

THREE RIVERS DISTRICT COUNCIL

MINUTES

Of a virtual/remote meeting of the Audit Committee held on Wednesday 11 November 2020 from 7.30pm to 9.15pm

Members of the Audit Committee:-

Councillors Margaret Hofman, (Chair), Keith Martin (Vice Chair), Tony Humphreys
Michael Revan, Dominic Sokalski, Shanti Maru, Joan King

Also in attendance:

Tina Stankley	Interim Head of Finance
Alan Cooper	Client Audit Manager (SIAS)
Phil King	Emergency Planning and Risk Manager
Rebecca Young	Acting Head of Community Partnerships
Jane Walker	Head of Revenues and Benefits
Sherrie Ralton	Committee Manager
Sarah Haythorpe	Principal Committee Manager
Maria Grindley	Audit Manager, EY

AC 21/20 APOLOGIES FOR ABSENCE

None received.

AC 22/20 MINUTES

The Minutes of the Audit Committee meeting held on 24 September 2020 were confirmed as a correct record and would be signed by the Chair of the meeting.

AC 23/20 NOTICE OF OTHER BUSINESS

No late items of business.

AC 24/20 DECLARATIONS OF INTEREST

None received.

AC 25/20 TREASURY MANAGEMENT MID-YEAR REPORT 2020/21

This report gave details of the 2020/21 mid-year review of the Treasury Management function.

Following queries from Members the Interim Head of Finance clarified how some of the figures had been calculated.

The recommendation in the report was declared CARRIED by the Chair having been agreed by general assent.

RESOLVED:

That the Committee noted the contents of the 2020/21 mid-year review of the Treasury Management function.

AC 26/20 DRAFT TREASURY MANAGEMENT STRATEGY 2021/22

This report sought comments of the Committee on the Draft Capital Strategy for 2021/22.

The Chair lost connection so the meeting was paused for 5 minutes until connection was restored.

The Interim Head of Finance advised that the Draft Management Strategy 2021/22 would go to Full Council for approval in February 2021 and it had been compiled using a template from the Council's Treasury Management advisors ensuring it was fully compliant with the Treasury Management.

The recommendation in the report was declared CARRIED by the Chair having been agreed by general assent.

RESOLVED:

That the Committee noted the contents of the Draft Treasury Management Strategy 2020/21.

AC27/20 SIAS INTERNAL AUDIT PROGRESS REPORT

The Client Audit Manager (SIAS) summarised the internal audit work that SIAS undertook on behalf of the Council.

The Members were recommended to:

- Note the Internal Audit Progress Report for the period to 30 October 2020
- Approve amendments to the Audit Plan as at 30 October 2020
- Agree changes to the implementation dates for two audit recommendations (Paragraph 2.7) for the reasons set out in Appendices 3 to 5
- Agree removal of implemented Audit recommendations (Appendices 3 to 5)

The Client Audit Manager explained that the Performance Indicators showed that the actual figures were behind against the profile target as at end October, this was due not being able to make as much progress on some of the Revenues and Benefits audits due to a SIAS staffing issue. These Audits were due to commence within the next couple of weeks.

The Head of Revenues and Benefits gave an update on the Retention and Destruction module that had not been working for some time. A major upgrade booked for April was rescheduled to October due to Covid-19, but had been delayed further due to two reasons.

- Too high a risk to put the service through a major upgrade when inundated with the current high level of Pandemic work.
- The software provider had reported were performance issues with the upgraded version

A new test system to include the Retention and Destruction module was due to take place week commencing 13 December, with the live upgrade taking place 18/19 March 2021 following the annual billing process. The Head of Revenues was hoping to progress the Retention and Destruction Module sooner and was awaiting a date from the Supplier. They were hopeful once the module was up and running they would be able to back archive documents no longer required.

Members raised the following points:

Was the request for an extension to the 2018/2019 GDPR Audits until 31 December 2020 sufficient? The Emergency Planning and Risk Manager agreed that some would be completed but some may not.

How would the Council ensure documents still required do not get destroyed? The Head of Revenues and Benefits said that the reinstallation of the software by the software supplier would resolve this.

The Acting Head of Community Partnerships advised that the recommendations around the Families First Partnership Board and the 11-19 Strategy Group Terms of Reference were still in progress. This was due to the team working mainly on Covid 19 response during the Pandemic and the recovery work. With the second wave of lockdown Covid 19 needs had risen again with vulnerable people being a priority. The LSP Board Terms of Reference were agreed at a meeting on 23 June and agreed by P&R Committee. The Risk Registers would be taken forward but the LSP Board Risk Registers would need to be developed first. The Covid-19 Impact Assessment had been completed in addition to the Recovery Action Plan, both agreed by the LSP Board in June. February 2021 would be a more realistic date for completion of the Risk Registers.

The Emergency Planning and Risk Manager advised that the Officer Risk Management Group had come up with a list of strategic risks which would be taken to Policy and Resources Committee on 7 December, recommending the new strategic risks based on the objectives of the current Corporate Framework.

A Member thanked the Officers for their work and reminded them to provide brief reports to keep the Committee updated and to ensure implementation dates were extended realistically to take account of issues in the current climate.

A Member said the revised deadline for Taxi Licensing was 30 November, but it stated this would be dependent upon access to the office. Under the current Covid 19 lockdown rules this would need to be revised and suggested deadlines should be revisited and changed to a more realistic timeframe.

Members proposed to add a month to the implementation dates for two audit recommendations (Paragraph 2.7) for the reasons set out in Appendices 3 to 5.

The recommendations in the report together with the amendment to the implementation dates were declared CARRIED by the Chair having been agreed by general assent.

RESOLVED:

That the Committee:

- Noted the Internal Audit Progress Report for the period to 30 October 2020
- Approved amendments to the Audit Plan as at 30 October 2020
- Agreed changes to the implementation dates for two audit recommendations (Paragraph 2.7) for the reasons set out in Appendices 3 to 5 amended to add a month to the implementation date.
- Agreed removal of implemented Audit recommendations (Appendices 3 to 5)

AC 27/20 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.

Members raised the following points

Clarification was requested on FIN 18 Business Rates Retention Scheme. The Interim Head of Finance advised that this had been put on hold due to Covid-19 and the previous year due to Brexit. It was a risk as the Council did not know what was going to happen. They had entered the Hertfordshire Pool for 2021/22 and would monitor updates from Government. Once the Government Finance Settlement was received they would review whether it would be beneficial to remain in the pool.

How was the financial position monitored? The Interim Head of Finance advised that this was monitored through the Budget Monitoring Report that was presented to the Policy and Resources Committee.

What was the minimum prudent threshold for General Fund Balance? The Interim Head of Finance advised the Chair that this was £2 million and that the Section 151 Officer would provide a robustness of estimates report to Full Council when setting budgets.

On Fin 23 why did it state that mechanisms were to be put in place rather than that they had been put in place?

A Member mentioned that a Council had issued a Section 114 notice. Once details were known it would be useful for the Council to see what lessons could be learned. This would be discussed further with the Interim Head of Finance, the Section 151 Officer and the Chief Executive.

The recommendation in the report was declared CARRIED by the Chair having been agreed by general assent.

RESOLVED:

That the Committee reviewed the risk register and made any comments it wished to make against individual risks.

AC 28/20 COMMITTEE'S WORK PROGRAMME

To review and make necessary changes to the Audit Committee's Work Programme.

RESOLVED:

The Committee reviewed the risk register and made the comments above on the individual risks.

CHAIR