

Audit Committee
23 October 2017

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the AUDIT Committee held on Monday 23 October 2017 at 7.30 pm in the Council Chamber, Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE.

PRESENT: Councillors N.Pace (Chairman)

H.Bower, G.Michaelides, H.Quenet and K.Thorpe

ALSO Councillor D. Bell (Executive Member for Resources)
PRESENT:

OFFICIALS Executive Director (Resources, Environment and Cultural Services) (K.
PRESENT: Ng)
SIAS (T. Barnett)
Head of Resources (R. Baker)
Principal Governance Officer (I. Colyer)
Governance Services Officer (G. Paddan)

9. APOLOGIES

Apologies for absence were received from Councillor S. Roberts and Ernst & Young LLP.

10. MINUTES

The Minutes of the meeting held on 24 July 2017 were confirmed as a correct record and signed by the Chairman.

11. RISK MANAGEMENT

Report of the Executive Director (Public Protection, Planning and Governance) providing information on the current strategic risks facing the Council, as determined by the Executive Board.

The report noted that the strategic risk register has been fully reviewed by the Executive Board resulting in a new register which reflects the integration of the Housing Trust and other organisation changes. As many of the risks have changed since previous iterations, there were no previous half year assessments, just the current half year score, as shown in Appendix A. Members were pleased with the readability of the register, as the data presented was clear and easy to follow.

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Appendix B showed the top operational risks, which now included those from the Housing Service. The system being developed and used is called Clearview and training was underway for the Implementation Team and managers.

RESOLVED:

That the report which provided the current Strategic Risk Register and the comments in respect of each risk be noted.

12. SHARED INTERNAL AUDIT SERVICE (SIAS) ANNUAL REPORT

Members received a report which explained that there was a requirement to provide an Assurance Statement stating that review of the Council had been undertaken to ensure that it was complying with standards.

The report illustrated the progress made in delivering the Council's Annual Audit Plan, findings to date and performance information. Despite the challenges the level of delivery was 86% of its audit review to draft report stage by the close of the year and the Team were comfortable with the results.

Work was underway to develop a time recording system to improve internal and external business information and this will allow staff to take ownership of their workloads and individual targets.

Members asked about the Housing Trust which has merged and the impact on the service. The response provided gave reassurance there would not be any deterioration in the level of service delivered and that there would potentially be a saving as the service would be providing one audit instead of two; previously one to the Council and the other to the Housing Trust.

A question was raised in respect of the number of days lost each year and the 10% cut proposed for 2018/19 and its impact on the service being delivered in the most efficient way. Members were advised that the size and risk profile of the Council could tolerate with the expected reduction the number of audit days and the External Auditor would see a copy of our internal audit plan, which if there was any issue, they would raise this with the Executive Director for Resources, Environment and Cultural Services and/or Audit Committee accordingly.

RESOLVED:

That the internal audit annual report be noted.

13. SHARED INTERNAL AUDIT SERVICE (SIAS) INTERNAL AUDIT PROGRESS REPORT

Members received a report which provided details of the progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Audit Plan for 2017/18 as at 29 September 2017. It also highlighted the findings for

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the period 3 July 2017 to 29 September 2017. Detailed changes to the planned start dates of audits from the approved 2017/18 Audit Plan. Proposed Amendments to the approved 2017/18 Council Audit Plan. Also an update on performance management information as at 29 September 2017.

As at 29 September 2017, 28% of the 2017/18 Audit Plan days had been delivered (the calculation excluded contingency). Appendix A provided a status update on each project with the Audit Plan. Members considered the Audit Plan projected start dates and commented on the outstanding work and some delay that had occurred. One particular item was discussed – tree management and potential risks and steps taken to protect public and vegetation.

Members noted that at Paragraph 2.10 of the report, the percentage of Client Satisfaction Questionnaires returned was reported as none. The Principal Governance Officer confirmed that he would be contacting the relevant officers for return of the questionnaires.

RESOLVED:

That the internal audit progress report be noted and the amendments proposed approved.

14. ANNUAL AUDIT LETTER

Members received a report of the Annual Audit letter for the year ended 31 March 2017, prepared by Ernst and Young LLP.

The report provided the results and conclusions on the significant areas of the audit process. Overall there were no areas of concern and any risks identified have been included in the risk register. It was noted that the detailed findings from their audit work had been reported as the last meeting of the Audit Committee held on 24 July 2017.

The Executive Director for Resources, Environment and Cultural Services introduced Richard Baker, Head of Resources to the Committee.

RESOLVED:

That the report be noted.

15. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

Members considered the Local Government Audit Committee Briefing produced by Ernst and Young LLP (EY), which brings matters of potential interest to the Council.

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The inspections for 2016/17 across the big four accounting firms were reviewed and noted that EY had achieved 88% of their audits inspected by the Audit Quality Review Team as “Good” and performed well compared to KPMG and Deloitte.

RESOLVED:

That the contents of the briefing paper be noted.

Meeting ended at 8.10pm
GP