

MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON THURSDAY, 14TH OCTOBER, 2021

MEMBERS: Councillors Lee David-Sanders (Deputy Leader of the Opposition), Ergin Erbil (Associate Cabinet Member (Non-geographical based)), Joanne Laban (Leader of the Opposition and the Conservative Group), Tim Leaver, Dino Lemonides, Peter Nwosu (Audit & Risk Management Committee Independent Person), Edward Smith, Claire Stewart and Doug Taylor

Officers:

Jeremy Chambers (Director of Law and Governance), Peter George (Programme Director - Meridian Water), Fay Hammond (Executive Director Resources), Gemma Young (Head of Internal Audit and Risk Management), Maggie Mulhall (AEA Consultant), Sarah Gilroy (National Graduate Management Trainee), Will Wraxall (Shareholder & Commercial Partnerships Manager), Karen Wright (Complaints and Information Service Manager) and Metin Halil (Governance Team).

Also Attending:

1. WELCOME & APOLOGIES

NOTED

1. Apologies for absence were received from Councillors Mahym Bedekova and Katherine Chibah.
2. Councillor Leaver chaired this meeting of the General Purposes Committee.
3. Councillor Doug Taylor was substituting for Councillor Mahym Bedekova.
4. There was a private meeting between Members of GPC and BDO ahead of the committee meeting at 6:30pm – 7:00pm.

2. DECLARATIONS OF INTEREST

NOTED

1. Councillor Ergin Erbil declared a non-pecuniary interest as he is a Council appointed Director of Energetik.
2. Councillor Tim Leaver declared a non-pecuniary interest as he is the Chair of the Pension, Policy and Investment Committee, member of the CIV Joint Committee and a Director of Housing Gateway Ltd.

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3. Councillor Joanne Laban declared a non-pecuniary interest as she is a member of the LGA General Assembly.
4. Councillor Dino Lemonides declared a non-pecuniary Interest as he is a Member of the Pension, Policy and Investment Committee.
5. Councillor Edward Smith declared a non-pecuniary Interest as he is a Member of the Pension, Policy and Investment Committee.
6. Councillor Claire Stewart declared a non-pecuniary Interest as she is a Member of the Pension, Policy and Investment Committee.
7. Councillor Doug Taylor declared a non-pecuniary Interest as he is a Member of the Pension, Policy and Investment Committee.
8. Peter Nwosu (Independent Member) declared a non-pecuniary Interest as he is a Member of the Pension, Policy and Investment Committee.

3. MINUTES OF THE MEETING HELD ON WEDNESDAY 4 AUGUST 2021

NOTED

1. The minutes of the meeting held on Wednesday 4 August 2021 were agreed.

4. POLLING DISTRICT AND POLLING PLACE REVIEW - RECOMMENDATIONS

Received report from Jeremy Chambers, Director of Law and Governance on the Council's draft proposals for the statutory review of polling districts and polling places.

The following key points were highlighted:

- Considered the new ward boundaries in May 2022 and revising the electoral register in readiness for May.
- Highlighted Appendix 5 – Summary of representations received in the polling district and polling place review consultation
- Recommendations set out in Appendix 1 – Final proposals for polling districts and polling places to go to the next Council meeting on Wednesday 17 November 2021.
- Committee asked to note submissions, polls proposed and recommend that the report proposals are sent to Council. JC stressed that any recommendations regarding polling districts should be minor amendments only.

Cllr comments/remarks

- Councillors raised concerns about the use of a care home as a polling station, the number of people who would be attending the care home to vote and the safety concerns this would impose for both the residents and public. Officers explained that each polling station is risk assessed however, they will take this point into consideration and review later.
- Officers confirmed that the Local Government Boundary Commission for England Order has been formally agreed and will be effective from May 2022.

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- Councillors queried the use of the Jolly Farmers Public House as a polling station and whether alternative venues were being investigated. Officers explained that they had considered shops and green space but felt that both were unsuitable. As such the Jolly Farmers was being considered as a fall-back option.
- Councillors further expressed their concern of Jolly Farmers as a venue as some voters might object to the venue on religious grounds or because they might be recovering alcoholics. Councillors felt it would be best to look elsewhere before settling on Jolly Farmers.
- Councillors wanted to know why there was a need for an additional polling station in the Ridgeway district

Submissions were noted and agreed and the report would be presented to Full Council and recommendations adopted.

5. LOCAL GOVERNMENT & SOCIAL CARE OMBUDSMAN ANNUAL REVIEW

Received report from Jeremy Chambers, Director of Law and Governance on the Local Government & Social Care Ombudsman Annual Review.

The following key points were highlighted:

- Jeremy Chambers drew attention to page 216 of the Agenda Pack paragraph 11 which included a table summarising the data available on Enfield's LGSCO complaints received and decided in 2020-21.
- Jeremy Chambers advised that he was content with LBE's performance and noted that only 17 of the 106 complaints received were upheld. Nonetheless JC advised that feedback is taken seriously.
- Jeremy Chambers advised that the data would be reviewed closely where they would look for any patterns of things going wrong.
- Report was noted.

Cllr comments/remarks

- Councillors were concerned about the number of complaints received from LBE compared to the London average. Jeremy Chambers explained that this was healthy and that rather he would be concerned if all the complaints were upheld.
- Cllr Lemonides referred to a specific housing complaint that was made on the LBE website. In response the Ombudsman, Michael King, was quoted as saying "*the law does not allow councils to leave people in unsuitable accommodation just because it couldn't find anything suitable*". Jeremy Chambers noted that the Council took the right steps in handling the complaint and in the Ombudsman's letter he was pleased that the LBE had done something. It was agreed that they didn't want that type of finding

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in the future, however, the Authority had acted accordingly to rectify the situation and to ensure that it would not be repeated in future.

- Councillors sought reassurance that the system to track all incoming LGSCO enquiries and monitor performance, this information was circulated fortnightly. Jeremy Chambers confirmed that this is the case.
- The Chair's comments that the Council has a higher than average complaints, as detailed at page 230 of the report. In terms of dealing with these complaints, the Council has a lower rate level of upheld complaints than average. However, the Council has a satisfactory remedy, remedying during that process.

Report was noted and agreed.

6. STATEMENT OF ACCOUNTS

To receive the following reports:

a) Statement of Accounts 2019/20

The following key points were highlighted:

- The Chair clarified that the Statement of Accounts discussion was about the two year ends for 2019/20 and the 2020/21. David Eagles (BDO) would be commenting on the 2019/20 Statement of Accounts only. Lisa Blake and Francesca Palmer, who were absent through illness were dealing with the 2020/21 Statement of Accounts and plan. There were some issues with the 2019/20 Statement of Accounts which will have an impact on the accounts themselves and the plan.
A separate meeting would be held on 10 November 2021 to discuss the 2020/21 Statement of Accounts with appropriate support from the BDO.
- Officers advised that they would be happy to address the Statement of Accounts 20/21 but not the BDO part.
- The Executive Director Resources clarified that the changes to the Statement of Accounts are detailed at paragraph 11 (page 238) of the report from the version shared with members at the April 21 meeting. These changes mainly related to assets as set out in paragraph 11 (page 238) of the report). In addition, there had been a more recent query relating to IWE Pension Reserve as detailed at paragraph 12 (page 238) of the report.
- At present, there was nothing outstanding from the Council over to BDO other than the IWE query but BDO were at the stage of testing the information the Council had sent them and the technical review.
- The Executive Director Resources continued to expect an unqualified set of accounts once the audit process was complete. The report recommends approval with minor changes only.

b) Audit Closure Report 2019/20 – BDO

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The following key points were highlighted:

- BDO recognised the journey that the Council were on in terms of the transition of the quality of the accounts.
- The level of issues that BDO had found in terms of Asset Register transfer had been significant.
- At the end of the audit process, from the Council and BDO reviews is a good and robust starting point which should produce a clean set of accounts with far less effort.
- The first issue, the old SAP register, required a lot of manual intervention to produce a set of accounts. Requirement of an Asset Register that can generate information quickly, efficiently and effectively within data policy.
- The second issue, in terms of the approach to valuations and the sheer volume of beacon indicators that had been used for the HRA (Housing Revenue). Which has gone from very few beacons to gradually increasing largely this year. This had involved a lot of officer time to get through a significant amount of work for the valuers to get through.
- There are a few key issues still outstanding in terms of further work on valuations with some additional samples raised for values and settling process. Some further issues on groups where cash flow amendments have been proposed and made. BDO were checking that this had been done correctly.
- The last issue related to pensions for one of the subsidiaries which may or may not result in further amendments to the accounts.
- The field work process was now coming to the end, however, this was still subject to David Eagles (BDO) final review of the work and also subject to BDO's quality reviewers report aswell. This should be reported to members at the 10 November 2021 committee meeting.

Cllr comments/remarks

- Councillors noted that there were several deficiencies on several pages which was a concern. Councillors sought clarification on the significance of the deficiencies and whether the BDO was happy with the ones that had been identified. Officer explained that the deficiencies point had been dealt with and that issues raised focused on the quality of statements, accounts and valuers.
- The Executive Director Resources advised that there were 19 out of 34 adjusted differences and that most relate to assets and it is the asset register that caused most problems and there will be changes and adjustments happening. The Executive Director Resources further advised that there will always be audit adjustments and that whilst the number of them is higher than she would like it is inevitable.

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- Officers advised that his review is pending completion of the work. In November they will address it then. They are on a journey regarding the quality of the accounts and the level of issues found was significant and that at the end of the process they will have robust reports, and this will provide a good starting point.
- Officers advised that they are still subject to the final review of work and that they have tried to keep the review in process and that this should be clear by the meeting on 10 November 2021.
- Councillors referred to page 16 of the report entitled "Preparation of Financial Statements" where it states that the Council did not produce an interim set of month 9 financial statements. Concern was raised given the effectiveness of the review. Officers advised that at the audit of the 20/21 accounts they will see then whether they have been effective.
- Councillors raised concerns regarding the valuation of sites purchased. Panel were advised that an asset clarification paper would be provided and that this had been commissioned and reviewed. The status of the development needs to be according to code and not necessarily to market value.
- Panel were invited to look at the approach of the accounts to see whether these account processes were correct. They will be discussed further at the meeting in November.

c) Pension Fund Accounts 2019/20

The following key points were highlighted:

- The Executive Director Resources set out the Pension Fund Accounts 2019/20.
- This was a similar report that was presented to Members back in April 2021 and advised that the audit for pension is now complete. The changes were set out at paragraph 11 of the report.
- There was a typing error at paragraph 14 C (page 345 of the report) which increased assets by £1 billion which was incorrect.

Cllr comments/remarks

- Councillors expressed concern regarding the management costs regarding the pension fund and the investment income. Officers advised that in respect of pension funds you need to look at the bigger picture as the fund will go up and down. Officers further advised that the position now is different to that in March 2020 and that the markets have since recovered and this is a similar situation for the Council's main accounts.

d) Pension Fund Audit Closure Report 2019/20 – BDO

The following key points were highlighted:

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- The report highlights the position as at 30 March 2020 when the country was in the 1st lockdown. Markets had changed massively but had now since recovered. BDO would be referring to the Covid situation in their opinion and to the material uncertainties relating to property and valuations. Similar issues will be required for the Council's main accounts aswell.
- The key amendments were primarily due to timing issues:
 - a. Significant valuation re-count – there were issues relating to discount rates used and issued for a valuation which was outstanding at the end of February 2020.
 - b. Valuation of investments issues with an £80M difference between the end of February and the end of March 2020.

Cllr comments/remarks

- Councillors felt that the report was uncomfortable reading and not a glowing report.
- BDO confirmed that the 2019/20 accounts would be finished soon and that members could approve the 2020/21 accounts subject to any material adjustments and final reviews by BDO.
- The Executive Director Resources clarified that the team had produced a 2019/20 set of accounts based on the latest agreed position before the additional testing had taken place. If there are any changes to this then the team will have to reproduce another set of 2019/20 accounts' that will then affect the 2020/21 accounts. Finance had provided everything it could, and the result is dependent on this next set of testing.
- Councillors advised that they felt more comfortable discussing the 20/21 accounts at the 10 November 21 meeting. Enquiries were made as to whether it would be achievable by 10 November 21. Officers advised that if any issues arise, they will communicate these to the Panel.
- The Chair advised that it was not unusual for a committee to approve the accounts pending final audit and any material adjustments would be reported back to the committee. It was not uncommon for a Committee to delegate minor amendments, not material by size or nature. BDO to provide comments back to the committee at the 10 November 2021 meeting.

The report was noted and to be reviewed at the 10 November 2021 Committee meeting.

e) Statement of Accounts 2020/21

The following key points were highlighted:

- The following correction was noted o the report; proposal no.4 (page 437) of the report should read 'a formal briefing provided to the Committee'. An extra meeting of the GPC has now been scheduled for the 10 November 202.

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- The report provides an update on the draft Statement of Accounts for 2020/21. Officers were now re-drafting the 2020/21 accounts to take account of the opening position of the 2019/20 Statement of Accounts as recorded in the report.
- The report details changes being made to the 2019/20 Statement of Accounts as detailed at paragraph 9 (page 438) of the report.
- Other changes are detailed at paragraphs 11 & 12 (page 438) of the report which evidenced different quality reviews officers were doing.
- Paragraph 13 (page 438) of the report sets out a change to the Council's Collection Fund that will be reflected in the 2020/21 Statement of Accounts. This is in response to a Commission review by London Councils and the Society of London Treasurers.
- Paragraph 14 (page 439) of the report details the changes made to the 2020/21 Statement of Accounts.
- BDO attend audit Tuesdays with officers at the Council talking regularly about the 20/21 accounts and to resolve audit processes. The Executive Director Resources has fortnightly meetings with Lisa Bake (BDO) throughout the year and all were ready for the start of the 20/21 audit.
- CIPFA had reported that only 9% of audits across the country have completed the 20/21 audit by the September 21 deadline.
- The finance team were working on the 19/20, 20/21 and the 21/22 Statement of Accounts to ensure the required quality which is very challenging for the team.
- A Chief Accountant had now been recruited with a start date in January 2022.
- The Executive Director Resources had also set up a Financial Improvement Board to drive through some of the systematic changes. The finance team had been restructured with the ongoing recruitment for 2 Finance Directors.
- The Chair advised that the 20/21 accounts and plan will change and therefore the committee's review will change. He proposed that the report be re-presented with updated paperwork for the statement of accounts at the 10 November 2021 meeting. The Executive Director Resources advised that this was dependent on the audit outcome and if further changes are to be made which would lead to a reproduction of the 19/20 accounts again.
- In response to a member enquiry regarding the 19/20 and 20/21 accounts and how officers would be able to break the vicious circle they were in, The Executive Director Resources advised that the 20/21 accounts are in a better position than the 19/20 accounts were and was an improving position. The team had consistance because the same staff were processing both 19/20 and 20/21 accounts including a Chief Accountant and 2 Finance Director Posts.
- The 10 November 2021 meeting may have to move by a couple of weeks to provide an agreed set of accounts for members to review.

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f) Audit Plan Main Accounts 2020/21 – BDO

- To be discussed at the meeting on 10 November 2021.

g) Audit Plan Pension Fund Accounts 2020/21 - BDO

- To be discussed at the meeting on 10 November 2021.

7. CORPORATE RISK REGISTER

To receive a report from Gemma Young, Head of Internal Audit and Risk Management.

The following key points were highlighted:

- This was a refreshed Corporate Risk Register as reported to the Committee at the August 21 meeting. Gemma Young attended all Council DMT meetings and the register has been approved by EMT. The Corporate Risk Register has now been brought back to members for comment.
- The format of the register has been changed, making it easier to read, with causes and impacts now listed separately.
- Several changes have been made in terms of new risks. Two new risks have been added:
 1. Equality, diversity and inclusion.
 2. Legislation, regulations and standards.
- One risk relating to the Corona Virus has been closed and now becomes part of the team's business as usual and is not being monitored as a separate risk.
- Two risks have now been merged into one:
 1. Business Continuity & Emergency Incident is now Major Incident.
- Some risk titles have been clarified and these are detailed at paragraph 18 (page 663) of the report.
- Risk rating changes reported are detailed at paragraph 19-24 (pages 663-664) of the report.
- The Corporate Risk Register is detailed as Appendix A (from pages 668) of the report.

Cllr comments/remarks

- Members referred to the current HGV issue and whether that was covered by the Business continuity risk. Gemma Young confirmed that this was the case.
- A member enquiry about the increase in interest rates and that as a major risk this would have consequences for the Council's

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financial position and should be added to the register. Gemma Young would get back to the committee once she has checked this.

Agreed to note the report

8. **AUDIT & RISK MANAGEMENT SERVICE PROGRESS REPORT**

To receive a report from Gemma Young, Head of Internal Audit and Risk Management.

The following key points were highlighted:

- Gemma Young advised that the Audit & Risk Management team were finalists for the Public Finance awards for outstanding preventative and detective fraud controls. The team were runners up but were finalists with the Department of Works & Pensions.
- In terms of audit completion, 51% of audits had been started and 8% had been completed which was the same as this point last year.
- To date, 6 audits had been cancelled from the plan with 3 added as detailed at Table 1 (pages 690-691) of the report. Three of the Grants audits had been moved to next years plan because assurances were required from the team.
- To date, 6 audits had been completed as detailed at Table 3 (pages 691-692) of the report.
- As detailed at page 692 of the report, there had not been any no or limited assurances so far this year.
- In terms of action implementation, these are detailed at pages 692-694 of the report. The implementation rates for high risk actions was 77% and for medium risk actions was 75%. The team continue to monitor these and escalate to the Assurance Board where actions are not implemented in a timely manner or the team are not getting appropriate responses from a service area.
- At the August 21 GPC meeting, members had requested an update on the recruitment audit actions and these are detailed in Appendix D (pages 707-713) of the report. One action has been implemented and 5 progressed.
- In terms of the schools' audit as at the end of August 21, there were no high-risk actions open but 16 medium risk actions remain overdue.
- In terms of the Insurance update, as detailed at page 695 of the report, Insurance costs are expected to go up. The report also highlights the Local Government Mutual (LGM) which would a new insurance product for the Council. The committee would be updated as and when the team receive this information.

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- Gemma Young had now taken over Data Protection and the data protection officer now reports to her. A detailed update on data protection can be found at pages 695-698 of the report.

Cllr comments/remarks

- Councillors concerns regarding the Local Government Mutual (LGM) and what would be done to ensure that the Council could join the LGM despite being signed up with the commercial sector, as had happened in the past. Gemma Young advised that this was handled previously by having a 2-year contract and then with 3 years of break clauses. The team would do something similar and see what is economically best.
- In response to councillors' concerns regarding the supply chain risks, which had not been started and is now a higher risk, Gemma Young advised that she would look on her Audit Management system but she thinks it will be quarter 3 when that risk would be started.

Agreed to note the report.

9. GENERAL PURPOSES COMMITTEE WORK PROGRAMME 2020/21

NOTED

- Was noted to be heavily weighted on accounts. FH advised that they are looking to do the cyber update in January 22 and the 10 November meeting will just cover the statement of accounts.
- Agreed – additional column will need to be added for the new meeting on 10 November 2021.

10. DATES OF FUTURE MEETINGS

NOTED

The next meeting of the General Purposes Committee will be Wednesday 10 November 2021.

Part 1 of the meeting ended at 8.45pm

11. EXCLUSION OF THE PRESS AND PUBLIC

12. PART TWO ITEM- CONTAINING EXEMPT INFORMATION

13. MERIDIAN WATER RISK REGISTER UPDATE

Peter George, Programme Director for Meridian Water, presented the Meridian Water Risk Register Update.

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Following detailed discussion on the Risk register the report was NOTED.

The meeting ended at Time Not Specified.