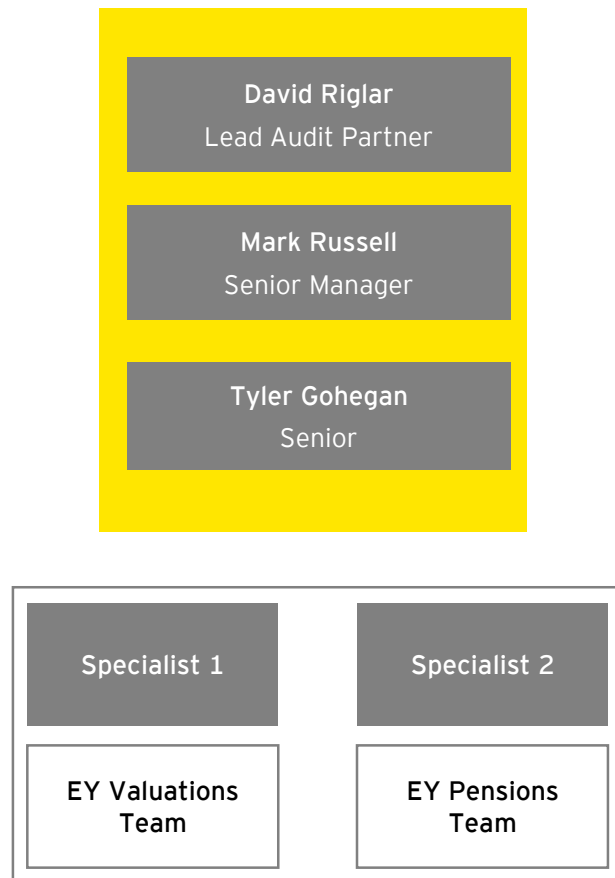
## Audit team changes

The following key audit team members have changed from last year. Both David and Mark have extensive experience of local government audits:

- ▶ The lead Audit Partner has changed to David Riglar (previously Mark Hodgson); and
- ▶ The Audit Manager has changed to Mark Russell (previously Andrew Paylor)

## Audit team structure:

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# Use of specialists

- ▶ Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	EY Valuations Team Wilkes Head and Eve (West Suffolk Councils land and buildings valuer) Cornwall Insight (West Suffolk management expert for power price forecasting on the solar farm asset)
Pensions disclosure	EY Actuary, PwC (Consulting Actuary to the NAO) and Hymans Robertson (Council's Actuary).
DR appeals provision	Wilkes Head and Eve (West Suffolk Council's management expert)
Fair value investment measurement	Link Asset Services (West Suffolk Council's management Treasury Advisor)

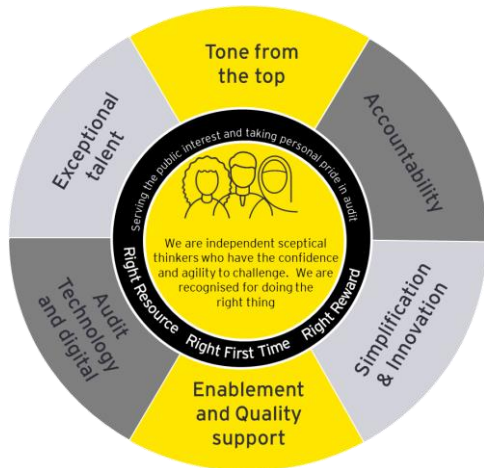
In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

# Developing the right Audit Culture

In July 2021, EY established a UK Audit Board (UKAB) with a majority of independent Audit Non-Executives (ANEs). The UKAB will support our focus on delivering high-quality audits by strengthening governance and oversight over the culture of the audit business. This focus is critical given that audit quality starts with having the right culture embedded in the business.



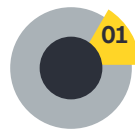
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Our audit culture is the cement that binds together the building blocks and foundation of our audit strategy. We have been thoughtful in articulating a culture that is right for us: one that recognises we are part of a wider, global firm and is clear about whose interests our audits serve.

There are three elements underpinning our culture:

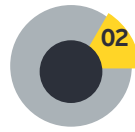
1. Our people are focused on a **common purpose**. It is vital we foster and nurture the values, attitudes and behaviours that lead our people to do the right thing.
2. The essential attributes of our audit business are:
  - ▶ **Right resources** – We team with competent people, investing in audit technology, methodology and support
  - ▶ **Right first time** – Our teams execute and review their work, consulting where required to meet the required standard
  - ▶ **Right reward** – We align our reward and recognition to reinforce the right behaviours

### 3. The six pillars of Sustainable Audit Quality are implemented.



#### Tone at the top

The internal and external messages sent by EY leadership, including audit partners, set a clear tone at the top - they establish and encourage a commitment to audit quality



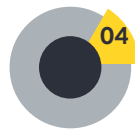
#### Exceptional talent

Specific initiatives support EY auditors in devoting time to perform quality work, including recruitment, retention, development and workload management



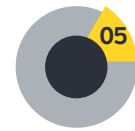
#### Accountability

The systems and processes in place help EY people take responsibility for carrying out high-quality work at all times, including their reward and recognition



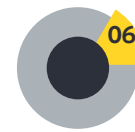
#### Audit technology and digital

The EY Digital Audit is evolving to set the standard for the digital-first way of approaching audit, combining leading-edge digital tools, stakeholder focus and a commitment to quality



#### Simplification and innovation

We are simplifying and standardising the approach used by EY auditors and embracing emerging technologies to improve the quality, consistency and efficiency of the audit



#### Enablement and quality support

How EY teams are internally supported to manage their responsibility to provide high audit quality

A critical part of this culture is that our people are **encouraged and empowered to challenge and exercise professional scepticism** across all our audits. However, we recognise that creating a culture requires more than just words from leaders. It has to be reflected in the lived experience of all our people each and every day enabling them to challenge themselves and the companies we audit.

Each year we complete an audit quality culture assessment to obtain feedback from our people on the values and behaviours they experience, and those they consider to be fundamental to our audit quality culture of the future. We action points that arise to ensure our culture continues to evolve appropriately.

#### 2021 Audit Culture Survey result

A cultural health score of 78% (73%) was achieved for our UK Audit Business

#### We bring our culture alive by investing in three priority workstreams:

- Audit Culture with a focus on professional scepticism
- Adopting the digital audit
- Standardisation

This investment has led to a number of successful outputs covering training, tools, techniques and additional sources. Specific highlights include:

- Audit Purpose Barometer
- Active Scepticism Framework
- Increased access to external sector forecasts
- Forensic risk assessment pilots
- Refreshed PLOT training and support materials, including embedding in new hire and trainee courses
- Digital audit training for all ranks
- Increased hot file reviews and improved escalation processes
- New work programmes issued on auditing going concern, climate, impairment, expected credit losses, cashflow statements and conducting effective group oversight
- Development of bite size, available on demand, task specific tutorial videos

*“A series of company collapses linked to unhealthy cultures....have demonstrated why cultivating a healthy culture, underpinned by the right tone from the top, is fundamental to business success.”*

Sir John Thompson  
Chief Executive of the FRC



**07** Audit timeline 



# Audit timeline

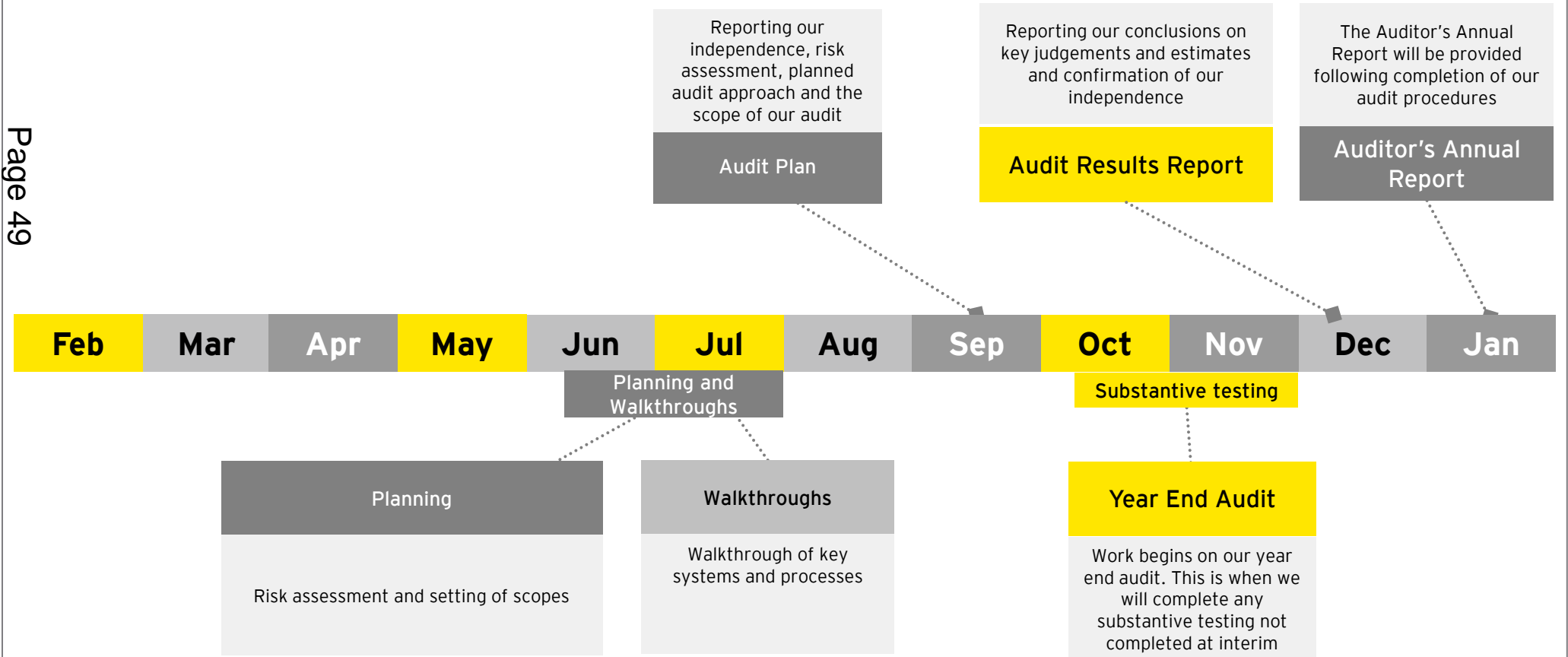
## Timetable of communication and deliverables

### Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2021/22.

From time to time matters may arise that require immediate communication with the Performance & Audit Scrutiny Committee and we will discuss them with the Performance & Audit Scrutiny Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

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08

Independence







# Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

## Required communications

### Planning stage

- ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us;
  - ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;
- The overall assessment of threats and safeguards;  
Information about the general policies and process within EY to maintain objectivity and independence.

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### Final stage

- ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;
- ▶ Details of non-audit/additional services provided and the fees charged in relation thereto;
- ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;
- ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner
- ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;
- ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and
- ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

# Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

## Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of David Riglar, your audit engagement partner and the audit engagement team have not been compromised.

## Self interest threats

A self interest threat arises when EY has financial or other interests in the Council. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES), and we will comply with the policies that you have approved.

When the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you. At the time of writing, there is no non-audit work or fees.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report

## Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

## Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Council. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

# Relationships, services and related threats and safeguards

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## Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.  
There are no other threats at the date of this report.

## EY Transparency Report 2021

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2021: [https://www.ey.com/en\\_uk/about-us/transparency-report-2021](https://www.ey.com/en_uk/about-us/transparency-report-2021)



09

Appendices



## Appendix A

### Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Planned fee 2021/22	Scale fee 2021/22	Final Fee 2020/21
	£	£	£
Total Fee - Code work	55,050	55,050	50,050
Changes in work required to address additional professional and regulatory requirements and changes in scope associated with risk (Note 1)	TBC		18,600
<b>Total fees</b>	<b>TBC</b>	<b>55,050</b>	<b>68,650</b>

*All fees exclude VAT*

Note 1:

The 2020/21 Code work included a proposed additional fee of £44,299. This relates to proposed uplifts to the base scale fee due to increased regulatory requirements, as communicated during our 2019/20 audit, as well as additional work in respect of risks identified and outlined in the 2020/21 Audit Plan and Audit Results Report, new NAO Code of Audit Practice and ISA requirements including VFM and accounting estimates. PSAA Ltd have determined, with agreement from the Council, a final additional fee for 2020/21 of £18,600.

For 2021/22, the scale fee will again be impacted by the increased regulatory requirements as well as a range of other factors which will result in additional work, including some of those that were present in the prior year.

As detailed in this Audit Plan, the following areas will require additional procedures to respond to the risks identified which are not part of the PSAA scale fee:

- Significant risk: Valuation of the Solar Farms and Milden Hall Hub
- Inherent risks: Property, Plant and Equipment – Valuation of Land and Buildings
- Inherent risk: Pensions liability – IAS19
- Inherent risk: Group Accounts Consolidation



## Appendix B

# Required communications with the Performance & Audit Scrutiny Committee

We have detailed the communications that we must provide to the Performance & Audit Scrutiny Committee.







Our Reporting to you

Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Performance & Audit Scrutiny Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 56</span>	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.  When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report (September 2022)
Significant findings from the audit	<ul style="list-style-type: none"> <li>▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>▶ Significant difficulties, if any, encountered during the audit</li> <li>▶ Significant matters, if any, arising from the audit that were discussed with management</li> <li>▶ Written representations that we are seeking</li> <li>▶ Expected modifications to the audit report</li> <li>▶ Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit results report (December 2022) Auditor's Annual Report (January 2023)

## Appendix B




# Required communications with the Performance & Audit Scrutiny Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Page 57	Going concern	Audit results report (December 2022)
	Financial statements	Audit results report (December 2022)
	Subsequent events	Audit results report (December 2022)
	Fraud	Audit results report (December 2022)

## Appendix B

# Required communications with the Performance & Audit Scrutiny Committee (continued)





### Our Reporting to you

Required communications	 What is reported?	  When and where
Related parties	<ul style="list-style-type: none"> <li>▶ Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</li> <li>▶ Non-disclosure by management</li> <li>▶ Inappropriate authorisation and approval of transactions</li> <li>▶ Disagreement over disclosures</li> <li>▶ Non-compliance with laws and regulations</li> <li>▶ Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit results report (December 2022)
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>▶ The principal threats</li> <li>▶ Safeguards adopted and their effectiveness</li> <li>▶ An overall assessment of threats and safeguards</li> <li>▶ Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>Communication whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit Planning Report (September 2022)</p> <p>Audit Results Report (December 2022)</p>







## Appendix B

# Required communications with the Performance & Audit Scrutiny Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
External confirmations	<ul style="list-style-type: none"> <li>▶ Management's refusal for us to request confirmations</li> <li>▶ Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit results report (December 2022)
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur</li> <li>▶ Enquiry of the Performance &amp; Audit Scrutiny Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Performance &amp; Audit Scrutiny Committee may be aware of</li> </ul>	Audit results report (December 2022)
Internal controls	<ul style="list-style-type: none"> <li>▶ Significant deficiencies in internal controls identified during the audit</li> </ul>	Audit results report (December 2022)

## Appendix B

# Required communications with the Performance & Audit Scrutiny Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Page 60	<ul style="list-style-type: none"> <li>▶ An overview of the type of work to be performed on the financial information of the components</li> <li>▶ An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components</li> <li>▶ Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work</li> <li>▶ Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted</li> <li>▶ Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements</li> </ul>	Audit planning report (September 2022) Audit results report (December 2022)
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report (December 2022)
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report (December 2022)
Auditors report	<ul style="list-style-type: none"> <li>▶ Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit results report (December 2022) Auditor's Annual Report (January 2023)
Fee Reporting	<ul style="list-style-type: none"> <li>▶ Breakdown of fee information when the audit plan is agreed</li> <li>▶ Breakdown of fee information at the completion of the audit</li> <li>▶ Any non-audit work</li> </ul>	Audit planning report (September 2022) Audit results report (December 2022) Auditor's Annual Report (January 2023)
Value for Money	<ul style="list-style-type: none"> <li>▶ Risks of significant weakness identified in planning work</li> <li>▶ Commentary against specified reporting criteria on the VFM arrangements, including any exception report on significant weaknesses.</li> </ul>	Audit planning report (September 2022) Audit results report (December 2022) Auditor's Annual Report (January 2023)

## Additional audit information

### Objective of our audit

Our objective is to form an opinion on the Group's consolidated financial statements under International Standards on Auditing (UK) as prepared by you in accordance with with International Financial Reporting Standards as adopted by the EU, and as interpreted and adapted by the Code of Practice on Local Authority Accounting.

Our responsibilities in relation to the financial statement audit are set out in the formal terms of engagement between the PSAA's appointed auditors and audited bodies. We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Performance & Audit Scrutiny Committee. The audit does not relieve management or the Performance & Audit Scrutiny Committee of their responsibilities.

### Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

#### Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, the Performance & Audit Scrutiny Committee reporting appropriately addresses matters communicated by us to the Performance & Audit Scrutiny Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.

## Additional audit information (continued)

### Other required procedures during the course of the audit (continued)

Procedures required by the Audit Code	<ul style="list-style-type: none"> <li>▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.</li> <li>▶ Examining and reporting on the consistency of consolidation schedules or returns with the Council's audited financial statements for the relevant reporting period</li> </ul>
Other procedures	<ul style="list-style-type: none"> <li>▶ We are required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice</li> </ul>

We have included in Appendix B a list of matters that we are required to communicate to you under professional standards.

### Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines the level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

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ED None

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# Local Government and Social Care Ombudsman: Annual Report 2021-2022

<b>Report number:</b>	<b>PAS/WS/22/015</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny Committee</b>	29 September 2022
<b>Cabinet member:</b>	Councillor Carol Bull Portfolio Holder for Governance Email: <a href="mailto:carol.bull@westsuffolk.gov.uk">carol.bull@westsuffolk.gov.uk</a>	
<b>Lead officer:</b>	Teresa Halliday Monitoring Officer Tel: 01284 757144 Email: <a href="mailto:teresa.halliday@westsuffolk.gov.uk">teresa.halliday@westsuffolk.gov.uk</a>	

**Decisions Plan:** This item is not included in the decisions plan.

**Wards impacted:** No specific wards are impacted by this report

**Recommendation:** It is recommended that the Performance and Audit Scrutiny Committee notes the content of this report.

## 1. Context to this report

- 1.1 The Local Government and Social Care Ombudsman (LGSCO) is appointed by the Government to resolve complaints which cannot be resolved by the Council itself. Each year, it considers thousands of complaints from members of the public about the way that councils operate and seeks to independently and fairly adjudicate on them, reaching a final conclusion.
- 1.2 Before the LGSCO will consider a complaint, the complainant must first seek to exhaust the Council's own complaints process. The intention being to resolve complaints before they escalate and consider any learning across services throughout the process.
- 1.3 As such, the LGSCO will only consider the small number of cases where the complainant feels it necessary, having exhausted the Council's own procedures (even where the complaint has been upheld), to progress the matter further. By their nature, such cases can be very complicated, and have arisen over a long period of time.
- 1.4 Each year, the LGSCO issues an annual report on its activity, which maps the volume and nature of complaints it has received across the Country. This is available on the LGO's website. Each Council is also issued with its own performance report.
- 1.5 This report to the Performance and Audit Scrutiny Committee seeks to inform members of the outcome of the complaints considered by the Council and the LGSCO about West Suffolk Council for the period 2021-2022.

## 2. Outcome of complaints considered by LGSCO

- 2.1 When the LGSCO receives a complaint, they will first assess it against their criteria to ensure that it is valid, that the complainant has exhausted the Council's own complaints process and that there is public interest in investigating the matter further.
- 2.2 If the LGSCO decides to investigate a complaint further, they will either uphold the complaint or not uphold it. They may agree with any remedial action taken by the Council or ask the Council to undertake further actions. The LGSCO's annual report (Appendix 1) sets out the decisions made against complaints made against West Suffolk Council:

Advice given	0
Referred back for local resolution	4
Closed after initial enquiries	12
Not upheld	0



Upheld	0
<b>Total</b>	<b>16</b>

- 2.3 Of the 16 complaints considered by the LGSCO none progressed to further investigation.

### **3. Implications arising from the proposals**

- 3.1 Legal Compliance

The Monitoring Officer is required to report to Council where the LGSCO makes a significant adverse finding (public interest report). No such cases have arisen in the period 2021-2022.

### **4. Appendices referenced in this report**

- 4.1 Appendix 1: The LGSO annual review letter 2022.

### **5. Background documents associated with this report**

- 5.1 Further details together with an interactive map can be found at [Your council's performance \(lgo.org.uk\)](https://lgo.org.uk)

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# Local Government & Social Care OMBUDSMAN

20 July 2022

*By email*

Mr Gallin  
Chief Executive  
West Suffolk Council

Dear Mr Gallin

## **Annual Review letter 2022**

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2022. The information offers valuable insight about your organisation's approach to complaints. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

### **Complaint statistics**

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

**Complaints upheld** - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

**Compliance with recommendations** - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

**Satisfactory remedy provided by the authority** - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 27 July 2022. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

### **Supporting complaint and service improvement**

I know your organisation, like ours, will have been through a period of adaptation as the restrictions imposed by the pandemic lifted. While some pre-pandemic practices returned, many new ways of working are here to stay. It is my continued view that complaint functions have been under-resourced in recent years, a trend only exacerbated by the challenges of the pandemic. Through the lens of this recent upheaval and adjustment, I urge you to consider how your organisation prioritises complaints, particularly in terms of capacity and visibility. Properly resourced complaint functions that are well-connected and valued by service areas, management teams and elected members are capable of providing valuable insight about an organisation's performance, detecting early warning signs of problems and offering opportunities to improve service delivery.

I want to support your organisation to harness the value of complaints and we continue to develop our programme of support. Significantly, we are working in partnership with the Housing Ombudsman Service to develop a joint complaint handling code. We are aiming to consolidate our approaches and therefore simplify guidance to enable organisations to provide an effective, quality response to each and every complaint. We will keep you informed as this work develops, and expect that, once launched, we will assess your compliance with the code during our investigations and report your performance via this letter.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. We adapted our courses during the Covid-19 pandemic to an online format and successfully delivered 122 online workshops during the year, reaching more than 1,600 people. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

**Complaints upheld**

The Ombudsman carried out no detailed investigations during this period

**Compliance with Ombudsman recommendations**

No recommendations were due for compliance in this period

**Satisfactory remedy provided by the organisation**

The Ombudsman did not uphold any detailed investigations during this period

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<b>Reference</b>	<b>Authority</b>	<b>Category</b>	<b>Received</b>
21000935	West Suffolk Council	Corporate and Other Services	21/04/21
21001945	West Suffolk Council	Benefits and Tax	12/05/21
21002641	West Suffolk Council	Planning and Development	25/05/21
21002759	West Suffolk Council	Housing	26/05/21
21004646	West Suffolk Council	Environmental Services and Public Protection & Regulation	30/06/21
21004863	West Suffolk Council	Housing	02/07/21
21005383	West Suffolk Council	Environmental Services & Public Protection and Regulation	14/07/21
21007864	West Suffolk Council	Highways and Transport	31/08/21
21009635	West Suffolk Council	Benefits and Tax	01/10/21
21010179	West Suffolk Council	Highways and Transport	17/01/22
21010698	West Suffolk Council	Planning and Development	20/10/21
21014278	West Suffolk Council	Housing	23/12/21
21014858	West Suffolk Council	Housing	13/01/22
21017153	West Suffolk Council	Highways and Transport	21/02/22
21017763	West Suffolk Council	Planning and Development	03/03/22
21018049	West Suffolk Council	Housing	08/03/22
21018838	West Suffolk Council	Highways and Transport	25/03/22
21019088	West Suffolk Council	Planning and Development	31/03/22

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Reference	Authority	Category	Decided	Decision	Decision Reason	Remedy	Service improvement rec's
20013265	West Suffolk Council	Planning & Development	21/04/21	Closed after initial enquiries	26B(2) not made in 12 months		
21000935	West Suffolk Council	Corporate & Other Services	21/04/21	Referred back for local resolution	Premature Decision - advice given		
21001945	West Suffolk Council	Benefits & Tax	28/06/21	Closed after initial enquiries	26(6)(c) Court remedy		
21002641	West Suffolk Council	Planning & Development	25/05/21	Referred back for local resolution	Premature Decision - advice given		
21002759	West Suffolk Council	Housing	09/07/21	Closed after initial enquiries	Not warranted by alleged mal/service failure		
21004646	West Suffolk Council	Public Protection & Regulation	13/08/21	Closed after initial enquiries	Other Agency better placed		
21004863	West Suffolk Council	Housing	25/08/21	Closed after initial enquiries	Not warranted by alleged mal/service failure		
21005383	West Suffolk Council	Public Protection & Regulation	14/07/21	Referred back for local resolution	Premature Decision - advice given		
21007864	West Suffolk Council	Highways & Transport	20/09/21	Closed after initial enquiries	26(6)(a) tribunal TPT/PATAS		
21009635	West Suffolk Council	Benefits & Tax	09/11/21	Closed after initial enquiries	26(6)(a) tribunal Other		
21010698	West Suffolk Council	Planning & Development	20/10/21	Referred back for local resolution	Premature Decision - advice given		
21014278	West Suffolk Council	Housing	27/01/22	Closed after initial enquiries	Not warranted by alleged mal/service failure		
21014858	West Suffolk Council	Housing	10/02/22	Closed after initial enquiries	Not warranted by alleged mal/service failure		
21017153	West Suffolk Council	Highways & Transport	04/03/22	Closed after initial enquiries	26(6)(a) tribunal TPT/PATAS		
21017763	West Suffolk Council	Planning & Development	24/03/22	Closed after initial enquiries	Not warranted by alleged mal/service failure		
21018049	West Suffolk Council	Housing	28/03/22	Closed after initial enquiries	26(6)(c) Court remedy		

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# Regulation of Investigatory Powers Act 2000 – Annual Report and Review of the RIPA Guidance

<b>Report number:</b>	<b>PAS/WS/22/016</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny</b>	29 September 2022
<b>Cabinet member:</b>	Councillor Carol Bull Portfolio Holder for Governance Email: <a href="mailto:carol.bull@westsuffolk.gov.uk">carol.bull@westsuffolk.gov.uk</a>	
<b>Lead officer:</b>	Jennifer Eves Director HR, Legal and Regulatory Services Tel: 01284 757144 Email: <a href="mailto:teresa.halliday@westsuffolk.gov.uk">teresa.halliday@westsuffolk.gov.uk</a>	

**Decisions Plan:** This item is not included in the Decisions Plan.

**Wards impacted:** No specific wards are impacted by this report

**Recommendation:** It is recommended that the Performance and Audit Scrutiny Committee note the update on the use of RIPA and other associated matters.

## **1. Context to this report**

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a framework to ensure investigatory techniques are used in a way that is compatible with the Article 8 right to respect for private and family life enshrined in the European Convention on Human Rights. RIPA ensures that these techniques are used in a regulated way and provides safeguards against the abuse of such methods. Use of these covert techniques will only be authorised if considered legal, necessary and proportionate.
- 1.2 The Covert Surveillance and Property Interference Code of Practice (Code of Practice) provides guidance on the use by public authorities of Part II of RIPA.
- 1.3 RIPA and the Code of Practice require Councillors to have regular oversight of activities authorised under RIPA. The Code of Practice also requires Councillors to review the Council's RIPA Guidance (an appendix to the Council's Enforcement Policy) at least once a year.

## **2. RIPA activity at West Suffolk Council**

- 2.1 The overwhelming majority of surveillance undertaken by the Council will be done overtly, meaning there will be nothing secretive or hidden about the way it is conducted. In many cases officers will be going about Council business openly (e.g. a routine inspection by an Environmental Health Officer) or will have notified the subject of the investigation that they are likely to be under surveillance (e.g. where a noisemaker is warned that noise will be recorded if it continues).
- 2.2 The Council's RIPA guidance makes sure that when we do use covert techniques (i.e. persons subject to the surveillance are unaware that it is or may be taking place) to help prevent or detect crime or disorder we do so in compliance with RIPA.
- 2.3 Officers will only carry out covert surveillance where such action is justified and proportionate and we have a small pool of senior officers who are trained to authorise such applications which must then be granted by a Magistrate.
- 2.4 Authorisations are regularly reviewed by an authorising officer and a confidential register detailing all covert surveillance authorisations is held by the legal service.
- 2.5 No RIPA authorisations have been requested in the preceding year.

### **3. RIPA Guidance**

- 3.1 The RIPA guidance is currently fit for purpose. One minor revision has been made to remove an authorising officer who is no longer employed by the Council.

### **4. Risks**

- 4.1 There are no significant residual risks that cannot be fully minimised by existing or planned controls or additional procedures.

### **5. Implications arising from the proposals**

- 5.1 Legal Compliance – as a public authority, the Council must ensure it is fully compliant with all relevant legislation. RIPA ensures that covert surveillance, or the use of a CHIS is properly authorised, necessary and proportionate.

### **6. Appendices referenced in this report**

- 6.1 Appendix 1: RIPA Guidance (incorporates a link to the Code of Practice)

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**Appendix to the  
West Suffolk Enforcement Policy**

**Regulation of Investigatory  
Powers Act 2000**

**Guidance**

## **Contents**

1. Introduction
2. What does RIPA do?
3. Judicial approval and the serious crime threshold
4. Principal responsibilities
5. Covert surveillance
6. Surveillance operations not regulated by RIPA
7. Covert Human Intelligence Sources
8. Accessing communications data
9. Complaints
10. Further information

Appendix A: Authorised officers

Appendix B: Guidance on completing application

Appendix C: RIPA flow charts



## 1. Introduction

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) is designed to ensure that public bodies respect the privacy of members of the public when carrying out investigations and that privacy is only interfered with where the law permits and there is a clear public interest justification.
- 1.2 The essence of these provisions is to give effect to the provisions in the Human Rights Act 1988 (HRA) which are designed to protect the privacy of members of the public, but subject to the right of public authorities to infringe that human right where necessary in a democratic society for the prevention of crime. If applied correctly, RIPA also protects the council and its officers.
- 1.3 This policy and guidance is intended as a practical reference guide for council officers/investigators who may be involved in covert operations. Officers involved in covert operations must familiarise themselves with the Home Office Codes of Practice on Covert Surveillance and Property Interference, Covert Human Intelligence Sources and Acquisition and Disclosure of Communications Data, together with the Home Office guidance on the judicial approval process and crime threshold for directed surveillance, in order to ensure that they fully understand their responsibilities. The Home Office codes and guidance are available from [www.gov.uk/government/collections/ripa-codes](http://www.gov.uk/government/collections/ripa-codes). In addition, it is suggested that officers may wish to look at the latest policy and guidance issued by the Office of Surveillance Commissioners (OSC).
- 1.4 The right to respect for one's private and family life is enshrined in Article 8 of the European Court on Human Rights (ECHR), as adopted in the HRA, which renders it unlawful for a public authority to act in a way which is incompatible with any of the Convention rights. As with many of the rights in the HRA, the right to privacy is not an absolute right and is subject to certain qualifications. RIPA and regulations provide an exemption from the right to privacy in certain circumstances and allow public bodies to interfere with the individual's right to privacy in circumstances which amount to covert surveillance.
- 1.5 The council is committed to implementing the provisions of RIPA to ensure that any covert surveillance carried out during the course of investigations is undertaken properly and that the surveillance is necessary and proportionate to the alleged offence(s). The council seeks to ensure that this guidance remains consistent with the council's objectives.
- 1.6 This guidance ensures that:
  - proper procedures are in place in order to carry out covert surveillance
  - an individual's right to privacy is not breached without justification
  - the potential invasion of privacy caused by using techniques regulated by RIPA are properly justified in a clear, concise paper/electronic trail

- proper authorisation and judicial approval is obtained for covert surveillance
- covert surveillance is considered as a last resort, having exhausted all other avenues
- the seriousness of the offence is considered, in addition to the requirement to weigh up the benefits to the investigation, when considering whether to authorise covert techniques under RIPA
- an officer is designated as the Senior Responsible Officer (SRO) for ensuring that all authorising officers meet the standards required by the Investigatory Powers Commissioner's Office
- the Overview and Scrutiny Committee has a strategic oversight role in/of the council's RIPA process.

## 1.7 Definitions

Communications data	<p>This term embraces the 'who', 'when' and 'where' of a communication but not the content and not what was said or written. It includes the manner in which and by what method a person or machine communicates with another person or machine. It excludes what they say or what data they pass on within that communication.</p> <p>Communications data is generated, held or obtained in the provision, delivery or maintenance of communication services, being both postal and telecommunication services. A postal service consists of any service which is involved in the collection, sorting, conveyance, distribution and delivery of postal items and is offered or provided as a service, the main purpose of which is to transmit postal items from place to place. Any service which consists of the provision of access to and making use of any telecommunication system (whether or not provided by the person providing the service), the purpose of which is to transmit communications using electric or electro magnetic energy.</p>
Covert	Concealed, done secretly.

<p>Covert human intelligence source (CHIS)</p>	<p>Use of a covert human intelligence source means establishing or maintaining a relationship with a person for the purpose of covertly obtaining or disclosing information. In practice, this is likely to cover the use of an informer or council officer to strike up a relationship with someone as part of an investigation to obtain information 'under cover'. Recent examples have involved investigations using social media.</p> <p>Someone who volunteers information to the council, either as a complainant or out of civic duty, is unlikely to be a covert human intelligence source. If someone is keeping a record, say, of neighbour nuisance, this will not amount by itself to use of a covert human intelligence source, because they will not have obtained the information in the course of, or as a consequence of, the existence of a personal or other relationship. However, if the council is relying on an individual to ask questions with a view to gathering evidence, then this may amount to use of a covert human intelligence source. The test to apply is not whether there is a task to perform but whether it is to be done by the use of a personal or other relationship (which could include commercial, professional, managerial or employment contracts). If and when it becomes apparent that a repeat informant is obtaining his information in this way, then he is, in reality, a CHIS to whom a potential duty of care is owed if the information is acted upon. Advice should be sought from the Shared Legal Service before acting on information supplied by such a source.</p>
<p>Covert surveillance</p>	<p>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. If activities are not hidden from the subjects of the investigation, it is not covert.</p>

Directed surveillance	<p>Directed surveillance is defined in RIPA as surveillance which is covert, but not intrusive, and undertaken for the purposes of a specific investigation or operation.</p> <p>Directed surveillance is conducted where it involves the observation of a person or persons with the likelihood of gathering private information to produce a detailed picture of a person's life, activities and associations. For the purposes of the definition, private information in relation to a person can include information relating to their business and professional activities as well as their private or family life.</p> <p>Directed surveillance does not include any type of covert surveillance in residential premises or in private vehicles. Such activity is defined as 'intrusive surveillance' which the council cannot carry out. Any covert surveillance which is likely to intrude upon anyone's privacy to more than a marginal extent should be treated as directed surveillance. This may include covert CCTV surveillance.</p> <p>If any service is unsure, advice should be taken from the Shared Legal Service. Directed surveillance must be properly authorised and judicially approved in accordance with the procedure set out in section 6 of these guidance notes.</p>
Intrusive surveillance	<p>Covert surveillance that is carried out in relation to anything taking place on any residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle, or is carried out by means of a surveillance device. If a device is not on the premises or in a vehicle but provides consistent information of the same quality and detail as if it were on the premises or in a vehicle, this will be considered intrusive.</p> <p>Surveillance devices designed or adopted principally for the purpose of providing information about the location of a vehicle are not considered intrusive.</p>

	<p>Residential premises includes hotel or prison accommodation, if being used for living accommodation, plus houses, boats, barracks etc, but not any common area to which a person is allowed access in connection with his or her occupation of any accommodation. Private vehicles include those for domestic, family and leisure use. It includes any vessel, aircraft or hovercraft.</p>
<p>Service use information</p>	<p>This is data relating to the use made by any person of a postal or telecommunication service, or any part of it, and falls within Section 21(4)(b) of RIPA.</p> <p>Examples of data within this definition include:</p> <ul style="list-style-type: none"> <li>• itemised telephone call records (numbers called)</li> <li>• itemised records of connections to Internet services</li> <li>• itemised timing and duration of service usage (calls and all connections)</li> <li>• information about amount of data downloaded and/or uploaded</li> <li>• information about the connection, disconnection and reconnection of services</li> <li>• information about provision and use of forwarding/redirection services by postal and telecommunications service providers</li> <li>• information about provision of conference calling, call messaging, call waiting and call barring telecommunications services</li> <li>• information about selection of preferential numbers or discount calls</li> <li>• records of postal items such as records of registered, recorded or special delivery postal items</li> <li>• records of parcel confinement, delivery and collection.</li> </ul>
<p>Subscriber information</p>	<p>This relates to information held or obtained by a communication service provider about persons to whom the communication service provider has provided or provides a</p>

	<p>communication service. Those persons would include people who are subscribers to a communication service without necessarily using that service and persons who use a communications service without necessarily subscribing to it. Examples of this include:</p> <ul style="list-style-type: none"> <li>• subscriber checks, such as who is the subscriber of phone number or account holder of an email account</li> <li>• subscribers' or account holders' information including payment methods and any services to which the subscriber or account holder is allocated or has subscribed</li> <li>• addresses for installation and billing</li> <li>• information provided by a subscriber or account holder to a communication service provider such as demographic information or sign up data (to the extent that information such as a password giving access to the content of the communication is not disclosed).</li> </ul>
Surveillance	<p>This includes monitoring, observing or listening to persons, their movements, their conversations or their activities or communication. It also includes the recording of anything monitored, observed or listened to. Surveillance can be done with or without the assistance of a surveillance device.</p>
Traffic data	<p>This is data that is comprised in or attached to communication for the purpose of transmitting the communication and in relation to the communication which:</p> <ul style="list-style-type: none"> <li>• identifies or appears to identify any person, equipment or location to or from which a communication is or may be received</li> <li>• identifies or selects transmission equipment</li> <li>• comprises signals activate equipment used for transmission of communication</li> <li>• identifies data as data comprised in or attached to a communication</li> <li>• identifies a computer file or a computer programme to which access has been</li> </ul>

	<p>obtained or which has been run by means of a communication, but only to the extent that the file or programme is identified by reference to the apparatus in which the final programme is stored (that is, traffic data)</p> <ul style="list-style-type: none"> <li>• may identify a server, but not a website or page.</li> </ul>
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## 2. What does RIPA do?

- 2.1 RIPA places controls on the use of certain methods of investigation. In particular, it regulates the use of surveillance, covert human intelligence sources and the acquisition and disclosure of communications data. This guidance covers these aspects of RIPA.
- 2.2 RIPA’s main implications for the council are in respect of covert surveillance by council officers and the use of covert human intelligence sources. It also covers the council’s limited dealings with the acquisition and disclosure of communications data.
- 2.3 Surveillance is covered in sections 5 and 6 of this guidance. The use of covert human intelligence sources is covered in Section 7. Communications data is dealt with in Section 8.

## 3. Judicial approval and the serious crime threshold

- 3.1 From 1 November 2012 local authorities have been required to obtain judicial approval prior to using covert techniques. Local authority authorisations and notices under RIPA will only be given effect once an order has been granted by a Justice of the Peace (JP).
- 3.2 Additionally, local authority use of directed surveillance under RIPA is now limited to the investigation of crimes which attract a six month or more custodial sentence, with the exception of offences relating to the underage sale of alcohol and tobacco. This threshold does **not** apply to the use of CHIS or to the acquisition and disclosure of communications data.
- 3.3 The Home Office has published guidance for local authorities and magistrates, which is available at <https://www.gov.uk/government/collections/ripa-forms--2>
- 3.4 Local authority officers will need to be formally designated to appear before the court for the purpose of seeking judicial approval.

## **4. Principal responsibilities**

### **The Senior Responsible Officer**

- 4.1 The Codes of Practice on Covert Surveillance, CHIS and Communications Data set out the responsibilities of the Senior Responsible Officer, which are broadly the same. The following is a composite list.
- 4.2 The Senior Responsible Officer (SRO) is responsible for:
- the integrity of the process in place within the local authority to authorise directed and intrusive surveillance and interference with property or wireless telegraphy, for the management of CHIS and the acquisition of communications data
  - compliance with Parts I and II of RIPA and with the codes
  - oversight of the reporting of errors to the Commissioner and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors
  - engagement with the Commissioner/inspectors when they conduct their inspections
  - where necessary, oversight of the implementation of post-inspection action plans recommended or approved by the Commissioner
  - ensuring that all authorising officers are of an appropriate standard, addressing any recommendations and concerns in the inspection reports prepared by the Commissioner.
- 4.3 Also, in relation to covert surveillance and CHIS, the SRO is responsible for:
- ensuring that all authorising officers are of an appropriate standard in light of any recommendations in the inspection reports prepared by the IPCO
  - where an inspection report highlights concerns about the standards of authorising officers, ensuring the concerns are addressed.
- 4.4 The Assistant Director, Planning and Regulatory Services, has been nominated as the SRO for the council for directed surveillance, CHIS and communications data.

## **5. Covert surveillance**

### **Introduction**

- 5.1 RIPA is designed to regulate the use of covert surveillance, which is surveillance 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. If activities are not hidden from the subjects of the investigation, it is not covert.
- 5.2 Two types are regulated by RIPA - directed and intrusive surveillance. These terms are defined in paragraph 1.7 and also below:



**Directed surveillance** is defined in RIPA as surveillance which is covert, but not intrusive and undertaken for the purposes of a specific investigation or operation. It involves the observation of a person or persons with the likelihood of gathering private information to produce a detailed picture of a person's life, activities and associations. Private information about a person can include information relating to their business and professional activities as well as their private or family life. Any covert surveillance which is likely to intrude upon anyone's privacy to more than a marginal extent should be treated as directed surveillance. This may include covert CCTV surveillance.

**Intrusive surveillance** is covert surveillance carried out in relation to anything taking place on residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle, or is carried out by means of a surveillance device. If a device is not on the premises or in a vehicle but provides information of the same quality and detail as if it were, this will be considered intrusive. Surveillance devices designed or adopted principally for the purpose of providing information about the location of a vehicle are not considered intrusive. Residential premises include hotel or prison accommodation if being used for living accommodation, plus houses, boats, barracks, etc, but not any common area to which a person is allowed access in connection with his or her occupation of any accommodation. Private vehicles include those for domestic, family and leisure use. It includes any vessel, aircraft or hovercraft. RIPA provides for the authorisation of covert surveillance provided it is necessary and proportionate.

- 5.3 General observation forms part of the duties of some council officers. Where an incident occurs during an officer's normal duties, which is unforeseen and an officer has to respond immediately to the situation, what the officer does will not require an authority. This unforeseen activity, where an officer was merely reacting to events, does not need to be covered by the procedures in these guidance notes.
- 5.4 Generally, the provisions of RIPA do not include the use of overt CCTV surveillance systems. Members of the public are aware that such systems are in use, for their own protection and to prevent crime. However, where CCTV systems are used for covert surveillance, RIPA will apply.

### **Application to the council**

- 5.5 The council cannot carry out intrusive surveillance. These powers are reserved to bodies such as the Police and HM Revenue and Customs. If a council officer is asked by another agency to cooperate with intrusive surveillance, advice should immediately be obtained from the Shared Legal Service, who will give advice as to possible risks to and concerns for officers and equipment. Similarly, the council cannot conduct entry on, or interference with, property or with wireless telegraphy (known as property interference).
- 5.6 The council may, however, authorise directed surveillance.

- 5.7 The council may be asked to carry out directed surveillance for another agency, or may ask others to carry out surveillance on its behalf. It is for the lead agency to apply for an authorisation. When acting with another body, the operation can be covered by that authority's authorisation. However, all involved must ensure they are familiar with the terms of the authorisation.

### **Authorising directed surveillance and obtaining judicial approval: the rules**

- 5.8 It is crucial that all directed surveillance is properly authorised and judicially approved. No officer may commence any form of directed surveillance operation unless it is authorised and approved in accordance with this guidance. Failure to secure proper authorisation/approval and to comply with this procedure could lead to evidence being excluded by the courts and to complaints against the council. The council is subject to audit and inspection by the Investigatory Powers Commissioner's Office and it is important that we can demonstrate compliance with RIPA.

### **Who can authorise directed surveillance?**

- 5.9 Regulations made under RIPA say that the most junior level at which authorisations can be given is by what it refers to as Director, Head of Service, Service Manager or equivalent. However, authorisations should be given by those officers set out in Appendix A. Officers named on this designated list should have full training in respect of RIPA and the considerations that must be made before granting authorisation.
- 5.10 If anyone authorised is not available, anyone holding a senior position can be delegated to authorise. Advice can also be sought from anyone senior to an authorising officer in difficult or sensitive cases and also from the Shared Legal Service.
- 5.11 Where practicable, the authorising officer should not be directly involved in the case giving rise to the request for authorisation. Where it is not practicable for authorisation to be given by an officer who is not directly involved, this should be noted with reasons on the authorisation form.

### **On what grounds can directed surveillance be authorised?**

- 5.12 In the case of local authorities, directed surveillance can only be authorised if it is necessary for the purpose of preventing or detecting crime and the offence(s) under investigation attracts a maximum custodial sentence of six months or more or relate to the underage sale of alcohol or tobacco.
- 5.13 It is very important to consider whether the surveillance is necessary. If the objective can be achieved by less intrusive means, which do not involve directed surveillance, these should be used.

5.14 If there are no other means, this should be stated on the authorisation form.

5.15 The crime under investigation should be fully detailed.

### **Is the proposed surveillance proportionate?**

5.16 Authority should not be given unless the person authorising the request is satisfied that the surveillance is proportionate.

5.17 The authorising officer should make sure that any interference with the privacy of an individual is justified by the end being sought. If the benefit to be obtained from surveillance is marginal, the person authorising should think very carefully about whether the use of surveillance is proportionate. 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. Suggested areas to consider include prevalence of offence and other means by which the information can be obtained.

5.18 In addition, activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

5.19 The authorisation must detail all methods that have been considered and why they have not been implemented, in order to demonstrate that full attention has been given to the proportionality of the proposed surveillance.

5.20 Further guidance on proportionality can be found in part 9 of Appendix B.

### **Is the proposed surveillance discriminatory?**

5.21 The council is under a legal obligation to avoid either direct or indirect discrimination in carrying out its functions. As surveillance can interfere with rights contained in the European Convention on Human Rights, discrimination can also amount to a breach of the HRA. Services need to be sensitive to this issue and ensure that they apply similar standards to seeking or authorising surveillance regardless of ethnic origin, sex or sexual orientation, disability, age and so on. They should be alert to any assumptions about people from different backgrounds which may not even be consciously held.

### **Will the surveillance involve collateral intrusion?**

5.22 In other words, will the surveillance intrude upon the privacy of people other than those who are the subject of the investigation? Those authorising the surveillance should be sensitive to the privacy rights of third parties and consider very carefully whether the intrusion into their privacy is justified by the benefits of undertaking the surveillance. If there is considered to be a risk of collateral intrusion, consideration must be given to minimising this risk.

## **What is legally privileged information, personal confidential information or confidential journalistic material?**

5.23 Confidential material is described by RIPA as being:

- matters subject to legal privilege
- confidential constituent information between the MP and a constituent in respect of constituency matters
- confidential personal information
- confidential journalistic material.

5.24 Authorisations in respect of confidential material can only be granted by the Head of Paid Service (the Chief Executive Officer) and, in his absence, by his substitute.

5.25 A substantial proportion of communications between a lawyer and client may be subject to legal privilege. Matters subject to legal privilege must be kept separate from enforcement investigations or criminal prosecutions as they will not be admissible in court. In the very rare circumstances where legally privileged information may be acquired and retained, the matter must be reported to the Authorising Officer by means of a review. The Authorising Officer will decide whether the authorisation should continue. The attention of the Commissioner should be drawn to legally privileged information, during the IPCO inspection and the material made available to the inspector if requested.

5.26 Oral and written communications are held in confidence if subject to an express or implied undertaking to hold the communications in confidence or where such communications are subject to a restriction on disclosure or an obligation of confidentiality contained in legislation, for example consultations between a health professional and a patient, information from a patient's records or information relating to the spiritual counselling of a person.

5.27 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 an undertaking. The attention of the Commissioner should be drawn to confidential journalistic material during the IPCO inspection and the material made available to the inspector if requested.

5.28 Acquiring material in the manner referred to above is likely to be rare for the council.

### **Activities/operations involving directed surveillance**

5.29 It is safest to assume that any operation that involves planned covert surveillance of a specific person or persons (including council employees) likely to obtain private information, of however short a duration, falls within

the definition of directed surveillance and will, therefore, be subject to authorisation under RIPA.

5.30 The consequence of not obtaining an authorisation may render the surveillance action unlawful under the HRA, or any evidence obtained may be inadmissible in court proceedings.

5.31 It is strongly recommended that council officers seek an authorisation where the surveillance is likely to interfere with a person's Article 8 rights to privacy. Obtaining an authorisation will ensure that the surveillance action is carried out in accordance with the law and is subject to stringent safeguards against abuse.

5.32 Proper authorisation of directed surveillance should also ensure the admissibility of evidence under the common law, the Police and Criminal Evidence Act (PACE) and the HRA.

5.33 Directed surveillance might be used, for example:

- for fraud or similar offences, where there is a need to observe premises in order to establish who the owner/occupier is, to find out who the occupier has associations with, or to establish whether or to what extent they are being used as business premises
- where the council directs another person/organisation to act as its agent for the purposes of obtaining private information, for example where council officers specifically ask residents to maintain diary notes of nuisance, anti-social behaviour, fly-tipping or licensing conditions.
- by placing a stationary mobile or video camera outside a building or the use by officers of covert recording equipment to record suspected illegal activity, such as fly tipping.

5.34 It will not be necessary to obtain authorisation for directed surveillance when using surveillance devices such as standard video cameras, still cameras or binoculars which are utilised on an overt basis.

### **Activities/operations not involving directed surveillance**

5.35 Directed surveillance is conducted where it involves the observation of a person or persons with the intention of gathering private information to produce a detailed picture of a person's life, activities and associations. Private information includes any information relating to the person's private or family life.

5.36 However, it does not include general observation which is part of an enforcement officer's normal work.

5.37 General observation duties of the council's enforcement officers, whether overt or covert, frequently form part of their day to day activities and the council's legislative core functions. Such activities will not normally require

a directed surveillance authorisation as the obtaining of private information is highly unlikely.

5.38 Examples of activities/operations which are unlikely to involve directed surveillance are:

- a one-off identification/confirmation of the existence of a premises address by officer observation
- anything which constitutes an immediate response – for example, a council officer with regulatory responsibilities may by chance be present when an individual is potentially infringing the law and it is necessary to observe, follow or engage in other surveillance tactics as an instant response to the situation to gather further information or evidence. Once this immediacy has passed, however, any further directed surveillance of the individual must be subject to a RIPA authorisation.

5.39 In circumstances where such activities/operations are considered to fall outside the scope of RIPA, it is good practice to record the reasons for this decision.

### **Online covert activity, including covert surveillance of social networking sites (SNS)**

5.40 Wherever possible, officers should continue to adopt overt methods in seeking to achieve business compliance. However, as a result of the scale of online trading, the need to make online test purchases and investigation checks is inevitably increasing. It is therefore recognised that, from time to time, covert methods will need to be employed. Whenever it is intended to carry out covert activity online, officers must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights, including the effect of any collateral intrusion. General test purchases from an open Internet site or marketplace (such as Ebay) is unlikely to require RIPA authorisation. However, any covert activity likely to interfere with an individual's Article 8 rights should only be carried out when it is necessary and proportionate to meet the objectives of a specific case. Where it is considered that private information is likely to be obtained, a directed surveillance authorisation must always be sought, as set out elsewhere in this guidance.

### **Social networking sites (SNS)**

5.41 A directed surveillance application will often be required where an investigator wishes to communicate covertly online via SNS. Depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain. However, in some circumstances, privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by

restricting its access by activating privacy settings. In order to determine whether a directed surveillance authorisation should be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. Factors that should be considered in establishing whether a directed surveillance authorisation is required include:

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

5.42 An authorisation for the use and conduct of a CHIS will also be necessary if a relationship is established or maintained by an officer or by a person acting on their behalf (that is, where activity is more than mere reading of the site's content).

5.43 It is not unlawful for officers to utilise a false identity as part of online investigations, but it is inadvisable to do so for a covert purpose without RIPA authorisation. Using photographs of other persons without their permission to support the false identity infringes other laws. Officers must also 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 (the person from whom consent is sought must agree (preferably in writing) what is and is not to be done).

## **Authorising directed surveillance: the procedure for applying for authorisation**

5.44 Applications for authorisation must be made in writing on the correct form. The form to seek authorisation can be found at <https://www.gov.uk/government/collections/ripa-forms--2>. A written authorisation is normally completed as far as possible by the investigating officer before being submitted to the authorising officer for approval.

5.45 A written application for authorisation for directed surveillance should describe in detail any conduct to be authorised and the purpose of the investigation or operation. The application should also include:

- the reasons why the authorisation is necessary in the particular case and the grounds (for the purpose of preventing or detecting crime) stated in Section 28(3) of RIPA; the offence under investigation should be fully detailed
- the reasons why the surveillance is considered proportionate to what it seeks to achieve
- the nature of the surveillance
- the identities, where known, of those to be the subject of the surveillance (although there is no requirement to know the identity of those who are to be the subject of the surveillance)
- the approximate cost of the surveillance
- the results of consultation with other enforcement agencies or community leaders
- an explanation of the information which it is desired to obtain as a result of the surveillance
- the details of any potential collateral intrusion and why the intrusion is justified
- the details of any confidential information that is likely to be obtained as a consequence of the surveillance
- the level of authority required (or recommended where that is different) for the surveillance
- a subsequent record of whether authority was given or refused, by whom and the time and date. If the authorising officer has not granted the authorisation in full and has amended the terms of the application, this must be recorded on the application form and reasons given for the decision.



- 5.46 Each application must be given a Unique Reference Number, which will then be used to locate the application on the Central Register.
- 5.47 Guidance on completing an application for authority for directed surveillance can be found in Appendix B.
- 5.48 When an authorisation has been granted, the terms of the authorisation must be followed exactly. Any deviation might lead to the authorisation being considered invalid. If, as a result of initial observations, the investigating officer wishes to deviate from the terms of the authorisation, either a fresh authorisation or renewal requesting revised authority must be made.
- 5.49 If the surveillance involves juveniles or vulnerable adults, special consideration should be given to the following:
- If possible, authorisation should be at the highest level. If considering use of a juvenile or vulnerable adult as a CHIS, authorisation should not be granted unless a risk assessment has been considered covering physical dangers and psychological aspects. Use of an appropriate adult should be considered.
  - No authorisation can be granted to use a source under the age of 16 years to give information against his/her parents).

### **The judicial approval process**

- 5.50 Once an application has been authorised by an authorising officer, it will not take effect until it has been approved by a Justice of the Peace (JP).
- 5.51 The process for seeking judicial approval is as follows:
- The local authority must contact HMCTS to arrange a hearing.
  - The JP should be provided with a copy of the authorisation/notice, all supporting documentation and a partially completed judicial approval/order form. (The original authorisation/notice should be shown to the JP at the hearing.)
  - A hearing will take place in private, usually attended by the case investigator, who will be best placed to answer the JP's questions about the investigation. However, in some cases, for example where there are sensitive issues, it may be appropriate for the authorising officer to attend to answer questions.
  - The JP will consider the application and record his/her decision on the order section of the application/order form.

5.52 The JP may decide to:

- approve the grant or renewal of the authorisation/notice
- refuse to approve the grant or renewal of the authorisation/notice
- refuse to approve the grant or renewal and quash the authorisation/notice.

5.53 The form for seeking judicial approval is incorporated into the application forms available at: <https://www.gov.uk/government/collections/ripa-forms-2>

### **Duration of authorisations**

5.54 A written authorisation granted by an authorising officer will cease to have effect (unless renewed) at the end of a period of three months beginning with the day on which it took effect. An authorisation cannot be granted for a period of less than three months. However, it should be noted that all authorisations must be cancelled as soon as the decision is taken that directed surveillance should be discontinued.

### **Reviews**

5.55 Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion. If a minor change has occurred in the investigation, this can be dealt with by way of review. If the scope of the investigation has changed, a fresh authorisation is required.

5.56 In each case, authorising officers within the council should determine how often a review should take place. This should be as frequently as is considered necessary and practicable, but at no longer than monthly intervals. The review form is available here: <https://www.gov.uk/government/publications/review-of-use-of-directed-surveillance> .

### **Renewals**

5.57 If at any time before an authorisation would cease to have effect, the authorising officer considers it necessary for the authorisation to continue for the purpose for which it was given, he/she may renew it in writing for a further period of three months. Renewals must also be judicially approved, following the process outlined in paragraph 5.56 above.

5.58 A renewal takes effect at the time at which, or day on which, the authorisation would have ceased to have effect but for the renewal. An application for renewal should not be made until shortly before the authorisation period is drawing to an end, but taking into consideration that

time must be allowed for obtaining judicial approval. Any person who would be entitled to grant a new authorisation can renew an authorisation. Authorisations may be renewed more than once, provided they continue to meet the criteria for authorisation.

5.59 All applications for the renewal of an authorisation for directed surveillance should be made on the renewal form available on the intranet and should record:

- whether this is the first renewal or every occasion on which the authorisation has been renewed previously
- any significant changes to the information given in the original application for authorisation
- the reasons why it is necessary to continue with the directed surveillance
- the content and value to the investigation or operation of the information so far obtained by the surveillance
- whether any privileged material or confidential information was obtained as a result of activity undertaken under the authorisation, to which the safeguards in chapter 9 of the code of practice should apply
- the results of regular reviews of the investigation or operation.

5.60 Authorisations may be renewed more than once, if necessary, and the renewal should be kept/recorded as part of the central record of authorisations (see paragraphs 5.66 to 5.67).

## **Cancellations**

5.61 The authorising officer who granted or last renewed the authorisation must cancel it if he is satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the authorising officer is no longer available, this duty will fall on the person who has taken over the role of authorising officer. If in doubt about who may cancel an authorisation, please consult the Shared Legal Service. Cancellations are to be effected by completion of the cancellation form available on the intranet.

5.62 It is essential that there is a completed cancellation for each authorisation once surveillance has been completed. An authorisation cannot simply be left to expire.

5.63 As soon as any decision is taken to discontinue surveillance, instruction must be given to those involved to stop all surveillance. The date and time of such an instruction must be included in the Notification of Cancellation form.

5.64 The date the authorisation was cancelled should be centrally recorded and documentation of any instruction to cease surveillance should be retained. It is also good practice to retain a record of the product obtained from the surveillance and whether or not objectives were achieved. The authorising officer should give directions on the handling, storage or destruction of the product of surveillance.

### **Record keeping and central record of authorisations**

5.65 In all cases in which authorisation of directed surveillance is given, the individual service is responsible for ensuring that the following documentation is kept securely for a period of at least five years from the date of authorisation:

- a copy of the application and a copy of the authorisation, together with any supplementary documentation and notification of the approval given by the authorising officer
- a copy of the judicial approval application form/order
- a record of the period over which the surveillance has taken place
- the frequency of reviews prescribed by the authorising officer
- a record of the result of each review of the authorisation
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested
- the date and time when any instruction was given by the authorising officer
- a copy of the cancellation document.

5.66 In addition, the following must be sent to the Shared Legal Service immediately upon completion:

- all completed forms authorising and approving directed surveillance
- all completed forms authorising and approving renewal of directed surveillance
- all judicial approval application forms/orders
- all completed forms cancelling directed surveillance.

5.67 These will be held securely by the Shared Legal Service and form part of a central record of authorisations. Each application will be accessible by virtue of its Unique Reference Number. The Senior Responsible Officer, assisted by the Service Manager (Shared Legal) will review the central record on a bi-monthly basis and complete a central record of

authorisations in accordance with paragraph 8.1 of the Code of Practice on Covert Surveillance. The central record should be available for inspection by the Investigatory Powers Commissioner's Office upon request.

## **6. Surveillance operations not regulated by RIPA**

- 6.1 The Regulation of Investigatory Powers Act 2000 (RIPA) aims to ensure that covert surveillance carried out for the purposes of a specific investigation or operation is undertaken in a manner which is human rights compliant. This is achieved through a system of self authorisation by senior officers who have to be satisfied that the surveillance is necessary and proportionate to what is sought to be achieved, followed by judicial approval.
- 6.2 Local authorities are only required to seek authorisations under RIPA for covert surveillance carried out for the purposes of preventing or detecting crime. No RIPA authorisations can be sought for covert surveillance being undertaken for other purposes, nor should they be sought for crime prevention or detection purposes if that purpose is not linked to one of the authority's regulatory functions. This was stated by the Investigatory Powers Tribunal in the case of *C v The Police and the Secretary of State for the Home Department* (14/11/2006, No: IPT/03/32/H) who held that surveillance of employees is unlikely to be for a regulatory function of the authority.
- 6.3 This means that there may be circumstances when the local authority wishes to carry out surveillance and will not be able to rely on a RIPA authorisation (for example surveillance of employees). Not being able to seek an authorisation under RIPA means there is a greater risk of a human rights challenge, as privacy rights under Article 8 are likely to be interfered with. This can be reduced by following a self authorisation process using a RIPA authorisation form as guidance. A Non-RIPA authorisation form can be found on the intranet.
- 6.4 The authorising officer should consider the same issues as if he were responding to a request under RIPA, particularly the necessity of the operation, whether it is proportionate and whether there are any other methods of obtaining the information. If there is any doubt as to the issue of a local authority regulatory role and its ordinary functions, advice should be sought from the Shared Legal Service.
- 6.5 When considering surveillance of employees, it is also important to ensure compliance with the General Data Protection Regulation and Data Protection Act 2018.

## 7. Covert human intelligence sources

### Authorising use of covert human intelligence sources (CHIS)

- 7.1 Similar principles and procedures apply to authorising the use of covert human intelligence sources. The use of CHIS is also subject to judicial approval and the process outlined at paragraph 5.47 should be followed.
- 7.2 Officers' attention is drawn to the explanation of the nature of a covert human intelligence source in paragraph 1.7. If necessary, forms available at <https://www.gov.uk/government/collections/ripa-forms--2> can be utilised to authorise the use of a CHIS.
- 7.3 The considerations for authorising a CHIS are broadly similar to those of directed surveillance, but there are some additional matters which must be considered.
- 7.4 There are rules about the use of vulnerable adults or juveniles as sources and there are also special requirements with regard to the management, security and welfare of sources. Refer to the Covert Human Intelligence Sources Code of Practice for detailed guidance.
- 7.5 In summary:
- When deploying a source, the council should take into account the safety and welfare of that source when carrying out actions in relation to an authorisation or tasking, including the foreseeable consequences to others of that tasking.
  - Before authorising the use or conduct of a CHIS, the authorising officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences, should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset.
  - The person responsible for the day to day management of the source's welfare and security, for example a departmental manager, will bring to the attention of the authorising officer any concerns about the personal circumstances of the source insofar as they might affect:
    - the validity of the risk assessment
    - the conduct of the source
    - the safety and welfare of the source.
- 7.6 Where deemed appropriate, the concerns about such matters should be considered by the authorising officer and a decision taken on whether to allow the authorisation to continue.
- 7.7 In addition to the appointment of the required roles of handler and controller as part of a CHIS operation, a separate person should be

appointed to oversee the use made of CHIS. The Senior Responsible Officer has assumed this role.

- 7.8 The records kept by the authority should be maintained so as to protect the confidentiality of the source and the authorising officer must ensure there is a satisfactory risk assessment in place.

### **Activities/operations involving CHIS**

- 7.9 If a service is considering the use of a CHIS, advice must be sought from the SRO or the Shared Legal Service.

### **Activities/operations not involving CHIS**

- 7.10 The following situations will not normally require a relationship to be established for the covert purpose of obtaining information and therefore do not involve a CHIS:

- one-off test purchase transactions carried out in the normal course of business, where enforcement officers are operating as would a member of the public and do not establish a personal or other relationship – for example, the purchase of a food item for subsequent expert examination would not require authorisation but, where the intention is to ascertain whether a trader is taking delivery of suspected unlawful supplies and a relationship is established between the trader and the officer, authorisation should be sought beforehand
- the task of ascertaining purely factual information, for example the location of vending machines or fruit machines in licensed premises
- where members of the public volunteer information to an officer as part of their normal duties
- where the public call telephone numbers set up by the council to receive information
- where members of the public are asked to keep diaries of incidents in relation to anti-social behaviour – however, such activity will be regarded as directed surveillance, requiring an authorisation.

- 7.11 In circumstances where such activities/operations are considered to fall outside the scope of RIPA, it is good practice to record the reasons for this decision.

## **8. Accessing communications data**

### **Introduction**

- 8.1 Since 5 January 2005, RIPA has regulated access to communications data. This is defined in paragraph 1.7. These guidance notes should be read in

conjunction with the current code of practice issued under Section 71 of RIPA. Copies of the code are available at <https://www.gov.uk/government/collections/ripa-codes>

### **Application to the council**

- 8.2 The council is only entitled to seek the acquisition of communications data defined as service user information and subscriber information (see paragraph 1.7 for definition). The council is not authorised to acquire what is defined as traffic data (see paragraph 1.7).

### **Acquisition of communications data: the interception of postal, telephone, email and other electronic communications**

- 8.3 It is an offence to intercept communications sent by public postal services and public telecommunications systems except in very specific circumstances. It can be an offence to intercept communications sent by private telecommunications systems.
- 8.4 It is unlikely that the council would wish to intercept communications of this nature, even if it could do so legally. In the very unlikely event that you are considering intercepting communications, you should take no steps to do so before seeking advice from the SRO or Shared Legal Service.
- 8.5 There may be circumstances in which it is appropriate and legitimate to intercept communications sent and received by employees. However, once more, great care needs to be taken, not only in respect of RIPA, but in respect of employment law and human rights issues. You should not intercept communications sent or received by employees without first seeking advice from the Assistant Director, HR Legal and Democratic Services, or the Service Manager (Human Resources).

### **Authorising the acquisition and disclosure of communications data and obtaining judicial approval**

- 8.6 It is crucial that the acquisition of communications data is properly authorised and judicially approved. No officer may seek the acquisition of any form of communication data unless he is authorised and the application approved in accordance with this guidance. Failure to secure proper authorisation and approval and to comply with this procedure could lead to evidence being excluded by courts and complaints against the council. The council is subject to audit and inspection by the Investigatory Powers Commissioner's Office and it is important that we demonstrate compliance with RIPA.



8.7 Acquisition of communications data under RIPA involves four roles:

- the applicant
- the designated person
- the single point of contact (SPoC)
- the Senior Responsible Officer.

8.8 RIPA provides two alternative means for acquiring communications data by way of:

- an authorisation under Section 22(3)
- a notice under Section 22(4).

### **The applicant**

8.9 The applicant is a person involved in conducting an investigation or operation who makes an application in writing or electronically for the acquisition of communications data. The applicant should complete an application form setting out for consideration by the designated person the necessity and proportionality of the specific requirement for acquiring communications data.

### **The designated person**

8.10 The designated person is a person holding a prescribed office in the same public authority as the applicant. Authorisations and notices to acquire communications data should ordinarily be given only by those officers set out in Appendix A who are specifically designated to approve applications for the acquisition of communications data.

8.11 The designated person must consider the application and record his considerations at the time in writing or electronically. If the designated person believes it is appropriate in the specific circumstances of the case, an authorisation may be granted or a notice given. Designated persons should assure that they grant authorisations or give notice only for purposes and only in respect of types of communications data that a designated person of their office, rank or position and the relevant public authority may give or grant. Designated persons shall assess the necessity for any conduct to acquire or obtain communications data, taking account of any advice provided by the Single Point of Contact (SPoC).

8.12 Designated persons must not be responsible for granting authorisations or giving notices in relation to investigations or operations in which they are directly involved. If it appears unavoidable or it is necessary to act urgently or for security reasons, a designated person may grant an authorisation or notice in relation to an investigation in which they are directly involved, but the reason why such person was required to authorise that particular case should be noted on the application form and this must be notified to the Commissioner.

- 8.13 Designated persons should have undertaken some training in relation to human rights principles and have current working knowledge of the rules and requirements of RIPA and the use of this guidance.

### **The Single Point of Contact (SPoC)**

- 8.14 The Single Point of Contact (SPoC) is either an accredited individual or a group of accredited individuals trained to facilitate lawful acquisition of communications data and effective cooperation between a public authority and a communications service provider. To become accredited, an individual must complete a course of training appropriate for the role of a SPoC. An accredited SPoC promotes efficiency and good practice in ensuring any practical and lawful requirements for communications data are undertaken. The SPoC provides objective judgment and advice to both the applicant and the designated person. In this way, the SPoC provides a guardian and gatekeeper function, ensuring that public authorities act in an informed and lawful manner.
- 8.15 The council is a member of the National Anti-Fraud Network (NAFN). NAFN is a one stop data and intelligence provider for all public bodies. As part of its portfolio it offers a comprehensive SPoC service.

### **The Senior Responsible Officer**

- 8.16 The Senior Responsible Officer role is set out at paragraphs 4.1 to 4.4 above.

### **On what grounds can the acquisition of communications data be authorised?**

### **Is the proposed request for the acquisition of communications data necessary?**

- 8.17 In the case of Local authorities, acquisition and disclosure of communications data can only be authorised if it is necessary for the purpose of preventing or detecting crime or preventing disorder. It is extremely important to consider whether the acquisition of the particular communications data is necessary. If an investigation can be carried out by means which do not involve such acquisition, these should be used. If there are no other means, this should be stated on the authorisation form.

### **Is the proposed request for the acquisition of communications data proportionate?**

- 8.18 Authority to acquire communications data should not be given unless the person authorising the request is satisfied that the application is proportionate. The designated person should make sure that any interference with the privacy of an individual is justified by the end being sought. If the benefit to be obtained from acquiring communications data is marginal, the person authorising should think very carefully about the use of such an investigation technique. 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.

- 8.19 Suggested areas to consider include the seriousness of the offence, the expense of the operation and other means by which the information could be obtained. In addition, activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair.

### **Might the acquisition of communications data involve collateral intrusion?**

- 8.20 The designated person needs to consider whether the application might intrude upon the privacy of people, other than those who are the subject of the investigation. The designated person should be sensitive to the privacy rights of third parties and consider very carefully whether the intrusion into their privacy is justified by the benefit of the investigation. If there is considered to be a risk of collateral intrusion, consideration must be given to minimising this risk during the authorisation process.

### **The procedure: applying for authority to acquire communications data**

- 8.21 Applicants and designated persons (DP) must submit, approve and track applications through the central NAFN website, using the NAFN online forms. An allocated SPoC will then check for legal compliance and, where necessary, provide feedback before submitting for final authorisation from the DP.

Once an application is authorised by the DP, it must be subject to judicial approval. NAFN will provide the applicant with a court pack containing:

- final case application
- judicial application/order form
- relevant assurance(s), authorisation(s) and/or notice(s).

- 8.22 These documents will enable the applicant to present their application at court.

If the application is approved, all documentation must be returned to NAFN for subsequent processing via the secure online system. The NAFN SPoC administers all requests promptly to obtain the data required. Results are uploaded to the secure website for retrieval, with all aspects of administration covered by NAFN, including the tracking of reportable/recordable errors, cancellations and withdrawals.

8.23 The application should describe in detail the communications data to be acquired and the purpose of the investigation operation. The application should also include:

- the name
- the office, rank or position held by the person making the application
- the operation name to which the application relates
- a unique reference number
- the specific purpose for which the data is required
- a description of the communications required, specifying where relevant any historic or future date and, where appropriate, time periods
- an explanation as to why the acquisition of that data is considered necessary and proportionate and what is thought to be achieved by acquiring it
- consideration of any meaningful collateral intrusion and why that intrusion is justified in the circumstances
- an identification and explanation of the timescale within which the data is required
- an assessment by the SPoC
- a record of whether it was approved by a designated person, by whom and when the decision was made.

8.24 An authorisation provides for persons within a public authority to engage in specific conduct relating to a postal service or telecommunications system to obtain communications data. An authorisation may be appropriate where a communications service provider is not capable of obtaining or disclosing communications data, or a designated person believes the investigation or operation may be prejudiced if the communications service provider is required to obtain or disclose the data, or there is an agreement in place between the public authority and a communication service provider relating to appropriate mechanisms for disclosure of communications data, or a designated person considers there is a requirement to conduct a telephone subscriber check but the communications service provider as yet to be conclusively determined as the holder of the communications data. The authorisation is not served upon a communications service provider, although there may be circumstances where the provider may require or may be given assurance that conduct being undertaken is lawful. That assurance may be given by disclosing details of the authorisation itself.

## Notices

8.25 The giving of a notice is appropriate where a communications service provider is able to retrieve or obtain specific data and to disclose that data unless the grant of an authorisation is more appropriate. A notice may require a communications service provider to obtain any communications data if that data is not already in their possession. The decision of a designated person whether to give a notice shall be based upon information presented to them in an application. The notice should contain enough information to allow the communications service provider to comply with the requirements of the notice. A notice must:

- be given in writing or, if not, in the manner that produces a record of its having been granted
- specify the purpose for which the notice has been given
- describe the communications data to be obtained or disclosed under the notice, specifying, where relevant, any historic or future date and, where appropriate, time periods
- include an explanation that complies with the notice as a requirement of RIPA
- specify the office, rank or position held by the designated person; the designated person's name should also be recorded
- specify the manner in which the data should be disclosed; the notice should contain sufficient information to enable a communications service provider to confirm the notice is authentic and lawful
- record the date and, when appropriate to do so, the time when the notice was given by the designated person
- where appropriate, provide an indication of any urgency or time within which the communications service provider is requested to comply with the requirements of the notice. In giving notice, a designated person may only require a communications service provider to disclose the communications data to the designated person or a specified person working within the same public authority.

## Duration of authorisations and notices

8.26 Relevant to all authorisations and notices is the date upon which the authorisation or notice takes effect, which is the date on which judicial approval is given. From that date when the authorisation or notice becomes valid, it has a validity of a maximum of one month. This means that the conduct authorised should have been commenced or the notice served within that month. All authorisations and notices must relate to the acquisition or disclosure of data for a specified date or period. Any periods should clearly be indicated in the authorisation or notice. A start date and

end date should be given and, where a precise start and end time are relevant, these must be specified. Where an authorisation or notice relates to the acquisition or obtaining of specific data that will or may be generated in the future, the future period is restricted to no more than one month.

### **Renewal of authorisations and notices**

8.27 Any valid authorisation or notice may be renewed for a period of up to one month by the grant of a further authorisation or the giving of a further notice and, again, judicial approval must be obtained before the renewal can take effect. A renewed authorisation or notice takes effect upon the expiry of the authorisation or notice it is renewing. The reasoning for seeking renewal should be set up by an applicant in an addendum to the application upon which the authorisation or notice being renewed was granted or given. The designated person should give careful consideration to renewal of an authorisation or notice and should:

- consider the reasons why it is necessary and proportionate to continue with the acquisition of the data being generated
- record the date and, when appropriate to do so, the time when the authorisation or notice is renewed.

8.28 The designated person should specify the shortest period in which the objective for which the data is sought can be achieved. To do otherwise would impact on the proportionality of the authorisation or notice and impose unnecessary burden on a communications service provider.

### **Cancellations and withdrawals**

8.29 A designated person who has given notice to a communications service provider shall cancel the notice if, at any time after giving the notice, it is no longer necessary for the communications service provider to comply with the notice or the conduct required by the notice is no longer proportionate to what is sought to be achieved. Equally, where a designated person considers an authorisation shall cease to have effect because the conduct authorised becomes unnecessary or no longer proportionate to what is sought to be achieved, the authorisation shall be withdrawn. The communications service provider should be advised of the withdrawal of an authorisation.

8.30 When cancelling a notice:

- cancellation must be undertaken in writing
- cancellation must be identified by its unique reference number, the notice being cancelled
- the date and, when appropriate to do so, the time when the notice was cancelled must be recorded

- the office, rank or position held by the designated person cancelling the notice must be specified.

#### 8.31 When withdrawing an authorisation:

- withdrawal should be undertaken in writing
- withdrawal should be identified by its unique reference number, the authorisation being withdrawn
- the date and, when appropriate to do so, the time when the authorisation was withdrawn should be recorded
- the name, office, rank or position held by the designated person withdrawing the authorisation should be recorded.

### **Keeping of records**

8.32 Completed original documents must be retained centrally by the SPoC, in written or electronic form, for a period of at least three years from the date of authorisation. The documents should be classified and stored securely in accordance with the Government protected marking scheme. In addition, a record should be kept of the date and, when appropriate to do so, the time when each notice or authorisation is given or granted, renewed or cancelled. These records should be available for inspection by the Investigatory Powers Commissioner's Office upon request. (The retention of documents is a service provided by NAFN.)

8.33 On an annual basis, the SRO must send to the Investigatory Powers Commissioner's Office information as to the number of applications submitted to the designated person, the number of notices issued, number of authorisations issued and the number of times an urgent notice is given orally.

### **Errors**

8.34 Proper application of the contents of this guidance should reduce the scope for making errors but, if an error occurs in the grant of an authorisation or the giving of a notice or as a consequence of any authorised conduct or any conduct undertaken to comply with a notice, a record should be kept and a report made to the Commissioner. (The recording and reporting of errors is a service provided by NAFN.)

## **9. Complaints**

9.1 Where any person expresses their dissatisfaction with a surveillance operation carried out by the council or with a communications data issue, and they are either unwilling to accept an explanation or are dissatisfied with the explanation offered or they wish to complain about any other aspect of the council's operations under RIPA, they must be informed of the existence of the Investigatory Powers Tribunal.

9.2 Every assistance shall be given to the person to complain to the council's Corporate Complaints Officer or to make contact with the tribunal and make their dissatisfaction known to it.

9.3 The address for the Investigatory Powers Tribunal is:  
PO Box 33220  
London  
SW1H 9ZQ

Telephone: 0207 035 3711  
Website: [www.ipt-uk.com](http://www.ipt-uk.com)

9.4 These procedures are mutually exclusive.



# Appendix A

## Authorised officers

<b>Senior Responsible Officer</b>	<b>Officers authorised to approve applications for directed surveillance and CHIS</b>	<b>SPoC services</b>
David Collinson, Assistant Director Planning and Regulatory Services	David Collinson, Assistant Director Planning and Regulatory Services  Ian Gallin, Chief Executive  Jennifer Eves, Assistant Director HR, Legal and Democratic Services  Alex Wilson, Director	NAFN

## Appendix B

### Guidance on completing application for authority for directed surveillance

Read this guide in conjunction with the model RIPA form. The level of detail officers need to complete the form is crucial. It is important to include as much information as is known, otherwise the application may not be authorised.

**Applicants must be familiar with the contents of the full Guidance Notes.**

**Applicant:** is officer applying for authority to carry out directed surveillance.

**Unit/team:** team where applicant works.

**Full address:** The applicant's base, either county hall or other.

**Contact details:** Contact details of the applicant including telephone and email.

**Operation name:** only if one has been assigned.

**Unique reference number:** to be included on every form.

#### Details of application

##### Part 1 - Level of authority

See Appendix A of Procedure Guide. In case of urgency, and a person detailed in Appendix A not being available, then seek guidance or advice from the Shared Legal Service.

##### Part 2 - Give an account of the investigation or operation

Details of the investigation to date. Brief clear specifics. Full details of the crime being investigated must be included.

##### Part 3 - Action to be authorised, including any premises or vehicles involved

What form is the surveillance to take and why? For example, will it be mobile surveillance or from an observation point or van? Description of activities planned needed. Full details of dates, times, officer numbers involved and equipment to be used must be noted as far as is possible.

##### Part 4 - The identities, where known, of those to be subject of the directed surveillance

Sometimes not known and identifying those involved in an activity can be the reason for surveillance. If identities are not known then it should be so stated. The premises and/or vehicles to be targeted should be identified here in detail.

##### Part 5 - Explanation of the information which it is desired to obtain as a result of the authorisation

What is the key objective(s) of the surveillance?

##### Parts 6 and 7 - Grounds on which action is necessary

The application must show that the directed covert surveillance is considered necessary in the proposed operation. All other methods of investigation not requiring covert surveillance must be detailed and reasons given for why they

are not to be used. The officer must detail why covert surveillance is the only method by which the information required can be obtained.

### **Part 8 - Collateral intrusion**

Having identified who, what and where you want to carry out surveillance, you should also consider who else might be affected. Will the private life of others be affected in some way? You must show that you have considered this and have planned how to minimise the intrusion.

### **Part 9 - Explain why directed surveillance is proportionate to what it seeks to achieve**

The application should only be authorised if it demonstrates that activity to be carried out is proportionate to what it seeks to achieve. Full reasons must be given as to why the methods to be employed are not disproportionate (that is, not a 'sledgehammer to crack a nut'). This includes detailing not only why covert surveillance must be used rather than any other method of investigation, but also stating that the method to be used is the least intrusive way of obtaining the information. It is not enough to rely on the seriousness of the offence or the cost of employing other methods.

All forms **must** address the following points:

- The size and scope of the investigation must be weighed against the gravity and extent of the crime under investigation.
- An explanation of how and why the methods to be adopted will cause the least possible intrusion on the target and others.
- It must be shown that activity planned is the only reasonable way, having considered all others, of obtaining the necessary information.
- Details of all other methods considered and why they were not implemented.

### **Part 10 - Confidential material**

Are you likely to come across material relating to communications between a lawyer and client, or personal information relating to physical or mental health or spiritual counselling (communication between an individual and minister of religion), or confidential journalistic material?

This should be considered and highlighted. If such material is likely then the level of authorisation required rises. If there is any doubt, advice must be sought from the Shared Legal Service.

## **Authorisation**

### **Parts 12 and 13 - Authorising officer's statement**

The authorising officer must give the information requested and state in writing that they are satisfied, or why they believe that activities to take place are necessary and proportionate (see previous explanations of these matters). The proportionality of activity must take into account any possibility of collateral intrusion.

All such activity subject to the authorisation must not be considered arbitrary or unfair. The authorising officer must record that they have considered these matters, and are satisfied the surveillance should still be authorised. If the authorising officer is not satisfied that enough detail has been provided, they should refuse the application. If the authorising officer disagrees with certain aspects of the proposed activity, they should mark this clearly on the form as unauthorised.

## **Appendix 3**

### **Flow charts**

These documents can be found on the West Suffolk intranet under How to/Service guidance and templates/Understanding and using the Regulation of Investigatory Powers Act (RIPA) 2000.

- RIPA
- Determining Directed Surveillance
- Determining CHIS

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# Delivering a Sustainable Medium-Term Budget

<b>Report number:</b>	<b>PAS/WS/22/017</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny Committee</b>	29 September 2022
	<b>Cabinet</b>	18 October 2022
<b>Cabinet member:</b>	Councillor Sarah Broughton Deputy Leader and Cabinet Member for Resources and Property Tel: 07929 305787 Email: <a href="mailto:sarah.broughton@westsuffolk.gov.uk">sarah.broughton@westsuffolk.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Director (Resources and Property) Chief Financial Officer Tel: 01638 719245 Email: <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	

**Decisions Plan:** This item is not included in the Decisions Plan.

**Wards impacted:** All wards

**Recommendation:** It is **RECOMMENDED** that members:

- 1. Consider and agree the approach and timescales for the 2023 to 2024 budget setting process and medium-term plans to 2027.**

## 1. Context to the 2023 to 2024 budget process

1.1 This report outlines the approach and timetable to set the council’s 2023 to 2024 and medium-term budgets and the principles and challenges faced in achieving this.

1.2 There are several national, if not global, pressures that are challenging our budget or the process of putting one together. These include the:

- financial impact of the current economic situation, including high inflationary pressures,
- Increasing demand on our services and the role we want to continue to play in supporting our communities linked to the current cost of living crisis
- Our ability to recover income streams in both the current and post COVID19 context.
- Pressure to grow some of our core services in response to a growth in housing and demand.

1.3 West Suffolk is not alone, these challenges are being faced by councils up and down the country and are expected to continue into and throughout 2023 to 2024 and in some cases into the medium term.

1.4 The 2023 to 2024 budget and medium-term plans are also being prepared in the context of continued significant uncertainties around Government policy for the sector, in terms of the:

- Comprehensive Spending Review,
- Local Government Finance Settlement,
- Fairer Funding Review, Business Rates Retention (BRR) Scheme Review,
- Commercial Investment Policy,
- potential major reforms with the Resources and Waste Strategy (RAWS), Health and Social Care reforms and the Planning Reform White Paper.

1.5 At the February 2022 Council meeting the Budget and Council Tax Setting: 2022 to 2023 and Medium-Term Financial Strategy 2022 to 2026 report ([COU/WS/22/003](#)) set out the financial plan to 2026. This plan included the following indicative medium term budget gaps (which will be reviewed as part of this 2023 to 2024 budget process):

	<b>2023 to 2024</b>	<b>2024 to 2025</b>	<b>2025 to 2026</b>
Indicative Budget Gap as at February 2022	£1.2m	£1.7m	£3.0m



- 1.6 The 2022 to 2023 Budget and Medium-Term Financial Strategy 2022 to 2026, referenced above was developed during COVID-19 recovery and prior to the current economic situation and therefore does not make allowances for the high inflationary pressures currently being experienced as reported at the July 2022 committee meeting-report (Report number [PAS/WS/22/013](#)).
- 1.7 The plan agreed in February 2022 also made assumptions around recovery of our budgets taking shape, both income and expenditure, to pre-COVID levels from April 2023. In year monitoring is continually being reviewed to stress test these recovery assumptions to feed into the upcoming annual budget setting process.
- 1.8 The November budget update report to the Performance and Audit Committee will set out the key assumptions to underpin the development of the 2023 to 2024 budget. In that November report we should have a better understanding of:
- Further in year monthly (and quarter two) performance data on the recovery of our key local income streams, the council generates significant local fees and charges representing around 50% of our total income
  - The Government’s intentions around funding for 2023 to 2024 and possibly 2024 to 2025. Given previous indications of a two-year settlement and the sector’s expectations of a roll forward of the current year settlement, this will be a key assumption for our 2023 to 2024 budget and will offer some mitigation towards the expected pressures on the initial budget gap
  - Likely outcome of the 2022 to 2023 pay inflation discussions, given Unions have put the Employers pay offer to their members for a vote during September/October. Pay represents over 50% of our annual costs of running the council (reflecting the in-house delivery model for the majority of council services)
  - The outcome of budget holders and finance business partners line by line review of the council’s budget lines, including those expenditure lines that are currently under significant pressure due to inflationary pressures such as energy costs
- 1.9 Whilst the 2023 to 2024 budget assumptions are being reviewed, this report sets out the approach to the development and delivery of a sustainable 2023 to 2024 budget and medium-term plan, alongside the timetable to achieve this. This flexible (enabling it to respond to the expected increase in the current 2023 to 2024 indicative budget gap) and responsive recovery plan will continue to follow (and test) our agreed Strategic Priorities and six key Medium-Term Financial Strategy (MTFS) themes.
- 1.10 Further reports including updates on assumptions and anticipated savings and initiatives required to deliver a sustainable and balanced budget for

2023 to 2024 will be presented to this committee at its November 2022 and January 2023 meetings.

## **2. Approach to delivering a sustainable 2023 to 2024 budget and beyond**

- 2.1 West Suffolk Council's Budget Delivery Plan and response to the financial challenges and opportunities will continue to follow our six key themes. Our opportunities include capturing and building on the learning and innovative ways of delivering our services experienced during recent times.
- 2.2 These themes are considered to still represent an appropriate response to the ongoing financial situation:
1. Aligning resources to West Suffolk's strategic framework and essential services
  2. Sharing services and transformation of service delivery
  3. Behaving more commercially
  4. Considering new funding models
  5. Encouraging the use of digital forms for customer access
  6. Taking advantage of new forms of local government finance.
- 2.3 At its November 2022 and January 2023 meetings, the Committee will receive an update on the key assumptions, saving and initiatives that will be developed through the budget process. Cost certainty will continue to play a particular focus in this year's budget process to enable, where possible, greater certainty on the council's financial plans given the volatility of income streams.

### **Our 2023 to 2026 Budget Delivery Plan - Proposed approach**

- 2.4 Below sets out the key work pillars for the 2023 to 2026 Budget Delivery Plan and follows our well established MTFS themes.
- 2.5 **Aligning resources and transforming our service delivery and customer access**
- Work is underway to review and prioritise the work of all of our services. This includes collating a detailed understanding of all council activity as well as an analysis of the volume and type of demand and performance levels.
  - Based on our detailed analysis we will identify opportunities for process change and improvement, as well as ensuring that resources are allocated appropriately.
  - We continue to implement our agreed target operating model for customer services which ensures that how customers access our services and how we process customer contact is undertaken as efficiently as possible. Ensuring that our digital strategy supports

efficiencies and improvements. Making changes to service delivery in line with customer demands and expectations.

- We will also look at further opportunities to develop new delivery partnerships
- Our performance management information also gives us the opportunity to review our services using data, for example, by identifying trends in customer behaviour or adjusting levels of service to maximise value for money

## 2.6 **Behaving more commercially**

- We will be reviewing all commercial and service level agreements income streams, ensuring we continue to work within the parameters and principles of our approved fees and charges policy and that the user pay and cost recovery principles are reflected in our 2023 rates given increases in our cost base
- In some commercial income areas, we will explore if there is opportunity to increase our opportunity such as trade waste services or in some cases it might be to reduce our commercial exposure and offering to focus on core service delivery
- Work is underway on maximising the use of our resources in particular our asset portfolio where we have surplus assets that could deliver council priorities whilst also becoming income generating assets and where rent and lease renewals are due on our non-operational assets such as industrial units
- We continue to review our most significant value contracts, reviewing their specification, the way they are procured and their management to see if there is the opportunity to reduce costs and/or improve the value for money offered from those external contracts
- Work has commenced and projects already commissioned from the Net Zero investment fund delivery on both our net zero ambition and net financial return towards the delivery of council services. Future allocations and opportunities to support the councils medium term plans will be considered during the upcoming budget process
- We will be reviewing business plans and dividend assumptions relating to our subsidiary companies Verse and Barley Homes, with a view of increasing where possible their contribution(s) across the medium term

## 2.7 **Future of local delivery and funding models**

- Under the principles of subsidiarity highlighted in the original business case for a single council, we will be looking to support the delivery of local government services and ownership of community assets at the level which is most appropriate in terms of empowering local communities and efficiencies for local taxpayers.
- The immediate focus of this work will be West Suffolk's relationship with town and parish councils, building on work already started in specific service areas, for instance markets and street-lighting. However, the aim will be to approach this 'in the round' rather than service-by-service, in keeping with the set of principles agreed by

Cabinet in June 2022. This work will start, as planned, after the 2023 elections, led by the new administration.

- Obviously, there are also other options to explore for the local delivery of services. For instance, trusts and other charitable vehicles. These will also be explored under the same principles.

## 2.8 **Local Government Finance**

- We will continue to lobby and make representations to central Government for the sectors for multiyear fairer funding settlements, including the future of new homes bonus and any major reforms (Business rates)
- The council receives a number of one-off grants including for the delivery of front-line services such as homelessness services. These one-year grants create uncertainty for the council and teams so we will continue to lobby Government to consolidate these grants into a medium-term funding settlement for local government
- The council will continue to be a member of the Suffolk Business rates pooling whilst that opportunity and Suffolk wide benefit exists.
- We will continue to work with Suffolk colleagues on the Levelling up agenda and Suffolk Deal conversations. As these conversations develop, we will start to understand the opportunities available to West Suffolk and the implications on our medium-term financial plans.

## 2.9 **Managing our Workforce**

- We will continue to ensure that structures are kept under review and remain fit for purpose as they adapt to changing demands and new ways of working. This will include looking at those areas within the council that are seeing increased demands from current and planned housing growth such as our waste and operational teams.
- Look at opportunities and ways we could act in a more joined up way with our resources to improve resilience – internally and across public sector partnerships
- To continue to develop a strong understanding of our establishment and monitor how this evolves closely to support the key aims of the workforce and financial strategies.
- Continue to be agile and flexible and look at ways resources can be used in different ways building on our one team ethos and using redeployment where possible to support short term requirements for replacement or increased capacity.

2.10 The council is required to set a balanced budget for the forthcoming year but given the future medium-term challenges facing the council, proposals are likely to be put forward at future meetings and as part of the February 2023 Budget and Council Tax report, to enable the council to set out its plans across the next three years and to deliver ahead of the curve, bringing forward, where possible, saving proposals and initiatives into the current year and 2023 to 2024.

- 2.11 The council has a strong track record in terms of both a sustainable budget for day-to-day service delivery alongside an ambitious capital investment programme in support of our priorities. This will continue to be the desired outcome. However, following years of austerity and continued increasing demands on our services, our ability to deliver on this outcome will require us to continue to think innovatively and act boldly with some difficult decisions likely across the medium term.
- 2.12 This is good financial management and will enable greater certainty for the delivery of a sustainable medium-term financial plan for West Suffolk. Significant work is already underway to shape the saving and initiatives required to achieve this.
- 2.13 The following high-level timetable is proposed for delivery and agreement of a budget and medium-term plan for West Suffolk Council for 2022-2023.

<b>Action</b>	<b>Timescales</b>
Budget preparations following agreed approach	September - October 2022
2022 Spending Review Announcement	TBC
Member budget briefing(s)	TBC (During November/December)
PASC – delivering a sustainable budget update report	17 November 2022
Cabinet – delivering a sustainable budget update/referral from PASC report	8 November 2022
PASC – delivering a sustainable budget update report	26 January 2023
Member Development Session(s) and briefing(s) – MTFS	January - February 2023
Cabinet – 2023 to 2024 Budget and Council Tax setting report	7 February 2023
Council – 2023 to 2024 Budget and Council Tax setting report	21 February 2023

### **3. Consultation and engagement undertaken**

- 3.1 The budget assumptions set out in this report have been prepared in consultation with Leadership Team and the Portfolio Holder for Resources and Performance.

### **4. Risks associated with the proposals**

- 4.1 The budget report in February 2023 will set out the key risk assumptions alongside the report from the Section 151 Officer on the robustness of estimates and balances.

## **5. Implications arising from the proposals**

- 5.1 Financial – Contained in the main body of this report.
- 5.2 Legal Compliance – The Council has a legal requirement to set a balanced budget for the forth coming year. This report and future reports to this committee are part of the process designed to deliver on that legal requirement.
- 5.3 Personal Data Processing/Equalities/Crime and Disorder/Changes to existing policies/Environment or Sustainability/HR or Staffing/External organisations – No significant implications arising directly from this report. Implications under each of these headings will be considered as part of individual savings or initiatives as part of the budget process.

## **6. Background documents referenced in this report**

- 6.1 [COU/WS/22/003](#) - Council February 2022 Budget Report  
[PAS/WS/22/013](#) - July 2022 – Performance Monitoring Report

### **C.6 Financial Resilience Sub-Committee**

#### **1. Remit**

- 1.1 The Financial Resilience Sub-Committee will undertake the enhanced monitoring and scrutiny of the Council's financial resilience, and will be responsible to the Performance and Audit Committee for:-
- (1) The Council's responses to changes in statutory and regulatory requirements and guidance related to treasury management, capital financing and financial resilience.
  - (2) Examining and recommending Annual Treasury Management and Investment Strategy.
  - (3) On-going revisions to treasury management strategies and policies.
  - (4) The mid-year treasury management review.
  - (5) Receiving reports on treasury management performance.
  - (6) The annual report on treasury management performance, including the effects of the decisions taken and the transactions executed in the past year, and on the circumstances of any non-compliance with the Council's treasury management policy statements.
  - (7) Examining ongoing compliance with any statutory and non-statutory guidance or measures relating to financial resilience.

#### **2. Membership and Meeting Arrangements**

- 2.1 The Sub-Committee will comprise three Members and one substitute Member of the Performance and Audit Scrutiny Committee, which desirably reflects the political balance of the Council, as far as practically possible.
- 2.2 There will be one non-voting invitee, which will normally be the Portfolio Holder with responsibility for finance.
- 2.3 The Sub-Committee will be appointed annually by the Performance and Audit Scrutiny Committee (or Council) and will appoint its own Chair.

- 2.4 The Sub-Committee will meet at least three times each year, although meetings may be cancelled by the Chair due to lack of business. Special meetings of the Sub-Committee may also be called as necessary.
- 2.5 In order to help streamline the comprehensive treasury management reporting requirements of the CIPFA Code, where possible meetings will be held to coincide with existing reporting requirements.

*(\*Note: This meeting is not governed by the normal Access to Information rules (The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012) in the Council. Therefore, these meetings are not open to attendance by the public).*



**C.5 Health and Safety Sub-Committee**

**1. Overview**

- 1.1 The Sub-Committee's membership will be drawn from Councillors and staff of the West Suffolk Council.
- 1.2 The Sub-Committee will consider the Council's health and safety arrangements and provide guidance to support the development of executive action by Officers of the Council, including policy guidance.
- 1.3 To provide a group of Members who can develop an enhanced level of understanding of health and safety matters.
- 1.4 To make recommendations to the Cabinet and/or Officers of the Council about policies and actions required to develop and maintain effective health and safety arrangements.
- 1.5 To advise the Performance and Audit Scrutiny Committee on the progress of their work and matters they have considered.

**2. Constitution**

- 2.1 The Health and Safety Sub-Committee shall comprise 12 Members. Six Councillors drawn from the membership of the Performance and Audit Scrutiny Committee, which desirably reflects the political balance of the Council, as far as practically possible (to be the 'Employers' Side'). Six members of staff (to be the 'Employees' Side'), drawn from the Officer Health and Safety Group.
- 2.2 Two Substitute Members from the Employers' side and two Substitutes from the Employees' Side.
- 2.3 It shall be the Health and Safety Manager's duty to attend and advise the Sub-Committee.
- 2.4 The Sub-Committee shall appoint a Chair and Vice-Chair from its Members. When the Chair is a Member of one side of the Sub-Committee, the Vice-Chair shall be a Member of the other side.
- 2.5 The Sub-Committee may invite attendance of any person whose particular knowledge or experience may assist the Sub-Committee in its considerations. Such attendance shall be in a consultative capacity and only for the period during which the relevant subject is under consideration.

### **3. Terms of Reference**

- 3.1 The Sub-Committee shall keep under review all matters relating to the health, safety and welfare of the Councils' employees, and to the protection of other persons against risks arising out of the work activities of the employees and of persons working under contract.
- 3.2 To review and monitor Health and Safety Policy and recommend amendments to the Officers and/or Cabinet in accordance with their respective delegations. Specifically, the Sub-Committee will work directly with the Health and Safety Manager to review and implement revisions to the operational procedures Policy under their delegated authority to make such changes.
- 3.3 Without prejudice to the foregoing terms, items for particular consideration may include:-
  - (a) The study of accidents and diseases, and in particular those notifiable to the Health and Safety Executive.
  - (b) Considering and making recommendations in respect of items submitted by the staff Health and Safety Group.
  - (c) Consideration of reports and information from the Inspectors of the Health and Safety Executive.
  - (d) Consideration of reports submitted by Safety Representatives.
  - (e) The development of safety procedures and safe systems of work.
  - (f) Recommending and monitoring the effectiveness of employee safety training.
  - (g) The presentation of publicity on safety matters; and
  - (h) Inspecting or arranging for an inspection of any particular area or activity.

### **4. Arrangements and Procedures**

- 4.1 Meetings shall normally be held three times a year but, exceptionally, the Chair may decide, after consultation with the Health and Safety Manager, to convene an Extraordinary meeting at any time or to cancel a scheduled meeting due to lack of business to transact.
- 4.2 The quorum for the Sub-Committee shall be four, comprising at least two employee representatives and two Members of the Council.
- 4.3 Voting shall be by a show of hands and simple majority.
- 4.4 The report from the Sub-Committee to the Performance and Audit Scrutiny Committee and/or the Cabinet shall be by way of presentation of the minutes or by way of a brief report in an agreed format.

*(\*Note: This meeting is not governed by the normal Access to Information rules (The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012) in the Council. Therefore these meetings are not open to attendance by the public).*

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# Work Programme Update 2022 to 2023

<b>Report number:</b>	<b>PAS/WS/22/019</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny Committee</b>	29 September 2022
<b>Cabinet Member:</b>	Councillor Sarah Broughton Cabinet Member for Resources and Property Telephone: 01284 703894 Email: <a href="mailto:sarah.broughton@westsuffolk.gov.uk">sarah.broughton@westsuffolk.gov.uk</a>	
<b>Chair of the Committee:</b>	Councillor Ian Houlder Chair of the Performance and Audit Scrutiny Committee Telephone: 07597 961069 Email: <a href="mailto:ian.houlder@westsuffolk.gov.uk">ian.houlder@westsuffolk.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Director (Resources and Property) Telephone: 01638 719245 Email: <a href="mailto:Rachael.mann@westsuffolk.gov.uk">Rachael.mann@westsuffolk.gov.uk</a>	

**Decisions Plan:** This item is not included in the decisions plan.

**Wards impacted:** Not applicable.

**Recommendation:** It is recommended that the Performance and Audit Scrutiny Committee:

- 1. Notes the current status of its Work Programme for 2022 to 2023, attached at Appendix 1 to this report.**

## **1. Context to this report**

### **1.1 Performance and Audit Scrutiny Work Programme**

1.1.1 The committee's work programme for 2022 to 2023 is attached at **Appendix 1** to this report.

## **2. Proposals within this report**

2.1 The committee is asked to note the current status of its forward work programme.

## **3. Alternative options that have been considered**

3.1 None.

## **4. Consultation and engagement undertaken**

4.1 None.

## **5. Risks associated with the proposals**

5.1 None.

## **6. Appendices referenced in this report**

7.1 Appendix 1 – Performance and Audit Scrutiny Work Programme 2022 to 2023

## **7. Background documents associated with this report**

8.1 None

**(West Suffolk Council)****Performance and Audit Scrutiny Committee****Work Programme (2022 to 2023)**

<b>Description</b>	<b>Lead Officer</b>
<b>17 November 2022 (Time: 5.00pm)</b>	
<b>Venue: Council Chamber, West Suffolk House, Bury St Edmunds</b>	
Ernst and Young – Auditors Annual Report 2021 to 2022	Director (Resources and Property)
Internal Audit Mid-Year Progress Report 2022 to 2023	Service Manager (Internal Audit)
2022 to 2023 Performance Report (Quarter 2)	Service Manager (Policy, Projects and Performance)
Delivering a Sustainable West Suffolk Council Budget: 2023 to 2024	Director (Resource and Property)
Treasury Management Report (September 2022)	Service Manager (Finance and Procurement)
Work Programme Update (2023)	Director (Resources and Property)
<b>Additional Meeting:</b>	
<b>Wednesday 14 December 2022 (Time: 5.00pm)</b>	
<b>Venue: Council Chamber, West Suffolk House, Bury St Edmunds</b>	
Ernst and Young – 2021 to 2022 Annual Results Report to those charged with Governance	Director (Resources and Property)
West Suffolk Annual Governance Statement 2021 to 2022	Director (Resources and Property)
2021 to 2022 Statement of Accounts	Director (Resources and Property)
<b>26 January 2023 (Time: 5.00pm)</b>	
<b>Venue: Council Chamber, West Suffolk House, Bury St Edmunds</b>	
Ernst and Young – External Audit Plan and Fees 2022 to 2023	Director (Resources and Property)
2022 to 2023 Performance Report (Quarter 3)	Service Manager (Policy, Projects and Performance)
Treasury Management Report (December 2022)	Service Manager (Finance and Procurement)
Annual Financial Resilience Management and Investment Strategy Statements 2023 to 2024	Service Manager (Finance and Performance)
Delivering a Sustainable West Suffolk Council Budget: 2023 to 2024	Director (Resources and Property)
Work Programme Update (2023 to 2024)	Director (Resources and Property)

<b>1 June 2023 (Time: 5.00pm)</b>	
<b>Venue: Council Chamber, West Suffolk House, Bury St Edmunds</b>	
Internal Audit Annual Report (2022 to 2023)	Service Manager (Internal Audit)
Outline Internal Audit Plan (2023 to 2024)	Service Manager (Internal Audit)
2022 to 2023 Performance Report (Quarter 4)	Service Manager (Policy, Projects and Performance)
Annual Report from the Health and Safety Sub-Committee	Service Manager (Health and Safety)
Annual Re-Appointments to the Financial Resilience Sub-Committee and the Health and Safety Sub-Committee (2023 to 2024)	Business Partner (Governance)
Work Programme Update (2023 to 2024)	Director (Resources and Property)