

Decisions of the Audit Committee

19 April 2018

Members Present:-

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

Councillor Geof Cooke
Councillor Anthony Finn
Councillor Kathy Levine
Councillor Arjun Mittra

Councillor Peter Zinkin
Harbord
Chadwick (Independent Member)

1. MINUTES OF LAST MEETING

The Chairman informed the Committee that responses to actions arising from the last meeting had been circulated to Members.

RESOLVED that the minutes of the meeting held on 31st January 2018 be approved as a correct record.

2. ABSENCE OF MEMBERS (IF ANY)

None.

3. DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND NON PECUNIARY INTERESTS (IF ANY)

None.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTION AND COMMENTS (IF ANY)

Mr John Dix made a public comment on agenda item 11 (External Audit Plan 2018/19).

The Committee noted the details of the received public questions and the responses which had been published in advance of the meeting. Responses to the supplementary public questions were provided verbally by the Chairman and officers at the meeting.

In relation to the response to question 8, officers undertook to confirm to Mr Dix that relevant policies and procedures were actively communicated to people delivering services offsite. **Action: Paul Clarke / Gillian Clelland**

6. MEMBERS' ITEMS (IF ANY)

None.

7. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND Q4 PROGRESS REPORT 1ST JANUARY TO 31ST MARCH 2018

Caroline Glitre, Head of Internal Audit, presented the Internal Audit Exceptions Recommendations and Quarter 4 Progress Report for 2017/18.

In relation to Potential Duplicate Payments – Control Design, Gillian Clelland, Assistant Director Finance CSG, undertook to provide confirmation regarding who would pay for the third-party software which would introduce automated controls relating to duplicate payments. **Action: Paul Clarke**

RESOLVED that:

1. **The Committee note the work completed to date on Internal Audit Quarter 4 Progress Report (1st January to 31st March 2018).**
2. **The Committee request that the Performance & Contract Management Committee be requested to consider a report on the management of the Conways Aecom contract including: highways key performance indicators; and mechanisms for issue resolution.**

8. CAFT ANNUAL REPORT

Clair Green, Assurance Director, presented the Corporate Anti-Fraud Team (CAFT) Annual Report 2017/18.

A Member requested that future Annual Reports include a section on resource allocation particularly in relation to planned and reactive work.

RESOLVED that the Committee note Corporate Anti-Fraud Team (CAFT) Annual Report 2017/18.

9. INTERNAL AUDIT & ANTI-FRAUD STRATEGY AND ANNUAL PLAN 2018-19

Clair Green, Assurance Director, and Caroline Glitre, Head of Internal Audit, presented the Internal Audit & Anti-Fraud Strategy and Annual Plan 2018/19.

RESOLVED that the Internal Audit & Anti-Fraud Strategy and Annual Plan 2018/19 be approved.

10. ACCOUNTS CLOSURE IMPROVEMENT PLAN – PROGRESS REPORT

Kevin Bartle, Director of Finance, provided an update on the Accounts Closure Improvement Plan Progress Report. He reported that he was not aware of any substantial issues that would prevent the Accounts being signed-off by the deadline of 31 May 2018.

The Committee requested that the information on pensions administration data that had been circulated to Committee Members as a matter arising from the Audit Committee held on 31 January 2018 also be sent to Members of the Pension Fund Committee and Local Pension Board as it related to their responsibilities. **Action: Governance Service**

RESOLVED that the progress against the Accounts Closure Improvement Plan be noted.

11. EXTERNAL AUDIT PLAN 2017-18

Leigh Lloyd-Thomas and Nick Bernstein from BDO, the Council's External Auditor, presented their External Audit Plan for 2017/18.

The Committee noted that BDO and officers were in the process of finalising the additional fee arising from the additional work undertaken by BDO at the end of the 2016/17 financial year relating to the closure of the Statement of Accounts, but that this was expected to be in the region of £50K.

RESOLVED that:

- 1. The Committee note BDO's Audit Plan for 2017/18.**
- 2. The Committee note the fee of £170,025 for the 2017/18 audit and the fee of £21,000 for certification of the housing benefits subsidy return, as set out in paragraph 6.8 of the report.**

12. EXTERNAL AUDITOR PROGRESS REPORT

Leigh Lloyd-Thomas and Nick Bernstein from BDO, the Council's External Auditor, provided a verbal report on key issues identified and progress in completing all audit work relevant to the 2017/18 financial year. The Committee were informed that the key areas of work for the external auditors were:

- Transactions;
- Payroll;
- Schools;
- Housing Benefits;
- Key Financial Systems;
- Balance Sheet

It was noted that there had been no adverse findings to date.

RESOLVED that the Committee note the verbal update from the External Auditor's, BDO, as set out above.

13. COMMITTEE FORWARD WORK PROGRAMME

The Committee noted the Forward Work Programme as set out in the appendix. The Head of Governance reported that the following items should be added to the work programme for the 17 July 2018 meeting:

- Annual Governance Statement and Code of Corporate Governance 2017/18;
- Statement of Accounts 2017/18;
- External Auditors Findings Report 2017/18;
- Head of Internal Audit Annual Audit Opinion 2017/18
- Internal Audit Quarter 1 2018/19 Progress Report
- Corporate Anti-Fraud Team (CAFT) Quarter 1 2018/19 Progress Report.

RESOLVED that the Committee Work Programme as set out in the report and including the additional items as detailed above be approved.

14. ANY ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

None.

15. MOTION TO EXCLUDE THE PRESS AND PUBLIC

RESOLVED that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 2 and 7 of Part 1 of Schedule 12A of the Act (as amended).

16. CONFIDENTIAL INVESTIGATION UPDATE (EXEMPT)

The Committee received a verbal update from officers on an on-going confidential investigation.

17. ANY OTHER EXEMPT ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

None.

The Chairman thanked the Members and officers for their work with the Committee during 2017/18.

The meeting finished at 9.58 pm