

At a meeting of the West London Waste Authority - Audit Committee held on Friday 25 January 2019 at 10.00 am at the Committee Room 5, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

**Present:**

Councillor Graham Henson and Councillor Krupa Sheth  
Andrea White (Independent Person)

**Apologies for Absence**

Councillor Keith Burrows (Chair)

**51. Apologies for absence**

Apologies for absence were received from Councillor Keith Burrows.

**52. Declarations of interest**

**53. Election of Chair**

**RESOLVED:** That Councillor Krupa Sheth be appointed as Chair for the meeting.

**54. Minutes of the meeting held on 26 January 2018**

**RESOLVED:** That the minutes of the meeting held on 26 January 2018 be taken as read and signed as a correct record.

**55. Internal Audit Reports (Fraud, Health and Safety)**

Sarah Hydrie, Internal Auditor, introduced the internal audit reports in relation to a fraud incident at the Twyford site and health and safety and outlined the content.

In relation to the Twyford fraud incident, Andrea White, Independent Person, questioned the adequacy of systems and controls and the compliance with those systems and controls and was advised that some of those issues were easier to address than others. In terms of wider management issues such as appraisals and induction, management had commenced the process by employing HR consultants. The Committee recognised that the employee responsible for the fraud had not followed the policies but that there had been a staff restructure and new management at the site and there continued to be good progress. The disciplinary aspect of the case had been concluded.

The Internal Auditor confirmed that two reviews had been carried out during 2018/19 with one more due by the end of the year and the Committee noted that the reviews in relation to performance management and business continuity had been delayed to the next financial year. The Internal Auditor added that consideration should be given to the development of quarterly key health and safety performance indicators in order to mitigate risk (page 25, point 3 refers).

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

## **56. Risk Register**

Jay Patel, Head of Finance, introduced the report which provided an update on the Authority's risk register.

In response to a question in relation to limited assurance and compliance, Jay Patel advised that whilst this had not been discussed by Chief Officers, the risk of small scale fraud was the same for the Authority as for other businesses. Emma Beal added that whilst the fraud committed at Twyford had been low impact the response to it had been seen in every part of the organisation.

Andrea White, Independent Person, sought clarification in relation to the potential challenge by the Department of Local Government and Communities of the HRRC provision or charging policy (page 32, point 16 refers) in terms of risk. The Managing Director advised that it was the Authority's statutory responsibility to provide sites and that whilst the Government was considering charging policies a change in legislation would be required. Officers would continue to monitor provision and services at the HRRC sites. Members were advised that the Authority owning all the HRRC sites would be the biggest mitigation of risk.

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

## **57. External Audit Plan for 2018/19 Accounts**

Members received the Audit Planning report for the year ended 31 March 2019.

Helen Thompson, External Auditor (Ernst and Young), outlined the content of the report and highlighted the risks, particularly in relation to the valuation of property and plant. In addition, she explained that as an auditor she was required to consider the impact if management overrode controls and, whilst this was always tested as a significant risk, the way it was reported had changed.

Jay Patel, Head of Finance, confirmed that the levy was not affected by IFRS 9 and IFRS 15, the new accounting standards applicable from the 2018/19 financial year.

Members welcomed the positive report. A Member questioned the possibility of the manipulation of weights risk. Helen Thompson, External Auditor, confirmed that this risk had been tested in previous years but was described in more detail in this plan.

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

**The meeting finished at 10.33 am.**

The minute taker at this meeting was Alison Atherton.