

Public Document Pack

AUDIT AND RISK MANAGEMENT COMMITTEE - 28.9.2017

MINUTES OF THE MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE HELD ON THURSDAY, 28 SEPTEMBER 2017

COUNCILLORS

PRESENT Mary Maguire, Guney Dogan, George Savva MBE and Toby Simon

ABSENT Doris Jiagge, Robert Hayward and Andy Milne

CO-OPTED

OFFICERS: Jayne Fitzgerald (Finance & Business Partner SCS), Stephen Fitzgerald (Financial Management Services), Madeleine Forster, Tony Theodoulou (Executive Director of Children's Services), Peter George (Assistant Director, Regeneration and Planning), Jayne Middleton-Albooye (Head of Legal Services), Paul Reddaway (Head of Finance Treasury Management), James Rolfe (Executive Director of Finance, Resources and Customer Services), Vivian Uzoечи (Insurance Manager), Christine Webster (Head of Internal Audit and Risk Management), Doug Wilson (Head of Strategy, Performance and Policy) and Bindi Nagra (Health, Housing and Adult Social Care) Metin Halil (Secretary)

Also Attending: David Eagles (BDO), Andrew Barnes (BDO)

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WELCOME AND APOLOGIES FOR ABSENCE

Councillor Maguire (Chair) welcomed everyone to the meeting.

Apologies for absence were received from Councillors Robert Hayward, Andy Milne and Doris Jiagge.

Apologies for lateness was received from James Rolfe (Executive Director – Finance, Resources & Customer Services)

There was a private meeting between Members and BDO (External Audit), before the start of the scheduled Committee meeting. (18:45 – 19:00).

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DECLARATION OF INTEREST

There were no declarations of interest.

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ORDER OF AGENDA

AGREED that the order of the agenda be varied so that BDO could complete the Statement of Accounts (2016/17) Audit.

The minutes follow the order of the meeting.

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BDO - AUDIT COMPLETION REPORT ON STATEMENT OF ACCOUNTS 2016/17, INCLUDING USE OF RESOURCES - 19:05 - 19:20

RECEIVED from BDO (external auditors) the Audit Completion Report on the Statement of Accounts 2016/17 and the Use of Resources.

NOTED

1. The report presented BDO's audit findings of the 2016/17 Statement of Accounts, the financial statements opinion. The report was introduced by Andrew Barnes (BDO) who highlighted:
 - a. Andrew Barnes gave his apologies for the late report, which was only received by the committee on Wednesday 27 September 2017 in the 'TO FOLLOW (2)' agenda pack.
 - b. Andrew went through the summary (pages 3-7 of the report) which contained all the information the Committee needed to know regarding the outstanding issues of the audit and the stage at which BDO were with resolving those issues before delivering their Audit opinion by Friday 29 September 2017.
 - c. The outstanding matters, when drafting the report, are listed on page 9 of the report;
 - **Item 1** – Information that BDO were awaiting from the Council had now been received and the issue had now been addressed.
 - **Item 2** –
 - i) Valuation of HRA assets – this issue was still outstanding. BDO had been in dialogue with the Council's valuers for some weeks now. The latest correspondence received from the valuers still did not fully address the issues raised. BDO have now gone back to the valuers with a further follow-up query. The valuers are well aware of the time critical nature of this issue, which has still not been resolved.
 - ii) Creditors – This had been completed and is shown on the unadjusted area within the report.

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- iii) Other Disclosures – This was about wrapping up the actual Statement of Accounts document that will be published. This is a very complicated document that has a lot of manual processes that need to be changed and updated.
- iv) Going Concern – This had been completed and was not an issue for the Council.
- v) Pension Scheme – The Pension Fund Audit had been completed and would be published by Friday 29 September 2017.
- vi) Contingencies and Commitments – BDO had some final questions regarding this item.
- vii) Related Parties – This item had been completed.
- viii) Laws and Regulations - This item had been completed.
- ix) Review and agreement of the WGA data collection tool against the final set of financial statements – This would be done following completion of the Statement of Accounts.
 - **Item 3** – Clearance of internal quality control review process – This was in progress.
 - **Item 4** – Subsequent events review – Basic work had been done.
 - **Item 5** – Final review and approval of the financial statements – Review & approval by the Audit & Risk Management Committee.
 - **Item 6** – Management representation letter, as attached in Appendix VI, to be approved and signed.
- d. Material misstatements (detailed on page 4 of the report) had all been changed and there was no overall impact on the financial position for the Council. Changes were made within the accounts. There is still one significant issue that is still unresolved and discussions are still ongoing with the valuer.
- e. Unadjusted audit differences, as detailed on page 5 of the report, are immaterial and consider errors within the accounts. Due to the size of these errors and that they have not been changed in the accounts, they did not affect the audit. BDO had to draw members' attention to these audit differences so they are happy to approve.
- f. As detailed at page 6 of the report, the key matters from BDO's audit of use of resources highlights some of the issues the Council is dealing with. BDO were satisfied these issues are all moving forward in an appropriate way and the Council were doing all it can to address those issues. They were able to give a clean use of resources conclusion.
- g. As detailed on page 7 of the report, BDO's confirmation of a clean audit opinion subject to outstanding matters as set out on page 9 of the report i.e. valuation of HRA assets and other matters BDO need to draw to the attention of the committee.

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2. The following issues raised in response to the report, before the presentation of the Pension Fund Audit:
 - a. The Chair pointed out the issues raised following discussions about the Statement of Accounts and the fact that they would not be signed off by Friday 29 September 2017. This was totally un-acceptable to the Committee and they wanted answers to certain questions about how the external auditors (BDO) proceeded with the audit.

BDO had flagged up, 3 weeks ago, that there was an issue with the accounts, which the Chair stated was ample time to comply with the statutory deadline. The Chair also asked why BDO did not ask officers to apply certain pressures on the valuers to answer the questions BDO needed to complete the audit. The Chair was concerned whether BDO had allowed enough time and resources to complete the audit, as the deadline was known. The Council would now end up being named and shamed.
 - b. The response by Andrew Barnes (BDO) that the HRA valuation issues had been escalated. Discussions were had with the Assistant Director and BDO had asked him to pursue this issue with the valuers. This issue had been ongoing since mid-August and they hadn't given BDO a satisfactory resolution to the issue despite numerous attempts.
 - c. The Chair also asked that if the valuers were not going to answer BDO, why other steps had not been taken. Clarification by Andrew Barnes (BDO) that they did take different avenues but that the answers received were not addressing the core of the issue and they had not been successful.
 - d. The Chair stated that there was a deadline and that this situation was now totally embarrassing for the whole Committee. Andrew Barnes clarified that they were also in the same position and that the best they could do, as regards the resolution of the HRA valuations/signing of the accounts, was to try and complete by next week.
 - e. Councillor Simon stated that the minutes ought to record the names of the firms of external valuers, that had not provided an accurate professional service. The valuers were Stratton Park. Councillor Simon also requested that Finance officers should write to the valuers making it known of the Council's displeasure that they had not provided accurate information to the external auditors.
 - f. Councillor Dogan suggested that the valuations issue should be flagged up with a letter to show that the valuers did not meet the required deadline. The Chair felt that it should be a joint letter between the Executive Director (Finance, Resources & Customer Services) and the Chair of the Committee.

ACTION: James Rolfe (Executive Director – Finance, Resources & Customer Services).
 - g. James Rolfe said that the Council had variations of these problems in previous years, not with the same consequences,

as many other Local Authorities. This was relatively straight forward business for a valuation and it needs to be addressed correctly. He would therefore be taking this issue forward with CIPFA with the intention of taking it forward with the IRCS aswell.

ACTION: James Rolfe (Executive Director – Finance, Resources & Customer Services).

- h. Stephen Fitzgerald (Assistant Director – Finance) would check if payment has been made to the valuers. He would also check the contract and arrangements involved with GVA (Commercial Property Agents) and Stratton Park (Valuers).

ACTION: Stephen Fitzgerald (Assistant Director – Finance).

- i. James Rolfe further commented that Finance would be conducting a lessons learnt exercise internally as well. Every year, with the exception of valuations, financial processes get better and better. So financial teams could put in any further actions, that may be needed, for this year's accounts as soon as possible.
 - j. The Chair reminded BDO that there would be even less time for next year's accounts due to close down being required sooner. Andrew Barnes (BDO) clarified that they would be taking a different approach with next year's accounts. It will be a far more automated approach with information being dragged directly out of the general ledger. This would make the process far more straightforward for the Council's finance officers.
 - k. The Chair requested that BDO update her on the sign off of the accounts for 2016/17 and how the external auditors were doing. Andrew Barnes confirmed that he would update the Chair.
3. Pension Fund Report – key matters reported:
- a. As detailed on page 51 of the report, the pension fund audit had now been completed.
 - b. There were no significant changes to what BDO had planned to do, which had been reported to the Committee earlier on in the year.
4. The following issues raised in response to the Pension Fund Audit:
- a. Councillor Simon stated that he was the Chair of the Pension Investment Committee. He was happy with the bulk of the report. He referred to page 56 of the report, which detailed a review of the actuaries. Was this now a requirement of the audit reporting process to test the actuaries assumptions. Andrew Barnes clarified that this was a piece of work commissioned by PwC to review nationally all the work of actuaries and assumptions that have been applied to pension funds. BDO need to have assurance over the assumptions that have been used by the actuary to produce the numbers for the Council's financial statements.
 - b. Stephen Fitzgerald also clarified that the committee were not there to justify what the National Audit Office does. There are actuary government departments which are part of the government. The National Audit Office is actually an office of

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Parliament and doesn't endeavour to be joined up with government and doesn't view itself as that, which may be an explanation of why we have this odd duplication.

5. The two letters of representation, one for the Annual Accounts 2016/17 and one for the Pension Fund Accounts would be signed off by the Chair of the Audit & Risk Management Committee and James Rolfe (Executive Director – Finance, Resources & Customer Services) at the end of the meeting.

AGREED that the Audit Completion Report on the 2016/17 Statement of Accounts for the year ended 31 March 2017 and Pension Fund Accounts be noted and approved and as a result the Council's Financial Statement of Account be recommended for approval.

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BDO - PROGRESS REPORT -20:30 - 20:40

RECEIVED from BDO a progress report on the External Audit to the 20 September 2017.

NOTED

1. The Audit Progress report was introduced by Andrew Barnes (BDO).
2. The report provided an outline of progress, to the Committee, against BDO's proposed work for 2017/18.
3. The report reflected what had been previously discussed at agenda item 3, in respect of the fact that the Audit won't be completed by Friday 29 September 2017, as it should be and the whole of government accounts, as a result of this, won't be completed by Friday 29 September 2017, as it should be. As reported, the use of resources deadline would not be achieved but in theory it had been achieved.
4. Work was under way on the benefit claims audit and other audits that BDO need to do. The report reflects the position BDO are in.

AGREED to note the progress report on the external audit to 20 September 2017.

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FINAL AUDITED ANNUAL STATEMENT OF ACCOUNTS 2016/17 - 19:20 - 19:35

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RECEIVED the report from the Director of Finance, Resources and Customer Services requesting approval of the final audited 2016-17 Statement of Accounts for Member's approval and to note the adjustments between the draft and final audited Statement of Accounts, in accordance with regulations.

NOTED

1. The report was introduced by Stephen Fitzgerald (Assistant Director - Finance).
2. This was the formal introduction to the 2016/17 Statement of Accounts, having listened to what the external auditors have told finance and their analysis of it.
3. The Statement of Accounts representing net revenue expenditure of just over £236M. The Medium Term Financial Plan (MTFP) showing a budget deficit of £5.7M and a capital programme of approximately £285M.
4. Over the past few weeks Finance had been dealing with Members enquiries and external audit enquiries, so as to come to a final and fair view of the accounts.
5. There had been no fundamental change from when the 2016/17 Statement of Accounts were first presented to the committee in July 2017. With regards to the valuations issue, this had also been a problem with other Local Authorities Stephen had worked with. However, this didn't mean that this issue would not be resolved for the 2018/19 financial year, where there will be a full accelerated timetable that all Local Authorities have to achieve.
6. The detailed questions that Members had submitted to Finance, had been dealt with when the committee previously considered the Statement of Accounts at the early September 2017 meeting.

AGREED that the Final Audited Statement of Accounts for the year ending 31 March 2017 be approved and the Certification of Accounts signed by the Chair (Councillor Maguire) and the Executive Director of Finance, Resources & Customer Services (James Rolfe).

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PROPERTIES IN ENFIELD FOLLOWING THE GRENFELL DISASTER - 19:35 - 19:45

RECEIVED the report of the Executive Director of Housing, Health & Adult Social Care providing a briefing on the Grenfell fire and the response by the London Borough of Enfield.

NOTED

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1. The report was presented by Madeleine Forster (Interim Assistant Director – Council Housing & Regulatory Services) as detailed at pages 1 – 3 of the report, located in the main agenda pack.
2. The bar had been raised by the experiences of the Grenfell disaster and the Council made a decision soon after, that over a period of time, they would be looking to install sprinklers into their high rise blocks. The Council would be starting with Dorset House and Keys House because they could add sprinklers into the contract they hold for those 2 high rise blocks. They would use these 2 blocks as a pilot this year and review with residents in order to create a proto type to roll out to other blocks.
3. In terms of tenant behaviour and the Council's attitude towards that, there is now an enforced zero tolerance to anything that is left in communal stairways i.e. door mats which are flammable and can spread fire. Action will also be taken against tenants who have door security grills which impede exit in case of fire. Also, looking to increase parking enforcement in areas around high rise blocks where there is evidence of people parking cars and denying fire brigade access, checking legal processes and taking action in a number of areas.
4. All members had been told of the status of their particular blocks in their own respective wards. Housing teams have attended ward forums, especially over the summer period, including ward forums where high rise blocks (over 6 storeys) are situated. Additionally, the housing newsletter had a recent insert, which was designed in conjunction with the fire brigade, so as to provide residents with the latest information to keep them informed.
5. In response to the Chair's request for any questions or comments, the following were discussed:
 - a. Councillor Savva questioned the type of action that would be taken on people who did not follow the rules and regulations of the fire brigade. Madeleine Forster clarified the following:
 - Door mats were being removed after letting tenants know and kept for a length of time before disposal.
 - Where people are co-operating by removing items, letters are posted to thank them for doing so.
 - Parking enforcement – the Council are limited until emergency parking orders are in place. These were currently being consulted on. There at present notices are being put on peoples' cars saying that they are parked in a space that would impede a fire engine getting through, should a fire occur. No enforceable action can be taken until orders are in place.

Post meeting note:

We have been working closely with our consultants The Project Centre who have visited each of the 30 HRA sites, identified by the Fire Service as having an access risk, during the day and night. Plans and drawings have now been issued for each site and we are now in the process of checking each one.

We will shortly begin the Statutory Consultation process which includes advertising the order – timeline below;

Consultation 21 days – during this time we will obtain prices for signs, lineage, etc

Consultation ends 22nd November 2017

1 week to review objections

Implementation 11th December 2017

- b. Councillor Savva invited Madeleine Forster and her team to attend a joint ward forum (Edmonton) meeting to be held on 13 December 2017 at Community House, 3-11 Fore Street, N9 0PZ.
- c. To install sprinklers across the whole of the high rise blocks (over 6 storeys) would cost over £8M. There are additional costs which housing are currently containing within their budgets, putting it under pressure as a result. A return has been made to DCLG informing them of the pressure on the HRO because of these works.
- d. Councillor Dogan asked if teams monitor, on a regular basis, the communal areas within the high rise blocks. Madeleine Forster clarified that this was being done by neighbourhood offices. There are 3 specific inspectors, and since Grenfell, we have re-allocated the time they spend in different areas. So they must visit all the high rise blocks every 2 weeks. These new measures have been incorporated as ‘business as usual’ for all the teams as a heightened approach. The inspectors report directly to the neighbourhood team and raise any repairs or any concerns immediately as part of their core duties.
- e. James Rolfe (Executive Director – Finance, Resources & Customer Services) completed the picture for Enfield with an update on the properties within Housing Gateway:
 - None of the properties on Housing Gateway is affected by the Grenfell disaster because they do not have any high rise blocks. However, all the properties of Housing Gateway are being checked as a best practice measure.
 - There are 417 properties in total, the majority of which are occupied. All of these are in low and medium risk blocks. Where the Council do not own the freeholds of these properties, landlords are being contacted to obtain assurances about ACMs (Aluminium Composite Materials). There has been a good general level of feedback but has been taking time because landlords and people who do these checks are currently focussed on high rise blocks.
 - Brookfield House – medium rise block owned by the Council in Southbury Road. Checks have found that panelling on the building does contain ACM. The Council have been working very closely with the fire brigade making sure that the fire risk assessments are up to date.

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The risk has been confirmed as acceptable by the brigade and this has been communicated to residents who have not raised any concerns.

- A survey has been undertaken regarding the ACM panelling on Brookfield House. The results showed that some action needs to be taken and therefore a more detailed survey is now being undertaken to understand the full scale of what does and doesn't need to be done. The Council were now going through the legal processes about how much they can rely on warranties, building control sign offs, etc, so as to get the works paid for.
- More than happy to provide the Committee with a further written update so as to obtain the full picture. The routine governance goes through the Housing Gateway Board, which meet on a monthly basis. They are provided with a written report where all action points, facts and figures are set out.

ACTION – James Rolfe (Executive Director – Finance, Resources & Customer Services)

6. The Chair thanked Madeleine Forster for her report.

AGREED that Audit & Risk Management Committee note the contents of the report.

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SERVICE DELIVERY RISK REGISTERS UPDATE - CHILDRENS SERVICES, HHASC AND REGENERATION AND ENVIRONMENT - 19:45 - 20:00

RECEIVED the report of the Director of Finance, Resources & Customer Services presenting registers for the Service Delivery operating areas (Health, Housing & Adult Social Care, Children's Services and Regeneration & Environment Departments).

NOTED

1. Officers from relevant service areas were in attendance to address any questions about their registers.
2. The paper provides the register for the Council Services operating areas that cover 3 departments which include HHASC, Children's Services and Regeneration & Environment.
3. The Register contains 22 risks as summarised in the table at pages 2-3 (Para 3.5) of the report. Since the last report on the Service Delivery risks, there have been 7 risks removed from the register and these are highlighted in grey in the 2nd table at para 3.5 of the report.
4. The Service Delivery Risk register is provided in Appendix 1 (pages 7-11) of the report.

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5. The following questions raised in response to the risk registers:
- a. The Chair referred to the red risk (appendix 1) relating to Children's Services (CS 003 – Increased Service demand). Clarification by Tony Theodoulou (Executive Director – Children's Services) that this was an inherent risk. The risk assessment hadn't been changed since the last time he had reported to this committee. Because the risk still remained and is compounded by the reducing budgets and service reductions that the department has made. This was being done as carefully as possible so as to mitigate risks.
However, there is no doubt that with a growing population, growing levels of poverty, changes to legislation such as Universal Credit, the introduction of the homelessness reduction act, there will be further demands for Children's Services at a time of diminishing resources.
 - b. The Chair noted that this risk was being kept under review and looked at every 2 months. Tony Theodoulou, clarified that as detailed in the budget monitor, this was an unavoidable pressure.
 - c. Councillor Savva wanted to know what officers were most concerned with, in view of the financial cut backs. Doug Wilson (Head of Strategy & Service Development, HHASC) clarified that the picture for adult social care was very similar to that of Children's Services, in terms of increasing numbers of people. The population is growing substantially and the department were seeing those numbers translated into people who access hospital services. This was a cost and demographic pressure.
 - d. Bindi Nagra (Assistant Director – Strategy & Resources) further highlighted areas of concern regarding adult social care:
 - The market for care is very challenged although the Council has one of the largest number of residential care homes in London. Other local authorities are placing patients in Enfield at a fast rate, pushing up prices the Council has to pay, by using its capacity.
 - An underlying demographic pressure that all departments are experiencing across the Council.
 - Pressure from the NHS, which is constant throughout the year. Enfield has 2 hospital trusts operating in its patch, North Middlesex and Chase Farm. The pace at which the NHS wants Enfield to dis-charge people, not only increased costs to the Council but also gives less time for these people to recover and rehabilitate from illness as they are being discharged still poorly. The Council are potentially creating a long term dependency in community care. The better care fund will provide a cash injection from central government, some of which had been bought forward to enable adult social care to survive a while longer. The reality was an over-spend of £7M if the department didn't receive that money.
 - e. Councillor Simon mentioned the fact that the sleepover cost risk had not been included in the HHASC register and should be reflected.

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- f. James Rolfe was leading the implementation of Universal Credit (UC) across the Council. What the contribution (above) from HHASC colleagues does is illustrate one of the many areas of concern, whilst implementing UC. By affecting council customers like tenants, service users and patients that receive UC. Arising from the 2 pilot sites of UC, Lambeth and Croydon, the implementation will impact on debt collection, council tax collection and the overall short term finances of the Council.
- What the Council have in place is an implementation pack to make sure the operation is implemented as soon as possible. This will include an understanding and analysis of all the risks and a communication programme. Therefore, this will be taken to both political groups and key partners i.e. head teachers because they will see it with students and school children.
- With the committee's agreement James Rolfe will ask the team who are implementing UC to report to Audit & Risk Management Committee about the implementation. Learning from test sites in London and around the country suggest that assurance cannot be given that, there won't be an impact, because there will be.
- ACTION: Sally McTernan (Assistant Director – Community Housing)**

AGREED to note the risks recorded in the Service Delivery registers.

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INTERNAL AUDIT PROGRESS REPORT 2017/18 - 20:00 - 20:10

RECEIVED the report of the Director of Finance, Resources & Customer Services summarising the work that the Internal Audit and Risk Management Service (ARMS) had completed for the period 1 April 2017 to 1 September 2017.

NOTED

1. During the review period, the internal audit team had commenced 77% of the current plan of which 7% had been completed. The team were still aiming to get 95% of the plan to draft report stage by the end of March 2018. All indications show that the team are on track to achieve that. Chart 1 (page 14) at para 3.4 of the report provides a summary.
2. As detailed at table 1 (page 15) para 3.5 of the report, 11 assignments had been added to the plan since the audit plan had been approved by the Committee in March 2017, including 2 that have been deferred.
3. As presented at table 2 (page 15) para 3.6 of the report, the team have completed 5 assignments so far, with 2 of those resulting in actions for improvement as they had assurance opinion. The other 3 were completed assurance maps for trading companies. Those where improvements were needed the team were trying to analyse those

findings in terms of themes and those are presented at chart 2 (page 16) para 3.6 of the report.

4. In terms of Managers progress with the implementation of internal audit recommendations, this is summarised in chart 3 (page 16) para 3.8 of the report. The team have followed up 190 recommendations since the beginning of the year, relating to 79 high risk ratings and 111 medium risk ratings. Overall 34% of high priority recommendations and 23% medium recommendations had been implemented.
At the time of writing the report, there have been a lot of managers who had not provided the team with a response and were not able to assess their progress. These are shown as red bars in chart 3 (page 16) of the report. Many of these related to schools.
5. In terms of the Counter Fraud team performance, council housing recoveries totalled 70, which were, illegally bought, sub-let or abandoned. In terms of temporary accommodation, the team were doing better than the profile. In terms of recoveries, financially, the team were doing very well and there would be no problem achieving the target by the end of the year. Table 4 (page 17) para 3.9 of the report detailed where the savings have come from. The team are also continuing to support the no recourse to public funds (NRPF) team by placing an investigator with them. They are also starting another pilot scheme with the Right to Buy team by putting an investigator within that team also.
6. Quality assurance targets and achievements are detailed in table 5 (page 18) para 3.16 of the report and the team are on track with this.
7. In response to the Chair's request for any questions or comments, the following were discussed:
 - a. Councillor Simon informed the committee that in the past, Chairs of Governors and Head Teachers were invited along to committee to answer any questions.
 - b. The Chair asked how the target of 75 (Council House recoveries) was set. Christine Webster clarified that the team aimed for this figure yearly and was based as a target figure that was historically used.
 - c. The figure of 17 temporary accommodation recoveries was achieved as from the beginning of April 2017 and was an accumulating figure.
 - d. Christine Webster confirmed that police officers are no longer based within Council fraud teams. However, the team do have links to the police service if required.

AGREED to note the progress made in delivering the Audit and Risk Management Service's 2017/18 work plan and the outcomes achieved to date.

FINANCIAL RESILIENCE CAPACITY BUILDING PROGRAMME - 20:10 - 20:20

RECEIVED the verbal update from James Rolfe (Executive Director – Finance, Resources & Customer Services) on the Financial Resilience Capacity Building Programme.

NOTED

1. This was a leadership programme for finance managers/leaders run by Grant Thornton, over the past 3-4 years. It has proved to be very useful and brings in senior speakers providing a useful networking experience for more senior finance staff across London and is very effective.
2. Grant Thornton are currently trawling around for the next tranche here in London (tranche 3). However, because it is focussed at the higher end of the hierarchy, they are struggling to get the numbers at present. So they may well have to change the programme for middle managers who operate in finance.
3. However, they may move away from just finance capacity building programme to something called a place account to try and share best practice about how you create places, especially for all the different professions that work in the regeneration space.
4. There was also a brief update on things management were doing to build resilience into the finance team:
 - There is a recruitment action in place to find a replacement for Stephen Fitzgerald (interim) by October/early November 2017.
 - Recruiting to 4 permanent posts within the Finance Team, to replace interims and leavers.
 - Setting up of a new finance team to support the Council's trading companies. So as to provide financial information, governance and business support, etc, as the companies need to focus on winning business rather than concerning themselves with back office functions.
 - Investing in a budget and consolidation tool so that managers in the Council can do more of their own forecasting and management rather than leave for the finance team. Finance teams can then focus on big strategic issues and reduce the pressure on finance staff who had been cut by 40% because of Enfield 2017.
5. There is a lot of work going on within finance teams to build the broader resilience and once the financial resilience programme has been sorted out for the next round then that would help train and develop staff aswell.

AGREED to note the verbal update of the Financial Resilience Capacity Building Programme.

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FINANCIAL REGULATIONS - CONSTITUTION REFRESH - 20:20 - 20:30

RECEIVED the verbal update from James Rolfe (Executive Director – Finance, Resources & Customer Services) on the Financial Regulations Constitution Refresh.

NOTED

1. The re-draft of the Financial Regulations was not moving forward at present as Finance were re-drafting the procurement regulations instead. Once the procurement regulations had gone through Executive Management Team, Council and Audit & Risk Management Committee, finance would then look at the financial regulations and property regulations as well. It was therefore on the radar, but immediate priority was to deal with the procurement regulations.

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MINUTES

AGREED that the minutes of the Audit Committee meeting dated 7 September 2017 be approved and signed as a correct record.

NOTED

1. Audit & Risk Management Committee (Independent Person) – The Chair and James Rolfe (Executive Member – Finance, Resources & Customer Services) had received an e-mail from Chaitali Roy (Independent Person) tendering her resignation from the Committee, citing concerns about the demands of the role in addition to her day job and the rates paid. The rates of pay were looked into and the Council's rates are very competitive and was therefore a choice of workload.
2. Chaitali Roy has therefore taken the decision to step down and also steps down from the Lee Valley Heat Network Audit Committee as well.
3. There is therefore a vacancy for an independent person. With the Committee's agreement, James Rolfe, in the first instance, wants to approach one of the Board Members for the Housing gateway and also one of the Board Members from the Health & Wellbeing Company. Both of these individuals come from a Finance & Risk perspective. If no interest is shown from either person then the Committee could go through a more formal recruitment process.
4. The committee were happy to agree with James Rolfe's proposal and also wanted to record their thanks to Chaitali Roy for her work over the past couple of years as the Audit & Risk Management Independent Person.

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**AUDIT & RISK MANAGEMENT COMMITTEE WORK PROGRAMME
2017/18**

RECEIVED an outline work programme for the Committee covering the 2017/18 Municipal Year Committee.

AGREED to approve the outline work programme for 2017/18.

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DATES OF FUTURE MEETINGS

NOTED the dates of future meetings:

Wednesday 1 November 2017

Thursday 11 January 2018 - 07:30pm

Wednesday 7 March 2018

(All meetings to commence at 7.00pm unless otherwise agreed.)