

NORTH HERTFORDSHIRE DISTRICT COUNCIL

DECISION SHEET

Meeting of the Finance, Audit and Risk Committee held in the First Floor Rooms 2/3,
Council Offices, Gernon Road, Letchworth Garden City
on Monday, 18th June, 2018 at 7.30 pm

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Terry Tyler.

2 MINUTES - 21 MARCH 2018

RESOLVED: That the Minutes of the Meeting of the Committee held on 21 March 2018 be approved as a true record of the proceedings and be signed by the Chairman.

3 NOTIFICATION OF OTHER BUSINESS

There was no other business notified.

4 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 she 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; and
- (2) The Chairman reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.

5 PUBLIC PARTICIPATION

There was no public participation.

6 CHAIRMAN'S ANNOUNCEMENTS

RESOLVED: That the Annual External Audit and Certification Fees 2018/19 be noted.

REASON FOR DECISION: To keep the Committee informed of the level of External Audit and Certification Fees for 2018/19.

7 THE EFFECTIVENESS OF THE FINANCE, AUDIT AND RISK COMMITTEE 2017/18

RESOLVED: That, in respect of the proposed actions recommended by SIAS to ensure ongoing compliance with CIPFA best practice and to maximise 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 address any weaknesses in the Committee or training needs identified;
- An induction programme is implemented for all new Members.

(ii) Committee Business

- At the next review of the terms of reference, the Council should consider including a “Statement of Purpose” for the Committee (as per the guidance in CIPFA’s ‘Audit Committees – Practical Guidance for Local Authorities and Police 2018 edition’);
- Proposed agendas are scrutinised by Democratic Services and the Chairman of the Committee to confirm that they are risk-based, focussed and manageable;
- Information presented to the Committee in a format that allows Members to focus on key risks, internal controls and governance issues which may impact on the Council’s ability to meet its objectives;
- Members challenge processes, as appropriate, to ensure there is an appropriate balance between risk and control.

(iii) Communication

- Regular meetings are held outside the committee schedule between the Chairman of the Committee and Committee contributors (officers).

(iv) Overall Committee Effectiveness

- Members to complete the self-assessment of effectiveness included in CIPFA’s ‘Audit Committees – Practical Guidance for Local Authorities and Police 2018 edition’;
- Members to consider a Peer review to assess the effectiveness of the FAR Committee (but only as part of a possible overall Peer review of all of the Audit Committees in the SIAS partnership).

REASON FOR DECISION: To ensure that the Council complies with the requirement that an Audit Committee reviews its own effectiveness.

8 ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT REPORT 2017/18

RESOLVED:

- (1) That the Annual Assurance Statement and Internal Audit Report 2017/18 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 2017/18 be noted.

REASON FOR DECISION: To review and note the Annual Assurance Statement and the Internal Audit Annual Report for 2017-2018.

9 SHARED INTERNAL AUDIT SERVICES - UPDATE ON PROGRESS AGAINST THE 2018/19 AUDIT PLAN

RESOLVED:

- (1) That the Internal Audit Progress Report for the period to 4 June 2018 be noted;
- (2) That the proposed amendments to the 2018/19 Audit Plan be noted; and
- (3) That the implementation status of High Priority recommendations be noted.

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

10 RISK MANAGEMENT UPDATE AND ANNUAL REPORT ON RISK MANAGEMENT 2017/18

RECOMMENDED TO CABINET:

- (1) That the increase in the score for the “Waste – Depot/Transfer Station” sub-risk from an 8 to a 9 be approved;
- (2) That a new “Waste – Food and Garden Waste” sub-risk, with a score of 5, be approved;
- (3) That the overall score for the Waste and Street Cleaning Contract renewal” risk remain unchanged at a score of 8; and
- (4) That the Annual Report on Risk and Opportunities Management 2017/18, 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.

11 FINANCE, AUDIT AND RISK COMMITTEE ANNUAL REPORT 2017/18

RECOMMENDED TO COUNCIL: That the Annual Report of the Finance, Audit and Risk Committee 2017/18 be noted.

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

12 DRAFT ANNUAL GOVERNANCE STATEMENT 2017/2018

RESOLVED: That the draft Annual Governance Statement Action Plan for 2017/18 be noted, and the following comments of the Committee, if possible, be incorporated into the document in order for it to be finalised for approval in July 2018:

- Principle E – inclusion of a statement/reference to the Gender Pay Gap;
- Information Commissioner’s Office (ICO) – investigation as to the content of the outstanding ICO decision and whether it will be determined under the Data Protection rules prevailing at the time or the new General Data Protection regulations (GDPR); and
- Updating throughout the AGS and Action Plan to reflect correct Executive Member/Officer job titles/designations.

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.

13 REVENUE BUDGET OUTTURN 2017/18

RESOLVED: That the Revenue Budget Outturn report 2017/18 be noted.

RECOMMENDED TO CABINET: That, in respect of Table 3 in the report, which outlined the unspent Carry Forward budgets in 2017/18, it be ensured that each item in the list is challenged robustly if further carry forward is requested, with each item being accompanied by an acceptable justification as to why it should be carried forward, in the realistic expectation that the budget would be spent.

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REASON FOR DECISION: To provide an opportunity for the Committee to comment as appropriate on the Revenue Budget Outturn 2017/18.

14 CAPITAL PROGRAMME OUTTURN 2017/18

RESOLVED: That the Capital Programme Outturn 2017/18 report be noted.

RECOMMENDED TO CABINET: That, in view of the fact that Capital funds are likely to be depleted within the next few years, it be ensured that regular scrutiny of the Capital Programme is carried out by the Cabinet.

REASON FOR DECISION: To provide an opportunity for the Committee to comment as appropriate on the Capital Programme Outturn 2017/18.

15 ANNUAL TREASURY MANAGEMENT REVIEW 2017/2018

RESOLVED: That the Annual Treasury Management Review 2017/18 be noted.

REASON FOR DECISION: To provide an opportunity for the Committee to comment as appropriate on the Annual Treasury Management Review 2017/18.

16 FUTURE MEETING - POSSIBLE AGENDA ITEMS

The Committee discussed possible agenda items for future meetings.