

AUDIT COMMITTEE

16 September 2021

Present: Councillor M Hofman (Chair)
Councillor P Kloss (Vice-Chair)
Councillors N Bell and M Devonish

Also present: Councillor Mark Watkin, Maria Grindley (EY), Alison Kennett (EY) and Simon Luk (EY)

Officers: Head of Finance
Client Audit Manager, Shared Internal Audit Service
Democratic Services Manager
Democratic Services Officer (LM)

14 Apologies for Absence/Committee Membership

Apologies for absences were received from Councillor Turmaine.

15 Disclosure of Interests (if any)

There were no disclosures of interest.

16 Minutes

The minutes of the meeting held on 29 July 2021 were submitted and signed.

17 Statement of Accounts 2020/21

The committee received a report of Head of Finance updating on progress in completing the statement of accounts 2020/21.

The Head of Finance informed the committee of a change of recommendation from the proposals in the report. The team was at an early stage of the 2020/21 audit and the committee was asked to note the progress to complete the accounts. She advised that the accounts should be audited by 30 September, however this year there would be a delay caused by the delays to 2019/20 audit. The statement would be published on the council's website. Covid had had a significant impact and had affected many local councils.

In response to members' questions, the Head of Finance confirmed that the delay to 2020/21 audits was due to the knock on effect of the delay to the 2019/20 audit. The external auditors had been fully engaged with the service. The audit was reaching the final stages for the 2019/20 statement of accounts and it was hoped it would be finalised by the next meeting of the Audit Committee. The service was aiming to be back on track for the 2021/22 accounts.

In response to members' questions, the external auditors advised that they had the resources necessary for the Watford Borough Council audit and the delays had been caused by Covid and the complexity of the accounts. Looking ahead, it should be more straightforward.

RESOLVED –

that the committee notes the progress on the Statement of Accounts 2020/21.

18 **External Auditor update**

The committee received an update by the external auditors. The 2019/20 accounts were expected to be finalised in October. One of the issues for auditors had been in receiving information from council officers who were working at capacity. Resources were in place for 2020/21 audit.

In response to members' questions, it was stated that a larger sample (of over 40 items) was tested in the Housing Benefit audit for 2019/20 due to the number of errors identified in the previous year's audit.

19 **Shared Internal Audit Service (SIAS) Annual Report 2020/21**

The committee received a report of the Client Audit Manager, Shared Internal Audit Service, which set out the annual report for all of the work carried out by SIAS for all of its clients.

The report was a summation of work across all clients, Watford plus six other boroughs, the County Council and schools. The officer provided a review of the financial performance of SIAS, and a brief summation on the status of audits.

Members discussed the SIAS results process, significant issues raised and finances. There had been higher spend on consultancy fees due to vacancies within SIAS and had engaged with BDO, an accountancy firm, to help with this shortfall.

RSOLVED –

that the report be noted.

20 **Shared Internal Audit Service Progress report**

The committee received a report of the Client Audit Manager, Shared Internal Audit Service, and updating members on the progress report.

There had been good progress on this year's audits. There were more audits to be carried out in the second half of the year. The audits had been agreed with senior leadership; there was collaborative working.

The Chair noted that the recommendations in the communications audit appeared vague. He asked for further information. He reminded officers that the committee had requested sight of the full audit reports.

The Client Audit Manager advised he would review the communications audit report and update members at the next meeting regarding the detail of the recommendations made and management actions taken.

RESOLVED –

1. that the Internal Audit Progress Report for the period to 3 September 2021 be noted.
2. that the change to the implementation date for seven recommendations (paragraph 2.5 of the report) for the reasons set out in Appendix C to the report, be agreed.
3. that the removal of implemented audit recommendations set out in Appendix C to the report be agreed.

21 **Ombudsman's Annual Letter 2021**

The committee received a report of the Group Head of Democracy and Governance which included the annual letter from the Ombudsman

As the Group Head of Democracy and Governance was unable to attend the committee, members were advised to email her if they had any questions.

RESOLVED –

that the Ombudsman's Annual Letter be noted.

Chair

The Meeting started at 7.00 pm
and finished at 7.45 pm