

## Decisions of the Audit Committee

30 October 2019

Members Present:-

Councillor Rohit Grover (Chairman)  
Councillor Peter Zinkin (Vice-Chairman)

Councillor Laithe Jajeh	Geraldine Chadwick
Councillor Kathy Levine	Richard Harbord
Councillor Arjun Mitra	Councillor Lachhya Gurung (In place of
Councillor Alison Moore	Councillor Alex Prager)

Apologies for Absence

Councillor Alex Prager

### 1. MINUTES OF LAST MEETING

**RESOLVED** that the minutes of the meeting held on 16 July 2019 were agreed as a correct record.

### 2. ABSENCE OF MEMBERS (IF ANY)

Apologies for absence were received from Councillor Alex Prager for whom Councillor Lachhya Bahadur Gurung was substituting.

### 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 (IF ANY)

None.

### 6. MEMBERS' ITEMS (IF ANY)

None.

## **7. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND Q2 PROGRESS REPORT 1ST JULY TO 30TH SEPTEMBER 2019**

The Committee considered the report which detailed the progress made against internal audit recommendation and work completed to date on the Internal Audit and Corporate Anti-Fraud (CAFT) plan 2019-20 and high priority internal audit recommendations.

The Head of Internal Audit reported that during this quarter (Q2) 13 reviews were completed, delivering 42% of the 2019/20 internal audit programme for the year - this was below the 51% target for Q2. It was noted that this was due to the restructure within the Internal Audit team and having two vacant posts, one of which was filled in August and the other in September. Embedding new staff and allowing for training and induction impacted upon delivery of the plan.

The Head of Internal Audit further presented a summary on each of the following reports which had received 'No Assurance' or 'Limited Assurance' (details of which were set out in Appendix 1;

- Highways Programme – No Assurance  
Further details on this report were provided to the Committee by the Executive Director, Environment LBB and Operations Director Re
- Accounts payable – Limited Assurance  
Further details on this report were provided to the Committee by the Director of Finance LBB and the Operations Director – Finance CAPITA
- St Michaels Catholic Grammar School – Limited Assurance  
Further details on this report were provided to the Committee by the Head of Internal Audit.

### **RESOLVED – That the Committee;**

- 1. Noted the work completed to date on Internal Audit Q2 progress report – 1st July to 30th September 2019.**
- 2. Approved the approach to following up a sample of medium priority audit actions and reporting the outcome to the Audit Committee.**

## **8. CORPORATE ANTI-FRAUD TEAM (CAFT) Q2 PROGRESS REPORT 2019-20**

The Committee considered the report which provided an update on the work undertaken by the Corporate Anti-Fraud Team (CAFT) during the period 1st July–30th September 2019.

Regarding the 'emergency' housing referenced on page 70, the Director of Assurance clarified that this should refer to 'temporary' housing rather than emergency.

**RESOLVED - That the Committee noted the CAFT Progress Report covering the period 1st July –30th September 2019.**

## **9. FINAL EXTERNAL AUDITORS REPORT 2018-19**

The Committee considered the report which provided a summary of the outcome of the external audit of the Council's Statement of Accounts is undertaken by BDO LLP.

The Committee on 16th July 2019 approved the 2018/19 statement of accounts based on the draft Audit Completion Report subject to the clearance of the outstanding matters referred to in the draft Audit Completion Report.

The Committee noted that the audit was not concluded on time due to delay with the completion of the audit work. As a result, the Council published a notice on 31st July 2019 to confirm the accounts status.

The representative from BDO confirmed that all outstanding investigations had been completed and an unmodified (formerly known as unqualified) opinion had been issued on the Statement of Accounts on the 30<sup>th</sup> of September 2019.

With regards to the complaint made by Mr John Dix (to which he was still awaiting a response). Councillor Peter Zinkin requested it be recorded that it's unacceptable that the response is still outstanding and that this should be treated as a high priority.

### **RESOLVED –**

- 1. That the Committee note the Statement of Accounts for 2018/19 and Summary of changes listed in appendix B.**
- 2. That the matters raised by the external auditor relating to detailed aspects of the 2018/19 accounts audit be noted.**

## **10. ANNUAL AUDIT LETTER 2018/19**

The Committee considered the report which summarised the key issues identified by the Council's external auditor, BDO LLP, during their audit and inspection activity. The letter is designed to communicate messages to the Council and external stakeholders, including members of the public.

The Committee noted that an unmodified (formerly known as unqualified) opinion on the Statement of Accounts for 2018/19 was given by the external auditors, confirming that the accounts give a true and fair view of the Council's financial position as at 31 March 2019 and its income and expenditure for the 2017/18 financial year. An unmodified opinion was also given on the pension fund's financial statements.

With regards to the audit opinion on the Council's arrangements to secure economy, efficiency and effectiveness, the auditors concluded that they were satisfied that the Council has adequate arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The auditors further concluded that they were satisfied that the Council (i) has a good understanding of the budget requirement in the coming years, (ii) has arrangements in place to identify and manage the delivery of required savings.

**RESOLVED –**

- 1. That the external auditor's Annual Audit Letter for 2018/19 be received; and**
- 2. That the Committee consider whether there are any areas on which they require additional information.**

**11. COMMITTEE FORWARD WORK PROGRAMME**

**RESOLVED – The Committee noted the work programme.**

**12. ANY ITEM(S) THE CHAIRMAN DECIDES ARE URGENT**

None.

The meeting finished at 9.55 pm