

THREE RIVERS DISTRICT COUNCIL

At a meeting of the Audit Committee held in the Penn Chamber, Three Rivers House, Northway, Rickmansworth, on Thursday 27 September 2018 from 7.30pm to 8.30pm.

Present: Councillors Keith Martin (Chairman), Sarah Nelmes (Vice-Chairman), Margaret Hofman, Joy Mann, Joanna Clemens and Joan King.

Also in attendance:

Alan Cooper	Client Audit Manager (SIAS)
Alison Scott	Head of Finance
Phil King	Data Protection Officer
Terry Baldwin	Head of Human Resources
Emma Tiernan	ICT Client Section Head
Sherrie Ralton	Committee Manager

AC 17/18 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor David Coltman, Marilyn Butler and Steve Drury.

AC 18/18 MINUTES

The Minutes of the Audit Committee meeting held on 24 July and 31 July 2018 were confirmed as a correct record and were signed by the Chairman.

AC 19/18 NOTICE OF OTHER BUSINESS

There was none

AC 20/18 DECLARATIONS OF INTEREST

There were no declarations of interest

AC 21/18 RISK MANAGEMENT STRATEGY

This report proposed that a revised Risk Management Strategy be recommended to the Policy and Resources Committee.

The Data Protection Officer advised they had simplified both the process and scoring system of the register.

The Committee agreed that the revised format of the Risk Register had been well written and provided all the information required. The Data Protection Officer advised that the format allowed for each of the columns to be filtered as required but agreed that the standard format would be to list the higher risks at the top.

Members felt the new Strategy was very clear, easy to understand and a great improvement.

The Chairman suggested that it would be beneficial for Officers to be invited in to do a deep dive on key risks to give the Committee a better understanding. This was agreed in principal. The Head of Finance agreed to talk about any particular risks should there be any at the Audit Committee Meeting on 4 December.

Section 9 Roles and Responsibilities, the Committee agreed were accurate for Audit.

Also under Roles and Responsibilities the various levels and risks listed but did not include a reporting line. It was requested for this information to be added.

The Chairman asked whether there was a report to track how progress was being made against the objectives. The Data Protection Officer replied that the objective was to embed Risk Management into the Council and so could be difficult to measure. However the following examples were suggested:

- All staff have been trained
- Risk registers have been updated
- Senior roles to have risk management within the job description

These objectives would be linked back to the Risk Management Strategy. This information would be requested for a report for the Audit Committee Meeting on 4 December

RECOMMENDED:

That the Audit Committee noted the review and updating of the Risk Management Strategy and recommended that the Policy and Resources Committee agreed the Risk management Strategy attached to the report at appendix 1.

The Data Protection Officer to provide a report on progress against the objectives for the Audit Committee Meeting on 4 December.

AC 22/18 FINANCIAL RISK REGISTER

This report advised the Committee on the latest position in respect of the evaluation of financial risks facing the Council for discussion and any recommendations/comments they wished to make.

A Member said the Risk Register was much easier to understand.

The Head of Finance confirmed that under items 9 and 10, the risk likelihood scores after mitigation should be 2s.

The Committee agreed that the bullet points used to show new items and the arrows on the register were very useful.

RESOLVED:

That Committee reviewed the risk register and commented accordingly

AC 23/18 INTERNAL AUDIT PROGRESS REPORT

This report detailed the progress made in delivering the 2018/19 internal audit plan and implementing the recommendations made by internal audit.

The Client Audit Manager highlighted some of the points under paragraph 2.2.

The 4% difference of audits at draft report stage represented Agency spend from the Shared Services Plan, and this was due to be completed by the following week.

Audit Charter 2018/19 section 8.3 had been amended to reflect the oversight role of the Audit Committee on governance, risk and control.

There were three recommendations where date extensions had been requested by Management; Land Charges, Development Management and Cyber Security. Land Charges and Development Management had a priority rating of 'Merits Attention' which was considered a low rating.

It was suggested that the recommendations with lower priorities could be monitored as an 'overall', whilst those with higher priorities be brought forward for individual monitoring. The Client Audit Manager would look at a more effective way of presenting the information for the December Audit Committee Meeting.

The ICT Client Section Head proposed an extension on the Cyber Security item that covered the decommissioning of aged equipment that was out of support from Microsoft. This included servers with legacy applications that could not be upgraded. Migration was underway to part of the network within a 'Walled Garden'. They were confident that by 31 December these servers would either be moved or decommissioned.

The Chairman proposed that the extension be granted and a full written report be submitted for the December meeting. The ICT Client Section Head would not be required to attend.

RESOLVED:

1) Noted and agreed the revisions to the Internal Audit Recommendations Log and agreed the changes to the implementation date for recommendations for the reasons set out in the Progress report.

2) ICT Client Section Head to provide a full written report to the Audit Committee on 4 December 2018 but would not be required to attend.

3) The Client Audit Manager to seek a more effective way of presenting the lower priority recommendations and report back to the Audit Committee on 4 December 2018

AC 24/18 SIAS BOARD ANNUAL REPORT 2017/18

This report presented the annual SIAS Board report that was approved by the SIAS Board in June, and had been presented to all SIAS partner Audit Committees.

The Client Audit Manager advised that the report provided an overview of all SIAS clients in one document and it includes trends and developments for the service in 2018/19.

There were no questions.

RESOLVED

Shared Internal Audit Service Annual Report for 2017/18 be noted.

AC 25/18 EXTERNAL AUDITORS ANNUAL AUDIT LETTER 2017/18

The Head of Finance advised that last time the Committee had received the draft and this was the final External Auditors Annual Audit Letter 2017/18, the only change being the removal the word 'Draft'.

A Member asked whether a simple synopsis page of the annual accounts could be provided as a public friendly summary. The Head of Finance would look into the feasibility and suggestions for producing a suitable document for the 2018/19 accounts, potentially for use on the website, for the next meeting.

RESOLVED

That the External Auditors Annual Audit Letter 2017/18 be noted

AC 26/18 UPDATE ON STAFF VACANCIES

The report detailed the current vacancies and the action being taken with each. The report also gave an outline to the Academy approach used within Customer Service Centre (CSC) and how this supported recruitment to vacant posts within Three Rivers District Council.

The Head of Human Resources reported that the Revenues and Benefits posts were out to advertisement for fixed term contracts.

He also highlighted the successful 'Academy' approach that was in operation. A Member commented on the positive impact this had had of retaining staff, appointing staff with a background knowledge of the Council and appointing staff cost effectively. Congratulations were made to the Director of Community and Environment and the CSC Manager for implementation.

A Member queried the 16 vacancies and also asked how much was spent on agency staff. The Head of HR replied that the number of vacant posts was going down. The vacancies in Revenues and Benefits had been held due to a restructure, in case of possible redundancies but these were now to be filled as fixed term contracts. The Officer did not have the agency staff figures available.

A Member queried paragraph 2.4 of the report on the positive impact of the reduction of the age profile with the Academy approach. The Head of HR explained that this would help to manage the age profile across the Council and also encourage career progression.

The Chairman proposed that in future Staff Vacancy information was to be noted on the Operational Risk Register which was brought to Audit Committee annually, it was not appropriate for the Financial and Budgetary Risk Register.

RESOLVED

- 1) That Members of the Audit Committee noted the report
- 2) That this item would in future be part of the Operational Risk Register instead of the Financial and Budgetary Risk Register.

AC 27/18 COMMITTEE'S WORK PROGRAMME

The Committee's Work Programme was presented for the Committee to review and make any necessary changes.

RESOLVED:

That the Work Programme be noted.

CHAIRMAN