

Decisions of the Audit Committee

14 July 2020

Members Present:-

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

Councillor Kathy Levine
Councillor Arjun Mitra
Councillor Alison Moore

Councillor Alex Prager
Geraldine Chadwick
Richard Harbord

Apologies for Absence

Councillor Laithe Jajeh

1. MINUTES OF LAST MEETING

RESOLVED that the minutes of the meeting dated 30 January 2020 be agreed as a correct record.

2. ABSENCE OF MEMBERS (IF ANY)

Apologies were received from Councillor Laithe Jajeh.

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)

None.

6. MEMBERS' ITEMS (IF ANY)

None.

7. ANNUAL INTERNAL AUDIT OPINION 2019-20

The Head of Internal Audit introduced the report which covers the internal audit work completed delivering the 2019/20 audit plan to 31 March 2020, including the work completed more recently to complete the audits that were paused due to the COVID-19 response. It is also informed, where appropriate, by other third-party assurances, for example from Ofsted and the Pensions Regulator. It was noted that this is the first time in 3 years that the annual opinion has been Reasonable Assurance (not Limited).

It was also noted that there has been a percentage increase in the 'positive' assurance reports issued (either Substantial or Reasonable assurance) from 75% to 80%.

Although some high risk rated weaknesses were identified in individual assignments these are broadly isolated to specific systems or processes. Overall the Head of Internal Audit was therefore comfortable issuing a **Reasonable Assurance** annual opinion this year.

Members of the Committee were given an opportunity to ask Officers questions regarding the report.

Councillor Mitra requested a further update on information relating to interest for late payments to Teachers Pensions (p.153) **[Action: Anisa Darr]**.

Councillor Levine requested an update on the status of current staff who have still to complete Safeguarding Level 1 training (p. 154). The Head of Internal Audit confirmed that the Executive Director for Adults and Health has assured the Chairman of the Adults and Safeguarding Committee that this will be actioned promptly, and that this would be followed up by Internal Audit in August/September.

RESOLVED:

1. That the Committee note the contents of the Annual Internal Audit Opinion 2019-20.

8. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND Q4 PROGRESS REPORT 1ST JANUARY TO 31ST MARCH 2020

The Head of Internal Audit introduced the report which was due to come to the cancelled April meeting of the Audit Committee. The report covers the work completed during Q4, much of which has also been incorporated into the Annual Opinion. It was noted that some delivery was affected in March due to COVID and that none of the 12 reviews completed were given a 'No' or 'Limited' assurance rating.

Members of the Committee were given an opportunity to ask Officers questions regarding the report.

RESOLVED;

1. That the Committee note the work completed to date on Internal Audit Q4 progress report - 1st January to 31st March 2020.

9. CORPORATE ANTI-FRAUD TEAM (CAFT) ANNUAL REPORT 2019/20

The Director of Assurance introduced the report which was due to come to the cancelled April meeting of the Audit Committee. The report provides an overall summary of the work of the Corporate Anti-Fraud Team over the past year and an update on the objectives set in the Annual Strategy and Work Plan.

Members of the Committee were given an opportunity to ask Officers questions regarding the report.

Councillor Prager requested an update on the pensions fraud highlighted in Case 3 (p.84). The Director of Assurance noted that an update has been provided on the Capita pensions action plan and that this will be circulated to the Committee [**Action: Clair Green**].

RESOLVED;

1. That the Committee note the CAFT Annual Report covering the period 1st April 2019 – 31st March 2020

10. INTERNAL AUDIT & ANTI-FRAUD STRATEGY AND ANNUAL PLAN 2020-21

The Director of Assurance and Head of Internal Audit introduced the report which was due to come to the cancelled April meeting of the Audit Committee. It was noted that the plan has been reviewed and updated following the COVID-19 pandemic and reflects the responses surrounding this.

Members of the Committee were given an opportunity to ask Officers questions regarding the report.

RESOLVED;

1. That the Committee approves the Internal Audit & Anti-Fraud Strategy and Annual Plan for 2020-21.

11. REVISED EXTERNAL AUDIT PLAN 2019/20

The Director of Finance and BDO External Auditor introduced the report which advises the committee of revisions to BDO's audit plan for 2019/20 following the emergence of the Coronavirus and effect on organisations.

Members of the Committee were given an opportunity to ask Officers questions regarding the report.

RESOLVED that;

1. The Audit Committee note the revised BDO's audit plan for 2019/20 as detailed in Appendix A - Updated Audit Planning Report: 2019/20

12. ANNUAL REPORT OF THE AUDIT COMMITTEE

The Chairman introduced the report which describes how the Audit Committee meets its objectives as well as detailing the work of the Committee to date and the outcomes it has achieved for 2019-20. He thanked the Committee for their contributions and Officers for their work on the report.

Members of the Committee were given an opportunity to ask Officers questions regarding the report.

Councillor Mitra noted that there was a typing error on page 14 of the report which should read,

‘With regards to the rest of the Committee following Local Elections two new Members were appointed in May 2018, Councillor Alex Prager and *Councillor Laithe Jajeh* -they replaced former Councillor Hugh Rayner and former Councillor Sury Khatri.’

RESOLVED;

1. That the Committee recommend Full Council to note and approve the Annual Report of the Audit Committee for 2019-20 as an accurate record of the outcomes and work programme for the year.

13. COMMITTEE FORWARD WORK PROGRAMME

Councillor Moore asked for clarification that the October 19th meeting date would fit in with final external audit reporting and any other formal requirements of the Committee. The Director of Assurance confirmed that the scheduled meeting would work with current timetabling and if anything changed regarding this an additional meeting could be convened.

The Committee noted the Forward Work Programme.

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

Councillor Levine thanked the officers for their work in completing the financial statements during this very difficult period. The Chairman and Councillor Moore echoed these thanks to whole team.

The Chairman thanked the Vice-Chairman, Councillor Zinkin for his invaluable contribution during the years he has sat on the Audit Committee.

The meeting finished at 20.33