

## THREE RIVERS DISTRICT COUNCIL

### MINUTES

At a meeting of the Audit Committee held in the Penn Chamber, Three Rivers House, Northway, Rickmansworth, on Tuesday 3 December 2019 from 7.30pm to 8.03pm.

Present: Councillors Keith Martin (Chairman), Dominic Sokalski (Vice-Chairman), Tony Humphreys, David Raw and Michael Revan.

Also in attendance:

Alan Cooper	Client Audit Manager (SIAS)
Alison Scott	Head of Finance
Jo Taylor	External Auditor, EY
Sarah Haythorpe	Principal Committee Manager

#### **AC 31/19 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Joanna Clemens.

#### **AC 32/19 MINUTES**

The Minutes of the Audit Committee meeting held on 26 September 2019 were confirmed as a correct record and were signed by the Chairman.

#### **AC 33/19 NOTICE OF OTHER BUSINESS**

There were no items of other business.

#### **AC 34/19 DECLARATIONS OF INTEREST**

None received.

#### **AC 35/19 TREASURY MANAGEMENT MID-YEAR REPORT 2019/20**

This report gave details of the 2019/20 mid-year review of the Treasury Management function.

RESOLVED:

Noted the contents of the 2019/20 mid-year review of the Treasury Management function.

#### **AC 36/19 DRAFT TREASURY MANAGEMENT STRATEGY 2020/21**

This report asked for comments of the Committee on the Draft Capital Strategy for 2020/21.

The Head of Finance advised the strategy would be updated as the Council went through the budget process and would ultimately be agreed at the budget Council meeting in February. It was coming to the Committee to seek any comments as part of the budget setting process.

RESOLVED:

Noted the contents of the Draft Capital Strategy 2020/21 but the Committee had no comments to make.

## **AC 37/19 SIAS INTERNAL AUDIT PROGRESS REPORT**

The Client Audit Manager advised that the report provided details on the:

- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's annual audit plan for 2019/20 as at 22 November 2019.
- b) Proposed amendments to the approved 2019/20 Annual Audit Plan.
- c) Implementation status of all previously agreed audit recommendations from 2016/17 onwards.
- d) An update on performance management information as at 22 November 2019.

With regard to an outstanding Revenue and Benefits recommendation "we recommend that testing of the module is carried out to reinstate the ability to delete obsolete data" the Client Audit Manager advised that the Head of Revenue and Benefits had advised this would be resolved in January.

The Head of Finance advised that the Council had now been able to appoint a new Revenue Manager who would be starting in January.

The Chairman noted that there were no high or critical priorities which showed there was good governance within the Council and higher controls in place.

The Client Audit Manager advised that an audit of Herts Building Control Company had commenced. SIAS were currently looking at preparing for the 2020/21 planning cycle of audits.

**RESOLVED:**

Noted the Internal Audit Progress Report for the period to 22 November 2019.

Agreed the changes to the implementation dates for 4 audit recommendations (Paragraph 2.5 of the report) for the reasons set out in Appendices 3 to 5 of the report.

Agreed removal of implemented audit recommendations (Appendices 3 to 5 of the report).

## **AC 38/19 FINANCIAL AND BUDGETARY RISKS**

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 wish to make.

The Head of Finance drew Members attention to the following movements in the risks register:

- FIN07 – MTFS position worsens and FN09 – Pay award – whilst the risk remains the same, Q2 monitoring continues to show an underspend. Work on budget preparation, including a full salary reforecast, has commenced.
- FIN18 – Business Rates – The risk remains the same, however, it has now been confirmed that TRDC will be part of the Hertfordshire business rates pooling bid for 2020/21.
- FIN24 – Loss of Key Personnel – This has been added to the risk register as a result of the review of single points of failure as part of the service planning process.

The Head of Finance advised that it was unclear when details on the Government settlement would be received as they had not set department limits and there was a slight concern on when this information would be received.

A Member asked about the financial/budgetary risks associated with Council projects and it was advised that these were operational risks.

RESOLVED

The Committee reviewed the risk register and made comments as detailed above.

#### **AC 39/19 COMMITTEE'S WORK PROGRAMME**

The Committee reviewed their work programme and made the following comments/changes:

- The External Auditor Audit Plan scheduled for March 2020 should be for year 2019/20
- To schedule as many items as possible for the 11 July meeting leaving the later meeting on 28 July for the Statement of Accounts.
- The Head of Finance to ask the Fraud Manager if the annual Fraud report for 2019/20 can be presented at the 24 March 2020 meeting.
- For the 24 March meeting to look at one of the risks from the Risks Register to enable the Committee to increase their understanding of the processes and controls the Council has on risks. The Head of Finance to email three/four suggestions from the register which Members can select for the March meeting.
- To add to the work programme for September 2020 the External Annual Audit Letter.
- To hold between 7pm and 7.30pm before the March meeting training for all Audit Committee Members with all other Members invited on how the Annual Accounts are put together and how Members should review them.

The External Auditor advised that an annual audit, as required by the Department of Work and Pensions (DWP) was being undertaken on housing benefit. Some sample testing had been done but was not complete. An extension had been asked of the DWP until the end of February.

RESOLVED:

That subject to the amendments above the work programme be noted.

**CHAIRMAN**