

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**

**FINANCE, AUDIT AND RISK COMMITTEE**

**MEETING HELD IN THE COUNCIL CHAMBER, COUNCIL OFFICES, GERNON ROAD,  
LETCHWORTH GARDEN CITY ON MONDAY, 24TH SEPTEMBER, 2018 AT 7.30 PM**

**MINUTES**

**Present:** *Councillors Councillor Terry Hone (Chairman), Councillor Simon Harwood (Vice-Chairman), Ian Albert, Kate Aspinwall, Jim McNally, Ian Moody and Terry Tyler*

**In Attendance:** *Ian Couper (Service Director - Resources), Reuben Ayavoo (Senior Policy Officer) and Hilary Dineen (Acting Committee and Member Services Manager)*

**Also Present:** *At the commencement of the meeting Councillor Helen Oliver.*

**30 APOLOGIES FOR ABSENCE**

*Audio recording – Start of item – 31 seconds*

Apologies for absence were received from representatives of Ernst and Young.

**31 MINUTES - 30 JULY 2018**

*Audio recording – Start of item – 45 seconds*

The Chairman advised that Committee Services apologised that the Minutes for this meeting had not yet been published. They would be available for agreement at the next meeting of the Committee.

**32 NOTIFICATION OF OTHER BUSINESS**

*Audio recording – Start of item – 56 seconds*

There was no other business notified.

**33 CHAIRMAN'S ANNOUNCEMENTS**

*Audio recording – Start of item – 59 seconds*

- (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.
- (2) The Chairman announced that, in accordance with Council policy this meeting was being audio recorded.
- (3) 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.

**34 PUBLIC PARTICIPATION**

*Audio recording – Start of item – 2 minutes 9 seconds*

There was no public participation.

**35 ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2018**

*Audio recording – Start of item – 2 minutes 13 seconds*

The Service Director – Resources presented the Annual Audit Letter for the year ended 31 March 2018 which was prepared by Ernst and Young.

The Committee debated the report. The following Member contributed to the debate:

- Councillor Terry Hone

**RESOLVED:** That the Annual Letter for the year ended 31 March 2018 be noted.

**REASON FOR DECISION:** To enable the Committee to consider the Annual Audit Letter for the year ended 31 March 2018.

**36 SHARED ANTI FRAUD REPORT SERVICE (SAFS) REPORT**

*Audio recording – Start of item – 5 minutes 25 seconds*

The Shared Anti-Fraud Manager (SIAS) presented the Shared Anti-Fraud Service Report for 2017/18.

The following Members asked questions and sought clarification regarding the report:

- Councillor Jim McNally;
- Councillor Simon Harwood;
- Councillor Ian Albert;
- Councillor Terry Tyler;
- Councillor Kate Aspinwall;
- Councillor Terry Hone.

The Shared Anti-Fraud Manager responded to comments and questions as they arose. He then gave a brief overview of the work that the Shared Anti-Fraud Service was undertaking in 2018/19.

**RESOLVED:** That the work of the Council and the Shared Anti-Fraud Service in delivering the Anti-Fraud Action Plan 2017/18 be noted.

**REASON FOR DECISION:** To enable the Committee to consider the Shared Anti-Fraud Service Report for 2017/18 and receive an overview of the work being undertaken during 2018/19.

**37 ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2018/19 - PROGRESS REVIEW**

*Audio recording – Start of item – 32 minutes 47 seconds*

The Senior Policy Officer presented the report entitled Annual Governance Statement Action Plan 2018/19 - Progress Review. The following appendix accompanied the report:

- Appendix A - Action plan for 2018/19 and corresponding actions.

The following Members asked questions and sought clarification regarding the report:

- Councillor Ian Albert;
- Councillor Terry Hone.

The Senior Policy Officer responded to comments and questions as they arose.

In respect of Action 4 - Delegated Decision Guidance in respect of delegated planning decisions, Members noted that the Guidance to Councillors and Officers had been updated and notified to staff. They asked that the updated Guidance be circulated to Members.

**RESOLVED:**

- (1) That the progress made against the individual actions as outlined in the Action plan for 2018/19 at Appendix A be noted;
- (2) That the Senior Policy Officer be requested to circulate the Guidance to Councillors and Officers in respect of delegated Planning decisions to Members.

**REASON FOR DECISION:** The Annual Governance Statement must be considered by Members of the Committee and approved under Regulation 6(4)(a) of the Accounts and Audit Regulations ('AAR') 2015/234, before the Statement of Accounts.

**38 SIAS - ANNUAL REPORT 2017/18**

*Audio recording – Start of item – 37 minutes 38 seconds*

The Client Audit Manager (SIAS) presented the Shared Anti-Fraud Service Annual Report 2017/18.

The following Member commented on the report:

- Councillor Terry Hone

**RESOLVED:** That the Shared Anti-Fraud Service Annual Report 2017/18 be noted.

**REASON FOR DECISION:** To enable the Committee to consider the Shared Anti-Fraud Service Annual Report for 2017/18.

**39 SIAS PROGRESS REPORT 2018/19**

*Audio recording – Start of item – 40 minutes 21 seconds*

The Client Audit Manager (SIAS) presented the Shared Internal Audit Service Progress Report 2018/19.

The following Members asked questions and contributed to the debate regarding the report;

- Councillor Terry Hone;
- Councillor Ian Albert;
- Councillor Simon Harwood;
- Councillor Terry Tyler;
- Councillor Jim McNally.

The Client Audit Manager and Service Director - Resources responded to comments and questions as they arose.

**RESOLVED:**

- (1) That the Shared Internal Audit Service Progress Report for the period to 7 September 2018 be noted;
- (2) That the proposed amendments to the 2018/19 Annual Audit Plan be noted;
- (3) That the implementation status of high priority recommendations be noted.

**REASON FOR DECISION:** To enable the Committee to consider the Shared Internal Audit Service Progress Report 2018/19.

**40 RISK MANAGEMENT**

*Audio recording – Start of item – 52 minutes 1 second*

The Service Director – Resources presented the report entitled Risk Management and the associated Appendix A entitled New, Deleted and Changed Corporate Risks.

The Service Director – Resources advised that the changes to the Risk Management Matrix were detailed at Paragraph 8.2 and 8.3.

The proposals were subject to discussion at Risk Management Group and were to be considered by the Committee for recommendation to Cabinet.

Paragraph 8.3 gave details of the proposed deletion of the Office Accommodation risk as the Office Accommodation project was now complete and the Project Board closure had taken place.

There were proposed changes to the Waste risks with the parent risk proposed to change from 8 to 9.

There had been a number of changes to the presentation of risks which now showed a parent risk with an overall score with the important sub risks, which contributed to the overall risk, being flagged.

This had led to the deletion of a number of sub risks and the re-assessment and redrafting of others.

In response to questions the Service Director - Resources confirmed that Members will still have access to information about the parent risk and the sub risks, but that the Risk Matrix only included the score for the parent risk.

Members asked that they be informed at all stages about risks and sub risks as well as details of any re-assessments that had taken place.

In response to questions the Service Director - Resources confirmed that the management of corporate risks was the responsibility of Cabinet and the Senior Management Team and that, if deemed appropriate, additional resources would be allocated to areas of high risk.

There was detailed discussion about the part that mitigation plays in assessing risk and that it would be useful for Members of this Committee to be advised of and understand those mitigations.

The Service Director - Resources advised that the role of the Committee was to monitor the effective operation of risk management and therefore it was appropriate for the Committee to comment on the detail of the risk and request that more detail regarding the work completed and the work to do would be provided when risks were reviewed in future reports.

**RECOMMENDED TO CABINET:**

- (1) That the Office Accommodation (TR51) risk be deleted;
- (2) That the new Waste parent risk (RRNEW1) be created, with a score of 9;
- (3) That nine Waste sub-risks (RR287, RR424, RR455, TR59, TR59.001, TR59.002, TR59.004, TR59.005 and TR59.006) be deleted;
- (4) That the Waste sub-risk for Sale of Recyclable Materials (TR59.007) be amended, to include an increase in the risk score from a 8 to a 9;
- (5) That the new Waste sub-risk for Route Optimisation of Collection Rounds (RRNEW2) be created, with a score of 7;
- (6) That in order to enable the Finance, Audit and Risk Committee and Cabinet to monitor the effective development and operation of risk management, all future reports and discussions regarding all Corporate risks should include more detail of ongoing work associated so that any the detail of any mitigation can be taken in to account when assessing risk.

**REASON FOR DECISIONS:** This Committee has responsibility to monitor the effective development and operation of risk management.

**41 INTEGRATED CAPITAL AND TREASURY STRATEGY**

*Audio recording – Start of item – 1 hour 26 minutes 28 seconds*

The Service Director - Resources presented the report entitled Integrated Capital and Treasury Strategy.

The following Member contributed to the debate regarding the report;

- Councillor Terry Hone.

**RESOLVED:** That the format and content of the draft Strategy attached as Appendix A be supported;

**REASON FOR DECISION:** To fulfil the Committee's terms of reference, to "assist the Council and the Cabinet in the development of its Budget and Policy Framework process by in-depth analysis of policy issues pertaining to finance, audit and risk".

**42 FUTURE MEETING - POSSIBLE AGENDA ITEMS**

*Audio recording – Start of item – 1 hour 30 minutes 20 seconds*

The Chairman advised Members of the expected agenda items for the next meeting of the Committee.

The meeting closed at 9.00 pm

Chairman