

## THREE RIVERS DISTRICT COUNCIL

At a meeting of the Audit Committee held in the Penn Chamber, Three Rivers House, Northway, Rickmansworth, on Tuesday 5 December 2017 from 7.30pm to 8.29pm.

Present: Councillors Sarah Nelmes (Chairman), Steve Drury (Vice-Chairman), Eric Bishop, Joan King, Joy Mann and Keith Martin.

Also in attendance:

Alan Cooper	Client Audit Manager (SIAS)
Andrew Cox	Head of Service Transformation
Emma Tiernan	ICT Section Head
Bob Watson	Head of Finance
Sherrie Ralton	Committee Manager

### **AC 31/17 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Kemal Butt.

### **AC 32/17 MINUTES**

The minutes of the meeting held on 4 July 2017 were confirmed as correct record and were signed by the Chairman subject to the following amendments:

The update on Staff Vacancies was to be reinstated as a standing item on the Work Programme.

*Post Meeting Note: Item AC 29/17 the Staff Vacancy update had now been forwarded to the Committee.*

### **AC 33/17 NOTICE OF OTHER BUSINESS**

There was none.

### **AC 34/17 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **AC 35/17 FINANCIAL AND BUDGETARY RISKS**

The Committee received a report on the monitoring of financial and budgetary risks. The Head of Finance said that there were no new risks or changes since the last report.

A Member asked whether there was a risk in not having sufficient resources to achieve the strategic aim. The Chairman suggested that the resourcing issues be raised at the next Management Board Meeting under Financial and Budgetary Risks as there was general concern about the lack of resources and that the raising of revenue may be slipping due to lack of resources.

RESOLVED:

That the Committee:-

- a) Considered the financial and budgetary risks facing the Council;

- b) Noted the latest position;
- c) Commented on the Officer's assessment of the likelihood and impact of a risk occurring and
- d) Requested that the Committee's concern about the resourcing issues be raised at the next Management Board Meeting under Financial and Budgetary Risks.

*Post Meeting Note: The Head of HR advised that this is a regular item on Management Board Agenda and will include starters and leavers in the organisation reports*

#### **AC 36/17 ANNUAL GOVERNANCE STATEMENT (AGS) – ACTION PLAN UPDATE**

The Committee received a report providing details of the progress resulting from the Annual Governance Statement (AGS). The Head of Finance reported that the two ICT recommendations had been completed and signed off. It was proposed that this should be removed from the standing items until the next risks appear.

RESOLVED:

1. Noted the progress made against the action plan.
2. That this item be removed from the standing items until the next risks appear.

#### **AC 37/17 INTERNAL AUDIT PROGRESS REPORT 2016/17**

The Committee received a report on the progress made in implementing the recommendations of the Internal Auditor.

The Committee welcomed Alan Cooper, Client Audit Manager (SIAS) who would be presenting SIAS reports following a restructure. He confirmed that as he had been involved with the writing of the reports for this Committee for some time there would be no loss of continuity.

He advised that under Attachment 1, the current delivery plan was on track. Point 2.9 on the planned days it showed 61% had now risen to 62%.

It was noted that on Appendix 2 although the South Oxhey audit was behind schedule, this was partly due to the absence of the Lead Auditor due to sickness and the audit will be concluded in quarter 4.

It was noted that under item 2.4 the oldest outstanding Audit recommendation was dated 2014/15 which was a great improvement on September when it was shown as 2010/11. Significant progress had been made with the recommendations.

The following queries were raised on Attachment 2:

- *Tree Surveying, Item 02.* The comment 'It would appear that trees at all our key sites had now been surveyed' seemed vague. The Committee asked for a reminder to be flagged to the Department that the deadline for this item to be finalised was March 2018.
- *Asset Management, Item 02.* Regarding the Uniform Application Property Services had undergone a restructure and a role was still to be allocated. This had caused delays to the upgrade. The ICT Section Head agreed to pick this up as an action.
- *Contract Management 2015/16, Item 01.* The Committee requested that the Emergency Planning and Risk Manager attend the next Meeting with an update.

- *Contract Management 2016/17, Item 01.* The Committee expressed concern the revised date of 31 March 2018 would be achieved. Recruitment was taking place for the Property Manager role but it was unlikely that the post would be filled before January / March 2018. The Committee requested the Head of Property and Major Projects attend the next Meeting with an update.
- *Starters and Leavers 2016/17 Item 05.* The ICT Section Head explained that there was a process in place for Starters and Leavers. The onus was on the HR Department to ensure the process was adhered to. The Head of Finance confirmed that the list of starters and leavers was presented at Leadership Team and Management Board and signed off quarterly to ensure it was up to date. The Head of Service Transformation said the CRM workflow process should streamline the process. This should be completed within the next 12 to 18 months.
- *Follow up of the Legacy IT Audit Recommendations Item 01 and 02.* The deadline of 31 December 2017, the ICT Section Head confirmed the disaster recovery testing would take place 23 – 26 January 2018 and that item 01 would be completed by 31 December 2017.
- *Licensing 2017/18, Item 01.* The Client Audit Manager (SIAS) confirmed that it would be legitimate to hold emails in a generic inbox.

RESOLVED:

- a) Noted the report and agreed the revisions to the Internal Audit Recommendations; and
- a) Agreed the changes to the implementation date for six recommendations for the reasons set out in the Progress Report.

With the following actions:

- The Principal Landscape Officer to be reminded that the Tree Survey was due to be completed by March 2018. *Post Meeting Note: SIAS Client Service Manager will update on 20 March 2018.*
- The ICT Section Head to pick up the upgrade of the Uniform App.
- The Emergency Planning and Risk Manager to attend the next Meeting with an update on item 01 Contract Management 2015/16;
- The Head of Property and Major Projects to attend the next Meeting with an update on item 01 Contract Management 2016/17.

**AC 38/17 TREASURY MANAGEMENT – 2017/18 MID YEAR REVIEW**

The Committee received a report giving details of the 2017/18 Mid Year Review of the Treasury Management function.

The Head of Finance explained that the targets were being achieved and Management Strategy had been complied with. Progress was being made with the property investments. He advised the Committee that the Property Investment Strategy was reported to the Policy and Resources Committee.

Item 2.5 The Council's Capital Position, a Member queried why the major leisure project in South Oxhey funding costs would be met by the increased income from the contractor. It was explained that it was financially beneficial that as part of the contract the Council borrowed the money and took repayment as part of the Management Fee due to the Council's access to PWLB funding.

A Member queried whether the Council were getting value for money on their property investments from the Auditor's perspective. The Head of Finance advised that this was overseen by the Policy and Resources Committee and that the Head of Property and Major Projects would be invited to attend the next Audit Committee Meeting.

RESOLVED:

1. Noted the contents of the 2017/18 Mid-Year Review of the Treasury Management Function.

With the following action:

- The Head of Property and Major Projects to attend the next Meeting with an update.

*Post Meeting Note: HoF advised that Property Investments were reported on at Policy and Resources Committee so there would not be an update at Audit Committee.*

#### **AC 39/17 FINANCIAL PLANNING – TREASURY MANAGEMENT**

The Committee received a report that enabled the Policy and Resources Committee to recommend to council its Treasury Management Strategy Statement.

The Head of Finance advised that he would circulate the new Property Strategy once completed.

RESOLVED:

That the report be noted and that the Property Strategy be circulated to the Committee once completed.

*Post Meeting Note: See Policy & Resources Committee notes 19 March 2018*

#### **AC 40/17 COMMITTEE'S WORK PROGRAMME**

The Committee's Work Programme was presented and the Chairman asked that the additional item be added as discussed:

- Update on Staff Vacancies to be a standing item (to include resource update, positions covered by interim, agency and contractors).

RESOLVED:-

That the additional item listed above be added to the Work Programme.

#### **AC 41/17 OTHER BUSINESS**

There was no other business.

CHAIRMAN