

Audit Committee

Wednesday 27 November 2019 at 7:00 pm

Present: Councillors Murtagh (Chair), Sabiers, and Young; and Mr Hyun (Independent Person).

Ealing Officers: Tim Hooper (PWC Audit Manager) (Mike Pinder (Head of Audit and Investigations), Ewan Taylor (Audit and Risk Manager), Bridget Uku (Manager, Treasury and Investments)

In Attendance:

1. Apologies for Absence

Councillors Manro and Nagpal tendered their apologies.
Ross Brown (Chief Finance Officer) tendered his apologies.

2. Urgent Matters

There were none.

3. Matters to be Considered in Private

Agenda Item 6, contained information that was exempt from disclosure by virtue of Paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972. This information was not considered in private, as it was not necessary to discuss the details of the exempt information provided.

4. Declarations of Interest

There were none.

5. Minutes

Resolved:

That the minutes of the meeting held on 25 July 2019 be agreed and signed by the Chair, as a true and correct record subject to the following amendment to item 5.i - action - replace Chief Finance Officer with Head of Audit.

6. Risk Management Performance Quarter 2 2019 -20

The Audit and Risk Manager introduced this report which updated the Audit Committee on the review by the Strategic Leadership Team (SLT) of the strategic risks facing the Council at the end of quarter 2, 2019/20. The Committee was informed that following the request at the last meeting of the Audit Committee, the Audit team would be liaising with departments on indicative timeframes.

The number of strategic risk categories had increased from 17 to 19 since the last report; this was due to the Brexit risks being separated into three. The Brexit risks had been scored in October and would be reviewed again by SLT.

In response to questions from the Committee

- The timeframe for reviewing strategic risks within the directorates of Place and Chief Executives was one directorate per quarter.
- The benchmarking exercise had shown that Ealing had broadly similar issues to other boroughs.
- Referring to IT disaster recovery, the Head of Audit agreed to check whether there would be sufficient redundancy back up if the disaster recovery plan included a cloud back up of data centre with a cloud backup.
- Regarding whether there were sufficient checks and balances in companies engaged by the Council, it was noted that over the last 12 to 18 months there had been significant traction led by the new Head of Health and Safety; there was a new Corporate Safety Board and the governance framework had been strengthened.
- The Brexit risks were presented in three different scenarios, the Brexit Planning report to the Cabinet meeting in October 2019 contained the background details.

Resolved:

The Audit Committee noted the current Strategic Risk Register as set out in appendix A of the report.

7. Audit and Investigation Update

Members considered a report providing an update on the work of Internal Audit and Investigations for Quarters 1 and 2, 1 April 2019 – 30 September 2019.

The Audit and Risk Manager confirmed that all seven reports as detailed in 4.3 of the report, which had been outstanding at the end of 2018/19 had now been finalised.

Members noted and praised the Audit and Investigations team for being ahead of target for issuing the draft and final reports.

In response to questions from the Committee

- The last time that the Audit Committee had received a report on corporate credit cards was prior to the current Head of Audit and Investigations joining Ealing Council. One case involving the possible misuse of a corporate credit card, had been investigated but did not lead to prosecution and the other cases looked at were for legitimate business uses such as for purchasing stationery – although using the corporate credit card instead of using the corporate contract.
- Regarding enhanced vetting, the Committee noted the 9% failure rate and was informed that a few other authorities also used enhanced vetting for new staff members. There was no consistent pattern to indicate a reason for the failure rate.
- The Housing fire risk assessments raised four high risk findings in terms of records demonstrating completion of all fire risk assessments, there was still work to be done in this area. The Head of Audit and investigations had been monitoring to ensure that the services were

responding and that there was progress. It was noted that two reports had been considered by scrutiny.

Resolved:

The Audit Committee:

- i) noted the performance of the Internal Audit and Investigation team and key issues arising during the period 1 April 2019 – 30 September 2019.

8. Treasury Management Mid-Year Update 2019-20

The Treasury and Investments Manager introduced the report which provided an update on the Council's borrowing and investment activities for the quarter ending 30 September 2019. Borrowing had not been raised in this quarter with £234.8m investment.

The Committee was informed that all treasury management activities had been carried out in accordance with approved limits since the last report.

Mr Hyun, Independent Person, referred to 4.8 of the report and suggested that this was based on the assumption that there would be a Brexit deal.. The Treasury and Investment Manager advised that this was the assumption of the Treasury management Advisers.

Resolved:

The Audit Committee:

- i) noted the Treasury Management activities and performance against targets for the period to 30 September 2019.
- ii) noted the Council's investment balance of £234.890m as at 30 September 2019 of which £174.000m was invested in other Local Authorities (Appendix 1 of the report).
- iii) noted the Council's counterparty investment list (Appendix 2 of the report - Confidential).

9. Date of Next Meeting

The next meeting would be held on 4 March 2020.

The meeting ended at 7:35 pm.

Councillor Tim Murtagh, Chair

.....