

Audit Committee
17 October 2016

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the AUDIT COMMITTEE held on Monday, 17th October, 2016 at 7.30 pm in the Council Offices, The Campus, Welwyn Garden City, Herts, AL8 6AE

PRESENT: Councillors G Michaelides (Chairman)

S Markiewicz, H Quenet, N Pace, S Roberts and D Bell

ALSO Councillors D Bell
PRESENT:

OFFICIALS I Colyer – Principal Governance Officer
PRESENT: A Cremer – Risk and Resilience Manager
S Hulks – Governance Services Officer
T Neill – Head of Resources
D Williams – Internal Auditor

12. SUBSTITUTION OF MEMBERS

Councillor N Pace substituted for Councillor M Levitt.

13. APOLOGIES

Apologies were received from Councillor M Levitt.

14. MINUTES

The Minutes of the meeting held on 25 July 2016 were confirmed as a correct record and signed by the Chairman.

15. ACTIONS UPDATE

There were no actions to update to the meeting.

16. NOTIFICATION OF URGENT BUSINESS TO BE CONSIDERED UNDER ITEM 11 AND ANY ITEMS WITHDRAWN FROM THE AGENDA

A late item had been submitted on the topic of the Appointment of External Auditors.

17. DECLARATIONS OF INTERESTS BY MEMBERS

Audit Committee
17 October 2016

There were no declarations of interest by Members.

18. PUBLIC QUESTION TIME AND PETITIONS

There were no public questions or petitions

19. RISK MANAGEMENT 2016

Members received a report which provided them with information on the top risks faced by the Council.

Officers advised that there would only be one more report produced in this format, after which there would be a new register following a planned workshop for new senior management to consider the risks to be monitored and the planned method of reporting.

Members asked whether a full complement of BME staff were employed by the Council. They were informed that this was an item which featured in the Action Plan of the Equality and Diversity Group. Officers agreed to obtain current statistics.

Members commented that there appeared to be a lack of solution to the issue of out of hours noise and they wondered whether working with another authority could help with enforcement.

Members asked why there had been an increase in the risk level given to FS19. They were informed that officers felt that fraud had become more common and more sophisticated and whilst Welwyn Hatfield had not become victim to major fraud, the higher risk level reflected more accurately the risk of it happening.

RESOLVED

To note the top operational and strategic risks, the controls that are assigned and ensure that mitigation plans are in place where necessary.

20. SIAS PROGRESS REPORT 2016

Members received the Internal Audit Progress Report which informed them of the status of items within the Audit Plan.

It was noted that 49% of audit days had been delivered and, in addition to the information in paragraph 2.2 of the report, a further audit had been completed on the Disabled Facilities Grants.

Two further draft reports were completed, these being on Business Rates and CCTV.

Audit Committee
17 October 2016

Members asked for information on the Hatfield New Town Renewal Framework. They were advised that this was an informal group which was working on the regeneration of the town. The group had been formed based on goodwill and skill sets.

Members questioned whether a framework was suitable for this group. Officers advised that the main criteria for the framework was to allow oversight of the money in the fund and how it was spent.

RESOLVED

To note the report which Members agreed showed that the audit plan was progressing well.

21. SIAS ANNUAL REPORT 2015-16

Members received a report which provided them with information on the work of the Shared Internal Audit Service (SIAS).

Members commented that the service provided Value for Money and that it had proven a success.

It was noted that the surplus in the accounts was contingency for times when specific expertise needed to be bought in or to cover for sickness or maternity absences.

Members asked whether there was an intention to set the target for delivery of audit days and draft audit reports completed to 96%. They were informed that, as this was a report showing the work done for all of the authorities in the scheme, a higher target might not be reasonable. However, this point would be raised at the Board meeting.

Members asked for an explanation of "RCCO". Subsequent to the meeting this was identified as Revenue Contribution to Capital Outlay.

22. SUCH OTHER BUSINESS AS, IN THE OPINION OF THE CHAIR, IS OF SUFFICIENT URGENCY TO WARRANT IMMEDIATE CONSIDERATION

Members received a report which advised them of a change to the method of selecting and appointing an external auditor. (The Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015 (the regulations) refer).

There will be two options:

1. To appoint locally
2. To join the national appointment scheme

Audit Committee
17 October 2016

Information was provided on both options and Members were advised that the final decision would be made by Full Council in January or February.

The reason for bringing the item as urgent was to allow for a procurement process prior to reporting to Council and to give Audit Committee members the opportunity to comment prior to the procurement exercise and for the comments to be included in the report to Council.

Members were advised that, should the Council join the national scheme, any of the national audit firms could be appointed.

Members commented that they felt that the collective idea was a better one and they could not see any benefit in going alone. They felt that any small or medium sized local audit firm would not have the expertise required to undertake the audit of the Council.

Officers had suggested that, in future, the decision could be made by the Audit Committee as a delegated power. However, Members felt that it should remain a Full Council decision and this would give it more gravitas.

It was thought that, should the national scheme appoint the current auditors to Welwyn Hatfield, so exceeding the period allowed for such an arrangement, there would be a fall back position in place.

RESOLVED

To support a recommendation to Full Council for Welwyn Hatfield Borough Council to join the national appointment scheme.

Meeting ended at 8.20 pm