

GOVERNANCE, AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES

21 JANUARY 2010

Chairman: * Councillor John Cowan

Councillors: * Archie Foulds * Dinesh Solanki
* Thaya Idaikkadar * Bill Stephenson
* Richard Romain * Jeremy Zeid
* Anthony Seymour

In attendance: Tom Weiss Minute 143
(Councillors)

* Denotes Member present

135. Attendance by Reserve Members

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

136. Declarations of Interest

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

137. Minutes

RESOLVED: That the minutes of the meeting held on 30 November 2009, be taken as read and signed as a correct record subject to the following amendment:

Minute 133 to include:

- Officers would circulate a copy of the draft Internal Audit Mid-year Report to the Committee.

138. Public Questions, Petitions or Deputations

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting under the provisions of Committee Procedure Rules 19, 16 and 17 (Part 4B of the Constitution) respectively.

RESOLVED ITEMS

139. Annual Audit Letter 2008-09

The Committee received a report relating to the Annual Audit letter for the 2008/09 financial year.

An officer reported that the letter summarised the work conducted by the external Auditor, Deloitte LLP (Deloitte). She added that Members of the Committee had received detailed reports in relation to the Council accounts and the pension fund from the Auditors throughout the 2009/10 financial year. The letter also included feedback from the Auditors on the scores for the Use of Resources Assessment, which officers had acted upon.

In response to questions raised by Members of the Committee, the officer advised that:

- the reference to natural resources in the Auditors' letter, included, energy, water and utilities. The Council would improve on the scores currently achieved by implementing principles outlined in the agreed strategy for Climate Change;
- the Council had achieved 3 out of 4 starts for how finances were managed and reported;
- the Auditors' had signed off the accounts after concluding that they were materially correct;
- a decision on credit card charges incurred for the payment of parking fines would be taken following the judicial review of a case involving another local authority in London. The final certificate for 2009/10 would be issued after this matter was resolved. The Committee were assured that this was quite common for local authority accounts;
- the Use of Resources Assessment was conducted using a comprehensive framework which included considerations such as, the communication of results to residents. The review conducted in 2008/09 financial year placed a greater emphasis on Comprehensive Area Assessment (CAA) partnerships and energy management. Officers anticipated that following the results of service improvements and the Ethical Governance Review, scores in some areas would improve;

- the annual report on the Local Government Pension Scheme was circulated to members of the pension scheme and would be circulated to Members of the Pension Fund Investment Panel;
- due to the improved performance of the Council, Auditors' fees for the 2009/10 financial year was lower than those for 2008/09;
- information relating to the fee charged by Auditors' would be circulated to Members. Officers would also present a report on the fees paid to Auditors' in previous years at the next meeting.

RESOLVED: That the report be noted.

140. GARM Committee Self Assessment Draft Action Plan

An officer presented a report of the Corporate Director of Finance which set out the draft action plan derived from the GARM Committee self assessment workshop in 2009.

In response to questions raised by Members, an officer confirmed that:

- the report summarised matters previously discussed by the GARM Committee;
- Auditors fees had been agreed in the previous financial year;
- Deloitte were aware that the Committee had considered the Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines when assessing the role and functions of the Committee;
- Deloitte would be invited to a private meeting with GARM Committee Members.

RESOLVED: That the draft action plan be agreed.

141. Exclusion of the Press and Public

Officers and Members explained that the verbal updates provided under item 10 would include exempt information.

RESOLVED: That the press and public be excluded from the meeting for the following items for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
10.	Lead Member Updates	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).
13.	Information Report – Green and Amber Internal Audit Reports	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

12. Information Report – Cashiers Accommodation 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).

142. Lead Member Updates

The Committee received verbal updates from Lead Members of particular service areas.

Corporate Anti-Fraud

The Corporate Anti-Fraud team had brought a number of successful prosecutions which had been reported in the local and national newspapers. The Member added staff vacancies within the team had contributed to a lower than average result being reported. It was anticipated that improvements would be made in the next financial year. In response to a query, the Committee were advised that a report on fraud would be presented at the next meeting.

Water Coolers

An efficiency review would be conducted over the next few months on water coolers used by Council employees. Members would be provided with an update at a future meeting. The Member added that sanitisation was completed on a consistent basis and a programme of bacterial testing had been introduced.

Emergency Planning

Existing employees had been recruited as Emergency Response Officers who would work alongside the emergency services to manage serious incidents within the borough. The Member added that Councillors would receive training on how to manage and respond to incidents occurring within their Ward.

RESOLVED: That the updates be noted.

143. INFORMATION REPORT - Cashiers Accommodation

An officer presented a report that set out the progress of a project to relocate the cashiers' office to a more secure location and the programme of works.

The officer reported that the relocation project had been initiated following a request by a Member of the GARM Committee. Following an investigation by officers within the Audit and Risk team, extra security measures had been implemented. He anticipated that the works would be completed by the end of February 2010.

He added that a project management toolkit would be used to conduct a robust risk assessment of all cash-handling operations within the Council.

RESOLVED: That the report be noted.

144. INFORMATION REPORT - Green and Amber Internal Audit Reports

The Committee received a report of the Corporate Director of Finance that included information on green and amber internal audit reports.

An officer stated that the majority of reports related to Financial Management Standard in Schools (FMSiS) Review and the requirement to meet financial standards. She added that following the report agreed outcomes in the draft action plan had been implemented.

RESOLVED: That the report be noted.

145. Officer Updates

At the request of the Chairman, officers provided an update on a number of matters discussed at previous meetings. It was reported that:

- officers within the Audit team were investigating whether leaseholders' had been incorrectly billed for service charges. The results of a systems review would be reported at the next Committee meeting;
- following an Internal Audit investigation a former employee of the Council has been sentenced to 3 and a half years after being prosecuted for fraud, half of which would be served in prison and half on licence,

RESOLVED: That the update be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.59 pm).

(Signed) COUNCILLOR JOHN COWAN
Chairman