

At a meeting of the West London Waste Authority - Audit Committee held on Friday 21 January 2022 at 10.00 am at the Council Chamber, Harrow Civic Centre, Station Road, Harrow, HA1 2XY.

Present:

Councillor Graham Henson, Councillor Deirdre Costigan, Councillor Guy Lambert, Councillor Eddie Lavery and Councillor Julia Neden Watts

Robin Pritchard (Independent Person)

Apologies for Absence

Councillor Krupa Sheth (Chair)

72. Apologies for absence

Apologies for absence were received from Councillor Krupa Sheth.

73. Appointment of Chair for the meeting

RESOLVED: That Councillor Deirdre Costigan be appointed as Chair for the meeting.

74. Declarations of interest

RESOLVED: To note that there were no declarations of interests made by Members.

75. Minutes of the meeting held on 25 June 2021

RESOLVED: That the minutes of the meeting held on 25 June 2022 be taken as read and signed as a correct record.

76. Health and Safety Internal Audit Report 2021/22

Members received the Health and Safety Management Audit report for 2021/22 and welcomed Mike Pinder and Julie Wood, the Authority's internal auditors, to the meeting. The Chair also welcomed Robin Pritchard, the Committee's new Independent Member.

Mike Pinder introduced the report which advised that no medium or high risk had been identified but that there had been three low risk findings; that a formal process be introduced to diarise health checks, the Human Resources policy update process be completed and testing for any staff working under the influence of drugs or alcohol be undertaken. In addition, records for drivers' licensing and insurance checks should be more comprehensive and a formal process for the checks introduced.

The Independent Member expressed concern that it was viewed as a low risk that staff could be driving around under the influence of alcohol or drugs. This concern was acknowledged, and the internal auditors explained that this was due to the time at which the audit had been undertaken and the complexities that organisations were going through as a result of the pandemic. Whilst checks had been done on an ad hoc basis it was necessary to formalise them.

In terms of the risk register, the Independent Member commented that whilst it explained the risk environment, he would like to have seen graded recommendations. Mike Pinder responded that there was an element of subjectivity in relation to risk ratings but that he would give this consideration in subsequent reports.

Responding to the low risk finding in relation to the Human Resources Policy, Jay Patel, Finance Director, reported that there was a requirement to review this annually and that it would have been done in both calendar years, but it might not have been undertaken within each financial year.

RESOLVED: That the report be noted.

77. 2020/21 External Audit Report and 2021/22 External Audit Plan

Members received the External Audit report and plan for 2021/22 and welcomed Andrew Brittain and Cheng Sha, Ernst & Young LLP to the meeting.

Andrew Brittain introduced the report and advised that it had been a relatively stable year and that the risks were identified on page 51. A new area of focus was IFRS16 relating to leases which had been deferred as part of the response to the pandemic and therefore did not impact on the 2021/22 accounts but might impact in the future.

In response to a question from the Independent Member as to whether the external auditors would reduce the time they spent on risks where there had been no issues, Andrew Brittain advised that it was helpful to know where there were no prior year issues and that he would revisit the work done last year. A Member questioned whether there were any other risks the Authority should consider as the boroughs estimated their tonnages but then fluctuating costs came into play. Mr Brittain advised that this would be monitored by officers and that forecasts and estimates had received more scrutiny from the regulators.

The Treasurer sought clarification on audit fees and conversations with Public Sector Audit Appointments Ltd (PSSA) and was advised that the determination for 2019/20 was currently being considered. In terms of 2021/22, the external auditor advised that the amount of now work required had increased considerably due to FRC and other regulators, but it was anticipated that these fees would remain for the next round.

RESOLVED: That the report be noted.

78. External Audit Service from 2023/24 to 2027/28

Members received a report which recommended the external audit service provision for the five-year period of accounts from 2023/24 to 2027/28.

The Independent Member questioned whether there was any merit in the same auditors being appointed for all London Waste Authorities. Jay Patel, Finance Director, responded that he thought this was a good idea and would raise it with the PSAA, the appointing body, to consider.

RESOLVED: That the Authority opt into the national scheme for auditor appointments managed by the PSAA.

79. Corporate Governance

Members received a report which provided an update in relation to the review of the Authority's Corporate Governance documents and policies.

RESOLVED: That the Clerk to the Authority's approval of minor changes to governance documents, following consultation with the Treasurer where appropriate, be noted.

80. Risk Register

Members received a report which provided the Authority's updated risk register. Jay Patel, Finance Director, outlined the content of the report.

A Member stated there was a shortage of skilled staff to do various jobs and that the risk was not simply about financial resources and questioned where staff could be found. Emma Beal, Managing Director, advised that as a waste disposal authority it was a different situation to that facing waste collection authorities. The Authority had started inhouse on the job training to improve skills needed in the future. She emphasised that the biggest risk was in relation to smaller contracts that hauled waste as there were many large companies doing this. With the move to electric vehicles, officers would need to keep a watch over staff skill sets and to focus on wider skills that were outside the Authority's control.

Referring to Risk 3 in relation to waste treatment and disposal contracts, the Independent Member questioned whether the plans had been tested. The Finance Director confirmed that business continuity plans were in place and that the pandemic had triggered the use and testing of these plans.

The Managing Director advised that the way waste was handled continued to be an issue in this country due to borders. The waste sector had regular calls with DEFRA to check and test such issues which had been navigated throughout the pandemic and, as a result, were well understood.

RESOLVED: That the contents of the risk register, attached at Appendix 2 to the officer report, be noted.

The meeting finished at 10.40 am.

The minute taker at this meeting was Alison Atherton.