

Decisions of the Audit Committee

16 January 2023

Members Present:-

Councillor Arjun Mittra (Chair)
Councillor Edith David (Vice-Chair)

Councillor Rohit Grover
Councillor Alex Prager

Councillor Ammar Naqvi
Councillor Paul Lemon

Also in Attendance
Independent Member Geraldine Chadwick
Independent Member Richard Harbord

1. MINUTES OF LAST MEETING

Independent Members highlighted that at the previous meeting, there were no representatives from Capita present to update the Committee and requested that it be recorded in the minutes.

RESOLVED that the minutes of the meeting held on 02 November 2022 be agreed as a correct record.

2. ABSENCE OF MEMBERS (IF ANY)

None.

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

Councillor Arjun Mittra made a declaration in relation to agenda item 8 by virtue of his role as Governor at Coppetts Wood School.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTION AND COMMENTS (IF ANY)

None.

6. MEMBERS' ITEMS (IF ANY)

None.

7. UPDATE ON THE 202021 CLOSURE OF ACCOUNTS AND THE 202122 EXTERNAL AUDIT PLAN

BDO representative, Mr Michael Asarebediako, was in attendance to update the Committee.

It was noted that ongoing work with the Council was being done to align good disclosures with CIPFA's Code of Practice as well as to adopt accounting for infrastructure assets. Upon completion of those key areas, the 2021 accounts may be signed off.

Members queried whether the accounts could be completed as soon as possible. BDO advised that the challenges faced with staff capacity and property valuations would require a strategy and a plan in place to clear the back log.

Independent Members commented on the risk based approach being used to close the accounts.

The Executive Director of Resources (Section 151 Officer), Anisa Darr, assured Members that the complications were driven by the Financial Reporting Council but representation from Barnet was being made to address those issues.

RESOLVED that the Audit Committee:

- 1. Notes the factors that are delaying the sign off of the Council's 2020/21 Statement of Accounts; and**
- 2. Notes the delay to the production of BDO's audit plan for 2021/22**

8. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND Q3 PROGRESS REPORT

The Head of Internal Audit, Caroline Glitre, presented the report. The Committee was informed that a second recommendation was added to the report.

Members noted the progress against the internal audit recommendations and work completed to date including critical and high priority actions. Actions not taken forward by Regional Enterprise (Re) would be taken over by the Council and reported in the Q4 report to Committee.

Operations Director from Capita, Denise Moon, provided a summary of actions including changes to be made to service specification. Denise Moon apologised to Members for not flagging risks sooner and the impact it has had on service delivery due to resourcing challenges. It was noted that some actions would be completed by the revised timeline.

Members queried about whether the transfer of services could be carried out properly, given the ongoing issues. It was noted that plans were in place to attend ongoing project board meetings to have a view on emerging risks. In addition, some activities that were not high risk in Q4 would be de-prioritised and reported later during the transition of services.

Independent Members said that the lack of progress by Capita was disappointing and queried about compensation for Barnet. It was noted that there has been no application for compensation from the Council which would be taken into consideration.

Members challenged that the 24% implementation rate on actions followed up was very low. The Lead Officer explained that it was due to the delay caused by the transfer of services and actions of schools that had not been implemented within the agreed time frame.

Executive Director of Assurance, Clair Green, said that the probability of staff not transferring back to the Council from Re was a risk that has been noted. However, under TUPE regulations, personal data could not be obtained despite the accelerated timeframe of the project. Staff engagement sessions will ensue prior to transfer as well as recruitment to vacant posts, supported by Capita.

The Chair left the meeting for the second part of the Lead Officer's report and recommendation.

In relation to schools, a high priority action was identified with St James Catholic High with regards to financial planning. Confirmation of implementation was being agreed with the school.

RESOLVED that the Audit Committee:

1. Notes the general work completed to date on the internal audit Q3 report – 1st October to 31st December 2022

2. Notes the work completed to date on Schools within the internal audit Q3 report 1 October to 31 December 2022.

9. CORPORATE ANTI-FRAUD TEAM (CAFT)

The Assistant Director of CAFT, Declan Khan, presented the report and updated the Committee with the number of fraudulent cases.

High numbers of cases were identified in the concessionary travel and tenancy fraud teams during fraud awareness week.

In relation to the whistleblowing policy, Members queried whether actions were taken against the culprits and if there were any negative repercussions for the whistle-blower.

In addition to annual data on whistleblowing reported to the Audit Committee, there were processes in place that provided protection for anyone blowing the whistle. Fraud awareness training encouraged whistleblowing when required.

In response to Members, it was noted that controls in place around the use of purchase cards included a review of payments processes and approval from line managers. Awareness and training were recommended for responsible managers.

It was noted that ultimate responsibility on determining whether a particular fraudulent case required prosecution in the Council's interest, lied with the Assistant Director Counter Fraud, Community Safety & Protection.

RESOLVED that the Audit Committee notes the work of the Corporate Anti-Fraud Team referred to in Appendix 1.

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

None.

The meeting finished at 8.27pm