

Audit Committee
3 April 2017

WELWYN HATFIELD COUNCIL

Minutes of a meeting of the AUDIT Committee held on 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, H.Quenet and S.Roberts

ALSO Councillors D.Bell – Executive Member Resources
PRESENT:

OFFICIALS K Ng – Executive Director (Resources, Environment and Cultural
PRESENT: Services)
I Colyer – Principal Governance Officer
A Cremer – Risk and Resilience Manager
S Hulks – Governance Services Officer

M Mulkerrin – Shared Internal Audit Service

30. SUBSTITUTION OF MEMBERS

There were no substitutions of Members.

31. APOLOGIES

There were no apologies.

32. MINUTES

The Minutes of the meeting held on 16 January 2017 were confirmed as a correct record and signed by the Chairman.

33. ACTIONS UPDATE

Members were advised that the recommendation to Cabinet that the invitation to join the national scheme of auditor appointments had been approved.

34. SHARED INTERNAL AUDIT SERVICE (SIAS) PROGRESS REPORT

Members received a report which provided them with an update on the progress of the Internal Audit service against year-end targets.

It was noted that the Shared Internal Audit Service (SIAS) had faced significant resourcing challenges during the year which had impacted on service delivery.

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Housing Services had now been re-integrated back into the Council and the report showed the combined position for the Council and the Trust in early March.

It was thought that the target of 95% delivery of billable days would be met and that 90% of audits against a target of 95% would be delivered to draft.

Since the report was sent for publication, one more report had been submitted as draft and five as final.

There were three audits that had not been completed and would be concluded in quarter 1 of 2017-2018, these being Prevent, Local Authority Trading and Data Security.

Members were advised that a higher level than normal of contingency had accumulated in 2017-2018 as the safeguarding and corporate governance audits had been carried forward (these had been included in both the Council and Trust Plans). A second IT audit (at both the Council and the Trust) had not been identified and Planning at the Trust was not required.

Members asked how material the level of refunds at Campus West were. It was agreed that officers would provide this information outside of the meeting.

Members commented that they were concerned that targets had not been met this year and they hoped that SIAS would be able to provide their usual good service during 2017-2018.

RESOLVED to note the report which provided details of the progress of the Internal Audit Service against year-end targets.

35. SHARED INTERNAL AUDIT SERVICE (SIAS) AUDIT PLAN REPORT 2017-2018

Members received a report which provided them with details of the 2017-2018 annual audit plan, which had been developed with input from officers of the Council, SIAS and the external auditor. The plan had been agreed by the Council's S151 officer.

Quarter 1 audits have been allocated to SIAS team members and planning of the audits has commenced.

Should there be any audits that could not be undertaken during the year, a substitute would be adopted.

The Performance Indicators for the year were at the same level as 2016-2017.

Members asked whether the staffing issues that had previously been mentioned were resolved. They were advised that SIAS was going through a restructure

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and the Head of Assurance was of the opinion that resources would be adequate.

Members were concerned that there were fewer days allocated to audits this year and they felt that this might be a risk if problems were encountered. It was explained that ten days had been taken out as, now that housing had been re-integrated, there would not be the need for some admin days.

Members asked who made decisions about what was included in the scope of an audit. They were advised that this was done jointly by SIAS, the Head of Service, the Director and the Principal Governance Officer. Members were welcome to feed into the scoping process if they felt that there was a particular issue.

It was noted that the audit plan was fluid and could be amended to reflect any issues that might arise.

RESOLVED to note and approve the audit plan and performance indicators for 2017-2018.

36. RISK MANAGEMENT

Members received a report which provided them with details of the top risks facing the Council and the controls put in place to mitigate these risks.

There were key changes which had impacted the risks this year, these being:

- Change of risk management software,
- A review of the risk register,
- The integration of the Housing Trust into the Council.

It was noted that two risks had become high risk due to the change of Chief Executive and changes to the structure. These were the inclusion of the Trust and its risk register and Elections.

Members expressed concern that the risk to Hackney Carriage officers was being accepted and no mitigation put in place. Officers said that, in fact, the issue of video badges to the officers had reduced the incidence of casual abuse. Also, recording of telephone calls had also resulted in a reduction of abuse.

It was noted that quotes had been received to tackle the issue of fire risk in the server room and the solution would be implemented as soon as possible.

RESOLVED to note the report which provided details of the top risks to the Council, the controls assigned to the risks, the mitigation plans and the notes provided within the register.

37. ACCOUNTING POLICIES AND FINANCIAL STATEMENT UPDATE - 2016/2017 STATEMENT OF ACCOUNTS

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Members received a report which provided them with details of the accounting policies adopted for 2016-2017 and the changes to the presentation of the Financial Statements.

Members were advised that the presentation of the Income and Expenditure statement had changed and that categories now matched the Management Statement. Officers would be re-instating the 2015-2016 figures for comparison purposes.

It was noted that there was no longer a requirement to publish the notice of Statement of Accounts in the local newspaper, as long as they were published on the Council's website. It had therefore been decided that Welwyn Hatfield would no longer publish in the local paper, so making a financial saving.

It was expected that the Statement of Accounts would be with the Executive Director by the end of May and with the external auditor by early June. It was intended that there would be an early sign-off of the accounts.

It was noted that there had been good reports received from the auditors regarding the work of the finance team and other authorities had asked for copies of the working papers in order to improve their own performance.

Members commented that it was only through the hard work of the finance officers that their work was now held in such high regard. At one time the working papers had been poor, but through the hard work of the officers, they were now exemplary. Whilst there had been a turnover of staff in this area, the key workers were still in place.

RESOLVED to note the accounting policies and the changes to the Financial Statements. Also to note that the Council will no longer publish the notice of the Statement of Accounts in the local paper.

Meeting ended at 8.10 pm