

MEETING

AUDIT COMMITTEE

DATE AND TIME

THURSDAY 31ST JANUARY, 2019

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG

Dear Councillors,

Please find enclosed additional papers relating to the following items for the above mentioned meeting which were not available at the time of collation of the agenda.

Item No	Title of Report	Pages
5.	PUBLIC QUESTION AND COMMENTS (IF ANY)	3 - 6

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AUDIT COMMITTEE
Thursday 31 January 2019

ITEM 5 – PUBLIC QUESTIONS AND COMMENTS

Note

At the meeting a total of 30 minutes is available for public questions and comments. The questioner may ask one supplementary question at the meeting which will be answered without discussion. The supplementary question must be relevant to the original question put to the Chairman.

Comment (up to 3 minutes per comment)

Agenda Item No	Public Comment Request
Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix

Qn No	Agenda Item No	Raised By	Question Raised	Answer
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1.	Item 7 – Improvements to Financial Controls - Progress report on the Grant Thornton Recommendations and Action Plan	Mr John Dix	Recommendation GT16 has not been fully implemented and recommendation GT15 is rated as 'Not Implemented'. Both of these items are related to BACS payments. Is this a process issue or is there a more fundamental problem with the way the Integra system works that is delaying the implementation of these recommendations?	Internal Audit are continuing to work on this issue with finance and a verbal update will be given at the meeting.
2.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	The detailed Equalities Data report identifies in appendix 1 that this is a long running problem identified in 2016/17 and that CSG have consistently failed to follow up recommendations. Given that HR has been identified as one of the services to be brought back in house in phase 1, what reassurance can you provide that the latest set of recommendations will be implemented before the service is handed back and if they are not implemented, what financial penalties will be sought from Capita to fund external resources to help resolve these problems once the service is insourced?	<p>The Council and CSG recognise the importance of completing the actions in respect of Equalities, Diversity and Inclusion. The Council and CSG also recognise that this problem has existed for too long.</p> <p>CSG is currently working on producing the Gender Pay Gap report which is due to be produced by 31st March. All of this is subject to the current contractual terms.</p>
3.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	Given that the median pay gap for the year was actually -6.3%, not -0.8%, as calculated by CSG and that this was then incorrectly submitted to the Government website, why were these calculations not checked before they were uploaded, why was such a large difference between the mean and median figures not queried and what are the implication of making a false representation on the Government website?	Council concerns about equalities data led to an audit being commissioned by the Strategic HR Lead which identified the anomalies in the gender pay gap analysis. The impact of publishing incorrect information is one of reputational damage to the Council which is being mitigated by the action the Council has taken to identify the error and correct it.

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4.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	With 51% of the follow up actions found to be outstanding, who, at a senior level in the Council, is actually taking responsibility for getting this serious situation resolved?	The issue around non-implementation of audit actions has been escalated to the Council Management Team, chaired by the Chief Executive. All Chief Officers and relevant Senior Officers within our Partners are aware of the lack of implementation and their responsibilities in addressing the issue.
5.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	Twelve of the twenty outstanding actions are related to the temporary and interim workforce. All these actions have revised completion dates after the HR service is due to be brought back in house. What incentive is there for Capita to make headway on these problems before the service is brought back in house and does this risk over stretching the new in-house team who will be burdened with all these unresolved outstanding actions at hand over?	Some progress has been made on these outstanding items and a verbal update will be given at the Audit Committee.
6.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	Five of the outstanding actions relate to DBS clearance. Given that DBS clearance is such a sensitive and critical area yet actions remain outstanding, what pressure has been put on CSG to get the issues resolved as a top priority and who, at a senior level in the council, has taken responsibility to ensure it happens?	See answer to question 5.
7.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	I am alarmed that the action relating to vehicle safety checks at the depot has now been revised twice, most recently because of "competing priorities at the depot". Can you clarify who took the decision to prioritise depot operations over documenting vehicle safety checks?	This specific issue relates to the checking of camera placements on the recycling and waste vehicles to reduce fraud risk; it does not relate to health and safety risk.

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8.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	Does failing to document vehicle safety checks (or not carrying them out) expose the Council to the risk of prosecution if the worst should happen and someone should be injured or killed by a depot vehicle?	See answer to question 7
9.	Item 8 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 31st December 2018	Mr John Dix	Given that the depot has now introduced an additional collection shift between 2pm and 9pm can you explain how any further impact on vehicle safety checks can be minimised?	See answer to question 7
10.	Item 11 - Annual Audit Letter 2017/18	Mr John Dix	The auditors have not yet completed their work on objections and concerns raised by local electors in respect of 2015/16, 2016/17 and 2017/18 financial years and are not able to issue the audit certificates to close the audits for 2015/16, 2016/17 and 2017/18 until this is complete. Why is it taking so long to address these objections and what steps are being taken to ensure that they are completed as a matter of urgency?	A formal complaint has been raised with BDO, the Council's external auditors, about the length of time taken to deal with these objections and this is now being considered by them under their Stage 1 complaints procedure. In addition, the PSAA (the body responsible for appointing external auditors to Local Government clients) has been made aware and is raising the matter themselves with BDO. Updates will be provided to the Audit Committee as when available.