

# NORTH HERTFORDSHIRE DISTRICT COUNCIL

## DECISION SHEET

Meeting of the Finance, Audit and Risk Committee held in the Council Chamber, Council Offices,  
Gernon Road, Letchworth Garden City  
on Thursday, 5th December, 2019 at 7.30 pm

### 1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Steve Deakin-Davies and Kay Tart.

### 2 MINUTES - 16 SEPTEMBER 2019

**RESOLVED:** That, subject to Councillor Morgan Derbyshire being marked as having given apologies, the Minutes of the Meeting of the Committee held on 16 September 2019 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 welcomed those present at the meeting, especially those who had attended to give a presentation;
- (2) The Chairman advised that, in accordance with Council Policy, the meeting would be audio recorded;
- (3) The Chairman drew attention to the item on the agenda front pages regarding Declarations of Interest and 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 NHDC PROGRESS REPORT - SHARED ANTI-FRAUD PLAN 2019/20

**RESOLVED:** That the work of the Council and Shared Anti-Fraud Service in delivering the 2019/20 Anti-Fraud Plan be noted.

**REASONS FOR DECISION:** To update the Committee on the activities of the Shared Anti-Fraud Service.

### 7 NHDC ANNUAL AUDIT LETTER - 2018/19

**RESOLVED:** That the NHDC Annual Audit Letter – 2018/19 be noted.

**REASONS FOR DECISION:** To communicate to Members the key issues arising from Ernst and Young's audit work for 2018/19.

**8 SIAS INTERNAL AUDIT PROGRESS REPORT**

**RESOLVED:**

- (1) That the Internal Audit Progress Report for the period to 15 November 2019 be noted;
- (2) That the proposed amendments to the 2019/20 Annual Audit Plan and the implementation status of high priority recommendations be noted.

**REASON FOR DECISION:** To allow the Committee to consider the Shared Internal Audit Service Progress Report.

**9 PROPOSED AMENDMENTS TO THE CONTRACT PROCUREMENT RULE**

**RESOLVED:** That the proposed changes to the Contract Procurement Rule be noted by that Committee.

**RECOMMENDED TO COUNCIL:** That the proposed changes to the Contract Procurement Rule be recommended for adoption.

**REASONS FOR RECOMMENDATIONS:** That the Contract Procurement Rules are part of the Constitution (under Section 20) and are revised and updated periodically as part of the Council's governance and procurement review processes, contributing to effective organisational internal control. In addition, the review and adoption of the Council's Contract Procurement Rules is a key action in the Council's Procurement Strategy.

**10 DRAFT BUDGET 2020/21**

**RESOLVED:** That the report entitled Draft Budget 2020/21 be noted.

**RECOMMENDED TO CABINET:**

- (1) That the funding forecasts for 2020/21 onwards, and that (especially significant for 2021/22) these will be subject to change be noted;
- (2) That the comments made at the budget workshops, and comment on the inclusion of the revenue savings and investments in the draft budget be noted;
- (3) That comments made at the budget workshops, and comment on the inclusion of the capital investments in the draft budget be noted;
- (4) That the risk in relation to the timing of capital receipts and that this might result in a need to borrow for capital purposes, which would result in additional revenue costs to those already reflected be noted;
- (5) That Council Tax increases for 2020/21 will be in line with the Medium Term Financial Strategy be confirmed; and
- (6) That the funding surplus in 2020/21 be transferred to a funding equalisation reserve be approved.

**REASONS FOR RECOMMENDATIONS:**

- (1) To ensure that all relevant factors are taken in to consideration when arriving at a proposed budget for 2020/21, to be considered by Full Council on 6 February 2020;
- (2) To ensure that the medium term impacts of decisions are considered, and how a balanced budget will be set for future years.

**11 SECOND QUARTER REVENUE MONITORING 2019/20**

**RECOMMENDED TO CABINET:**

- (1) That the report be noted;
- (2) That the changes to the 2019/20 General Fund budget, as identified in table 3 and paragraph 8.2, a £360k decrease in net expenditure, be approved;
- (3) That the changes to the 2020/21 General Fund budget, as identified in table 3 and paragraph 8.2, a £188k increase in net expenditure, be noted; and
- (4) That the write-off of the debtor invoice of £130,566.75 raised to CoinCo International PLC in January 2015, as explained in paragraph 8.3, be approved.

**REASON FOR RECOMMENDATIONS:** Members are able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.

**12 INVESTMENT STRATEGY (CAPITAL AND TREASURY) MID-YEAR REVIEW 2019/20**

**RECOMMENDED TO CABINET:**

- (1) The forecast expenditure of £5.886million in 2019/20 on the capital programme be noted;
- (2) The adjustments to the capital programme for 2019/20 onwards as a result of the revised timetable of schemes detailed in table 2, increasing the estimated spend in 2020/21 and beyond by £1.369million, be approved;
- (3) The position of the availability of capital resources, as detailed in table 3 paragraph 8.6 and the requirement to keep the capital programme under review for affordability be noted by Cabinet; and
- (4) The position of Treasury Management activity as at the end of September 2019 be noted.

**REASON FOR RECOMMENDATIONS:**

- (1) Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.
- (2) To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

**13 RISK AND OPPORTUNITIES MANAGEMENT UPDATE**

***RESOLVED:***

- (1) That the review/changes to the Corporate risk for the quarter, namely impact of Anti Social Behaviour on Council Facilities to retain its current risk score of 7 be noted and;
- (2) That the Waste Management Risk be reviewed by the meeting of Finance, Audit and Risk in March 2020.

***REASON FOR RECOMMENDATION***

- (1) The responsibility for ensuring the management of risks is that of Cabinet.
- (2) This Committee has responsibility to monitor the effective development and operation of risk and opportunities management.

**14 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS**

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

***RESOLVED:*** That the Service Director – Resources confirmed that he would like to add the CIPFA Financial Management Code (designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability) to agenda items for future meetings.