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## **GENERAL PURPOSES COMMITTEE**

**Wednesday, 30th June, 2021 at 7.00 pm in the Council Chamber,  
Civic Centre, Silver Street, Enfield, EN1 3XA**

### **AGENDA – PART 1 TO FOLLOW PAPER**

- 12. GENERAL PURPOSES COMMITTEE ANNUAL REPORT 2020/21  
(Pages 1 - 12)**

To receive the General Purposes Committee Annual Report 2020/21.

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# **General Purposes Committee Annual Report 2020/21**

## **Chair's Introduction**

I am very pleased to present this General Purposes Committee Annual Report for 2020/21 to both the Committee and to full Council.

The report shows that the General Purposes Committee has undertaken its role effectively covering a wide range of topics and ensuring that appropriate governance and control arrangements are in place to protect the interests of the Council and the community in general.

I would like to thank all the members who served on the Committee during 2020/21. My thanks also go to BDO (external auditors) and to Council officers who have supported the work of the Committee and more specifically me in my role as Chair.

Councillor Mahym Bedekova  
Chair

## 1. Introduction

This report details the activity of the General Purposes Committee from 1 April 2020 to 31 March 2021. Submission of this report to Council on an annual basis, is in line with the Chartered Institute of Public Finance & Accounting (CIPFA) guidance on best practice for audit committees, in order to effectively support the organisation and for the Council to understand the work of the Committee.

## 2. Proposal

Council is asked to note the report.

## 3. Terms of reference and membership

The purpose of the General Purposes Committee is to provide assurance to the Council on the adequacy of the risk management framework and the internal control environment. The committee receives the work plans and reports from the Head of internal audit, helping to ensure that efficient and effective assurance arrangements are in place, and on which the opinion on the level of governance, risk management and internal control can be derived. Following a change to the Committee structure as agreed at the Annual Council meeting on the 1<sup>st</sup> July 2020 the General Purposes Committee also keep under review and make recommendations to the Council on the Constitution; Member development and member support issues and Electoral services updates, and polling district reviews.

The full terms of reference for the period that this report refers to are attached at appendix B.

During 2020/21, the membership of the Committee was as follows:

### **Councillors:**

Mahym Bedekova (Chair)  
Tim Leaver (Vice Chair)  
Katherine Chibah  
Claire Stewart  
Bernadette Lappage  
Dino Lemonides  
Joanne Laban  
Yasemin Brett  
Lee David-Sanders

### **Independent Member:**

Peter Nwosu

## 4. General Purposes Committee

Work undertaken during 2020/21 supported the following key areas, the specific items considered at each committee meeting are shown at appendix A:

- Adequacy of the internal control environment of the Council Internal Audit Plan and Audit Charter;
- Governance Processes - Annual Governance Statement;
- Financial management - Annual statement of accounts;
- Risk Management - Risk Registers.

## 5. Internal Audit Service

### Internal Audit Annual Report

At its meeting in July 2020 the committee received the 2019/20 Internal Audit Annual Report summarising the work of the Internal Audit section for the year and included the Head of Internal Audit and Risk Management's opinion on the system of internal control.

The following points were noted by the committee:

- The Public Sector Internal Audit standards require the Head of Internal Audit to give an annual audit opinion of the Council's governance, risk management and internal control. There are four categories of assurance that can be given; substantial, reasonable, limited and no assurance. The opinion of the Head of Internal Audit and Risk Management for 2019/20 was limited assurance.
- The reasons behind this rating are as follows. There were 44 pieces of work undertaken by the internal audit team which gave an assurance rating. There were 32 audits were targeted at key Corporate Services and 12 of these received a negative audit opinion (limited or no assurance). There were 12 schools' audits and of these 8 received a negative assurance opinion. Overall, it is the schools which have pushed the Council into that limited range for 2019/20.
- In terms of actions, there were 161 actions recommended in audit reports across the year for corporate audits and 183 actions recommended for schools. The reason why schools' audits have disproportionately more actions is that school audits look at a broader scope area for schools so it is natural that there would be more actions recommended. Overall there were 344 more actions recommended by internal audit.
- Part of the opinion is based on the timely implementation of agreed audit actions. As at year end 31 March 2020, 73% of corporate high-risk actions have been implemented and 44% of corporate medium risks implemented rising to 100% for high risk and 85% for medium risk by the 15th of July. For schools, at year end, 59% high risk actions and 75% medium risk actions had been implemented, rising to 82% for high risk and 78% for medium risk by the 15 July.
- In terms of why the council received a negative overall assurance opinion for 2019/20, it should be noted that the internal audit team targeted the extremely high-risk areas. Although the plan is for the Head of internal Audit and Risk Management alone to decide, there is close working with the Assurance Board and Executive Directors are asked to identify their high-risk areas.
- Another reason for the limited assurance category is that the style of audit changed from continuous monitoring for key financial systems which is essentially the same tests repeated again and again. This has now changed to comprehensive deep reviews of the key

financial systems and this has uncovered some issues that need to be resolved.

- There have been some areas where assurances can be obtained externally such as the good overall rating for the Ofsted report, positive LGA review of the Early Years' service, the Grant Thornton financial resilience review, the adoption of the 10 year capital programme, the treasury management strategy, the introduction of a new risk management framework and improved transparency in financial reporting.
- Through the year, the Head of Internal Audit & Risk Management has attended the Assurance Board, EMT meetings and many departmental meetings to discuss the work of the team.

### **Draft Work Plan and Audit Charter**

The Internal Audit Strategy, draft Plan and Internal Audit Charter 2020/21 were considered at the General Purposes meeting on 23 July 2020.

Traditionally the audit plan would be largely fixed for the year at the July meeting, however, the ongoing effects of the COVID-19 pandemic on Council services required a different approach this year, therefore, arrangements were considered quarterly to allow flexibility within the work plan to respond to new and changing risks and business requirements. The Internal Audit team had regular discussions with Executive Directors and Directors regarding the audit plan.

Some of the planned cross cutting department audits were as follows:

- Schools Financial Monitoring
- Procurement Social Value
- Climate Change
- Adult Social Care/Financial Assessments
- Contract Management Follow Up
- Organisational Development
- Working from Home

## **6. External Auditors**

The Council's external Auditors are currently BDO LLP. Representatives attend every meeting and contribute to governance processes within the Council and the development of committee members.

## **7. Statement of Accounts and Annual Governance Statement 2019/20**

The Council have a statutory responsibility to produce accounts and have them audited by two clear deadlines. This year due to Covid 19 the dates for completion were extended for sign off the draft accounts from 31 May to 30 September and the final accounts from 31 July to 30 November.

The draft Statement of Accounts were completed by the extended statutory deadline of 31 July 2020 and were received by the Committee at the meeting in July 2020, along with the draft Annual Governance statement.

The Committee approved the final 2019/20 Statement of accounts as presented to the Committee at the meeting on the 22 April 2021. The Committee delegated authority to the Chair of the Committee in liaison with the Executive Director of Resources to agree any minor changes to the Council's Statement of Accounts which may arise as a consequence of the outstanding review work being undertaken by BDO.

Members were kept informed of the factors that contributed to the delays to the final account sign off throughout the process, which included a major piece of work undertaking a full reconciliation of data migration from SAP to the new CIPFA asset register, the committee were informed that this greatly improved the quality of the data and would provide a better base for future years.

The Committee approved the final Pension Fund Accounts and delegated authority to the Chair of the Committee in liaison with the Executive Director of Resources to agree any minor changes Pension Fund Accounts which may arise in response to BDO's technical review

## **8. Corporate Risk Registers**

The Committee received updates at every meeting on the Councils corporate risk register. The Committee also looked in detail at the Brexit Risk Register and the COVID 19 Risk Register.

The committee are able to bolster their understanding of the areas and suggest items for consideration for inclusion. This greater understanding provides reassurance that mitigation measures are in place to reduce risks.

## **9. Audit & Risk Training for members**

The following training sessions were held during 2020/21:

- Audit & Risk Management training session 15th October 2020.
- Treasury Management training session held on the 26<sup>th</sup> November 2020.

## **10. Member Development**

The Committee has a wide range of functions in addition to the main role of Audit & Risk, this includes Member development, changes to the constitution, and Electoral Review matters.

Members received a report on the Member Development programme at the January meeting.

The Committee noted the training and attendance for 2020/21. Members attended sessions on Modern slavery (9 attendees), county Lines (12 attendees) and unconscious bias (26 attendees). Due to Covid, these sessions were held virtually which did seem to increase the numbers of those attending. A development programme would be arranged early next municipal year according to member interest.



The Committee provided feedback and suggested topics for inclusion for future training sessions including Charing training.

#### **11. The Council's Constitution**

This Committee received a report on amendments to the Council's Constitution at the March meeting. They noted the amendments made by the Monitoring Officer to the Constitution since the last Annual General Meeting of the Council.

The Committee provided detailed feedback on issues that have been raised with the Monitoring Officer this municipal year. Following discussion at the committee, the items would be referred to Council for approval.

#### **12. Electoral Services Update**

As part of its remit, the committee includes work that previously went to the Electoral Review Panel. The committee received a presentation covering a general update on the work of the elections team.

They noted the following changes:

- A change in the legislation from December 2019 introduced some new methods to undertake the annual canvass, and the work undertaken following these changes.
- The Boundary Commission for England (BCE) had requested the electoral data based on 2 March 2020 electoral totals for the next constituency review. The London Borough of Enfield (Electoral changes) Order was made law on the 12 October 2020. The BCE will use the 2020 new Enfield ward boundaries to create those constituencies. A copy of the March Electoral data had been adjusted and provided to the BCE to reflect 2022 ward alterations. This had not altered the current Electoral Register which reflected the current ward arrangements.
- The next election was the postponed GLA election in May 202. The Electoral Commission and Cabinet Office provided updated guidance for preparations and planning for the election including the impact of Covid 19 restrictions on the entire process.

#### **13. Work programme 2021/22**

The General Purposes Committee work programme for 2021/22 will be confirmed at the first meeting.

#### **14. Conclusion**

As a result of the committees work throughout the year, members of the committee had fulfilled their terms of reference to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

### Summary of General Purposes Committee Work Programme 2020/21

Date of Meeting	Reports Considered
23 July 20	<ul style="list-style-type: none"> <li>• Draft Statement of Accounts 2019/20 &amp;</li> <li>• BDO progress report 2019/20 &amp; fees update.</li> <li>• Draft Annual Governance Statement.</li> <li>• Cyber &amp; Technology Security update</li> <li>• Internal Audit Annual Report 2019/20.</li> <li>• Schools Audit Annual report 2019/20.</li> <li>• 2020/21 Internal Audit Plan</li> <li>• Counter Fraud Service Annual Report 2020/21.</li> <li>• Counter Fraud Strategy &amp; 2020/21 Operational Plan</li> <li>• 2020/21 Risk Strategy &amp; Risk Operating Plan.</li> <li>• Corporate Risk Register.</li> <li>• Covid 19 Risk Register</li> <li>• Committee Member Training</li> <li>• Work Programme.</li> </ul>
15 October 2020	<ul style="list-style-type: none"> <li>• 2019/20 Final Accounts update</li> <li>• BDO LBE Audit update report</li> <li>• 2019/20 Final Pension Fund Accounts</li> <li>• BDO – Pension Fund Audit Update – Verbal Update.</li> <li>• Commissioning (Brokerage) update Report</li> <li>• Risk Register Update (Corporate Risk Register, Brexit Risk Register, Covid 19 Risk Register)</li> <li>• Audit &amp; Risk Management Service Progress Report</li> <li>• Audit &amp; Risk committee Annual Report 2019/20</li> <li>• Work Programme</li> </ul>
26 November 2020	<ul style="list-style-type: none"> <li>• Update on the Audit of 2019/20 Statement of Accounts</li> <li>• BDO Update on the Audit of 2019/20 Statement of Accounts – verbal update</li> <li>• Universal Credit Implementation Update</li> <li>• Cyber &amp; Technology Security Update</li> <li>• Electoral Services Update</li> <li>• Risk Register Update (Corporate Risk Register, Brexit Risk Register, Covid 19 Risk Register)</li> <li>• Audit &amp; Risk Management Service Progress Report</li> <li>• Work Programme.</li> </ul>
14 January 2021	<ul style="list-style-type: none"> <li>• Update on the Audit of 2019/20 Statement of Accounts</li> <li>• BDO Update on the Audit of 2019/20 Statement of Accounts – verbal update</li> <li>• Draft Treasury Management Strategy statement 2021/22</li> <li>• Risk Register Update (Corporate Risk Register, Brexit Risk Register, Covid 19 Risk Register)</li> <li>• Audit &amp; Risk Management Service Progress Report</li> <li>• Member Development sessions</li> <li>• Meridian Water Risk Register update</li> <li>• Work Programme</li> </ul>
4 March 2021	<ul style="list-style-type: none"> <li>• Update on the Audit of 2019/20 Statement of Accounts</li> </ul>

	<ul style="list-style-type: none"> <li>• Enfield Pension fund accounts: <ul style="list-style-type: none"> <li>○ London Borough of Enfield final set of Pension Fund accounts</li> <li>○ Audit Closure report from BDO (External Auditors)</li> </ul> </li> <li>• The Redman Review.</li> <li>• Financial Resilience</li> <li>• Capital Expenditure &amp; Sensitivity of Interest Rates</li> <li>• Regulation of Investigatory Powers Act (RIPA)</li> <li>• IGB Annual Performance Yearly Update 2020/21 &amp; GDPR Implementation.</li> <li>• Amendments to the council's Constitution</li> <li>• Risk Register Update (Corporate Risk Register, Brexit Risk Register, Covid 19 Risk Register)</li> <li>• Audit &amp; Risk Management Service Progress Report.</li> <li>• Counter Fraud Policies: <ul style="list-style-type: none"> <li>○ Counter Fraud Sanction &amp; Prosecution Policy</li> <li>○ Whistleblowing Policy &amp; Procedures (incorporating the Model Whistleblowing Policy &amp; Procedures for employees and workers in maintained schools, PRUs, academies and others)</li> <li>○ Anti-Money Laundering Policy &amp; Guidance</li> </ul> </li> <li>• Draft Internal Audit Charter &amp; Plan</li> <li>• Work Programme.</li> </ul>
22 April 2021	<ul style="list-style-type: none"> <li>• Statement of Accounts – <ul style="list-style-type: none"> <li>○ Draft Statement of accounts 2019/20</li> <li>○ BDO – Draft LBE Audit Completion Report 2019/20 – IA260- this</li> <li>○ Pension Fund Accounts</li> </ul> </li> <li>• Contract Procedure Rules – Waivers Report and Update on Procurement spend.</li> <li>• Housing Development Approach to Identifying Risk and Management.</li> <li>• Local Authority Trading Companies update</li> <li>• Meridian Water Risk Register update</li> <li>• Work Programme.</li> </ul>

<b>GENERAL PURPOSES COMMITTEE</b>
<b>Appointed by:</b> Chair and Vice Chair appointed by Council
<b>Proportionality:</b> Applies
<b>Membership:</b> 9 councillors
<b>Chair and Vice Chair appointed by:</b> Council
<b>Public/Private meetings:</b> Public
<b>Quorum:</b> 3
<b>Frequency:</b> minimum 6 times a year
<b>Terms of reference:</b>
<p>To consider:</p> <p>Internal Audit</p> <ul style="list-style-type: none"> <li>(i) The annual Internal Audit Report, including the Head of Internal Audit and Risk Management's Annual Opinion over the Council's assurance framework and internal control environment.</li> <li>(ii) The annual risk-based plan of internal audit work, from which the annual (iii) opinion on the level of governance, risk management and internal control can be derived. The plan will include the budget requirement and resource plan in terms of audit days needed to deliver the programme of work.</li> <li>(iv) The internal audit charter, defining the service's purpose, authority and responsibilities. The charter will cover arrangements for appropriate resourcing define the role of internal audit in fraud-related work and set out arrangements for avoiding conflicts of interest.</li> <li>(v) Regular updates from the Head of Internal Audit and Risk Management on audit and investigation activities. These will include progress on delivering the annual programme of work, emerging themes, risks and issues and management's responsiveness in implementing recommendations and responding to Internal Audit. In line with requirements of the Public Sector Internal Audit Standards, performance of the Internal Audit Service and the results of quality assurance and improvement activities will also be reported.</li> <li>(vi) Specific internal audit reports agreed between the Chair and the Executive Director Resources or the Chief Executive.</li> <li>(vii) The Council's policies on 'Raising Concerns at Work' and the 'Anti fraud and corruption strategy'.</li> <li>(viii) The implementation of relevant legislation relating to fraud and corruption.</li> </ul> <p>External Audit</p> <ul style="list-style-type: none"> <li>(i) The External Auditor's Annual Letter and relevant reports.</li> <li>(ii) Specific reports as agreed with the External Auditor.</li> <li>(iii) To comment on the scope and depth of external audit work and to ensure it gives value for money.</li> <li>(iv) The External Auditor's Report to those charged with governance from the audit of the accounts.</li> </ul>

#### Risk Management

- (i) The strategy for effective development and operation of risk management and corporate governance in the Council to ensure compliance with best practice.
- (ii) Departmental and corporate risk registers.

#### Procurement and Contracts

- (i) An overview of the Council's Constitution in respect of contract procedure rules, financial regulations and relevant codes of conduct and protocols.
- (ii) Reports on waiving of contract procedure rules.

#### Other issues

- (i) The Council's annual Statement of Accounts.
- (ii) Any matters referred to it from the Monitoring Officer's meetings.
- (iii) Any issue referred to it by the Chief Executive or a Director, or any Council body for determination.
- (iv) An Annual Report, for submission to Council, summarising the work done by the Committee over the past year and outlining work to be done in the year to come.
- (v) The Council's Annual Governance Statement and to formally agree it.
- (vi) Quarterly updates on the use of Regulation of Investigatory Powers Act 2000 (RIPA).
- (vii) Commissioned work from internal and external audit, the Executive Director Resources or other Council officers

#### Constitution

- (i) To keep under review and make recommendation to the Council advised by the monitoring officer, on the Constitution to ensure that the aims and principles of the Constitution

#### Members Support

- (i) Making recommendations to the Council for the adoption or revision of a scheme of allowances, training and development for Members.
- (ii) To consider issues and develop proposals relating to all aspects of Members' support, including:
  - Administrative and ICT support;
  - Members' enquiries; and
  - Members' wellbeing and office accommodation support.

#### Elections

- (i) To review and agree the electoral arrangements in the borough relating to the designation of polling districts and polling places in accordance with any provisions of the Representation of the People Acts.
- (ii) To receive reports from the Returning Officer on the conduct of major elections in the Borough, and to make relevant recommendations to Council as necessary in respect of the areas which come within the Council's jurisdiction.
- (iii) To receive reports from the Electoral Registration Officer on the

administration of the Register of Electors and the absent voting process in the Borough, and to make relevant recommendations to Council as necessary in respect of the areas which come within the Council's jurisdiction.

- (iv) To consider consultation papers from government and other bodies (such as The Electoral Commission) on aspects of the electoral process, and to agree the Council's formal responses to such consultations.