

AUDIT COMMITTEE

30 July 2019

Present: Councillor D Scudder (Chair)
Councillor I Stotesbury (Vice-Chair)
Councillors K Hastrick and J Johnson

Also present: Jo Taylor (EY)

Officers: Group Head of Democracy and Governance
Head of Finance
Client Audit Manager, Shared Internal Audit Service
Fraud Manager
Senior Democratic Services Officer

1 Apologies for Absence/Committee Membership

Apologies for absence were received from Councillor Bashir.

There was a change of membership for this meeting: Councillor Hastrick replaced Councillor Kloss.

2 Disclosure of Interests (if any)

There were no disclosures of interest.

3 Minutes

The minutes of the meeting held on 14 March 2019 were submitted and signed.

4 Freedom of Information Act Requests 1 October 2018 to 31 March 2019

The committee received a report of the Group Head of Democracy and Governance which included details of the Freedom of Information requests for the last six months of 2018/19.

The Group Head of Democracy and Governance responded to questions from the committee. She advised that services were reminded to respond to Freedom of Information requests within the specified time limit. If the person did not receive a response within 20 working days they could make a complaint to the

Information Commissioner. Within the appendix 'N/A' meant that the 'Date responded' was not available. She assured the committee that she had spoken to the relevant Head of Service.

The Head of Finance stated that her service had responded to the requests, although some of them were late.

Further to another question about response rates, the Group Head of Democracy and Governance commented that the number not available was worse than the previous report and there had been fewer requests during the last six months. She believed that some services had not informed the Customer Service Centre, who collated the information, that responses had been sent. This would mean the overall statistics may be better than they appeared in the report.

The Group Head of Democracy and Governance explained the process officers followed in responding to Freedom of Information requests.

RESOLVED –

that the report be noted.

5 **Fraud Annual Report**

The committee received a report of the Fraud Manager which provided the annual review of the Fraud team's work.

The Fraud Manager highlighted some of the key points within his report. Following a question about the risk rating at the beginning of the report, the Fraud Manager explained that this related purely to the report and not the work carried out by the Fraud team. He also advised that the team worked closely with the Police. The court service had been centralised and officers had to go to Luton to obtain relevant legal documentation. Officers had experienced problems but worked with the service that was available.

RESOLVED –

that the report be noted.

6 **SIAS 2018/19 Annual Assurance Statement and Internal Audit Annual Report**

The committee received a report of the Head of Assurance for the Shared Internal Audit Service, setting out the Annual Assurance Statement and Internal Audit Annual Report.

The Client Audit Manager highlighted some of the key points in the report. The Audit Charter was similar to the one published for 2018/19.

The Head of Finance confirmed that there were no issues and the scope of internal audit work had not been subject to inappropriate limitations in 2018/19.

It was noted that one piece of work had not been assessed during 2018/19. The Client Audit Manager explained that this related to Disabilities Facilities Grant (DFG) Capital Grant Certification sign-off and was not a formal audit. If it was felt necessary a DFG audit would be carried out and added to the Audit Plan. This type of review would be subject to an assurance opinion.

RESOLVED –

1. that the Annual Assurance Statement and Internal Audit Annual Report be noted.
2. that the results of the self-assessment required by the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme be noted.
3. that the SIAS Audit Charter be accepted.
4. that management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2018/19 be noted.

7 **SIAS Progress Report**

The committee received a report of the Client Audit Manager setting out the progress on the outstanding recommendations from previous audits and amendments to the current Audit Plan.

The Client Audit Manager referred members to the timeline. This showed that only a few audits had started but more would be carried out as the year progressed. He reminded members that the cyber security update on outstanding internal audit recommendations had been circulated prior to the meeting. The update included one request to extend the date and one recommendation had been completed.

RESOLVED –

1. that the Internal Audit Progress Report for the period to 12 July 2019 be noted.

2. that the removal of the implemented recommendations shown in Appendix C to the report and the additional information on cyber security circulated prior to the meeting be agreed.
3. that the change to the implementation date for the one recommendation set out in Appendix C and one recommendation set out in the additional information about cyber security be agreed.

8 Treasury Management Annual Report 2018/19

The committee received a report of the Head of Finance which included the year-end review of the Treasury Management function.

The Head of Finance informed the committee that the council had complied with the Treasury Management policy during the year. She added that in paragraph 3.12 the date should have read 31 March 2019 and not 30 September 2018.

RESOLVED –

that the Annual Treasury Management Report be noted.

9 2018/19 Statement of Accounts and Annual Governance Statement

The committee received reports from the Head of Finance and the council's external auditor, EY.

The Head of Finance informed members that the Annual Governance Statement was unchanged from the draft version. There had been one change to the Statement of Accounts which was an amendment to the pension figures. Officers were still awaiting information from the actuaries as to the exact impact of legal rulings about public sector pensions.

Jo Taylor, from EY, then provided an overview of the external auditor's 'Audit Results Report'. She advised that there were still a few things to complete, one of which had been in connection with Watford Health Campus Partnership LLP. The audit returns had only just been received from PWC; these would need to be checked before the final report could be issued. It had been noted that the completion of Croxley Business Park had only just been done and therefore was not relevant to the 2018/19 financial statement. The advice and procedure into the acquisition had been checked and the correct process had been followed. She finished by stating that the audit fee had been reduced from previous years. The report included a copy of the council's management representation letter,

which would be signed by the Chief Financial Officer, the Director of Finance, and the chair of Audit Committee.

The Head of Finance wished to record thanks to the team from EY for their work in auditing the council's financial processes. She added that a lot of work had been done to get the audited accounts from PWC in time.

It was acknowledged that all local authorities had to complete their Statement of Accounts by 31 July. This meant that the external auditors had a great deal of work to complete in conjunction with local authorities between 1 April and 31 July.

RESOLVED –

1. that the Annual Governance Statement be approved.
2. that the 2018/19 Statement of Accounts be approved.
3. that the Watford Borough Council Audit Result report for year ended 31 March 2019, produced by EY, be noted.

10 **Committee Work Programme**

The committee received its updated work programme. The Head of Finance explained that the programme usually followed a regular pattern. If members required any training as shown in the appendix they should inform the officers who would arrange for it to be included at future meetings.

RESOLVED –

that the work programme be noted.

Chair

The Meeting started at 7.00 pm
and finished at 8.00 pm