

MINUTES OF A MEETING OF THE
PERFORMANCE, AUDIT AND GOVERNANCE
SCRUTINY COMMITTEE HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON TUESDAY 12 MARCH 2019,
AT 7.00 PM

PRESENT: Councillor M Pope (Chairman)
Councillors A Alder, P Ballam, K Crofton,
T Page, L Radford, S Reed, P Ruffles,
T Stowe and J Wyllie

OFFICERS IN ATTENDANCE:

Isabel Brittain	- Head of Strategic Finance and Property
Lorraine Blackburn	- Democratic Services Officer
Liz Watts	- Chief Executive

ALSO IN ATTENDANCE:

Abigail Gregory	- Community Voluntary Service
Nick Jennings	- Shared Anti-Fraud Service (SAFS)
Susan Lancaster	- Community Voluntary Service
Simon Martin	- Shared Internal Audit Service
Suresh Patel	- EY

435 CHAIRMAN'S ANNOUNCEMENTS

The Chairman stated that this was the last meeting of the civic year and thanked all Members for their contribution to the work of the committee.

436 APOLOGIES

Apologies for absence were received from Councillors P Boylan and D Oldridge.

437 MINUTES - 22 JANUARY 2019

It was moved by Councillor A Alder and seconded by Councillor T Stowe that the Minutes of the meeting held on 22 January 2019 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 22 January 2019 be confirmed as a correct record and signed by the Chairman.

438 DECLARATIONS OF INTEREST

Although not a pecuniary interest, Councillor A Alder stated that in relation to agenda item 5 (Community Voluntary Service for East Herts 2018/19: Performance and Priorities for 2019/20), she was the Vice Chairman of the CVS.

439 COMMUNITY VOLUNTARY SERVICE FOR EAST HERTS
2018/19: PERFORMANCE AND PRIORITIES FOR 2019/20

The Head of Housing and Health submitted a report on the Community Voluntary Service for East Herts and their priorities for 2019/20.

Ms Susan Lancaster (Community Engagement Officer) and Ms Abigail Gregory (Marketing Officer) provided a summary of the work of the CVS throughout East Herts and Broxbourne, their roles within the voluntary organisation and their work involving and helping varied community groups. Ms Lancaster explained the projects she was actively involved with, including loneliness, social isolation, and social investment analysis and helping groups become self-financing. She stated that £8K investment returned approximately £100K back to the community. Ms Lancaster said that she was aided by a team of 18 staff and 45 volunteers and explained the organisation's other sources of funding.

Councillor T Stowe thanked the CVS for the assistance he had been provided with on two separate occasions.

Members sought and were provided with clarification on a number of issues including:

- Core running costs to deliver services and what key performance targets would be achieved by the end of the financial year in relation to the Service Level Agreement;
- The work of the CVS and working in parallel with other support organisations;

- In relation to providing governance advice to update organisations' policies, funding applications and other areas of specialism;
- The training provided by the CVS, to a number of groups on a range of issues;
- The organisation's focus for 2019/20 and what East Herts Members might now like to focus on. Members suggested rural and social isolation and working with higher levels of deprivation in rural areas; additionally, working with Parish Councils and clerks;
- that funding be inflation-proofed and the Council, where possible, share its facilities with the CVS;
- on the support being given to the Museum on its policy arrangements in relation to (GDPR).

The Chief Executive referred to the current levels of funding the CVS had received from the Council and the positive work they had achieved so far. She asked whether Members wished to continue with the current levels of financial support. The Chairman felt that the CVS provided good value for money and going forward, suggested, that the CVS take on board, assistance to the elderly, combating social and rural isolation. This was supported.

Ms Lancaster explained that the CVS was already working on a three year programme targeted at loneliness and people accessing resources to support themselves in their own homes.

Members noted that the CVS had been invited along to the meeting on 11 May 2019 (after the District and Parish Elections) to showcase their role in the community.

The Chief Executive explained that the Council was always happy to promote the work and work in partnership.

Members thanked the CVS for a summary of their work and supported the suggestion that loneliness, working with the elderly, combatting social isolation (especially in rural areas) and working with Parish Councils be included within their programme, going forward.

It was moved by Councillor J Wyllie and seconded by Councillor S Reed that the recommendation, as amended, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the performance of the Community Voluntary Services (CVS) for Broxbourne and East Herts (as it relates to East Herts), be considered;

(B) the Head of Housing and Health be requested to explore, at the next SLA review meeting in April 2019, the issues raised by Members including; loneliness, working with the elderly, combatting social isolation (especially in rural areas) and working with Parish Councils;

(C) the proposed priorities for the 2019/20 service level agreement (SLA) between the Council and CVS be considered; and

(D) the Head of Housing be requested to consider any issues raised when finalising the 2019/20 SLA.

440 CORPORATE HEALTHCHECK - QUARTER 3

The Head of Strategic Finance and Property and Head of Communications, Strategy and Policy submitted a report on the finance and performance of the Council as at 31 December 2018. The Head of Strategic Finance and Property explained that an underspend of £29k was predicted.

Members debated the report at length and clarification was sought and provided on a number of issues including:

- The overspend of £31k within Democratic and Legal Services (and the difficulties in recruiting solicitors) and whether the section had sufficient resources to manage the workload, including schemes to nurture new staff;
- The level of outstanding debt, of which £123k related to outstanding section 106 monies due from developers;
- Concerns that the underspends and slippage may be impacting on capital schemes (such as the fire suppression unit at Buntingford) and have a negative effect on the Council;
- The overspend of £27K against the Shared Business and Technology Services budget and digital savings not being achieved. Concerns were expressed about

the VM were not working on I-pads.

- The level of contribution from reserves of £1.116M in 2018/19;
- The £46K overspend on the Financial Management System and whether this would impact on the audit.

Assurances were sought and provided that there was sufficient staff in place to manage the election process. The Chief Executive explained that regular team update meetings were being held.

Councillor A Alder referred to the lack of progress with regard to the public toilets in Sawbridgeworth. The Chief Executive advised that a scheme had been submitted to the Town Clerk and that the Council was awaiting a response.

The Committee Chairman referred to the good progress made on the Hertford Hydro.

It was moved by Councillor J Wyllie and seconded by Councillor T Stowe, that the recommendations, as detailed be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the projected revenue budget forecast underspend of £29K in 2018/19 be noted (paragraph 2.1);

(B) the capital budget for 2018/19 of £11.485M be noted (paragraph 6.1);

(C) the reported performance for the period October 2018 to December 2018.

441 EXTERNAL AUDITOR 2018-19: AUDIT PLAN

The External Auditor submitted a report on the Audit Plan which set out how the External Auditors intend to carry out their responsibilities, the proposed audit approach and scope for the 2018/19 audit against accountings requirements and legislation to ensure that the audit was aligned with the Council's service expectations.

The External Auditor provided a summary of the report in terms of:

- An overview of the 2018/19 audit strategy;
- Audit risks;
- Value for money risks;
- Audit Materiality;
- Scope of the audit;
- Audit Team and timeline;
- Independence and appendices.

The Head of Strategic Finance and Property referred to the shortened time period to produce the accounts. The External Auditor explained how this would impact on EY in terms of then auditing the accounts and asked that consideration be given to changing the date of the Performance Audit and Governance Committee on 16 July 2019 to a later date (two weeks later, to 31 July 2019), so that Members could consider the report. The Head of Strategic Finance and Property undertook to discuss this further with Democratic Services.

In response to a query from the Chairman, the External Auditor explained the analytical tools used to undertake the audit process.

Members received the report.

RESOLVED - that the report be received.

442 SHARED ANTI-FRAUD SERVICE WITH DRAFT PLAN FOR 2019-20

The Shared Anti-Fraud Service submitted a report on the progress of the SAFs and East Herts Anti-Fraud Action Plan for 2018/2019, the Anti-Fraud Plan for 2019/20 and explained the requirements of the Transparency Code data 2018/19.

The Officer provided a summary of the report and of work in progress to support e-learning and of the need for mandatory training in relation to money laundering. The SAFs Officer provided an update on the current situation and stated that the partnership had achieved £125K savings on new revenue activities. He explained what reports would be presented to Members in the summer 2019.

Members sought and were provided with clarification on a number of issues including:

- The increase to all SAFs partners, of 2%;
- Fraud and cyber crime;
- The culture at East Herts from a fraud view (said to be better than other councils);
- How the savings of £125K had been achieved;

- The key objectives of the Herts Fraud Hub and the positive use of data sets;

The SAFs Officer drew Members' attention to the "Councillors workbook on Bribery and Fraud Prevention", as detailed in the report.

It was moved by Councillor K Crofton and seconded by Councillor L Radford that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared carried.

RESOLVED – that (A) the SAFs / EHC Anti-Fraud Plan 2019/20 be approved.

(B) the LGA Councillors Workbook on Fraud and Bribery Prevention 2017 be noted.

443 SHARED INTERNAL AUDIT SERVICE (SIAS) INTERNAL AUDIT PLAN 2019/20 – UPDATE

The Shared Internal Audit Service submitted a report on the proposed East Herts Audit Plan for 2019/20. The SIAS Officer provided a summary of the report.

It was moved by Councillor K Crofton and seconded by Councillor T Stowe that the recommendation, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the East Herts Audit Plan for 2019/20, be approved.

444 SHARED INTERNAL AUDIT SERVICE (SIAS) - PROGRESS REPORT

The Shared Internal Audit Services submitted a report on the progress made in delivering the Council's 2018/19 Internal Audit Plan as at 22 February 2019, the findings for that period including the status of previously agreed Internal Audit recommendations. The report summarised the proposed amendments required to the approved 2018/19 Internal Audit Plan and provided an update on performance management information as at 22 February 2019. The SIAS Officer provided a summary of the report.

The Chairman sought and was provided with clarification on the issue of compliance monitoring which was being undertaken in house, under a joint service arrangement and was assured that the Council was now fully compliant with GDPR requirements.

Councillor A Alder queried whether Officers had identified all the properties in the District which were houses in multiple occupation. The Head of Strategic Finance and Property assured the Member that the Head of Revenues and Benefits had this under review.

It was moved by Councillor J Wyllie and seconded by Councillor A Alder that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that (A) the Internal Audit progress report be noted;

(B) the amendments to the Audit Plan as at 22

February 2019, be approved;

(C) the status of critical and high priority recommendations, be noted.

445 ANNUAL REVIEW OF RISK MANAGEMENT STRATEGY

The Executive Member for Finance and Support Services submitted a report following a review of the Risk Management Strategy and proposed updates, as detailed within the report and Essential Reference Papers.

Councillor J Wyllie sought and was provided with clarification regarding the intention to delete the sentence, "Operational risks are identified by Heads of service and reviewed at Leadership Team".

Members supported the recommendation, as detailed.

It was moved by Councillor P Ballam and seconded by Councillor T Stowe that the recommendation, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the updated Risk Management Strategy, be received.

446 WORK PROGRAMME

The Democratic Services Officer explained that the Interim Scrutiny Officer was not available but had been having discussions with Leadership Team on the work of the scrutiny Committees and that, particularly in the case of Performance Audit and Governance Scrutiny, much of the

work put before it would be better managed through a monitoring and oversight committee. Further information would follow.

Members noted the update.

RESOLVED – that the update be received.

The meeting closed at 8.45 pm

Chairman
Date