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AUDIT AND RISK MANAGEMENT COMMITTEE - 16.1.2020

## MINUTES OF THE MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE HELD ON THURSDAY, 16 JANUARY 2020

### COUNCILLORS

**PRESENT** Mahym Bedekova, Tim Leaver, Dinah Barry, Birsen Demirel, Charith Gunawardena, James Hockney and Claire Stewart

**ABSENT** Lee David-Sanders, Yasemin Brett and Peter Nwosu

### CO-OPTED

**OFFICERS:** Fay Hammond (Acting Executive Director Resources), Matt Bowmer (Interim Director of Finance), Karen Maguire (Strategic Property Services), Jayne Middleton-Albooye (Head of Legal Services) and Gemma Young (Head of Internal Audit and Risk Management) and Metin Halil (Secretary)

**Also Attending:** David Eagles (BDO)

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### WELCOME AND APOLOGIES FOR ABSENCE

Councillor Bedekova (Chair) welcomed everyone to the meeting.

Apologies for absence were received from Councillors David-Sanders, Brett, Peter Nwosu (Independent Member) and Lucy Trevett (BDO).

Apologies for lateness were received from Councillor Demirel.

Councillors Savva, Cazimoglu and Rawlings were in attendance.

A Treasury Management training session was held in Room 6, ahead of the committee meeting itself.

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### DECLARATION OF INTERESTS

There were no declarations of Interest.

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### BDO - AUDIT PLAN 2019/20 - COUNCIL - 10 MINUTES

RECEIVED from BDO (external auditors) the London Borough of Enfield Audit Plan 2019/20.

1. David Eagles (BDO) drew the committee's attention to page 6 of the report highlighting the Audit Risks Overview and page 29, the Fees

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summary, which has had a lot of developments in the sector over the past few days.

2. As detailed on page 6 and page 13 of the report, the audit risks overview is trying to bring things together for a snapshot of what BDO are looking at, to identify what is and is not a significant risk. A significant risk is a classification used for audit purposes i.e. valuations are a significant risk due to the huge sums involved.
3. As detailed at page 7 of the report, the independence and fees summary was reported which included the 2 points at the bottom of page 7.
4. The following questions, statement and queries raised in response to the report:
  - a. Fay Hammond (Acting Executive Director Resources) reported that the comments circulating on social media regarding Enfield Council's finances are inaccurate, and demonstrate a misunderstanding of the audit process.

Auditors have a statutory duty to report on whether the Council's finances are sustainable and consequently the audit framework requires an annual judgement on financial sustainability. The report makes absolutely clear that the last judgement into the Council's finances by independent assessors showed they are well managed and comply with all legal and regulatory standards. Enfield Council also has multiple safeguards in place to ensure its finances are effectively managed, the Council finance director is satisfied that all financial frameworks are in place. Consequently, I wish to make the Council's position absolutely clear that its finances are well managed despite ongoing pressures and government spending cuts of £179m since 2010.
  - b. David Eagles (BDO) felt it was important to recognise that the report on page 13 is an audit risk assessment about what BDO need to do and look at regarding arrangements in place during 2019/20. Referring to the risk assessment last year, BDO had looked at arrangements in place during 2018/19 and were able to conclude that they were adequate and reflects an unqualified use of resources conclusion for the council. This is a risk assessment and is not a conclusion about where BDO think the council is, it is just saying the area's BDO need to look at.
  - c. A social media page inaccurately claimed that the BDO report of the 2019/20 Audit Plan said that the Council is not financially sustainable.

Fay Hammond made it clear that the council is in a financially robust situation and is effective at managing its finances. The Audit Plan 2019/20 has been mis-interpreted in a mis-leading way in a public arena. The report (point 9 – page 13) mentions an £8.9m deficit for 2019/20. However, the £8.9m budget deficit figure relates to the service overspend which was reported at the 13 November 2019 Cabinet meeting under the 2019/20 Quarterly Revenue Monitoring – Quarter 2 item. The accurately reported deficit, as in quarter 2 is £5.9m, and was already in the public arena.

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- d. In reply, to Councillor Gunawardena's reference to the report regarding the council's financial viability in the medium term and the savings gap risk of £66.9m for the next 5 years, David Eagles clarified that BDO are looking at this council (and every other council) working its way through each and every year with savings plans, efficiencies, etc. Including the in-year management of the council's finances, to continue to mitigate those risks. The Audit was signed off last year which meant that the council's arrangements are adequate and what BDO are trying to ensure is if the council is still in the same position as regards previous years i.e. –

- What has happened in terms of the in-year position.
- What the council's assumptions are for the Medium-Term Financial Strategy for 2020/21.
- What the council is doing about Brexit.
- What the council is doing about expectations of government funding.

BDO have to look at all of the above to see that the council is making reasonable assumptions about that forecasting, not making the wrong assumptions and are hiding a real issue.

- e. Councillor Gunawardena was keen to understand, as regards assessing risks, how to get a deeper understanding of making judgements on those risks i.e. Meridian Water Project, Brexit etc. and how value for money & benefits are measured. David Eagles clarified that audit work is carried out and findings are reported back to the committee by the end of July. BDO are aware of these key issues and are expecting them to be taken into consideration by the council in preparing these various documents. BDO do not measure value for money and benefits of these key risks.

BDO do not assess/audit policy decisions, that is part of the political process, but do look at what information members are given to base their decisions on. By looking at documentation the council has as part of their information decision trail and considering wider issues in the sector.

There is useful guidance on the National Audit Office code of practise which provides a specific description of what auditors roles are and guidance notes they have to follow which are mandatory.

BDO would be happy to provide a private session with Audit & Risk Management Members to go through those issues and to clarify some of the expectations.

- f. In response to Cllr Hockney's question about the compilation of a comprehensive commercial asset list by the Council and if that has affected BDO's audit process, Fay Hammond clarified that the council is having all its commercial properties assessed so as to work out if it is getting best value from them. Previous work done on valuations has shown that it is an area of risk for the audit and had caused some difficulty with having a full audit trail i.e. lease agreements for the properties. Finance had been

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working with the property team to ensure there is a full documentation trail.

- g. Councillor Leaver's comments regarding the issue of simplification notes to published documents i.e. audit plan. That the audit plan is produced by the council's external auditors (BDO) which identifies the risks. Anything that has been in the public domain on social media has been taken out of context. This was a BDO plan for the next audit and the risk register covers our risks as a council and are followed. This was about where BDO are on the plan and the committee should be asking if the plan is deliverable and will it be completed on time. If members did not understand information within the audit plan, they could meet with officers before the committee meeting to ask questions or e-mail enquiries to officers.

**AGREED** to note the London Borough of Enfield Audit Plan 2019/20.

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### **BDO - AUDIT PLAN 2019/20 - PENSION FUND - 10 MINUTES**

RECEIVED from BDO (external auditors) the London Borough of Enfield Pension Audit Plan 2019/20.

NOTED

1. This was a similar document to the main council audit plan except that BDO does not have use of resources responsibilities, in respect of pension monies, is solely to do with the accountancy position.
2. The Audit Risks Overview, as detailed at pages 46 and 51.
3. BDO tended to deliver both the council audit plan and the pension fund audit plan at the same time and present their results and opinion at the same time. However, BDO have to regard them as separate entities for audit planning purposes.

**AGREED** to note the Pension Fund Audit Plan 2019/20.

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### **BDO - ANNUAL AUDIT LETTER 2018/19 - 5 MINUTES**

RECEIVED from BDO (external auditors) the LBE and Pension Fund Annual Audit Letter 2018/19.

NOTED

1. The 2018/19 Statement of Accounts were signed off by BDO on the 19 December 2019.
2. BDO had already reported the various issues they had encountered with the accounts. A final communication was circulated, in advance to members and officers, before the signing to communicate those last issues relating to the valuations of HRA dwellings and BDO's audit

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work on the large valuation process. This gave BDO some final residual errors which were not material and therefore did not require amendment.

3. In terms of the summary position for last, as detailed on page 76 of the report, BDO were able to issue an unmodified opinion on the Council's financial statements as listed on page 76 of the report, which equates to a clean bill of health.
4. BDO were unable to issue the audit certificate partly due to the non-completion of BDO's review of the Whole of Government Accounts return with the audited financial statements.
5. Fay Hammond (Acting Executive Director Resources) wanted to emphasise BDO's comments that the Council has a clean bill of health, based on last year's accounts.

**AGREED** that the Annual Audit Letter 2018/19 be noted.

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### **STATEMENT OF ACCOUNTS - ACTION PLAN UPDATE - 10 MINUTES**

RECEIVED a report on the Action Plan for the Statement of Accounts from Matt Bowmer (Director of Finance).

NOTED

1. Officers had committed to providing a monthly update on the statement of accounts improvement plan arising from last years work on events resulting in the sign-off of the accounts at the end of December 2019.
2. The biggest audit risk was the HRA valuations and that is what led to the late sign-off of the accounts as detailed at points 4.1 and 4.2 (page 2) of the 'to follow' report.
3. Additionally, a further risk to the council are the general fund valuations, as detailed at point 4.5 (page 3) of the 'to follow' report. Officers are continuing to work on these.
4. As detailed at point 4.6 (page 3) of the 'to follow' report. Comprehensive work has also been done with the council's general fund valuers, Ernst & Young.
5. As detailed at point 4.9 (page 3) of the 'to follow' report. Relating to the issue around the council's asset module, SAP and the need that there needs to be a replacement asset module that would deliver far greater improvements.
6. Finance have engaged 2 interim resources, both fully skilled, well regarded Chief Accountants. One of these posts will cover the vacancy in the team until permanent recruitment to the Chief Accountant post and the second resource will be working on the assets.
7. As detailed at points 4.10 and 4.11 regarding the cleansing & reconciliation of the asset records and the completion of the first draft of the single entity accounts.
8. As detailed at Appendix A (action plan), pages 6-9 of the 'to follow' report, there had been a couple of actions added.

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9. The profile of the council's accounts had been raised across the organisation including the finalised details of 2019/20 accounts. The improvement plan had been communicated to EMT, the Senior Leadership network, all Heads of Service, Senior Managers and will be cascaded down to teams.
10. The following questions, statements and queries raised in response to the report:
  - a. Councillor Leavers comments that the improvement plan was covering extensive areas and queried the dating of work from December 2019 to 31 May 2019. Matt Bowmer clarified that the dates within the appendix were incorrect and from January should be for the 2020 year.
  - b. Councillor Leaver questioned the improvement plan, especially several actions in January 2020 and whether the actions will start and finish in January 2020. If they are not met by the end of January 2020, would those January actions get priority over the February 2020 actions. Matt Bowmer clarified that those dates are actions to be completed by. There would be ongoing work to enable those deadlines to be met.
  - c. In reply, on whether there was an update on the incomplete October 2019 actions, Matt Bowmer clarified that there is an element of slippage. Some of the things that had slipped were not massively critical now and would not have an adverse impact on Finance being able to deliver the accounts on-time. Some of the slippage issues were around dialogue with departments but those meetings are taking place and dialogue is happening.

**AGREED** to note the Statement of Accounts update and the decision to modernise the Asset register.

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### **IGB ANNUAL PERFORMANCE YEARLY UPDATE 2019/20 & GDPR IMPLEMENTATION - 5 MINUTES**

Received an update report presenting the IGB annual report 2019/20 including GDPR implementation update.

**NOTED**

1. The update was presented by Jayne Middleton Albooye, Head of Legal Services.
2. This was just an update and the reason why it was not presented in a proper report format. The reason being is that Jayne Middleton Albooye was trying to synchronise it so that the proper report comes to the committee at the end of the financial year but after the 5 March 2020 committee meeting.
3. As detailed at page 11 of the report, the data protection officer's update. As regards data breaches, only 2 had been reported to the ICO and they required no further action.

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As detailed at the 2<sup>nd</sup> table (page 11) of the report, highlights the types of incidents reported over a 12-month period.

4. There was also a requirement by GDPR to list all processing activities and to provide impact assessments on any high level/high risk processing activities, as detailed at the bottom of page 11 of the report.
5. The Information Governance Board (IGB) meets every month and the above is reported there. The Data Protection Officer also attends, who is independent of the Council.
6. As detailed at page 12 of the report, two tables highlighting details of FOI and SARs requests.

**AGREED** to note the update to the IGB Annual Performance 2019/20 and GDPR.

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#### **TREASURY MANAGEMENT STRATEGY - PRUDENTIAL INDICATORS, CAPITAL EXPENDITURE & SENSITIVITY OF INTEREST RATES - 10 MINUTES**

RECEIVED a report from the Director of Finance setting out the Council's 2020/21 Treasury Management Strategy Statement (TMSS) & Prudential Indicators.

#### NOTED

1. The report was presented by Matt Bowmer (Director of Finance).
2. The draft treasury strategy is presented on an annual basis and will go to Cabinet, along with the Capital Programme and MTFP (Medium Term Financial Plan), on the 12 February 2020 and then onto Council for approval. The Capital financing shown in this report will change when it is presented at Cabinet in February 2020.
3. One of the key changes that Finance are making is that the TMSS is now a 10-year strategy and this will be presented to Council for approval on the 26 February 2020.
4. The impact of this 10-year strategy can be seen on point 3 (page 104) of the strategy, the borrowing strategy. Two new tables have been added, as detailed at 3.2 and 3.3 of the strategy, which sets out the overall underlying need to borrow by the council. For greater transparency to the TMSS, the tables show a breakdown of different parts into companies i.e. Meridian Water, other general fund commitments and the HRA (Housing Revenue Account) as detailed at point 3.8 (page 107) of the strategy. Chart 1 (page 107) of the strategy takes that profile timescale further and pitches out over 50 years. This shows the rise in capital finance requirements the council has.
5. Increasing need to borrow in the strategy and the council need to look more broadly than PWLB (Public Works Loan Board) to satisfy its borrowing requirements over time. Table 3 (page 110) details borrowing options that are present for the Council, which are now affordable to the council with better rates than PWLB offer.

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Some of these options to borrow will require the council to be credit rated through one of the credit rating agencies.

6. The borrowing numbers in the strategy are based on the draft capital programme and there are several ambitions that the council has invested in that programme. Finance will be looking at alternative options and borrowing methods to be able to deliver those programmes of work.
7. As detailed at Appendix D (pages 124-126) of the strategy regarding prudential indicators. For the HRA 30 year business plan, there are some additional prudential indicators around interest rates, which will be formally adopted in this strategy. Finance are also looking at prudential indicators around the capital finance costs of the general fund in proportion to the overall council budget.
8. The next key change to the TMSS is detailed at Appendix E (page 127) of the strategy – the Minimum Revenue Provision Policy.
9. As detailed at point 4 (g) (page 128) of the strategy, asset lives had given greater provenance to the asset lives finance will be accounting against when revenue provision is set aside i.e. ICT – 5 years, Vehicles – 10 years, etc.
10. The following questions, statements and queries raised in response to the report:
  - a. In response to members concern about the increase in borrowing and the cost to the council regarding capacity for officers to investigate alternative borrowing (other than the PWLB) and to obtain a credit rating, Matt Bowmer clarified that the general forecast for low interest rates is that they will remain low for a few years and this will be continually monitored. There would be a cost to the council for borrowing elsewhere other than the PWLB.
  - b. As detailed at 3.24 (page 95) of the report. This was further clarified to the committee as a time aspect and not a quantity of monies.
  - c. Councillor Gunawardena asked what the measurable benefits were as regards risk analysis. Targets and key indicators are needed when analysing risk to see if they are heading to achievement. Fay Hammond clarified that because the committee hear the TMSS at this meeting, separate from the Capital spend, it is a bit dis-connected. When the report goes to Cabinet, it will be clear what the council are buying for the debt it is potentially incurring.

The Capital Programme comes through in a Cabinet report and looks at each one of the capital projects and the return for each. What the council are delivering will come through more in that Cabinet report. Presently, the financing of a project is independent of what is being delivered because this is a way this report has to go through Audit & Risk management Committee. But those two reports are heard at the same time at Cabinet as regards what is being delivered and what the benefits are. The TMSS is just a position statement of what the capital programme says the council is thinking about are looked

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at and assess what the priorities are and if things need to change. So it is part of the capital budget process which then results in the financing requirement.

- d. In response to councillor Gunawardena's question about how risks are measured and the need to see both sides clearly, Fay Hammond clarified that each cabinet report going through the capital investment has financial implications, risk assessments, mitigation of risks added to them. BDO will look at the council's decision-making processes to get assurance that decisions are made having looked at those areas. BDO will be assured that the council are not making decisions independent of seeing the bigger financial picture, which is what the TMSS provides and have not seen before.
- e. In response to Councillor Gunawardena's request that he would like to see BDO's analysis of making risk assessments so he can make the connection between the risks and benefits specified. BDO clarified that they would cover things they consider are the biggest risks to the MTFP (Medium Term Financial Plan). They would consider the borrowing strategy in terms of the Capital Programme. They would not be providing a detailed assessment of everything going on at the Council. They are looking at risks to the opinion they are giving in terms of adequacy arrangements, decision making processes and what the high-level assumptions are.

David eagles (BDO) felt that the Member wants an operational understanding about detail going into risk assessments and how documents are pulled together. This should be a direct conversation with the member and officers to get that understanding about specific processes.

- f. Councillor Hockney's asked what was the most significant exposure risk that finance are concerned about in terms of increased borrowing and in terms of servicing and the extra debt, what pressures would that put on services. Fay Hammond clarified that exposure to risk is always looked at annually as part of the treasury strategy. So, in 5 years' time the council's exposure to risk, at that point, will be different to whatever it is.

The Council will need to look at this level of debt and look at different ways of financing that over this time period. The Council has alternative financing options available which have been set out in the report and will be looked at by officers over the next 6 months working alongside technical advisers and other professionals.

Debt servicing is already in the MTFP for the next 5 years.

- g. In reply to Councillor Hockney's question about the council's spend on servicing the debt now and what that will increase to in 5 years' time, Fay Hammond clarified that she would be sending documents to Councillor Hockney under separate cover to answer the above.

**ACTION: Fay Hammond (Acting Executive Director Resources).**

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- h. Councillor Barry asked about how members can reach a judgement about the value for money aspect of a project. Fay Hammond referred to what the Capital report mentions about statutory reasons for making buildings safe and what the investment there would be and how that may save the council money. Net present value (NPV) calculations are made covering savings or generating income and this is the work done to develop this programme. There are also those things that are not income generating that the council are doing i.e. place making reasons. The advantage of having a 10-year capital programme in one Cabinet report provides a spectrum of capital investment areas’.
- i. Councillor Leaver also clarified that members’ roles here is that, when presented with a financial proposal in managing cash, we can meet the political decisions of this council. Councillors have a view on if its appropriate and support is given to the suggestions’ officers have made as a way forward to go to Cabinet. This is about how officers pull together the needs of this council, both capital and revenue and fund it. It is not a forum to have political debate about whether it is appropriate or not. It is whether members believe the officers are putting together sensible proposals so that the governance of the council can be undertaken. This is good cash flow management looking at the reality of what the council has over the next 5-10 years.

**AGREED** the Treasury Management Strategy Statement for 2020/21, to note the economic context & Interest rate forecast, the prudential indicators, the minimum Revenue Provision Statement, the Counterparty List and limits and to note the plans to develop options for financing the capital programme over the next six to nine months.

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### **CYBER AND TECHNOLOGY SECURITY - 10 MINUTES**

NOTED

1. The Cyber and Technology Security report will now be heard at the 5 March 2020 committee meeting.

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### **ILLEGAL ENCAMPMENTS - 10 MINUTES**

RECEIVED a report from the Director of Property and Economy regarding Illegal Encampments in Enfield.

NOTED

## AUDIT AND RISK MANAGEMENT COMMITTEE - 16.1.2020

1. The report was presented by Karen Maguire (Strategic Property Services).
2. Two years ago the Council had excessive costs relating to incursions from going to court, fly tipping clearance, improving site security, looking at boundaries, reviewing assets and how the council would be managing these sites accordingly.
3. However, significant savings have been made working with other departments using a strategic approach. Costs are now at an all time low for the first time in 3 years. Officers have improved their relationship with the Metropolitan Police to ensure good partnership working sharing protocol and good practise.
4. Local businesses have been engaged to work with officers to speedily expedite legal proceedings on their behalf so reducing their costs and limit the impact on the community i.e. less complaints to the Council from residents.
5. The council now has a winter shelter, for rough sleepers, in Claverings. There were a significant number of rough sleepers living in illegal encampments in various parts of the Borough. These numbers have now been reduced from 74 to below 20 at present.
6. There is now a significant decrease in numbers of Gypsy and Traveller issues in Enfield, although they still occur i.e. 24 hour turnaround which is Enfield's policy in addressing those issues.
7. As detailed at page 15 of the report there has been an appointment of a consultant to carry out a Gypsy & Traveller needs assessment.
8. As detailed at page 16 of the report, moving forward partnerships with the Metropolitan Police, Thames Reach and various other agencies.
9. The following questions, statements and queries raised in response to the report:
  - a. Members request that the 'incursion' is not used in reports referring to illegal encampments. Karen Maguire agreed to review this and take that back to her team.
  - b. Good news comments by Members regarding homeless rough sleepers from 74 to below 20.

**AGREED** to note the Illegal Encampments in Enfield report.

**450**

### **CORPORATE RISK REGISTER - 10 MINUTES**

RECEIVED a report from the Director of Law and Governance, presenting the Corporate Risk Register.

NOTED

1. Gemma Young (Head of Internal Audit & Risk Management) presented the report.

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2. As detailed at Point 1 (page 17) of the Executive Summary. The added update to the CR16 – Financial Management is detailed at page 28 of the report at Appendix A.
3. The following questions, statements and queries raised in response to the report:
  - a. In reply to the uptake of Fraud Corruption Training for staff (CR 03 – pages 21-22 of the report), Gemma Young clarified that her team had recently carried out a large programme of training as part of International Fraud Awareness Week (IFAW). Including targeted training i.e. housing officers, exchequer colleagues due to the increase in phishing, fake bank accounts, etc. There was a wide programme of training at present.
  - b. Councillor Barry referred to a statement in the Audit Plan regarding alleged or suspected incidents of fraud and that members had not been made aware of these. David Eagles confirmed that information was used in the Audit plan because it is a plan and these is a lot of data involved. BDO focus on and understand that benefits are subject to fraud but BDO look at things that would provide a material issue for the financial statements audit and only major issues give BDO a material concern. Those are not major issues. The level of materiality is £20.2m. Housing is the biggest value audit but even that was a notional value.
  - c. Councillor Gunawardena asked for clarification to the description of CR11 – Housing, as detailed at page 25 of the report. Gemma Young clarified that that would be for colleagues in Housing to answer in more detail. The Committee could call housing colleagues to attend the committee to obtain further details. Councillor Gunawardena asked if the committee can see the Key Performance Indicators (KPI) to CR11 – Housing risk to further understand this risk. Fay Hammond clarified that Joanne Drew (Director of Housing & Regeneration) could be asked to attend the committee to talk about the risks in her service area. It was a committee decision whether this is a financial risk or a delivery risk to the council and is significant enough to bring to committee.

It may be better to wait to hear the Housing strategy as work on homelessness was only beginning with workstreams only just being agreed to deliver that. But there was no reason why the Director of Housing & Regeneration could not be invited.

**ACTION: Fay Hammond (Acting Executive Director Resources).**

**AGREED** to note the risks recorded in the Corporate Risk Register and to note the addition of risk CR16.

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**AUDIT AND RISK MANAGEMENT SERVICE PROGRESS REPORT - 10 MINUTES**

## AUDIT AND RISK MANAGEMENT COMMITTEE - 16.1.2020

RECEIVED a report from the Director of Law and Governance, presenting the Audit & Risk Management Service Progress Report.

### NOTED

1. The report was introduced by Gemma Young (Head of Internal Audit & Risk Management). This was the regular update on how the Service is progressing with the Audit Plan to 31 December 2019.
2. As detailed at 1.1 (page 29) of the report and at Chart 1 (page 31) of the report.
3. As detailed at 3.5 (page 31) of the report and at Table 2 (page 32) of the report, highlighting changes to the 2019/20 internal audit plan.
4. As detailed at 3.8 (page 32) of the report – there has been 1 no assurance audit, 4 limited assurance audits and 8 reasonable assurance audits. There had been 6 grant certifications.
5. As detailed at page 33 – 35 of the report, there had been 3 limited assurance audits since the last report:
  - Financial assessments Team
  - Highlands School
  - IR35
6. As detailed at Appendix C and Appendix D (pages 57 – 59) of the report. At the last committee meeting there was some concern by members about how internal audit were both monitoring and improving the control environment in schools. There have been a few limited and no assurance audits and from Appendix D (page 60) of the report, most of them are reasonable and substantial.
7. As detailed at page 59 of the report, a previous action from the last committee regarding the attendance of headteachers at Audit & Risk Management Committee, by the Assurance Board.
8. The following questions, statements and queries in relation to the report:
  - a. With reference to the limited assurance for the Financial assessments Team and the high risk finding against aged debt balance, members enquired if this risk was around software and the oversight and awareness of that. Gemma Young clarified that it was more to do with having a systematic way of reviewing the debt. Fay Hammond also added that there is now an additional resource in that team with 2 teams now being re-structured together so that queries can be resolved with smoother processes.

**AGREED** to note the performance of the Audit & Risk Management Service to date and to provide feedback on the contents of this report.

### 452

#### **BREXIT RISK REGISTER UPDATE - 10 MINUTES**

RECEIVED a report from the Director of Law and Governance providing an update on current work by the Council around the risks it faces following the anticipated withdrawal of the UK from the European Union.

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NOTED

1. The report was presented by Gemma Young (Head of Internal audit & Risk management).
2. Internal Audit continue to take the Brexit Risk register to the Brexit panel, chaired by the Deputy Leader.
3. The Brexit (1-100 days) risk register is updated at each Brexit Panel meeting, as detailed at Appendix a (from page 68) of the report.
4. There has been a Brexit Panel workshop to explore the longer-term risks of Brexit especially over the next 5 years. The workshop was well attended by senior officers. However, the level of uncertainty remains very high, so the panel cannot confirm exactly what these risks may be to the council.
5. The current focus of the Brexit panel is still on the 1 – 100 days of the risk register until further details of the withdrawal agreement are known.
6. The following questions, statements and queries in relation to the report:
  - a. The Brexit Risk Register is updated at almost every Brexit Panel meeting.

**AGREED** to note the contents of the report and the risks recorded in the appendices.

### **453 MINUTES**

**AGREED** that the minutes of the Audit & Risk Management Committee meeting dated 3 October 2019 and 17 October 2019 be approved and signed as a correct record.

### **454 AUDIT & RISK MANAGEMENT COMMITTEE WORK PROGRAMME 2019/20**

**RECEIVED** an outline work programme for the Committee covering the 2019/20 Municipal Year Committee.

NOTED

1. The Cyber and Technology Security item to be moved to the 5 March 2020 committee meeting.
2. Cllr Gunawardena request that the Director of Housing & Regeneration to attend the next Committee meeting to report the risks in the service area of Housing.

**AGREED** to approve the outline work programme for 2019/20.

### **455 DATES OF FUTURE MEETINGS**

**AUDIT AND RISK MANAGEMENT COMMITTEE - 16.1.2020**

To note the dates agreed for future meetings of the Audit & Risk Management Committee:

Thursday 5 March 2020

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

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