

EAST HERTS COUNCIL

EXECUTIVE – 12 JANUARY 2019

REPORT BY CHAIRMAN OF PERFORMANCE AUDIT AND GOVERNANCE
SCRUTINY COMMITTEE

PERFORMANCE, AUDIT AND GOVERNANCE SCRUTINY COMMITTEE
UPDATE

WARD(S) AFFECTED: All

Purpose/Summary of Report

- This report summarises the discussions and recommendations made at the meeting of the Performance, Audit and Governance Scrutiny Committee meeting on 22 January 2019.

<u>RECOMMENDATION FOR EXECUTIVE: that:</u>	
(A)	The discussions and recommendations of the Performance, Audit and Governance Scrutiny Committee detailed in the report, be noted.

1.0 Background

1.1 The Performance Audit and Governance Scrutiny Committee, at its meeting on the 22 January 2019, considered the following items:

- Annual Audit Letter and External Grants Certification Summary
- Treasury Management – Mid-year Review 2018-19
- Treasury Management and capital strategies for 2019/20
- Capital Strategy - going forward
- Shared Internal Audit Services - Update on the Audit Plan
- Progress on Anti-Fraud Plan 2018/19

- Performance Audit and Governance - Work Programme 2018/19
- Cyber Security and IT Disaster Recovery

A summary of their discussions and recommendations is set out below.

2.0 Annual Audit Letter and External Grants Certification Summary

These items were duly noted

3.0 Treasury Management – Mid-year Review 2018-19

It was **RESOLVED** to recommend to the Executive that the Treasury Management Activity and Prudential Indicators, for the first 6 months of the 2018/19 financial year, be approved.

4.0 Treasury Management and capital strategies for 2019/20

It was **RESOLVED** that:

- A The Treasury Management Strategy and Annual Investment Strategy, including the prudential indicators discussed in paragraphs 2.1 – 2.3 is recommended to Executive and Council; and
- B The credit and counterparty risk management and approved countries list discussed in paragraph 2.3 is recommended to Executive and Council.

5.0 Capital Strategy - Going Forward

It was **RESOLVED** that:

- A The Capital Strategy 2019 Onwards, discussed in paragraphs 2.3, is recommended to Executive and Council.

6.0 Shared Internal Audit Services - Update on the Audit Plan

Noted: The Internal Audit Progress Report and the Status of Critical and High Priority Recommendations.

7.0 Progress on Anti-Fraud Plan 2018/19

Noted: The work of the Council and the Shared Anti-Fraud Service in delivering the *Anti-Fraud Plan 2018/19*.

8.0 Performance, Audit and Governance - Work Programme 2018/19

The Agenda for the meeting on the 12th March was agreed as below

Performance relating to CVS SLA 2018/19 and proposals for 2019/20	Jonathan Geall	At request of Jonathan 10/01/19
Annual Leisure Performance Report 2018	Head of Operations	Annual Update To go to this meeting or May/June 2019
Q3 Financial Health Check Report(Oct – Dec 2019), incl. section on performance And risk management	Isabel Brittain, Head of Strategic Finance	Including Performance section (Ben Wood) Risk management: Graham Mully
External Auditor 2018-19 Audit Plan	External Auditor from Ernst and Young	Email Natalie Clark EY with report deadline
Shared Anti-Fraud Service with draft plan for 2019/20 for approval	Nick Jennings HCC	SAFS/EHC Anti-Fraud Plan 2019/2020
Shared Internal Audit Plan (SIAS) 2019/20	Simon Martin SIAS, HCC	Propose to combine into 1 report
SIAS Audit Plan Update	As above	SAFS/EHC Anti-Fraud Plan 2019/2020
Annual Review of Risk Management Strategy	Isabel Brittain, Head of Strategic Finance /Graham Mully, Risk and Insurance Business Advisor	Annual Update To go to this meeting or May/June 2019
Scrutiny Work Programme	Michael Edley: interim Scrutiny Officer	Verbal discussion

9.0 **Cyber Security and IT Disaster Recovery**

Members were apprised of activities underway: Installation of Microwave back up to the Dark fibre connection; upgrade to Office 365; and upgrade to VMWare version 7

The following issues were discussed:

Resilience: The reduction in resilience issues from 99 to 3 was noted and welcomed. Members asked that they be apprised of the number and length of downtimes.

Upgrades: Members were advised that compatibility issues with IPADs and VMware 7 would delay the upgrade for 4-6 months.

Data security: Members were pleased to hear that a Data protection officer is being appointed to Shared Service IT to work for both partners.

10.0 **Update: Section 106 agreements**

Members noted and welcomed the progress made with respect to Section 106 agreements and discussed the need to develop a number of 'off the shelf' community development/improvement projects that had already been sufficiently scoped to hit the floor running should the opportunity arise.

RESOLVED to recommend to Executive that,

A In order to generate relevant community improvement projects for Section 106 monies, the council should consider engaging with:

- Communities;
- Partner organisations; and
- Town/parish councils

- B Consideration should be given to combining CIL and Section 106 monies
- C A progress report is brought to the PAGSC in approximately 6 months

Contact Member: Councillor Mark Pope, Chairman of Performance, Audit and Governance Scrutiny Committee
mark.pope@eastherts.gov.uk

Contact Officer: Alison Stuart– Head of Legal and Democratic Services, Extn: 2170.
alison.stuart@eastherts.gov.uk

Report Author: Michael Edley – Interim Scrutiny Officer, Extn: 1515. mike.edley@eastherts.gov.uk