

## MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON THURSDAY, 4TH MARCH, 2021

**MEMBERS:** Councillors Mahym Bedekova (Chair), Katherine Chibah, Lee David-Sanders, Ergin Erbil, Tim Leaver (Vice Chair), Dino Lemonides, Edward Smith and Claire Stewart

**Officers:** Fay Hammond (Executive Director Resources), Matt Bowmer (Interim Director Finance & Commercial), Gemma Young (Head of Internal Audit and Risk Management), Jeremy Chambers (Director of Law and Governance), Jayne Middleton-Albooye (Head of Legal), Kieran Murphy (Director of Data, Digital & Technology), Claire Johnson (Head of Governance & Scrutiny), Bola Tobun (Finance Manager, Pensions & Treasury), Neil Goddard (Head of Budget Challenge), Clare Bryant (Senior Governance Officer) and Susan O'Connell (Governance Officer)

**Also Attending:** David Eagles (BDO), Francesca Palmer (BDO), Satinder Jas (BDO) and 7 members of the public.

### 1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting. Apologies had been received from Cllrs Brett, Laban and Lappage. Cllr Smith was acting as a substitute for Cllr Laban and Cllr Ergin Erbil was acting as a substitute for Cllr Lappage.

The Chair agreed to amend the running order of the agenda. However, for clarity the minutes are shown in the order of the published agenda

### 2. DECLARATIONS OF INTEREST

Cllr Leaver declared that he is the Chair of the Pension Policy & Investment Committee and queried whether this created a conflict of interest for agenda item 5.

The Monitoring Officer advised that the Pension Policy & Investment Committee is a committee of the council to which the Council appointed him. This is not an outside body, on this basis there is no interest to declare and Cllr Leaver is free to continue and take part in the meeting as a full member of the Committee.

### 3. MINUTES OF THE MEETING HELD 14 JANUARY 2021

AGREED the minutes of the General Purposes Committee meeting held on 14 January 2021.

### 4. UPDATE ON THE AUDIT OF THE 2019/20 STATEMENT OF ACCOUNTS

## **GENERAL PURPOSES COMMITTEE - 4.3.2021**

Matt Bowmer, Interim Director Finance & Commercial introduced the report.

### **NOTED:**

1. The key areas to highlight are resources, outstanding queries, prior period adjustments and future outstanding items.
2. Regarding resources in the team, the Deputy Chief Account joined on the 15 February. The Head of Corporate Finance has just re-joined the team on a phased return since suffering from Covid.
3. There has been good progress on dealing the outstanding queries, over half of these have been dealt with. There are around 12 outstanding 6 have been responded to and the other 6 are being worked on.
4. The prior period adjustment is a major piece of work. There is regular discussion with BDO on this. An agreed position has been reached just having a final review on this. This has allowed work to restart the fixed asset register.
5. Once this has been completed the areas that need to be finalised are; around the audit of the HRA; the finalisation of the group accounts and the cashflow.
6. Good progress has been made but there is still a lot to do for sign off at the end of the month.

### **Comments, queries and questions:**

- Following a query on whether assurance can be given that the accounts will be signed off by the end of the month. Officers confirmed that the finance team are working to do everything possible to achieve this.
- If there is still a lot of work to be done how confident are the officers that the accounts will not be qualified. The Executive Director of Finance confirmed that she has spoken to BDO, and their view is, that as long as the adjustments are made that are needed, then they fully expect that our accounts will be unqualified.
- Is it sensible to say that there will be a further delay? It was confirmed that the team are committed to delivering the accounts by 31 March and the finalised Statement of Accounts and the ISO260 will come to the next meeting of the General Purposes Committee on the 22 April.

AGREED to note the report updating on the Audit of the 2019/20 Statement of accounts

## **5. ENFIELD PENSION FUND ACCOUNTS 2019/20**

Matt Bowmer, Interim Director Finance & Commercial and Bola Tobun, Finance Manager, Pensions & Treasury introduced the first report.

### **NOTED:**

1. The Pension Fund account is now ready for approval, the changes made since the last meeting are in the region of £2 million.
2. In the first draft that came to the Committee last July, the net assets were £1.167 billion, but due to the pandemic the value of the private assets decreased and it was necessary to contact global custodian to use the March 2021 prices, to ensure that the prices that are being reported are

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actual prices/ valuation as at the end of March. This showed a total reduction of some £17m from Fund net assets value. This correction has now been incorporated and the net asset value of the Fund in the statement of accounts being tabled at this meeting is £1.149 billion.

Questions, comments & queries:

- The pensions committee has been told that the Pension Fund is fully funded and that there is a surplus with assets higher than liability. Given the assets have reduced in value due to pandemic, confirmation was requested that at the end of 2019/20 the Pension Fund is still fully funded. Officers confirmed that at the end of March it was not fully funded the Enfield PF was at 96%, but quarterly updates are provided by the actuary. By the end of June 2020, it was at 106% and by the end of September 2020 went back to 103% same as the funding level reported for the former triennial valuation as at March 2019. Now awaiting the outcome of the December 2020 quarterly update.

David Eagles & Satinder Jas from BDO (External Auditors) introduced the Auditors completion report

NOTED:

1. The Audit Completion report is a required communication to the General Purposes Committee at the conclusion of the audit for the Pension Fund. The Pension Fund is regarded as a separate engagement to the main council accounts. There is a separate opinion given on the Pension Fund part of the accounts.
2. Page 59 of the pdf agenda pack details Financial Statements overall Materiality. It was highlighted that the materiality set at the planning stage has not moved from £12 million. There are two material statements in relation to Fair Value of Investments, which were re valued. The Council took a valuation in December and then estimations to year end. Due to the changes and impacts of Covid the Council did a revaluation resulting in a £20.7 million adjustment. This is reflected in the accounts.
3. The second statement is a reduction in the valuation of Pension Fund liabilities of £305 million in relation to a challenge on the assumptions that were used. This affects the main accounts not the Pension Fund accounts.
4. Page 65 of the pdf - Management override of controls, it was confirmed that no issues have been identified in this area.
5. Page 66- Fair value of Investments, it was confirmed that no issues have been identified in this area.
6. Page 64 details where the net Pension Liability adjustment (£305 million) and page 65 details what caused this.
7. The adjustment of £20.7 million is referenced on page 67 (Fair Value of Investments- other). The work BDO completed identified the adjustment, which has been corrected and reflected in the accounts.
8. Page 68 Related Party Transaction Disclosure, this was not a significant risk, it was a normal risk and there are no issues.

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9. Page 69 Membership Disclosure identified one small error which has been corrected.
10. Page 87 Outstanding Matters lists all items outstanding at the point the report was completed. Significant progress has been made and the only areas outstanding are some disclosure notes and one other note. Once work has been completed on the notes it is not expected that there will be any changes to the core statement.
11. There is a final technical review and a final review from David Eagles which needs to be completed. Then the final updated set of accounts will be able to present BDO's opinion. This will be presented with the main accounts as cannot be presented as a separate opinion.

Comments, queries and questions:

- Fair Value of investments it states that there is a significant risk that the investments are not appropriately valued in the financial statements (Page 62). In terms of the liabilities it states that there is a risk that the valuation uses inappropriate assumptions to value the liabilities (Page 63). As this says that there are risks about the accuracy of both the value of the assets and the liabilities. How significant are these risks? BDO advised these risks are planned risks, BDO consider prior to commencement of work, they consider where there are risks that the accounts could be misstated. Once risk assessment undertaken report to Committee where they expect to spend most of the resource of the audit. Then report back conclusions, in terms of the valuation of investments the position subject to amendments needed they is not a material exposure. In terms of actuaries estimate of liabilities, there was a risk relating to the assumptions being made. This was challenged and this found that they need to be revisited once this was done this changed the value of the liability by the £305 million previously referred to. This has been adjusted meaning the residual position is free of material misstatement.
- Will there be a statement of adjustments when the opinion given? BDO confirmed that within appendices are details of adjustments put through. When work is completed if there are non-material or unadjusted items these will be reported. A complete list will be with the final set of accounts.

AGREED to approve the audited Pension Fund Statement of Accounts for 2019/20.

### 6. THE REDMAN REVIEW

Matt Bowmer, Interim Director Finance & Commercial introduced the report.

NOTED:

1. The report is for information around the Redman Review published last Autumn.

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2. The conclusions section (paragraph 57 of the report) was highlighted with the likely changes as a result of the review being:
  - Expectation that there will be some increase in audit fees over the long term.
  - The requirement for the auditor to present an annual report to Full Council.
  - (Continuation of) the appointment of at least one suitably qualified independent member to Audit Committee (General Purposes Committee in Enfield)
  - An additional requirement to produce a standardised statement of service information and costs (simplified version of the Statement of Accounts).
  - A revised timetable, with a change in the long-term reporting deadlines from 31 July to 30 September.

### Comments, queries and questions:

- An observation was made that there was an acknowledgement from government the reporting dates were changed too quickly. Officers confirmed that the deadline currently for the draft accounts and the opinion from the auditor is the 31 July. The MHCLG are currently out consultation on the deadlines reverting to historical deadlines for the next two years and a longer-term solution is expected in line with the recommendation from the review.
- Has Enfield been consulted and made representations to government on the review? Officers confirmed that Enfield has not made direct representation to government but are satisfied with the outcome of the review.
- BDO advised the current position with MHCLG is that they have rejected the idea of the creation of a new body, the Office of Local Audit and Regulation (OLAR), but they are considering who should be the sector leader. Regarding the fees MHCLG are proposing an injection of £15 million into the system to allow for fees. BDO have fed back that authorities themselves could do with some additional funding to help with recruitment and upskilling of finance teams. The fees BDO proposed for 2019/20 did agree some element of uplift but not the 25% which is referred to as an average.
- An observation was made that even with the extended deadlines based on the last couple of years this will still be challenging.

AGREED to note the findings of the Redmond Review.

## 7. FINANCIAL RESILIENCE

Fay Hammond, Executive Director Resources introduced the report

### NOTED:

1. This is an annual report describing the challenging financial context and provides assurance resilience around the budget position.

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2. This is the third year running that the financial resilience position has strengthened.
3. The report focuses on three areas; the revenue budget, the capital & borrowing and the reserves. All three areas have continued to strengthen.
4. The budget is more resilient in terms of making sure savings are realistic, strengthened reserves this year and continue to reduce the Council's use of capital receipts.
5. Whilst the council has been on this trajectory of a strengthening budget position, there are a number of risks in the coming year and these are detailed in paragraph 21 of the report.
6. It is important that these planned savings are delivered.
7. Business rates and council tax are particular areas of risk in the new year budget. Although this risk has been slightly mitigated by government Budget announcements. This will be monitored publicly through the monitoring reports during the year around progress on council tax and business rates.

### Comments, questions and queries:

- Savings and income generation have been an issue in the past, in that these did not always materialise. How can you ensure that savings figures are realistic? Officers advised that there has been a primary focus over the last couple of years in changing the way the budget is put together in terms of culture and ownership of savings. There is now clear ownership of savings. There is a specific template to support the savings and these are also reported to the Finance & Performance Panel. There is a clear steer that savings must be deliverable and realistic based on prudent estimates.
- The collection rates are not available on business rates and council tax until the end of the year, so how is this monitored? It was confirmed that the Council knows what the expected collection rate is for the year and what the expected collection rate is at any point in the year, so can measure against this. A key driver for council tax is council tax support numbers. This is monitored weekly both in terms of cost and numbers. For business rates with the changes and reliefs this will be more challenging to monitor as there is not a year on year comparative of what is normally collected.
- Members were advised that regular data collection is now in place across London in terms of council tax and business rate which allows comparison with the rest of London.

AGREED to note the report on the Annual Review of Financial Resilience

## 8. CAPITAL EXPENDITURE & SENSITIVITY OF INTEREST RATES

Matt Bowmer, Interim Director Finance & Commercial introduced the report.

### NOTED:

1. The Council has an ambitious programme on housing development and regeneration in the borough. Therefore, there are capital finance commitments going forward.

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2. The short term and long-term borrowing commitments are balanced. The rates are very low at present on short term borrowing typically 1%. However, if too much money is held short term this creates risk in the longer term.
3. The Council is prudent in budgeting and Treasury forecasts. Across the longer term these are at 3.5%, which was the council's historical borrowing rate 2-3 years ago.
4. The historical borrowing rate has gradually been reducing as historical expensive debt has matured and been replaced by debt typically just over 2%.
5. At the end of March 2020 the council's historical borrowing rates were 2.69%. Given the persistent low interest environment by the end of 2021 financial year this will reduce further.
6. There is active management of the longer-term debt, a good proportion of the longer-term debt is at equal instalment of principle.
7. Officers meet regularly with Arlingclose, the Council's Treasury Advisers for their view on both short term and long-term interest rates movements and updates on economic outcomes.
8. Whilst there is a ten-year capital programme and plan, this is approved one year at a time allowing the opportunity to review capital programme and commitments on an annual basis.

### Comments, questions & queries:

- An observation was made that there are discussions across the country on interest rates and inflation and assumptions made that interest rates will remain low and inflation will not rise as has done in the past. What are officers' views? It was noted that there seems to be consensus across the country that inflationary pressures are not coming through and driving up interest rates. The chart under paragraph 24 of the report on interest rates from Arlingclose shows straight lines across the market. Officers are mindful of the risk should this change and regularly talk to Arlingclose.
- Following a request, it was confirmed that this policy has been adopted with best practice and with outside advisors. The Council is required by CIPFA to take appropriate advice when putting together the Treasury Strategy.

AGREED to note the report on Capital Expenditure and Sensitivity of Interest Rates

## **9. REGULATION OF INVESTIGATORY POWERS ACT (RIPA)**

Jayne Middleton-Albooye, Head of Legal Services introduced the report.

### NOTED:

1. There are four purposes for the report; to note that there was a periodic inspection by the Investigatory Powers Commissioners Office arising from this there were some small changes to the policy and procedures in place; to note these changes to the policy and to note the general findings and

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finally to note that there has not been any use of surveillance or CHIS powers in 2020.

2. The findings of the inspector are set out on page 131 of the agenda pack. This was a light touch inspection.
3. It is also clarified that the policy should be reviewed annually.

Comments, questions and queries:

- Concern was expressed that the powers were not used for fly tipping. It was confirmed that since the requirement came into force, it is necessary to go to court to get authorisation to use powers. This has led to a lot of local authorities not using the power. There are different ways instead of using covert surveillance to gather information.
- Following comments that there are legitimate reasons for using RIPA to enable evidence. It was confirmed that there have not been any requests for directed surveillance. Departments are gathering evidence in different ways. Gemma Young advised from the perspective of the fraud team it is very resource intensive and expensive to use these powers to, for example, watch a house as has been used in the past. The law has changed so that this power can only be used if the suspected crime is punishable with a 6-month prison sentence. The fraud team use other ways of gathering evidence such as the access to data sets including credit agency data.

AGREED to note the report on the Council's Use of Regulation of Investigation Powers Act (2000) (RIPA).

### 10. **IGB ANNUAL PERFORMANCE YEARLY UPDATE 2020/21 & GDPR IMPLEMENTATION**

Kieran Murphy, Director of Data, Digital & Technology introduced the report.

NOTED:

- This report sets out the annual summary of the Information Governance Board and the compliance with GDPR (General Data Protection Rules) for organisation.
- The proposal is to; recognise and accept the findings in this report; to recognise and accept the progress of and plans of the Information Governance Board and to agree the closure of GDPR Implementation and move into standard delivery and scrutiny.
- The reasons for the proposal are outlined in items 4-9 of the report.
- Item 10 of the report details the statutory requirement to have GDPR policies in place.
- The impact of the pandemic and GDPR regulations is outlined in item 13. The pandemic has created a number of challenges such as the increase in home working and the need to protect data while working at home; the accelerated move from paper to electronic data and the increase in the use of video conferencing for holding public meetings.
- Item 15 highlights the progress that has been made, a key change is that since March 2020 a credible cyber security remediation programme is in place.



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- With regards to GDPR implementation and incidents to date, there were 3 incidents reported in the last 12 months, all of which have been closed with no further action taken.
- Since the pandemic and the increase in remote working there has been a surge in phishing emails received by the council. This in line with other councils and organisations.
- Items 29-35 details risks, the main risk to highlight is that failure to adhere to GDPR could result in a financial implication for noncompliance and could result in a fine for a maximum of £17.5million or 4% of turnover.
- The conclusions are detailed at the end of the report.

AGREED to approve and endorse the recommendations in the report.

### 11. AMENDMENTS TO THE COUNCIL'S CONSTITUTION

Jeremy Chambers, Director of Law & Governance introduced the report.

NOTED:

1. This report comes to the Committee in advance of the report going to the annual general meeting of full Council. The first part of the report includes changes made by the Monitoring Officer (MO), these are routine matters.
2. The reports also seeks the views of members of the Committee on issues that councillors have asked the MO to consider as part of the review of the Constitution. These requests will be gone through one at a time for feedback.
3. Feedback is requested from members of the committee, there does not need to be a uniform or majority view.
4. The minor amendments made by the MO during the year include; a removal of a contradiction to the appointment of the Chair & Vice Chair of the Scrutiny Panels; reference to a Super Part 2 has been removed, a number of typos have been removed and amended references to the Associate Cabinet Members (ACM) to include the fourth ACM that was created at Council July 2020 including the remit of this ACM.

Comments and views of the Committee relating to the Councillor Conduct Committee items:

- Items 13 and 14 as detailed in the report relate to the Councillor Conduct Committee (CCC). Item 13 when a complaint is received by the MO via the protocol for officer/member relations, there is currently a lack of clarity whether a conduct complaint form is completed. If a member of the public or another councillor complained, they are required to complete a form. However, if a complaint is referred by the Chief Executive following consideration under the protocol that covers relations between officers and members it does not state that a form must be completed. The MO's view is that this is correct as felt that it is not appropriate that an employee having been through a process

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already should have to go through another process, when all the information needed is already held. This could however be completed.

- Item 14 details a request to increase membership of CCC. This is not currently politically balanced and is made up of 2 members of the administration and 2 members of the majority opposition party.
- Councillor Smith advised that he has spoken to Councillor Vince who would like to opt for a formal process where an officer who complains about a member completes a form. Councillor Smith supports this view and said that none of the changes have gone to group, so members have not had a chance to discuss collectively. The MO confirmed for clarity on item 13 that this is a formal process the only difference is the completion of a form. In relation to the groups between now and full Council this report will be taken with the feedback from this meeting to informal Cabinet and both Shadow Cabinets for their views.
- Councillor Leaver said that increasing the membership to 6 disproportionately represents Community First. This would be half or two fifths depending on make up of their group can sit in on the judgement of other members, felt that this was not the intention of it. When there were only 2 groups, having 2 of each was the politic way of dealing. Felt that a degree of proportionality should be introduced as opposed to allowing 6 members.
- Councillor Stewart said that on the issue of the complaining officer completing a form this could be helpful. This would provide the officer with protection, if they completed a form that is structured and allows them to think through properly and record all details. On the matter of numbers on CCC, if 2 members of Community First were to sit on this, would that affect their representation on other bodies and the seats that they have already been allocated? Also, aware that there has been a recent addition to their group so that this need to change. The MO confirmed that Community First are a properly constituted group, not independent councillors. In terms of CCC this is not politically balanced it is excluded from the political balance by the council. If a decision was made as an authority to politically balance the CCC (This is not what was being requested by Community First). The high like hood is that it would be 3 Labour and 1 Conservative. In order to have Community First in a politically balanced sense the CCC would have to be much larger. The personal view of the MO is that the committee constitution should not change.
- Councillor Stewart requested clarification as to whether the constitution could be changed so that CCC is politically balanced as she believed that this had to remain neutral. The MO confirmed that this will be double checked ahead of the council meeting. Councillor Stewart requested clarification that if the seats were to be given to Community First would this reduce their allocation of seats on other committees? The MO confirmed that this would be the case and is required by law.
- Councillor Lemonides requested clarification of what is required for item 13. The MO confirmed that if Council says they would like a complaint form completed when matters are referred to the MO from the employee member protocol. The protocol will be very slightly amended to include the requirement for the form to be completed.

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Following a query, it was also confirmed the guidance is specific and that all complaints are linked to the code of conduct as per the terms of reference, and that all complaints are dealt with as quickly as possible. On item 14 what is being requested is fair representation.

### Comments and views of the Committee relating to the Opposition Priority Business

- Items 15 and 16 in the report details the request regarding Opposition Priority Business. There are 6 scheduled Council meetings a year, including the Budget and AGM which do not have opposition priority business on the agenda. The constitution allows the main opposition group to have opposition priority business every other ordinary meeting of the Council. The request from Community First is to be able to submit a topic for opposition business. If the Council were to agree this, it could be dealt with by allowing each opposition group one opposition business per year or there is opposition priority business at every ordinary council meeting and they have 2 per year or keep this is it is and have 2 lots of opposition business on the same agenda or this could be rejected in totality. There is no legal issue, this is a matter for the Council to decide politically.
- Item 16 the constitution currently only allows 2 minutes for the administration to sum up and respond. The leader of the opposition is allowed 5 minutes to conclude. The MO's view is that the time should be 5 minutes for the administration.
- Councillor Claire Stewart queried what the rules are, if the main opposition tables business are they not allowed to table that same business in a set period of time and if that is the case would that be the same for the minority opposition or would they be able to bring up the same topic. If the council were minded to allow Community First the same opportunities as the Conservative group, it would be necessary to include a provision that you cannot have the same opposition as a subject matter. It was confirmed that opposition priority business can be repeated, currently the same opposition business could be submitted twice a year.
- Councillor Smith commented that the Conservative group is likely to object if the number of opposition businesses allowed by the them is reduced.

### Comments and views of the Committee relating to Council Meeting Timings - Clarification

- Item 17 details timings there is model timings in the constitution when there is opposition business. However, there are no model timings if there is no opposition business.
- Councillor Smith said that he has no objection to the timings but has concern that the agendas are changed on the night. The consequence of this is that reports are guillotined on the night, felt that the whips should get together to agree timings and stick to these timings. Councillor Stewart responded that the whips can agree on some things, but the agenda is in the hands of the majority party as they were elected to run the council.

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### Comments and views of the Committee relating to Questions at Council Meetings

- Currently there is a list of who can have certain questions asked of them, Item 18 details the request for a change. The MO's view is whilst this is straight forward to amend, the reality is that most questions in the example of a whip would fail the required test for questions.
- Councillor Stewart requested clarification that anyone who received an SRA could be asked a question including the majority opposition group and scrutiny Chairs. This was compared to asking a select committee chair a question in parliament. The MO says that the wording in the report is the same as the request. This means that 15 questions could be asked of the same person with SRA. Councillor Stewart commented that it is her understanding of council questions that this is a form of scrutiny of the administration and as such this change does not make sense.
- Councillor David-Sanders asked if this includes the chair of the Adoption Panel as they receive allowances. It was confirmed that this was the case. Would a potential impact be a need to review of the amount of questions that could be asked to ensure there is the ability to scrutinise the Council overall.? The MO confirmed the number of questions allowed is detailed in the constitution. The MO can only accept questions from the group office and felt that it would not be necessary to increase the number of questions for these reasons. If any group wished to use their limited number questions to focus on a particular issue and a particular person that is a matter for them.

### Comments and views of the Committee relating to Environment Forum

- The requested amendments are detailed in items 18-21 in the report. The MO's view is that this is purely a matter for the Council.
- Councillor Chibah, the Chair of the Environment Forum commented that these changes are welcome. Clarification was requested on what the mechanism is for formal membership should particular community groups seek this and should the Council think this is a good idea. How would this work? Will the Chair retain the discretion to invite groups on an adhoc basis, when this is relevant on particular topics? The MO confirmed that Chairs have the ability to invite someone to partake in the meeting, they will not be able to vote, and this does not change. There are 2 ways to amend the list one way is through the MO, then the General Purposes Committee and then Council. The other way would be to go through the MO, include them as guests informally as required and formal amendments can be made to committee lists at the next Council meeting. Councillor Chibah commented that the Environment Forum is not a decision-making body but a forum for discussion.
- Councillor Smith raised concerns on the terms of reference for the Environment Forum, felt this is too narrow. Virtually all groups listed are concerned with conservation and felt that there are much wider issues particularly planning. He felt that making these changes restricts the activity of the committee to a more limited degree than is desirable. He

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was trying to draw a distinction between planning policy and particular applications, that might impact upon conservation areas. Policy issues surrounding the Local Plan also need a Forum.

Comments and views of the Committee relating to Environment Forum-Referral Process arrangements (Planning Applications)

- There is a protocol that has been developed for how certain matters will be referred into the Environment Forum for Consideration detailed under item 22 (1-8). No comments made

Comments and views of the Committee relating to Licensing Committee

- This proposal detailed under item 23 comes from the Chair of Licensing Committee. No comments made

Comments and views of the Committee relating to Pension Policy & Investment Committee (PPIC)

- This request has come from the Pension Policy & Investment Committee and is a best practice recommendation detailed in items 24 and 25.
- Councillor Smith commented that the independent member on there already is useful and knowledgeable. He has no view on adding to the number but would not want to lose the independent member there already. Fay Hammond confirmed that the person referred to is a specialist advisor role.
- Councillor Leaver confirmed that the existing role is a specialist investment advisor. This role will continue but not necessarily with the same person. The other 2 positions are appropriate, Enfield seems to be different from other authorities in that there is no employee representation on the PPIC. The other aspect is because this is not simply being the local authority pension fund but having legacy organisations involved looking to get one of the contributing organisations part of it. Both of these roles will be non-voting, this is from a governance and a direct relationship with the people funding and the beneficiaries. This is consistent with other authorities.
- Councillor Stewart queried with regards to the union reference is Unison the only recognised trade union at Enfield Council or is GMB recognised. If there are both recognised how would they be chosen? The MO confirmed that Unison are not the only recognised trade union. The MO agreed to take away and look at how other council's with more than one trade union have dealt with this and ensure that this is clear in the Council report.

Comments and views of the Committee relating to Staff Appeals, Appointments and Remuneration Committee

- This request detailed under 26 in the report is from Community First.
- The terms of reference for this committee currently say 3 members from a pool of 13. The 13 must include the Leader of The Council, the Deputy Leader and the Leader of the Opposition. Annually at Council for the main business of the committee we appoint the 3 members who sit on the committee as it sits and then for other particular issues such

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as the appointment of the Paid Service, Chief Officer, Deputy Chief Officer members are drawn from the pool as necessary. There has been a request to increase this pool. Should the Council agree this number would need to confirm what number to and the MO will redo political balance, and this will have a knock-on effect on the political balance across the Council. There is no legal reason why this is 3 from a pool of 13. This is a political decision for the council.

Comments and views of the Committee relating to Scrutiny procedure rules

- Item 27 details notification of substitutes so that it mirrors every other council meeting.
- Item 28 the council agrees meetings of all committees. At present there is an ability for scrutiny panels to add meetings as they see fit. Currently, if excessive meetings were requested either the Chief Executive or the MO would have to say that the office body of the Council does not have resources to meet requirements and service the meetings. The Scrutiny Panels at present have 4 meetings a year, this would allow for 2 additional meetings should be permitted in a year and they would be agreed in advance with the MO to ensure meetings can be resourced.
- Councillor Bedekova asked if a situation arose necessitating more than 2 meetings due to unforeseen circumstances could a further meeting be arranged. The MO confirmed that this could be done.

Comments and views of the committee relating to Budget Council – Roll Call

- This additional paper detailed the amendment. There is a difference between the law and the constitution. Currently a roll call is very consuming and is not required by the legislation. The MO's view is that this should be removed, and the legislation applied.
- Councillor Smith and Councillor David-Sanders said as with all amendments this must go to the Shadow Cabinet for a considered view.

AGREED to note the report on Amendments to the Council's Constitution was discussed.

## 12. RISK REGISTER UPDATES

This was introduced by Gemma Young, Head of Internal Audit and Risk Management

NOTED:

- The report includes the Corporate Risk Register, the COVID-19 Risk Register and the Brexit Risk Register.
- The Corporate Risk Register has been circulated for review by Departmental Management Teams and the Executive Management Team and has been updated accordingly and also takes into account comments made at the previous General Purposes Committee meeting. A summary of the risk can be seen on page 189 of the agenda pack.

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- Since the last Committee meeting all Departmental and Service risk registers have been received by the Risk Management team. An initial review of these risk registers has not identified any significant issues however, it has highlighted some areas where more attention may be required.
- There will be an “Equality, Diversity and Inclusion” risk proposed, which we anticipate will be included on the Corporate Risk Register in future.
- With the development of Departmental and Service risk registers there will be a full refresh of the Corporate Risk Register during 2021/22 which will be reviewed by EMT and presented to the Committee thereafter.
- The Covid Risk Register developed by the Silver Group has been reviewed and updated with a summary on page 190 of the agenda pack
- The Brexit Risk Register has been updated by Brexit Panel and the summary is on page 191 of the pack. The primary focus has been on the first 100 days. After this any residual risks will be wrapped up in the Corporate, Departmental and Service Risk Registers as appropriate.

AGREED to note the Risk Registers update.

### 13. AUDIT & RISK MANAGEMENT SERVICE PROGRESS REPORT

This was introduced by Gemma Young, Head of Internal Audit and Risk Management.

#### NOTED

1. This item comes to every meeting to update the Committee members.
2. Significant progress has been made delivering the 2020/21 audit plan, 94% of reviews have commenced, with 45% finalised. This compares to 98% commencement and 42% finalised this time last year. Therefore, despite the Covid risk of not having enough of a body of work to deliver a Head of Internal Audit annual opinion. This risk has now gone, and officers are confident that there will be enough work to deliver an opinion
3. Since the audit plan was agreed in July 2020, 21 audits have been cancelled some due to Covid, and added 6 to the plan.
4. 22 audits have been completed since the start of the year. 13 were grant certifications or management letters and therefore no assurance opinion is given. Of the nine remaining audits, one was given Substantial assurance, four Reasonable assurance, and four Limited assurance
5. With the support of the Assurance Board there has been a substantial improvement in the implementation of agreed actions over the last year. The implementation rate for high risk actions (on a 12-month rolling basis) is 78% and for medium risk actions is 71%. There is a summary of overdue actions in the appendices to the report
6. The report includes metrics for the Insurance team on pages 243-245 of the pack.
7. Due to Covid most litigation has come to a standstill this year. It is expected that courts will not reopen fully until spring this year with the inevitable delay that will follow.

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8. No Covid related claims have been received, some claims have been made against care home providers but not aware of any claims made against any local authorities.
9. Currently in the process of renewing the Council's insurance policies. There has been an increased across the board for insurance companies so premium increases (and possibly restricted cover) is expected.

Comments, questions & queries:

- Regarding pages 243-244 there are no claims for 2019/20 confirmation was requested whether there were any claims. Officers confirmed that there were claims, the table on page 243 details the litigated successes. Table 7 is the significant claims, there is not always significant claims in year, and it can take a while for something to become a major claim.
- Following a query, it was confirmed that substantial is the best assurance rating.
- Limited assurance was given for Treasury Management around the high risk for the CHAPS & BACS process. The report stated that although controls are in place to ensure there is independent review and approval of payments, there is still scope to tighten up the approvals process. It was queried what this work was and how quickly this could be resolved. Officers advised that one of the issues was that there was not a list of authorised signatories. The testing found that everyone who had signed was from senior management and was who would be expected to sign off. It was felt that there were control issues and that some processes needed to be formalised.

AGREED to note the Audit & Risk Management Service Progress Update

### 14. COUNTER FRAUD POLICIES

This was introduced by Gemma Young, Head of Internal Audit and Risk Management

NOTED:

1. There are three policies for the committee to endorse and provide feedback on; Counter Fraud Sanction & Prosecution Policy; Whistleblowing Policy & Procedures and Anti-Money Laundering Policy & Guidance.
1. The Sanction & Prosecution policy is a new policy and sets out the case disposal options that are available to us in instances where fraud, theft, bribery or corruption have been identified across a wide range of cases including employee misconduct, Council Tax fraud and housing fraud. This includes the range of recovery such as fines, disciplinary action against employees under the Code of Conduct, or criminal prosecution in the most serious of cases.
2. With regard to employee misconduct the policy makes clear that an employee cannot avoid disciplinary action by simply resigning, and that in those circumstances during the employee's period of notice, every effort will be made to gather enough evidence to dismiss for gross misconduct where appropriate.



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3. The policy sets out the criteria to determine when prosecutions will be undertaken, including the code of practice for Crown prosecutors, the evidential test and public interest test. This also highlights the council's zero tolerance policy to fraud.
4. If the policy is approved this will be publicised.
5. In response to a query it was confirmed that in gross misconduct cases if the employer leaves before investigation concluded this cannot be reflected in the reference
6. The Whistleblowing Policy & Procedures is an update to the policy the committee received last year. The only real change is that a model policy for schools has now been incorporated which is congruent with the Council's main policy in terms of principles and reporting lines. Schools do not have to adopt this policy. This will be promoted to schools.
7. The Anti-Money Laundering Policy & Guidance is an update report. The council does not have to comply with money laundering regulations, but it is best practice to do so and the council does comply.

AGREED to approve all three Counter Fraud policies.

### 15. DRAFT INTERNAL AUDIT CHARTER AND PLAN 2021-22

This was introduced by Gemma Young, Head of Internal Audit and Risk Management

#### NOTED:

1. The Charter comes to the Committee for final approval every year in accordance with the Public Sector Internal Audit Standards (PSIAS). The document defines the purpose, authority and responsibility of the internal audit team.
2. In developing the Plan for 2021/22 the Council's Corporate Risk Register has been reviewed linking in those areas of audit to the Council's Corporate Priorities.
3. The plan has been to Departmental Management Teams, the Assurance Board and EMT to discuss the scope of the plan and to agree timings and the level of audit priority.
4. The plan starts on page 349, this has been arranged around the Corporate Risk Register.
5. There are 12 schools' audits and one audit which sits outside of the Risk Register, which is the accounts for the Mayors charity, which is reviewed annually.
6. In terms of the coverage internal audit have 920 days overall, benchmarking does take place with other authorities and Enfield is around the middle in comparison.

#### Comments, queries & questions:

- Regarding the previous cancelled audits what is the process with these? Officers advised that where an audit is deferred the assumption is that this will be picked up the following year. The vast majority are included this

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year and will be covered in quarters one and two. There are a few that have been knocked off due to other priorities.

AGREED to approve the 2021/22 Draft Internal Audit Plan and Internal Audit Charter.

### **16. GENERAL PURPOSES COMMITTEE WORK PROGRAMME 2020/21**

The work programme was noted. The Chair confirmed that the Meridian Water Risk Register would come to the next meeting.

### **17. DATES OF FUTURE MEETINGS**

The date of the next meeting was noted.