

NORTH HERTFORDSHIRE DISTRICT COUNCIL

DECISION SHEET

Meeting of the Finance, Audit and Risk Committee held in the Lower Hall,
Icknield Centre, Icknield Way, Letchworth Garden City
on Monday, 12th June, 2017 at 7.30 pm

1 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Ian Albert, T.W. Hone (Chairman) and Terry Tyler.

Councillor Clare Billing was substituting for Councillor Albert and Councillor John Booth was substituting for Councillor Hone.

1 MINUTES - 22 MARCH 2017

RESOLVED: That the Minutes of the Meeting of the Finance, Audit and Risk Committee held on 22 March 2017 be confirmed as a true record of the proceedings and be signed by the Chairman.

2 NOTIFICATION OF OTHER BUSINESS

There was no other item of business tabled.

3 CHAIRMAN'S ANNOUNCEMENTS

- (1) The Chairman announced that Members of the public and the press may use their devices to film/photograph, or do a sound recording of the meeting, but he asked them to not use flash and to disable any beeps or other sound notifications that emitted from their devices. In addition, the Chairman had arranged for the sound at this particular meeting to be recorded;
- (2) The Chairman advised that, in line with the Code of Conduct, any Declarations of Interest should be declared immediately prior to the item in question; and
- (3) The Chairman announced that this was the final Finance, Audit and Risk Committee meeting to be attended by Norma Atlay (Strategic Director of Finance, Policy and Governance) prior to her impending retirement. The Chairman thanked Norma for the support and advice she had provided to the Committee over many years and wished her well for her retirement.

4 PUBLIC PARTICIPATION

There was no public participation.

5 ANNUAL EXTERNAL AUDIT AND CERTIFICATION FEES

RESOLVED: That the Annual External Audit and Certification Fees 2017/18 be noted.

REASON FOR DECISION: To keep the Committee informed of the level of External Audit and Certification Fees for 2017/18.

6 EXTERNAL AUDIT UPDATE

RESOLVED: That the External Audit update as at May 2017 be noted.

REASON FOR DECISION: To keep the Committee informed of External Audit activities.

7 INFORMATION NOTE: PLANNING OBLIGATIONS FUNDING (SECTION 106 AND UNILATERAL UNDERTAKINGS)

RESOLVED: That the Information Note on Planning Obligations Funding (Section 106 and Unilateral Undertakings) be noted.

REASON FOR DECISION: To respond to a request made by the Committee.

8 THE EFFECTIVENESS OF THE FINANCE, AUDIT AND RISK COMMITTEE

RESOLVED:

(1) That, in respect of the SIAS recommendations regarding the effectiveness of the Finance, Audit and Risk Committee, the following be supported:

(i) Learning and Development

- All Members complete a skills self-assessment to identify areas of strength and training needs;
- A training programme is developed to satisfy any training needs identified;
- An induction programme is implemented for all new Members; and
- The SIAS circulates Shared Learning Newsletters to Committee Members to support ongoing learning.

(ii) Committee Business:

- Proposed agendas are scrutinised to confirm that they are risk-based, focussed and manageable;
- Information presented is confirmed as being in a format that allows Members to focus on key risk, control and governance issues which contribute to the achievement of the Council's objectives; and
- Members challenge processes, as appropriate, to ensure there is an appropriate balance between risk and control given the climate in which the Council now operates.

(iii) Communication:

- More regular meetings are held outside the Committee schedule between the Chairman of the Committee and Committee contributors.

(iv) Overall Committee Effectiveness:

- Consideration be given to a Peer review / self-evaluation; and

(2) That the Strategic Director of Finance, Policy and Governance and Head of Finance, Performance and Asset Management, in consultation with the Chairman and Vice-Chairman of the Committee, be authorised to complete the "Management Response" column of the Committee Action Plan prepared by SIAS and attached as Appendix B to the report.

REASON FOR DECISION: To ensure that the Council complies with the requirement in the Code of Practice for Internal Audit in Local Government 2006 in that an Audit Committee reviews its own remit and effectiveness.

9 ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT REPORT 2016/17

RESOLVED:

(1) That the Annual Assurance Statement and Internal Audit Report 2016/17 be noted;

(2) That the results of the self-assessment, as required by both the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP) be noted;

(3) That the SIAS Audit Charter be accepted; and

- (4) That the assurance from management that the scope and resources for internal audit had been subject to no inappropriate limitations in 2016/17 be noted.

REASON FOR DECISION: To review and note the Annual Assurance Statement and the Internal Audit Annual Report for 2016-2017.

10 SHARED INTERNAL AUDIT SERVICES - UPDATE ON PROGRESS AGAINST THE 2017/18 AUDIT PLAN

RESOLVED:

- (1) That the Internal Audit Progress Report for the period to 19 May 2017 be noted; and
(2) That the implementation status of High Priority recommendations be noted.

REASON FOR DECISION: To allow the Committee to review, comment and challenge the current status of the Internal Audit Plan.

11 RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT 2016/17

RECOMMENDED TO CABINET:

- (1) That the reduction in the score for the “Increased Homelessness and use of B & B” risk from a 7 to a 5 be approved;
(2) That the reduction in the score for the “Office Accommodation” risk from a 7 to a 5 be approved;
(3) That a reduction in the likelihood score for the “Sale of Materials” sub-risk to a 2 – Medium – be approved; and
(4) That the Annual Report on Risk and Opportunities Management 2016/17, as set out at Appendix B to the report, be supported and referred to Council for approval.

REASON FOR DECISION: To comply with the Risk and Opportunities Management Strategy, which stipulates that an Annual Risk Management report is taken to Council.

12 FINANCE, AUDIT AND RISK COMMITTEE ANNUAL REPORT 2016/17

RECOMMENDED TO COUNCIL: That the Annual Report of the Finance, Audit and Risk Committee 2016/17 be noted.

REASON FOR DECISION: To comply with the requirements of the Council’s Constitution.

13 DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17

RESOLVED: That the Draft Annual Governance Statement/Action Plan for 2016/17 (Appendix A to the report) be noted, and any further comments on the drafts be provided to the Senior Lawyer by the end of July 2016, in order for them to be finalised and approved (in September 2017).

REASON FOR DECISION: To offer Members of the Committee the opportunity to assess and comment on the Annual Governance Statement before it is finalised; and to provide the Committee with assurances that NHDC is examining and, where necessary, improving its governance arrangements.

14 REVENUE BUDGET OUTTURN 2016/17

RESOLVED: That the Revenue Budget Outturn 2016/17 be noted.

REASON FOR DECISION: To provide an opportunity for the Committee to comment as appropriate on the Revenue Budget Outturn 2016/17.

15 CAPITAL PROGRAMME OUTTURN 2016/17

RESOLVED: That the Capital Programme Outturn 2016/17 be noted.

REASON FOR DECISION: To provide an opportunity for the Committee to comment as appropriate on the Capital Programme Outturn 2016/17.

16 ANNUAL TREASURY MANAGEMENT REVIEW 2016/17

RESOLVED: That the Annual Treasury Management Review 2016/17 be noted.

REASON FOR DECISION: To provide an opportunity for the Committee to comment as appropriate on the Annual Treasury Management Review 2016/17.

17 MEDIUM TERM FINANCIAL STRATEGY 2018-2023

RESOLVED:

(1) That work be undertaken on the following aspects of the Medium Term Financial Strategy 2018-2013:

- Pay Inflation – modelling work on the impact of pay inflation in excess of the 1% increase currently assumed, particularly in the light of the impact of the national pay review and the salaries paid by neighbouring authorities;
- Capital – modelling work on the best use of Capital resources and the tolerance of risks associated with potential significant Capital Investment on schemes aimed at generating revenue income; and

(2) That any further Member comments on the Medium Term Financial Strategy 2018-2023 be provided to the Head of Finance, Performance and Asset Management as soon as possible, and by no later than 23 June 2017.

REASON FOR DECISION: To allow Members the opportunity to comment on the process, assumptions and policies to be used in the Medium Term Financial Strategy 2018-2023.

18 INFORMATION NOTE: CAR PARKING EXPENDITURE AND INCOME 2014/15, 2015/16 AND 2016/17

The Head of Finance, Performance and Asset Management presented an Information Note in respect of car parking expenditure and income for 2014/15, 2015/16 and 2016/17.

RESOLVED: That the Information Note in respect of Car Parking expenditure and income for 2014/15, 2015/16 and 2016/17 be noted.

REASON FOR DECISION: To respond to a request made by the Committee.

19 DRAFT STATEMENT OF ACCOUNTS 2016/17 - NARRATIVE REPORT

RESOLVED: That Members of the Committee be requested to provide the Head of Finance, Performance and Asset Management with any comments they may have on the Draft Statement of Accounts 2016/17 Narrative Report as soon as possible, but by no later than the week ending 23 June 2017.

REASON FOR DECISION: To allow Members the opportunity to comment on the Draft Statement of Accounts 2016/17 Narrative Report.

20 FUTURE MEETINGS - POSSIBLE AGENDA ITEMS

The Chairman requested that should any Members have any suggestions for agenda items at future meetings would they please advise himself, officers or the Committee Clerk.

Monday, 12th June, 2017