

Decisions of the Audit Committee

2 November 2017

Members:

Cllr Hugh Rayner (Chairman)
Cllr Sury Khatri (Vice-Chairman)

Councillor Geof Cooke
Councillor Anthony Finn
Councillor Kathy Levine

Councillor Arjun Mittra
Councillor Peter Zinkin

Also in attendance:

Geraldine Chadwick (Independent member)
Richard Harbord (Independent Member)

1 MINUTES OF LAST TWO MEETINGS (Agenda Item 1):

RESOLVED – That the minutes of the meetings held on 27 July 2017 and 19 September 2017 were approved as a correct record.

2 ABSENCE OF MEMBERS (IF ANY) (Agenda Item 2):

Apologies for lateness were received from Richard Harbord. (19.22 hrs).

3 DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS (IF ANY) (Agenda Item 3):

Councillor Mittra noted a pecuniary interest under Item 7 – his mother owns a nursery in Barnet. He would leave the meeting for this item.

Councillor Zinkin disclosed a non-pecuniary interest – he is involved with a charity that runs a nursery.

Councillor Finn noted that he had a non-pecuniary interest in relation to the Menorah High School for Girls (Item 7).

The Chairman stated that Members with a non-pecuniary interest could choose whether to leave the room or not.

4 REPORT OF THE MONITORING OFFICER (IF ANY) (Agenda Item 4):

There was no report.

5 PUBLIC QUESTION AND COMMENTS (IF ANY) (Agenda Item 5):

There were no public questions or comments.

6 MEMBERS' ITEMS (IF ANY) (Agenda Item 6):

There were none.

7 INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND Q2 PROGRESS REPORT, 1 JULY - 30 SEPTEMBER 2017 (Agenda Item 7):

The Head of Internal Audit introduced the report. The Committee discussed this and asked questions to the relevant Director(s), or their representatives:

- Changes had been made to the Audit Plan for Family Services and work was ongoing to help support their improvement plan. The Audit Team would work with Family Services to ensure that the previous recommendations were implemented.

Action

- Councillor Cooke questioned when information on the Regeneration Benefits Realisation audit became available and why papers had not been provided to the Re Working Group. Cllr Cooke asked for a report on the Regeneration Benefits Realisation audit to be made in future to the Performance and Contract Management Committee (PCMC). The Head of Internal Audit stated that the responsible officers were expected to share the report with the Chair of the Assets, Regeneration and Growth Committee. The Chairman of the PCMC (Councillor Finn) agreed to Councillor Cooke's request and it was noted that the next PCMC meeting would be held on 28 November.

Action

- The Head of Internal Audit noted that limited assurance had been given to Menorah High School - its first audit since its change to a local authority school in 2016. This was in relation to procedural issues only and nothing untoward had been discovered. The Audit Team would follow up to ensure that high-priority matters had been addressed.

Action

It was noted that there was no knowledge of previous audits when it had been a private school. Cllr Cooke asked what due diligence was carried out by the Council and suggested that the Children, Education, Libraries and Safeguarding Committee (CELS) be made aware of this in case a similar situation arose in the future; the Chairman agreed to ensure that this was passed on.

Action

(Mr Harbord arrived - 7.22pm)

- Councillor Mittra enquired why the completion deadline dates for Estates Health and Safety Compliance were being revised and pushed forward into the future (page 41 of the committee papers. The Head of Internal Audit noted that this was due to the action requiring formal agreement of a change to the CSG contract which would take time. She would provide an update in the next quarterly report.

Action

- Councillor Levine asked which option of Estates Health and Safety Compliance (client-side Compliance Officer or CSG's own arrangements, page 44 of the committee papers) would be chosen. The Head of Internal Audit noted that the

second option was likely but she would check whether this had been agreed formally.

Action

- Councillor Cooke asked the Committee to note that Officers had put in a great deal of audit effort in relation to IT change management to get it to a satisfactory level and further audits were planned. Notwithstanding this Councillor Cooke still regarded it as an 'at risk' area. It was noted that three more audits were planned.

Councillors Zinkin and Mittra left the room due to their conflicts of interest in relation to nurseries.

An update on the Nursery Places audit was given and the report was noted.

The Head of Internal Audit agreed to check that Family Services would be undertaking spot visits when problems were drawn to their attention.

Action

Councillors Zinkin and Mittra returned to the meeting.

The Chairman stated that he would move a motion to ask any members of the press or public to leave the room for the next item (Prevent Report), if any were present, but there were none.

The Strategic Lead for Safer Communities presented the exempt report which was noted.

The follow-up audit work would be undertaken in February and the Head of Internal Audit would report back to the following meeting in April.

Action

Councillor Zinkin suggested that more information be published from the Prevent paper in the public domain rather than making it completely exempt. The Chairman would make future papers on this more open where possible.

RESOLVED:

- 1. That the Committee note the work completed to date on Internal Audit Q2 progress report - 1st July to 30th September 2017.**
- 2. That the Committee approves the change in measurement of Progress against the Plan to incorporate consideration of work in progress.**
- 3. That the Committee approves the proposed changes to the 2017/18 audit plan for Family Services detailed in the report.**

8 IMPROVEMENT PLAN (Agenda Item 8):

The Resources Director presented her report (which included at Appendix A the Accounts Closure Improvement Plan) on the audit process and pension fund.

It was noted that the objective was to have the accounts audited by the end of July from 2018 onwards. This was the statutory deadline.

The Chairman advised that he would urge all Members to submit any required declarations on time.

Action

The Resources Director reported that an interim audit would take place in January/February which would highlight any risk areas in advance.

Mr Lloyd-Thomas (BDO) reported that plans were being looked at to try to complete work earlier in the cycles though the closing balance sheet was always the most difficult. The Assistant Director of Finance noted that there would be a partial close at the end of December.

Councillor Levine asked about the additional costs incurred and whether these could be recouped from Capita. The Resources Director would report back on this in due course but the amount would have to be negotiated.

Action

RESOLVED:

- 1. That Audit Committee consider and comment on the Accounts Closure Improvement Plan;**
- 2. That the Audit Committee is asked to note that progress against this plan will be presented to its meeting on 31 January 2018.**

9 ACCOUNTS PREPARATION TIMETABLE (VERBAL UPDATE) (Agenda Item 9):

The Chairman reported that this new standing item was intended as an aide memoire for Members. As usual a meeting would take place to run through the draft accounts towards the end of May/beginning of June as part of the increased assurance process.

10 EXTERNAL AUDITOR PROGRESS REPORT (VERBAL UPDATE) (Agenda Item 10):

Mr Lloyd-Thomas noted that the audit opinion on the accounts was confirmed as true and fair.

11 CORPORATE ANTI-FRAUD TEAM (CAFT) Q2 PROGRESS REPORT 2017-18 (Agenda Item 11):

A report was received. The Head of Counter Fraud Operations noted that a new table had been inserted which provided a quarter-on-quarter comparison.

RESOLVED:

1. That the Committee note the CAFT Progress Report covering the period 1st July 2017 – 30th September 2017.

- 12 **AUDIT COMMITTEE WORK PROGRAMME, NOVEMBER 2017- APRIL 2018 (Agenda Item 12):**

This was noted.

- 13 **ANY ITEM(S) THE CHAIRMAN DECIDES ARE URGENT (Agenda Item 13):**

There were no urgent items.

The meeting finished at 20:55 hrs.