

MINUTES OF THE MEETING OF THE CORPORATE COMMITTEE HELD ON THURSDAY, 30TH NOVEMBER, 2017, 7.00 - 8.10 pm

PRESENT:

**Councillors: Barbara Blake (Chair), Eddie Griffith (Vice-Chair),
Gina Adamou, Charles Adje, Patrick Berryman, Isidoros Diakides,
Gail Engert, Adam Jogee and Reg Rice**

176. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein.

177. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS (IF ANY)

Apologies for absence were received by Cllr Ross.

178. URGENT BUSINESS

The Committee noted that there was 1 item of new urgent business, which would be tabled at Item 12. The Committee noted that the reports were not available at the time of publication of the agenda.

- External Audit Annual Audit Letter (Report of BDO)

179. DECLARATIONS OF INTEREST

There were no declarations of interest.

180. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

There were no such items.

181. MINUTES

That the minutes of the Corporate Committee held on 21 September 2017 be approved as a correct record and signed by the chair.

182. UPDATED TREASURY MANAGEMENT STRATEGY STATEMENT

The Committee noted that the Updated Treasury Management Strategy Statement report had been withdrawn from the agenda following receipt of further Legal and Finance advice.

183. MID YEAR TREASURY MANAGEMENT UPDATE REPORT

The Committee considered the mid-year report on Treasury Management, presented by Thomas Skeen, Head of Pensions. It was noted that it was a requirement of the CIPFA Treasury Management Code for this report to also be considered by Full Council whose next meeting was scheduled for 4th December 2017. The key messages from the report were that:

- At 31/3/2017 the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £575.2m. The Council had £347.0m of borrowing and £18.6m of investments.
- At 30/09/2017 the Council held £267.5m of long term loans, (a decrease of £3.1m on 31/3/2017), as part of its strategy for funding previous years' capital programmes. The Council expects to take out additional long term borrowing in 2017/18, as the Council's underlying need to borrow is growing.
- The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Cashflow forecasts indicated that during 2017/18 the Council's investment balances would range between £10 and £50 million.
- The Council confirms compliance with its Prudential Indicators for 2017/18, which was set in February 2017 as part of the Council's Treasury Management Strategy Statement.

RESOLVED

That members note the Treasury Management activity undertaken during the six months to 30 September 2017 and the performance achieved.

184. INTERNAL AUDIT PROGRESS REPORT QUARTER 2

The Committee considered the Internal Audit Progress Report 2017/18 – Quarter 2, presented by Anne Woods, Head of Audit and Risk Management. The report set out progress on internal audit coverage relative to the approved internal audit plan, including the number of reports issued and finalised by Mazars, the Council's external audit provider, and provided a summary of the audit reports receiving an assurance rating of less than substantial that had been issued during the quarter, as well as an update on follow up work and progress on outstanding actions.

In response to a question regarding the outstanding audit work on A team the Committee raised its concern over the report that the original business plan had been abandoned and that a draft version that is currently in its early stages could not be provided for examination. The Committee felt that there should be protocols to ensure that something this essential was in place. It was suggested that the relevant Assistant Director should attend the next Corporate Committee to give assurance and answers any questions.

RESOLVED

That the Corporate Committee note the audit coverage and follow up work completed.

185. COUNTER-FRAUD UPDATE QUARTER 2

The Committee considered the Counter Fraud Update report 2017/18, quarter 1, as presented by Anne Woods, Head of Audit & Risk Management.

The report detailed the pro-active and reactive investigative work undertaken by the in-house counter fraud team. These investigations included work in such areas as tenancy fraud, gas safety-execution of warrant visits, tenancy block visits and Right to Buy. The Committee noted the outcome of these investigations.

RESOLVED

The Corporate Committee noted the counter-fraud work completed in the quarter to 30 September 2017.

186. INTERNAL AUDIT CHARTER & SELF ASSESSMENT

The Committee considered the report as presented by the Head of Audit & Risk Management. It was explained that this document was required by law and sets out how the Audit Team carry out their work. The Committee were updated on the changes to the charter following revisions to the Public Sector Internal Audit Standards (PSIAS).

The Head of Audit & Risk Management then gave an overview of the self-assessment undertaken against the PSIAS. In response to a question from the Committee it was explained that the reason for the partially compliant rating in two of the audit standard areas was due to them not being applicable to the Council therefore they could not be scored as fully compliant. The Committee noted that as long as the Council was 'generally compliant' then it could be satisfied that it was compliant with the requirements of PSIAS.

RESOLVED

- That the Corporate Committee review and approve the Internal Audit Charter 2017.
- That the Corporate Committee note the self-assessment undertaken against the PSIAS; and the requirement for an external independent peer review in 2018/19.

187. ANY OTHER BUSINESS OF AN URGENT NATURE

The Committee received one item of urgent business, the Annual Audit Letter, presented by Leigh Lloyd-Thomas from BDO. The Committee noted the contents of the report and the progress to date. Mr Lloyd-Thomas advised that the letter was a summarised version of the overall findings of the audit of the Council's Statement of Account 2016/17, which had been presented in detail at the previous meeting of the Committee. It was advised that the previous report had been a far more technical document, which had raised issues around financial reporting issues.

It was noted that all of these technical issues had now been resolved and the auditors were therefore in a position to state their opinion that the Statement of Accounts was a true and fair reflection of the Council's position. The Committee were also advised that this report had been published at the end of October 2017 in order to meet the deadline set by the NAO and was now live and available on Haringey's website.

Following a question from the Committee in relation to the valuation discrepancy that was raised at the last meeting it was noted that BDO had subsequently met with the valuers and there was a difference between the data set of assets held by the valuer and the data set held by Haringey's Finance department. The Committee was assured that this had been rectified and that better quality controls would be implemented going forwards. It was noted that the valuations of the assets to be used in the HDV project had undergone intense additional scrutiny.

The Committee raised its concern over the reported £16.1m overspend for 2016/17 and asked Mr Leigh-Thomas for his recommendation's in regards to this. It was advised that although it was not necessary to immediately fill this shortfall, if radical savings were not made in the next 4 years then BDO would become uneasy in relation to the financial sustainability part of their audit conclusions.

The Committee also asked Mr Lloyd-Leigh for his professional opinion regarding the sale of assets and it was noted that he recommended it would always be best practice to sell on the open market to achieve the most competitive bids and best value for disposal.

The Chair noted that this was the last Committee meeting of Anne Woods, Head of Audit & Risk Management. The Committee expressed its thanks for all of her work in support of the Committee and wished her the very best of luck in the future.

188. DATE AND TIME OF NEXT MEETING

30th January 2018

CHAIR: Councillor Barbara Blake

Signed by Chair

Date