

## MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON WEDNESDAY, 4TH AUGUST, 2021

**MEMBERS:** Councillors Katherine Chibah (Associate Cabinet Member (Enfield West)), Lee David-Sanders (Deputy Leader of the Opposition), Ergin Erbil (Associate Cabinet Member (Non-geographical based)), Tim Leaver (Chair), Peter Nwosu (Audit & Risk Management Committee Independent Person), Edward Smith and Claire Stewart

**Officers:**

Ian Davis (Chief Executive), Fay Hammond (Executive Director of Resources), Claire Johnson (Head of Governance, Scrutiny and Registration Services), Gemma Young (Head of Internal Audit & Risk Management), Melaine Dawson (Senior Regeneration Lawyer), Maggie Mulhall (AEA Consultant), Will Wraxal (Shareholder & Commercial Partnerships Manager), Peter George (Programme Director for Meridian Water), Clare Bryant (Senior Governance Officer)

### 1. WELCOME & APOLOGIES

Apologies for absence were received from Councillors Mahym Bedekova and Dino Lemonides. Councillor Leaver chaired this meeting of the General Purposes Committee.

### 2. DECLARATIONS OF INTEREST

Councillor Ergin Erbil declared he is the Director of Energetic. Councillors Smith and Leaver declared they are members of the Pension Policy & Investment Committee.

### 3. MINUTES OF THE MEETING HELD ON WEDNESDAY 30 JUNE 2021

The minutes of the meeting held on 30 June 2021 were agreed.

### 4. STATEMENT OF ACCOUNTS

Fay Hammond, Executive Director of Resources, the draft Statement of Accounts was published on 1 August 2021. The draft will be submitted to two auditors and BDO for their comment. In the last year, the Council has strengthened its reserves, asset values have increased and borrowing has reduced.

The final version of the accounts and the guidance which accompanies it will be brought to the 15 October 2021 meeting for a question and answer session.

A Chief Accountant post is being recruited to in the Resources Department.

## **GENERAL PURPOSES COMMITTEE - 4.8.2021**

The Committee noted the report.

### **5. ANNUAL GOVERNANCE STATEMENT**

Will Wraxal, Shareholder & Commercial Partnerships Manager, presented the Annual Governance Statement (AGS) 2019/20 and the draft AGS 20/21.

The following key points were highlighted relating to the 2019/20 Statement:

- Feedback from the auditors highlighted areas of improvement for the Statement requiring greater levels of detail.
- Additional detail has been added to the assurance statement section.
- The temporary accommodation process has been on hold due to Covid-19. This will still be monitored regularly.
- The AGS has been audited and BDO are content with the document. The final wording will be sent to BDO for their review.

The following key points were highlighted relating to the 2020/21 draft Statement:

- The 2020/21 statement follows the same framework as the 2019/20 Statement.
- The governance risks in the statement have been updated
- Covid-19 continues to be included in the risks section.
- The AGS is required to be neutral and non-political.
- The final AGS 20/21 can be brought back to the Committee if required.
- It is important not to mistake governance and personal behaviours.
- BDO are yet to audit the AGS 2020/21.

Following a vote of the Committee members the AGS 2020/21 was AGREED.

### **6. BDO AUDIT UPDATE REPORT 2019/20 AND 2020/21**

Lisa Blake and Francesca Palmer, BDO, presented the BSO Audit Update Report 2019/20 and 20/21.

The following key points were discussed:

- The 2019/20 audit identified further issues but work is taking place to get through these. This should be signed off by September 2021.
- The 2020/21 audit is expected to start in September 2021.
- The 2020/21 audit will be completed by Christmas 2021.
- Weekly meetings are conducted with BDO and the Council on each statement of accounts.
- It is expected to be announced that at the October 2021 meeting of General Purposes Committee it will be announced that the 2019/20 statement is completed.

### **7. REVISED GUIDANCE ON EXTERNAL AUDITORS' WORK ON VALUE FOR MONEY (VFM) ARRANGEMENTS**

## **GENERAL PURPOSES COMMITTEE - 4.8.2021**

Fay Hammond, Executive Director of Resources, presented the revised guidance on external auditors' work on value for money arrangements for noting. The main changes were set out in the body of the report in the agenda.

BDO commented that the nature and scope of work had changed and new processes/arrangements will be put in place to consider value for money guidance. A report will be produced which shows areas of improvement.

A yearly summary with details will be provided on BDO's findings.

### **8. CYBER SECURITY & TECHNOLOGY UPDATE**

Kieran Murphy, Director of Digital Data & Technology, presented the cyber security and technology update. The following points were highlighted:

- The report sets out the position of the Council in relation to a cyber attack.
- The progress on this has been slower than initially intended. A restructure is taking place to create the additional required resources.
- With 3,000 members of staff working from home there has been an increase in potential risks of cyber-attacks.
- A draft Cyber Security Strategy is being drafted which will explain different types of cyber-attacks.
- The agenda report sets out how many incidents the Council has experienced and how they were dealt with. There has been a 100% increase on attacks.
- Multi-factor authentication has increased.
- If a cyber-attack was to take place an action plan would be created, tests conducted and specialist services would be contacted.
- There is annual mandated training to be completed by all Enfield Council employees.

The report was AGREED.

### **9. POLLING DISTRICT & POLLING PLACE REVIEW**

Maggie Mulhall, AEA Consultant, explained the recommendations set out in the report. During the presentation the following key points were highlighted?

- Councillors have been invited to the preliminary phase of the review
- Polling districts and places are being reviewed to meet the proposals for the new areas.
- The electoral register will need to be reviewed by 1 December 2021.
- The parliamentary boundaries will change in 2023.
- The report will come back to General Purposes Committee where it will be agreed and recommended to full Council.

The Committee agreed to:

- Note the two stages of the polling district and polling place review: preliminary and formal reviews;

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- Note the approach taken for the preliminary review and to agree the approach to be taken for the formal review;
- Note the intention for the arrangements made for Parliamentary elections are also to be used at other elections and referenda;
- Approve the proposed timetable for the formal review (paragraph 16), and;
- Delegate authority to the Director of Law and Governance in consultation with the Chair of the General Purposes Committee to make any minor amendments necessary to facilitate the management of the review.

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

Gemma Young, Head of Internal Audit & Risk Management, presented the report and appendices set out in Item 10 of the agenda. During the presentation Gemma highlighted the following points:

- Six limited assurances had been issued
- Planning enforcement policy had out of date documents on the website,
- Issues with the logging of applications process and operational services, including applications being placed on hold without informing the resident;
- Appendix B of the report sets out all actions to be taken against the Audit report.
- Legal received limited assurances due to incomplete register of contracts, Epayment requests and differences between the Constitution and Procurement Manual.
- Recruitment had incomplete employment checks, iGrasp had unsupported software and a lack of pre-employment checks on apprentices.
- Meridian Water had five medium risks including tenants portal being incomplete, due diligences checks being incomplete, the Programme Board terms of references being inconsistent, and policies and procedures not outlining all the steps of the process.
- The audit into pcards found that 33% of spend had not been approved by the budget holder and 42% did not include receipts. A robust approach had been put in place since the audit. Non-active cards will be reviewed every 3 months.
- Supplier resilience showed there was a lack of understanding by contract managers, supplier information was incomplete and the guidance documents did not cover all processes.
- Counter fraud have been shortlisted for an award in outstanding fraud protection. The team have made a saving of £1.8million. Large amounts of work are taking place on data matching to find fraud.

Following the presentation, the following comments were made by members of the Committee:

- Concerns were raised about lack of recruitment checks
- It was disappointing DBS checks have not been completed

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- It is vital that all procedures are tight
- Concerns were raised around the previous lack of procurement process and a significant improvement in the process is required
- It is good to see in the report that schools are improving

Officers made the following points:

- When a limited assurance is made the officer has to attend Assurance Board to be held to account by senior officers.
- Assurance Board met early in on the day of the meeting and officers were satisfied with the level progress made so far.
- At the next meeting the Committee will look at digital services, senior managers, administrative support, culture of teams and vacancy rates.
- A new Head of Procurement is being recruited and will improve processes and contract management.
- Two category managers are being recruited to focus more on commercial.

The Committee agreed that in future meetings this item and the Corporate Risk Register should be considered earlier.

The report was NOTED.

### **11. CORPORATE RISK REGISTER**

Gemma Young, Head of Internal Audit & Risk Management, presented the Corporate Risk Register.

The risks relating to Brexit included in the Corporate Risk Register as business as usual including suppliers. A refresh to the corporate register will come to the 2 October 2021 meeting.

Appendix C of the report in the agenda sets out how risks are monitored and shows where each risk sits.

The report was NOTED.

### **12. CIPFA INDEPENDENT REVIEW OF GENERAL PURPOSES COMMITTEE AGAINST THE CIPFA PRACTICAL GUIDANCE FOR AUDIT COMMITTEES**

Fay Hammond, Executive Director of Resources, presented the CIPFA Independent Review of General Purposes Committee against the CIPFA practical guidance for Audit Committees. Fay highlighted that the CIPFA will take a governance view this Committee which will include its work on the AGS, value for money audit, and various other pieces of work completed by the Committee. The Committee will be asked to participate in the review.

The last review was in 2018 when the CIPFA guidance was first released.

### **13. GENERAL PURPOSES COMMITTEE WORK PROGRAMME 2021/22**

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The Committee noted the work programme and the following:

- The CIPFA review and the review of audit arrangements will come to the October 2021 meeting.
- BDO will present the Annual Auditors report at the March 2022 meeting.
- The audit completion report will come to the January 2022 meeting.

### **14. DATES OF FUTURE MEETINGS**

The Committee noted the date of their next meeting will be 14 October 2021.

### **15. EXCLUSION OF THE PRESS AND PUBLIC**

In accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the virtual meeting for the item of business listed as part two on the agenda on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

### **16. PART TWO ITEM- CONTAINING EXEMPT INFORMATION**

### **17. MERIDIAN WATER RISK REGISTER UPDATE**

Peter George, Programme Director for Meridian Water, presented the Meridian Water Risk Register update. Following detailed discussion on the Risk Register the report was NOTED.