

GOVERNANCE, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE MINUTES

8 DECEMBER 2015

Chair: * Councillor Antonio Weiss

Councillors:

| | |
|---------------------------|------------------|
| * Ghazanfar Ali | * Amir Moshenson |
| * Ms Pamela Fitzpatrick | * Nitin Parekh |
| * Barry Macleod-Cullinane | * Bharat Thakker |

* Denotes Member present

80. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance.

81. Declarations of Interest

RESOLVED: To note that the following interest was declared:

Agenda Item 10 - Information Report - Business Continuity/IT Disaster Recovery and IT Data Centre Audit Report Update

Councillor Antonio Weiss declared a non-pecuniary interest in that he had a lead role in the digital practice of 2020 Delivery. He would remain in the room whilst the matter was considered and voted upon.

82. Minutes

Having requested a follow up on the action that the Corporate Director of Resources and Commercial on social media training for staff it was

RESOLVED: That the minutes of the meeting held on 10 September 2015, be taken as read and signed as a correct record.

83. Public Questions

RESOLVED: To note that no public questions were received.

84. Petitions

RESOLVED: To note that no petitions had been received.

85. Deputations

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

86. References from Council and other Committees/Panels

RESOLVED: To note that no references were received.

RESOLVED ITEMS

87. Information Report - Annual Audit Letter

Members received, in accordance with the Accounts and Audit (England) Regulations 2011, the Annual Audit Letter from the Council's external auditors, Deloitte.

The Chair welcomed Paul Schofield and Sybil Muller of Deloitte to the meeting. The auditors presented their key findings, reporting that there was no substantive new content since the last meeting. An unqualified opinion on all accounts had been issued. The only issue remaining was an outstanding objection from a member of the public in relation to expenditure amounting to £57,000 on Pinner Park Farm. A separate certification would be issued once the objection had been resolved.

Members questioned the length of time it would take to resolve the objection and the fees for investigating the objection. The auditor advised that the fee in relation to the objection was not included in this year's letter as it was yet to be resolved and that a period of nine months was permitted to resolve an objection.

The Chair thanked the auditors for their presentation and for their work over the years.

RESOLVED: That the report be noted.

88. Exclusion of 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(s) for the reasons set out below:

| <u>Item</u> | <u>Title</u> | <u>Reason</u> |
|-------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. | Information Report – Business Continuity/IT Disaster Recovery and it Data Centre Audit Report Update | Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)). |

89. Information Report - Business Continuity/IT Disaster Recovery and IT Data Centre Audit Report Update

Members received a report and confidential appendices which provided the latest position of the red/amber and red assurance audit reviews that together were reported as a 'significant governance gap' in the 2014/15 Annual Governance Statement.

The Head of Internal Audit outlined the content of the report and advised that all of the recommendations had been agreed in relation to business continuity management. In terms of the IT Data Centre, seven of the eight recommendations had been fully agreed and one had been substantially agreed.

Members received updates from officers in relation to the confidential appendices and on the work being done by the Council's new IT supplier. Members discussed and raised questions in relation the previous IT service provider, the contract management and whether there was any obligation to use a standard contract. The Corporate Director of Resources and Commercial confirmed that Sopra Steria were aware of the decisions in relation to the move to a new Civic Centre.

Members discussed the remit of the Committee and whether it would be appropriate for scrutiny to consider the IT contract arrangements. The Chair stated that whilst there were elements of concern, progress was being made, contracts had changed and it was an important to learn the lessons. He proposed that the Committee should gain a greater understanding of the contract management review and discuss the scope at the next meeting.

RESOLVED: That

- (1) the report be noted; and
- (2) the Head of Internal report submit the terms of reference for the contract management review to the next meeting.

90. Re-admittance of the Press and Public

RESOLVED: That the press and public be re-admitted for the remainder of the meeting.

91. Treasury Management Strategy Statement and Annual Investment Strategy: Mid-year review 2015-16

Members received a report which set out the mid-year review of treasury management activities for 2015/16.

In responses to Members questions, officers advised that

- the loan to the West London Waste Authority was being re-paid on an annuity basis although payments would not commence until June 2016;
- investments were monitored on a daily basis;
- in terms of whether the increase in the Housing Revenue Account rent policy was sustainable, this would need to be considered in relation to the changes proposed.

RESOLVED: That the Treasury Management Mid-Year Report for 2015/16 be noted.

92. Minimum Revenue Provision Policy Statement - Revision

Members received a report which outlined proposals for the revision of the Minimum Revenue Provision Policy in respect of capital expenditure incurred before 1 April 2008.

Members supported the use of the straight line method but some of the reporting mechanisms were challenged. A Member indicated that consideration also needed to be given to the depreciation of the Council's IT and the life of property/ assets. Another Member questioned the methodology of depreciation and stated that there should be a uniform policy for all buildings. The Director of Finance undertook to report back on how the Council's assets were valued.

RESOLVED: That the report be noted.

93. Information Report - Internal Audit and Corporate Anti-Fraud Update

Members received an update on progress made by Internal Audit and the Corporate Anti-Fraud team in the current financial year and were advised that the formal mid-year reports would be submitted to the January meeting.

A Member questioned the robustness of the Council's systems in terms of No Recourse to Public Funds (NRPF) stating that the chance of recovery

appeared to be low. The officer advised that he was working with the manager of the NRPF team.

A Member expressed concern in relation to the alleged fraud in terms of accommodation and subsistence costs based on the number of dependants in a household. She stated that the majority of cases in Harrow might be due to a spouse fleeing domestic violence or be an asylum. The officer advised that misrepresentation was the issue.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.28 pm).

(Signed) COUNCILLOR ANTONIO WEISS
Chair