

**Minutes of the Audit and Accounts Committee meeting held on Monday, 10 December 2018 in Committee Rooms 1 & 2 - Deanes, Basingstoke and Deane Borough Council at 2.00 pm**

**Members of the Audit and Accounts Committee in attendance:** Councillor R Gardiner (Chair), Councillor G Falconer, Councillor P Harvey, Councillor D Potter, Councillor V Rowland, Councillor D Sherlock (Vice-Chair), Councillor K Taylor and Councillor J Westbrook

**110/18 Apologies for absence and substitutions**

Apologies were received from Councillor O Cubitt.

**111/18 Declarations of interest**

There were no declarations of interest.

**112/18 Urgent matters**

There were no urgent matters.

**113/18 Minutes of the meeting held on 24 September 2018**

The Chair confirmed that since the last meeting of the Committee, a written response regarding the Invest to Grow fund and Eli Lilly Development had been circulated to the Committee as requested.

The Minutes of the meeting held on 24 September 2018 were confirmed by the committee as a correct record and signed by the Chair.

**114/18 Viewing of Social Networking Sites and RIPA Inspection Update**

The Data Protection Officer introduced the report which provided the Committee with a summary of the viewing of individuals' social networking sites in an investigatory capacity for the period 1 September to 31 October 2018.

Clarification was sought in regard to what the term "meme" that was contained within the report meant. The Data protection officer explained that it referred to material such as an image or text which is humorous in nature and copied and spread via social media.

**Resolved:** The Committee notes the report.

**115/18 General Data Protection Regulation**

The Data Protection Officer introduced the report which provided Members of the Committee with an update on progress towards the council's compliance with the General Data Protection Regulation (GDPR).

Questions were raised regarding training and whether:

- All staff had completed GDPR training.
- Would staff also be required to periodically undertake refresher training.
- How many Councillors had currently undertaken training.

It was confirmed that all staff would be required to undertake both initial and refresher training sessions.

Since the report was written the number of councillors who had completed the training may have increased, group sessions would also be arranged in order to try and capture all members. Drop-in sessions before Committees would be arranged to ensure that every member had an opportunity to ask any questions regarding GDPR.

The Committee queried the burden on the council in relation to the new regulations such as cost, time etc. The Data Protection Officer stated that as it was a change of legislation, the actions that had been taken were all mandatory but that it was positive news that the Council was ahead of a number of other local authorities.

Questions were raised in regard to risk management controls.

**Resolved:**

- 1) Thanks Officers for the work carried out so far.
- 2) Notes the content of the report.

**116/18 Data Protection Act 1998 - Notification of Data Breaches reported to the ICO**

The Data Protection Officer introduced the report that informed the Committee that two incidents had occurred which were considered to pose a risk to individuals and had therefore been reported to the ICO.

The Data Protection Officer informed the Committee that the ICO had determined that they did not consider one of the incidents to meet the threshold for a reportable breach and therefore required no further action.

The Chair sought clarification in relation to the previous potential data breach which had occurred last year. The Data Protection Officer confirmed that the case officer was still unable to give a definite timescale for when the decision was expected.

Clarification was also sought in regard to the new criteria, officer interpretation of it and when the Council should report a potential breach

The Committee requested that any further reports should include details of any interim measures and controls that had been put in place following a potential data breach.

**Resolved:** The Committee notes the content of the report

117/18 **Property Investment Strategy Implementation Report - Quarter 2 2018**

The Asset Manager introduced the report which presented the Committee with the Property Investment Strategy Quarter 2 Report 2018 that had been reported to Cabinet on 4 December 2018.

The Asset Manager explained that after receiving notification that the post office were considering moving into the WHSmith unit, The lease was reviewed and it was concluded that WHSmith were entitled to run the post office and therefore the council were not able to have any further influence over the decision.

The Council were in arbitration with WHSmith over the renewal of their lease and were confident that it would be achieved successfully.

The Committee requested a written response in relation to the cost of Deloitte's housing report, the Head of Financial services agreed to circulate the response after the meeting.

The Asset Manager confirmed that going forward, the report would be able to show both the Legacy and Property Investment Strategy portfolios separately.

**Resolved:** The Committee notes the content of the report

118/18 **Property Management Information System**

The Chair introduced the report which responded to concerns raised by the Committee at its previous meeting in relation to the Property Management Information System.

The Interim Property Manager gave an update to the Committee on the issues that had been outstanding since the last meeting.

**Resolved:** The Committee notes the content of the report.

119/18 **Local Code of Corporate Governance 2018/19**

The Legal Services Manager introduced the report which provided the Committee with the draft Local Code of Corporate Governance for 2018/19.

**Resolved:** The Committee notes the content of the report

120/18 **Summary of Investment Income 2018/19**

The Chair introduced the report that provided the Committee with a summary of investment income budgets for the year and the latest forecasts against those budgets.

**Resolved:** The Committee notes the content of the report

121/18 **Treasury Management Mid Year Report 2018/19**

The Accountancy Manager introduced the report which provided the Committee with a mid-year update on the treasury management function.

**Resolved:** The Committee notes the content of the report

122/18 **Assessing Audit and Accounts Committee Effectiveness**

The Head of Financial Services introduced the report that provided the Committee with two models which would allow members to review and assess their effectiveness as a Committee.

The Committee discussed the two effectiveness models (CIPFA and EY) in order to determine which toolkit would be best for the Committee to undertake.

**Resolved:**

- 1) The Committee will undertake the EY review at a separate meeting of the Committee.
- 2) The Committee notes the content of the report

123/18 **Invest to Grow Fund - Second Quarter Report 2018/19**

Mr G Richards from CBRE introduced the report that outlined the progress of the fund during the second quarter of the 2018/2019 reporting period.

Clarification was sought in regard to 10.3 of the report, the NHS renewable scheme, and how the funding for that type of situation would work for the Council.

The Committee requested a confidential briefing note in relation to the fund's potential affordable housing schemes.

**Resolved:** The Committee notes the content of the report.

124/18 **EY - Annual Audit Letter 2017/18**

Mr K Sueter from EY introduced the report which provided the Committee with its Annual Audit Letter for the year ended 31 March 2018.

**Resolved:** The Committee notes the content of the report.

125/18 **Fraud Update - Protecting the Public Purse**

The Senior Auditor introduced the report which informed the Committee of the work that had been carried out to date during 2018/19 in protecting the public purse.

**Resolved:** The Committee notes the content of the report.

126/18 **Internal Audit Progress Report (September-November 2018)**

The Senior Auditor introduced the report which informed the Committee of the work completed by the Internal Audit Team during the period September - November 2018 and the position with outstanding audit recommendations.

Following the comments made at the last meeting, the audit team would be reviewing a sample of the S106 agreements (following the change in procedure) in February/March and would report their findings back to Committee.

The Committee made particular reference to Audit reference 1.3 and stated that following the report by the DWP they would like to see the target on that item revised.

**Resolved:** The Committee notes the content of the report.

127/18 **Audit and Accounts work programme**

The Chair introduced the work programme and gave a brief overview of the items that would be included on the agenda for the upcoming meetings.

The Committee agreed that the Committee Effectiveness review report would be scheduled for the March meeting.

The meeting ended at 4.07 pm.

**Chairman**