

MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON WEDNESDAY, 29TH JUNE, 2022

MEMBERS: Councillors Ayten Guzel (Associate Cabinet Member (Non-geographical)), Mahym Bedekova, Nawshad Ali, Alessandro Georgiou (Leader of the Opposition and the Conservative Group), Esin Gunes, Elisa Morreale, Sabri Ozaydin (Chief Whip), Michael Rye OBE and Joanne Laban

Officers: Officers: Fay Hammond (Executive Director, Resources), James Newman (Director of Finance, Corporate), Peter George (Director of Development, Place), Lillie Craig (Head of Programme Management Office (PMO)), (Gemma Young (Head of Internal Audit and Risk Management), Claire Reilly (Head of Policy and Contract Development), Elizabeth Paraskeva (Principal Lawyer, Regeneration and Contracts Teams), Marie Lowe (Governance and Scrutiny Officer)

1. WELCOME & APOLOGIES

The Chair welcomed Members and Officers to the first meeting of the new Municipal Year.

Apologies for absence were received from the Independent Member, Mr Peter Nwosu.

The Chair advised the Committee that apologies had been received from representatives of the Council's external auditors, BDO, David Eagles, Partner, Public Sector Assurance and Lisa Blake, Partner, Head of Public Sector Assurance who had been unable to attend due to sickness.

The Committee, whilst accepting that it would be inappropriate to expect attendance to a meeting if a person was unwell, expressed their severe disappointment and frustration that no representatives from BDO had attended to explain the current position regarding the sign-off of the external audit for 2019/20. This had a significant bearing not only on that year but an on-going on the external audit for 2020/21 and beyond.

The reason received from BDO regarding why a representative had not attended the meeting when there had been a discussion at the last meeting when they had been present that they attend was unsatisfactory.

Members of the Committee requested that Councillor Tim Leaver, as the Cabinet Member responsible for Finance and Procurement, be invited to attend the next meeting of the Committee to update the Committee on the position, together with representatives from BDO. Members went on to request that a private meeting with BDO be held prior to that meeting.

GENERAL PURPOSES COMMITTEE - 29.6.2022

ACTION: Councillor Tim Leaver, Cabinet Member for Finance and Procurement be invited to the next scheduled meeting of the General Purposed Committee (**Governance and Scrutiny Officer**).

2. DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

3. MINUTES OF THE MEETING HELD ON 3 MARCH 2022

The minutes of the meeting held on 3 March 2022 were agreed.

4. AUDIT AND RISK MANAGEMENT SERVICES (ARMS) PROGRESS UPDATE

Members received the Audit and Risk Management Service progress update report which summarised the results of the work of the service during the period 1 April 2021 to 30 April 2022 and the continued work to target limited audit resources at the highest priority Corporate and Schools' services.

The Head of Internal Audit and Risk Management, responding to questions from Members, advised that with regards to:

APPENDIX C: Overdue High Risk Actions

People Department - Schools' Financial Monitoring – Financial Regulations and Guidance

There was a significant amount of support available and given to schools for the completion of the financial records, which would continue following the launch.

ACTION: Director – Education and Head of Internal Audit and Risk Management to provide regular updates following the launch.

APPENDIX A: 2021/22 Audit Plan Status

CR10 Housing – Housing Compliance - Safety Checks and Management of Lift Maintenance and housing repairs and maintenance

The Head of Internal Audit and Risk Management advised that she understood that work was underway about the Social Housing Assurance Framework Whitepaper and the current advice on fire safety in the Borough's high-rise properties but would, however, provide an update to Members.

ACTION: Head of Internal Audit and Risk Management

CR03 Fraud and Corruption – Chief Executives – Members' Ethics

The audits on which had been deferred until 2022/23 due to the change in Monitoring Officer in February 2022 and the local elections in May 2022, and how this would impact on Members, particularly those newly elected to the Council.

ACTION: Head of Internal Audit and Risk Management

GENERAL PURPOSES COMMITTEE - 29.6.2022

The Head of Internal Audit and Risk Management undertook to clarify the reason the completed audit relating to Meridian Water on Contract Management had been listed with limited assurance.

ACTION: Head of Internal Audit and Risk Management

CR05 Duty of Care - Deprivation of Liberty Safeguards (DoLS)

Following the audit had indicated a high risk finding regarding the services of Mental Health Assessors (MHAs). The Chair stated that she considered that this should be followed up, evidence gathered and monitored.

ACTION: Director of Health and Adult Social Care

The Executive Director – Finance reassured the Committee that all audits would be undertaken.

AGREED that:

1. The work completed by the Audit and Risk Management Service during the period 1 April 2021 to 30 April 2022 and the key themes and outcomes arising from this work be noted; and
2. The feedback provided by the Committee on the contents of the Audit and Risk Management Services (ARMS) Progress Update report be noted.

5. 2021- 22 COUNTER FRAUD ANNUAL REPORT

The work undertaken by the Counter Fraud team during the year ended 31 March 2022 was presented in terms of outcomes value of frauds prevented, and overpayments raised.

Members expressed the view that with regards to Business Grants it was imperative that work focused on the pre-payment assurance checks and that work be continued despite having been negatively impacted on by the effects of Covid-19, Court hearings which continued to be delayed.

AGREED that the work of the Counter Fraud team be endorsed; and feedback from the Committee on the contents of the report be noted.

6. 2021-22 ANNUAL DATA PROTECTION OFFICER REPORT

The Committee received Annual Data Protection Officer Audit which summarised the role of the Data Protection Officer (DPO) analysis of the Council's data protection compliance and the schools' data protection update.

The Chair requested an update regarding concerns raised at the previous meeting of the Committee about access to Department of Work and Pensions (DWP)/Her Majesty's Revenue and Customs (HMRC) data which had been granted without the conditions outlined in the of Memorandum of Understanding (MoU) having been met, and the risks the Council faced

GENERAL PURPOSES COMMITTEE - 29.6.2022

should the DWP revoked access to the DWP/HMRC data which had been listed as a critical risk.

The Head of Internal Audit and Risk Management confirmed that Annual General Data Protection Regulation (GDPR) training had not been completed by all staff with access to the DWP/HMRC data, a mandatory Council requirement but would be by the end of July 2022.

At the Chair's request an additional Audit and Risk training session for those Members who did not attend the session held on 16 June 2022. It was essential that Members were made aware that GDPR posed a high to the Council.

ACTION: Head of Internal Audit and Risk Management/Governance

AGREED that the 2021-22 Annual Data Protection Officer Report be noted.

7. GENERAL PURPOSES COMMITTEE ANNUAL REPORT 2021/22

The Chair introduced the annual report which detailed the activity of the General Purposes Committee for the year 2021/22 for consideration at full Council on 13 July 2022.

AGREED that the annual report which detailed the activity of the General Purposes Committee for the year 2021/22 be noted and referred to full Council on 13 July 2022.

(Interim Director Law and Governance and Monitoring Officer)

8. CONTRACT PROCEDURE RULES, WAIVERS & PROCUREMENT SPEND UPDATE

Members received the report which provided an update to the General Purposes Committee on the Contract Procedure Rules (CPRs), Waivers and Procurement Spend. The report covered the period April 2021 to March 2022. It also included an update on Procurement Services and the implementation of the new procurement function.

The Head of Policy and Contract Development advised Members that Brexit and the Ukrainian conflict had impacted on the supply chain with delays and shortages of some materials. A significant increase had been experienced in costs in construction, which had an impact on the Council's regeneration projects. Procurement Services was working with services to strengthen business continuity plans to mitigate risks to the supply chain. There were, however, no direct contracts with Russia.

Officers explained that there were occasions where it was not practical or possible to follow a full competitive process in accordance with the CPRs. In such instances Service Departments may request a Waiver or Exception to the CPRs. The approval of such Waivers and Exceptions were compliant with the CPRs.

GENERAL PURPOSES COMMITTEE - 29.6.2022

The July 2020 CPRs had been tightened up and now stated that all Waivers must be approved by the Executive Director of Resources following review by Procurement Services. Exceptions are reported to the Executive Director of Resources on a quarterly basis. Waivers could not contravene UK legislation.

AGREED that the update on the implementation and effectiveness of the Contract Procedure Rules (CPRs), Waivers issued under the Rules, and procurement spend information. It also includes an update on Procurement Services.

9. UPDATE ON AUDIT OF THE 2019/20 STATEMENT OF ACCOUNTS

The Committee received the report which provided an update on the audit of the 2019/20 statement of accounts.

Officers confirmed that out of 450 Local Authorities across the country, 51 had not had their 2019/20 accounts signed off. All avenues to progress the matter were being explored and pursued expeditiously. The Executive Director, Resources suggested one such action would be a complaint be escalated to BDO parent company and investors. It was not possible or feasible to walk away from the contract

Members reiterated their disappointment and expectation that a representative from BDO should have made themselves available, either in person or remotely, to provide an explanation of the delays relating to the area for which they were responsible and a timeline when the 2019/20 accounts could be expected to be ready to be signed off. Members stated they shared the officer's frustration

The Committee noted that the situation regarding the sector wide issue relating to the accounting for infrastructure assets had progressed. The CIPFA LASAAC consultation on proposals to deal with the issues in the short and longer term, upon which Councils were asked to comment closed on 14 June 2022 with the outcome of the consultation was expected to be the end of June 2022. The 2019/20 accounts could not be signed off until the outcome of the consultation had been published and recommended actions had been considered. However, the accounts could be in a position that they were ready to be signed off as soon as the outcome had been published, subject to any necessary changes as a result. There was much which rested with BDO directly in order to finalise the accounts.

The Chair, with the agreement of the Committee, announced that any further discussion of the above item would take place in the confidential part of the meeting.

AGREED that the update provided on the audit of the 2019/20 Statement of Accounts be noted.

GENERAL PURPOSES COMMITTEE - 29.6.2022

10. UPDATE ON THE AUDIT OF THE 2020/21 STATEMENT OF ACCOUNTS AND PENSION FUND AND PROGRESS ON THE 2021/22 COUNCIL'S ACCOUNTS

The Committee considered the report of officers which provided an update on the Audit of the 2020/21 Statement of Accounts and Pension Fund and progress on the 2021/22 Council's accounts.

Members recognised that due to the ongoing delays with the 2019/20 audit, there was a risk that the 2020/21 audit may be delayed until 2019/20 accounts had been signed off.

Members noted that the 2019/20 audit progress were being closely monitored and regular meetings were held with the Audit Partner. The statutory deadlines for draft and audited accounts for 2021/22 were the 1 August 2022 to produce draft accounts and these needed to be audited and signed off by 30 September 2022.

AGREED that the update provided on the Audit of the 2020/21 Statement of Accounts and Pension Fund and progress on the 2021/22 Council's Accounts be noted.

11. BDO (EXTERNAL AUDITOR) UPDATE ON STATEMENT OF ACCOUNTS

Officers, referring to the two previous agenda items - Update on Audit of the 2019/20 Statement of Accounts and Update on the Audit of the 2020/21 Statement of Accounts and Pension Fund and Progress on the 2021/22 Council's Accounts, explained that it had been anticipated that representatives from BDO, the Council's external auditor who had been invited to attend the meeting had been unable to do so due to sickness.

The Chair, on behalf of the Committee, that the representatives from BDO be invited to attend the next scheduled meeting on 27 July 2022.

In response to concerns raised regarding how the delays in the work programme for closing 2021/22 due to key staff changes in the Finance Team, delays in receiving some of the asset valuations and work required for the 2019/20 and 2020/21 audits, would be resolved, officers reassured Members that there had been a review of the allocation of resources, and improvements had been made. The team remained on course to have the draft accounts available by the deadline.

AGREED that the BDO (External Auditor) update on Statement of Accounts received from Enfield officers be noted.

12. GENERAL PURPOSES COMMITTEE WORK PROGRAMME 2022/23

That the General Purposes Committee Work Programme for 2022/23 be **NOTED**.

GENERAL PURPOSES COMMITTEE - 29.6.2022

13. DATES OF FUTURE MEETINGS

The future meeting dates of the General Purposes Committee, as agreed at Annual Council, were noted as follows:

Tuesday, 26 July 2022
Thursday, 20 October 2022
Thursday, 1 December 2022
Thursday, 19 January 2023
Thursday, 16 March 2023

14. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED in accordance with Section 100(A) of the Local Government Act 1972 to exclude the press and public from the meeting for the items 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).

15. PART TWO ITEM - CONTAINING EXEMPT INFORMATION

16. MERIDIAN WATER RISK REGISTER UPDATE

AGREED that the information contained in the confidential report, and officer responses to Members' queries as **NOTED**.

17. BDO (EXTERNAL AUDITOR) UPDATE ON STATEMENT OF ACCOUNTS

AGREED that confidential information and discussion, and officer responses to Members' queries be **NOTED**.

The meeting ended at 10.22 pm.