

## DECISIONS OF THE AUDIT COMMITTEE

29 SEPTEMBER 2009

### COMMITTEE:

Councillor Jeremy Davies BA (Hons) CPFA (Chairman)

\*Councillor John Marshall (Vice-Chairman) (In the Chair)

### Councillors:

Danish Chopra	* Geof Cooke
* Daniel Webb	* Tom Davey
* Andreas Tambourides	* Monroe Palmer (substituting for Councillor Jeremy Davies)

\*denotes Member present

\$ denotes Member absent on Council Business

1. **MINUTES:**

RESOLVED – That the decisions of the meeting held on 29 June 2009 be approved as a correct record.

2. **ABSENCE OF MEMBERS:**

Apologies for absence were received from Councillor Jeremy Davies and Councillor Danish Chopra.

3. **PUBLIC QUESTION TIME:**

There were no public questions.

4. **DECLARATIONS OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:**

Members declared the following interests below:

Councillor	Item	Interest
Councillor Monroe Palmer	Item 8: Internal Audit Annual Report 2008-9 – Update on Selected Follow-ups from Directors	Personal but non-prejudicial interest: Councillor Palmer is a Director for Barnet Homes. Councillor Palmer stayed in the room for the consideration of the item and took part in the decision making process.

5. **MEMBERS' ITEMS (Agenda Item 5):**

There were no Members Items.

**6. MEMBERS TRAINING (Agenda Item 6)**

Members received training on Risk Management from Mr Phillip Coley of Zurich Insurance plc.

**7. EXTERNAL AUDITOR'S REPORT UNDER INTERNATIONAL STANDARD ON AUDITING (ISA) 260 FOR THE YEAR 2008/09 (Report of the Acting Chief Finance Officer – Item 7)**

Richard Tremeer of Grant Thornton LLP introduced the report and explained that several recommendations had been made. He further explained that Grant Thornton was satisfied with the Annual Governance Statement and the Use of Resources audit will be reported in full at the next meeting of the Audit Committee.

RESOLVED – That the matters raised by the external auditor relating to detailed aspects of the 2008/09 accounts, including the Pension Accounts audit, be noted.

**8. INTERNAL ANNUAL AUDIT REPORT 2008/9 – UPDATE ON SELECTED FOLLOW-UPS FROM DIRECTORS (Acting Head of Internal Audit and Ethical Governance – Item 8)**

The Director of Adult Social Services stated that arrangements were being made to improve the billing service and explained that the billing was a three-way contract between the London Borough of Barnet, the London Borough of Enfield and Sodexo Inc. She stated that attempts were being made to merge the billing process into a two-way system. She also explained that the sign-off process has been examined in order to increase its efficiency. She further explained that there were problems in data capturing and incorrect dates were being processed into the system causing discrepancies in the quality of the data.

The Committee expressed concern that residents were being billed nine weeks after meals had been consumed and that this might cause a potential cash flow problem and at the eighteen month period which has been taken in order to attempt to streamline the billing process.

The Director of Adult Social Services said that the billing process and the unsigned Service Level Agreement (SLA) should be completed by 31 October 2009 and she would report back to the Audit Committee at its meeting on 16 December 2009.

The Strategy and Performance Manager explained that the Housing Revenue Account framework had been adapted into the management agreement and would be completed by the end of September 2009. He advised that initial delays in progressing actions had been due in part to significant changes at Head of Service level in Planning Housing and Regeneration during the period between the original and follow up audit. He also explained that there had been no further follow-up audits since February 2009 and all the relevant work had been completed. The Committee expressed concern that not all the relevant procedures had been put in place during the period since Barnet Homes was formed five years ago.

The Major Capital Programmes Deputy Director explained that an extensive review of SAP would be carried out to solidify the controls with regard to contract management. She stated that the Corporate Procurement Team was delivering workshops to consolidate how contract monitoring and contract procedure rules were understood and that there was a procurement manager working with each Director.

The Interim Director of Finance stated that the Action Plan for Capital Expenditure had been updated and would be submitted for consideration by the Council's Directors.

RESOLVED -

(1) That the Committee notes the contents of the report and the actions taken to address previously reported deficiencies.

(2) That the Director of Adult Social Services report to the Audit Committee at its meeting on 16 December 2009.

**9. ANNUAL GOVERNANCE STATEMENT (Report of the Director of Corporate Governance - Item 9)**

The Director of Corporate Governance stated that there had been some changes in the report from the draft Annual Governance Statement that was considered by the Audit Committee at the meeting on 29 June 2009. Once approved, the document would be signed by the Leader of the Council and the Chief Executive and published on the Council's website.

The Director of Corporate Governance further explained that the Officers Code of Conduct is published on the internet via the Council's Constitution.

RESOLVED – That the Annual Governance Statement for 2008/9 be approved.

**10. RISK MANAGEMENT FRAMEWORK (Report of the Director of Corporate Governance - Item 10)**

The Head of Risk and Insurance introduced the report and explained that the Risk Register had been updated and improved upon and described how the way in which future strategies are reported is being examined.

RESOLVED –

(1) That the Committee notes the latest version of the Risk Register and agrees the proposed method for future consideration of both Corporate and Service Level Risk Registers.

(2) That the Committee notes the Risk Management Strategy and operation will be reviewed in conjunction with the action plan following the review of the Council's Internal Control Environment and the Implementation of the Risk Management IT system and that this will be reported to a future meeting.

The meeting closed at 9.29pm