

MINUTES OF A MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER,
WALLFIELDS, HERTFORD ON THURSDAY 27
MAY 2021, AT 7.00 PM

PRESENT: Councillor M Pope (Chairman)
Councillors A Alder, R Fernando, T Stowe,
R Townsend and A Ward-Booth

ALSO PRESENT:

Councillors P Ruffles

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Scrutiny Officer
James Ellis	- Head of Legal and Democratic Services and Monitoring Officer
Steven Linnett	- Head of Strategic Finance and Property
Katie Mogan	- Democratic Services Manager
Graham Mully	- Insurance and Risk Business Advisor
Tyron Suddes	- Information Governance and Data Protection Manager
William Troop	- Democratic Services Officer

ALSO IN ATTENDANCE:

Nick Jennings	- Shared Anti-Fraud Service (SAFS)
Chris Wood	- Shared Internal Audit Service (SIAS)

44 APPOINTMENT OF VICE-CHAIRMAN FOR 2021/22

It was moved by Councillor Alder and seconded by Councillor Fernando, that Councillor Ward-Booth be appointed Vice-Chairman for 2021/22. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – Councillor Ward-Booth be appointed Vice-Chairman for 2021/22.

45 MINUTES - 16 MARCH 2021

It was moved by Councillor Fernando and seconded by Councillor Ward-Booth, that the Minutes of the meeting of the Committee held on 16 March 2021 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the Minutes of the Committee meeting held on 16 March 2021 be confirmed as a correct record and signed by the Chairman.

46 APOLOGY

An apology for absence was submitted on behalf of

Councillor Huggins.

47 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed all present back to the Council Chamber following the resumption of in-person meetings. He said that the Executive Member for Financial Sustainability was unable to attend due to illness, so Item 5 on the agenda would not proceed, although the Executive Member would respond to Members' questions outside of the meeting.

48 DECLARATIONS OF INTEREST

There were no declarations of interest.

49 2020/21 ANNUAL ANTI-FRAUD REPORT

The Shared Anti-Fraud Service (SAFS) Officer gave a brief summary of the report. He also updated Members on the recent work of SAFS, which included National Fraud Initiative data matching regarding council tax and the housing register, as well as providing assurance on grant payments. SAFS had received ten new referrals this year, with 19 live cases with a value of around £127,000. SAFS had also agreed to provide an anti-money laundering (AML) service to the Council.

The Chairman asked if the Council had an AML Officer.

The SAFS Officer said that the Chartered Institute of Public Finance and Accountancy (CIPFA) suggested that local authorities comply with the spirit of AML legislation, but were not bound by it. As the Council did

not often receive large payments, AML regulations would generally not be relevant. However, SAFS had the expertise to support the Council where necessary.

Councillor Fernando asked what losses would be recoverable from the current caseload. The SAFS Officer said around 90% of the work would be recoverable council tax or housing benefit cases. One case related to a business grant.

Councillor Alder asked what type of referrals SAFS received from the public.

The SAFS Officer said that public reporting was positive as it showed trust from the public in the organisation. However, SAFS also had to ensure these referrals were not malicious and unwarranted. Most of the public referrals related to council tax or housing benefit cases.

Councillor Stowe asked about the £130,000 recovered by the removal of 284 discounts.

The SAFS Officer said that these invalid discounts had been discovered by data-matching. Many of the cases were genuine errors rather than fraud, but in any case the Council was entitled to bill for backdated payments.

The Chairman asked whether the SAFS Officer was still confident that there were few fraudulent payments made under the COVID grant scheme. He also asked whether the 20 cases that remained open at year end last year had now been closed.

The SAFS Officer said that assurance on grants was good, although still ongoing, and more fraud might be discovered. One fraudulent payment had been made but this was recovered. Overall, the Shared Revenue and Benefits Service performed very well. All of the previously open cases had now been closed, with recovery possible on some.

RESOLVED – that the report be received and considered.

50 ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT
ANNUAL REPORT 2020/21

The Shared Internal Audit Service (SIAS) Officer gave a brief summary of the report. He also asked that the Head of Strategic Finance and Property give the Committee assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2020/21.

The Head of Strategic Finance and Property confirmed this to the Committee. The Chairman said that fewer reports had been delivered and asked if this was due to the pandemic. He also asked whether the Committee could draw conclusions from the change in the number of recommendations made.

The SIAS Officer said it was difficult to draw direct conclusions as audits focussed on different areas each year. COVID had affected the work of SIAS, although lots of work could be done remotely. Enough work was carried out to support the assurance opinion, which was the minimum requirement, and there were other sources of information, aside from formal audits,

which could be used to support this opinion.

Councillor Fernando asked whether the cancelled Emergency Planning audit included scenarios such as pandemics. The SIAS Officer said he would need to look into this and respond to Members outside of the meeting.

Councillor Townsend asked whether software auditing would be part of the IT audits, and whether this could be added to the schedule.

The SIAS Officer said that IT audits were conducted by specialist third party partners. Particular areas would be reviewed cyclically, if they had not been audited for a period or were deemed to pose a high risk. However, this should be covered in the Council's Risk Register and in the Audit Plan.

The Insurance and Risk Business Advisor said that the risk scoring of this area had previously been increased due to the Committee's concerns.

The Head of Strategic Finance and Property said that IT Resilience had already been assigned a number of audit days within the Audit Plan.

RESOLVED – (A) that the report be received and considered;

(B) the SIAS Audit Charter be accepted; and

(C) management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2020/21 be received.

51 STRATEGIC RISK REGISTER – MONITORING 2020/21 -
QUARTER 4

The Insurance and Risk Business Advisor gave a brief summary of the report.

Councillor Ward-Booth asked about the resilience of IT systems given the recent system outages and what was being done to prevent his happening again. He also asked what Officers working from home did with confidential waste.

The Insurance and Risk Business Advisor said the recent outage had been related to a microwave signal disrupting security software, but this had now been resolved. Staff had agreed to clear protocols regarding confidential waste and taking card payments from home; Members could be assured that the Council had considered this.

Councillor Alder asked whether the Council had been able to quantify how many residents had been using self-service solutions during the pandemic.

Councillor Fernando asked what steps the Council was taking to make EU residents aware of the need to apply for settled status. The Insurance and Risk Business Advisor said he would look into both queries and respond to Members outside of the meeting.

The Chairman asked whether the risk of prices dropping for recyclable material was scored appropriately.

The Head of Strategic Finance and Property said that waste was retained by the Council, but should it be necessary, it could simply present excess waste to Hertfordshire County Council. Prices for plastics were now increasing again, which highlighted how volatile the market was.

RESOLVED – that the report be received and considered.

52 DATA PROTECTION UPDATE

The Information Governance and Data Protection Manager gave a brief summary of the report.

Councillor Townsend asked about data integrity and how the Council stored secondary back up and tertiary data.

The Information Governance and Data Protection Manager said that work on this was planned, and assurance would be sought from third parties about their data processes to ensure consistency.

Councillor Stowe asked what was done to protect data when Officers were working from home. He also asked what measures were in place to ensure that documents sent out in response to Freedom of Information (FOI) and Subject Access Requests (SARs) were properly redacted.

The Information Governance and Data Protection Manager said that the use of a hosted desktop when staff were working remotely provided a good level of data security. The Data Protection policy would also

include a section on working remotely. Members were also advised that any FOI requests or SARs were checked by an Officer and then double checked by the Information Governance and Data Protection Manager.

Councillor Fernando asked whether the Information Commissioner's Office (ICO) had advised any further action on the breach reported to them.

The Information Governance and Data Protection Manager said that he had chased a response from the ICO, which had not been received, although this suggested that the Council's action was satisfactory.

The Chairman said that further General Data Protection Regulation (GDPR) training following an Officer error should be mandatory, rather than advised. He also said that it would be useful for the Committee to be updated on any response from the ICO.

The Information Governance and Data Protection Manager said he was happy to take this on board. The Head of Legal and Democratic Services said that mandatory training on GDPR was also a requirement in performance and development reviews.

Councillor Alder asked whether the stolen fly-tipping camera had been replaced more securely. The Information Governance and Data Protection Manager said he would look into this and respond to Members outside of the meeting.

Councillor Fernando asked whether GDPR training was being changed to reflect the fact that most breaches

were caused by human error.

The Information Governance and Data Protection Manager said that he was currently reviewing the training and his intention was to make it more specific to the Council.

RESOLVED – that the report be received and considered.

53 STANDARDS UPDATE

The Head of Legal and Democratic Services gave a brief summary of the report. Members were also advised that the Council were looking to roll out the newly adopted Code of Conduct to its town and parish councils. This would simplify matters, particularly for Members who represented residents at multiple levels of local government.

The Chairman asked whether there was an opportunity for the equalities training Members had received to be rolled out to Town and Parish Councils.

The Head of Legal and Democratic Services said that Town and Parish Councils were responsible for their own training provision. The recent equalities training had been well-attended so it was not considered that any further training was needed currently, although this would be reviewed again in time.

RESOLVED – that the report be received and considered.

54 2020/21 PROVISIONAL OUTTURN – UPDATE

The Head of Strategic Finance and Property gave a brief verbal update to Members on provisional outturn. He explained that a full report could not be delivered due to IT outages delaying work by around a week.

Members were also advised the Audit Manager at Ernst and Young (EY), the Council's external auditor, had moved on. EY had assured the Council the audit would begin on time, but it was possible that this would now be delayed.

55 WORK PROGRAMME PROPOSALS 2020-21

The Scrutiny Officer gave a brief summary of the report. Members were advised that the scrutiny review had highlighted the need for scrutiny committees to be a 'critical friend' to the Executive. It also recommended reading agendas early.

Councillor Alder said that the scrutiny training was interesting and well-run and expressed her thanks to the trainer.

Councillor Ward-Booth asked for a general update on the Council's capital projects.

The Scrutiny Officer said she would liaise with the Improvement and Insight Manager regarding this. Any update might come in the form of a briefing for all Members.

It was moved by Councillor Fernando and seconded by

Councillor Townsend 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 main agenda items for the following meeting and the consolidated work programme be agreed.

56 URGENT ITEMS

There was no urgent business.

The meeting closed at 8.50 pm

Chairman
Date