

Audit Committee
30 September 2019

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the AUDIT Committee held on Monday 30 September 2019 at 7.30 pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE.

PRESENT: Councillors G.Michaelides (Chairman)
S.Markiewicz (Vice-Chairman)
J.Boulton, L.Chesterman, A.Chesterman, F.Marsh and
J.Skoczylas

ALSO Councillor D. Bell (Executive Member for Resources)
PRESENT: Ernst and Young LLP (A. Brittain)

OFFICIALS Corporate Director (Resources, Environment and Cultural Services) (K. Ng)
PRESENT: SIAS (T. Barnett)
Head of Resources (R. Baker)
Risk and Resilience Manager (A. Cremer) (for item 12)
Principal Governance Officer (A. Marston)

9. SUBSTITUTION OF MEMBERS

The following substitution had been made in accordance with Part 4: Rules of General Application to All Committees, para 22.

Councillor A. Chesterman for Councillor M. Birleson

10. APOLOGIES

An apology for absence was received from Councillor M. Birleson.

11. MINUTES

The minutes of the meeting held on 27 June 2019 were agreed as a correct record and signed by the chairman.

12. RISK MANAGEMENT

Members received a report of the Corporate Director (Public Protection, Planning and Governance) which provided the current strategic and top operational risks facing the Council, as determined by Corporate Management Team and Heads of Service. The risks had been reviewed at the performance clinic in August 2019 and reflected the assessments in place for the quarter July to September 2019.

RESOLVED:

That the current Strategic Risk Register and top operational risks be noted; together with the comments in respect of each risk where shown.

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13. SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT

Report of the Shared Internal Audit Service (SIAS) which provided details of the delivery plan and key findings from the service. The 2019/20 Audit Plan was approved by the Audit Committee on 21 March 2019.

The following points were clarified:

- Four more reports have been issued as final since the report was produced (Apprenticeship Levy, Universal Credit, Agresso Upgrade and GDPR)
- There have been no amendments to the Audit Plan
- There are no high priority recommendations
- An update to the Medium Priority Recommendations listed in paragraph 2.10 was received after the report was produced so there are zero recommendations where no update has been provided by the action owner.
- The performance indicators shown in the table at paragraph 2.11 are now at 36% for planned days and 31% for planned projects as at 30 September 2019.
- The table also shows no surveys returned regarding client satisfaction. Although it is not unusual for numbers to be low this report was issued just after papers were sent so there was very little time for surveys to be completed
- The Audit for Brexit looked at the processes in place but was not undertaken to give an assurance level
- It was suggested that the Chair of the Cross Party Mobilisation Board should be informed of the planned audit of Street Scene Mobilisation.

RESOLVED

That the Internal Audit Progress Report for the period to 13 September 2019 be noted; together with the status of internal audit recommendations and the management response.

14. SHARED INTERNAL AUDIT SERVICE - ANNUAL REPORT

Members received a report which highlighted the work undertaken in 2018/19 and demonstrated the way the service has served the partnership in the past year. Despite resilience challenges, the service surpassed its overall target of delivering 95% of days commissioned by clients and achieved its overall target of delivering 95% of its audit reviews to draft report stage by the close of the year.

Members asked how the Council compared to other authorities and it was noted that our assurance levels are good, the control environment is operating well, we have good risk management and an engaged management team who work well with internal audit.

A question was raised in respect of any financial surplus within the service and what happens to this. It was explained that an operating reserve is held to enable long term absence cover for example. There is no contingency budget built in but if the surplus were to build to a sufficient level the board could decide

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that this could be fed back in to the partners through lowering or freezing fees. A medium term financial plan is going to the board in December which will discuss the reserves and whether they are adequate.

RESOLVED

That the report be noted.

15. ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2019

Members received a report on the Annual Audit letter for the year ended 31 March 2019, prepared by Ernst and Young LLP. It was noted that this is the public facing version of the report which was brought to Audit Committee on 27 June 2019.

The following points were clarified:

- Items that were awaiting resolution at the time of the June meeting were resolved
- Ernst and Young LLP issued the audit report on 16 July 2019 (Welwyn Hatfield Borough Council were the first Local Authority in Hertfordshire to have received sign off from external audit).

RESOLVED:

That the report be noted.

Meeting ended at 7.56 pm
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