

Governance, Audit, Risk Management and Standards Committee

Minutes

13 July 2021

Present:

Chair: Councillor David Perry

Councillors: Philip Benjamin
Kairul Kareema Marikar
Amir Moshenson
Kanti Rabadia
Chloe Smith

Absent: Councillor Dean Gilligan

160. Attendance by Reserve Members

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

Ordinary Member

Councillor Dr Antonio Weiss

Reserve Member

Councillor Chloe Smith

161. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made by Members.

162. Minutes

RESOLVED: That the minutes of the meeting held on 27 April 2021 be taken as read and signed as a correct record.

163. Appointment of Vice-Chair

RESOLVED: To appoint Councillor Kanti Rabadia as Vice-Chair of the Governance, Audit, Risk Management and Standards Committee for the 2021/2022 Municipal Year.

164. Public Questions

RESOLVED: To note that no public questions were received.

165. Petitions

RESOLVED: To note that no petitions were received at the meeting under the provisions of Committee Procedure Rule 15.

166. Deputations

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

167. References from Council and other Committees/Panels

RESOLVED: To note that no references had been received.

Resolved Items

168. Information Report - Change to evidence verification process for Housing Benefit and Council Tax Support

Members received a report which set out changes to the procedure for evidence verification in the administration of Housing Benefit and Council Tax Support.

Following the presentation of the report by the officer, Members asked questions and made comments as follows:

- Clarification was sought in terms of the Council's access to the Department for Work and Pensions (DWP) system for the purposes of Housing Benefit and Council Tax Support and whether there were issues arising as a result in relation to data protection. The officer confirmed that most of the information used was from the DWP and that the Council signed a memorandum of understanding on an annual basis. Quality assurance checks within the procedures were in place to ensure that the Council complied.
- A Member questioned whether the increased risk of fraud introduced by the new system required consideration and was advised that the all instances of Housing Benefit fraud were reviewed with the DWP. The Council would look at risks to the system or if non provision of original documents was identified as increasing fraud. Another Member asked whether the Council may, at some point in time, require 3rd party certification and was advised that this would be quite a high bar for

residents to meet and that there were already officers and Housing Associations that could verify documents.

RESOLVED: That the report be noted.

169. Information Report - Annual Health and Safety Report

Members received a report which summarised the Council's health and safety performance for the year 1 April 2020 to 31st March 2021, provided an update of activities and gave information on outcome measures; Covid-19 response, training, audits and accidents. The report also provided information about Occupational Health for information as well as the Health & Safety Strategy, Corporate Health and Safety Plan and Policy.

The officer outlined the content of the report and advised that the year had been dominated by the pandemic and the resultant risk assessments. In excess of 220 risk assessments had been carried out and, for example, the risk assessment for the Civic Centre had been reviewed 17 times.

In terms of wellbeing and the Mental Health Strategy, a Member questioned whether there had been positive engagement with lone workers in terms of their mental health or whether actions were reactive. There were likely to be circumstances where staff may be reluctant to come forward with mental health issues. The officer advised that the Lone Working Policy had recently been reviewed and required that every manager with front facing staff had a risk assessment in order to identify the level of risk. If there was a high risk, the manager had the option of a lone working device and if there was a low/medium risk there were other mechanisms that could be put in place. The Director of Human Resources and Organisational Development added that there had been active promotion of health and wellbeing for staff and that the DSE assessment would also apply to lone workers.

In response to a question about the Building Safety Bill and the Council's preparedness, the officer advised that there would be a person responsible for the building but that the qualifications required by this individual were still being established.

A Member asked questions in relation to the reporting of accidents by staff whilst home working and was advised that any incident should be reported via the system. The Committee was advised that there had been an increase in the reporting of RIDDOR as schools were being encouraged to report as a result of Service Level Agreements. Responding to another Member's question in relation to training, the officer advised this required continued cultural change.

RESOLVED: That the report be noted.

170. Information Report - Internal Audit Year end report 2020/21

Members received a report which set out the 2020/21 year end report for Internal Audit and included the Head of Internal Audit's draft overall audit opinion on the control environment.

The Head of Internal Audit introduced the report and advised Members that the Corporate Anti Fraud year end report was not available due to staff availability and that this had highlighted the need for increased resilience in the team. It was intended to submit the report to the Committee's next meeting. She also reported a correction to the report in that 100% of the recommendations, not 98%, had been agreed.

Members welcomed the broadly positive report and in response to a comment in relation to the one red assurance report, the Head of Internal Audit advised that all recommendations had been agreed and a follow-up of the implementation of the recommendations was in progress and the indications so far were that the majority of them had been implemented. She added that there were also lessons to be learnt from the London Borough of Croydon's experience and a piece of work was being undertaken to compare governance in place at Harrow with the recommendations made in this Public Interest report.

A Member challenged the Harrow Strategic Development Partnership (HSDP) business plan stating that there were fundamental gaps. The Director of Finance reassured Members that the scrutiny process in relation to HSDP would continue and that the role of the Committee in the process would be considered over the summer. The HSDP would be an LLP and the Council's current trading activity was reported to Cabinet on a quarterly basis. The HSDP would be included in that report or be dealt with by way of a stand-alone report. The Director acknowledged that the Member had asked questions at the recent meeting of the Overview and Scrutiny Committee and advised that she was in the process of drafting a response.

RESOLVED: That the report be noted.

171. Information Report - Draft Annual Governance Statement

Members received a report which set out the annual governance process and provided the Draft Annual Governance Statement (AGS) 2020/21 for information.

A Member stated that he had previously requested the full financial statements for the previous three years of the companies listed on page 177 of the agenda but acknowledged that the summaries were included in the quarterly report to Cabinet. The Head of Internal Audit accepted the Member's point that there had been an oversight in that the Gayton Road LLP was not listed with the other Trading Companies in the Draft AGS and provided an assurance that it would be included in the final AGS. The Director of Finance advised that this information was available from Companies House but that a formal request could be made for this information. Following a discussion, the Member was asked to submit his request in writing to the Chair for consideration.

Clarification was sought as to the position of legal services, following the dissolution of the Alternative Business Structure, and the employees of the company. The Member also requested details of the expenses incurred by

HB Public Law. The Head of Internal Audit explained that the employees were not employed by the company but by the Council and that the Director of Legal and Governance and Head of Legal Services were the company's directors. The Corporate Director of Resources advised that the Monitoring Officer had previously responded to questions on this matter and that this could be provided again.

RESOLVED: That the report be noted.

172. Information Report - External Audit Plans 2020/21

Having agreed to consider the report of the Director of Finance for the reasons set out on the supplemental agenda, the Committee considered the External Audit Plans 2020/21 from the Council's External Auditors.

The Chair welcomed the external auditors Lucy Nutley and Stuart Frith, Mazars to the meeting. Ms Nutley outlined the content of the report and advised that there was an error in the fees detailed in the report. The intention was to charge the fees set by a Service Level Agreement and that a further report on this matter would be submitted to the Committee in due course.

In response to a Member's question in relation to the risk of fraud in revenue recognition, the external auditor reported that the error should be blue. In terms of the work to be undertaken as part of the Audit Plan, she confirmed that there had been an initial discussion with the Council and the work would centre around fraud and irregularities but advised that, at this stage, there were no matters she wished to highlight to Members.

Following a query in relation to the Pension Scheme, the external auditor advised that the central report was prepared by Price Waterhouse Coopers (PWC). Mazars checked the assumptions of Hymans Robertson were in line with all other actuaries.

RESOLVED: That the External Audit Plans (Audit Strategy Memoranda) for the Council and the Pension Fund be noted.

173. Draft Statement of Accounts 2020-21

Having agreed to consider the report of the Director of Finance for the reasons set out on the supplemental agenda, the Committee considered the draft Statement of Accounts 2020-21.

A Member requested an explanation of the movement of £258m within the accounts and was advised that this related to the actuarial calculation on the pension liability for the London Borough of Harrow as an employer. The calculation was made based on IAS19, a basis set out in the Accounting and Actuarial Standards. The actual value of the assets had improved significantly during the last year which was partly due to the national lockdown at the end of the financial year 2020-21. Markets had improved since that time which had had an impact on asset valuation. The external auditor added that the assumptions would be looked at in detail as part of the audit.

In response to a Member's comment that the Council should have the option of being able to immediately liquidate usable reserves, an officer advised that considerable funds were invested in the Council's capital programme and was available to spent on specific projects.

As there were a number of detailed questions / clarifications requested by a Member, the Chair asked that these be provided to officers and resolved outside of the meeting.

RESOLVED: That the draft Statement of Accounts 2020-21 be noted.

174. Exclusion of the Press 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>
15.	Information Report – Q1 Corporate Risk Register 2021/22	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

175. Information Report - Quarter 1 Corporate Risk Register 2021/22

Members received a confidential report which set out the Council's Corporate Risk Register 2021/22 for Quarter One of the financial year to assist the Committee in monitoring progress on risk management in accordance with their Terms of Reference.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 6.31 pm, closed at 8.37 pm).

(Signed) Councillor David Perry
Chair