

## Decisions of the Audit Committee

14 July 2021

Cllr Rohit Grover (Chairman)  
Cllr Alex Prager (Vice-Chairman)

Councillor Thomas Smith                      Councillor Laithe Jajeh  
Councillor Alison Moore                      Councillor Arjun Mittra  
Councillor Anne Hutton (substituting for Kathy Lavine)

Also in attendance  
Richard Harbord – Independent Member  
Geraldine Chadwick – Independent Member

### 1. **MINUTES OF LAST MEETING (Agenda Item 1):**

RESOLVED that the minutes of the meeting dated 28 April 2021 be agreed as a correct record.

### 2. **ABSENCE OF MEMBERS (IF ANY) (Agenda Item 2):**

Apologies for absence were received from Councillor Kathy Lavine. Councillor Anne Hutton was in attendance as a substitute member.

### 3. **DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS (IF ANY) (Agenda Item 3):**

None.

### 4. **REPORT OF THE MONITORING OFFICER (IF ANY) (Agenda Item 4):**

None.

### 5. **PUBLIC QUESTION AND COMMENTS (IF ANY) (Agenda Item 5):**

None.

### 6. **MEMBERS' ITEMS (IF ANY) (Agenda Item 6):**

None.

### 7. **INTERNAL AUDIT EXCEPTION RECOMMENDATIONS REPORT AND Q1 PROGRESS REPORT 1ST APRIL TO 30TH JUNE 2021 (Agenda Item 7):**

The Head of Internal Audit introduced the report and noted the progress against internal audit recommendations and work completed to date on the Internal Audit & Corporate Anti-Fraud Team (CAFT) Plan 2021/22 and high and medium priority internal audit recommendations.

Members heard of the work that had been undertaken during Q1 and therefore the appendix to the Officers report was noted.

Members had the opportunity to ask questions and in doing so Councillor Alex Prager requested to understand the slippage on access agreements for admitted bodies. The Assistant Director of Finance responded to these points and stated that he would write to Councillor Prager once he had spoken to the team. In responding to a question the Director of Assurance noted that all the Audit Committee reports are reviewed and considered by the Council's Senior Management Team in advance of the committee meetings. She added that the slippage is monitored and therefore action plans had been put in place for the highways and pensions issues that had been noted. She added that she would take these points away and look at how this can be addressed in a better way.

Councillor Anne Hutton noted that improvements had been made to pensions but she raised concerns and requested to know why CIL payments were not being made. She questioned also if the land charge changes within the report would lead to data quality improvements.

Councillor Arjun Mittra noted that some items didn't contain follow up target dates. The Head of Internal Audit assured Members that there are target dates and this point would be reviewed. Councillor Mittra also made comments in regards to how generous deadlines were and he made further remarks in respect to CIL payments.

Councillor Arjun Mittra said that the report outlined credit notes that were reviewed as part of the Grant Thornton review. He requested to know why this wasn't part of normal procedures. The Assistant Director of Finance said that a number of personnel changes had been made. He went on to say credit notes are transactions that are processed by the Council and he stated that he was confident that the team would improve this in the coming months. Councillor Mittra asked why Officers have not attended training sessions, he said that this should be monitored so that Officers are trained appropriately. The Head of Internal Audit said that training was a priority and assured Members that this was monitored.

Councillor Laithe Jajeh spoke in support of the comments that Members had made, he further asked about Accounts Receivable and how the unallocated credit notes process worked if it wasn't possible to allocate them. The Head of Internal Audit said work had been carried out and therefore she would look into this matter.

Councillor Alison Moore requested robust systems to ensure the Council was operating well. She added that there were reoccurring themes that concerned her and gave some examples to support her comments. She added that the quality of data was very important and therefore she was concerned that proper processes were not being followed correctly and improvements are not therefore being made as quickly as possible.

Independent Member Geraldine Chadwick requested the views of the Head of Internal Audit in regards to Land Charges. Members heard in response the work around this point and it was agreed that if the work is to be completed then this shouldn't feature in future reporting until those revised deadlines have passed.

Having Considered the report the Audit Committee:

**Resolved**

1. That the Committee noted the work completed to date on Internal Audit Q1 progress report - 1 st April to 30th June 2021.
2. That the Committee approved the updated Internal Audit Charter.

## **8. ANNUAL INTERNAL AUDIT OPINION 2020-21 (Agenda Item 8):**

The Head of Internal Audit introduced the report. The Committee noted that each year the work of Internal Audit is summarised to give an overall opinion on the system of internal control and corporate governance within the Council. The Committee were requested to consider the opinions as laid out in the report and the appendix to the report.

Members had the opportunity to ask questions.

Councillor Alex Prager said that he was surprised and frustrated that Barnet Officers were not completing training, he said that this increased risk to the Council.

Members noted duplicate payments identified by the software AP Forensics. It was noted that this matter was newly reported.

Councillor Alison Moore said that a key principle of the Audit Committee was to drive performance and therefore it was vital that Officers followed through on the Committee's recommendations. She outlined her concerns on the lack of training for Officers and therefore she wanted to know if Senior Management were supportive of the Audit function. The Head of Internal Audit informed Members that there had been a drive to ensure that training modules were being completed across the Council. She added that there was a new learning management system that would improve the position. She added that there is an internal reporting process that is reported to the Council's Senior Management Team. Councillor Anne Hutton said she was shocked to see this training information and the current position.

The Chairman noted the planned London Borough Peer review of the Internal Audit service. The Head of Internal Audit said that LB Tower Hamlets will be reviewing the Council later this financial year and this process will likely take place over a two-week period.

Having Considered the report the Audit Committee:

### **Resolved**

1. That the Committee noted the contents of the Annual Internal Audit Opinion 2020-21.

## **9. ANNUAL GOVERNANCE STATEMENT (Agenda Item 9):**

The Director of Assurance introduced the report. Members were requested to consider the report and provide approval of the Annual Governance Statement 2020/21 to be included alongside the Statement of Accounts.

Independent Member Mr Richard Harbord said that he was surprised that the report didn't have a focus on business continuity. Independent Member Geraldine Chadwick

said that LB Barnet should include the CIPFA's Financial Resilience index. She said she would be interested to know where LB Barnet is placed in respect to the Index. The Assistant Head of Finance said that Officers of the Council were looking into this matter and would report back. Members requested that these issues be worked up to be included in the Final Annual Governance Statement.

Having Considered the report the Audit Committee:

**Resolved**

1. That the Committee approved the Annual Governance Statement for inclusion within the Statement of Accounts for 2020/21 as set out in Appendix A of this report.
2. That the Committee noted the Code of Corporate Governance 2021/22 as set out in Appendix B and noted that Full Council will be requested to approve the Code for incorporation into the Constitution.

**10. CORPORATE ANTI-FRAUD TEAM (CAFT)Q1 PROGRESS REPORT 2021-22 (Agenda Item 10):**

The Director of Assurance introduced the report and outlined the work that had taken place during the period 1st April to 30th June 2021. Members noted that the report represented an up-to-date picture of the work undertaken by Corporate Anti-Fraud Team (CAFT) during that time.

Members had the opportunity to ask questions. In doing so Members asked questions in regard to cases documented in appendix A. The Assistant Director for Counter Fraud, Community Safety and Protection was in attendance to answer questions.

Having Considered the report the Audit Committee:

**Resolved**

That the Committee noted the CAFT Progress Report covering the period 1st April – 30th June 2021

**11. ANNUAL REPORT OF THE AUDIT COMMITTEE 2020-21 (Agenda Item 11):**

The Chairman introduced the report which described how the Audit Committee had met its objectives as well as detailing the work of the Committee to date and the outcomes it has achieved for 2020-21. He thanked the Committee for their contributions and Officers for their work on the report in particular the IA and CAFT team.

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

Having Considered the report the Audit Committee:

**Resolved**

That the Committee recommend Full Council to note and approve the Annual Report of the Audit Committee for 2020-21 as an accurate record of the outcomes and work programme for the year.

**12. WHISTLEBLOWING POLICY (Agenda Item 12):**

The Director of Assurance introduced the report. The Committee noted that this item was circulated late and therefore it was further noted that all Members had the opportunity to review the report. Members received an overview of the Whistleblowing Policy that formed part of the Counter Fraud Framework and was last updated in 2018. Members noted the key changes as highlighted in the report.

Councillors Alison Moore wished to know how partners can engage with the process. The Director of Assurance gave a verbal response to this point.

Having Considered the report the Audit Committee:

**Resolved**

1. That the Committee approved the Whistleblowing Policy Statement 2021
2. That the Committee agreed to delegat authority to the Director of Assurance to make further amendments to the Whistleblowing Policy Statement in consultation with the Chairman of the Audit Committee.

**13. COMMITTEE FORWARD WORK PROGRAMME (Agenda Item 13):**

The Chairman introduced the Committee's work plan. In doing so he informed the Committee that the next meeting needed to be moved to a later date in December. He stated that the external auditor was not able to complete the audit review by the next meeting on 13 October and therefore the Committee would not be able to sign off the accounts on that date.

**Resolved**

- That the Committee noted the work programme
- That the Committee agreed that the next scheduled meeting on 13 October be moved to either 15 or 16 December. Members further noted that the Governance Service would confirm this date.
- That the scheduled meeting on 13 October be retained for consideration of a verbal Member briefing session.

**14. 14. ANY ITEMS THE CHAIRMAN DECIDES ARE URGENT (Agenda Item ):**

The Chairman stated that he had no urgent business. However, he informed Members that the attending Governance Officer was leaving the Council after providing 16 years of service to LB Barnet. He therefore thanked the Officer for all of her hard work and wished her well on behalf of the Committee.

The meeting finished at 20:35

