

GOVERNANCE, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE MINUTES

5 APRIL 2016

Chair: * Councillor Antonio Weiss

Councillors: * Ghazanfar Ali * Amir Moshenson
* Ms Pamela Fitzpatrick * Nitin Parekh
* Barry Macleod-Cullinane * Pritesh Patel (2)

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

108. Attendance by Reserve Members

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

Ordinary Member

Reserve Member

Councillor Bharat Thakker

Councillor Pritesh Patel

109. Declarations of Interest

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

110. Minutes

Members discussed the Minute in relation to the RIPA Authorisations Update and whether the detailed discussion in relation this item, which had been moved into Part I of the agenda and then reverted to Part II should have been included.

The Chair reported that legal advice had been received both at and following the previous meeting in relation to the consideration of RIPA. A Member requested sight of this advice and expressed his dissatisfaction with the categorising of reports in terms of whether they were public or exempt. The Chair responded that a Part II discussion on this matter could be held at the next meeting.

RESOLVED: That the minutes of the meeting held on 28 January 2016, be taken as read and signed as a correct record subject to the following amendment:

Minute 102 – Corporate Anti-Fraud Team Mid-year Report 2015/18 (last sentence)

The Corporate Anti-Fraud Network met twice a year, not bi-annually.

111. Public Questions

RESOLVED: To note that no public questions were received.

112. Petitions

RESOLVED: To note that no petitions had been received.

113. Deputations

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

RESOLVED ITEMS

114. Reference from Cabinet - 18 February 2016 - Final Revenue Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20

Members received a reference from Cabinet held on 18 February 2016 which requested that the risk register included in the Final Revenue Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20 be considered and monitored.

Members asked detailed questions and made comments on the appendix including the lack of comment on salary increments, the risk of assuming no price inflation, the exposure to the national living wage, income from garden waste, the increase in inflation, lack of consideration of a Brexit and mitigating

factors such as homelessness. It was stated that some of the commentary was not succinct.

The Director of Finance responded to the points made advising that the risk register required ongoing updates. Whilst pay inflation and the national pay award was built into the budget, increments were an issue that had to be managed by individual budget holders. In terms of price inflation, the Medium Term Financial Strategy assumed that there was no inflation in 2016/17 and 2017/18 and she added that it was difficult to predict the Council's exposure to the national living wage.

In terms of the collection rate, the Director of Finance advised that the change in threshold levels would have an impact. The officer added that in terms of Business Rate Relief, the Council was compensated by Section 31 grant.

The Director of Finance advised Members that the quarter 1 figures for garden waste collection take up would be reported to Cabinet in July. There was a pressure on this saving and the Performance and Finance Scrutiny Sub-Committee had requested specific take up figures which she did not currently have available.

In relation to homelessness, Members were advised that they received regular reports but that it was monitored closely through quarterly monitoring and was included on the Corporate Risk Register. Officers were aware that homelessness was increasing and that it was difficult to predict. The Director of Finance reminded Members that the Housing Revenue Account was separate to the General Fund and that the risk associated would not be reflected in the risk register.

RESOLVED: That the risk assessment be noted and monitored.

115. Information Report - Audit Report on Grant Certifications 2014/15

Members received a report which provided the External Auditor's report on the grant certifications of 2014/15.

An officer outlined, in detail, the content of the report and the process for carrying out the audits. She emphasised the need to recognise that the Council was operating in a changing environment and reported that there was a higher level of risk than there had been a year ago.

Members welcomed the report and the award of a good audit.

RESOLVED: That the Audit Report on Grant Certifications 2014/15 be noted.

116. IT Contract Management Terms of Reference - Interim report / IT Data Centre and Business Continuity and Disaster Recovery Update

The Chair advised Members that officers were due to give an oral report on the IT Data Centre and Business Continuity and Disaster Recovery Update as the update on the IT Contract Management terms of reference had already been received. Members agreed to receive the update, as a matter of

urgency, as the next meeting of the Committee was not until July and they wished to be appraised of the current position.

The officer reported that follow up work had been undertaken on both the IT Data Centre and Business Continuity and Disaster Recovery and that, in terms of the former, of the 21 recommendations 19 had been implemented and one was planned and 1 was still outstanding . The outstanding recommendation was due to some confusion about responsibility which was currently being clarified. The IT Data Centre had previously been a red report but would now be reassessed as green.

The officer reported that Business Continuity and Disaster Recovery had previously received a Red/Amber assurance and of the 23 recommendations, 12 had been fully implemented, 10 had been partially implemented and 1 was still planned. This report would now receive a green assurance.

Whilst Members welcomed the update, a Member questioned what had led to receiving red ratings and questioned the management of these areas. The Corporate Director of Resources and Commercial undertook to provide some commentary when the update reports were presented at a subsequent meeting.

RESOLVED: That the position be noted.

117. 2016/17 Draft Internal Audit & Corporate Anti-Fraud Plans

Members received a report which set out the 2016/17 Draft Internal Audit & Corporate Anti-Fraud Plans.

The officer outlined the content of the report and stated that it reflected the closer working relationship between the two teams. She advised that she was satisfied that the resources and skills of her team were sufficient to implement the plans.

The officer advised that there would be discussions held with managers in order to determine the most appropriate time to undertake the audits. A plan/timetable was being developed and would be reported to the next meeting. She emphasised that the plan had to have reasonable coverage and could not always concentrate on just the high risk corporate areas.

RESOLVED: That the 2016/17 Internal Audit and Corporate Anti-Fraud Plans be approved.

118. Outcomes of Risk Based Verification Pilot in Housing Benefit/Council Tax Support

Members received a report which set out the outcomes of the Risk Based Verification (RBV) pilot conducted in the administration of Housing Benefit and Council Tax Support.

The officer tabled additional pages which provided Members with data for December 2015 which had only just become available. The officer reported

that the pilot process had been informative and that the Council appeared to be taking a risk averse approach. In addition, in order to mitigate against any risk of using the new system for verification, she had contacted the auditor to find out the expectations in terms of the information that would be required. Another officer stated that it was necessary to look at data in the live environment for 6 months in order to form a view as to whether to continue or withdraw from the pilot.

In response to a Member's question as to what issues would have been flagged without the tool so that a comparison could be made, the officer undertook to see if this would be possible. Another Member questioned the assistance offered to those completing the online forms and was advised that PCs were available in Access Harrow with staff available to assist, although this was limited due to the move to self service.

RESOLVED: That

- (1) the outcomes of the Risk Based Verification pilot in the administration of Housing Benefit and Council Tax Support be noted;
- (2) should the results from Risk Based Verification not match the expectations from the Department for Work and Pensions by October 2016, to note that it was proposed that Risk Based Verification process will be withdrawn from use.

119. Motion to exclude 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>
13.	Outcomes of Risk Based Verification Pilot in Housing Benefit/Council Tax Support	Information under paragraph 7 (contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).
14.	Corporate Risk Register	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

120. Outcomes of Risk Based Verification Pilot in Housing Benefit/Council Tax Support

Members received a confidential appendix relating to the Risk Based Verification Pilot which appeared elsewhere on the agenda.

Some Members challenged whether the appendix should be considered in Part II of the agenda. The Chair reminded Members that he had given an undertaking earlier in the meeting that the issue of exemptions of information would be discussed at the next meeting.

RESOLVED: That the appendix be noted.

121. Corporate Risk Register

Members received a confidential information report which set out the Council's 2015/16 Quarter 4 Corporate Risk Register to assist the Committee in monitoring progress on risk management.

The officer acknowledged the comments made by Members and it was confirmed that these would be passed on to management.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.35 pm).

(Signed) COUNCILLOR ANTONIO WEISS
Chair