

GOVERNANCE, AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES

19 DECEMBER 2013

Chairman: † Councillor Richard Romain

Councillors: † Mano Dharmarajah * Varsha Parmar
* Tony Ferrari (1) * Anthony Seymour (3)
* Kairul Kareema Marikar * Sachin Shah (Vice-Chair
* Amir Moshenson in the Chair)

* Denotes Member present

(1) and (3) Denote category of Reserve Members

† Denotes apologies received

260. Attendance by Reserve Members

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

Ordinary Member

Councillor Chris Mote
Councillor Richard Romain

Reserve Member

Councillor Tony Ferrari
Councillor Anthony Seymour

261. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 7, 9, 12 – References from Council and other Committees;
Internal Audit Mid-Year Report 2013/14; Treasury Management Self
Assessment Training Action Plan

Councillor Tony Ferrari declared a non-pecuniary interest in that he was the Portfolio Holder for Finance and school governor at Cedars Manor School. He would remain in the room whilst the matters were considered.

Agenda Item 9 – Internal Audit Mid-Year Report 2013/14

Councillor Kairul Kareema Marikar declared a non-pecuniary interest in that she was a governor at Vaughan Primary School. She would remain in the room whilst the matter was considered.

Councillor Anthony Seymour declared a non-pecuniary interest in that he was a governor at Pinner Park Nursery, Infants and Junior School. He would remain in the room whilst the matter was considered.

262. Minutes

RESOLVED: That the minutes of the meeting held on 24 September 2013 be taken as read and signed as a correct record.

263. Public Questions, Petitions & Deputations

RESOLVED: To note that no public questions were put or petitions or deputations received at this meeting.

264. References from Council and other Committees/Panels

The Committee received the following Reference from Cabinet: Treasury Management Strategy Statement and Annual Investment Strategy – Mid-year Review 2013/14, report of the Director of Finance and Assurance. The Director of Finance and Assurance advised that:

- there had been an underspend of £730k on the capital financing and investment income budget resulting from a forecast underspend on minimum revenue provision due to slippage on the 2012-13 capital programme;
- the minimum credit criteria for the measure of credit worthiness of institutions used as counterparties;
- the majority of the Council's investments with the Royal Bank of Scotland (RBS) and Lloyds with relatively good rates of return. RBS was deemed to be relatively secure as it was largely owned by the state;
- it would be preferable to reduce the Council's cash pile, which stood at over £130m. The capital programme could currently be financed from internal resources and would not require additional borrowing;
- as the Treasury Management Strategy Statement allowed the Council to invest up to 50% of its cash balances with RBS this would severely restrict its ability to manage these balances. The view of the Council's Treasury Management Adviser, Capita, was that as long as RBS

remained largely in the ownership of the Government and taxpayer (currently 82%) there was little risk to its future viability and that it would be appropriate for it to be retained on the Council's counterparty list.

RESOLVED: That the Reference from Cabinet be noted.

RESOLVED ITEMS

265. Corporate Anti-Fraud Mid-Year Report 2013-14

The Committee received a report of the Director of Finance and Assurance which set out progress against the 2013/14 Fraud Service Plan and issues arising from work undertaken.

Following questions and comments from Members, the Director advised that:

- good progress had been achieved on seven areas of the plan, three areas required additional work and one was deemed not to be achievable due to the recent implementation of staffing efficiencies. It was however difficult to quantify progress to date as figures were being finalised;
- recent vacant tenancies would help reduce pressures on the housing waiting list;
- close working with the Metropolitan Police and the Proceeds of Crime Act would make action to recover £10k more feasible, however, this could often be a lengthy process;
- joining the London Housing Fraud Hub from 2014 would ensure greater information sharing between authorities. Officers were consulting internal stakeholders. The Hub had sought extensive guidance regarding data protection issues from the Information Commissioner's Office;
- recovery of overpayments was on target;
- there were plans to implement a document checker software which was capable of authenticating official documents. The software could be used with minimum disruption to frontline staff and would lead to savings across the Council. The software could also be used to carry out employment checks on council employees. The cost of the software was £2k per licence, and the benefits to the Council of implementing this software would outweigh the costs;
- those making fraudulent housing applications could be prosecuted for fraud and the property recovered;
- a week of anti-fraud events had been planned in conjunction with the Metropolitan Police and the UK Border Agency, for the week beginning

3 February 2014, which Committee Members would be invited to attend.

RESOLVED: That the report be noted.

266. Treasury Management Self Assessment Training Action Plan

The Committee received a report of the Director of Finance and Assurance which set out the Treasury Management Self Assessment Training Action Plan and actions taken in relation to the Plan.

An officer advised that the report set out the 8 Actions which had been agreed by Members and officers, the actions taken to date and flagged up any risks associated with these.

RESOLVED: That the report be noted.

267. Information Report - Governance Update

The Committee received a report of the Director of Finance and Assurance which set out progress against the Council's Annual Governance Statement (AGS) Action Plan for 2012/13 developed to address the governance gaps identified by the annual governance review process.

An officer advised that the AGS Action Plan detailed the 16 non-significant and the 1 significant governance gap identified by the annual governance review process and the action agreed to address these gaps. She added that, two of these had been completed and five were in progress. The final PSN strategy had been submitted to the Cabinet Office and officers were awaiting a response. The Local Government Association and other local authorities were in discussion with the Cabinet Office regarding this matter.

Following questions and comments from Members, an officer advised that the next report would be submitted to the Committee in April 2014. A Member requested an update on PSN compliance at the next meeting.

RESOLVED: That the report be noted.

268. Information Report - Internal Audit Mid-Year Report 2013/14

The Committee received a report of the Director of Finance and Assurance which set out progress against the 2013/14 Internal Audit Plan and key issues arising from work undertaken in this area.

Following questions and comments from Members, an officer advised that:

- some schools had made good progress in implementing business continuity plans while others were in the process of completing the plans. Some schools had also entered into a Service Level Agreement with the Council for Business Continuity;
- overall 81% of the expected governance and financial controls were found to be in place and operating effectively at Vaughan School and

officers would carry out a follow-up in six months' time to see if their recommendations had been implemented;

- officers were actively following up those schools who were yet to respond to the audit of their business continuity plans;
- the issue of mis-use of Council mobile phones to make international calls is being followed-up to ensure satisfactory progress and outcomes;
- the figures relating to the overpayment of salaries was not limited to any particular Council department and included all council staff, including those at schools. Where debtors accounts are raised to recover money from leavers the budget of the relevant section is credited immediately and repayment is made to the debtors account. However, the recovery rate was high. Although, there were robust processes in place, timeliness of reporting changes to employees' pay was the main issue. Under-payment was a rare occurrence.

It was noted that the figure on page 30, relating to Kenmore Park Infant & Nursery School, should read 67% and not 7%.

RESOLVED: That the report be noted.

269. Information Report - Half Yearly Health and Safety Report

The Committee received a report of the Corporate Director of Resources which set out the Council's health and safety performance for the half year, from 1 April 2013 to 30 September 2013.

An officer made the following points:

- the Council was subject to a large number of statutory regulations and scrutiny by a number of enforcement agencies. However, since the last report there had been no further enforcement activity;
- a benchmarking exercise has been conducted during this period across the Pan London Forum, which confirmed that accident performance at Harrow was similar to that of other London local authorities;
- the provision of the health and safety training programme across Directorates had led to improved legislative compliance.

Following questions and comments from Members, the officer advised that:

- accident data in the report included accidents relating to staff and any non-employee accidents where the incident was reportable to the HSE;
- most of the physical assaults against teachers tended to involve pupils with additional needs. However, most of the incidents were minor and none required to be reported to the Health and Safety Executive (HSE). He added that assaults did not have a significant impact on teacher

absence rates. Teachers had been offered specialist training in dealing with such incidents and officers were looking at other areas of improvement;

- uptake of the flu vaccine had remained at the same level in recent years;
- the Health & Safety Section comprised three advisers and a co-ordinator and was considering recruiting an additional agency worker.

RESOLVED: That the report be noted.

270. Any Other Business

RESOLVED: That the Lead Member from each of the Political Groups encourage Members of their Group to volunteer to fill the vacant Lead Member posts.

271. 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(s) for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
15.	Treasury Management Self Assessment Training Action Plan - Appendix 5	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

272. Treasury Management Self Assessment Training Action Plan – Appendix 5

The Committee considered appendix 5 to agenda item 12 – Treasury Management Self-Assessment Training Action Plan.

RESOLVED: That the appendix be noted.

(Note: The meeting, having commenced at 7.45 pm, closed at 8.30 pm).

(Signed) COUNCILLOR SACHIN SHAH
Vice-Chair in the Chair