

**AUDIT COMMITTEE
THURSDAY, 26 APRIL 2012**

AGENDA ITEM 4

PUBLIC QUESTION TIME

Note

The time allowed for questions shall be limited to 30 minutes or a maximum of 20 questions, whichever occurs first.

Any questions not answered at the meeting will be responded to in writing within 10 working days.

The questioner at the meeting may ask one supplementary question to the original question, which will be answered without discussion.

**ITEM 8 - Internal Audit Progress Report – 2011-12 Quarter 3 and 4
From Mr John Dix**

1. With only 7 of the 20 systems audits providing satisfactory assurance and 11 providing only limited assurance, does the Audit Committee Chairman believe that this is an acceptable situation?

Response

As this report gives us only the reports issued for the last two quarters of the year we will need to take into account the previous two quarters of the year to understand the direction of travel and level of improvement from the previous financial year, these summarise that over half of systems audits were given satisfactory assurances. This is an improvement on the previous financial year where 71% of systems audits received limited assurances. The Internal Audit Annual Report in June will give us a full account of assurances of internal control environment for the 2011-12 financial year.

Clearly the Audit Committee would like to see satisfactory assurances reported in Internal Audit reports however it is a necessary process to have Internal Audit challenge the services and for those reports to be used to drive through improvement. It is also appropriate that the Audit Committee has visibility of these areas of weakness to offer further challenge. Direction of travel is an important indicator to monitor year on year. This Committee and the Audit Officers are by no means complacent, but it is up to the Service Area Directors and Assistant Directors and the relevant Cabinet Members to use the Audit Reports as a tool to drive forward improvement.

**ITEM 16 - Internal Audit Report Contract Procedure Rules – April 2012
From Mr John Dix**

2. As Audit Committee Chairman do you understand that some residents will be shocked at the continuing problems with Contract Management, that after 12 months this still only receives a limited assurance opinion and what actions are open to you as Committee Chairman to ensure that in 12 months time we are not faced with yet another limited assurance opinion?

Response

The Audit Committee have been monitoring improvement within Procurement since the Internal Audit Annual Report as far back as June 2011. Through-out that period it has been reported through internal audit and management that there has been progress against those recommendations raised. The direction of travel has continued to improve, however it is recognised that the time originally

estimated to affect change in culture was understated. As the Committee has accepted the action plan as being adequate to address the concerns raised in June 2011 we welcome the Council continuing its improvement work, however we ask that further satisfactory assurances are obtained for those 'amber' ratings for the June 2012 Audit Committee. So as Committee Chairman I cannot ensure that these procurement problems will not reoccur. My role and the role of this Committee is to highlight problems and promote solutions to those problems. Our role is not the administration of Barnet Council nor are we its Public Relations officers.