

At a meeting of the West London Waste Authority - Audit Committee held on Friday 24 January 2020 at 10.00 am at the Committee Room 5, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

**Present:**

Councillor Krupa Sheth (Chair)

Councillor Graham Henson, Councillor Mik Sabiers and Councillor Julia Neden Watts  
Andrea White (Independent Person)

**Apologies for Absence**

Councillor Philip Corthorne

**58. Apologies for absence**

Apologies for absence were received from Councillor Philip Corthorne.

**59. Declarations of interest**

**RESOLVED:** There were no declarations of interest.

**60. Minutes of the Audit Committee meeting held on 25 January 2019 and the Authority meeting (as the Audit Committee) on 28 June 2019**

**RESOLVED:** That the minutes of the meetings held on Friday 25 January 2019 and Friday 28 June 2019 be taken as read and signed as correct records subject to noting that Andrea White, Independent Person had been in attendance on 28 June 2019.

**61. Internal Audit Reports (Business Continuity, Performance Management)**

Sarah Hydrie, Internal Auditor, introduced the internal audit reports in relation to business continuity and performance management and outlined the content, including the scoping areas.

In terms of business continuity, the Internal Auditor drew attention to the two recommendations in relation to policy, procedures and strategy. In response to a question as to whether there were any underlying issues resulting in the frequency of incidents such as fire, Emma Beal, Managing Director, explained that whilst this was a concern, the underlying cause was the separation of waste into an increasing number of categories/piles. She advised that the waste industry was having to adapt and learn. In terms of other incidents, the Authority was handling such a volume of waste, that even a small percentage of the system/ process not working had an impact.

Referring to the Performance Management Audit, concern was expressed in that 22% of Key Performance Indicators were forecast as not achieving the annual target but were rated as green. It was explained that this related to recycling rates and the Managing Director advised that the Authority needed to more clearly define why Red, Amber, Green ratings were given.

The Internal Auditor advised that the next audit planned was the General Ledger Review.

**RESOLVED:** That the report be noted.

## **62. Risk Register**

Members received a report which provided the Authority's update Risk Register.

Jay Patel, Head of Finance, introduced the report and advised that there had not been a great deal of change over the preceding quarter. In terms of the Amber risk associated with Brexit, he explained that the biggest risk was the impact on staff personally but that the impact for the Authority was low.

In response to Members comments that there would be risks associated with reduced driver numbers as a result of Brexit and also the emerging risk of changing legislation, for example, the reintroduction of co-mingled waste, the Managing Director advised that the national shortage of drivers was already included on the register. It would also be necessary to give consideration to the skills required for the business moving forward as when the register was drafted, the focus was a no deal Brexit and no legislation uncertainty.

**RESOLVED:** That the Risk Register, as set out at Appendix 1 to the report, be noted.

## **63. External Audit Plan for 2019/20 Accounts**

Members received the External Audit Plan for 2019/20 Accounts and welcomed Maria Grindley, Engagement Partner and Larisa Midoni, Audit Manager, both of Ernst and Young LLP, to the meeting.

Ms Grindley reported that the Plan had been prepared following discussions with the Managing Director and Head of Finance. She advised that the key risks related to fraud and error and the PPE evaluation at the waste plant. Materiality had been set at 2% as there had been no issues in the previous year and this should be viewed as a positive.

In response to a question as to the likely impact of the introduction of the new accounting standards IFRS16, THE Head of Finance advised that this related to leases held over the last few years. The Authority no longer held any leases and there were no major procurements proposed in the budget.

**RESOLVED:** That the External Audit Plan for 2019/20 Accounts be noted.

**The meeting finished at 10.29 am.**

The minute taker at this meeting was Alison Atherton.