

Decisions of the Audit Committee

19 April 2016

Members Present:-

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

Councillor Geof Cooke	Councillor Peter Zinkin
Councillor Kathy Levine	Councillor Eva Greenspan
Councillor Arjun Mittra	

Also in attendance

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

Apologies for Absence

Councillor Gabriel Rozenberg

1. MINUTES OF LAST MEETING

RESOLVED - That the minutes of the meeting held on 28 January 2016 be approved as a correct record.

2. ABSENCE OF MEMBERS (IF ANY)

Apologies for absence were received from Councillor Gabriel Rozenberg. Councillor Eva Greenspan attended as substitute.

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

Councillor Eva Greenspan declared a non-pecuniary interest in agenda item 7, Internal Audit Exception Recommendations Report and Progress Report up to 31 March 2016, as her grandson attends one of the schools audited.

Councillor Brian Salinger declared a non-pecuniary interest in agenda item 8, Internal Audit Opinion 2015-16 as he is the Chairman of the Management Committee of the Pavilion Study Centre (Pupil Referral Unit).

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTION AND COMMENTS (IF ANY)

Public comments were received from Mr John Dix. Details of the questions asked of, and the answers given by the Chairman were circulated and published on the Council's website prior to the meeting. Verbal responses were given to supplementary questions asked at the meeting.

6. MEMBERS' ITEMS (IF ANY)

None.

7. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND PROGRESS REPORT UP TO 31ST MARCH 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 audits that received limited or no assurance reports, including Information Technology Disaster Recovery (ITDR), IT Change Management, Contract Management – Registrars, Teachers Pensions, Schemes of Delegation, and follow up reports on Street Scene Operations Review and Grant Income. The committee also discussed the reports on Hasmorean Primary School and Menorah Foundation School.

Following discussion of the limited assurance reports on Information Technology Disaster Recovery and IT Change Management, Councillor Kathy Levine MOVED a motion, which was duly seconded by Councillor Geof Cooke:

‘That the Audit Committee refer the Internal Audit reports on IT disaster recovery and IT Change Management to Performance and Contract Management Committee to consider the following as appropriate:

- To what extent the ‘thin client model’ of contract monitoring contributed to the IT failings, and whether this model needs to be reviewed.
- Whether Capita are in breach of their contract following the Audit report on ITDR and the Library IT failure.
- Whether the CSG contract in relation to IT is providing value for money.
- If a breach of contract has occurred what financial and legal redress is available to the council including what options there are for withdrawing from the contract.
- What risk the CSG IT service poses to the delivery of other council services.
- What changes to PIs/KPIs for CSG IT services need to be made to ensure a robust service is being delivered, and risks are minimized while the contract remains in place.
- The findings of the audit report on CSG Invoicing and Monitoring Arrangements – April 2016, (<http://barnet.moderngov.co.uk/documents/s31591/CSG%20Invoicing.pdf>)’

Upon being put to the vote, the votes were declared as follows:

For	3
Against	4
Abstain	0

The motion was declared lost.

Councillor Brian Salinger MOVED a motion, which was duly seconded by Councillor Sury Khatri,

‘That the Audit Committee refer the Internal Audit reports on IT Disaster Recovery and IT Change Management to the Performance and Contract Management Committee for its consideration’

For	7
Against	0
Abstain	0

The motion was declared carried.

RESOLVED –

- 1. That the Committee note the work completed to date on the Internal Audit Annual Plan 2015-16.**
- 2. That the Committee approve that these findings are included within the Annual Internal Audit Opinion 2015-16.**
- 3. That the Audit Committee refer the Internal Audit reports on IT Disaster Recovery and IT Change Management to the Performance and Contract Management Committee for its consideration.**

8. INTERNAL AUDIT ANNUAL OPINION 2015-16

The Head of Internal Audit introduced the report.

The Chairman noted that, as resolved under agenda item 7, the Annual Internal Audit Opinion would be updated to include the findings in the Addendum Report: Internal Audit Exception and Recommendations Report to 31 March 2016. It was recommended that the Committee note this as a new recommendation 3, which was duly agreed.

Councillor Geof Cooke noted that the Internal Audit Annual opinion 2015-16 included summary information on the issues raised in the Internal Audit Exception Recommendation Report and Progress Report up to 31 March 2016 which the committee had referred to the Performance and Contract Management Committee for consideration.

Councillor Geof Cooke MOVED a motion, which was seconded by Councillor Brian Salinger:

‘That the Internal Audit Annual Opinion 2015-16 be brought to the attention of Performance and Contract Management Committee.’

Upon being put to the vote the motion was carried.

RESOLVED –

1. That the Committee note the contents of the Annual Internal Audit Opinion 2015-16.
2. That the Committee note the findings of the Peer Review of Internal Audit which are covered in the Annual Internal Audit Opinion Appendix E: Results of Internal Audit Peer Review.
3. That the Committee note that the Annual Internal Audit Opinion will be updated to include the findings in the Addendum Report: Internal Audit Exception and Recommendations Report to 31 March 2016.
4. That the Internal Audit Annual Opinion 2015-16 be brought to the attention of Performance and Contract Management Committee.

9. INTERNAL AUDIT & ANTI-FRAUD STRATEGY AND ANNUAL PLAN 2016-17

The Assurance Assistant Director introduced the report.

RESOLVED – That the Committee approves the Internal Audit & Anti-Fraud Strategy and Annual Plan for 2016-17.

10. CORPORATE ANTI-FRAUD TEAM (CAFT) ANNUAL REPORT 2015-16

The Assurance Assistant Director introduced the report. Following consideration by the Committee it was:

RESOLVED - That the CAFT Annual Report 2015 -16 be noted.

11. COUNTER FRAUD FRAMEWORK REVIEW

The Assurance Assistant Director introduced the report. Following consideration of the report it was:

RESOLVED – that the Committee

1. Approve the revised Counter Fraud Framework (CFF) 2016:
 - Fraud, Bribery and Corruption Policy Statement
 - Whistleblowing Policy Statement
 - RIPA Policy Statement
2. Note that the policies will be reviewed on an annual basis and delegate to the Assurance Assistant Director the authority to make necessary amendments to the policies, and report any changes to the next meeting of the Audit Committee.

12. EXTERNAL AUDIT PLANNING REPORT 2015/16

The external auditors Leigh Lloyd Thomas and Jody Etherington from BDO presented the report. Following consideration of the report it was:

RESOLVED – That the Committee

1. Note BDO's audit planning report for 2015/16.
2. Note the fee of £170,025 for the 2015/16 audit and the fee of £21,617 for certification of the housing benefits subsidy return, as set out in paragraph 6.8.

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

There were no urgent items from the Chairman.

At the close of the meeting the Deputy Chairman, Councillor Sury Khatri extended his thanks to the Chairman, Councillor Brian Salinger, on behalf of the Committee for his effective Chairmanship of the Committee over the last year.

The meeting finished at 9.50 pm