

Decisions of the Audit Committee

30 January 2017

Members Present:-

Councillor Brian Salinger (Chairman)
Councillor Sury Khatri (Vice-Chairman)

Councillor Geof Cooke
Councillor Kathy Levine

Councillor Arjun Mitra
Councillor Peter Zinkin

Also in attendance
Geraldine Chadwick (Independent Member)
Richard Harbord (Independent Member)

Apologies for Absence
Councillor Hugh Rayner

1. MINUTES OF LAST MEETING

RESOLVED - That the minutes of the meeting held on 3 November 2016 be approved as a correct record.

2. ABSENCE OF MEMBERS (IF ANY)

Apologies for absence were received from Councillor Hugh Rayner.

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

Councillor Geof Cooke declared a non-pecuniary interest in Item 7, 1st October – 31st December 2016 Internal Audit Exception Recommendations and Progress Report Q3, as he is a governor at Summerside Primary School. He further declared that his child had been given a place at East Barnet School.

Councillor Brian Salinger declared a non-pecuniary interest in Item 7, 1st October – 31st December 2016 Internal Audit Exception Recommendations and Progress Report Q3, as he is a governor at Holly Park School.

Councillor Arjun Mitra declared a non-pecuniary interest in Item 7, 1st October – 31st December 2016 Internal Audit Exception Recommendations and Progress Report Q3 as he is GLA employee.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

There was none.

5. PUBLIC QUESTION AND COMMENTS (IF ANY)

The Committee noted the details of the received public questions and the public answers which were published ahead of the meeting. Responses to the supplementary public questions were provided verbally by Officers at the meeting. With regards to the questions put forward by Ms Theresa Musgrove (who was unable to attend the meeting), any supplementary questions were asked by Mrs Mary O'Connor and Ms Rita Singh on her behalf

Mr Nicholas Dixon addressed the Committee and made a public comment in relation to Agenda Item 7 – Internal Audit Exception Recommendations and Progress Report Q31st October – 31st December 2016.

6. MEMBERS' ITEMS (IF ANY)

There was none.

7. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS AND PROGRESS REPORT Q3: 1ST OCTOBER - 31ST DECEMBER 2016

The Head of Internal Audit introduced the report. The Committee discussed the report and asked questions to the relevant Director(s), or their representatives on the Re Operation Review - Phase 2, the Information Technology Change Management and Insurance

The Committee noted the addendum report to this item which updated and detailed the finds of the eighth and final control tested as part of the **Investigating and resolving alleged breaches of planning control** review. The audit work on this control had now been completed and the 'final report' had been issued since publication of the original report.

Regarding the section 11 of Appendix 1, 'Changes to our plan – Capital Development Pipeline' Members sought clarification as to what Tranche 1 was why it was no longer considered 'viable'. Similarly with regards to Tranche 0 which had been added to the plan, further information was requested. The Head of Internal Audit undertook to circulate a detailed response to the Committee **[Action]**

RESOLVED -

1. That the Committee note the work completed to date on the Internal Audit Annual Plan 2016-17.
2. That the Committee note the Internal Audit Follow-up Report - IT Change Management Phase 2.

8. CORPORATE ANTI-FRAUD TEAM (CAFT) Q3 PROGRESS REPORT: 1ST OCTOBER - 31ST DECEMBER 2016

The interim Assurance Director introduced the report and provided the Committee with brief summary of work undertaken by Corporate Anti-Fraud Team (CAFT) during the period 1st September 2016 – 31st December 2016.

The Head of Counter Fraud Operations provided further detail on some of the various activities covered in the quarter. The Committee were informed about the introduction of a 'Simple Caution' – he explained this is a sanction where fraud and Blue Badge misuse had been proved in accordance with our Fraud, Bribery and Corruption Policy. He further explained that in terms a defendant's criminal record a simple caution can be referred to in future court proceedings as it forms part of that criminal record.

He detailed for the Committee what the 'simple caution' sought to achieve, namely;

- To offer a proportionate response to low-level offending where the offender has admitted the offence;
- To deliver swift, simple and effective justice that carries a deterrent effect;
- To record an individual's criminal conduct for possible reference in future criminal proceedings or in criminal record or other similar checks;
- To reduce the likelihood of re-offending;
- To increase the amount of time police/council officers spend dealing with more serious crime and reduce the amount of time officers spend completing paperwork and attending court, whilst simultaneously reducing the burden on the courts.

This above introduced by the Corporate Anti-Fraud Team in October 2016. Between 1st October and 31st December 2016 the CAFT administered 19 cautions

With regards to the 2016/17 anti-fraud plan he highlighted for the Committee update on CAFT pro-active activity undertaken particular details relating to investigation of Blue Badge Misuse as well as Blue Badge fraud.

RESOLVED that the Committee note the CAFT Progress Report covering the period 1st October – 31st December 2016.

9. INVITATION TO OPT-IN TO THE NATIONAL SCHEME FOR AUDITOR APPOINTMENTS

Mr Leigh Lloyd-Thomas from BDO presented the report. Following consideration of the Committee;

RESOLVED - That Audit Committee note and endorse for council approval the decision to accept the invitation for the Authority to opt into the sector-led procurement of external audit services.

10. GRANTS CERTIFICATION WORK REPORT 2015/16

Mr Leigh Lloyd-Thomas from BDO presented the report.

The Committee sought clarification on the responsibilities and reporting arrangements for Teachers' pensions and the risk of having to return Right to Buy receipts.

In respect of the Right to Buy receipts it was agreed that the Director of Resources would circulate the details to the Committee **[Action]**

With regards to the Teachers' the following additional recommendation was moved;

"The Committee requested that the Director of Resources and Deputy Section 151 clarify the management responsibilities and reporting arrangements of teachers pensions and those schools who do not use Capita Payroll services".

It further agreed that the Director of Resources would circulate the details to the Committee **[Action]**

Following consideration of the Committee;

RESOLVED -

1. That the Committee note the report;
2. That the matters raised by the external auditors relating to the grant submission and certification process are noted by the Committee;
3. That the Committee consider whether there are any areas on which they require additional information.
4. The Committee requested that the Director of Resources and Deputy Section 151 clarify the management responsibilities and reporting arrangements of teachers' pensions and those schools who do not use Capita Payroll services.

11. ANNUAL AUDIT LETTER 2015/16

Mr Leigh Lloyd-Thomas from BDO presented the report.

Following consideration of the item the Committee

RESOLVED - That the external auditor's Annual Audit Letter for 2015/16 be received.

12. EXTERNAL AUDITOR PROGRESS REPORT

Mr Leigh Lloyd-Thomas from BDO presented the report.

Following consideration of the item the Committee

RESOLVED -

1. That the Committee note the content of Appendix A;
2. That the Committee refer any matters relating to the pension fund to the Pension Fund Committee.

13. AUDIT COMMITTEE WORK PROGRAMME - JANUARY 2017 - MAY 2017

The Committee noted the work programme for 2016-17

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

There were none.

The meeting finished at 9.25 pm