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**REPORT OF GOVERNANCE, AUDIT AND RISK MANAGEMENT COMMITTEE**

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**MEETING HELD ON 22 JANUARY 2009**

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Chairman: \* Councillor John Cowan

Councillors: \* Archie Foulds \* Dinesh Solanki  
\* Thaya Idaikkadar \* Bill Stephenson  
\* Anthony Seymour \* Jeremy Zeid  
\* Eric Silver (1)

\* Denotes Member present  
(1) Denotes category of Reserve Members

[Note: Councillors Mano Dharmarajah and Graham Henson also attended this meeting to speak on the items indicated at Minutes 76 and 77 below].

**PART I - RECOMMENDATION****RECOMMENDATION I - Governance Update Report**

The Committee considered a report of the Corporate Director of Finance detailing the updated Corporate Governance position and progress against the Annual Governance Statement (AGS) Action Plan.

It was noted that the Standards Committee had considered the Code of Corporate Governance at its meeting on 4 December 2008 and had submitted several comments for consideration. It also raised a concern that an annual review of the governance arrangements was undertaken without its direct input. It further commented on the need for Overview and Scrutiny Committee and Constitution Review Working Group to be part of the consultation process on the Code.

Members were further advised that the intention was to submit the Code of Corporate Governance to Council for formal adoption into the Constitution, after Overview & Scrutiny Committee and the constitution Review Working Group had been consulted.

**Resolved to RECOMMEND:** (to Council)

That, subject to consultation, the Code of Corporate Governance be approved and adopted into the Constitution.

(see also Minute 75).

**PART II - MINUTES**69. **Attendance by Reserve Members:**

**RESOLVED:** To note the attendance at this meeting of the following duly appointed Reserve Members:

| <u>Ordinary Member</u>    | <u>Reserve Member</u>  |
|---------------------------|------------------------|
| Councillor Richard Romain | Councillor Eric Silver |

70. **Declarations of Interest:**

**RESOLVED:** To note that the following interests were declared:

| <u>Agenda Item</u>                                 | <u>Member</u>         | <u>Nature of Interest</u>   |
|--|-----------------------|---|
| 8. CAA - Are Audit Committees up to the Challenge? | Councillor Silver     | Personal interest as an employee of a Primary Care Trust. The Member took part in the discussion and voting thereon.  |
| 15. INFORMATION – Green and Amber Audit Reports    | Councillor Seymour    | Personal interest as a governor at Pinner. The Member took part in the discussion and voting thereon.                 |
|  | Councillor Stephenson | Personal interest as a governor at Marlborough. The Member took part in the discussion and voting thereon.            |
|  | Councillor Henson     | Personal interest as a regular visitor to Brookside Close. The Member took part in the discussion and voting thereon. |

71. **Minutes:**

**RESOLVED:** That the minutes of the meeting held on 24 November 2009, be taken as read and signed as a correct record.

72. **Public Questions, Petitions & Deputations:**

**RESOLVED:** To note that no public questions, petitions or deputations were received under the provisions of Committee Procedure Rules 19, 16 and 17 respectively.

73. **CAA - Are Audit Committees Up To The Challenge?:**

The Corporate Director of Finance submitted a report concerning the feedback from the recent event hosted by London Borough of Croydon. She advised that the following were the key messages of the event:

- Audit Committees need to consider how to get assurance regarding value for money achievements, outputs and outcomes, not just for the organisation itself, but also in relation to other organisations and partnerships affiliated to it;
- management of authorities' strategic partnerships were key to success under the CAA regime and Audit Committee played an important role in this. Audit Committees needed to consider their role in relation to their authority's strategic partnerships.

Members considered the points raised in the context of the existing relationship with the Harrow Strategic Partnership and the importance of the committee's role in providing an audit process for the Partnership's decision-making. The Chairman emphasised the importance of the Committee establishing itself and its role within any new decision-making arrangements.

**RESOLVED:** That (1) the key messages contained in the report be noted;

(2) officers arrange a Governance, Audit and Risk Management Workshop, open to Members of the Committee and Reserves, to consider the current role of the Governance Audit & Risk Management Committee and how this should continue to operate in the context of partnership working;

(3) officers liaise with the Harrow Strategic Partnership concerning possible joint working arrangements to develop assurance processes.

74. **International Financial Reporting Standards (IFRS):**

Members considered the implications in respect of the implementation of International Financial Reporting Standards (IFRS) with effect from 1 April 2009 and in accordance with the requirements of legislation. The Corporate Director of Finance outlined the key implications arising from the implementation of the changes, noting that the initial phase would be highly time intensive and would place a significant demand on her departmental resources.

In response to a question the Corporate Director of Finance agreed to investigate whether the proposed changes would apply to Primary Care Trusts. In terms of future staff resources, she advised that she was currently carrying vacancies in her directorate and it was her intention to appoint staff with sympathetic skills and expertise to meet the demands of the new legislation.

**RESOLVED:** That the implications of implementing the International Financial Reporting Standards be noted.

75. **Governance Update:**

Further to Recommendation I above, it was

**RESOLVED:** That (1) the Code of Corporate Governance be referred to the Overview & Scrutiny Committee and the Constitution Review Working Group for comment prior to its submission to Council for adoption;

(2) a self-assessment process be developed to facilitate input from the Overview & Scrutiny Committee to the Annual Governance Review.

76. **Emergency Planning - Stanley Road Explosion:**

The Committee considered a report detailing the response to, lessons learnt from the incident at Stanley Road and progress against the Action Plan drawn up as a result of the incident. It was advised that "lessons learnt" in the context of addressing the incident included the need for further training to be provided to both officers and Members in terms of the role of a Member in dealing with significant incidents.

During discussion Members commented that:

- although the majority of actions around the incident were well addressed, the liaison aspect with the Ward Councillors was felt to have been poor;
- there was a need to recognise the different types of Member roles, in terms of Portfolio Holders and Ward Councillors;
- any similar incidents occurring in the borough should be the subject of Incident Reports submitted to this Committee;
- there was a need for a clearer delineation concerning responsibility for coordinating communication with the Council's partners;
- the Ward Councillors stated that their personal experiences concerning involvement and communication with officers in their role were poor and required improvement should similar such occasions arise;
- noted that the Incident Report had not sought feedback from Members.

The Chairman reminded Members that in terms of dealing with the incident, the Council's Officers had responded well and addressed the incident, although he recognised that such occasions always provided opportunities for future learning. The Corporate Director reiterated the point concerning how well the incident was responded to and that she would take on board the comments by Members.

**RESOLVED:** That the Council's response to the Stanley Road incident be noted, together with the lessons learnt and progress made against the Action Plan.

77. **INFORMATION - Kier Governance:**

Upon consideration of the content of the item and in accordance with the requirements of Item 12 (Exclusion of the Press & Public) the Committee agreed that this matter be dealt with in the public part of the agenda.

Further to the request at the meeting held on 24 November 2008, the Corporate Director of Finance set out the governance structure in respect of the Kier Partnership Contract, which detailed how the monitoring and reporting systems operated, together with the terms of reference.

Members commented as follows:

- there continued to be concerns regarding the delivery of service by Kier;
- it was queried whether a further report analysing such service delivery was available;
- stressed the importance of customer quality assurance;

**RESOLVED:** That the report be noted.

78. **Exclusion of the Press and Public:**

**RESOLVED:** That the press and public be excluded from the meeting for the following items as they contained information likely to involve the disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act 1972, for the reasons set out below:

| <u>Item</u> | <u>Title</u>                                | <u>Reason</u>   |
|-------------|---|---|
| 13.         | INFORMATION - Decent Homes Asbestos         | Information under paragraphs 1 (relating to personal identity of an individual) and 3 (relating to the financial or business affairs of any particular person). |
| 15.         | INFORMATION - Green and Amber Audit Reports | Information under paragraph 1 (relating to personal identity of an individual).   |

79. **INFORMATION - Decent Homes Asbestos:**

The Committee considered a report detailing the response to, lessons learnt from and progress against the Action Plan after the occurrence of an incident at Brookside Close.

During the debate Members discussed issues around the safe identification and removal of asbestos and how these were identified and addressed. Officers confirmed the lessons learnt and the changes made to existing processes to address the issues which had arisen through the governance structure. A Member commented on the importance of ensuring that affected residents received a response from the Council concerning the incident.

**RESOLVED:** That the report be noted.

80. **INFORMATION - Green and Amber Audit Reports:**

The Committee received a confidential information report of the Corporate Director, Finance, updating Members on the current green and amber internal audit reports. Members noted that the reports were for information only.

**RESOLVED:** That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.27 pm).

(Signed) COUNCILLOR JOHN COWAN  
Chairman