

Audit Committee
17 January 2019

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the AUDIT Committee held on Thursday 17 January 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, J.Broach, S.Roberts, S.Wrenn and
P.Zukowskyj

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

Ernst and Young LLP (C. Ryan)

OFFICIALS Corporate Director (Resources, Environment and Cultural Services)
PRESENT: (K. Ng)
SIAS (M. Chalkley)
Head of Resources (R. Baker)
Risk and Resilience Manager (A. Cremer) (for item 50)
Principal Governance Officer (I. Colyer)
Governance Services Officer (G. Paddan)

47. MINUTES

The Minutes of the meeting held on 1 October 2018 were confirmed as a correct record and signed by the Chairman.

48. ACTIONS UPDATE

The status of action agreed at the Audit Committee meeting on 1 October 2018 in the report of the Corporate Director (Public Protection, Planning and Governance) was noted.

49. DECLARATIONS OF INTERESTS BY MEMBERS

Councillor P. Zukowskyj declared a non-pecuniary interest in items on the agenda as appropriate by virtue of being a Member of Hertfordshire County Council.

50. RISK MANAGEMENT

Members received a report of the Corporate Director (Public Protection, Planning and Governance), which brought to their attention the current strategic and top operational risks facing the Council, as determined by Corporate Management Team and Heads of Service. These risks had been reviewed at the performance

Audit Committee
17 January 2019

clinic in November 2018 and reflected the assessments in place for the quarter October 2018 to January 2019.

The Officer explained that additional information (Risk Management Toolkit) had been circulated to Members prior to the Committee meeting to help explain the working methodology of the strategic risk register matrix.

The following points were raised and discussed:

- The scoring table was explained and the need to utilise the key learning points within the tool kit.
- A question was raised in respect of the Safeguarding Action Plan and its score of 32. The Officer explained how the score was reached. Further discussion ensued in relation to having a high score and its analysis of receiving more attention. It was clarified that high risk items have policies and monitoring in place to mitigate high risks.
- Planning – Housing land supply: The high score of 80 was being reviewed and would be amended accordingly. It also showed as having no consequences. Further clarification was sought on this item.
- Members asked for clarification on the Universal Credit risk and what steps had been taken in response to the weekly and monthly monitoring at operational level shown in the risk description? A response to this question would be provided via email to Committee Members.

RESOLVED

To note the attached current Strategic Risk Register and top operational risks and particularly note the comments in respect of each risk where shown.

51. SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT

Report of the Shared Internal Audit Service (SIAS), progress report which provided details of the progress made in delivering the Council's Annual Audit Plan for 2018/19 as at 4 January 2019, findings for the period 14 September 2018 to 4 January 2019, details of changes to the planned start dates of audits from the approved 2018/19 Audit Plan. The report included the proposed amendments to the 2018/19 Annual Audit report together with an update on performance management information as at 4 January 2019.

The Audit Committee received periodic updates of progress against the Annual Internal Audit Plan. This was the third report giving feedback on the delivery of the 2018/19 Internal Audit Plan. The work of the Internal Audit was required to be reported to Members so that the Council had an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision were fulfilling its statutory obligations.

Audit Committee
17 January 2019

The report noted that since the September meetings of the Committee, there has not been any changes to the 2018/19 Audit Plan agreed with Officers of the Council. Contingency in the 2018/19 Annual Audit Plan for the Council currently stands at eight days.

Members considered the Audit Plan update and the information provided in Appendix A; progress against the 2018/19 Annual Audit Plan. Clarification was sought the General Data Protection Regulations (GDPR). It was noted that there may be a GDPR audit carried out next year.

The following points were raised and discussed:

- Since the September meeting of this Committee, there had been no changes to the 2018/19 Audit Plan agreed with Officers. Contingency in the 2018/19 Annual Audit Plan still stands at 8 days. There had been no high priority recommendations as a consequence of the work undertaken in the audits details.
- Performance Indicator for Planned Days delivery had increased 71% (218.5/309) and planned projected had increased to 63% (19/30).
- Fire Safety – Current level of assurance was noted as satisfactory. Fire Safety checks to be recommended to Cabinet Housing Panel; for housing stock.
- Any areas that are noted as *High* or *Critical* risk assessment within the Audit to be considered by the appropriate Panel or Committee for consideration.

RESOLVED

That the Internal Audit Progress Report for the period to 4 January 2019, and the proposed amendments to the 2018/19 Annual Audit Plan be noted.

52. EXTERNAL AUDIT PLAN

Members received a verbal report from Ernst and Young LLP (EY) on the External Audit Plan which provided them with an overview of the progress that had been made with work completed during the 2018/19 Audit.

It was noted that Andrew Brittain had replaced Neil Harris at EY.

The Audit Plan was similar to last year and there would be changes to the accounting standard. All the information would appear in the next External Audit Plan before the next meeting.

RESOLVED

That the verbal report be noted.

Audit Committee
17 January 2019

53. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING - QUARTER 4
DECEMBER 2018

Members considered the Local Government Audit Committee Briefing document from Ernest & Young LLP, it covered issues which may have an impact on the Council, the Local Government sector and the audits that EY undertake. The briefings provide not only the technical issues relevant to the Local Government sector but wider matters of potential interest to the organisation.

Members asked whether there had been any changes within the EY Team that the Council needed to be aware of; it was noted that due to open regular meetings there were no concerns raised, as Teams were working collaboratively.

In terms of challenges, it was noted that most councils last year encountered issues with Local Government Pension valuations.

RESOLVED

That the report be noted

Meeting ended at 8.30 pm
GP