

AUDIT COMMITTEE

THURSDAY, 9TH JUNE, 2016

Present: **Councillors:**

**Cllr Nick Sharman in the Chair
Cllr Brian Bell (Vice-Chair) and
Cllr Carole Williams**

Officers:

**Chris Ellmore, Michael Honeysett, Carole
Murray, Patricia Narebor, Michael Sheffield, Tim
Shields, Ian Williams and Deirdre Worrell**

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Chapman, Gregory and Moema and from Kim Wright, Group Director of Neighbourhoods and Housing and Tracy Barnett, Assistant Director Audit and Anti-Fraud.

2 DECLARATIONS OF INTEREST

There were no declarations of interest from Members in respect of any of the agenda items for this meeting.

3 MINUTES OF THE PREVIOUS MEETING

3.1 The minutes of the meeting held on 14 April 2016 were confirmed as a correct record of the meeting.

3.2 Matters arising

3.2.1 Councillor Taylor's Profile responsibilities - now included Registrars-

3.2.2 Restructuring of the Service - Officers were planning on circulating the delegated powers report detailing the restructure of the Service to staff and to Members of the Committee in July.

ACTION: IAN WILLIAMS

3.2.3 Terms of Reference for the Committee – were approved by the Council at the AGM in May 2016. The Chair stated that he had asked Ian Williams to prepare a briefing paper for the next meeting, based on the new Terms of Reference for the Audit Committee detailing the scope and the approach for the new Committee.

ACTION: IAN WILLIAMS

- 3.2.4 A list of organisations the KPMG also did work for – this information had been circulated to members.
- 3.2.5 Corporate Bonds the Council Currently invested in – this information had been circulated to members on 19 April 2016
- 3.2.7 The delegated powers report on the restructure of the Chief Executives Directorate - was available online
- 3.2.6 Work Programme – Deirdre Worrall was at the meeting to present a briefing on how the Neighbourhoods and Housing Directorate was progressing.

4 DIRECTORATE RISK REGISTER REVIEW - CHIEF EXECUTIVE

Tim Shields, The Chief Executive introduced the report as set out highlighting the risks in the report that had been identified.

- 4.1 In reply to a concern raised by the Chair on the benefits for local people arising from the legacy of the Olympic Games, Tim Shields confirmed that there were benefits for local people such as the new park and the reopening of Hackney Wick Station. With regards to jobs for local people in the area Tim Shields confirmed that 'Ways into Work' were working very hard to engage and encourage local people to apply and train for local jobs. New employers were encouraged to have apprenticeship schemes for local people. He stated that the take-up of local jobs by Hackney residents was being monitored.
- 4.2 Regarding the possible forced closure of Hackney Today Tim Shields confirmed that this was and continued to be a long drawn out process. He stressed that the Council's website was being used more and more and was very popular with residents but that there were a number of residents that were still excluded from this means of communication. If Hackney Today was closed down the Council would be forced to put in place other measures of communication which would be more costly and less effective.
- 4.3 The Chair stated that it was part of the Audit Committee's role to ensure that the Council were prepared for the future and that the Council was using its resources in the best possible way. He stated that he would be working with Ian Williams regarding producing regular reports to the Committee to enable the Committee to do this.
- 4.4 Tim Shields confirmed that a review of the Community Safety team had been undertaken and a new Head of Department was in place and staff changes were underway. Reviews had also taken place in the following teams: Enforcement, Anti-social Behaviour, Environmental Health, CCTV and the Gangs Unit. Restructuring of these departments were expected to be implemented by early 2017.
- 4.5 The Chair stated that the following 3 issues from the report be particularly noted:
- The risks associated with Community Safety
 - The Community Plan and the funding of it

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- Ensuring work benefits for local people from developments in the Borough

The Chair also asked if the Committee could be given sight of the measures that were in place with regard to the take-up of local Olympics legacy jobs by Hackney residents.

ACTION:TIM SHIELDS

RESOLVED to note the contents of this report and the Chief Executive's Directorate Risk Register attached at Appendix 1 of the report.

5 BRIEFING FROM THE GROUP DIRECTOR NEIGHBOURHOODS AND HOUSING

Deirdre Worrell introduced the briefing paper as set out.

- 5.1 The Chair welcomed the invitation to meet with Kim Wright, Group Director of Neighbourhoods and Housing, informally to discuss the progression of the Neighbourhoods and Housing Directorate

ACTION: DEIRDRE WORRELL

- 5.2 The Chair congratulated staff on the work that had been carried out on the transition of Hackney Homes into the Council.

- 5.3 The Chair stated that Members would like to see the benchmarking information on repairs and the monitoring information of contractors work.

ACTION: DEIRDRE WORRELL

RESOLVED to note the briefing paper and that the Directorate Risk Register for Neighbourhoods and Housing would be presented to the Committee in the New Year

6 ANNUAL TREASURY MANAGEMENT OUTURN REPORT 2015/16

Christopher Ellmore introduced the report as set out.

- 6.1 Christopher Ellmore confirmed that it was secure and safe to invest in other Local Authorities. Many Local Authorities did this.

- 6.2 Officers welcomed Members to join them in the office for training purposes as Councillor Gregory had once done.

RESOLVED to note the report

7 INTERNAL AUDIT ANNUAL REPORT 2015/16

Carole Murray introduced the report as set out.

- 7.1 The Chair had concerns around the ICT risks and welcomed Ian Williams suggestion to arrange an informal meeting with the new Head of ICT.

- 7.2 Ian Williams also agreed to circulate to members the presentation regarding the new telephone system.

ACTION: IAN WILLIAMS

- 7.3 With regards to a question from Councillor Bell on the new data centre Ian Williams confirmed that this was addressed in the option appraisal section of a recent Cabinet Procurement Committee report

- 7.4 Councillor Bell asked for more details regarding issues found in the Limited assurance audits of HR Recruitment and Gifts and Hospitality including all Limited and No assurance reports. He also wanted some more information on the Grey Fleet audit which was still in progress. Carole Murray agreed to circulate this information to Members. Information on the Grey Fleet audit would be included in the next progress report.

ACTION: CAROLE MURRAY

- 7.5 Noted that 3 out of the 12 TMO's had been audited. It was hoped that 3 audits a year could be undertaken.

RESOLVED To note the report of Internal Audit's performance and opinion of the Council's framework of governance, risk management and internal control.

8 ANNUAL FRAUD AND IRREGULARITY REPORT 2015/16

Michael Sheffield introduced the report as set out.

- 8.1 In reply to a question from the Chair on whether the Council had a big enough Anti Fraud and Investigation team. Ian Williams confirmed that Hackney currently has a well resourced investigation team due to this Committee's and the previous Committee's support.
- 8.2 Officers were currently working proactively to make efficient use of social housing resources in Hackney, for example, supporting Registered Provider in-house investigations, providing advice to them on right to buy fraud issues and providing fraud awareness training to various housing staff.
- 8.3 Noted the change in Management arrangements of the Audit and Anti Fraud team as detailed on page 98 of the report. Ian Williams agreed to circulate to Members an update on these arrangements.

ACTION: IAN WILLIAMS

RESOLVED to note the content of the report

9 WORK PROGRAMME 2016/17

RESOLVED to note the Work Programme of the Committee 2016/17.

10 DATES OF FUTURE MEETINGS

Thursday, 9th June, 2016

NOTED that future meetings of the Audit Committee would be held on :

21 September 2016 18 January 2017 and 20 April 2017.

Duration of the meeting: 6.30 - 8.10 pm

Chair at the meeting on
Thursday, 9 June 2016