

AUDIT COMMITTEE

5 December 2019

Present: Councillor D Scudder (Chair)
Councillors J Johnson, P Kloss and J Pattinson

Also present: Councillor Mark Watkin, Portfolio Holder

Officers: Group Head of Democracy and Governance
Head of Finance
Client Audit Manager, Shared Internal Audit Service
Democratic services officer (AG)

19 Apologies for Absence/Committee Membership

There was a change of membership for this meeting – Councillor Stotesbury was replaced by Councillor Pattinson.

No apologies had been received from Councillor Bashir.

20 Disclosure of Interests (if any)

There were no disclosures of interest.

21 Minutes

The minutes of the meeting held on 19 September 2019 were submitted and signed.

22 Annual Risk Report

The committee received a report of the Group Head of Democracy and Governance who introduced the report.

The Group Head of Democracy and Governance advised that the Corporate Risk Strategy had been updated during the course of the year. She explained how the Senior Leadership Team regularly reviewed the Corporate Risk Register and how the Organisational Leadership Team was responsible for ensuring that service risk registers were kept up to date.

She informed the committee that the Corporate Risk Register had been amended to remove three risks; two that were closed and one that had been merged with another. There had been one new risk added following the acquisition of Croxley Park.

In response to a question from members about risk number 15 in the Corporate Risk Register, the Group Head of Democracy and Governance confirmed that this was a post mitigation calculation and agreed that the matter be further discussed by the Strategic Leadership Team.

RESOLVED –

1. that the Corporate Risk Register and Risk Management Strategy be noted.
2. that the action requested be undertaken.

23

Freedom of Information Act Requests April to September 2019

The committee received a report of the Group Head of Democracy and Governance who introduced the report. This related to Freedom of Information Act requests received between 1 April 2019 and 30 September 2019.

The Group Head of Democracy and Governance informed the committee of the number of requests received and of the responses provided. She discussed an investigation by the Information Commissioner about a complaint relating to the withholding of information by the council in relation to a planning pre-application matter - where the Information Commissioner's office was satisfied that the council did not have the information the complainant thought it had and that no further action was to be taken.

In response to a question from the Chair, the Group Head of Democracy and Governance advised that there were no trends or patterns in relation to the cases when a reply to a request was made by the council outside the 20 working day time limit. A conversation ensued about the reasons for delays; particularly in respect of complicated cases.

RESOLVED –

that the report be noted.

24

External Audit Update - verbal update on the Housing Benefit Claim Audit

The Head of Finance provided an update to the Committee on progress with the Housing Benefit Claim Audit.

She advised that EY had communicated that Housing Benefit testing for the 2018/19 grant claim certification was ongoing and that a reporting deadline of 29 February had been agreed with the Department of Work and Pensions (DWP). This was later than the original deadline of 30 November - but similar to patterns experienced across much of local government this year and not symptomatic of any Watford-specific issues.

EY had also noted that planning for the 2019/20 financial statements audit would start from January 2020 onwards.

In response to a question from the Chair, the Head of Finance explained that it was preferred not to seek extensions and that the decision to make the request to the DWP had been left for as long as was possible in the circumstances.

25

Treasury Management Mid-Year Report 2019/20

The committee received a report of the Head of Finance providing details of the 2019/20 mid-year review of the Treasury Management function. The Head of Finance introduced the report.

She discussed a minor breach in respect of depositing in the banking system and informed the committee that the Croxley Park £92m monies had been placed with the Debt Management Office pending the appointment of fund managers.

RESOLVED –

that the report be noted.

26

Watford Borough Council draft Capital Strategy 2020/21

The committee received the Watford Borough Council Draft Capital Strategy 2020/21. The Head of Finance introduced the document.

She advised that the strategy was to go before council in January 2020 for approval with the budget - and was based on the latest monitoring position (that would be updated).

The Head of Finance concluded by discussing investment issues in respect of the Croxley Park monies.

RESOLVED –

that the report be noted.

27 **SIAS Internal Audit 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. He introduced the report to the committee.

The Client Audit Manager discussed the performance indicators in paragraph 2.10 of the report and how all these had been achieved. Three project reports had now been submitted in draft this year with a further 13 audits to be progressed over the next 4 months. It was noted that audits did not tend to be conducted on a pro-rata basis throughout the year.

The Client Audit Manager advised that the Safeguarding Audit would now take place in 2021 - with a new Community Safety Audit proposed for 2020; with the scope to be determined in the interim. He went on to discuss the ongoing Benefits Audit and, in response to a question from members, advised that action had been taken to address any potential General Data Protection Regulation issues.

The Client Audit Manager concluded by advising the committee that a report on the Hertfordshire Home Improvement Audit recommendations would be provided to the committee in March 2020.

RESOLVED –

1. that the Internal Audit Progress Report for the period to 22 November 2019 be noted.
2. that amendments to the Audit Plan as at 22 November 2019 be approved.
3. that the change to the implementation date for three recommendations (paragraph 2.5) for the reasons set out in Appendix C be agreed.
4. that removal of implemented audit recommendations (Appendix C) be agreed.

Chair
Audit Committee

The Meeting started at 7.00 p.m.
and finished at 7.30 p.m.

