

# GOVERNANCE, AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES

## 22 JULY 2013

**Chairman:** \* Councillor Richard Romain

**Councillors:** \* Sue Anderson (2) \* Graham Henson (1)  
Mano Dharmarajah \* Amir Moshenson  
\* Tony Ferrari (1) \* Sachin Shah

\* Denotes Member present  
(1) and (2) Denote category of Reserve Members

### 233. Attendance by Reserve Members

**RESOLVED:** To note the attendance of the following duly constituted Reserve Members:

Ordinary Member

Councillor Chris Mote  
Councillor Varsha Parmar  
Councillor Bill Phillips

Reserve Member

Councillor Tony Ferrari  
Councillor Graham Henson  
Councillor Sue Anderson

### 234. Declarations of Interest

**RESOLVED:** To note that the following non-pecuniary interest was declared:

Agenda Item 17 – Appendix B - Internal Audit Year-End Report

Councillor Graham Henson declared a non-pecuniary interest in that he was a member of the Communication Workers Union.

### **235. Appointment of Vice-Chairman**

**RESOLVED:** That Councillor Sachin Shah be appointed as Vice-Chairman of the Governance, Audit and Risk Management Committee for the 2013-2014 Municipal Year.

### **236. Minutes**

**RESOLVED:** That the minutes of the meeting held on 4 April 2013, be taken as read and signed as a correct record.

### **237. Public Questions, Petitions and Deputations**

**RESOLVED:** To note that no petitions were received, questions put or deputations received.

## **RESOLVED ITEMS**

### **238. Cabinet Reference to Governance, Audit and Risk Management Committee - Treasury Out-turn Report**

The Committee received a Reference from Cabinet on the Treasury Out-turn Report with a request to review and comment on the report.

Members considered and discussed the following aspects of Treasury Management:

- strategy;
- opportunities for investment;
- maintaining balances versus spending;
- cash balances versus capital programme;
- maturity of debt matched to longevity of assets;
- security of banks versus returns.

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

### **239. Statement of Accounts**

The Committee received the report of the Director of Finance and Assurance including the draft Statement of Accounts.

Members considered and discussed the figures contained within the statement and asked for clarification on a number of points, including:

- provision for outstanding liabilities
- underspend of provision for redundancy
- challenges to achieving savings identified in the Medium Term Financial Strategy.

A Member noted that a number of initiatives intending to provide savings had stalled, and queried if members could be confident that the stated outlook

figures were accurate. The Chair asked that these comments and a response should be covered in the final Statement of Accounts.

**RESOLVED:** That

- (1) the draft Statement of Accounts be noted;
- (2) the additional information requested in respect of the future outlook be included in the final Statement.

#### **240. Internal Audit Year-end Report 2012/13**

The Committee received the report of the Director of Finance and Assurance which set out the audit opinion on the control environment and described progress against the 2012-13 Internal Audit Plan.

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

#### **241. Internal Audit Plan 2013/14**

The Committee received the report of the Director of Finance and Assurance which set out the Audit Plan for the municipal year 2013-14.

An officer informed the Committee that there would be an increased number of audit days in the year, largely as a result of a successful recruitment campaign.

The Committee queried the current staffing situation in the Audit team, and were reassured that resources were adequate for service delivery, and broadly in line with other local authorities.

**RESOLVED:** That

- (1) the report be noted;
- (2) the Audit Plan for 2013-14 be approved.

#### **242. Draft Annual Governance Statement 2012/13**

The Committee received the report of the Director of Finance and Assurance which set out the Council's draft Annual Governance Statement for 2012-13, produced in order to comply with the requirements of the Accounts and Audit Regulations 2011.

In response to a query from the Chair, an officer confirmed that the figures for key controls operating, which amounted to 94% of those listed, qualified as 'good'. She went on to explain that a perceived discrepancy between results in the Audit Report and the Governance Statement, in respect of Contract Procedure Rules, was caused by a difference in the focus and purpose of the documents concerned.

**RESOLVED:** That

- (1) the report be noted;
- (2) an update report be brought back to the November meeting of the Committee.

**243. Corporate Anti-Fraud Team Annual Review 2012/13**

The Committee received the report of the Director of Finance and assurance which set out progress against the 2012-13 Fraud Service Plan, and issues arising from the work undertaken.

An officer updated the Committee on one change since publication of the report, namely that the implementation of the corporate fraud e-learning tool was underway.

In response to the Chair's query about staffing, the officer confirmed that there was a budget for recruitment, but that in considering the best strategy for staffing and recruitment, the primary concern was to deliver justice and ensure criminals didn't profit, rather than to generate income.

The officer confirmed that changes to the law relating to the enforcement of blue badge usage were in place, which gave local authorities the right to authorise inspection of blue badges by officers in plain clothes. It was therefore no longer a requirement for officers to be accompanied by uniformed police officers when carrying out this duty, although there would still be occasions when it would be advisable, as assaults on officers had occurred, and the health and safety aspect could not be ignored.

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

**244. Annual Health and Safety Report**

The Committee received the report of the Assistant Chief Executive which summarised the Council's health and safety performance from April 2012 to March 2013.

Members discussed staffing issues within the team and the options for future management of health and safety service delivery.

The Chair commented that it was unhelpful to combine statistics for accidents with assaults. An officer explained that figures were reported in line with HSE guidance, and that many incidents reported as assaults were experienced by staff working with children or adults with challenging behaviour, who received knocks and scratches while dealing with their client groups.

A Member expressed concern that there were considerably fewer health and safety courses being provided, particularly in areas with the most problems. The officer stated that these were not provided by the team, but that this could be looked at and reviewed.

The Chair enquired if there were any identified risks not currently listed in the risk register, and whether the Committee could support the team in reducing risks from amber to green. The officer stated that in his view the team was making progress and had robust and forward-looking systems in place.

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

## **245. Any Other Urgent Business**

The Chair informed the Committee he had a number of items to raise under Any Other Urgent Business.

### Risk Register

The Chair requested that officers bring a report on the Risk register to the next meeting.

### Terms of Reference

The Chair requested that the Terms of Reference for Governance, Audit and Risk Management Committee (GARMC) be brought to the next meeting.

### Lead Members

The Chair stated that in the past, the Committee had nominated 'Lead Members' from among the Committee membership, including Reserve members, who would undertake to monitor and review a specific area of interest and report on issues to the Committee. Members were broadly in agreement with this approach, and the Chair asked that officers draw up a list of 6 or 7 discrete areas of work for Members to consider.

### September Meetings

The Chair informed the Committee that officers were of the view that it would not be necessary to hold two meetings in September, and asked Members for their views on whether it would be possible to agree on one date and use the other scheduled date for training. Members were happy to agree to this, with the later date being preferable for the meeting. However, as neither the Chair nor the vice-Chair would be available on the 24 September, officers were asked to investigate an alternative date for the meeting, at which the Statement of Accounts would be signed off.

Finally, it was agreed that the Chair and Members of GARMC would visit those teams reporting to the Committee and meet the officers concerned.

**RESOLVED:** That

- (1) reports on the Risk register and Terms of Reference for GARMC be brought to the next meeting;
- (2) a list of specialist areas be prepared in order to appoint 'Lead Members' to monitor and oversee relevant areas of interest;
- (3) the scheduled meeting on 2 September 2013 be used for training;

- (4) an alternative date be sought for the meeting scheduled for 24 September 2013.

**246. Exclusion of the Press and Public**

**RESOLVED:** That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
10.	Internal Audit Year-End Report 2012-13 – Appendix B	Information under paragraphs 1 (contains information relating to any individual) and 7 (contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).

**247. Internal Audit Year-End Report - Appendix B**

The Committee considered the confidential appendix to the Internal Audit Year-End Report 2012-13 and discussed briefly governance issues in relation to the move to mobile and flexible working.

**RESOLVED:** That the confidential Appendix B to the Internal Audit Year-End report 2012-13 be noted.

(Note: The meeting, having commenced at 8.00 pm, closed at 9.30 pm).

(Signed) COUNCILLOR RICHARD DAVID ROMAIN  
Chairman