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## **Audit Committee MINUTES**

**Of a meeting held in the Penn Chamber, Three Rivers House, Rickmansworth, WD3 1RL on Tuesday, 25 March 2025 from 7.35 pm - 8.43 pm.**

**Present:** Councillors

Tony Humphreys (Chair)

Lisa Hudson, Ian Morris, Ciaran Reed and Mike Sims

### **Officers in Attendance:**

Alison Scott, Director of Finance  
Justin Wingfield, Head of Property Assets & Major Projects  
Anita Hibbs, Committee Officer  
Robert Thurlow, Chief Accountant  
Phil King, Data Protection and Resilience Manager  
Rebecca Young, Head of Strategy & Partnerships

### **AC41/25      APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Keith Martin.

### **AC42/25      MINUTES OF PREVIOUS MEETING**

The minutes of the Special Audit Committee held on 26 February 2025 were confirmed as a correct record and signed by the Chair of the meeting.

### **AC43/25      NOTICE OF ANY OTHER BUSINESS**

There were no items of other business.

### **AC44/25      DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **AC45/25      TRDC SIAS PROGRESS REPORT AGAINST THE 2024-25 AUDIT PLAN**

The Director of Finance introduced the report, confirming that all audits will be completed in time for the annual governance statement.

The Head of Property Assets & Major Projects provided an update; explaining the ongoing efforts to implement a new property management system, following the audit recommendation from 2019. The officer highlighted the challenges faced since joining the Council in August 2021, including staff turnover and the need for improved record-keeping methods. A significant achievement has been the successful transition from a legacy garage management

system to the new system, which is now fully operational. The officer emphasised the importance of maintaining audit scrutiny over the system's implementation, and outlined plans to populate the system with commercial data and miscellaneous assets. A new staff member is set to join the team to assist with this effort, and the officer anticipates that by September, the system will be fully implemented.

Members raised concerns about delays attributed to insufficient data input resources and questioned whether earlier support could have expedited project completion. They also expressed concern about the sustainability of operations after the initial 12-month contract for the new hire. The officer acknowledged the validity of these concerns, explaining that previous staffing challenges contributed to delays. The officer mentioned a temporary worker who left for another opportunity, impacting progress. Looking ahead, the officer outlined a strategy to reassess the role and responsibilities of the new hire after six months, indicating a plan to adapt the position to meet evolving needs in property management.

Members addressed the potential implications of devolution on local authorities, specifically focusing on the management and export of data. The officer emphasised that regardless of the changes in governance structures, there is an expectation for the data held by authorities to be easily exportable into larger systems. While acknowledging that this transition may take years, the officer reassured that continuing current data practices will not disadvantage the authorities. The officer also pointed out that many unitary authorities tend to rely on legacy systems before fully integrating new information pooling strategies. Members further discussed the future of the Council and the effectiveness of current integration systems among neighbouring councils. Officers responded by confirming that some systems in use, like SAP for commercial properties are aligned, but acknowledged the uncertainty regarding the systems new authorities will adopt.

Members discussed the current status of the Treasury Management system, highlighting that the audit for its implementation has been cancelled due to insufficient progress. Officers confirmed improvements in the Logitech system, mentioning the recent change in Treasury Management advisors and the anticipated benefits of a new system for better forecasting. The conversation shifted to project completion rates, noting delays in two projects attributed to recruitment issues. Officers reassured that the new procurement card system is being implemented after recent training, despite previous capacity challenges within finance. The new system promises to streamline processes through technology, enhancing efficiency in financial management.

Members raised questions on the taxi licensing section of the report, pointing out the lack of updates on the taxi licensing recommendations, which had not been addressed since November 2024, and requested that the responsible officer attend the next Audit Committee meeting to provide clarity. Officers highlighted that all recommendations in question were of low priority, suggesting that while improvements are advisable, there is no immediate urgency for action.

Members also asked questions regarding the management of sundry debtors. Officers responded noting that while the debtors are not significant, steps are being taken to improve their management. An interim resource is currently reviewing the management processes to ensure effective oversight. Recent write-offs have been reported in the range of £10,000 to £20,000, which officers consider manageable, given the overall income.

Further concerns were raised regarding the delays in implementing outstanding recommendations for council tax recovery, and Members also questioned the potential cash benefit from the ongoing training. Officers responded by detailing the structural changes made to the revenue and benefits team, including a reduction in management tiers and the merging of roles to accommodate the new system. The emphasis is on maintaining service delivery while training staff, which was described as a comprehensive redesign, rather than just standard training.

The Committee also discussed the Council's current practices on debt recovery, questioning the effectiveness of chasing existing debts while referencing a recent incident where residents were notified in error of court action over negligible fines. Officers acknowledged the issue, confirming that it was an error, and explained that the Council is working with new enforcement agents to review old debts before deciding to write them off.

Councillor Tony Humphreys moved the recommendation as set out in the report.

On being put to the committee the motion was declared CARRIED by the Chair, the voting being by general assent.

RESOLVED:

Members are recommended to:

- i. Note the Internal Audit Progress Report for the period to 7 March 2025
- ii. Approve amendments to the Audit Plan as at 7 March 2025
- iii. Agree changes to the implementation date for 5 audit recommendations (paragraph 2.5) for the reason set out in Appendices 3 to 5
- iv. Agree removal of implemented audit recommendations (Appendices 3 to 5)

#### **AC46/25      SIAS INTERNAL AUDIT PLAN REPORT 2025-26**

The Director of Finance introduced the report, outlining the process of generating the internal audit plan, highlighting the role of SIAS in conducting horizon scanning to identify upcoming issues relevant to internal audit.

Councillor Tony Humphreys moved the recommendation as set out in the report.

On being put to the committee the motion was declared CARRIED by the Chair, the voting being by general assent.

RESOLVED:

- i. Members are recommended to approve the proposed Three Rivers District Council and the Watford & Three Rivers Shared Service Internal Audit Plans for 2025/26
- ii. Members are requested to note the SIAS Internal Audit Strategy and provide any comments prior to approval by the SIAS Board

#### **AC47/25      STATEMENT OF ACCOUNTS UPDATE 2024/25**

The Chief Accountant introduced the report, outlining the accounting policies for 2024-2025. The officer highlighted the changes to the local audit system, including the establishment of a new Local Audit Office and the implications of recent regulatory changes. Key points include the revised statutory deadlines for the draft accounts, the approval process for the annual government statement, and the introduction of new accounting standards such as IFRS 16.

Councillor Tony Humphreys moved the recommendation as set out in the report.

On being put to the committee the motion was declared CARRIED by the Chair, the voting being by general assent.

RESOLVED:

- i. To note the update in relation to the 2024/25 Statement of Accounts timeframes.

- ii. To ratify the draft Accounting Policies for 2024/25 as approved by the Director of Finance as set out in Appendix 1.
- iii. To note the changes with the Financial Reporting Council local audit system leadership and the establishment of a Local Audit Office.

#### **AC48/25 RISK MANAGEMENT STRATEGY AMENDMENT**

The Head of Strategy & Partnerships introduced the report, highlighting the research involved examining practices of other local authorities to determine if Green belt should be categorised as a distinct risk. Ultimately, the recommendation is to maintain the current risk management strategy without amendments, which had already been reviewed and approved by the Audit Committee, Policy & Resources Committee, and Full Council in December 2024.

Members emphasised the importance of prioritising Green belt protection over government housing targets in local planning. They highlighted a historical disconnect between officer recommendation and Member priorities regarding Green belt preservation. Furthermore, Members added that residents are increasingly concerned about threats to the Green belt, and therefore they advocate for adding a column in the risk register to assess risks to the Green belt, asserting that this would align officer priorities with Member and community concerns. Officers responded by pointing out that certain risks, particularly financial ones, do not directly affect the Green belt, suggesting that including the Green belt on the risk register might skew the perception of other risks. Members countered however, that protecting the Green belt should be the top priority, and should be tracked in the risk register. They argued that even if assessments often show no impact, the Council should still prioritise Green belt issues. Officers questioned the feasibility of quantifying Green belt loss as an impact classification, and explained that while service disruptions and financial losses are quantifiable, the implications of losing Green belt land are less clear, and suggested that a strategic risk assessment for losing Green belt could be more effective. Members responded by emphasising the importance of distinguishing Green belt from general environmental concerns, arguing for a more precise measurement of Green belt loss based on square footage or percentage. Furthermore, Members argued that by adding the risk to Green belt as a category would support efforts to limit housing development in the Green belt, which is a significant concern for the community. Officers reassured that the recommendation will be sent to the policy-making committee for approval, and officers will explore risk categories further, including environmental options.

Councillor Mike Sims proposed an amendment to the recommendation, seconded by Councillor Ciaran Reed, that; *'risk to Green belt' is to be added to the risk register as a category.*

On being put to the committee the motion was declared CARRIED by the Chair, the voting being by general assent.

RESOLVED:

That:

- i. The Council's Risk Management Strategy is adopted.
- ii. The Committee agrees to give delegated Authority to Associate Director of Corporate, Customer and Community to authorise minor changes to the policy, such as terminology, clarification, or administrative corrections with no significant impact.

And;

- iii. *'Risk to Green belt' is to be added to the risk register as a category as per the agreed amendment.*

## **AC49/25      FINANCIAL AND BUDGETARY RISKS**

The Director of Finance introduced the report, advising that the 2025-2026 budget has been broadly approved and is balanced, but highlighted a project gap in the following years due to the assumptions regarding fair funding reforms. The officer mentioned the Local Government Reorganisation (LGR) and advised that it had been added to the risk register.

Members enquired about the increasing risk related to pay awards, to which the officer responded by explaining that this risk is higher in the beginning of the year due to pending agreements. Furthermore, Members raised concerns about the potential for delayed pay negotiations, which could keep the risk elevated for a longer period. The officer responded by stating that it is likely that negotiations will drag again, and the risk will remain high on the risk register until there is clarity on the outcome of the negotiations.

The Committee noted and commented on the risk register.

RESOLVED:

That:

That the Committee review the risk register and make any comments it wishes to make against individual risks.

## **AC50/25      WORK PROGRAMME**

Members discussed the current situation regarding risks faced by the Council, particularly focusing on reputational and financial risks, and enquired about which risk register the impact of political instability will be added to. Officers confirmed that it will be part of the strategic risk register, which will be discussed at the September Policy & Resources Committee meeting.

The Director of Finance requested feedback from the Committee whether they are happy with the current format for training or would prefer to change to a virtual format, possibly a few days prior to the committee meetings, might be more effective. The officer encouraged the committee members to consider this suggestion and provide feedback outside of the meeting.

The Committee noted the work programme.

RESOLVED:

That the Committee consider and makes necessary changes to its Work Programme.

## **AC51/25      OTHER BUSINESS - IF APPROVED UNDER ITEM 3 ABOVE**

There were no items of other business.

## **AC52/25      EXCLUSION OF THE PRESS AND PUBLIC**

**CHAIR**