

**MINUTES OF THE AUDIT COMMITTEE  
THURSDAY, 25 MARCH 2010**

Councillors \*Khan (Chair), Diakides, Meehan, Dobbie, Santry and Aitken

Apologies Councillor Mallett and Butcher

Also Present: Councillor \*Aitken, Councillor \*Santry

**\* Indicates present**

<b>MINUTE NO.</b>	<b>SUBJECT/DECISION</b>	<b>ACTION BY</b>
<b>PRAC160</b>	<p><b>APOLOGIES</b></p> <p>Apologies for absence were received on behalf of Councillor Butcher (for whom Councillor Aitken was substituting) and Councillor Mallett (for whom Councillor Santry was substituting), and for lateness from Councillor Diakides.</p> <p><b>NOTED</b></p> <p>At this point in the proceedings the Chair advised that although the Chief Financial Officer – Mr Almeroth was not present, Mr Almeroth would be leaving the Council’s service on 31 March 2010 to take up the position of Strategic Director of Resources at the LB Sutton. The Chair wished, on behalf of the Committee, to place on record his sincere thanks to Mr Almeroth for his excellent professionalism shown to the Committee during his time as Chief Financial Officer, and also as the Council’s Section 151 Officer. The Chair wished Mr Almeroth the very best of wishes and wished him well in the future both personally and professionally.</p>	
<b>PRAC161</b>	<p><b>URGENT BUSINESS</b></p> <p>The Chair advised that there were no items of urgent business.</p> <p>Councillor Dobbie referred to the communication from the Chair on 22 March 2010 via the Committee Manager - Mr Hart which had advised that Items 10 – Leaseholder Charges, and 11 – Partnership Working be deferred to the next meeting of the Committee. Councillor Dobbie commented that he had concerns at the Leaseholder Charges report being deferred given a number issues that had been raised by Leaseholders within his ward and that there needed to be a discussion and comment in respect of the report’s findings.</p> <p>The Chair responded that following the circulation of the agenda, on consideration of the volume of business, following his seeking of advice from the Committee Manager Mr Hart, he had advised the Committee via the Committee Manager that items 10 and 11 be deferred to the next</p>	

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	<p>meeting of the Committee due to the high number of items to be considered on the agenda. Given the concerns expressed during discussion of agenda items at the last meeting and the need for officers to be present at this meeting to discuss 3 particular items – in order to allow for a full discussion of those items it was prudent to defer consideration of the Leaseholder Charges, and Partnership working reports.</p> <p>The Chair commented that it was at his discretion to consider deferring both items, and on advice of the Committee Manager, he had confirmed to the Committee the decision to defer these 2 items. However dependent on how the meeting progressed he would reconsider this discretion during the proceedings and if possible consider the Leaseholder Charges report if time allowed.</p> <p>Councillor Dobbie noted the discretion of the Chair.</p> <p>Councillor Aitken, in concurring with Councillor Dobbie’s expressed comments, also stated that in his view the Committee should consider the Leaseholder Charges report given the concerns of a number of Leaseholders across the Borough in the recent past.</p> <p>The Chair noted the comments expressed and reiterated his previous point that he would reconsider this discretion during the proceedings and if possible consider the Leaseholder Charges report if time allowed.</p> <p><b>NOTED</b></p>	
<p><b>PRAC162</b></p>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>There were no declarations of interests.</p> <p><b>NOTED</b></p>	
<p><b>PRAC163</b></p>	<p><b>MINUTES</b></p> <p><b>RESOLVED</b></p> <p>That the Chair be authorised to sign the Minutes of the meeting of the Audit Committee held on 1 February 2010 as an accurate record of the proceedings, subject to an amendment in names of members attending to read ‘Dobbie and Demirci.’ and not ‘Dobbieemirci’ as shown.</p>	
<p><b>PRAC164</b></p>	<p><b>DEPUTATIONS AND PETITIONS</b></p> <p>There were no deputations or petitions.</p> <p><b>NOTED</b></p>	
<p><b>PRAC165</b></p>	<p><b>ANTI-MONEY LAUNDERING REGULATIONS AND COUNCIL POLICY</b></p>	

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The Chair asked for an introduction of the report.

The Head of Corporate Finance – Mr Bartle, in an introduction, reminded the Committee of its responsibilities in respect of Anti-fraud and Corruption arrangements as part of its Terms of Reference. In order to provide assurance that the corporate anti-money laundering policy was consistent with relevant professional guidance and other statutory and best practice requirements, it was reviewed on a regular basis, with approval for the final anti-money laundering policy resting with this Committee. Mr Bartle commented that as part of the Chartered Institute of Public Finance and Accountancy's (CIPFA) 2006 Code of Practice, and the requirements of the Council's Whistle-blowing policy, this Authority needed to ensure that there were appropriate processes in place for the reporting and investigation of allegations of fraud and corruption. The Comprehensive Area Assessment (CAA) included the requirements to have appropriate arrangements in place which were designed to promote and ensure probity. It was therefore important to ensure that the Council was able to demonstrate compliance with the CAA and best practice requirements.

Mr Bartle briefly outlined Haringey's approach to date by putting in place arrangements within the Council that comply with the regulations and reflect good practice, by demonstrating that the Council was acting prudently and to the proper professional standards that certain officers needed to follow. In respect of legal issues, the Law Society required the Council to have anti-money laundering policies and guidance in place and to complete regular returns in respect of money laundering. In respect of financial issues, the 2009 CIPFA guidance on combating financial was the key publication. The Council's policy and procedures relating to money laundering included a section on due diligence (detailed at appendix A of the report). In most cases, the business undertaken would be where the client was another public or statutory body, and therefore the risk assessment would indicate that no further due diligence about the status of the client was required.

Mr Bartle went to advise that for other third party clients or politically exposed persons, there needed to be formal and recorded due diligence checks. In these rare circumstances, guidance on performing the due diligence checks would be provided by the Head of Audit and Risk Management, as part of their role as the Council's Money Laundering Reporting Officer, in consultation with relevant officers from legal and corporate finance where appropriate. Records would be maintained, including details of the customer due diligence, and was required to be kept for five years after the end of the business relationship and also transactions recorded, which also needed to be kept for five years.

Mr Bartle concluded that the Council's policy had been circulated to all relevant staff and training had been provided to those staff that were most likely to deal with the transactions. It was recommended that the Council's existing policy be incorporated into the corporate anti-fraud policy and strategy to ensure all elements of fraud and corruption were dealt with effectively and appropriately. These procedures would be

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	<p>made available on the Council's intranet site and regular reminders provided to all relevant staff. Also and in addition, as part of the Council's annual internal audit programme, testing of the key financial systems included checks in relation to money laundering to ensure that risks were being appropriately managed. It was also the case that although local authorities were unlikely to be a prime target for money laundering, the size and scope of services was such that it was not possible to discount entirely the risks surrounding money laundering. The Council's approach was designed to mitigate and minimise these risks.</p> <p>The Chair thanked Mr Bartle for his concise introduction. In ascertaining whether there were any points of clarification of which there were not, the Chair asked Ms Willis (the shadow Section 151 Officer) whether she was satisfied and concurred with the comments of the current Section 151 Officer. Ms Willis advised that as she did not formally take up her position until 1 April 2010 she was not in apposition to give a formal view or concurrence to the comments given in the review. However, Ms Willis advised that she did not personally disagree with the comments and she was satisfied with the basis of the approach which in her view complied with the relevant best practice and that the Council's obligations were discharged.</p> <p>There being no further points of clarification the Chair summarised and it was:</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"><li>i. That the requirements of the various regulations on local authorities in respect of Anti-fraud and Corruption be noted together with compliance by this Council of the regulations to date;</li><li>ii. That the updated Corporate Anti-money laundering policy be agreed; and</li><li>iii. That approval be given to the inclusion of the policy as an appendix to the Council's existing corporate anti-fraud strategy to ensure that all elements of fraud policy and strategy were held together and allowing for it to be publicised more effectively.</li></ol>	
<b>PRAC166</b>	<p><b>QUARTER 3 RISK MANAGEMENT UPDATE AND REVISED CORPORATE RISK MANAGEMENT POLICY</b></p> <p>The Chair asked for an introduction of the report.</p> <p>The Head of Corporate Finance – Mr Bartle advised the Committee that Mr Evans – Audit Manager – Deloitte and Touche would briefly</p>	

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introduce the report. Mr Evans informed the Committee that the Council's Risk Management strategy was reviewed on an annual basis to ensure that it reflected current operational requirements and best practice. The previous version was approved by the Audit Committee at its meeting on 23 April 2009. Following the request of the Chair of the Audit Committee, a quarterly report was presented to the Committee on risk management and compliance with the Council's strategy. The review and testing of risk registers formed part of the 2009/10 annual audit plan which was approved at the Audit Committee meeting on 23 April 2009. This is an ongoing process to ensure the key controls to manage identified risks were effective and operated as intended.

Mr Evans went on to comment that during 2009/10, the risk registers for all business units, departments and the corporate register were all integrated into the Council's performance management system (Covalent). Training for system users was provided when their risk registers were loaded onto the system and all risk registers were managed using Covalent from quarter 3 2009/10, which was in accordance with the planned timetable.

(Councillor Reith arrived at 19.40hrs).

The Chair thanked Mr Evans for his introduction and asked if there were any points of clarification from the Committee.

In response to clarification from Councillor Aitken Mr Evans advised that the risk register was reported annually with quarterly updates. The Chair further advised that on a quarterly basis the risk register was reported to the Audit Committee to ensure continued compliance with CIPFA guidance/regulations as part of this Committee's responsibility and the appendices 1 & 2 to the report set out the updated 3<sup>rd</sup> quarter's risk register, and the updated risk management policy and strategy for 2010.

Councillor Santry referred to previous and high profile matters in relation to the Baby P issue, and the Icelandic Banks matter and asked whether these issues were clearly accounted for and reviewed as part of the appendices.

Mr Evans responded that that in relation to the baby P issue these had been incorporated into the JAR and were subject of discussion later in the agenda as part of that action plan. In respect of the Icelandic Banks issue, this matter would form part of the financial risk register and that there were various controls in place. In terms of the credit rating risk in relation to the Icelandic Banks it was the case that on one day there was not any risk, and the next the credit situation was completely different. It was a fact that both within Corporate finance and at CEMB, risk was assessed continually.

In response to further clarification from Councillor Santry Mr Bartle advised that in terms of the Icelandic bank issue it was the case that this had not been considered as a high risk and that the matter could

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	<p>not have been predicted to happen as it did. At every corporate finance management team meeting, and CEMB the risk register was considered and updated and there was a constant review.</p> <p>The Chair referred the Committee to the measuring of risk as detailed in page 52 of the agenda pack which detailed the impact of risk. It was a fact that the agreed approach to management of risk was effective, and the fact that it was electronically managed this assisted considerably.</p> <p>In response to clarification from the Chair the shadow Section 151 officer – Ms Willis commented that she would endorse the views expressed in para 8.1 of the report and that the management of risk was prominent in the day to work of the Local Authority..</p> <p>Mr Paul Hughes – Grant Thornton also advised that the information and actions contained in the report had been assessed and that in his view the way in which risk was managed by the LB Haringey was effective and adequate in comparison with other Local Authorities.</p> <p>The Chair then summarised and it was:</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"><li>i. that the implementation of the risk management strategy across the Council be noted; and</li><li>ii. that approval be given to the updated corporate Risk Management Policy and Strategy.</li></ol>	
<p><b>PRAC167</b></p>	<p><b>JAR ACTION PLAN UPDATE</b></p> <p>The Chair welcomed the Cabinet Member for Children and Young People’s Service - Councillor Reith, and the Director of Children and Young People’s Service – Mr Lewis to the meeting. In respect of the JAR action plan – in asking for a brief update from Councillor Reith the Chair advised the Committee that it should be noted that the most recent Ofsted report had reported good progress.</p> <p>Councillor Meehan commented for the record that in having both Councillor Reith and Mr Lewis present as requested at the previous meeting, the Councillor at that meeting (Councillor Butcher) who had been most vociferous regarding the JAR action plan and the need for both the Cabinet member and Director to be in attendance this evening, had not bothered to attend this Committee.</p> <p>Councillor Reith in thanking the Committee for its invite to the meeting advised that the report before the Committee had also been the subject of considerable discussion and scrutiny at a number of Council bodies. Both the Safeguarding Monitoring Group, and the Children’s Trust had received regular updates of the safeguarding plan and had closely monitored progress, and it had also been the subject of additional</p>	

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meetings of the Overview and Scrutiny Committee where Members had been able to ask a considerable number of questions and probe both Mr Lewis and herself. Discussions had also taken place externally at GoL, the DCSF and Ofsted as well as a number of public meetings. In respect of the role of the Audit Committee in terms of the safeguarding plan, it would be for this Committee to question the accuracy and validity of the data presented to it and question the sources of the information. It was also the case that every month as part of the on-going core assessment the data was independently assessed in a random fashion and the core information followed through on individual cases. It was good to say that there had been a marked improvement in the service from where the service had been at 1 year previous and both members and officers were able to say this with confidence. However it was also recognised that there was still considerable room for improvement and both members and officer were of the view that improvement would be an evolving one based on the now effective systems in place to manage and assess the quality of assessment and the data supplied and a number of rigorous checks to test the authenticity of the data.

The Director of Children and Young People's service – Mr Lewis advised the Committee that there were three specific elements to the report before them – at appendix 1 – the Safeguarding Plan Milestones report, appendix 2 – the Safeguarding Plan Performance Indicators Report, and the Ofsted Inspection of progress made in the provision of safeguarding services in the LB Haringey. Mr Lewis reported that there had been only 2 elements of the inspection that had not been as on track as had been anticipated (NI) 59 & 60 Initial and Core assessments – they were on an upward trend – in all other parts of the plans actions had either been upheld and met or were to be worked on as part of the next phase of the progression and action had not yet started.

In thanking Councillor Reith and Mr Lewis for their introduction, the Chair asked if there were any comments or questions from the Committee.

Councillor Meehan referred to the content of the report and the assurances that data being given was accurate by both internal and independent evaluation. In emphasising, the need to ensure assessment of data provided both internally and by external agencies, Councillor Meehan asked how confident and satisfied were Councillor Reith and Mr Lewis of this accuracy given the past history of assurances of accurate information when in reality this had not been the case.

Councillor Reith responded by advising that the statistical information and evaluation was in her view realistic and true and that this was primarily due to better partnership and joint working practices now. The multi-agency working practices were effective and whilst there may be small degrees of suspicion as to the accuracy of data given past experiences, through the joint working and sharing of information there was now a strengthening of trust between agencies which had now been there previously, and the questioning of why such precise evaluation had not been carried out before. Councillor Reith referred to her own level of interaction both with talking with individual staff on a regular basis as

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well as external partners. It was also the case of that the Safeguarding Monitoring Panel carried out an effective evaluation of cases by following through the whole process. It was also the case that adoption cases and processes had also been assessed and evaluated and the data examined and questioned to ensure that correct practices were being followed. Ofsted had also carried out thorough evaluation and questioned/evaluated through processes in order to be satisfied that the data provided was evidenced.

Councillor Santry, in reference to the mechanisms for sharing of information in particular to Children Centres commented that in terms of newly supplied health data information there had been an absence of new birth data and that it seemed that this information was no longer being supplied. Mr Lewis responded that he would clarify the issue.

Councillor Dobbie, in sharing Councillor Meehan's view in relation to Councillor Butcher's non-attendance, commented that whilst he accepted that there had been quite a lot of achievement in the past year, together with the recent gleaming report of the re-inspection by Ofsted, for him it almost felt like things were too good to be true and that the vast improvements mirrored the previous year's situation. He expressed a view of an element of doubt and concerns that given the glowing responses to the now provision of service, was there in fact anything hidden and the need to ensure that there was a full evaluation of data provided.

Councillor Reith, in reiterating her earlier comments as regards to evaluation, referred to the Ofsted report which had been a marked improvement but that it was also recognised that the service was not yet where all concerned wanted it to be and there was still a way to go in terms and both the Council and its partners could not now be complacent, and would strive to continue to achieve further in the coming months. However, it had to be said that the Ofsted report had come as a positive moral boost to the service and that this indication of moving in the right direction, would have a positive effect on both recruitment and retention of key staff.

In echoing Councillor Reith's comments Mr Lewis added that whilst the service had come a long way it had not come as far as it could have and that there was real commitment to being better and striving to be an excellent provider.

The Chair, in responding to the comments expressed, referred Councillor Reith and Mr Lewis to the requirement of the Audit Committee in terms of its independent scrutiny of supplied data, together with the evaluation of risk and the use of resources. In reference to the action plan he quoted point 21 of the Ofsted inspection in relation to progress on improving case recording in children's social care, and in particular school based records recognised as being too inconsistent and action to be taken to introduce a consistent process. The Chair asked if this point would be picked up within the action plan. In response Mr Lewis confirmed that with this particular point action planned was underway



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	<p>and files were now consistent and up to date. In response to further clarification by the Chair in respect of point 27 where the inspection identified the lack of a coherent strategy for family support and preventative services and the means to target and co-ordinate them effectively, Mr Lewis advised that a strategy had now been written and would be analysed.</p> <p>The Chair referred to the point 13 of the Ofsted report in relation to priorities for further improvement and asked how the improvements would be progressed. Mr Lewis advised that not all of the points would form part of a written report but that the 30 improvement points picked up by Ofsted would be considered by the Children’s Trust for sign off in approx 6/8 weeks and that it was the case that much work had already, and was being progressed. Of the 49 management actions these would be considered and signed off by the Cabinet Member for Children’s Service. All of the evidence gathered would be shown to Ofsted and independently evaluated before final sign off.</p> <p>The Chair, in summarising the discussion, thanked both Councillor Reith and Mr Lewis for their attendance, and advised that in order to discharge the responsibilities of the Committee to independently scrutinise the non financial parts of the Council, it had become necessary to request the Cabinet Member to kindly be present at the meeting to answer queries and comments on the report.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. that the progress in delivery of the milestones as detailed in Appendix 1 and performance contained in Appendix 2 of the report be noted; and</li> <li>ii. that the good progress made in improving safeguarding as evidenced by Ofsted and as contained in appendix 3 of the report be noted.</li> </ul> <p>At this point in the proceedings the Chair advised that the order of proceeding should be varied to next consider Item 14 – Tackling Health inequalities in Haringey, at the request of the Acting Joint Director of Public Health – Haringey Council and NHS Haringey – Ms Oti.</p>	
<p><b>PRAC168</b></p>	<p><b>TACKLING HEALTH INEQUALITIES IN HARINGEY</b></p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Acting Joint Director of Public Health – Haringey Council and NHS Haringey – Ms Oti gave a brief update on the progress made in addressing the recommendations in the Grant Thornton <i>Tackling Health Inequalities</i> audit report. Grant Thornton undertook an audit of work to assess how health inequalities in the borough were being tackled in the Borough. Ms Oti commented that whilst the audit report of June 2008 was very positive, a number of areas for improvement and challenges</p>	

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were identified. A Health Inequalities Audit Action Plan was developed and an update of this plan was attached at Appendix 1. All recommendations were 'green' except for one that had 'amber' status. Ms Otiti advised that progress had slipped on this recommendation as the Public health Team experienced tremendous pressure responding to the Flu Pandemic between May 2009 to January 2010 and members of the workforce were diverted to work on this public health priority.

Ms Otiti particularly referred to one of the two national health inequality targets is a reduction in the gap in life expectancy by at least 10% between 'routine and manual groups' and the population as a whole by 2010. To track progress against this target the Life Expectancy Action Plan for Haringey was drawn up in 2006. The plan focused on 12 key areas of activity (agreed at a consultation event to facilitate development of the action plan). In autumn 2009, a progress report was presented to the Well Being Partnership Board. The report provided a half way progress report on improving life expectancy in Haringey.

Ms Otiti further referred to the Department of Health - Health Inequalities National Support Team (HINST) and that as NHS Haringey was a Spearhead PCT to support spearheads, the HINST visited Haringey in October 2009. The aim of the visit was to review action to reducing adult health inequalities in the borough, with particular emphasis on keeping up the momentum around the national 2010 life expectancy targets against which Haringey was currently on track for both men and women. A range of interviews, workshops and a community engagement focus group were held to understand the local context and assess barriers to and opportunities for continued progress at a population level. The visit benefited from the input of many individuals within the Council including the Cabinet Member – Councillor Dogus, NHS Haringey, the North Middlesex Hospital and the voluntary and community sector. The HINST congratulated all partners on their commitment and passion for this area as well as NHS Haringey's 'visionary' primary care strategy, the adults' wellbeing arrangements, and other aspects of collective work to make progress on health inequalities.

Ms Otiti further advised that the HINST identified a number of high level recommendations to enable Haringey to remain on track to achieve the target and to address the inequalities within the borough. A number of the recommendations had been achieved and the remainder were being addressed by all partners. Ms Otiti concluded that the HINST would be returning to Haringey in the next few weeks to discuss progress.

The Chair thanked Ms Otiti for her introduction and asked if there were any points of clarification from the Committee.

Councillor Santry referred to the indications that Haringey was on target to reduce the gap in age inequalities as predicted and sought further clarification as to the data supporting this.

(Councillor Diakides entered the proceedings at 20.24hrs).

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Ms Otití responded from the data received and analysed it was predicted that Haringey was on target though it should be stressed that in reality the gap was still there. The information pertaining to the narrowing of the gap was based on information supplied by the national support team.

Councillor Dobbie, in commenting that it was good news that people were living longer referred to the statistics in relation to women living longer and the comparisons across London, together with general comparisons of data across London and whether there was differences between the east and west of London against this area. He also clarified the findings of the 7 spear head PCT's and whether there would be comparative data showing the differences in gaps across each, and whether other factors played a part in influencing the gaps. In response, Ms Otití advised that there were some multi factional targets which would influence the life expectancy figures for women – including giving up smoking and the effective campaign, and that housing, leisure and environment were factors that also contributed to this.

Councillor Dobbie referred to the forthcoming local elections and when a new Council was elected, what message could be given to Councillors which would help them to advise the public of measures to improve life expectancy, noting that the already considerable benefit of the Government's no-smoking ban and the positive social effects of this. He commented further that it would be of benefit to engage both newly elected Councillors together with co-opted members of Council bodies including the Overview and Scrutiny Committee, the Alexandra Palace Advisory and Consultative Committees, and the Homes for Haringey bodies in an effort to actively encourage the give up smoking campaign.

Ms Otití responded that both the Department of health and National Support Team was targeting key areas of communities and that she noted that there was opportunity for elected Members to assist in the national campaigns to ensure as wider airing of the smoking issue.

The Chair, in drawing the discussion to a close commented that it was good to note that there were initiatives to be effected to combat the gaps in life expectancy. He referred to the 11 recommendations for improvement as detailed by Grant Thornton and if there was an expectation that these would all be met, noting that at the previous meeting a number of these had been complied with.

Ms Otití responded that in a sense a number of the Grant Thornton recommendations had been superseded and that since the Grant Thornton recommendations the situation had moved on somewhat by the HINST initiatives. There were also other matters within the overall plan that had been endorsed which were the same as those highlighted in the Grant Thornton findings and from the public health, initiatives altogether addressed wider health issues as well and had largely superseded those of Grant Thornton.

The Chair in thanking Ms Otití for her attendance summarised and it was:

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	<p><b>RESOLVED</b></p> <p>That the Health Inequalities Audit recommendations and updated Action Plan be noted, together with recognition of progress so far in light of the pressures experienced by the Public health team responding to the Flu pandemic from may 2009 to January 2010.</p>	
<b>PRAC169</b>	<p><b>DATA QUALITY UPDATE</b></p> <p>The Chair asked for an introduction of the report.</p> <p>The Assistant Chief Executive (PPP &amp; C) Mr Longshaw informed the Committee that the OFSTED review of Children’s Services in December 2008 highlighted data quality weakness linked to operational practice within the service. These weaknesses were subsequently reflected in the Comprehensive Area Assessment 2009. In addition the data quality audit undertaken by Grant Thornton in the summer of 2009 identified further data quality issues in Benefits and Local Taxation.</p> <p>Mr Longshaw reported that since then a number of steps had been taken to improve data quality in these two areas:</p> <p><b>Children’s services</b></p> <ul style="list-style-type: none"><li>• Auditing of referrals, initial and core assessment indicators with a sample 300 cases reviewed. This audit identified improvement in the quality of recording and completion of assessment records over time.</li><li>• Independent social work audits found improvements in the quality of assessments with appropriate outcomes.</li></ul> <p><b>Benefits and Local Taxation</b></p> <p>Series of actions taken to improve accuracy and data quality including:</p> <ul style="list-style-type: none"><li>• New quality and performance software implemented – ensures that identified errors are feedback and corrected</li><li>• Compliance team established to carry out data quality checks of assessments</li><li>• Workshops held with staff and team leaders to understand accuracy issues and identify solutions</li><li>• Ongoing testing of identified risk areas i.e. new claim start dates, single persons discount and earned income calculations</li><li>• Focussed ongoing training and development activity for benefits staff</li></ul> <p>Mr Longshaw commented that work continued in other areas across the council to ensure data is robust with an ongoing programme of audits (Appendix 2).</p>	

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Mr Longshaw also referred to the corporate performance team's audit of 3 children's social care indicators between October and December 2009 covering data for the period April 2009 to September/October 2009 as follows:

- NI 68 Percentage of referrals to children's social care going on to initial assessment. – measured as number of initial assessments as a percentage of number of referrals.
- NI 59 Percentage of initial assessments for children's social care carried out within 7 working days of referral.
- NI 60 Percentage of core assessments for children's social care carried out within 35 working days

Mr Longshaw further advised that the audit focussed on compliance with the indicator definitions and the records available to support the figures reported for the given months. In total 300 cases were sampled over the period and detailed findings fed back to the service. The scale of the errors found was not material and therefore the numbers reported for the indicators were found to be substantially accurate, and Appendix 1 of the report summarised the findings and highlighted some areas of concern along with the service response.

Mr Longshaw further stated that in addition to the corporate data quality audits of the indicators, there were some off line management audits to assess the quality of practice commissioned by the service and of the 165 audits undertaken since November '09 and conducted by senior managers, there had been an improvement in the quality of assessments with appropriate outcomes and recommendations. A Service performance management strategy now set out the contribution of practice standards; team performance plans; team evidence files; case file audits; the Members Safeguarding Panel; and the work of the Local Safeguarding Children's Board Quality Assurance Sub-group to improve performance management.

Mr Longshaw then commented that there was also a refreshed and re-focused monthly performance management group bringing together Heads of Service and their deputies, all Child Protection advisors, the performance team and other key players with weekly performance information presented to the Chief Executive and used by operational managers in the service. It was also the case that the recent inspection of progress made in the provision of safeguarding services confirmed the good progress in improving the effectiveness of arrangements for referral, assessment, protection and planning for children in need. It stated that the council had made satisfactory progress in strengthening the support, supervision and performance management arrangements in front line social care services.

In conclusion, Mr Longshaw advised that the report also found that performance management was now established across the Partnership and that good progress had been made on recording decisions on case files and supervision files. The quality of the data provided in his view was adequate and although the majority of case files had evidence of

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management decisions, there was variability in quality of recording and actions taken and anticipated outcomes were not always clear. This was consistent with the findings of the corporate performance information audit.

The Chair thanked Mr Longshaw for his precise introduction and asked if there were any points of clarification or comment.

Councillor Santry, in reference to Appendix 2 and sought clarification as to the progress and the indication of ticks and crosses, and how something was determined as having been checked/completed. In response Mr Longshaw advised that a tick indicated that something had been completed and a cross indicated that it would be completed in due course. The Corporate Head of Performance & Policy – Ms Pelekanos advised that the performance team checked and evaluated the data provided within limitations. It was not a case of quality checking the actual detail of individual cases as this was carried out both internally and externally, as referred to during discussion of Item 8 – but that the figures supplied were tested in the interest of good practice against set measures.

In response to further clarification from Councillor Santry Ms Pelekanos advised that following assessment of data there were discussions with officers at Director level and management teams and where it was found that there was a potential error then this was also fed back via the Director to the team concerned. However it was safe to say that there had not been any incidents of systematic or deliberate error.

Mr Longshaw further advised that when there were concerns the appropriate Director was notified and asked to give their view as to the provided information.

Councillor Meehan referred to the issue of the quality of data and the score of 1 due to previous poor data in the areas of Children's services and also taxation. In respect of the view expressed that the information now provided was adequate, in his view this was not good enough and he sought clarification as to what had been the level of progress since the last comprehensive area assessment, and if there was any actual improvement at all.

In response Mr Longshaw advised that there now stringent data quality systems in place to assess the provided data which would provide assurance in respect of the quality of data, with particular focus on the children and families, and benefits and local taxation.

Councillor Meehan, whilst hoping that by having such safeguards in place this would lead to improvements in the data provided, commented that there still needed to be some assurance that that information was being assessed sufficiently enough for officers and members to be confident to say by the next comprehensive assessment that there was actually a clear improvement from the previous year.

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In response Ms Pelekanos assured Members that following the OFSTED Inspection in December 2008 there had been a thorough evaluation and assessment of the data quality processes and considerable revisions as a result.

The Acting Head of Benefits & Local Taxation – Mr Biggadike referred to the housing and council tax benefit claims data and commented that there were now a full programme of assessment training and that now there were champions who were tasked with signing off on cases in order to reduce the level of error. In the main where there had been human error this had been mainly due to misunderstanding or lack of knowledge of the processes operated but that it needed to be stressed that there were 4 different benefit schemes operated hence the appointment of champions within the teams for the purpose of sign off. With training of teams and improvements and enhancements to software/IT would be hoped all staff would then be in a position to sign off as a champion.

Councillor Diakides commented that following the previous serve criticism it was evident that from external and internal assessment that there had been a considerable up turn in assessment of data now and this was clearly evident. However it was vital to ensure that the quality of data was and would continue to be accurate and that the need for assurances from the appropriate cabinet members of their confidence in what was now being provided.

Mr Longshaw responded that there had been a clear and positive response to the previous criticisms and that in his view the majority of data provided was quite sound and that the assessment/auditing of data as outlined demonstrated good practice. It was a fact that lessons had been learned and that it was safe to say that the Council was doing a lot of things right and that the Council was moving forward. The assessment of data was on-going and that every effort was being made to ensure accurate validation and the drilling down on issues when they arose.

Councillor Santry, in welcoming the assurances given by officers, commented that she still did have some concerns as to how independent could the internal assessment of data be and whether external assessment may give a more transparent view.

In response to clarification from the Chair Mr Longshaw commented that in his position he was independent of the service area and he reported directly to the Chief Executive. Mr Longshaw advised that he had the authority to challenge issues of data provided being either performance or data quality.

The Interim Chief Financial Officer – Ms Willis commented that in response to points of clarification from Councillor Santry it was the case that officers carrying out assessment of data did operate at arms length and in compliment to the work of the internal audit, together with external validation on the part of Grant Thornton. Ms Willis advised that in her view there was significant evidence of improvements in data assessment

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and this would be borne out by a likely assessment score of 2 – which equated to satisfactory – akin to scoring across a number of other Local Authorities.

Councillor Meehan, in noting the comments, expressed concern at the current score of 1 and need to move from likely satisfactory score to an exemplary one.

In response to further clarification from the Chair Ms Willis advised that she concurred with the comments of the Chief Financial Officer.

Mr Longshaw also advised, in response to clarification from Councillor Diakides that the issue of the provision of data quality was discussed at CEMB and that CEMB was empowered to question and seek clarification on any issue it felt needed review.

Councillor Santry suggested that it be a part of the new Chief Executive's to ensure the embedding of a culture of reviewing data and ensuring safeguarding across the Local Authority.

The Chair then summarised and it was:

**RESOLVED**

- i. that the findings in relation to recent audits and the progress being made in respect of data quality be noted; and
- ii. that the concerns expressed by Members during the discussion of the report in relation to accuracy of, and assessment of data be noted and that the Chief Executive be asked to consider embedding culture of reviewing data and ensuring safeguarding across the Local Authority.

At this point in the proceedings Councillor Aitken commented that it was only right that the Committee now consider Item 11 – Leaseholder Charges as it was an extremely important matter to consider. He formally **MOVED** that the Committee next consider Item 11. Councillor Dobbie seconded the **MOTION**.

On a vote there being 2 for and 2 against, the Chair used his casting vote and the **MOTION** was lost.

Councillor Aitken expressed his dismay that the item was to not be considered at this pointing the proceedings and that there were clearly important matters needing to be considered in relation to the concerns of leaseholders.

The Chair responded that should there be time later in the proceedings then the Committee would consider Item 11 as agreed at the start of the meeting.

At 21.15hrs Councillor Aitken, in reiterating his concerns at the need to consider item 11 withdrew from the proceedings.



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	<p>The Chair advised that the meeting would next consider agenda Item 12 – Grant Thornton – Audit Progress report.</p>	
<b>PRAC170</b>	<p><b>GRANT THORNTON - AUDIT PROGRESS REPORT</b></p> <p>The Chair asked for a brief introduction of the report.</p> <p>Mr Paul Hughes – Grant Thornton advised the Committee that following on from its consideration of the full audit plan and updated audit fee in February 2010, as part of the 2010 Grant Thornton had commenced work with the Council to prepare the 2009/10 accounts. Interim work was underway And an update on key issues would be presented to the Committee in June 2010. The final year end accounts would be audited between July and September 2010 and those results would be reported as part of the report to those charged with governance (ISA260).</p> <p>Mr Hughes further outlined progress with:</p> <ul style="list-style-type: none"><li>• International Financial reporting Standards,</li><li>• the use of resources and data quality 2010</li><li>• Grants 208/09</li><li>• Indicative fees letter 2010/11.</li></ul> <p>The Chair asked Mr Bartle – Head of Corporate Finance to give a view as to the Accounts workshop at Grant Thornton. Mr Bartle responded that he attended the workshop annually and it had been a practical exercise in accounting and the pragmatic use of time.</p> <p>The Chair referred to the fact that the Indicative fees letter had not been attached to the report as reported, and therefore the implications of that letter could not be considered at this meeting and would have to be deferred to the following meeting.</p> <p>There being no further points of clarification the Chair summarised and it was:</p> <p><b>RESOLVED</b></p> <p>That the contents of the report be noted and that consideration of the Indicative Fees letter be deferred to the next meeting of the Audit Committee given its omission from the circulated report.</p>	
<b>PRAC171</b>	<b>PARTNERSHIP WORKING</b>	

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	Item deferred to next meeting of the Audit Committee.	
<b>PRAC172</b>	<p><b>HOUSING BENEFITS 4TH QUARTER TO DATE PROGRESS REPORT ON COUNTER FRAUD ACTIVITY</b></p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Acting Head of Benefits &amp; Local Taxation – Mr Biggadike advised the Committee that the Benefits and Local Taxation Service continued to maintain and further develop an effective approach to counter – benefit fraud activity. Since April 2009 BLT had achieved 74 successful sanctions against those found to be committing benefit fraud. During quarter 4 to date 2009/10 BLT achieved 21 sanctions and has a further 4 cases referred for prosecution.</p> <p>With regard to Overpaid Housing Benefit Mr Biggadike advised that to date, counter fraud activity had identified £1,022,322 in overpaid benefit and a further £15,151 in Administrative Penalties. At this present time recovery performance in relation to all in-year created overpayments cannot be accurately stated due to a national known bug within Northgate’s software application. Northgate had predicted that this bug would be corrected in a software release due in June 2010.</p> <p>Mr Biggadike gave a detailed update of the Council’s Anti-Fraud and Corruption Strategy – relating to Housing Benefit and Council Tax Benefit. The Fraud Investigation Team in partnership with the Homelessness Investigations Unit had successfully made a joint bid for an integrated Intelligence and Case Management IT system and funding has been approved and a Project Manager appointed. Mr Biggadike further advised that the National Fraud Initiative had 1,279 Benefits recommended matches checked with a further 648 high and medium priority cases cleared to date. This would be treated as an area of priority from April 2010.</p> <p>The Chair thanked Mr Biggadike for his succinct introduction and asked if there were any points of clarification.</p> <p>Councillor Dobbie, in welcoming the content of the report, referred to the issue of housing benefit overpayments and sought clarification as to how much of this equated to deliberate fraud and how much was not deliberate but an oversight. In response he was advised that failure to report was at the lower end and that when this happened the Council did not push for repayment but took payment over a period of time. However prosecution was pursued for deliberate fraud and also other forms of fraud i.e. social security benefit.</p> <p>In response to clarification from Councillor Meehan in respect of recovery figures for Council Tax Mr Biggadike responded that in the region of £600K would be recoverable.</p> <p>There being no further comments the Chair summarised and it was:</p> <p><b>RESOLVED</b></p>	

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	<p>That the work being carried out by the Benefits and Local Taxation Service in relation to Counter Fraud activity, and the contents of the report be noted.</p>	
<p><b>PRAC173</b></p>	<p><b>INTERNAL AUDIT ANNUAL PLAN AND STRATEGY 2010/11</b></p> <p>Following points of clarification from the Chair there being no further comments it was:</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i. that approval be given to the internal audit strategy; and</li> <li>ii. that approval be given to the Annual Internal Audit Plan for 2010/11.</li> </ul>	
<p><b>PRAC174</b></p>	<p><b>ANNUAL AUDIT LETTER 2008/09</b></p> <p>The Chair asked for a brief introduction of the report.</p> <p>The Head of Corporate Finance – Mr Bartle informed the meeting that the Annual Audit Letter for 2008/09 summarised the key issues arising from the work undertaken by the external auditors Grant Thornton, during their 2008/09 audit work. The main two areas of audit work were in respect of the audit of the accounts and the Use of Resources assessment under the new Comprehensive Area Assessment (CAA) process. In terms of the audit of the accounts for 2008/09 the Council received an unqualified opinion from the external auditors. This was formally reported to the General Purposes Committee on 24 September 2009 within the statutory deadline. The auditors also reported that the Council had improved performance against key targets in the certification of grant claims and returns.</p> <p>With regard to use of resources Mr Bartle reported that the overall score was assessed as a 3 out of 4 (performing well). The auditors also concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009, except for producing relevant and reliable data and information to support decision making and manage performance. This was formally reported to the Audit Committee on 5 November 2009. Mr Bartle also outlined how the Council was addressing the key issues raised by the external assessment process and summarised the actions. Mr Bartle concluded that the report had been reported to Cabinet on 26 January 2010.</p> <p>Mr Hughes – Grant Thornton advised that he had nothing further to add to the report and that in effect the report’s findings were now over 3</p>	

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	<p>months old.</p> <p>The Chair commented that he was also personally satisfied by the findings of the report together with the overall performance score of 3 out of 4.</p> <p>There being no further points of clarification the Chair summarised and it was:</p> <p><b>RESOLVED</b></p> <p>That the Annual Audit Letter for 2008/09 be received and the Council's response to the Annual Audit letter be noted.</p> <p>this point in the proceedings (21.33hrs) the Chair advised that as there is sufficient time the Committee would now consider Agenda Item 11 – Leaseholder Charges, as previously agreed. Councillor Meehan asked that the time of consideration of the item be noted.</p>	
<b>PRAC175</b>	<p><b>LEASEHOLDER CHARGES</b></p> <p>The Chair asked for a brief introduction of the report.</p> <p><b>The Head of Corporate Finance – Mr Bartle informed the Committee that a review had been carried out by Grant Thornton into the leasehold service charges made on Right to Buy properties and the final report from the auditors was attached. Section 4 of the report set out the findings of the auditors following their review and conclusions and recommendations were contained within section 5 of the report. Mr Bartle also advised that during the compilation of the final report Grant Thornton had discussed their findings with the Director of Urban Environment, and Homes for Haringey and taken on board comments made. The Council had accepted the report and was in the process of pulling together an action plan to address the recommendations highlighted. This action plan will be brought to the next meeting of this Committee for final approval and subsequent monitoring of implementation.</b></p> <p><b>The Chair thanked Mr Bartle for his introduction and asked if there were any points of clarification from the Committee.</b></p> <p><b>Councillor Meehan commented that in his view the fact that the action plan needed to be reported back to the Committee the report as it stood was somewhat incomplete and therefore should not have been considered at this time.</b></p> <p><b>Councillor Dobbie also commented that in his view the report did require a completed action to accompany the report before this Committee should have considered it. Also, he commented that in his view the issue of leaseholder charges was a poignant one and that a number of leaseholders got a poor deal. He referred to a number of meetings with residents within his ward where the issue of charges had been raised.</b></p> <p><b>In response Mr Bartle commented that the report issued by Grant Thornton was a completed report with clear findings and recommendations. An action plan would be responding to the recommendations as outlined to the next meeting.</b></p>	

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	<p>Mr Hughes – Grant Thornton further advised that the report had had not been a detailed in-depth review of leaseholder charges but was an overview of how LB Haringey was doing in comparison to other Local Authorities. The conclusion of the review had been that Haringey was by comparison doing as good as other Local Authorities and was positive in its findings. There had been a number of recommendations but overall the report had been positive and none of the recommendations were a high priority. In terms of the action plan Grant Thornton would be happy to comment on the action plan once completed.</p> <p>Councillor Diakides commented that in terms of the dissatisfaction of leaseholders there had been considerable improvements in the past 2 years with increases in satisfaction rates and that the recommendations of the review were in his view sensible and that they were good steer for ensuring compliance. In respect of comparisons with other Local Authorities it was the case that the levels of incomes for a large number of leaseholders was actually lower in Haringey then elsewhere and that there was a need to ensure that all was being done to ensure that payments of charges were being handled appropriately in terms of repayment, and that there were legal discretions in order to assist leaseholders.</p> <p>Councillor Meehan particularly referred to issues concerning IT and computer systems and then need for an effective system in operation for cost data and the need for the Action plan to address this issue.</p> <p>Mr Bartle advised the meeting that a whole range of issues – both operational and strategic would be covered within the action plan. A number of issues were for Homes for Haringey to address and others of a strategic nature for the Council.</p> <p>The Chair thanked officers and members for their contributions and summarised, and it was:</p> <p>RESOLVED That the review of leasehold service charges from Grant Thornton be noted and that a response from the LB Haringey in respect of its recommendations and findings in the form of an agreed action plan be brought to the next Audit Committee, noting the comments expressed by the Committee during discussions.</p>	
<b>PRAC176</b>	<p><b>NEW ITEMS OF URGENT BUSINESS</b></p> <p>The Chair advised that there were no other items of urgent business.</p> <p>Councillor Dobbie commented that as this was the last meeting of the Audit Committee for the Municipal Year 2009/10 he wished to place on record his thanks to the Chair for the diligent manner in which he had carried out his role as Chair, and for courteousness he had shown to</p>	

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	<p>Members of the Committee and officers in an effort to ensure fairness and positive contribution.</p> <p>Councillor Meehan concurred with the views expressed by Councillor Dobbie and thanked officers for their contributions over the past year.</p> <p>The Chair, in thanking Members for their comments, and commented that as Chair he had always attempted to manage the Committee independently of any political influence and bias and hoped that this had been achieved. The Chair also thanked officers for the continuing support and concise reporting manner which had been much welcomed by him as Chair and also by Members as well.</p> <p><b>NOTED</b></p>	
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The meeting ended at 21.53hrs.

COUNCILLOR GMMH RAHMAN KHAN

Chair