

GOVERNANCE, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE MINUTES

10 SEPTEMBER 2015

Chair: * Councillor Antonio Weiss

Councillors: * Ms Pamela Fitzpatrick * Amir Moshenson
* Barry Macleod-Cullinane * Nitin Parekh
* Kairul Kareema Marikar (3) * Bharat Thakker

* Denotes Member present
(3) Denotes category of Reserve Member

70. Attendance by Reserve Members

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:-

Ordinary Member

Reserve Member

Councillor Ghazanfar Ali

Councillor Kairul Kareema Marikar

71. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 8 – Statement of Accounts 2014/15

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he had previously been a member of the Council's pension scheme and also London Councils pension scheme. He would remain in the room whilst the matter was considered and voted upon.

72. Minutes

RESOLVED: That the minutes of the meeting held on 22 July 2015 be taken as read and signed as a correct record.

73. Public Questions

RESOLVED: To note that no public questions were received.

74. Petitions

RESOLVED: To note that no petitions had been received.

75. Deputations

RESOLVED: To note that no deputations were received at the meeting under the provisions of Committee Procedure Rule 16.

76. References from Council and other Committees/Panels

RESOLVED: To note that no references were received.

RESOLVED ITEMS

77. Statement of Accounts 2014-15

The Committee received a report of the Director of Finance which presented the audited Statement of Accounts for 2014/15.

The Chair welcomed four representatives of the Council's auditors, Deloitte, to the meeting. The Director of Finance reported that Members were being presented with the final Statement of Accounts which had remained unchanged since the draft version submitted to the July meeting. The Pension Fund Committee would be requested to approve the Pension Fund Annual report later in the year.

The auditor outlined the content of the Pension Fund Annual report. Members were advised that detailed testing had been undertaken in each of the identified areas and that the overall picture was a 'clean' audit on the pension fund.

In response to a Member's question in relation to the speed of response to issues raised by the auditors, an officer advised that there had been a quick response in terms of the risk register but that it was a work in progress. Another Member expressed the view that due to the terminology in the report it might not be clear to the beneficiaries of the fund. The Director of Finance undertook to provide an explanatory note in the covering report that would be submitted to the Pension Fund Committee.

In terms of cash flow in relation to the pension fund, an officer advised that there had been a surplus in the previous financial year but that he would provide further information on this aspect of the fund to Members.

In response to Members' questions, the auditor advised that in terms of valuation of risks Harrow's position was not unusual for a local authority. Similarly, there was nothing within the letter of representation that was unusual for a local authority.

The auditor outlined the content of the audit report, reminding Members that they had received the audit plan in April 2015 which had detailed the significant risks at that time. He reported that his opinion of the financial statements would be unmodified and he sought the views of the Committee.

The auditors, during their presentation, reported that Harrow's reserves were low compared to Councils across London as was the spend per head. The Director of Finance reported that the reserves were £10m and that this was a slight increase. She advised that Harrow was a low funded authority. There were significant savings built into this year's budget and the estimated budget gap was £53m. The Administration had given a clear steer that the Council should be working towards a balanced budget and a budget for consultation would be submitted to Cabinet in December. The auditor clarified that his opinion related to the process but that did not give an absolute assurance.

Members were advised that issues in terms of timing need to be borne in mind as when the planning document had been prepared only draft figures had been available and therefore the risk assessment could not be finalised. The auditor confirmed that the reserves position differed from the previous year. Some Members challenged the level of reserves.

The Chair thanked the auditors for their report, presentation and work.

RESOLVED: That

- (1) the audited Statement of Accounts 2014/15 be approved and the Pension Fund Annual Report 2014/15 be noted and that the signing thereof by the Chair be authorised;
- (2) the Director of Finance, following consultation with the Chair, be authorised to make any final amendments to the Accounts and Pension Fund Annual Report arising from the external audit prior to the signing of the accounts by the auditor; and
- (3) the Summary Statement of Accounts 2014/15 be noted.

78. Annual Governance Statement 2014/15

The Committee received a report of the Corporate Director of Resources which set out the Council's Annual Governance Statement (AGS) for 2014/15 and the Head of Internal Audit's Opinion.

The Head of Internal Audit outlined the content of the report which had been updated since the previous meeting when Members had considered the draft. She drew Members attention to the main changes/updates in the report.

Members expressed concern in relation to the significant governance gap reported but were assured by the officer that there was an action plan in place for the Business Continuity/IT Disaster Recovery element of the risk and that an action plan was currently being developed for the IT Data Centre element and that some actions were already underway. The Corporate Director of Resources stated that the risks were being taken seriously and suggested that a report/action plan be submitted to the next meeting of the Committee in order to provide an update on progress. He asked that Members note that this was likely to be a Part II item. The Head of Internal Audit undertook to provide Members of the Committee with the current versions of the action plans.

In response to a Member's comment that staff as well as Members should complete social media training in order to prevent corporate misuse, the Corporate Director stated that he would give this issue consideration.

RESOLVED: That

- (1) the Annual Governance Statement for 2014/15 be approved;
- (2) the Head of Internal Audit's Overall Opinion be noted.

79. Annual Health and Safety Report

The Committee received a report of the Corporate Director of Environment and Enterprise which summarised the Council's health and safety performance for the year 1 April 2014 to 31 March 2015. The report provided an update of activities and gave information on outcome measures, training, audits and accidents.

In response to Members questions, the officer advised that it was not possible to prosecute all offenders in relation to violence to staff but stated that he would review whether a breakdown in terms of physical assaults on staff by children with SEN could be included in future reports. He advised that training was provided to school staff in order to assist them in preventing/ dealing with assaults.

The officer undertook to provide details of the fatality reported to Members separately.

RESOLVED: That the report be noted.

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

(Signed) COUNCILLOR ANTONIO WEISS
Chair