

THREE RIVERS DISTRICT COUNCIL

At a meeting of the **Audit Committee** held in the Penn Chamber, Three Rivers House, Rickmansworth, on Tuesday 26 July 2016 from 7.30pm to 8.27pm.

Present: Councillor Sarah Nelmes (Chairman), Steve Drury (Vice Chairman), Heather Kenison (as substitute for Councillor David Coltman), Joy Mann, Angela Killick, Joan King.

Also in attendance:

Chris Wood	Audit Manager - Shared Internal Audit Service (SIAS)
Chris Hope	Head of Community Services
Joanne Wagstaffe	Director of Finance
Helen Wailing	Committee Manager
Lyn Ware	Interim Head of Property Services
Bob Watson	Head of Finance - Shared Services

Apologies for absence were received from Councillors Eric Bishop and David Coltman.

AC 16/16 DECLARATIONS OF INTEREST

There were none.

AC 17/16 FINANCIAL AND BUDGETARY RISKS

This report enabled the Committee to monitor the Council's financial and budgetary risks.

The risk in regard to failure of ICT systems was now risk 20, a financial risk, but was not on the strategic risk register.

RESOLVED:

That the Committee considered the financial and budgetary risks facing the Council, noted the latest position and commented on the officers' assessment of the likelihood and impact of a risk occurring.

AC 18/16 OUTSTANDING RECOMMENDATIONS – ASSET MANAGEMENT

This item was taken out of order due to timing at the meeting.

This report responded to the queries and challenges reported back after the meeting of Audit Committee on 28 June 2016.

The Interim Head of Property Services told Members that a plan was now in place and was achieving great results.

The Council also needed to look after its existing assets and manage them in a planned manner (e.g. Chorleywood Estate). Staff were very engaged with the work.

In response to a query from a Member, the Interim Head of Property Services said that officers were working on updating the Council's list of land assets.

In terms of the recommendations, as soon as the Uniform system was back in place, the required information would be obtained. Members noted that they hoped that the date for this would be earlier than the date in the recommendation.

RESOLVED:

1. That the Committee agree to the extension to 30 September 2016 for Ref No.01 as a plan has been put in place, is fully operational and on course to complete on time.
2. That the Committee agrees to the extension to 31 December 2016 for Ref No.02 and link to ICT until the Uniform update is applied and in full working order.

AC 19/16 OUTSTANDING RECOMMENDATIONS – HEALTH AND SAFETY

This item was taken out of order due to timing at the meeting.

This report responded to the queries and challenges reported back after the meeting of Audit Committee on 28 June 2016.

The Interim Head of Property Services confirmed that this work was now complete.

RESOLVED:-

That the Committee acknowledged that as of 12 July 2016 the task had been completed.

AC 20/16 OUTSTANDING RECOMMENDATIONS – DIESEL USAGE AUDIT

This item was taken out of order due to timing at the meeting.

This report recommended a process to resolve the outstanding audit recommendation.

The Head of Community Services said the following:

- Paragraph 2.4 of the report set out suggested solutions. In the short term, officers could undertake a reasonable level of spot-checking on a monthly basis.
- In regard to logging the dispensation of fuel, each driver had a key, which could only be used once a day, and was associated with a particular vehicle. When fuel was dispensed, this was logged instantly on the system. The downside was that there was currently only one link to one PC. This was why the plan was to replace the fuel pump, although this would cost in the order of £9,000. The camera logs on the pump could be viewed by the Operations Manager, and were kept for two weeks.
- The control of outgoing fuel was very tight. At night, the fuel pump could not be operated. There was also a camera directly pointed at the pump.
- If the driver was not working, there was a back-up key which was held by the Waste Supervisor.
- Managers were happy to carry out spot-check monitoring and if there were any issues, these could be fed back to the Audit Committee, or through the service planning process. The Waste Supervisor was likely to pick up any variances quickly.

The Audit Manager stated that he agreed that the introduction of spot checking from August 2016 would address the audit issues within the current systems available.

Members noted that it might be a possibility in the future for the relevant Service to make a bid for £9,000 for the ICT provision, should the spot checking prove not sufficient.

RESOLVED:

1. That Committee notes the further improvements made to fuel monitoring at the depot as detailed in 2.3 of the report.
2. From August 2016 officers introduce manual spot checks comparing mileage and fuel consumption on vehicles as detailed in section 2.4 of the report
3. Committee, subject to the success of the spot checking, supported the preparation of a capital bid to replace the fuel pump as detailed in paragraph 2.4 of the report for consideration by Council at the 2017/18 budget setting

AC 21/16 INTERNAL AUDIT RECOMMENDATIONS – APPENDICES 3-9 RE-PRESENTED

This item was taken out of order due to timing at the meeting.

This report gave details of the progress made in implementing the recommendations of the internal auditor.

Members went through the recommendations in which amendments had been made, and the following points were made:

- NDR 2014/15 – 03 – the Council was currently working with the ICT provider to look at what mobile solution could be used by officers. It was necessary to ensure that Academy would support the Surface Pro tablet.
- Enforcement 2014/15 – 01 and 02 – Members noted that there had not been a Licensing Officer in post for a long period of time.
- Benefits 2014/15 – 06 – the Anite upgrade needed to be completed so that the database could be cleared.

RESOLVED:

1. That the Committee noted and agreed the revisions to the Internal Audit Recommendations Log.
2. That the Committee note the implemented management actions to the recommendations in the log and agree that these are now removed from future revisions of the log.
3. That the Committee agrees the changes to the implementation date for 16 recommendations for the reasons set out in Progress report and note that the remaining 4 recommendations are subject to separate reports shown elsewhere on this agenda.

AC 22/16 IMPACT OF THE REFERENDUM RESULT TO LEAVE THE EU

The Committee in June 2016 requested a briefing note on the implications of the recent referendum to leave the European Union.

Members thanked the Head of Finance for preparing a very useful report.

The Head of Finance said that the key message in the report was that things were still uncertain.

Members noted that the Committee would like an update if / when Article 50 was triggered.

The Head of Finance informed the Committee that the Treasury Outturn report and the Annual Treasury Strategy which were both presented to the Committee, contained an update on the economic climate and this was likely to have a major section on the “Brexit” implications and could be the more appropriate place to report any future developments.

RESOLVED:

That the Committee noted the report.

CHAIRMAN