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GENERAL PURPOSES COMMITTEE

**Wednesday, 28th June, 2023 at 7.00 pm in the Conference Room,
Civic Centre, Silver Street, Enfield, EN1 3XA**

Membership:

co :Thomas Fawns (Chair), Ayten Guzel (Vice-Chair), Nawshad Ali,
Alessandro Georgiou, Nelly Gyosheva, Joanne Laban, Elisa Morreale,
Sabri Ozaydin, Michael Rye OBE and Peter Nwosu

AGENDA – PART 1

1. WELCOME & APOLOGIES

2. DECLARATIONS OF INTEREST

Members of the committee are invited to identify any disclosable pecuniary, other pecuniary or non-pecuniary interests relevant to the items on the agenda.

3. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 16)

To agree the minutes of the General Purposes Committee meeting held on 19 January and 16 March 2023.

4. 2022-23 ANNUAL COUNTER FRAUD REPORT (Pages 17 - 26)

The Committee are recommended to note the work completed by the Audit and Risk Management Service's Counter Fraud Team during the period 1 April 2022 to 31 March 2023

5. 2022-23 ANNUAL DATA PROTECTION OFFICER REPORT (Pages 27 - 44)

The committee is recommended to note the work completed by the Data Protection Officer during 2022-23 and the themes and outcomes arising from this work.

6. 2022-23 ANNUAL REPORT ON CONTRACT PROCEDURE RULES, WAIVERS AND PROCUREMENT SERVICES UPDATE (Pages 45 - 80)

I. To note the annual update to General Purposes Committee on procurement compliance, numbers of waivers, and procurement spend.

II. To note the update on Procurement Services

7. BDO PROGRESS REPORT ON THE EXTERNAL AUDIT OF ACCOUNTS (Pages 81 - 84)

The Committee are recommended to note the report.

8. ARMS PROGRESS UPDATE (Pages 85 - 118)

I. The Committee are recommended to note the work completed by the Audit and Risk Management Service during the period 1 April 2022 to 31 March 2023 and the key themes and outcomes arising from this work.

II. To note the progress made on the 2023-24 Internal Audit Plan.

9. STATEMENT OF ACCOUNTS (Pages 119 - 126)

This report includes the draft 2022/23 Statement of Accounts and provides an update on the audit status for each year of the open accounts. London Borough of Enfield has open, unaudited accounts for the three financial years 2019/20, 2020/21, and 2021/22.

10. ANNUAL GOVERNANCE STATEMENT 2022/23 (Pages 127 - 162)

The purpose of this report is to consider London Borough of Enfield's draft Annual Governance Statement (AGS) for the financial year 2022-23.

11. DATES OF FUTURE MEETINGS

To note the next meeting of the General Purposes Committee is scheduled to take place at 7pm on Wednesday 26 July 2023.

12. PART 2 - EXCLUSION OF THE PRESS AND PUBLIC

To consider passing a resolution under Section 100(A) of the Local Government Act 1972 excluding the press and public from the meeting for the items of business listed on part 2 of the agenda on the grounds that

they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006). (Members are asked to refer to the part 2 agenda).

13. MERIDIAN WATER RISK REGISTER (Pages 163 - 176)

The Committee are recommended to note the latest Meridian Water programme risk and issue registers.

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GENERAL PURPOSES COMMITTEE - 19.1.2023**MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON THURSDAY, 19TH JANUARY, 2023**

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

Peter Nwosu (General Purposes Committee Independent Person)

OFFICERS: Fay Hammond (Executive Director, Resources), James Newman (Director of Finance - Corporate), Olga Bennet (Director of Finance - Capital & Commercial), Terry Osborne (Director of Law and Governance), Gemma Young (Head of Internal Audit and Risk Management), Annette Trigg (Chief Accountant), Bola Tobun (Finance Manager, Pensions & Treasury), and Marie Lowe (Governance and Scrutiny Officer)

ALSO ATTENDING:

External Auditor, BDO, David Eagles (Partner, BDO LLP) and Sebastian Evans (Audit Manager)

1. WELCOME & APOLOGIES

No apologies for absence had been received for the meeting.

The Council's Chief Accountant, Annette Trigg, together with representatives from the External Auditor, BDO, David Eagles and Sebastian Evans joined the meeting remotely.

2. DECLARATIONS OF INTEREST

Cllr Nawshad Ali declared that he was a Member of the Council's Local Pension Board.

Cllr Sabri Ozaydin declared that he was a Member of the Council's Pension Policy and Investment Committee.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the General Purposes Committee meeting held on 1 December 2022 be **AGREED** subject to the following amendments:

- 3.1 Cllr Alessandro Georgiou asked that the minutes be amended to reflect his comments at the meeting that a standard invitation be extended to the Cabinet Member for Finance and Performance, Cllr Tim Leaver, to

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attend each meeting of the committee as the stakeholder and to answer any questions arising from the reports.

The Director of Law and Governance advised that whilst the minutes of the last meeting could be amended to reflect Cllr Alessandro Georgiou request, there was no requirement in the Council's Constitution for Cabinet Members to attend all meetings.

3.1 That Cllr Alessandro Georgiou asked that the minutes be amended to show that the reason that Cllr Elisa Morreale had been absent from the last meeting of the Committee, at which Cllr Hannah Dyson had substituted, was because she had attended a Ward Forum which was held on the same evening

4. UPDATE ON THE AUDIT OF THE 2019/20 AND 2020/21 STATEMENT OF ACCOUNTS AND PENSION FUND AND PROGRESS ON THE 2021/22 COUNCIL'S ACCOUNTS - INCLUDING BDO (EXTERNAL AUDITOR) REPORT ON STATEMENT OF ACCOUNTS

The Committee received a verbal update and PowerPoint presentation from the Director of Finance - Corporate update on the audit of the 2019/20 and 2020/21 statement of accounts and pension fund and progress on the 2021/22 Council's accounts.

The Director of Finance - Corporate, during his presentation, highlighted his concerns that the work undertaken by BDO on the 2019/20 audit to finalise the accounts had been further delayed, with a revised deadline for the completion of the review and any follow-up would now be the end of February 2023. The Committee noted that, following the information received from BDO advising of the new delays in preventing any further sign-off of the 2019/20 accounts, a conversation had been held with BDO regarding the critical path and the sizeable resources required to address the issues raised, not least the 123 additional comments.

The Director of Finance - Corporate informed Members that the bulletin issued by CIPFA on 11 January 2023 set out the requirements to address the Infrastructure Assets issues raised. The LBE Finance Team were reviewing the requirements and working with highways colleagues to complete the changes to the accounts, aiming to complete this work by late January 2023. This would then be submitted to BDO for review.

The Director of Finance also advised that there are still further issues which had been raised and was part of the 2020/21 audit. This was the testing of school asset valuations and was also likely to have a significant impact on the 2019/20 valuations and required an adjustment to the 2019/20 accounts and a prior period adjustment for 2018/19 comparatives. LBE staff had only been made aware of this issue two days before the meeting and were now working to establish the position and the values/assets impacted. This was going to further delay the signing-off of the 2019/20 Accounts.

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Members noted the update on the 2020/21 audit and that BDO had been asked to provide a date when the audit would be completed as the Council's LBE Finance Team would continue working on the audit until then. Due to delays in finalising the 2019/20 accounts this was now estimated that it would be taken to the meeting in May/June 2023. BDO had been asked to either confirm this date or to advise an alternative.

The Partner provided a verbal update and PowerPoint presentation on the progress on the 2019/20 and 2020/21 audits, together with an update on the International Standards of Auditing (ISA) 265 recommendations. The presentation also detailed the reasons BDO had been unable to progress the audit for 2019/20.

The Partner advised that there had been some residual tidying points to go through which were listed out and needed to be worked through. He considered there to be a couple of days' worth of tidying in terms of the 2020 roll forward position and this was where they were getting to the point to review the comparators by comparing the information, BDO held at 2019 to what was being used in 2020. This had been something that had not been taken into account or appreciated when the auditor had estimated how long it would take to complete that work. It was only when they started to go through that process, they realized that there had been an underestimation. BDO had pulled resource from the 2021 audit to provide some assistance to make this go faster and that was being worked on at the moment with a completion date of Tuesday next week, 31 January 2023, with a potential worst case scenario saying end of next week to complete that process and then it can be subject to a partner review and the final EQCR review.

The schools issue referred to by the Director of Finance and set that out in slightly more detail on the slide, which involved the school's valuation was that BDO had looked at variations between years. As mentioned previously, this is what BDO would normally do in respect of the housing valuations and provide some of the explanations for the variances between years. The floor plans, the areas, the build that that was being valued by the value for the 2019/20 audit and in fact 2020/21 had identified a number of changes to the sites for example extensions or new build, which had not been reflected in the previous valuations, nor would it be reflected in the floor plans that may have been used for that period. Therefore, this was not a valuation that they should not have a variance they should be looking at, but what it indicated as some of the previous valuations because some of these extensions and buildings go back to 2010. This should have been reflected in the previous year's accounts. Following some initial work on the chunk of valuations of schools that had been undertaken in 2019/20, and it was important to note that had been a change of evaluation approach for this as part of the Council's wider initiative to try and clear out once and for all the issues that were within the financial statements and some areas had been identified where this sort of additional building had caused issues. However, the calculation based upon the information held by BDO suggested it was only an understatement, about seven and a half million pounds, which was not material and therefore it was left as an unadjusted item. However, the work being undertaken on the next

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tranche of schools, the next sort of third or so, 19 schools in total had indicated a rather different pattern.

The particular sample, based upon the information they had extrapolated, showed an understatement of approximately £16 million, which in isolation was not material. However, if seven and a half million were added, which they had already identified for the third of schools that had been looked at previously. Then a material figure was reached because BDO's materiality was just under £20 million. This meant that, subject to checking of the various assumptions and facts held, BDO needed to undertake a further prior period adjustment within the 2019/20 because some of these most of these issues date back quite a long way and therefore should have been reflected in the positions reported previously.

Members recognised that this was not a trivial exercise but would take some time for LBE Finance Team to work through to get the exact figures. They had also had to look at the tranche of schools valued or revalued in 2021/22 because that may also include some more cases where the floor plans do not match reality. The auditor needed to work through that information to get the total figure for the three thirds of valuation and use that as a basis for making the prior period adjustment.

The Director of Finance stated that there remained a considerable number of figures that needed to be amended, not just in the primary statements, but also in the prior period, adjustments and LBE Finance Team had suggested that that could take until the end of February to work through. BDO would then need to make certain they were happy with the figures and events and get clearance for the prior period adjustment as they had done before for other areas.

The Partner considered that one potential silver lining was that if this was addressed now within the 2019/20 accounts, which would mean that the 2020/21 accounts could be appropriately amended to have a different sort of starting point and not need to have a prior period adjustment. A prior period adjustment was an indication that something was wrong with the records. Should the data be clear in 19/20 it would be correct going forward. This had been the aim all along, and then that would give the Council a cleaner position for 20/21 going forwards.

The Audit Manager confirmed that the Council's audit for 2019/20 was being prioritised, with a significant amount of resourcing prioritization meetings being held and resource from the 2020/21 audit was being redirected to make certain that the 2019/20 audit was completed first and before they started work on the NHS audit.

The Council's Chief Accountant, Annette Trigg, responded to further questions from Members and explained that the priority for the accounts was regarding the school's issue. Unfortunately, the time that LBE Finance Team had allocated that week to go through those 123 comments had been taken over by the schools' issue because that became an immediate priority in

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terms of what work had to be completed straightaway. This was in order that the assets affected could be identified, together with where the issues lay.

The Executive Director Resources explained that there were wider considerations to be taken into account, such as a 10-year-old finance ledger system, which the Council was reluctant to replace whilst the accounts remained open in case vital information was lost during the transfer. Currently it took a long time to obtain information requested by the Auditor.

The Chief Accountant confirmed that she had only be advised about the schools' issue on Tuesday this week and had met urgently with the Partner yesterday afternoon. This had been given priority. However, following an initial review, some points need further clarification with the Partner, in terms of what would be acceptable versus to what BDO would insist on what the Council made changes and a number of those areas. They were areas, based her professional opinion with many years of experience, that the Council could say that it was not going to make the change.

The Chief Accountant stated that it was the Council's responsibility to work on make the necessary improvements regarding processes, information and records held and to better plan.

One example given by the Chief Accountant, was with regards to the registration of housing and housing assets. Further understanding was needed regarding which properties they related to and then a discussion would be held with housing colleagues.

The Chief Accountant reassured the Committee that the Audit Manager at BDO was happy with work on the assets on the 2020/21 valuations. It was a thorough piece of work, and the Auditor was satisfied with what they had seen. This was because there had been an issue and that the work had continued to improve as the valuations had taken place. The work since 2019/20 had been a much more thorough and robust process as a direct result of some of the comments made by the auditors in the 2019/20 process.

Members of the Committee welcomed the comments and reassurances from Officers, regarding the positive and proactive approach being taken by LBE Finance Team Officers to progress the sign-off of the 2029/20 audit. However, Members expressed their continued frustration and disappointment that the accounts for 2019/20 were not ready for sign-off by this meeting as previously promised in December 2022 by BDO. Also, that two and a half years ago BDO had given their assurances that all the information they required had been provided by the Council and given their commitment that the accounts could be signed-off. They stated that they failed to understand why there had been continuous delays regarding the 2019/20 audit of the accounts, and that significant queries were still being raised which would require substantial resourcing from the Council, which would create further delays to the detriment of the Council without any consequences to BDO.

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Members expressed concern that the handouts of the slides had been tabled and not circulated well in advance of the meeting. They considered this to be too short notice for such a complex and detailed topic and **AGREED** that any information in relation to this item be circulated to the Committee a minimum of 24 hours prior to the commencement of the meeting.

AGREED that the report and verbal update be **NOTED**.

5. CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA) REVIEW ACTION PLAN

The report provided an update on the recommendations from the Chartered Institute of Public Finance and Accountancy (CIPFA)'s review of the General Purposes Committee, an overview of the updated guidance on the role of the Audit Committee and the proposed actions in response.

AGREED that the report and actions be noted.

6. TREASURY MANAGEMENT STRATEGY STATEMENT FOR 2023/24 TO 2032/33

The report set out the Council's proposed Treasury Management Strategy Statement (TMSS) for the period 2023/24 to 2032/33, and Annual Investment Strategy (AIS) for the year ended 31 March 2024, together with supporting information for recommendation to Cabinet to review the Strategy and to Council to approve the Strategy.

Officers noted that a correction to page 26 – Table 3: Balance Sheet Summary and Forecast and paragraph 48, which referred to Table 2 as there was no Table 2 in the document pack.

The Monitoring Officer proposed that the recommendations should be amended slightly:

The Committee **AGREED** the amended recommendations:

1. That the Treasury Management Strategy Statement (TMSS) for the period 2023/24 to 2032/33, and Annual Investment Strategy (AIS) for the year ended 31 March 2024, together with supporting information **NOTED**; and
2. That the General Purposes Committee will be invited to
 - i. Receive, review and comment on the Treasury Management Practices, attached to the report as Annex B, annually, and

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- ii. Receive and review and comment on the quarterly Treasury Management monitoring reports.

7. AUDIT AND RISK MANAGEMENT SERVICE PROGRESS UPDATE

The General Purposes Committee were asked to note the work completed by the Audit and Risk Management Service during the period 1 April 2022 to 30 November 2022 and the key themes and outcomes arising from this work.

The Head of Internal Audit and Risk Management assured Members that although records in relation to the charges invoiced for CCTV for notice processing and cashless parking had not been evidenced for two or three years, robust processes had been put in place and testing was due to be conducted at the end of January 2023. A more robust Procurement Team had given added value to the work undertaken around contract procedure rules. The effect of which value was being seen across the organisation. The Annual Report on Procurement would be brought to Committee in June 2023 which would provide further details.

The Committee acknowledged that staff did change over time and expressed concern that rigorous control systems had not been in place and requested evidence that the control system had changed be reported back to the Committee, together with assurance of the existing processes regarding checks and processes.

The Executive Director Resources reassured the Committee that the challenges put by the Assurance Board to the Head of an under performing service were very demanding and Senior Officers had to provide detailed explanations and solutions when a service area was not performing as expected. It was right and proper for Officers to be called to account and challenged by the Assurance Board Members.

It was noted that the number of overdue audits for the Place and Resources Departments, were significantly high when compared with other Departments. Members requested that the Committee be provided with further details with regards to the overdue audits, particularly with regard to the number of overdue high-risk actions.

AGREED that the report be **NOTED**.

8. COUNTER FRAUD POLICIES

The report presented the following policy documents for approval by the Committee:

1. Counter Fraud Sanction and Prosecution Policy

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2. Whistleblowing Policy and Procedures (incorporating the Model Whistleblowing Policy and Procedures for employees and workers in maintained schools, PRUs, academies and others)
3. Anti-Money Laundering Policy & Guidance

AGREED that:

1. The Counter Fraud Sanction and Prosecution Policy, the Whistleblowing Policy and Procedures and the Anti-Money Laundering Policy and Guidance be **APPROVED**; and
2. The policies referred to above be reviewed by General Purposes Committee every three years or sooner should there be any major changes made.

9. UPDATE OF GENERAL PURPOSES COMMITTEE MEMBER TRAINING COVERED AND ATTENDANCE

Members **AGREED** that details of the General Purposes Committee Member training covered and attendance during the current Municipal Year 2022/23 be circulated by email.

10. DATES OF FUTURE MEETINGS

NOTED that the next meeting of the General Purposes Committee was scheduled to take place at 7pm on Thursday, 16 March 2023.

The meeting ended at 9.50 pm.

GENERAL PURPOSES COMMITTEE - 16.3.2023

MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON THURSDAY, 16TH MARCH, 2023

MEMBERS: Councillors Mahym Bedekova (Chair), Ayten Guzel (Vice Chair), Alessandro Georgiou (Leader of the Opposition and the Conservative Group), Suna Hurman, Mohammad Islam, Joanne Laban, Elisa Morreale and Michael Rye OBE

Officers:

James Newman (Director of Finance - Corporate), Doug Wilkinson (Director of Environment and Operational Services), Kevin Bartle (Interim Director of Finance), Paul Neville (Interim Director Digital, Data and Technology), Penny Halliday (Commercial Programme Director), Gemma Young (Head of Internal Audit and Risk Management), Eleanor Brown (Head of Transformation), Martin Sanders (Head of Service Management and Governance), Annette Trigg (Chief Accountant), Rita Hammond (Principal Lawyer) and Marie Lowe (Governance and Scrutiny Officer)

Also Attending:

Lisa Blake, Partner (2020/21), BDO and Sebastian Evans, Manager, BDO

1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting and in particular officers new to the Council's employ, Kevin Bartle, Interim Director of Finance and Paul Neville, Interim Director Digital, Data and Technology.

The Chair announced that Kevin Bartle would be covering the role of James Newman who would be leaving the Council shortly.

Apologies for absence were received from the following:

Cllr Ozaydin who was substituted by Cllr Hurman

Cllr Ali who was substituted by Cllr Islam

Peter Nwosu, Independent Member

Apologies for absence had also been received from:

Fay Hammond, Executive Director, Resources

Terry Osborne, Director of Law and Governance

David Eagles, Partner (2019/20), BDO, External Auditor

Due the industrial action on National Rail, some officers and Sebastian Evans, Manager from BDO, External Auditor joining the meeting remotely.

2. DECLARATIONS OF INTEREST

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In relation to Item 8 - Audit and Risk Management Service Progress Update the following declarations were made:

Cllr Mahym Bedekova declared that she was a Trustee of the Mayor's Charity.

Cllr Michael Rye declared that he was a Governor at St Andrews School (Enfield) CE Primary School.

3. MINUTES OF THE MEETING HELD 19 JANUARY 2023

Lisa Blake, BDO Partner/Head of Public Sector Assurance, requested that the minutes be deferred to allow more time for them to provide their comments, in writing, to the Director of Law and Governance.

Members **AGREED** to defer the minutes of the last meeting until the next meeting.

ACTION: David Eagles, BDO and Sebastian Evans BDO/Director of Law and Governance

The Chair requested that the action requesting information of the provision and attendance of training for Members in relation to the General Purposes Committee raised at an earlier meeting be completed.

ACTION: Head of Internal Audit and Risk Management/Head of Governance, Scrutiny and Registration Services

4. UPDATE ON CORPORATE COMPLAINT IMPROVEMENT ACTIONS

The Head of Transformation explained that the purpose of the report was to respond to the request from the committee in October 2022 to provide an update on improvements to corporate complaints handling as detailed in the Corporate Complaints Annual Report 2021-22 and an in-year progress update regarding Member Enquiry (MEQs) performance.

Members expressed concerns regarding the repeated missed bin collection for some residents over a number of months and stated that they expected that the issues be identified and addressed appropriately.

Dissatisfaction was expressed by Members regarding the MEQ system, which they did not consider to be intuitive and easy to use. They used the Council's website to submit service requests as they found this to be more responsive to the immediate needs of the resident. The MEQ system they considered to be useful to ascertain the reasons why a service request had been necessary.

Members accepted that not all service requests or MEQs could be responded to immediately or within the deadline. However, they did not consider some of the holding responses to be informative or proactive. When the responder did provide a further update, the quality of the response was sometimes poor and uninformative. These were the main reasons why Members rejected the response.

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Members were of the view that customers should be informed of the reason for the delay, the need to send a holding response, the timeline when to expect the full response and what action will be taken. The officers involved in the MEQ system and those who provided related training be advised of this and the guidance be amended to include this information.

ACTION: Head of Transformation/Digital Services Training Officer

The Director of Environment and Operational Services reported that as a result of the information extracted from the high levels of data received a full-service review had been initiated. With regards to parks and cemeteries, he accepted that there were issues in this service area and explained that these were down to insufficient management and business support, particularly where managers were carrying out administrative work rather than managing the staff and operations. The pandemic had and continued to have to some extent, an impact on service provision, particularly in some areas such as waste collection for a number of reasons. The poor quality of the responses had been recognised and was acknowledged and was being addressed with further training. Continuous service review and improvement was critical to the work of the Council, including the use of advances in information technology. He advised that all Members used the Council's website to report missed bins and similar service requests as this was a speedier way to resolve the issue.

The Director of Environment and Operational Services welcomed the suggestion regarding the possible use of information technology including bar codes on individual bins. He acknowledged that it was not ideal that the only way to obtain a resolution to the long standing or repetitive issues such as those referred to by the Member earlier, asked that Members emailed him directly and he would investigate and respond.

Members asked that their dissatisfaction with the Place Department especially regarding mould in residential properties and the effect on residents. Members asked that a quarterly update / progress report on Council Housing Repairs Service be brought to the General Purposes Committee by the Place department and that the Executive Director and Director(s) attend the meeting to explain the reasons for the performance of their department and service areas. This methodology applied to all Council departments.

ACTION: Executive Director Place/Governance Team

The Head of Transformation advised that monitoring of complaints was no longer centralised but had been devolved to the individual departments.

AGREED that the progress updates on corporate complaints learning actions and in-year performance for MEQs as requested by the General Purposes Committee.

5. UPDATE ON THE AUDIT OF THE 2019/20 AND 2020/21 STATEMENT OF ACCOUNTS AND PENSION FUND AND PROGRESS ON THE 2021/22 COUNCIL'S ACCOUNTS

GENERAL PURPOSES COMMITTEE - 16.3.2023

The Director of Finance – Corporate reminded the committee that the Council had open, unaudited, accounts for the three financial years 2019/20, 2020/21, and 2021/22. The report provided an update on the audit status for each year of open accounts, plus commentary on preparation of the 2022/23 accounts closure process.

Separately to the agenda, an update from BDO had been circulated and published on the progress with the 2019/20 and 2020/21 audits. The update was based on the position up to and including 8 March 2023.

The director, responding to questions from the Committee, advised that there had been significant progress made with regards to the outstanding items, with both the Council's Finance Team and the External Auditor working closely together.

Lisa Blake from BDO reiterated David Eagles' undertaking that staff at BDO would remain focused and anticipated that the accounts would be closed down by the end of April 2023 and be ready to be brought to the meeting of the General Purposes Committee in June 2023. This was dependent on no other material issues coming to light of material value to delay the work.

Members noted that, following a strategic review, BDO had chosen not to undertake further audits with local authorities.

Members expressed their disappointment and frustration with the continued delay, whilst acknowledging some progress had been made and the improved relationship between officers and the external auditors. Previously, an undertaking had been given to the committee that the accounts would be closed by early spring, a date that was very close. The Committee had expected the work to have been completed by the end of February 2023, but yet again there had been a delay. David Eagles absence was noted, and members expressed the view that they expected him attend the meeting in June 2023, preferably in person, but should this not be possible, remotely. Should the work not be completed, and the accounts not signed off, then David Eagles would be invited to explain the reasons why. It was acknowledged that David Eagles would need to attend the meeting when the accounts were signed off. Once the 2019/20 accounts had been signed off then work could continue on the 2020/21 audit. Any work on further years would not be possible until the 2020/21 had been signed off.

The Director of Finance - Corporate confirmed that the Government had stated, the previous week, it would be writing to all Local Authorities with open accounts. The Council had not received such a letter at the time of reporting.

AGREED that:

1. The information provided within the report be noted;
2. The current accumulated backlog of three years of open, unaudited, accounts be noted;

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3. The approach to be taken for 2022/23 accounts closure be noted; and
4. BDO be formally requested to provide an update at the June 2023 General Purposes Committee detailing their audit plan for completing the audits and the staff resourcing strategy to provide targeted progress.

6. 2023/24 INTERNAL AUDIT CHARTER AND DRAFT 2023/24 INTERNAL AUDIT PLAN

The Head of Internal Audit and Risk Management explained that, in line with the requirements of the Public Sector Internal Audit Standards (PSIAS), she had a responsibility to regularly review the Internal Audit Charter and to establish risk-based plans to determine the priorities of the Internal Audit activity.

The Head of Internal Audit and Risk Management confirmed that the same level of assurance could be provided although the number of audit days had reduced slightly. She advised that there was often considerable shift in the audit plan during the year and the aim was to enable the team to work smarter and more efficiently and effectively.

AGREED that the 2023-24 Internal Audit Charter and the 2023-24 Internal Audit Plan be approved.

7. CORPORATE RISK REGISTER UPDATE

The Head of Internal Audit and Risk Management introduced the report which informed members that since the Corporate Risk Register (CRR) had been presented to General Purposes Committee on 20 October 2022, reviews have been carried out by all Departments and by the Assurance Board. No risks had been added to the CRR; nor have there been any changes to risk scores.

CR06 Customer Demand - Increasing or decreasing demand changes (e.g., population). The Head of Internal Audit and Risk Management reassured the committee that the risk had not been downgraded.

CR10 Housing - Failure to deliver the housing strategy and respond to the changing regulatory environment around Council housing delivery. Members recognised the current issues with regard to the supply and condition of housing in all the London boroughs and nationally, which did not meet the current standards. The committee requested an update at the next meeting.

ACTION: Head of Internal Audit and Risk Management

AGREED that the latest Corporate Risk Register be noted.

8. AUDIT AND RISK MANAGEMENT SERVICE PROGRESS UPDATE

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The Head of Internal Audit and Risk Management introduced the Audit and Risk Management Service Progress Update report. (As set out in Appendix A of the report).

Members noted that the report detailed the outcome of audits undertaken by exception.

CR05 - Multi Agency Safeguarding Hub (MASH) - Assurance Level - Limited

Officers recognised the concerns raised by members regarding the assurance level of this audit and the safeguarding implications arising therefrom. The efficient and effective use of information technology tools would reduce the duplication of the input of data, opportunities for missed reporting and ultimately improve the outcomes for the vulnerable residents, particularly children.

In response to questions, the Interim Director Digital, Data and Technology, informed members that in relation to the record keeping computer system, Liquid Logic, a migration, and upgrade was scheduled in the near future. Members requested that they be informed of when this had taken place together with an update on case monitoring.

ACTION: Interim Director Digital, Data and Technology

CR11 - Governance and Management of a Key Capital Project 2 - Building Bloqs - Assurance Level - Limited

Officers, in response to queries from members, advised that the lease had now been signed and the money was being recovered through a payment plan.

CR17 – Recycling Waste Services Contract - Assurance Level – Limited

The Director of Environment and Operational Services reassured the committee that the actions arising from the audit had been implemented and undertook to circulate information to Members.

Members welcomed the update on an action previously requested by the committee from the Head of Internal Audit and Risk Management which informed that the Assurance Board had agreed that should an identified risks continue with little or no improvement after an agreed amount of time e.g., high risks at three months or medium risk for six months, the Director of that service would attend the General Purposes Committee to explain directly to Members.

AGREED to note the report.

9. INFORMATION AND DATA GOVERNANCE BOARD ANNUAL REPORT

GENERAL PURPOSES COMMITTEE - 16.3.2023

The Interim Director Digital, Data and Technology introduced the report, which recognised that the governance arrangements had remained broadly the same and were working well, together with some of key changes which had introduced successfully since the last report.

Members noted and thanked officers, and in particular Martin Sanders, Head of Service Management and Governance, for the improvement in achieving over 98% compliance in completing mandatory training and introduction of Data Governance reporting into the board and the high standard data retention schedule now covering over 450 sets of data.

AGREED that:

The inclusion of Covid Inquiry Information and Data Governance to be monitored through the board until concluded be agreed;

The outcomes of the annual report be agreed;

The achievement of mandatory training compliance be noted;

The achievement of high standard data retention schedule be noted;

The plan for 2023/24 be agreed; and

The risks as set out in the report of Officers be noted.

10. DATES OF FUTURE MEETINGS

NOTED that the date of the next meeting of the General Purposes Committee would be announced at the Annual Council Meeting in May 2023.

The meeting ended at 8.55 pm.

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London Borough of Enfield

Report Title	Counter Fraud Annual Report 2022-23
Report to:	General Purposes Committee
Date of Meeting:	28 June 2023
Cabinet Member:	Cllr Tim Leaver, Cabinet Member for Finance and Procurement
Director:	Terry Osborne, Director of Law & Governance
Report Author:	Gemma Young, Head of Internal Audit & Risk Management Gemma.Young@Enfield.gov.uk
Wards affected:	All
Classification:	Part I Public

Purpose of Report

1. The Counter Fraud Annual Report 2022/23 (**Appendix A**) summarises the results of the work undertaken by the Counter Fraud Team during the period 1 April 2022 to 31 March 2023.

Recommendation

- i. To note the work completed by the Audit and Risk Management Service's Counter Fraud Team during the period 1 April 2022 to 31 March 2023

Report Author: Gemma Young
Head of Internal Audit & Risk Management
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Tel: 07900 168938

Appendices

Appendix A: Counter Fraud Annual Report 2022-23

Background Papers

None

CE22/044



Counter Fraud Annual Report 2022-23

Background

1. This report summarises the work of the Counter Fraud Team for the period 1 April 2022 to 31 March 2023.
2. The team achieved some significant results during this period, including identifying **overpayments and potential savings of £2.6m**. These savings were primarily achieved through activity in the following areas:
 - Right to Buy claims
 - Financial investigations
 - National Fraud Initiative data-matching exercises.

These results are summarised in **Table 1** below.

During 2022-23, our achievements were recognised when we were named as winners in the category of **Outstanding Proactive Fraud Detection and Recovery** at the 2022 Public Finance Awards. The award was shared with the Waltham Forest Corporate Fraud Team, our shared service partners.

Further highlights from 2022/23 are detailed below.

Right to Buy Claims

3. The Housing Revenue Account funded Counter Fraud investigation support to the Right to Buy (RTB) Team. This process examined every qualifying RTB application resulting in 9 cases being cancelled or withdrawn. (2021-22: 8 cases). Had these applications proceeded to completion, the cumulative discounts allowed against the purchase price would have exceeded £1m.

Financial Investigations

4. Under the Proceeds of Crime Act 2002 (“POCA”), the Council can apply through the Courts for a confiscation order, which allows for the recovery of

criminal proceeds from people who have been convicted of qualifying offences.

5. POCA proceedings usually commence on conviction. The amount of the order usually reflects the “value” of the offence, and once the Court has agreed a confiscation order it must be paid within the specified time limits or a custodial sentence is imposed by default.
6. The Council has one accredited Financial Investigator (FI), who is employed as a Senior Investigator in the Counter Fraud Team. The FI regularly assists Legal Services with trading standards and planning enforcement cases in addition to fraud work.
7. During 2022-23, this work resulted in Confiscation Orders of £207k, plus another £172k in fine and costs. These results are summarised in **Table 2** below.
8. Under POCA legislation, the Council can receive up to 37.5% of the confiscation order amount, representing an 18.75% share for investigating plus 18.75% for prosecuting the offence. Of the remainder, 50% passes to the Crown and 12.5% to the Courts, who are responsible for collection.
9. Of particular note is a case involving the illegal felling of trees that led to the Council securing its largest ever confiscation order following the prosecution of a local landowner and his contractors. In total, following the formula above, the landowner and contractor must pay £253k to be shared between the Council, the Crown, and the Courts. In addition, the landowner is responsible for the cost of re-planting the trees. Nationally, no previous POCA action for the illegal felling of trees has ever been undertaken on this scale and we consider this case will prove a salutary warning to all landowners in the future who may consider committing similar offences.

National Fraud Initiative

10. Data analytics work undertaken as part of the government’s National Fraud Initiative (NFI) scheme has led to significant savings.
11. The Council utilised the NFI’s Premium Single Person Discount (SPD) Service, to screen our Council Tax SPD data to identify households where there was more than one adult resident at the address. The Council Tax Review Team used these results to remove SPD Council Tax reductions from over 600 households, resulting in additional income of £284k.
12. Matches between the Council’s Blue Badge parking permit data and NFI records of deceased persons has led to the withdrawal of over 240 badges where the Council had not previously been advised that the badge holder had

passed away. NFI estimate the savings to the public purse Of £245k from this exercise.

13. Matches between Housing Benefit records and Student Loan data has allowed us to raise benefit overpayments totalling £135k where individuals failed to notify the Council of their student status.

Housing Fraud

14. During 2022-23, the Counter Fraud Team received funding from the Housing Revenue Account (HRA) to provide investigative support to the Resident Relationship Team in Housing, Regeneration and Development. These investigations focused on recovering properties that had been unlawfully used, including those that had been abandoned or sublet, and led to 8 such property recoveries during the year (2021-22: 9).

Secondary Employment

15. Since the Covid-19 pandemic, it is normal practice for employees to work from home for part of the week.
16. Whilst this has many potential benefits – not least work life balance without the need for a daily commute – remote working, and in particular the reduced oversight of employees, has helped enable new types of fraud. At Enfield, and in other Councils, one of the most prevalent of these is undeclared secondary employment, or “multiple working”.
17. Council employees are required to declare any secondary employment to ensure there is no conflict of interest with the work undertaken for the Council, and also that there is no contractual conflict in terms of the hours worked. During 2022-23, Enfield uncovered 5 cases of employees who had been undertaking undeclared secondary employment; all of the individuals concerned are no longer employed by the Council.
18. To combat the threat of multiple working, we are participating in a pan-London pilot exercise to identify agency employees who have concurrent placements at more than one Council. We already match permanent employees’ data with other local authorities via the existing National Fraud Initiative exercise.
19. We also provided training to the Council’s senior leadership network to raise awareness of this emerging fraud.

Fraud Prevention

20. During November 2022, the Counter Fraud team ran five “Lunch and Learn” online sessions mark International Fraud Awareness Week. These sessions covered the following topics:
 - The Insider Threat, including the rise of multiple working;
 - Procurement Fraud;
 - How to avoid becoming a victim of identity fraud at home and at work;
 - Cyber Security, a joint presentation with Digital Services, and;
 - Insurance Fraud, presented jointly with the Council’s Insurance Team.
21. These sessions also promoted the Council’s Whistleblowing Policy to encourage staff to raise concerns in confidence. These themes were re-enforced as part of a newsletter published by the team.
22. Annual Counter Fraud training was delivered to an audience of School Business Managers as part of a Financial Management Training package arranged by the Schools Personnel Service.

National Recognition

23. In November 2022, the achievements of the Counter Fraud Team, together with those of our shared service partners, the Waltham Forest Corporate Fraud Team, were rewarded when we were announced as winners of the category for Outstanding Fraud Prevention and Detection at the Public Finance Awards 2022.
24. The success of the shared service partnership was again recognised at the 2023 Counter Fraud Awards, where we were amongst the runners-up in the Local Excellence category.

2022-23 Caseload analysis

25. Overall the team investigated and closed 239 cases in 2022-23 (2021-22 – 293). A breakdown by case type is shown in **Table 3** below.

Whistleblowing cases

26. A refreshed Whistleblowing Policy, including a model Schools Whistleblowing Policy, was presented to the General Purposes Committee in January 2023. The Policy was promoted throughout Internal Fraud Awareness Week and via our newsletter.

27. During 2022-23, the Audit and Risk Management Service was not advised of any cases raised under the Whistleblowing Policy (2021-22: 4). We will continue to raise awareness of the policy during 2023-24.

Insurance Fraud

28. During 2022-23, the Counter Fraud and Insurance teams worked jointly to prevent fraudulent insurance claims being paid. This work identified a claim for damage to property that was supported by false estimates for the cost of the repairs. The claimant was interviewed formally and the claim was subsequently withdrawn, resulting in a saving of over £4k.
29. The Counter Fraud Team also worked with Insurance colleagues to recommend improved security at a Council depot after a series of burglaries resulted in the theft of Council equipment valued at £50k. Vehicle security arrangements have also been improved following the Counter Fraud Team's investigation of the theft of a minibus that had been leased by the Council.

Blue Badge Misuse

30. The Environmental Protection Team in the Environment and Communities Department are responsible for investigating the misuse of Blue Badges. Recently four offenders were prosecuted for Blue Badge Misuse. The average fine was £220, victim surcharge of £88.00 and costs of £120.00.

Transparency Data

31. The Local Government Transparency Code requires us to publish annual data with regard to specific fraud-related activities. This data is presented in **Table 4** below.

Table 1: Detected and Prevented Fraud Savings 2022-23 *

Fraud Type	Detected (£)	Prevented (£)
Right to Buy (9 cases)		1,016,499
Financial Investigations	380,145	
Council properties recovered (8 properties) **		336,000
NFI – Council Tax Single Person Discounts withdrawn	284,434	
NFI – Blue Badges withdrawn	144,925	
NFI – Student Matches	135,425	
Internal investigations	90,500	
Business Grants	70,810	
Housing Benefit	45,100	
Business Rates	32,546	
No Recourse to Public Funds		26,667
Council Tax Reduction Scheme & Discounts	11,909	
Insurance	4,650	
Theft	2,389	
Benefit Penalties (2 cases)	1,294	
Sub-totals	£1,204,127	£1,379,166
Total	£2,586,293	

* Includes overpayments identified or recovered, as well as potential future income and the estimated value of losses prevented by the detection and interception of fraud and improvement of controls – please see Table 2 below

** The Notional Value attributed to recovery of a Council property is the amount of £42k per property as per the calculation published by the Tenancy Fraud Forum in April 2022; the figure takes into account the average annual cost of providing temporary accommodation for a family who could otherwise have occupied the recovered property, plus average investigation and legal costs. The Notional Value of a Temporary Accommodation recovery is based on the net annual cost to the Council of acquiring a property for use as temporary accommodation.

Table 2: Financial Investigation Outcomes 2022-23

Case	Date Awarded	Confiscation Order Amount (£)	Fines & Costs (£)
Jeweller selling gold with fake trademarks.	May 2022	21,987	16,019
Jeweller selling gold with fake trademarks.	June 2022	80,000	9,061
Contractor who illegally felled 278 trees at Kingswood, Clayhill	May 2022	5,200	2,178
Landowner who had 278 trees illegally felled at Kingswood, Clayhill.	February 2023	100,000	145,700
Sub Totals		£207,187	£172,958
Total		£380,145	

Table 3: Counter Fraud Investigations 2022-23

Fraud Type	Investigations Completed
Business Rates (incl. grants)	12
Council Tax	2
Employee	7
Financial Investigations	4
Housing – household amendments	18
Housing – Right to Buy (full)	98
Housing – succession applications	31
Housing – temporary accommodation	1
Housing – tenancy issues	45
No Recourse to Public Funds	9
Miscellaneous	10
Personal budgets	2
Procurement	-
Totals	239

Table 4: Transparency Code Data 2022-23

Category	Value
Number of occasions that powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers have been used	14
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud .	9 (absolute) 8.4 (FTE)
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists	7 (absolute) 6.4 (FTE)
Total amount spent by the authority on the investigation and prosecution of fraud	£461k
Total number of fraud cases investigated	239



London Borough of Enfield

Report Title	2022-2023 Annual Data Protection Officer Report
Report to	General Purposes Committee
Date of Meeting	28 June 2023
Cabinet Member	Cllr Tim Leaver, Cabinet Member for Finance and Procurement
Directors	Terry Osborne, Director of Law & Governance
Report Author	Gemma Young, Head of Internal Audit & Risk Management Gemma.Young@Enfield.gov.uk
Wards affected:	All
Classification:	Part I Public

Purpose of Report

1. The Annual Data Protection Officer Report 2022-2023 (**Annex 1**) summarises:
 - The role of the Data Protection Officer (DPO)
 - Analysis of the Council's data protection compliance
 - Schools' Data Protection Update

Recommendations

- | |
|--|
| <ol style="list-style-type: none"> I. The committee is recommended to note the work completed by the Data Protection Officer during 2022-23 and the themes and outcomes arising from this work. |
|--|
-

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Appendices

Annex 1: Data Protection Officer Annual Report 2022-23

Background Papers

None

CE 22/045

Annex 1



Data Protection Officer Annual Report 2022-23

May 2023

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Foreword

Data Protection Officer Role

Analysis on the Council's Data Protection Compliance

- Data Protection Queries and Advice
- Data Protection Breaches
- Data Protection Impact Assessments (DPIA)
- Corporate Training
- Information Commissioner's Office

Key Themes Identified

Schools Data Protection Update

- Compliance
- Data Protection Training
- Data Protection Breaches

Appendix 1 **Data Protection Officer – How role is discharged (as required by the UK GDPR)**

Foreword

There has been some good evidence of data protection compliance across the Council in general, however there are some areas for improvement which we will continue to support the Council to address in order to further improve the level of compliance.

An example of good practice is the widespread engagement of the Council's Data Protection Officer (DPO) in establishing the correct data protection role of other organisations when data is being shared with them. This is a crucial aspect of data protection law as identifying whether they are a data controller or processor has wide-ranging implications on the Council and its practices.

An area identified for improvement is the Council's Data Protection Impact Assessments (DPIA) process. DPIAs are a crucial process in ensuring the impact of data protection risks are controlled so that the rights and freedoms of individuals are not infringed upon. A new DPIA has been created and piloted. An awareness campaign for this new process will take place across the organisation in due course. This will be discussed in further detail below.

It is important for the Council to continue to pay sufficient regard to Data Protection not only to ensure individuals' rights are upheld but also due to the fact enhanced enforcement powers granted to the Information Commissioner's Office (ICO), including the power to levy a fine of £17,500,000 or up to 4% of annual global turnover, whichever is larger, can potentially be enforced.

As well as providing a Data Protection Officer (DPO) service to the Council itself, the London Borough of Enfield also provides a DPO service to all its maintained schools.

This report will address the work undertaken with both the Council and its maintained schools.

Please note that reference to the DPO in this report includes the data protection team.

Rezaur Choudhury
Data Protection Officer
LL.M, CIPP/E, CDPSE, BCS DPA, FOI and CISMP

Data Protection Officer role

The UK GDPR requires all public authority data controllers to designate a Data Protection Officer (DPO). The primary role of the Council's DPO is to ensure that the London Borough of Enfield processes the personal data of its staff, customers, providers or any other individuals (also referred to as data subjects) in compliance with the applicable data protection rules.

The role of the DPO is to:

- monitor internal compliance with data protection legislation
- to inform and advise on data protection obligations
- to advise on and review Data Protection Impact Assessments (DPIAs)
- to provide risk-based advice to the Council and its schools
- to raise awareness of data protection issues
- to undertake and commission data protection audits
- to be a contact point for "data subjects" (whether that be the public or internal employees)
- to be the point of contact for the Information Commissioner's Office (ICO)

In fulfilling that role, a DPO must:

- act independently
- be an expert in data protection
- be adequately resourced to carry out the role

The designated Data Protection Officer must be able to directly report to the highest management level, must not receive instructions regarding the exercising of statutory tasks, and shall not be penalised or dismissed for performing those tasks.

The Council must support the DPO in performing his tasks by providing resources necessary to carry out those tasks and access to personal data and processing operations.

Since April 2021, Rezaur Choudhury has been appointed the permanent designated DPO as required by Article 37 of the UK GDPR.

Analysis on the Council's Data Protection Compliance

Data Protection queries and advice

One of the key tasks of the DPO is to inform and advise the Council and maintained schools about their obligations to comply with the UK GDPR and other data protection laws. This is a requirement under Article 39 of the UK GDPR.

The DPO receives a wide range of queries on data protection matters. This involves both providing advice, guidance and supporting various internal processes. Advice is provided on intricate aspects of the law supporting the organisation in applying data protection in practice. The DPO also assists with various internal data protection practices such as the review of privacy documentation, monitoring of Data Protection Impact Assessments and maintaining the Records of Processing Activities.

Areas on which advice is being provided on include:

- Data Sharing Agreements
- Data Processing Agreements
- Understanding the role of the Council as a Data Controller and its implications
- Understanding the role of external agencies as Data Processors and its implications
- Application of the data protection principles
- Understanding the lawful bases for processing personal data
- Data Protection Impact Assessments
- Data protection risks
- Disapplication of the data protection provisions (exemptions)
- Data protection breaches

There has been a good level of engagement from different parts of the Council on various data protection issues. Advice is sought from the DPO on data processing at different stages. Whilst there has been good engagement from certain areas of the Council, DPO advice on data protection has at times been sought at the end/completion of projects. This has not enabled optimal achievement of one of the key data protection themes, data protection by design and default, which will be addressed in detail later.

Data Protection Breaches

A personal data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes.

A personal data breach can be broadly defined as a security incident that has affected the confidentiality, integrity or availability of personal data. In short, there will be a personal data breach whenever any personal data is accidentally lost,

destroyed, corrupted or disclosed; if someone accesses the data or passes it on without proper authorisation; or if the data is made unavailable and this unavailability has a significant negative effect on individuals.

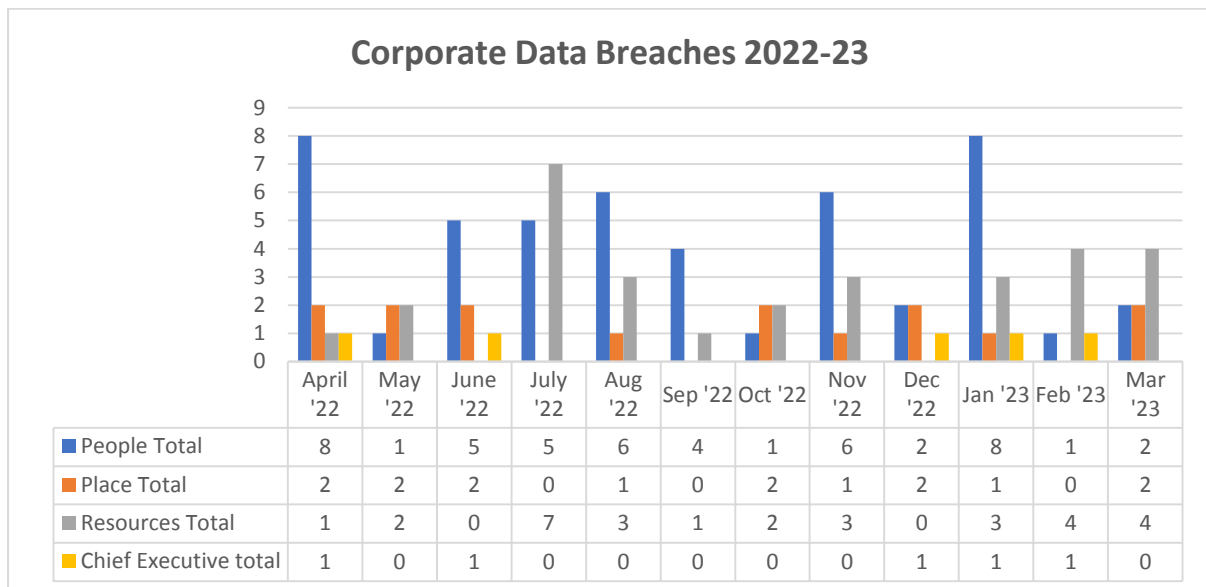
When a security incident is reported, the DPO advises if a personal data breach has occurred and, if so, promptly take steps to address it, which includes a report to the ICO and affected data subjects when necessary.

The obligation to notify the Commissioner arises when a breach is deemed to be a 'risk' to the rights and freedoms of affected individuals. Breaches which need to be reported must be reported without undue delay, but not later than 72 hours after becoming aware of it.

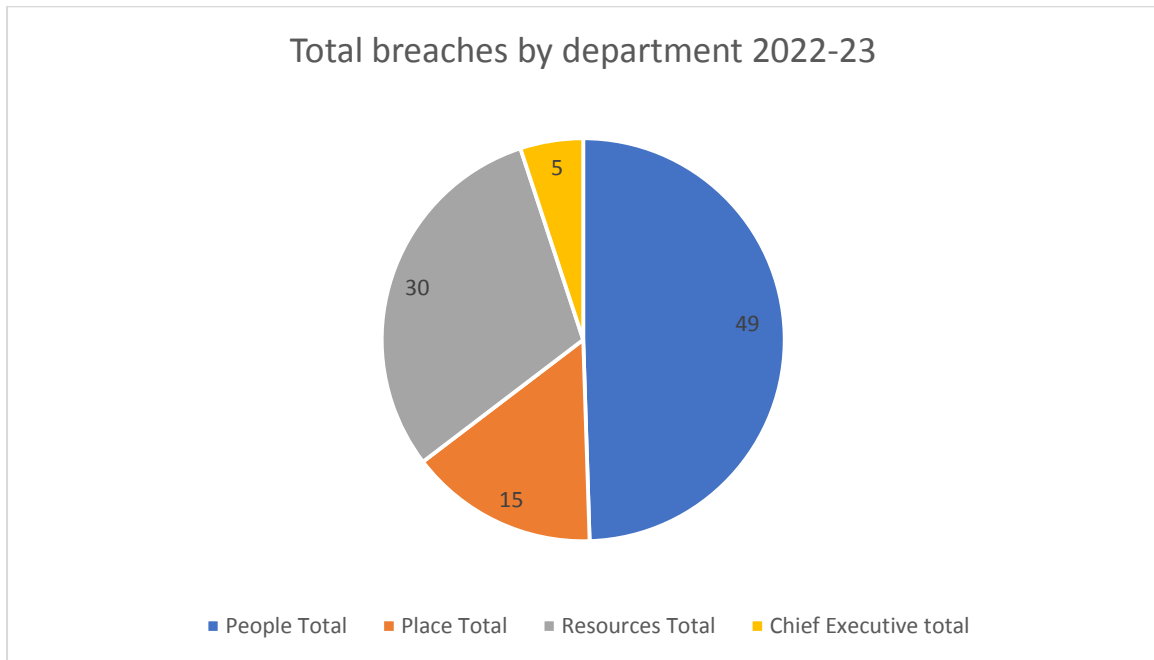
The obligation to notify the affected data subject only arises when the breach is deemed to be a 'high risk' to the rights and freedoms of affected individuals. The affected data subject(s) should be informed without undue delay.

The DPO investigated a total of 99 corporate breaches between April 2022 and March 2023.

Below is a breakdown of all breaches by department.



Below is the total number of breaches by department.

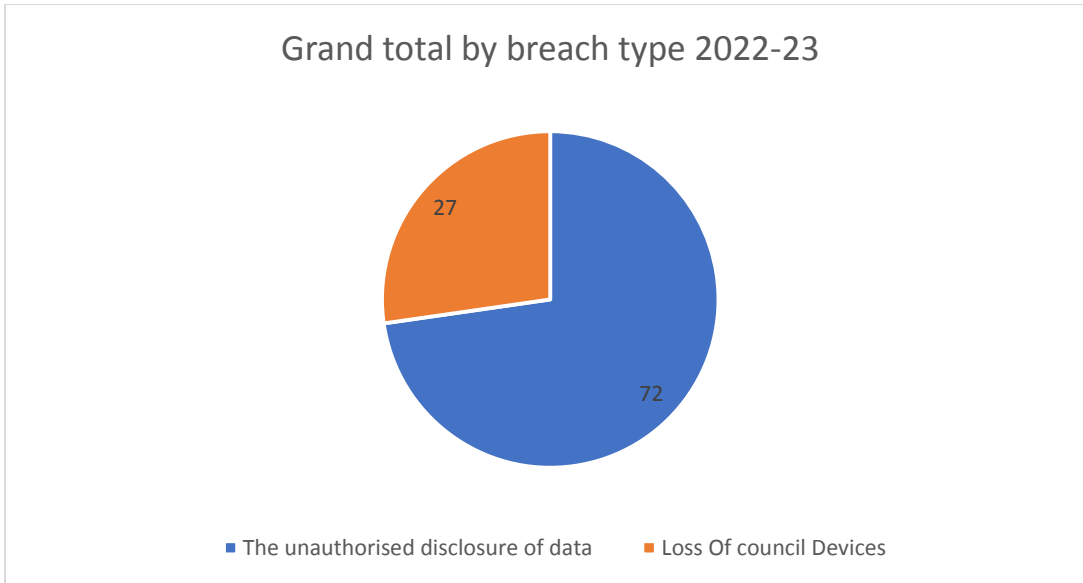


Approximately 49% of data breaches have occurred within the People Department. Whilst this figure is higher in comparison to the other Departments, the figure is proportionate as the Department processes personal data at a larger scale in comparison to the other departments.

These breaches can be divided into two broad categories:

- the unauthorised disclosure of data. This includes the accidental release of personal data and;
- the loss of Council devices

The majority (72%) of the breaches have occurred due to the former. Below is a breakdown of these breaches:



During this period, four data breaches met the threshold for reporting to the ICO. No further action was instructed by the ICO as the Council took reasonable efforts in mitigating the risks to the rights and freedoms of the affected data subjects.

Data Protection Impact Assessments (DPIA)

Since the inception of the General Data Protection Regulation in 2018, the Council has utilised a 'GDPR workbook' for two main purposes. The workbook, in an excel format, serves as a data register and links to the Record of Processing Activities (ROPA).

It is a legal requirement to maintain a record of processing activities. There are several specified areas where records must be maintained, such as the purposes of processing personal data, data sharing and retention.

The second purpose of the workbook is that it carries out a data protection impact assessment (DPIA). A DPIA is a process which helps identify and minimise the data protection risks of a project. It is required for processing that is likely to result in a high risk to individuals.

The previous format required all forms of new data processing activities to be recorded on the workbook whilst at the same time carrying out a DPIA. However, the requirement for a DPIA legally only exists in certain scenarios. In addition, the previous format does not allow for a pre-assessment for DPIAs.

A new DPIA template has been created and piloted. This template includes a pre-assessment phase which allows business areas to assess whether a full DPIA is needed. We are confident that the new format also allows business areas to fully assess necessity and proportionality within the context of a DPIA.

Corporate training

The training of staff and key stakeholders on their data protection responsibilities is one of the most important parts of any data protection compliance project or data protection structure in an organisation. The DPO has delivered a number of corporate training sessions.

- Data protection training which was provided to all elected members (June 2022 - September 2022). A total of 43 elected members attended these sessions
- Lunch and learn sessions on the following topics:
 - Data protection as a human right (November 2022)
 - History of data protection (January 2023)

The mandatory e-learning training module (iLearn) for all staff on data protection was reviewed and updated. The data protection module has now been amalgamated with the freedom of information and cyber security modules and renamed to Information Rights and Cyber Security.

Information Commissioner's Office (ICO)

The DPO cooperates with the supervisory authority (ICO) with regards to complaints received about the Council's data protection practises. These are complaints that the ICO receive from Enfield data subjects i.e residents and service user. Between April 2022 and March 2023 the DPO received 15 complaints via ICO regarding its practises.

Below is a breakdown of the complaints received from the ICO:

- 14 in relation to the Council's handling of data subject right requests. This includes right to access, right to rectification and right to erasure requests
- 1 in relation to a data breach

Key Themes Identified

The DPO has identified two key themes which if improved, will lead to an optimum data protection compliance overall for the organisation.

These key themes are:

- Implementation of data protection by design and default
- Data protection as a culture

Implementation of Data Protection by design and default

The UK GDPR requires that organisations adopt a data protection by design and default approach.

Data protection by design means that privacy and data protection issues are considered at the design phase of any system, service, product or process and then throughout the lifecycle.

Data protection by default requires organisations to ensure that only the data that is necessary to achieve the specific purpose is processed.

It is essential that the Council takes this approach with regards to its data processing. Adopting this theme will lead to an increase in compliance with the data protection framework. For example, the DPO's advice has been sought at the end of some project life cycles, this is not the most useful time to consult with the DPO as it does not allow for data protection by design and by default.

The DPO in collaboration with other key services will look to raise awareness across the organisation of this key theme, and training will also be provided on this matter.

As mentioned earlier, improvements have been made to the DPIA format. The DPIA is a key data protection by design requirement. It is envisaged that through using the enhanced DPIA template, the risks to the rights and freedoms of data subjects can be fully assessed and appropriate measures to manage risks can be implemented.

Data protection as a culture

Data protection should be viewed as a cultural issue. Data protection culture guides how things are done in an organisation in regard to data protection, with the aim of protecting the rights and freedoms of individual, ensuring compliance with the applicable rules and influencing employees' behaviour.

By changing day-to-day behaviours and fostering a cultural shift, the Council can proactively manage compliance and reduce the risk of data breaches. Whilst training has been delivered on data protection, there is a strong need to drive awareness across the Council and educating employees who handle and process personal data.

A communication plan is being developed by the DPO which will look at ways of driving awareness across the organisation. An increase in awareness will subsequently lead to an improved level of compliance.

Schools Data Protection Update

The Council provides a Data Protection Officer service to all its maintained schools. The DPO for the Council, Rezaur Choudhury, is also the DPO for all of the maintained schools. This service is a de-delegated service to all maintained Enfield schools. All maintained schools have agreed to sign up to the Council's DPO service for 2023-2024.

Compliance

There has been good engagement from Enfield Schools with the DPO. The schools in general seek the advice of the DPO before commencing with any data processing. A number of training sessions have been delivered to Enfield schools on data protection.

The DPO has received a significant number of queries from senior stakeholders (Headteachers, Deputy Headteachers and Directors) within schools on a wide range of data protection issues. A frequent query received by the DPO is on the use of exemptions in relation to data subject requests. Advice has been provided on this intricate part of the law and the engagement with the senior leadership teams within schools and the DPO has been positive.

Data Protection Training

Training sessions have been delivered to all Enfield Schools on various information rights topics.

Sessions have been delivered on the following topics:

- Data protection by design which was delivered in December 2022. There were in total 46 attendees over the course of three days with a total of 38 schools in attendance.
- Understanding Freedom of information and its exemptions (July 2022). There were 31 attendees and a total of 29 schools who attended.

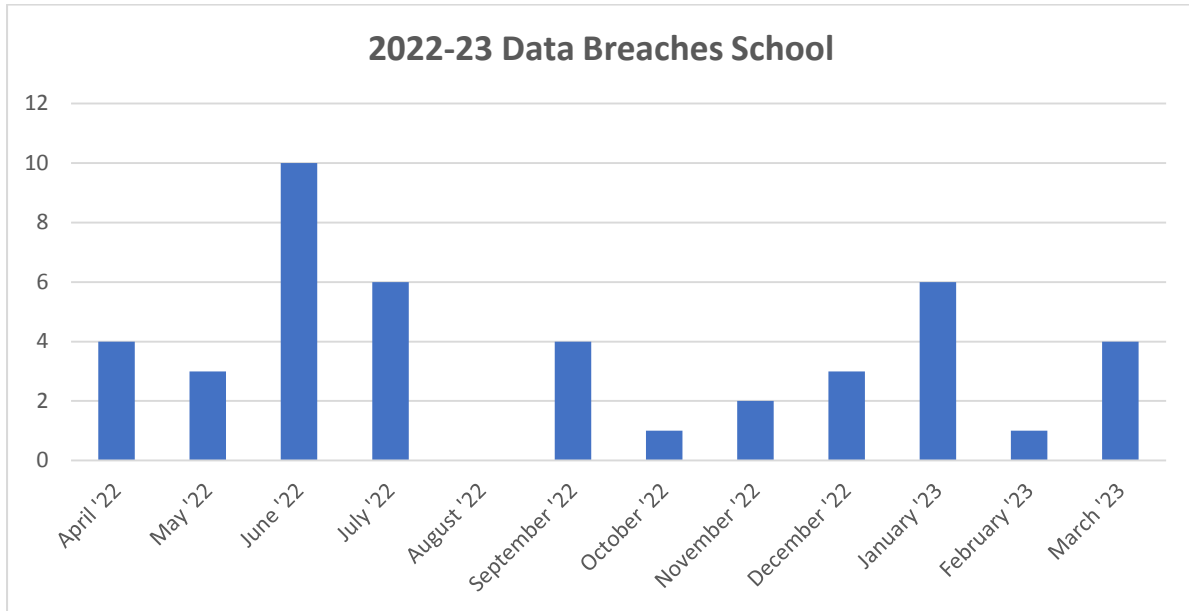
General data protection training to individual schools have also been delivered in person and via teams.

Following on from the accountability framework assessment completed with schools last year, the DPO identified training and awareness as an area for improvement. One of the concerns for schools was the lack of training available for all staff members. The DPO has prepared a data protection training presentation which has been disseminated to all schools. This presentation should be used by all staff members developing their understanding of data protection.

Data Protection Breaches

There were 44 school data breaches reported to the DPO. The DPO assessed nine of these to meet the threshold for reporting to the ICO. The ICO did not take further action with these breaches as the schools had taken reasonable steps to mitigate the risks.

44 of these breaches were in relation to the unauthorised disclosure of personal data. Below is a breakdown.



Appendix 1- Data Protection Officer – How the role is discharged (as required by the UK GDPR)

	Data Protection Officer/Organisation responsibilities	How it is practically discharged
Position of the DPO		
1	The DPO must report directly to the highest level of management and is given the required independence to perform their tasks	Reports provided to assurance board periodically. The DPO also reports to the Head of Audit and Risk Management and is given the required independence to perform their tasks. Direct line to Chief Executive if required.
2	The DPO is involved, in a timely manner, in all issues relating to the protection of personal data	Member of Council's Information Governance Board.
3	The DPO is not penalised for performing their tasks	Contract of employment. Managed by Head of Internal Audit & Risk Management. Direct line to Chief Executive if required.
4	The DPO is not required to perform any other duties that result in a conflict of interest with their DPO duties	The DPO role is an independent role, no other duties are included.
5	The DPO shall be designated on the basis of professional qualities and, in particular, expert knowledge of data protection law and practices and the ability to fulfil the tasks referred to in Article 39	Expert knowledge of data protection law has been demonstrated through the DPO holding a Master of Laws (LLM) degree in Information Rights Law and Practice and data protection practitioner level qualifications from the three main certifying bodies (IAPP, BCS, ISACA).
Tasks of the DPO		
1	The DPO will inform and advise the organisation and its employees about the obligations to comply with the GDPR and other data protection laws	Key input/consultee into corporate guidance, training, policy development (advisory). Formal reports are provided to Assurance Board and General Purposes Committee.
2	The DPO is tasked with monitoring compliance with the GDPR and other data protection laws, the data protection policies, awareness-raising, training and undertaking and commissioning audits	The DPO identifies any areas for improvements in compliance and brings this to the attention of the Assurance and/or Information Governance Boards.
3	The organisation will take account of the DPOs advice and the information the DPO provides on data protection obligations	Appropriate minutes/record will be taken regarding the advice / reports of the DPO and what action is taken.
4	The DPO will provide risk based advice, focussing on the higher risk areas of data processing activities, i.e. where special categories of data are involved	DPO consulted on DPIAs (see below) and through liaison arrangements regarding high risk areas.
5	The advice and input of the DPO	The DPIA process ensures the involvement of the

	will be sought when a Data Protection Impact Assessment (DPIA) is undertaken	DPO.
6	The DPO will also monitor the DPIA process	The DPO has access to all DPIAs and will undertake periodic checks to ensure consistency and appropriateness.
7	The DPO acts as a contact point for the ICO, and as such will co-operate with the ICO including during prior consultations under Article 36 (Prior Consultation) and will consult on any other matter	The relevant contact details for the DPO have been provided to the ICO.
8	The DPO has due regard to the risk associated with processing operations, and takes into account the nature, scope, context and purpose of the processing	DPO considers and is consulted on the risks associated with processing activities to focus on higher risk areas
9	The DPO shall ensure that the organisation documents the reason why any advice given by the DPO is not followed	Appropriate minutes / records will be taken regarding the reasons why the advice of the DPO will not be followed.
Accessibility of the DPO		
1	The DPO must be accessible as a point of contact for employees, individuals and the ICO	Within the confines of reasonable working arrangements, the DPO will be available and accessible. A 'deputy' DPO will be available should the DPO not be so due to annual leave or exceptional circumstances.
2	The contact details of the DPO are published and communicated to the ICO	The enfield.data.protection.officer@enfield.gov.uk email address is published in all appropriate places.
Support to the DPO		
1	The DPO is provided adequate resources (sufficient time, financial, infrastructure and where appropriate staff) to enable them to meet their GDPR obligations and to maintain their expert level of knowledge	The DPO has an annual Performance Development Review to ensure sufficient focus is given to continuous training and development in data protection matters.
2	The DPO must be given appropriate access to personal data and processing activities	The DPO has unconstrained access to all personal data and processing activities in order to discharge his responsibilities and undertake independent and objective reviews.
3	The DPO be given appropriate access to other services within the organisations so that essential support, information and input can be received	The DPO has unconstrained access to all senior managers and services in order to discharge his responsibilities to provide support, advice, information, challenge and undertake independent and objective reviews.

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London Borough of Enfield

NOTE TO REPORT AUTHORS AND OTHERS: *Until this report is published, even if it is ultimately to be considered in Part 1, it should not be circulated beyond the Cabinet (excepting officers writing and reviewing the paper through this process) or sent externally, and its contents should be treated as confidential.*

Report Title	2022-23 Annual Report on Contract Procedure Rules and Waivers and Procurement Services Update
Report to:	General Purposes Committee
Date of Meeting:	June 2023
Directors:	Fay Hammond (Executive Director – Resources) and Olga Bennet (Director of Finance – Capital & Commercial, Resources)
Report Author:	Claire Reilly (Head of Policy & Contract Development, Procurement Services)
Classification:	Part I Public

Purpose of Report

1. To provide an update to the General Purposes Committee on the Contract Procedure Rules (CPRs) compliance, Waivers and Procurement Spend. This report covers the period April 2022 to March 2023. It also includes an update on Procurement Services.

Recommendations

- I. To note the annual update to General Purposes Committee on procurement compliance, numbers of waivers, and procurement spend.
- II. To note the update on Procurement Services

Background and Options

1. Procurement Services, reporting to Olga Bennet (Director of Finance, Capital & Commercial) brings together a range of specialist skills and resources to support all Enfield Council service areas throughout the commissioning, procurement, and contract management process, taking a business partner approach. This includes support on request, to Housing Gateway Limited and Energetik. Procurement Services facilitates all procurement over the Public Contracts Regulations 2015 (PCR) financial thresholds (£213k goods and services & £5.3m works). It will facilitate high risk or complex procurements over £100k for goods and services and £2.5m for works and provides support for below PCR threshold projects through self-serve and advice and guidance.
2. The function provides strategic procurement and contract management advice early in consideration of any new initiatives, and to support those managing existing contracts to meet or exceed contract outcomes. Procurement Services lead the tendering process for larger and more complex projects.
3. Nationally, Local Authorities continue to manage the residual impacts on the supply chain of Covid-19, Brexit and the Ukrainian conflict. There have been and remain delays and shortages of some materials for construction, food supplies and price increases. Procurement Services continues to support services to strengthen business continuity plans to mitigate risks to the supply chain through pre-procurement, market engagement and collaboration with finance colleagues on price analysis, trends and costing models.
4. The Council may only contract with external parties within the legal framework for local authority procurement i.e., in accordance with the UK Public Contracts Regulations 2015 (as amended), the Council's Contract Procedure Rules (s135 of the Local Government Act 1972), the general duty to obtain Best Value (Local Government Act 1999) and by following the principles of transparency, non-discrimination and equality of treatment.
5. Under section 135 of the Local Government Act 1972 a local authority is required to make standing orders for contracting of goods, works and services. There is also an obligation to include in those standing orders provisions for securing competition for contracts and regulating the way tenders are invited. The standing orders may provide that contract of a certain value are exempt and may authorise the authority to exempt the provisions were justified by special circumstances. The Contract Procedure Rules (CPRs) are the Council's standing orders as required under the Act.
6. The Contract Procedure Rules are compliant with UK procurement regulations as set out in the Public Contracts Regulations 2015. The regulations make competition of certain contracts mandatory, and these requirements cannot be waived.

7. Following the withdrawal from the EU, Procurement Services has ensured that the Council is compliant with updated regulations. From the 1 January 2021 the UK is no longer required to advertise on the Open Journal of the European Union (OJEU), but on the UK e-procurement portal 'Find a Tender'. Enfield's procurement systems are compliant and interface with 'Find a Tender'. All opportunities nationally are promoted on this platform together with the Council's e-tendering system, the London Tenders Portal and Contracts Finder.
8. A Public Procurement Notice (PPN) 11/20 was published in December 2020 which allows below threshold procurement to reserve to SME's/VCS organisations, and location to county or country.
9. Several Public Procurement Notices were issued by the government between April 2022 and March 2023. Those relevant to the CPR's are listed below:

PPN 01/22 contracts with suppliers from Russia and Belarus	How contracting authorities can further cut ties with companies backed by the states of Russia and Belarus.
Procurement Policy Note 02/22 – The Consultancy Playbook v1.1	Updated version of the Consultancy Playbook (Version 1.1) published 05/09/2022
PPN 03/22 – Updated guidance on data protection legislation	This PPN updates and replaces PPN 02/18 and reflects changes to the data protection legal framework which impacts government procurement.
PPN 01/23: Requirements to publish on Contracts Finder	Guidance for in-scope organisations on how to publish procurement information on Contracts Finder
PPN 03/23	Updates the Selection Questionnaire (SQ) and accompanying statutory guidance. The amendments are based on feedback from buyers and suppliers to improve the supplier selection process and reflect changes to policy. This PPN replaces PPN 08/16

All documentation has been updated to reflect these notices.

10. At the time of writing this report, a new PPN is expected imminently. The Free Trade Agreements with Australia and New Zealand have prompted amendments to current procurement regulations under those trade agreements. These amendments are due to come into force on 25th May 2023 under the Public Procurement Regulations (International Trade Agreements) (Amendment) Regulations 2023/484. These will only apply to procurements commenced after the 2023 regulations came into force.
11. The main change to current procurement regulations is the removal of the use of the Prior Information Notice for making a call for competition. There are

also changes in the procedure to calculate the value of lots and procurements which apply to the Public Contracts Regulations and a new obligation which prevents contracting authorities from terminating contracts *“in a manner which circumvents their obligations under the regulations.”* Contract Procedure Rules will be amended on receipt of the new PPN and accompanying guidance.

12. Compliance and Contract Procedure Rules

13. The current CPRs were updated in line with the update of the Council’s Constitution and were published in July 2020. They are used in conjunction with the Procurement Manual. The CPRs are reviewed regularly, and compliance is reported monthly to the Director of Finance – Capital and Commercial within the Procurement Services Dashboard Report. Given the significant transformation of public procurement set out in the Procurement Bill, the CPRs will require a comprehensive review and amendment after the Bill receives Royal Assent (scheduled during June 2023) and publication of Secondary Legislation and Guidance.

14. Compliance to the CPRs for the period of April 2022 to March 2023 is set out in **Appendix B**. Overall compliance to the CPRs is good. To support compliance no new supplier can be created without evidence of compliance to the CPRs.

15. Regular training on following the CPRs for Council Officers is provided via iLearn. Procurement Services also offer training to schools on the CPR’s.

16. There are occasions where it is 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 procedure for which is included in **Appendix A**. The approval of such Waivers and Exceptions are compliant with the CPRs. It should be noted that waivers cannot contravene UK legislation.

17. The July 2020 CPRs were tightened up and now state that all Waivers must be approved by the Executive Director of Resources following review by Procurement Services.

18. Monthly reports are run to look for ‘gaps’ in the contract register. This looks for spend with suppliers where we cannot identify a contract. This helps to minimise noncompliance and ensure that the contract register is up to date. Gaps are then investigated, and relevant actions taken to create a record in the contract register.

19. Waivers

20. Over the past nine years the number of waivers has decreased dramatically from 40 in 2014/15, 10 in 2015/16 and 4 in 2016/17 and 1 in 2017/18. There were 0 for 2018/19 and 2019/20, and 1 in 2020/2021, 3 in 2021/22. This can be attributed to Procurement Services working closely with services to look for alternative options and promote a competitive process wherever possible.

21. Four waivers were issued for the period April 2022 to March 2023. This equates to a total contract value of £939,267. This is an increase on last year's value of £298,843. These are detailed in **Appendix C**. Two of these waivers were granted for short term contracts whilst compliant procurements are being carried out.

22. Procurement Services continues to monitor the use of Waivers.

23. Exceptions

24. Under the CPRs there is provision to consider areas that are exceptions. These are permissible within the UK Public Contract Regulations 2015, and the Council's CPRs. Exceptions issued for April 2022 – March 2023 are set out in **Appendix C**.

25. The number of exceptions sought for the period April 2022 to March 2023 is 47. This equates to a total contract value of £5,412,999.

26. This is an increase to the number of exceptions in 2021/22 financial year. This is due to greater engagement with service areas and a drive to get all contracts recorded, to facilitate planning and to allow more strategic procurement activity in the future. Many exceptions have been granted for greater transparency, and to ensure they are on the Councils Procurement Pipeline to carry out a competitive process within the next 12 – 18 months.

27. In all cases these exceptions had been discussed with Procurement Services through the Procurement Assurance Group and had been agreed, as being within the best interests of the Council at that time. In most cases these are for specialised areas of spend or an interim solution whilst a more strategic procurement plan is put in place.

28. As Procurement Services reviews its governance, and has created the procurement pipeline, many non-ratified contracts have been found. To ensure transparency many of these have been created in the corporate contract register or put through as an exception as a 'holding' position while a more compliant solution is found.

29. Extensions and Frameworks

30. At the time of writing this report there are 301 live contracts in the Contract Register (LTP).

31. Total number of contracts in the contract register that have an extension option is 85 of which 24 have already had the extension option taken.

32. Overview Table of Framework and Extensions 2022 - 2023

Number of contracts accessed via a framework or is a framework	50
Number of live contracts let via a single supplier Framework	8
Number of live contracts with extensions	85
Number of contracts expiring this year (2023-24) with extensions (See appendix G)	17

Number of current live contracts that have executed an extension.	24
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33. Table of live contracts let via a Single Provider Framework

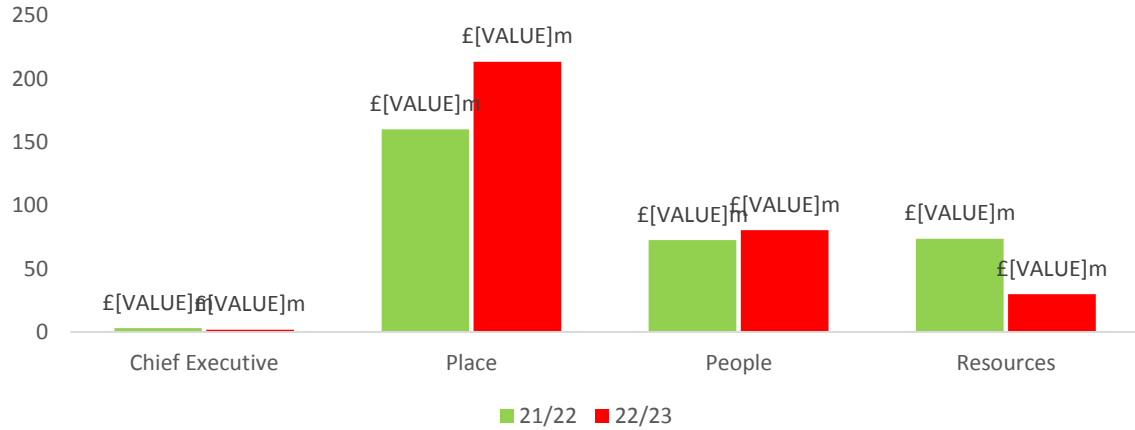
Title	Dept	End Date	Net Value
Prepaid Cards NEPO505 Framework Contract for the provision of Prepaid Card Accounts.	People	28/02/2025	£280,000
Investment Management Consultancy Services for the London Borough of Enfield Pension Fund (National LGPS Framework)	Resources	09/02/2024	£250,000
School Holiday Playschemes, Play and Leisure Activities for SEND Children and Young People	People	31/03/2025	£230,061
Learning Management System - Annual Maintenance & Support CCS Gcloud12 call off.	Resources	01/08/2024	£107,720
Amazon Business – Public Sector Digital Marketplace – YPO Framework	Resources	04/05/2026	£3,000
The provision of MFDs and services for the council. CCS Framework agreement RM3781 LOT1 (only one provider on this lot)	Resources	31/12/2023	£375,000
Translation Services OJEU procurement run by Newham to provide Framework	Resources	31/03/2024	£2,250,000
Out of hours telephony service OJEU procurement run by Ealing to provide Framework	Resources	30/09/2025	£1,386,000

34. Procurement Spend Information

35. The spend profile of Enfield Council is typical for a tier 1 Local Authority with the main spend categories being People and Place. Total 3rd party spend for April 2022 – March 2023 was £984.9m. This is an increase from previous period April 2021 – March 2022 of £925.4m, representing a change of 6.4%. Spend profile is set out in below for period April 2022 to March 2023.
36. Typically spend is classified as ‘subject to procurement’ or ‘not subject to procurement’. Not subject to procurement spend is spend that is exempt from Public Contract Regulations 2015, such as salaries, taxes, property purchasing or rent, care packages, barristers.
37. The spend subject to procurement for the period 2022 – 2023 was £325.8m whilst the Council spends a further £659.1m with third parties that is classed as not subject to procurement, making a total of £984.9m.

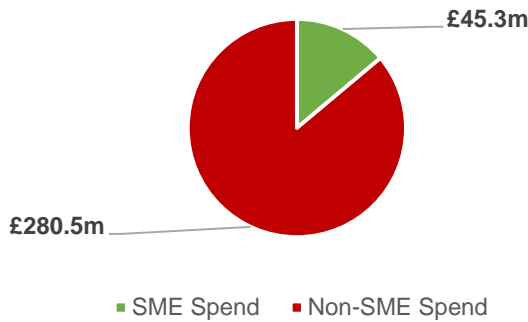
38. The procurement spend of £325.8m is divided between four departments as shown below. From 2023/24 this will be split by 5 departments with the addition of Environment and Communities.

Total Procurement Spend 2021/22 and 2022/23

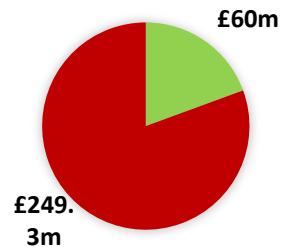


39. Spend with Small to Medium Enterprises companies was £45.3M equating to 14% of total spend. This is a decrease from £60m last year, but an increase of £10m on 20/21's figure. Tracking SME spend is difficult if the Supplier does not inform the Council, it is an SME.

SME Spend 2022 - 2023



SME Spend 2021 - 2022



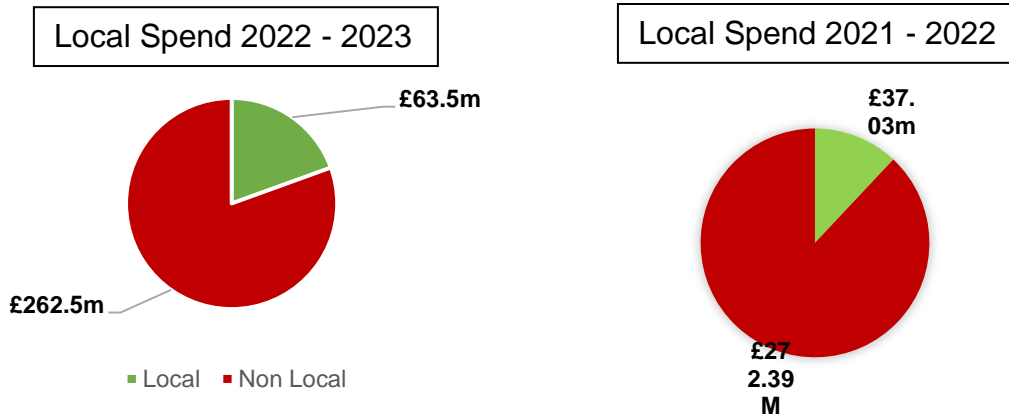
40. Overview of SME Spend Table

	Value 22 -23	Percentage 22-23	Value 21 - 22	Percentage 22-23
SME Spend	£45.3m	14%	£60M	19%
Non-SME Spend	£280.5m	86%	£249.3m	81%
Total Spend	£325.8m		£309.4m	

41. Local spend with suppliers subject to procurement was £47M, equating to 14% of total procured spend. This is an increase of £10m which equates to

27% on previous period where spend with local suppliers was £37m. Local spend is defined by the 'Payee address' being within an Enfield Borough postcode.

42. Development of reports over the past year have helped to identify local spend that going through 'agent systems' such as Access UK and Matrix MM. Through this we have identified a further £16.6m of spend that is remaining within the borough. This takes the total spend to £63.5m and increased to 19%.



43. Overview of Local Spend Table

	2022 - 2023 Value	2022 - 2023 Percentage	2021 - 2022 Value	2021 - 2022 Percentage
Local Spend	£63.3m*	19%	£37.03m	12%
Non-Local Spend	£262.5m	81%	£272.3m	88%
Total Spend	£325.8m		£309.4m	

*Includes agent system spend

44. The CPRs require officers to obtain quotes from local suppliers where possible, subject to best value considerations and to consider how to develop the local market to support delivery of the contract
45. Work is being undertaken to increase the number of local suppliers and opportunities offered to them. This includes application of the Sustainable and Ethical Procurement Policy, regular engagement with local businesses at events held by organisations such as Enterprise Enfield, the North London Chamber of Commerce and through advertising pre-procurement market engagement events, and development of advice and guidance on the Council's website.

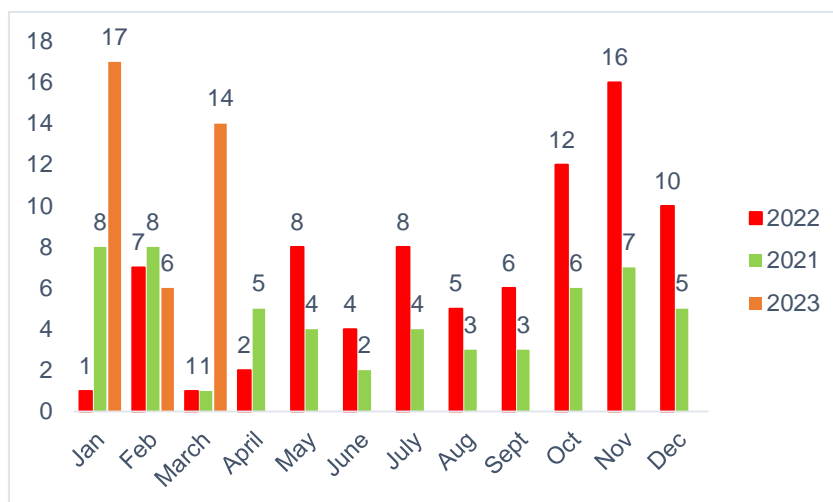
46. Procurement Services Update

47. Procurement Services restructured and went 'live' with a new structure in March 2022. The function is operating with a vacancy in the key area of Procurement lead for the Construction, Housing and Highways. There is a national shortage of experienced procurement professionals in this category.

Locally, the function has been able to support projects in this area through other members of the team and the Head of Service. Conversations with peers across London have and are being held in attempts to mitigate the national shortage of available professionals and junior members of the team are being trained in the necessary specialist areas as part of succession planning.

- 48. Procurement Services introduced a Category Management Approach and Contract Management Support in March 2022. This has provided Strategic Procurement Partners with category specific knowledge for Digital Services, People Services and Corporate Spend.
- 49. Having specialists in category spend supporting Service departments through better understanding of the market, challenges, and service delivery outcomes.
- 50. The Head of Procurement has and continues to engage with services across the organisation to communicate the new offer. This has been well received with good feedback and is evidenced by the by the increase in requests for support.

51. Graph Showing Requests for Procurement Support 2022 - 2023



- 52. A review of all procurement governance has been carried out and is still ongoing to give decision makers the assurance and confidence of high-quality procurement standards and value for money at all stages of the procurement cycle from sourcing strategy through to any requests for contract extensions, variations, and modifications.
- 53. The review of governance has led to the implementation of the Procurement Assurance Group and Gateway process. The Procurement Assurance Group is comprised of Procurement, Finance and Legal professionals. It meets weekly and takes all procurement projects led by Procurement Services through a 'gateway' assurance process.
- 54. The Procurement Assurance Group also reviews the procurement pipeline, governance updates and waivers and exceptions. New processes have been developed to strengthen governance around extensions and variations to

contracts. These all now need to come to the Procurement Assurance Group to ensure compliance and governance.

55. The Departmental Procurement Boards were not seen as adding value and were disbanded in favour of the Procurement Assurance Group.
56. Regular reporting is being developed and a copy of the procurement services 'dashboard' is circulated to the Director Finance – Capital and Commercial monthly.
57. To support Services and officers the Procurement intranet pages have been extensively updated. More contract and spend information is available to support visibility. Additionally, support guides and checklists have been updated. A training strategy has been developed to support officers across the Council to carry out procurement more effectively and support the Council Plan.
58. To support the move to more strategic procurement, it has been recognised that investment is needed in systems for monitoring and reporting of contract management activity.
59. In July 2022 cabinet approved Procurement Services new [Sustainable and Ethical procurement policy](#). This sets out how the Councils plan will be delivered through procurement activity.
60. The policy focuses on four priority areas:
 - **Social Value** - In line with the Council's Contract Procedure Rules, officers must consider the inclusion of a minimum 10% evaluation weighting for social value in all procurements over the public procurement threshold and are strongly encouraged to include this in procurement under the threshold.
 - **Ethical Procurement:** The policy supports the Council's Fairer Enfield policy and sets out how suppliers can support the Council in delivering Equality and Diversity.
 - **Supporting the Local Economy and Local Employment:** Through its procurement activities, the Council will create high quality employment and training opportunities for residents and support local businesses. It includes new Enfield Skills Academy and explains guidance for staff will be developed on how to give a higher weighting, and where appropriate and proportional, up to 50% of the weighting, to local economy, employment, and skills.
 - **Climate Action:** In line with Enfield's Climate Action Plan, this policy sets out how the Council will minimise carbon emissions and negative environmental impacts
61. There was wide consultation both internally and externally to gather input and feedback to the policy. Procurement Services work closely with the Modern Slavery Team and attends the Modern Slavery Board to ensure alignment of the policy with the Councils Modern Slavery strategy. The Modern Slavery statement and the Modern Slavery section in the Sustainable and Ethical procurement policy were jointly developed with the Modern Slavery Team.

62. The Sustainable and Ethical Procurement Policy is being implemented through procurement activity. An update report on the implementation of the Sustainable and Ethical Procurement Policy was submitted to the Equalities Board in March 2023.
63. This year has also seen an increase in the number of procurement projects being outsourced to 3rd parties. This is due to a lack of resources in Service Departments to support procurement activity, and to bring in subject matter experts to support the development of the specification and tender documents, and in response to Procurement Services having insufficient resources to meet demand.
64. To manage this Procurement Services have created a 3rd Party Procurement Policy. This sets out the expectations of the Council regarding the 3rd party's obligations, the governance they need to follow, and the standard that need to be upheld. It also sets out responsibilities, and liabilities if there is a challenge.

65. **Contract Management**

66. The development of a culture of contract management is continuing. A Contract Management Framework is being development to be implemented across the organisation. This will set out what actions Service Departments should undertake for robust and effective contract management.
67. A contract tiering tool has been implemented that will classify the tiering of contracts. This will link to the Contract Management Framework, Supplier Resilience checking and contract management reviews. The classification is based on value, risk, data sensitivity and complexity to reprocure. The classifications are:

Platinum	Very high: value, risk, data sensitivity & complexity to re-procure.
Gold	High: value, risk, data sensitivity & complexity to re-procure.
Silver	Medium: value, risk, data sensitivity & complexity to re-procure.
Bronze	Low: value, risk, data sensitivity & complexity to re-procure.
Unclassified	Very low: value, risk, data sensitivity & complexity to re-procure.

68. The classifications run from Platinum being the highest risk contract in terms of the 4 measures (value, risk, data sensitivity and complexity to reprocure), down to unclassified which is very low risk and complexity. This classification method is also used by Finance for their financial standing tests during Procurement delivery, and in line with Government Standards.
69. The classification will drive the activity required by the contract manager to ensure that effective contract management is being carried out to reflect the risk and complexity of the contract. It also ensures that the level of activity is proportional. The activities required are set out in the Contract Management Framework.

70. The Classification will also lead to a supplier resilience programme (to be implemented later in the year), so those that are Platinum will have monitoring by Procurement Services in place to look at external influences that might affect supplier failure or performance eg stock market pricing.

71. The Classification will also help to prioritise contracts for a review programme. This will be implemented later this year once the framework is up and running.

72. The table below shows the number of classifications carried so far.

Number of Contracts Classified	Number Platinum	Number Gold	Number Silver	Number Bronze
50	4	36	10	0

73. Since January 2022 there has been support for Contract Management. The Contract and Supplier Relationship manager has been working with several Service Departments to support around 16 separate contract management activity, which has been well received. This ranges from supporting extensions and variations, contract reviews and negotiations, and training and upskilling officers. We have supported services to better understand their contracts and implement more robust contract management activity within the service.

74. One example is the CCTV Service. This is a large services contract for (£2.5m). Procurement Services provided training and toolkits to the service to support more robust contract management, explaining how to carry out effective contract management. This was well received with the Service Department taking time to feedback. (Excerpt of feedback '*Sev structured the meetings using the contract management template he created and demonstrated if used properly all aspects of what needs to be discussed will be covered*').

75. We have also supported Waste Services with their contract at Barrowell Green. This helped to upskill officers within the Service, and supported the implementation of robust contract management, and supported negotiation of the contract. Thanks were given at EMT for this work.

76. More generally working with services supporting several services departments to resolve contract performance issues, changes in provision and implement better practice in response to audits. This support has been well received by services.

77. The Contract Management and Policy team are continuing to review processes and governance, specifically around contract extensions. Implementing a new novation process and variation and extension pro-forma, to ensure more robust reviews of contracts prior to contract extensions being executed.

78. Continuing to work with service departments, training contract managers to understand the activities and requirements for robust and effective contract

management. Developing and providing toolkits and templates for recording available on a 'micro site' on the Intranet for guides and information.

79. A review programme will be developed this year based on the Classification of high spend/high risk contracts. This review programme will work with services to review contract management efficiency, supplier performance, risk, and contract strategy. An action plan will be drawn up with the service to action findings from the review.

80. The top 10 contracts by value are now monitored by Procurement Services and reported on the Monthly Dashboard. Contract Managers send a monitoring report to procurement services. **(See Appendix E)**

81. Procurement Bill

82. Procurement Services are preparing for the new Procurement Bill which is scheduled to receive Royal Assent during July 2023. Work will then take place on finalising the Secondary Legislation, Guidance, and a public consultation. Once passed there is likely to be a 6-month implementation period. The date for full implementation is likely to be during Spring 2024.

83. The Government has stated that it wants to simplify the procurement process, increase transparency, and ensure that Social Value, Climate Action and Economic Development are more central within procurement activity. There will be a simplification to just 3 routes to market (open, restricted, and flexible), but much more activity around notifications for transparency.

84. The changes in UK procurement regulations will necessitate a review of the current CPRs. In preparation new CPRs are already being drafted in readiness. Once the new regulations are passed and new CPRs drafted the new CPR's will need to be agreed at full Council as they are part of the constitution.

85. Following the creation of the new CPRs there will be a need to ensure that all Council officers involved in procurement are aware of the new bill, its obligations, and how these have been reflected in the new CPRs.

86. Next Steps

87. An Annual Procurement Plan and 3-year pipeline' is being developed. This will be a pipeline of work to include all 'known' and 'to be' procurement projects for a 3-year period. This will provide a strategic view of procurement across the Council, support resource planning, provide greater transparency and opportunities for local business and ensure compliance for the new Procurement Bill that is mandating that Councils publish procurement pipelines of minimum 18 months to 3 years.

88. Given the limited resources in Procurement Services, the team is focusing on high risk, or complex procurement.

89. The service continues to develop its working practices to implement more industry best practice, ensure compliance, value for money and to add value to the organisation
90. The last year has seen a lot of transformation within the team and working with services to develop accurate baseline data, a more transparent approach to procurement and the Councils procurement pipeline.

Preferred Option and Reasons for Preferred Option

67. Continue to develop new processes and ways of working that will support compliance, but also ensure flexibility to meet the needs of the Council and add value
68. Focus and prioritise on those projects that are high risk for the Council, will generate savings and efficiencies and maximise impact.

Relevance to Council Plans and Strategies

69. Procurement Services supports the delivery of the Councils Plan priorities by enabling services to commission and procure contracts that delivery council outcomes, supporting clean and green places, strong, healthy, and safe communities, thriving children and young people, more and better homes and an economy that works for everyone.
70. Procurement Services supports the delivery of the Councils Plan principles through its sustainable and Ethical Procurement Policy, the Contract Procedure Rules and Contract management framework.
71. Providing a wide range of policy and analytical support as it relates to suppliers and external markets and to provide guidance through the legal and internal processes that govern how the public's money is spent.
72. Procurement Services is an enabling service and supports Council services through procurement to support the delivery of homes in well-connected neighbourhoods, safe, healthy, and confident communities, and an economy that works for everyone. Through procurement activity it ensures that suppliers support the Fairer Enfield Policy and Climate Action.

Financial Implications

73. This is an update only report and there are no financial implications for this report. Procurement Services works closely with Financial Services throughout the life cycle of the Procurement Project to ensure financial probity.

Legal Implications

74. This is an update report and there are no legal implications for this report. Procurement Services works closely with Legal services throughout the life

cycle of the Procurement Projects to ensure legal compliance and governance.

Equalities Implications

75. Equalities are considered during procurement through the Sustainable and Ethical Procurement Policy, that includes sections on equalities.

76. Environmental and Climate Change Implications

77. Climate implications are considered during procurement through the Sustainable and Ethical Procurement Policy, that includes sections on Climate Action and sustainability.

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Appendices

Appendix A	Excerpt from CPR rules for Exceptions and Waivers (Rules 15 and 17)
Appendix B	CPR compliance April 2022 – March 2023
Appendix C	Exceptions and Waivers issued April 2022 – March 2023
Appendix D	Send breakdown by General Ledger Classification & UNSPSC classification
Appendix E	Top 10 Contracts monitored by Procurement Services
Appendix F	Top twenty suppliers by spend April 2022 – March 2023
Appendix G	Contract extensions April 2022 – March 2023

Background Papers

None.

Appendix A
Excerpt from CPRs (Rules 15 & 17)

15. EXCEPTIONS TO COMPETITIVE TENDERING

15.1 Where competitive tendering is impossible then an exception can be used, but the Service Department, must demonstrate why they were unable to demonstrate VFM through a competitive process and that the use of this rule meets Council needs.

15.2 This Rule can be applied only where:

- (i) The procuring officer uses a legally compliant Framework which the Council has procured or has the right to access (subject to complying with the rules applicable to that Framework, including mini competition);
- (ii) A suitable corporate contract is in place for the Services/Supplies/Works being procured;
- (iii) Competition is prevented by Government or statutory control;
- (iv) Repairs, services, works, parts, goods or materials are required relating to existing machinery, vehicles, plant or equipment of a proprietary nature, where no suitable alternative Supplier exists;
- (v) Ongoing maintenance, updating, licencing and support is required relating to existing ICT hardware and/or software that is proprietary in nature and no suitable alternative Supplier exists;
- (vi) The contract provides in writing for an extension to the length of the contract's term and the following conditions are met:
 - The extension is for substantially the same works, supplies and/or services provided in the original contract;
 - The financial terms for the extension are as agreed in the original contract;
 - The length of the extension is no longer than that permitted by the original contract;
 - Such extension would not breach the Public Contract Regulations 2015; and
 - The appropriate authority/approval is in place in accordance with the Scheme of Delegation.
- (vii) The contracts being procured are for special education needs or social care services below relevant EU Threshold and, in the opinion of the responsible officer it is considered in the Council's interest or is

required to meet obligations under relevant legislation. If above EU Threshold, officers are reminded that the Public Contract Regulations 2015 may apply.

- (viii) Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.
 - (ix) Contracts below EU Threshold being procured are for specialist professional services necessary to support children's or adult services where service users/clients select the Supplier, but the grant funding is via the Council.
 - (x) Contracts are awarded between the Council and a 'Teckal Company'. Advice should be sought from Legal Services as to the application of the Teckal exception, and appropriate Council governance process should be followed.
 - (xi) In relation to the exceptions, advice should be sought from the P&C Hub and (where applicable) Legal Services as to whether there is any risk of the Council breaching Public Contract Regulations 2015.
 - (xii) Where a contract is entered into via any of the rules above then the contract must be recorded on the E-Tendering Portal.
 - (xiii) Over £100,000 where no tenders, no suitable tenders, no requests to participate or no suitable request to participate have been received in response to a tender process, provided that the initial conditions of the contract are not substantially altered, then the Service Department can negotiate with a single Supplier. Refer to the Procurement Manual for the process to follow.
 - (xiv) The aim of the procurement is the creation or acquisition of a unique work of art or artistic performance. Refer to the Procurement Manual for the process to use this Rule.
- 15.2 In relation to the exceptions, the requirement to comply with the Public Contract Regulations 2015 remains. Officers should consider publishing a Voluntary Ex-Ante Transparency (VEAT) Notice for any exception granted that is higher than the EU Threshold and the procedures leading to the award under the Regulations must be followed. A VEAT Notice can only be issued with approval from the P&C Hub.
- 15.3 Any decision not to seek competitive tenders must fully comply with this Rule 15, be reasonable in all the circumstances and be in the best interests of the Council. The decision must be recorded in writing and all documentation supporting the decision must be retained on the E-Tendering Portal.

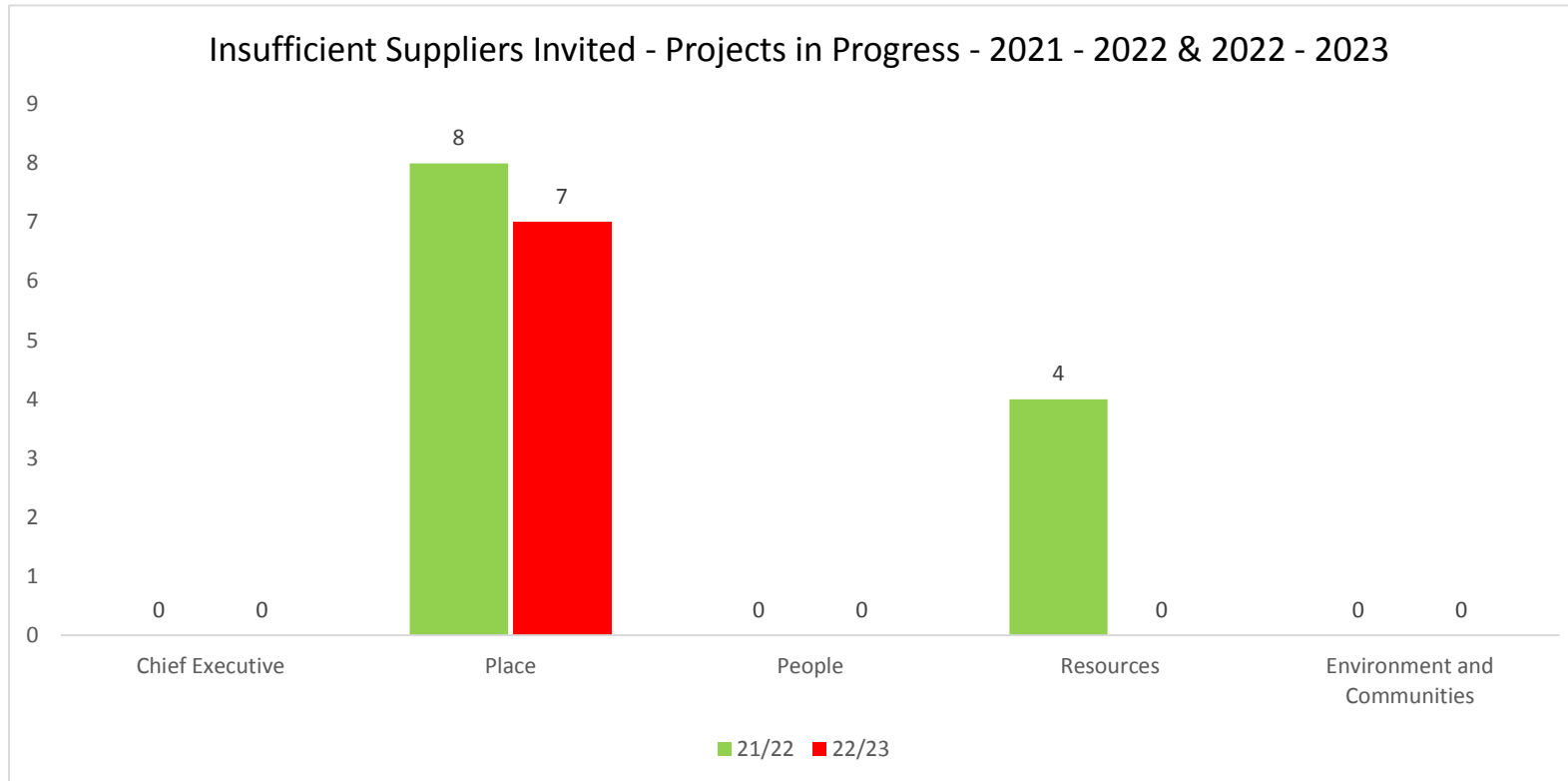
- 15.4 Exceptions will be reported to the Executive Director of Resources on a quarterly basis. Application for an Exception must be made via the Exceptions and Waiver form for recording and ensuring that the Contract is entered onto the Corporate Contract Register.

17. APPLICATION AND WAIVER OF THE RULES

- 17.1 These Rules apply to all contracts for Supplies, Works or Services entered into by the Council, except where a Waiver of all or part of the Rules is approved. Waivers should only be sought in **exceptional circumstances** given the general presumption that competition is the best way to demonstrate VFM.
- 17.2 It must be noted that where the value of the contract is over the EU threshold the Council must comply with the requirements of Public Contract Regulations 2015 therefore it is not possible to waive these requirements, and contracts let in this way will be in breach of the Regulations.
- 17.3 All Waivers are reported Council's General Purposes Committee on an annual basis by the P&C Hub.
- 17.4 The officer requesting the Waiver **must** keep a written record of any waiver of the Rules. Application of a waiver can be made via the [Exceptions and Waiver form](#) and will be reviewed and approved by the Executive Director of Resources.
- 17.5 Contracts let via a Waiver must have documentation held on the E-Tendering Portal to create a record on the Corporate Contract Register.
- 17.6 Waivers will only be issued for a period of 12 months, unless agreed otherwise by the Executive Director of Resources.

Appendix B 2022-2023 Compliance Reports

Number of projects in progress over £25k where too few suppliers were invited to quote.



Appendix B Continued

List of projects where insufficient invitations to quote where requested.

LTP Reference	Value	Contract Title	Suppliers Invited	Department	Reason
DN607380	£120,000	CMFM Building Condition Surveys	1	Place	Call from a framework
DN648661	£98,000	Clerk of Works Services Relating to Projects at Alma Estate and Meridian Water	1	Place	Direct award from framework
DN648656	£98,000	Employers Agent Services Relating to Projects at Alma Estate and Meridian Water	1	Place	Direct award from framework
DN640789	£90,000	Architecture, Planning and Technical Consultant Appointment for Joyce & Snell's Estate Regeneration Hybrid Planning Application	1	Place	Direct award from framework
DN598251	£80,000	Installation of Civic Centre Car Park ANPR System	2	Place	Following market engagement only two suppliers able to respond within timescales
DN558950	£50,000	Incremental Housing Design Study and Meridian Water East Bank	2	Place	Awaiting response from Service
DN558121	£50,000	Civil Engineering and Town Planning Advisory Support Services for Meridian Water Regeneration Programme	2	Place	Awaiting Response from Service

Appendix C
Table of all exceptions April 2022 – March 2023

Department Name	LTP Reference	Procurement Title	Supplier	Reason	End Date	Value	Date
Chief Executive	DN621230	Inspirational Speaker	Charlton Farm Ltd (Sally Gunnell)	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	30.06.2022	£28,800	08/07/2022
Resources (DS)	DN621789	Annual Maintenance & Support	STORM Technologies	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	01.04.2023	£93,000	11/07/2022
People	DN622650	Enfield HAF Programme 2022	Time for Change AM Ltd	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	30.06.2023	£35,000	12/07/2022
People	DN622652	Enfield HAF Programme 2022	Anytime Childcare	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	30.06.2023	£68,000	12/07/2022
People	DN622656	Enfield HAF Programme 2022	Edmonton Community Partnership	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	30.06.2023	£35,000	12/07/2022
People	DN622660	Enfield HAF Programme 2022	First Kicks Sports Ltd	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	30.06.2023	£70,000	12/07/2022
People	DN622664	Enfield HAF Programme 2022	Get With the Kids Vibe	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	30.06.2023	£72,000	12/07/2022
Resources	DN631217	AVC Wise	AVC Wise	Exception 15.2 (viii): Upon evidence of	01.09.2025	£90,000	02/09/2022

				extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.			
Resources (DS)	DN632996	Capita Children Services - all relating to eStart	Capita	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.03.2023	£47,732	14/09/2022
Resources (DS)	DN633020	Annual Fee Core+ Full Managed Service Contract Number: 83000084	Access UK Limited	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.08.2023	£47,684	14/09/2022
Resources (DS)	DN634778	Fortinet Annual Maintenance & Support	Switchshop	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	17.09.2024	£60,952	26/09/2022
Resources (DS)	DN634799	Annual Maintenance & Support	Learning Pool	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	01.08.2024	£107,720	26/09/2022
People	DN635862	Vaccine Champions	Revival Christian Church	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	31.12.2022	£30,000	30/09/2022
People	DN606992	Vaccine Champions	Edmonton Community Partnership	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	31.12.2023	£52,000	30/09/2022

				available.			
Resources (DS)	DN637128	Enfield Libraries License, Support and Maintenance	D-Tech	This procurement is compliant with Exception 15.2 (v) of the Council's CPR's as it is for ongoing maintenance updating and support of existing ICT hardware and software, therefore no suitable alternative supplier exists. Suitable arrangements will need to be made for procurement of a replacement of this product as it will shortly be end of life	30.09.2023	£30,101	10/10/2022
Resources	DN637520	Cycle to Work scheme	Cycle scheme	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	30.09.2023	£59,000	11/10/2022
Resources (DS)	DN638230	Mobile Thermal Printers	XMA	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	01.01.2025	£63,502	12/10/2022
Resources (DS)	DN638516	Desktop mapping solution for the geographic information system (GIS) analyst to visualize, analyse, edit, interpret, and output data	Precisely Software Limited	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.10.2024	£36,503	14/10/2022
Place	DN639816	DAC Outdoor and Indoor Furniture	Building Bloqs CIC	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	10.12.2022	£63,000	25/10/2022

Resources	DN641109	Brokerage Fees (loan)	Tradition (UK) Ltd	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	22.09.2026	£200,000	02/11/2022
Resources (DS)	DN644388	Annual Maintenance & Support for VMWare vSphere 8	SoftCat	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	11.11.2025	£28,934	23/11/2022
Resources (DS)	DN644397	RAPID 7 SIEM (IDR) & IVM - 1 Year License Renewal	Caretower	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.03.2024	£170,587	23/11/2022
People	DN649045	Provision of Autism Support Services in Enfield	One to One (Enfield)	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	09.11.2024	£64,166	20/12/2022
Resources (DS)	DN649114	Waste Collection Route Optimisation Software	Bartec	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.12.2023	£34,840	20/12/2022
Resources (DS)	DN649969	Professional Service Days and Penetration Testing	Caretower	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.03.2024	£49,750	04/01/2023
Place	DN650339	Cheshire House Electrical Boiler Installation	CBM Electrical	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is	31.01.2023	£226,195	06/01/2023

				available.			
Place	DN650341	Shropshire House Electrical Lateral Mains Upgrades	CBM Electrical	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	31.01.2023	£447,264	06/01/2023
Place	DN650345	Cheshire House Electrical Lateral Mains Upgrades	CBM Electrical	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	31.01.2023	£414,000	06/01/2023
Resources (DS)	DN650349	Caspar Cloud – SaaS Client & Case Management Solution	Trojan Consulting	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	28.02.2025	£30,820	06/01/2023
Resources	DN651256	Recruitment of Finance Specialists	Ivy Rock Partners	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	01.06.2024	£35,000	13/01/2023
Resources (DS)	DN652319	SAP additional licences and support	SAP UK	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	01.01.2024	£47,236	20/01/2023
People	DN576797	Service to provide Independent Review Officers and Child Protection	Aidhour Ltd	Exception 15.2 (vii): Special education needs or social care services below relevant EU Threshold and, in the opinion of the responsible officer it is considered in the Council's interest or is required to meet obligations under relevant legislation.	31.03.2022	£100,000	21/02/2023

		Chairs					
Resources	DN658188	Operation Engage Collaboration	Met Police	Exception 15.2. (iii): Effective competition is prevented by government or statutory control.	31.03.2023	£40,000	27/02/2023
Chief Executive	DN660890	Long Service Award	One4All	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	08.03.2028	£50,000	09/03/2023
Resources	DN541260	Consultancy Services	Aon Hewitt	Exception 15.2 (viii): Upon evidence of extensive market testing and consultation with P&C Hub/Legal Services, the Goods, Services or Works are only available from a single Supplier and no suitable alternative is available.	30.09.2023	£25,000	16/03/2023
Resources (DS)	DN661623	Highways Case Management System	Bentley Systems (UK) Limited	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	28.02.2024	£122,233	17/03/2023
Resources (DS)	DN649784	Mimecast License	Caretower	Waiver 1.3 (iii) - Non usage of Council's E-Tendering Portal	31.03.2024	£151,466	17/03/2023
Resources (DS)	DN661591	Annual Support and Maintenance for Asbestos Management System	PSI2000	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.03.2024	£39,987	19/03/2023
Resources (DS)	DN661602	Library Management System Annual	SIRSI	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary	06.03.2024	£43,294	19/03/2023

		Support		in nature and no suitable alternative supplier exists.			
Resources (DS)	DN661605	BARIS support and maintenance	NEC Software	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.03.2024	£100,259	19/03/2023
Place	DN488616	Carriageway Recycling and Resurfacing Contract	Marlborough Highways	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	14.05.2024	£1,200,000	20/03/2023
Place	DN661762	Major Adaptions, Services and Repairs	Taylor Dolman	Exception 15.2 (iv): Repairs, services, works, parts, goods or materials are required relating to existing machinery, vehicles, plant or equipment of a proprietary nature, where no suitable alternative Supplier exists	01.04.2025	£170,000	20/03/2023
Resources (DS)	DN662619	Hosting and Support of Content Management System for Council Website	SQUIZ	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	28.02.2024	£86,135	24/03/2023
Resources (DS)	DN662740	Catita eSuite Data Management Solution Support and Maintenance	Capita	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	31.03.2024	£52,840	24/03/2023
Resources (DS)	DN662745	Choice Based Lettings & Home finder UK Subscription.	Home Connections	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier	31.03.2024	£57,744	24/03/2023

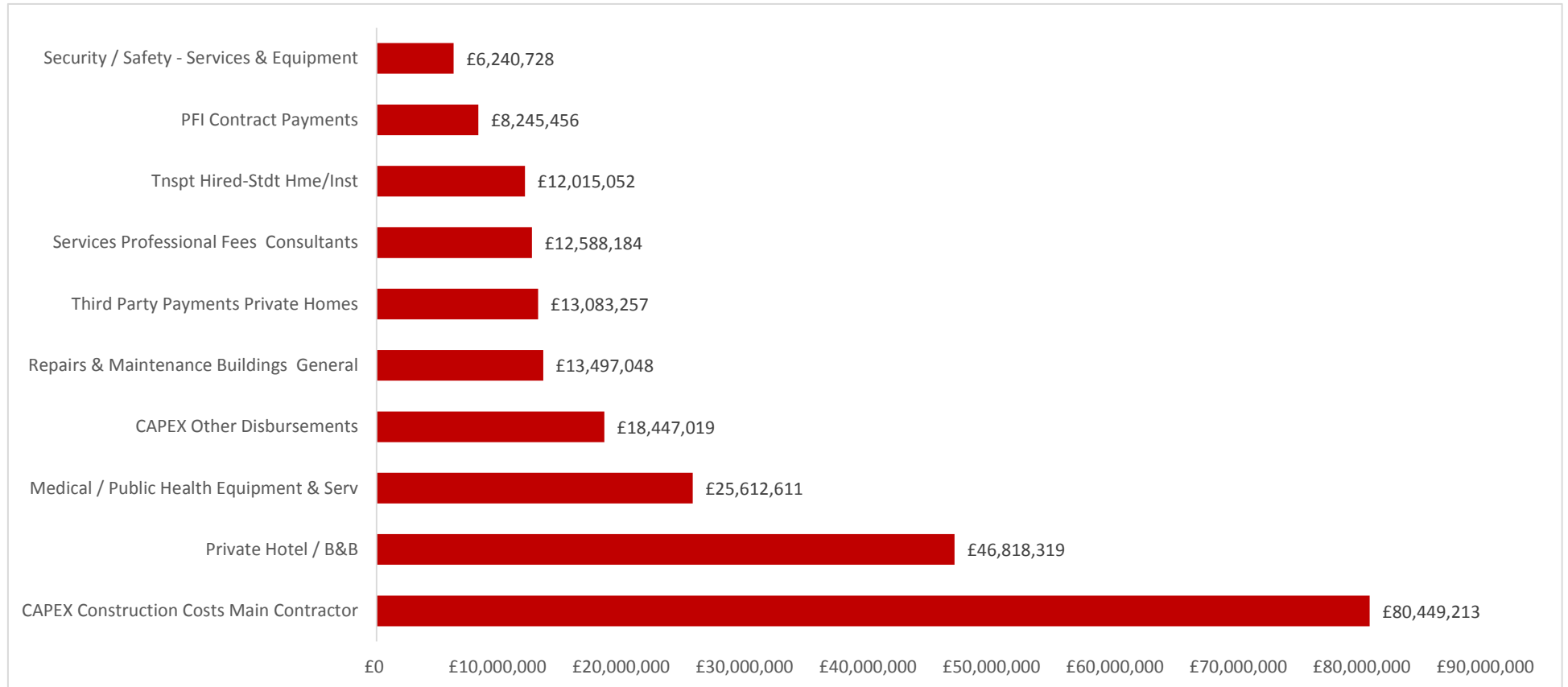
				exists.			
Resources (DS)	DN663311	Autodesk Licence Subscription	Symetri	Exception 15.2 (v): Ongoing maintenance, updating and support of existing ICT hardware and/or software that are proprietary in nature and no suitable alternative supplier exists.	06.03.2024	£46,255	29/03/2023
Resources	DN663351	Revenues and Benefits Call Centre and On Demand Services	Civica	Exception 15.2 (xiii): Procurement is over £100,000 where no tenders, no suitable tenders, no requests to participate or no suitable request to participate have been received in response to a tender process, provided that the initial conditions of the contract are met.	31.05.2023	£289,000	29/03/2023

Appendix C - Continued
Table of All Waivers April 2022 – March 2023

Department Name	LTP Reference	Procurement Title	Supplier	Value	Date	Reason
People	DN618416	Domestic Violence Refuge and IDVA Support	Solace Women's Aid	£571,514	03/07/2022	Rule 14 Original contract had no provision for extension, so awarded short term contract to allow time for new procurement. New procurement is in flight.
Place	DN379379	Litter and Street Scene Enforcement Service	Kingdom Services Group	£167,750	01/10/2022	Rule 14 Original contract had no provision for extension, so awarded short term contract to allow time for new procurement. New procurement is in flight.
Resources	DN639925	Banking Services	HSBC	£150,000	01/11/2022	Rule 14 Direct award due to the risk of changing banking provider, and competitive rates already provided through contract.
Resources (DS)	DN658207	Tiger team-to conduct an infrastructure review across LBE existing data centres	Smart Co Consulting	£50,000	27/02/2023	Rule 1.3 (iii) A desk top assessment of the market was carried out by the Service Department, outside of the LTP.

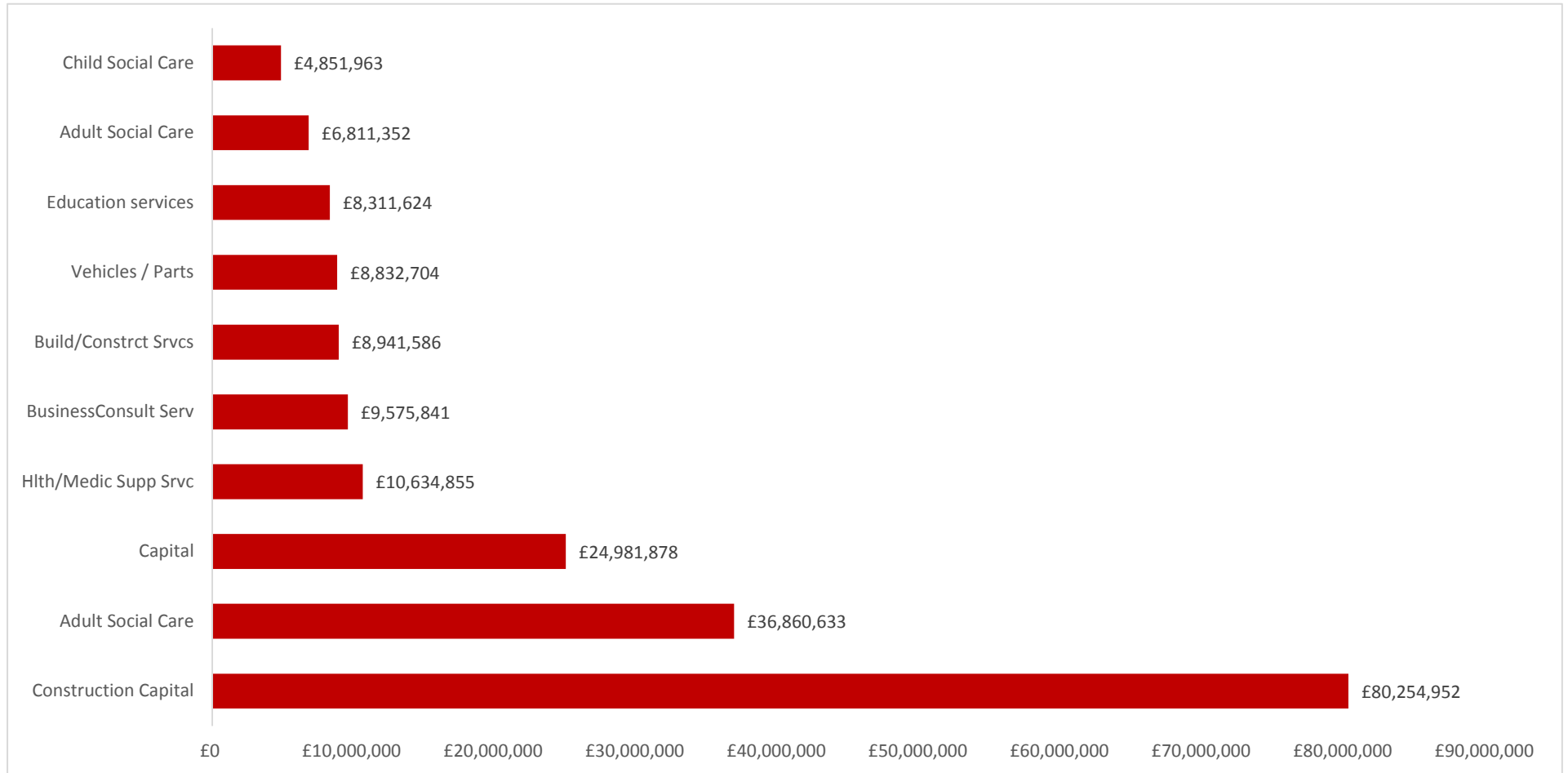
Appendix D

The Top 10 Commodities categorised by General Ledger Codes (finance categories). Spend in 2022/23:



Appendix D Continued

The Top 10 Commodities categorised by [UNSPSC](#) Codes (procurement categories). Spend in 2022/23:



Appendix E
Top Ten Contracts by value monitored monthly by Procurement Services

LTP Ref	Title	Dept	Start Date	End Date	Net Value	Spend to Date	Comments
DN372948	Meridian Water Strategic Infrastructure Works Overarching Framework Agreement linked to call off DN536116	Place	12/03/2021	11/03/2026	£135m	£6.6m*	Gold Framework contract managed by Turner & Townsend.
DN34935	LBE/LBN Joint PFI contract/PFI2	People	01/09/2004	31/08/2029	£114m	£80.3m	Platinum Meeting KPI's. 1 issue where financial penalty was issued and resolved.
DN553968	Exeter Road & Upton and Raynham Developments	Place	04/01/2022	21/06/2024	£91m	£9.6m	This contract has now been cancelled. Some elements moved to Joyce & Snells project.
DN38178	PFI Street Lighting Contract	Place	01/04/2006	01/03/2031	£73m	£84.6m**	Platinum Meeting KPI's not performance issues. Deed of variation being carried out.
DN35198	Highlands school PFI contract	People	25/02/1999	31/08/2025	£72m	£48.5m	Platinum Meeting KPIs. 1 issue which was resolved this month. Working on handover for 2025.
DN40935	Bulking Process & Disposal of Co-mingled Dry Recycling & Organic Waste	Place	29/08/2015	30/09/2023	£58m	£13.7m	This contract has been cancelled. Contract is now with the London Waste Authority which offers better value for money.
DN181203	Tender for the provision of passenger transport related services	Place	18/04/2022	17/04/2024	£45m	DPS Multiple suppliers	Gold Meeting KPIs Risk: small profit margins for providers

DN609662	Framework Agreement for the London Highway Maintenance Projects Framework (North Area)	Place	17/03/2022	31/03/2033	£30m	£500k	To be Classified. No performance issues reported.
DN297865	ENERGY (ELECTRICITY & GAS) FOR CORPORATE BUILDINGS & SCHOOLS	Place	18/10/2016	30/09/2024	£26.5m	£6.7m	Gold Billing issues that are mostly resolved. Investigating compensation payment.
DN218344	Parking, Traffic Enforcement and Ancillary Services	Place	24/08/2020	23/08/2026	£20.1m	£11.2m	Gold Meeting KPIs. 1 issue this month, resolved. Reviewing contract spend.

*Spend against call off contract with Vinci

** Additional projects were run via the contract. 1 for Trimming & dimming (cost savings) and 2 for changing to LED lighting.

Appendix F
Top 20 Suppliers by Spend 2022/23.

Vendor Name	2022/23 Spend	Type of Supply
Access UK limited	£40,955,963	Temporary Accommodation DPS
Matrix	£31,939,650	Temporary Agency Worker Contract
Vistry p'ships ltd - meridian 1	£10,859,377	Meridian 1 Master Supplier
Willmott Dixon interiors limited	£7,792,743	FM Contract
Mullaly & co limited	£7,195,990	Construction Contract
North Middlesex university hospital	£7,116,291	Sexual Health & 0 – 19 Supplier (public health)
Kenson Highways Ltd	£6,343,460	Highways Contract
John Graham Construction Ltd-cis	£6,233,105	Construction Contract
Hill Partnership Limited	£6,214,540	Construction Contract
Hutton Construction Limited	£5,456,758	Construction Contract
Lura Constructions Ltd-cis	£5,339,283	Construction Contract
Education Support (enfield2) ltd	£5,249,956	School PFI 2 (Stakes Field, Lea Valley)
S.W. Bruce & co Ltd	£5,121,176	Construction Contract
Housing Gateway Ltd	£5,066,857	Internal Trading Company
Barnet, Enf. & Haringey Mental Heal	£5,028,490	Various Community Health Services (OT, Speech & Language, Physio & Podiatry)
Wates Living Space (maint) Ltd	£4,332,801	Build the Change Contract
Enfield Lighting Services Ltd	£4,279,465	Street Lighting PFI Contract
NSL Limited	£4,213,427	Parking Enforcement Contract
Civica UK Ltd	£3,789,178	Consolidated ICT Contract with Civica
Lyncade Limited t/a Cavendish Radio	£3,754,239	SENd Taxi Supplier

Appendix G
Contracts with Extensions due in 2023 - 2024


LTP Ref	Title	Dept	End Date	Net Value
DN452526	Aids & Adaptations Term Contract	Place	12/05/2023	£3,600,000
DN471097	Appropriate Adults Service	People	30/06/2023	£550,000
DN544226	Sustainability consultancy contract	Place	20/07/2023	£92,200
DN330791	Strategic Planning and Policy Procurement	Place	23/08/2023	£3,500,000
DN586252	Meridian Water Heat Network Northern Extension: Zone A1 Design and Build	Place	25/08/2023	£2,440,335
DN644231	MW - DN428312 - Property Managing Agent for Meridian Water	Place	31/08/2023	£900,000
DN644760	MW - DN501611 - Commercial Advisory & Estate Management for the Meridian Water Regeneration Scheme	Place	31/08/2023	£630,000
DN576797	Service to provide Independent Review Officers and Child Protection Chairs	People	30/09/2023	£100,000
DN395392	16+ Semi-Independent Living Supported Accommodation Service	People	31/10/2023	£19,525,128
DN586256	Meridian Water Heat Network Northern Extension: Zone A2 Design and Build	Place	31/10/2023	£3,206,981
DN616867	Transitional Safeguarding Pilot Service	People	31/10/2023	£40,000
DN545268	Homelessness CMS	Resources	30/11/2023	£216,047
DN559744	Housing Property Asset Management System - APEX	Resources	30/11/2023	£180,915
DN449900	The Rudolph Walker Foundation	People	01/01/2024	£10,000
DN377707	Investment Management Consultancy Services for the London Borough of Enfield Pension Fund (National LGPS Framework)	Resources	09/02/2024	£250,000
DN384588	Corporate Insurance	Chief Executive	31/03/2024	£9,000,000
DN461548	Provision of the Healthwatch Enfield Service	People	31/03/2024	£1,015,000

BDO AUDIT PROGRESS REPORT

London Borough of Enfield

12 May 2023

EXECUTIVE SUMMARY

 This report provides the General Purposes Committee with an update on the progress of our audits and plans to clear the backlog of work.

DLUHC wrote to all local authorities and audit firms on 14 March requesting that auditors provide Audit Committees with a realistic project and delivery plan for delayed audits and the critical dependencies.

Issues nationally that have increased the resources required to complete local authority audits or have caused delays include:

- ▶ Backlog initially created during Covid and lockdown that has not been recovered
- ▶ Enhanced quality requirements following well publicised audit failures
- ▶ Implementation of new auditing standards
- ▶ Infrastructure accounting and inadequate historical records for highways and infrastructure spend
- ▶ Increased complexity of group structures, nature of transactions and asset ownership
- ▶ Difficulty recruiting auditors to the sector.



AUDIT PROGRESS AND RECOVERY PLANS

On the following pages we set out the progress on audits, outstanding work, issues to resolve and a timetable when we expect to have resources to complete the work.

- ▶ 2019/20 - The vast majority of the accounts audit is complete already, with residual work remaining on finalising the infrastructure issue and clearing quality review points. Use of Resources work needs updating to reflect Statement of Accounts draft accounts and supporting working papers preparation and quality control issues
- ▶ 2020/21 - The accounts audit has commenced, with work on hold pending completion of the 2019/20 audit. Use of Resources work will follow, with the scope reflecting the 2020 NAO Code of Audit Practice.

We will discuss these issues and proposed timetables with you at the General Purposes Committee on 28 June 2023.

We have limited resources available between May and July to progress local authority audits as this time is earmarked to deliver NHS audits for the Department of Health and Social Care.

NATIONAL PICTURE

2020/21

Only **9%** of 2020/21 local government bodies received an audit opinion by the extended deadline of 30 September 2021 and **35%** had still not received the audit opinion by 30 September 2022.

2021/22

Only **12%** of 2021/22 local government bodies received an audit opinion by the extended deadline of 30 November 2022 and **373** remain outstanding.

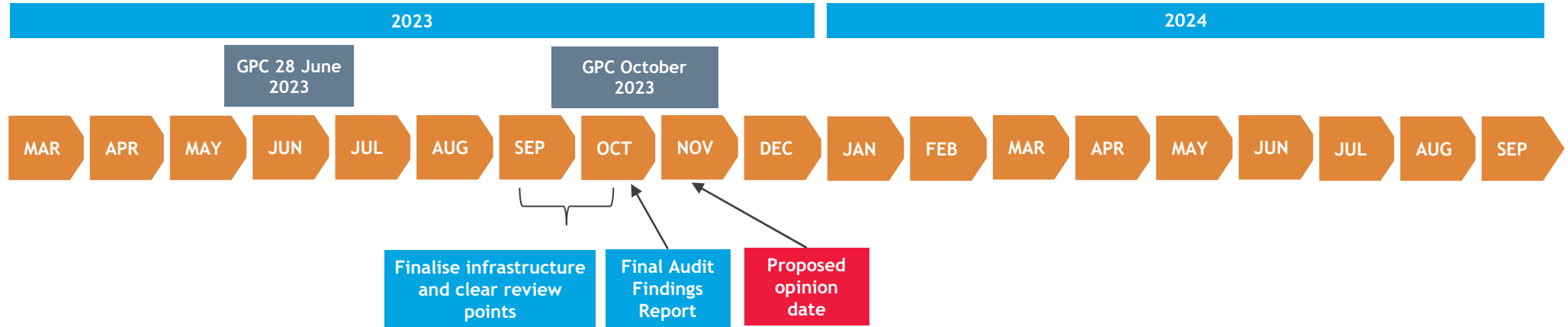
Audit capacity and costs

The latest procurement by PSAA for contracts commencing for year ends 31 March 2024 will increase audit fees by **150%** and Government has pledged to make an additional **£60m** of funding available over four years from 2021/22.

Redmond review

Limited progress has been made against the Redmond review recommendations to improve local public audit. The new system leader role to be undertaken by the Audit, Reporting and Governance Authority is expected to commence in 2024.

YEAR ENDED 31 MARCH 2020



BDO RESOURCES TO COMPLETE >>>

WORK COMPLETED

- ▶ Fieldwork and majority of audit testing completed
- ▶ Financial statements reviewed with proposed amendments provided to management

WORK TO COMPLETE

- ▶ Audit team to write up results and conclusions of final testing completed on Infrastructure issue
- ▶ Audit team to write up results and conclusions of final testing completed on Infrastructure issue
- ▶ Clear issues raised from Key Audit Partner (KAP) and Quality Assurance file review
- ▶ Amend financial statements for any agreed corrections
- ▶ Update to Use of Resources assessment to reflect Statement of Accounts draft accounts and supporting working papers preparation and quality control issues

ISSUES TO RESOLVE

- ▶ Property, Plant and Equipment - finalise valuations, make necessary amendments to the Statement of Accounts, finalise and obtain BDO Technical approval for necessary Prior Period Adjustments (PPAs)
- ▶ Infrastructure
- ▶ Agree basis of qualified conclusion on Use of Resources

FOR MORE INFORMATION:

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London Borough of Enfield

Report Title	Audit and Risk Management Service Progress Update
Report to	General Purposes Committee
Date of Meeting	28 June 2023
Cabinet Member	Cllr Tim Leaver, Cabinet Member for Finance and Procurement
Directors	Terry Osborne, Director of Law & Governance
Report Author	Gemma Young, Head of Internal Audit & Risk Management Gemma.Young@Enfield.gov.uk
Wards affected:	All
Classification:	Part I Public

Purpose of Report

1. The Audit and Risk Management Service Progress Update Report at 30 April 2023 (**Appendix A**) summarises:
 - the results of the work that the Audit and Risk Management Service has undertaken during the period 1 April 2022 to 31 March 2023
 - progress against the 2023-24 Internal Audit Plan.
 - the continued work of the Head of Internal Audit and Risk Management, in collaboration with the internal Assurance Board, to target limited audit resources at the highest priority Corporate and Schools' services.

Recommendations

- | |
|---|
| <ol style="list-style-type: none"> I. To note the work completed by the Audit and Risk Management Service during the period 1 April 2022 to 31 March 2023 and the key themes and outcomes arising from this work. II. To note the progress made on the 2023-24 Internal Audit Plan. |
|---|

Report Author: Gemma Young
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Appendices

Appendix A: Audit and Risk Management Service Progress Update,
30 April 2023

Background Papers

None

CE22/046



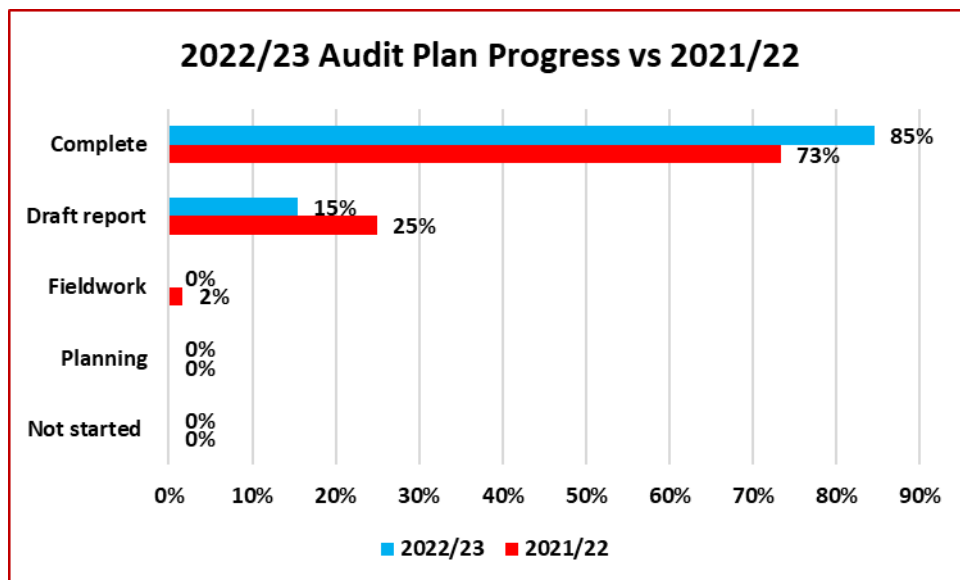
Audit and Risk Management Service Progress Update 30 April 2023

Internal Audit

2022-23 Internal Audit Plan

During the period 1 April 2022 to 30 April 2023, the Internal Audit team commenced 65 assignments (100% of the plan) of which 55 (85%) have been completed. For the same period in 2022, 60 audits (100%) had commenced and 44 (73%) had been completed.

The following chart summarises the 2022-23 progress compared to 2021-22:



Changes to the 2022-23 Internal Audit Plan

Since the last meeting of this Committee no further changes were made to the 2022-23 Internal Audit Plan.

The full 2022-23 internal audit plan is attached at **Annex A**.

Completed Audits

Between the last meeting of this Committee and 30 April 2023, 26 audits were completed:

Corporate Risk Reference	Department	Audit	Assurance Level
CR01	Cross Cutting	Payments to Residential Care Providers	Limited
CR01	Resources	Transformation – Income and Debt Programme	Limited
CR05	Resources	Web Content Accessibility Guidelines 2.1 (WCAG 2.1)	Limited
CR12	Resources	Digital Services Procurement	Limited
CR13	LATC	Housing Gateway Limited (HGL) - Disabled Facilities Grant Process	Limited
CR20	Resources	Business Rates Process	Limited
Other	Schools	West Lea School	Limited
Other	Schools	Highfield Primary School	Limited
Other	Schools	The Latymer School	Limited
CR02	People	Public Health Grant	Reasonable
CR03	Place	Meridian Water Community Chest Grants	Reasonable
CR03	Resources	Blue Badges	Reasonable
CR06	Resources	Complaints and Information	Reasonable
CR07	Resources	IT Statutory Compliance	Reasonable
CR10	Place	Housing Repairs and Maintenance	Reasonable
CR10	Place	Housing Development Programme Management - Bury Street West	Reasonable
CR13	Resources	Oversight of Energetik Loan Repayments and Connection Timelines	Reasonable
CR14	Cross Cutting	Whistleblowing, Grievances and Disciplinary Procedures	Reasonable
CR16	People	Local Youth Justice Re-Offending Rates	Reasonable
Other	Schools	St Andrew's (Enfield) CE Primary	Reasonable

Corporate Risk Reference	Department	Audit	Assurance Level
		School	
CR03	Chief Executives	Members' Ethics and Supporting Members	Substantial
CR20	Resources	Payroll - Calculations	Substantial
CR01	Cross Cutting	ContrOcc - Lessons Learnt	N/A – Management Letter
CR07	Cross Cutting	Schools Cyber Security	N/A – Management Letter
CR02	People	Supporting Families - March	N/A – Grant Certification
CR02	Place	Biodiversity Net Gain (BNG) Grant	N/A – Grant Certification

Internal Audit Plan – No and Limited Assurance Reports

As noted above, 26 audits were completed between the previous meeting of this Committee and 30 April 2023.

The assurance opinions issued were:

Opinion	No. of audits
Substantial	2
Reasonable	11
Limited	9
No	-
Management Letter/Grant Certification	4
Total	26

The following summaries from the audit reports briefly explain the reasoning behind the **Limited** assurance opinions:

1. Payments to Residential Care Providers

The audit was designed to provide assurance over the design and effectiveness of the controls in place for making payments to residential care providers.

During this audit we identified **2 high risk** and **3 medium risk findings**.

The following **high risk** findings were identified:

1. There are no system-enforced controls in place to prevent overpayments to providers or the loading of duplicate Care Packages. Instead, the Council relies heavily on the subsequent identification and recovery of unauthorised, duplicate, and accidental payments made.

2. Whilst exception reports are produced to identify any errors in the payments process, such as open packages, no audit trail is maintained to evidence that exceptions are investigated and resolved in a timely manner.

The following **medium risk** findings were identified:

1. Whilst the Council has several guidance documents in place, there is no formal overarching document to outline the care provider payments process. In addition, no version control is maintained on existing guidance documents to evidence that these are up to date and reflective of current practice.
2. Short term placements typically only run for 3 – 12 months, however they are set up in the system with no pre-arranged end/ review date which increases the risk of overpayments.
3. For new vendor set-ups or amendments to vendor details, bank details are input into free websites to confirm the validity. In line with current plans, we recommend that the Vendor Team verifies bank details using secure tools.

2. Transformation – Income and Debt Programme

The role of the Transformation team in this case was to ensure that the Income and Debt Programme was managed effectively although it was not possible to provide full support due to Covid-19 response commitments. However, the Transformation team have put adequate plans in place to measure the future benefits from this programme.

During the audit we identified **1 high risk, 3 medium risk** and **2 low risk** findings.

The following **high risk** finding was identified:

1. Although a target end date of 31 March 2024 was agreed, no budget or milestones were set. This is not in line with best practice and increases the risk of the programme not being delivered to time, quality, and budget.

The following **medium risk** findings were identified:

1. The programme was composed of several individual workstreams. However no documented strategic prioritisation of these workstreams across the whole programme was provided to us.
2. The Stakeholder Engagement Plan prepared at the outset was in draft form only and had not been kept up to date. Finance and Digital Services were listed only as 'Medium Influence' and 'Keep on Side' rather than 'High Influence' and 'Actively Manage'. This impacted on the programme's ability to deliver its objectives.
3. There is no formal structure for reporting outside the programme, including to senior Council stakeholders.

3. Web Content Accessibility Guidelines 2.1 (WCAG 2.1)

The objective and purpose of this audit was to consider the design and effectiveness of the controls in place to ensure compliance with the requirements of Web Content Accessibility Guidelines 2.1 (WCAG 2.1).

During this audit we identified **1 high risk, 3 medium risk** and **1 low risk** findings.

The **high risk** finding identified was:

1. There was no agreed view of in-scope Digital Estate to offer completeness and accuracy.

The **3 medium risk** findings were:

1. There was no overarching governance and reporting mechanism around accessibility (no clearly documented policies / procedures, list of roles / responsibilities or governance structures to give oversight / scrutiny of accessibility arrangements).
2. Procedures and mechanisms around content management were predominantly detective, ad-hoc and informal. This included spreadsheet-reliant site tracking for online presence awareness, informal measures to help Content Management System (CMS) users comply with accessibility (CMS is used to manage and publish web page content) and no preventative accessibility publishing mechanism.
3. There was no formal training programme in place to support Council staff in adhering to the WCAG 2.1 guidelines.

There was also **1 low risk** finding around the current design of the accessibility feedback form on the London Borough of Enfield website.

4. Digital Services Procurement

The audit was designed to provide assurance that appropriate controls, including adherence to the Contract Procedures Rules, were in place and operating effectively when Digital Services contracts were procured.

During the audit, the service was making some procurement process changes and since the end of our fieldwork, we have been provided with a Contracts Governance Policy and Checklist template setting out a framework as to how future procurement will be undertaken.

During this audit we identified: **1 high risk and 3 medium risk** findings.

The following **high risk** finding was identified:

1. The service has not been fully compliant with Contract Procedure Rules and we found exceptions in each of our sample of 14 cases. These exceptions included:
 - 5 (36%) cases where no contract or supporting documentation was supplied to us
 - 9 (64%) cases which were not logged on the London Tenders Portal
 - 3 (21%) cases where the vendor on SAP differed from the name on the contract with no Deed of Novation supplied to us. The most recent exception identified was in June 2022.

The following **medium risk** findings were identified:

1. Whilst a Digital Strategy 2020-23 was agreed, and there is some reference to consolidation of applications, there is no direct reference to procurement strategy or to how:
 - ethical and sustainable procurement is considered
 - disposal and end of useful life is documented in contracts
 - return on investment (RoI) is considered in the procurement strategy and legacy systems are closed down to maximise RoI.
2. Procedures around the approval of system purchases to include consideration of digital implications and budget were approved by EMT in November 2022 (after our audit fieldwork was conducted); however these new procedures have still to be adopted and embedded corporately.
3. From our sample, 2 of 14 cases were identified with a contract value of over £500k. In one of these cases, no evidence of the required due diligence was provided to us.

5. Housing Gateway Limited (HGL) - Disabled Facilities Grant Process

The audit was designed to provide assurance that controls around the Disabled Facilities Grant application process for Housing Gateway Limited properties are appropriate and are working effectively.

Occupational Therapists (OT) work with residents to identify changing needs and adaptations required to support them at home. As a landlord, Housing Gateway Limited (HGL) has the responsibility for assessing, reviewing and authorising the adaptations to be made to its properties. HGL also works with other Council teams, for example the Learning Disabilities Team, to procure suitable properties that may require adaptation for service users with complex needs. HGL tenants can apply to the Council's Accessible Housing and Adaptations Team for financial assistance through the Disabled Facilities Grant to carry out adaptations. In all cases, the applications for and administration of the Disabled Facilities Grant is carried out by the Council's Accessible Housing and Adaptations Team and not by HGL.

During this audit we identified: **1 high risk** and **2 medium risk** findings.

The following **high risk** finding was identified:

1. HGL did not have a documented governance process with supporting internal procedures for the review and approval of works through Disabled Facilities Grant funding. Also, there were no internal procedures in place for the work on projects undertaken with the Learning Disabilities Team. Without appropriate governance processes and internal procedures, HGL may suffer significant reputational damage if:
 - there is a challenge to a negative decision and HGL is unable to demonstrate consistency, transparency and fairness in the decisions made;
 - performance indicators are not in place to ensure that the administration and management of adaptations are carried out to expected standards and timelines;

- the roles and responsibilities of stakeholders involved with projects are not clearly defined and HGL acts outside the scope of its authority.

The following **medium risk** findings were identified:

1. HGL did not have a robust review and approval process in place for tenant adaptations recommended by Occupational Therapists (OT). From a sample of three properties we found that:
 - in 1 case (33%) it took more than seven months for authorisation to be provided;
 - in 1 case the Accessible Housing and Adaptations Team (responsible for Disabled Facilities Grants), was not consulted until the project was in an advanced stage. Although this did not have a significant impact on the delivery of the project, best practice would be for the Accessible Housing and Adaptations Team to be engaged early in the process.
2. The HGL property register was not completed in full and several key dates were not recorded. Without a complete register HGL will:
 - be unable to monitor and track the progress of assessments
 - not have a summary record of the decisions made
 - not have a record of relevant post adaptation information.

6. Business Rates Process

The audit was designed to provide assurance that the valuation certificates for business rates were accurately applied, errors were not embedded in the annual billing process and that there were appropriate controls over the refunding of business rates. During this audit, **1 high** risk and **2 medium** risk findings were identified.

The following **high risk** finding was identified:

1. In February 2022, the Business Rates Team found that the billing parameters for the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties were incorrect. 62 accounts were affected. We were advised that the previous Business Rates Manager attempted to correct the error but in November 2022, 27 accounts still had incorrect parameters.

In relation to this, weaknesses identified in the control environment included:

- at the annual billing stage, the process for checking the change in the billing parameters was carried out on the live and not the test system. Therefore the Team did not have the opportunity to identify any errors before ratepayers received their bills; the changes in the billing parameters were not independently verified before the Head of Income and Debt authorised the billing process to proceed; no documentation was retained to confirm the action taken by the previous Business Rates Manager to address the identified error.

The following **medium risk** findings were identified:

1. The Valuation Office Agency (VOA) sends fortnightly valuation adjustment schedules and these are reconciled to Rateable Value Balancing Report on Civica. From our sample testing in eight cases (40%) a difference was recorded. Although the differences were reported to the VOA, the Service did not keep a record of the queries raised so we were unable to confirm that the differences had been resolved within a reasonable timescale. Also, we were unable to confirm that a senior officer oversaw the reconciliation and follow up process.
2. The service has several work instructions for various aspects of the business rates process. However there is no central procedure that documents:
 - roles and responsibilities
 - relevant timescales and milestones
 - monitoring and reporting of management information
 - frequency of reporting
 - an escalation process.

During audit testing, we also identified that there were no documented procedures for the annual billing process and there wasn't a record of the service's Scheme of Delegation.

7. West Lea School

During this audit we identified: **2 high risk**, **5 medium risk** and **11 low risk** findings. We also identified **1 advisory item** for management attention.

The following high risk findings were identified:

1. Improvements are required to the school's ordering and purchasing processes. These improvements include ensuring:
 - signed and dated order forms are completed prior to the purchase of goods and services;
 - invoice approvals are signed and dated to demonstrate authorisation prior to payment;
 - BACS reports are signed and dated by both authorising signatories prior to payments being released.
2. 5 members of staff who had left the school were listed as having active access to the school's Management Information System (MIS) data. From a sample of 15 people who had fob access to the school building, 7 of the fob users could not be found on the school's staff listing or payroll report. In addition, we noted that a number of generic fob names were being used. Therefore, we were unable to confirm who had access to these fobs and if appropriate controls around the use of the fobs and access to the school were in place.

The following **medium risk** findings were identified:

1. Inconsistencies were identified between the school's internal Finance Manual and Scheme of Delegation. Both documents require updating to reflect the current working practices in the school.

2. The school does not have a business continuity and disaster recovery plan in place.
3. The school's budget monitoring processes require improvements including:
 - signed copies of the 2021/22 quarter 3 and the 2022/23 quarter 1 Consistent Financial Reporting (CFR) returns had not been retained;
 - the 2021/22 quarter 3 and the 2022/23 quarter 2 returns did not fully reconcile to the underlying records from the finance system;
 - although the 2022/23 quarter 1 return reconciled to the underlying finance system records, at least 6 of the expenditure amounts had been posted to incorrect budget codes.
4. Exceptions were noted in relation to the controls in place surrounding the school's assets, such as:
 - we were advised that the last asset check was undertaken in February 2022, but this could not be evidenced;
 - from an examination of 10 assets, two had not been appropriately security marked;
 - details around the disposal of assets were not documented in full.
5. For one staff recruitment interview we noted that none of the interview panel had completed the required Safer Recruitment Training.

A further **11 low risk** findings were also identified.

8. Highfield Primary School

During this audit we identified: **1 high risk, 5 medium risk** and **15 low risk** findings. We also identified **2 advisory** items for management attention.

The following **high risk** finding was identified:

1. Improvements are required to the school's ordering and purchasing processes. These improvements include ensuring:
 - signed and dated order forms are completed prior to the purchase of goods and services;
 - invoice approvals are signed to demonstrate appropriate authorisation prior to payment;
 - BACS reports are signed and dated by both authorising signatories prior to payments being released.

The following **medium risk** findings were identified:

1. Exceptions were identified in relation to the school's contracts and lease agreement. These include:
 - the waiver of Contract Procedure Rules form completed for the school's finance support contract only specified the annual contract amount and not the aggregated amount over 4 years (£29,740);
 - the school's 3 year Management Information Software (MIS) support contract, totalling £26,924, was first entered into in 2016 and has been renewed twice without comparative quotations being sought;

- confirmation that the 3 year cleaning contract, totalling £183,850, had been approved by the Governing Body could not be found in the minutes examined. In addition, a signed contract was not held;
 - the Governing Body had not approved the 5 year operating lease agreement for 3 photocopiers, totalling £14,804, despite the total cost being over the Headteacher's £10k delegated limit.
2. The school reported 11 Related Party Transactions (RPTs), totalling £20,445, to the Council in December 2022 for work undertaken by a person related to site staff. We were unable to confirm that the school had received value for money for at least £9,320 of the RPTs and that the expenditure had been appropriately approved by the Governing Body.
 3. 2 of 5 (40%) childcare disqualification declaration checks tested were completed 6 days after employment had commenced, instead of being completed at the shortlisting stage or before an appointment was made.
 4. Exceptions were noted in relation to the controls in place surrounding the school's assets, such as:
 - the asset registers in place did not contain all the required information;
 - we were advised that the last asset check was undertaken in July 2022, but this could not be evidenced;
 - from an examination of 10 assets, two (20%) had not been appropriately security marked.
 5. The school's Business Continuity and Disaster Recovery Plan did not include arrangements that would be put into place should there be a mass unavailability of staff. In addition, the plan referred to the school's old insurance company and therefore needed to be updated.

A further **15 low risk** findings were also identified.

9. The Latymer School

This audit review identified **1 high risk**, **6 medium risk** and **8 low risk** findings.

We noted that the Finance Director joined in June 2021 and identified a number of issues that needed to be addressed. The IT Manager left in July 2022 and the IT service was covered by the IT Technician until May 2022. A new IT Network Manager joined in May 2022.

The following **high risk** finding was identified:

1. The school does not have adequate data protection processes in place e.g., we were unable to confirm that appropriate data sharing/processing agreements were in place; a governor with responsibility for data protection has not been appointed; the privacy notice on the school's website was for The Latymer Foundation a separate data controller; not all members of the senior leadership team have completed data protection training.

The following **medium risk** findings were identified:

1. Bank reconciliations were not dated and signed by both the preparer and the reviewer. There were 5 unreconciled items over 6 months old valued

at £934 on the bank reconciliation; one of these items was for a £500 float for which a suitable explanation could not be provided.

2. A float for £4,000 was issued to a member of staff and no reconciliation or receipts were provided to support the £2,600 expenditure made against the float.
3. In 106 instances, individuals were detailed on the system as having card/fob access to the premises despite not appearing on the school's staff list. We also noted 335 individuals not included on the staff list were recorded as having access to the school's management information system.
4. 54% of invoices sampled did not have a purchase order. Monthly commercial card reconciliations were not signed and dated or independently reviewed to confirm their accuracy and timeliness.
5. Asset disposals were not recorded on the asset register. The school uses an electronics disposal company to destroy data and recycle hardware. The items sent for disposal were not recorded by the school and so could not be reconciled to the list provided by the third party supplier. Therefore, the school was unable to confirm that all data and hardware were destroyed/recycled as expected.
6. The Business Continuity Plan does not include sufficient reference to IT systems and plans.

2022-23 Annual Internal Audit Opinion

The Public Sector Internal Audit Standards (PSIAS) apply to all internal audit service providers in the UK public sector.

The PSIAS require the chief audit executive (who at the London Borough of Enfield is the Head of Internal Audit and Risk Management) to deliver an annual internal audit opinion.

The remaining audits from 2022-23 are currently being finalised and the annual internal audit opinion will be shared at the next meeting of this Committee.

2022-23 Internal Audit Quality Assessment

Performance of the Internal Audit service against agreed Key Performance Indicator (KPI)/quality metrics April 2022 to 31 March 2023 is:

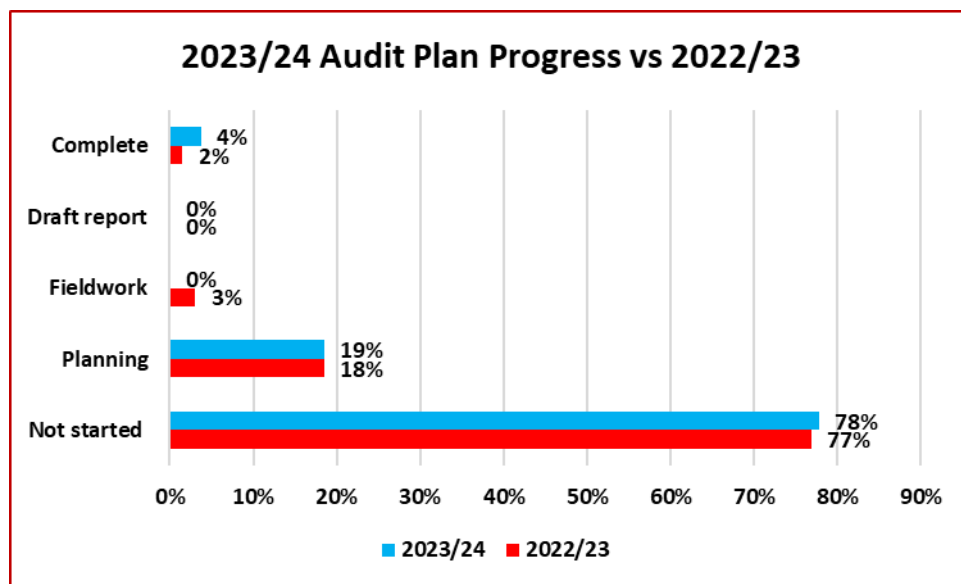
KPI / Quality Metric	Target	Actual
Days from end of fieldwork to issue of draft report	15	16
Days from receipt of management comments to issue of final report	10	5
Level of satisfaction score with audit work	80%	86%*
% of the audit plan delivered to draft report stage (by 31 March)	95%	100%

* The level of satisfaction with audit work is determined by way of client satisfaction surveys issued after finalising every audit. 14 survey responses have been received so far for 2022-23 audits.

2023-24 Internal Audit Plan

During the period 1 April 2023 to 30 April 2023, the Internal Audit team commenced 12 assignments (22% of the plan) of which 2 (4%) have been completed. For the same period in 2022, 15 audits (23%) had commenced and 1 (2%) had been completed.

The following chart summarises the 2023-24 progress compared to 2022-23:



Changes to the 2023-24 Internal Audit Plan

Since the internal audit plan was approved by the General Purposes Committee in March 2023, no audits have been cancelled and 3 audits have been added.

The audits added to the 2023-24 internal audit plan are:

Corporate Risk Reference	Department	Audit	Description
CR01	Cross Cutting	Dugdale Arts Centre - Capital Spend	Requested by the Chief Executive to confirm all appropriate decision making procedures were followed.
CR02	People	Family Hubs and Start for Life Programme	Grant certification required
CR02	People	Turnaround Programme 2022-	Grant certification

Corporate Risk Reference	Department	Audit	Description
		2025	required

A revised version of the 2023-24 internal audit plan is attached at **Annex B**.

2023-24 Completed Audits

By 30 April 2023, 2 audits had been completed:

Corporate Risk Reference	Department	Audit	Assurance Level
CR02	People	Family Hubs and Start for Life Programme	N/A – Grant Certification
CR02	Schools	Highlands School - Schools Direct Grant certification	N/A – Grant Certification

2023-24 Internal Audit Plan – No and Limited Assurance Reports

No 2023-24 audits with **No** or **Limited** assurance opinion have been issued.

Corporate Audit Actions Implementation

The Internal Audit and Risk Management team is responsible for tracking managers' progress with implementing internal audit actions.

New Process for Reporting Overdue Audit Actions

As requested, **Directors** will be invited to General Purposes Committee meetings if internal audit actions in their service areas meet the following trigger points:

- **High risk actions - 3 months overdue**
- **Medium risk actions - 6 months overdue**

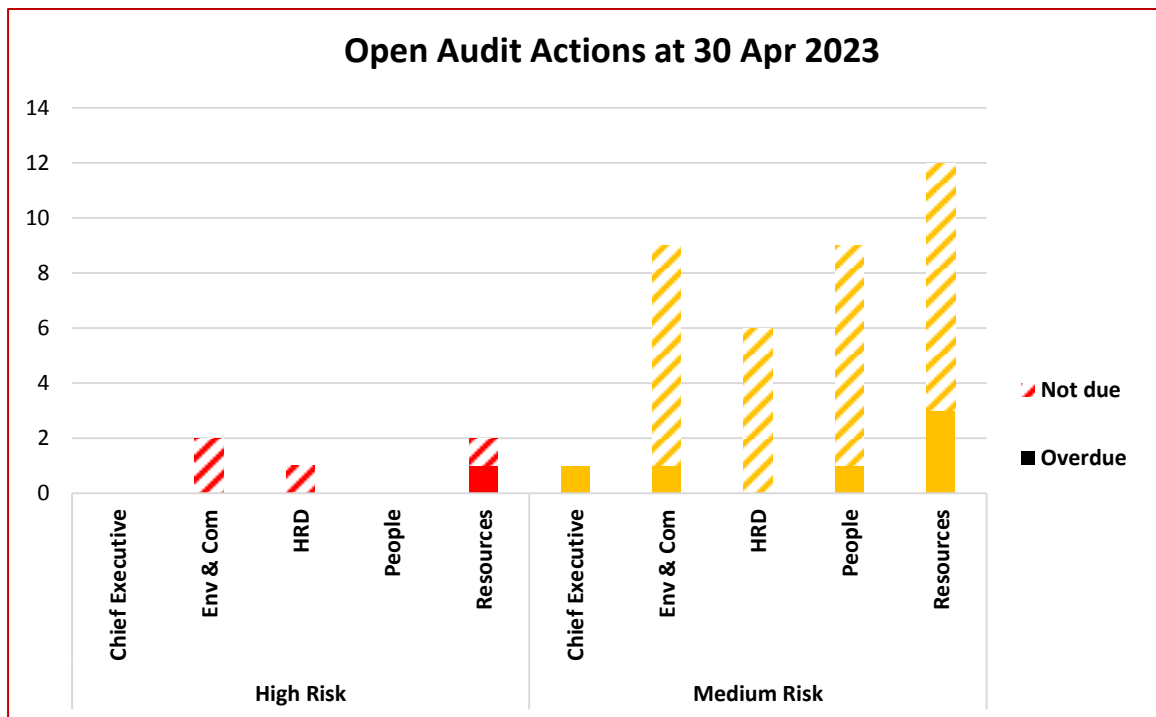
Monthly reports of actions nearing their due date and those already overdue are emailed to each Director to facilitate the oversight of internal audit action implementation by their respective teams.

Invitations to the General Purposes Committee

Attendee	Reason for attending	Reference
Kevin Bartle - Interim Director of Finance	To provide an update on overdue actions agreed in the 2021-22 Key Financial Processes: Revenue Budgeting and Forecasting audit.	Appendix C

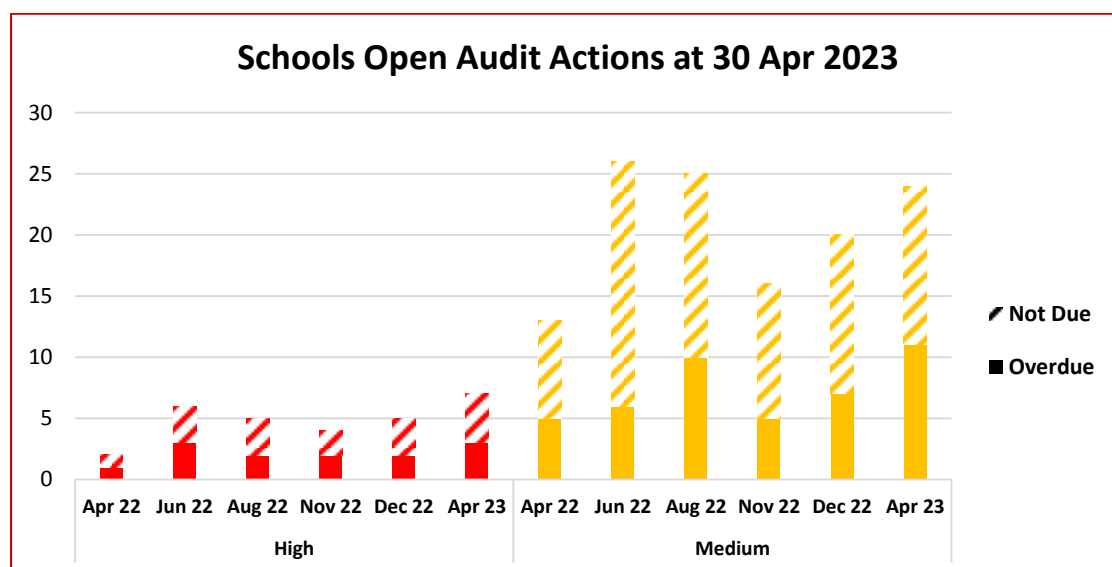
As at 30 April 2023, the implementation rate (12-month rolling basis) for actions from high risk findings is 90% (2022: 72%) and for medium risk findings is 89% (2022: 78%).

42 actions from high and medium risk findings identified from corporate audits remain open. Of these, 7 actions (1 high risk and 6 medium risk) were not fully implemented by their original due date and are, therefore, classed as overdue. Overdue actions are shown by the solid coloured bars in the graph below.



Details of the overdue corporate actions from high risk findings are provided in **Annex D**.

Schools' Actions Implementation



In line with our escalation policy, overdue schools' actions are regularly notified to the Director of Education.

Insurance

Key Performance Indicators

Performance of the Insurance team against 2022-23 KPIs is summarised in the table below:

KPI / Quality Metric	Target	Average to 31/03/23
% new claims responded to within 24 hours	95%	91%
% other correspondence processed within 10 days	80%	80%
Data accuracy - % of claims data correctly input into insurance database	90%	96%
Repudiation rate	65%	66%

Significant Claims

Current open high value claims (£250k and over) are summarised below:

Policy type	Description	Number of claims	Total Reserve (£)
Property	Escape of water	1	1,199,999*
Property	Fire at Civic Centre	1	1,100,001^
Public Liability	Abuse	6	495,000

Policy type	Description	Number of claims	Total Reserve (£)
Public Liability	Failure to remove	5	746,000
TOTAL			3,541,000

**This claim has a £250 policy excess; the balance of the claim will be paid by our insurers*

^This claim has a £500,000 policy excess; the balance of the claim will be paid by our insurers

.

ANNEX A: 2022-23 Audit Plan Status

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
Payments to Residential Care Providers	PwC	Complete	Limited	-	2	3	-
ContrOcc - Lessons Learnt	In House	Complete	N/A – Management Letter	-	-	-	-
Land/Property Disposals	PwC	Draft report issued	-	-	-	-	-
Economic Strategy	PwC	Draft report issued	-	-	-	-	-
Transformation – Income and Debt Programme	In House	Complete	Complete	-	-	1	3
Contain Outbreak Management Fund Grant (COMF) and Local Authority Test and Trace Grant Certification	In House	Complete	N/A – Grant Certification	-	-	-	-
Local Authority Test and Trace Support Grant	In House	Cancelled					
Protect and Vaccinate Grant	In House	Complete	N/A – Grant Certification	-	-	-	-
Supporting Families - May	In House	Cancelled					
Supporting Families - June	In House	Complete	N/A – Grant Certification	-	-	-	-
Supporting Families - July	In House	Complete	-	-	-	-	-
Supporting Families - Aug	In House	Cancelled					
Supporting Families - Sept	In House	Complete	N/A – Grant Certification	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
Supporting Families - Oct	In House	Complete	N/A – Grant Certification	-	-	-	-
Supporting Families - Nov	In House	Cancelled					
Supporting Families - Dec	In House	Complete	N/A – Grant Certification	-	-	-	-
Supporting Families - Jan	In House	Cancelled					
Supporting Families - Mar	In House	Complete	N/A – Grant Certification	-	-	-	-
Public Health Grant	In House	Complete	-	-	-	-	-
Bus Service Operators Grant	In House	Complete	N/A – Grant Certification	-	-	-	-
Highlands School Grant Certification	In House	Complete	N/A – Grant Certification	-	-	-	-
Universal Drug Treatment Grant	In House	Complete	N/A – Grant Certification	-	-	-	-
Adult Weight Management Grant	In House	Complete	N/A – Grant Certification	-	-	-	-
Parking Contract	In House	Complete	Limited	-	1	3	-
Culture Recovery Fund III	In House	Complete	N/A – Grant Certification	-	-	-	-
Education Funding	In House	Cancelled					
Test and Trace Support Payments Scheme	In House	Complete	N/A – Grant Certification	-	-	-	-
Orchardside School Grant Certification -	In House	Complete	N/A – Grant	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
Alternative Provision Specialist Taskforces Programme			Certification				
Members' Ethics	PwC	Complete	Substantial	-	-	-	-
Staff Ethical Standards	In House	Draft report issued	-	-	-	-	-
Meridian Water Community Chest Grants	In House	Complete	Reasonable	-	-	4	4
Planning	In House	Draft report issued	-	-	-	-	-
Blue Badges	In House	Complete	Reasonable	-	-	1	2
Household Support Fund and Holiday & Food Grant	PwC	Draft report issued	-	-	-	-	-
Smarter Working - Clear Desk Policy	In House	Cancelled					
Data Governance	PwC	Cancelled					
Passenger Services Operations - Adults	In House	Complete	Reasonable	-	-	2	5
Enfield Early Help for All Strategy	In House	Cancelled					
Post 16 Services	In House	Cancelled					
Multi Agency Safeguarding Hub (MASH)	In House	Complete	Limited	-	1	2	1
SEN Commissioning	In House	Draft report issued	-	-	-	-	-
Web Content Accessibility Guidelines 2.1 (WCAG 2.1)	PwC	Complete	Limited	-	1	3	-
Complaints and Information	PwC	Complete	Reasonable	-	-	2	1
Schools Cyber Security	In House	Complete	N/A – Management Letter	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
IT Statutory Compliance	In House	Complete	Reasonable	-	-	3	1
Business Continuity Planning	PwC	Draft report issued	-	-	-	-	-
Use of Spreadsheets	PwC	Cancelled					
Board Reporting	In House	Cancelled					
Corporate Health and Safety Board	In House	Complete	Limited	-	1	4	2
Corporate Security Board	PwC	Complete	N/A – Advisory	-	-	-	-
Housing Repairs and Maintenance	PwC	Complete	Reasonable			2	1
Housing Development Programme Management - Bury Street West	In House	Complete	Reasonable	-	-	1	1
Governance and Management of a Key Capital Project 1 - Cemetery Project	In House	Cancelled					
Governance and Management of a Key Capital Project 2 - Building Bloqs	In House	Complete	Limited	-	1	-	-
Meridian One Supplier Management	PwC	Complete	Substantial	-	-	-	1
Meridian Water: Financial Management of Capital Expenditure	PwC	Complete	Substantial	-	-	-	-
PFI Contract Monitoring	PwC	Deferred					
Highways Inspections	In House	Deferred					
DS Procurement	In House	Fieldwork in progress	Limited	-	1	3	-
Housing Gateway Limited (HGL) - Disabled Facilities Grant Process	In House	Complete	Complete	-		1	2
Housing Gateway Limited (HGL) - Suitability Assessment Process for HGL	PwC	Complete	Substantial	-	-	1	1

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
properties							
Oversight of Energetik Loan Repayments and Connection Timelines	PwC	Complete	Reasonable	-	1	1	-
Whistleblowing, Grievances and Disciplinary Procedures	In House	Complete	Reasonable	-	-	3	1
Culture	PwC	Cancelled					
Local Youth Justice Re-Offending Rates	In House	Complete	Reasonable	-	-	5	-
Green Homes Grant	In House	Complete	N/A – Grant Certification	-	-	-	-
Recycling Waste Services Contract	In House	Complete	Limited	-	2	2	1
Organisational Governance	PwC	Cancelled					
Supporting Members	In House	Cancelled					
Building Safety	In House	Deferred					
Accounts Receivable	PwC	Complete	Substantial	-	-	-	-
General Ledger	PwC	Draft report issued	-	-	-	-	-
Business Rates Process	In House	Complete	Limited	-	1	2	-
Payroll - Calculations	PwC	Complete	Substantial	-	-	-	-
Financial External Audit Process	PwC	Draft report issued	-	-	-	-	-
Mayor of the London Borough of Enfield Appeal Fund Accounts 2021/22	In House	Complete	N/A – Management Letter	-	-	-	-
Chace Community School	In House	Complete	Reasonable	-	-	4	7
The Latymer School	In House	Complete	Limited	-	1	6	8

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
Freezywater St George's CE Primary School	In House	Cancelled					
St Andrew's (Enfield) CE Primary School	In House	Complete	Reasonable		1	1	9
St Ignatius College	In House	Draft report issued	-	-	-	-	-
West Lea School	In House	Complete	Limited	-	2	5	11
Highfield Primary School	In House	Complete	Limited	-	1	5	15
Carterhatch Infants School	In House	Complete	Reasonable	-	-	3	7

ANNEX B: 2023-24 Audit Plan Status

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
Insurance	PwC	-	-	-	-	-	-
Dugdale Arts Centre - Capital Spend	In House	-	-	-	-	-	-
Non-residential Licensing	In House	Not Started	-	-	-	-	-
Planning Enforcement	PwC	Not Started	-	-	-	-	-
Bus Service Operator's Grant	In House	Not Started	-	-	-	-	-
Supporting Families - Q1	In House	Planning	-	-	-	-	-
Supporting Families - Q2	In House	Not Started	-	-	-	-	-
Supporting Families - Q3	In House	Not Started	-	-	-	-	-
Supporting Families - Q4	In House	Not Started	-	-	-	-	-
Orchardside School Grant Certification - Alternative Provision Specialist Taskforces Programme	In House	Planning	-	-	-	-	-
Highlands School - Schools Direct Grant certification	In House	Complete	N/A	-	-	-	-
Family Hubs and Start for Life programme - Grant Certification	In House	Complete	N/A – Grant Certification	-	-	-	-
Turnaround Programme 2022-2025	In House	Not Started	-	-	-	-	-
Treasury Management	PwC	Not Started	-	-	-	-	-
Education Funding	In House	Planning	-	-	-	-	-
Adult Social Care Debt Collection	In House	Planning	-	-	-	-	-
Direct Payments	In House	Planning	-	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
Data Protection	PwC	Not Started	-	-	-	-	-
Freedom of Information Requests (Fol) and Subject Access Requests (SAR)	PwC	Not Started	-	-	-	-	-
Unregulated Services for Adult Assisted Living	In House	Not Started	-	-	-	-	-
Post 16 Education	In House	Not Started	-	-	-	-	-
Home Care Support	In House	Not Started	-	-	-	-	-
Home Care Support	In House	Not Started	-	-	-	-	-
Cyber Security Strategy	PwC	Not Started	-	-	-	-	-
Digital Maturity Assessment	PwC	Not Started	-	-	-	-	-
Housing Repairs & Maintenance - Disrepairs	In House	Not Started	-	-	-	-	-
Facilities Management and Compliance	In House	Not Started	-	-	-	-	-
Property Services and Commercial Leases	PwC	Not Started	-	-	-	-	-
Selective Licensing of Privately Rented Residential Properties	In House	Planning	-	-	-	-	-
Housing Conditions	In House	Not Started	-	-	-	-	-
Council Housing Fire Safety	PwC	Not Started	-	-	-	-	-
Housing Allocations	In House	Planning	-	-	-	-	-
Supply Chain Risks	PwC	Not Started	-	-	-	-	-
PFI Streetlighting Contract	PwC	Not Started	-	-	-	-	-
Highways Inspections	In House	Not Started	-	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
PFI Contract Monitoring - Schools	PwC	Not Started	-	-	-	-	-
Procurement Bill Readiness	In House	Not Started	-	-	-	-	-
Energetik - Billing Reconciliation Process	PwC	Not Started	-	-	-	-	-
HGL - Temporary Accommodation Stock Transfer	PwC	Not Started	-	-	-	-	-
Additional Payments	In House	Not Started	-	-	-	-	-
Staff Productivity	In House	Not Started	-	-	-	-	-
Youth Participation Policy	In House	Not Started	-	-	-	-	-
Climate Change	In House	Not Started	-	-	-	-	-
Gender and Ethnicity Pay Gap Reporting	In House	Not Started	-	-	-	-	-
Adult Social Care Budget Monitoring	In House	Planning	-	-	-	-	-
Goods Receipt/Invoice Receipt (GRIR) Process	PwC	Not Started	-	-	-	-	-
Mayor of the London Borough of Enfield Appeal Fund Accounts 2022/23	In House	Not Started	-	-	-	-	-
Freezywater St Georges CE Primary School	In House	Planning	-	-	-	-	-
Forty Hill CE Primary School	In House	Not Started	-	-	-	-	-
Garfield Primary School	In House	Not Started	-	-	-	-	-
Our Lady of Lourdes Catholic Primary School	In House	Not Started	-	-	-	-	-
St John's CE Primary School	In House	Not Started	-	-	-	-	-

Title	Audit Team	Audit Status	Assurance Level	Critical Risks	High Risks	Medium Risks	Low Risks
Orchardside School	In House	Planning	-	-	-	-	-
Durants School	In House	Not Started	-	-	-	-	-

ANNEX C: Key Financial Processes: Revenue Budgeting and Forecasting

Finding Title	No.	Agreed Action	Original Due Date	Update	Revised Target Date
Utilisation of the Budget Planning and Consolidation (BPC) tool	1.1	We will communicate the importance of using the BPC tool on a quarterly basis to ensure it becomes utilised more frequently. We will also set KPIs around the percentage of budget holders making use of the tool.	31-Jul-2022	<p>Update, March 2023</p> <p>Prior to the first quarterly monitor for 2022/23 an email was sent out to all Budget Holders (Appendix 1). This covered the importance of monitoring, BPC training, responsibilities and how to manage variances. So, this first part was completed as planned. However, there have been increasing issues with BPC during the year in terms of Budget Holders accessibility and its reliability. This is primarily due to the software issues not being compatible with Microsoft updates. These have been raised with Digital services and to date still no solution has been found. This has meant many of the recommendations have not been implemented or progressed as we considered what we should do regarding BPC.</p> <p>The latest update to this is, as a service we are considering the viability of BPC and alternative solutions. Short term measures have been put in place to ensure that regular monitoring information is</p>	30-Jun-2023

Finding Title	No.	Agreed Action	Original Due Date	Update	Revised Target Date
				<p>completed and collated for review and reporting onto DMT, EMT and Cabinet.</p> <p>Regarding training, the video tools are still available to Budget Holders and we will meet with Budget Holders on a 1-2-1 basis when additional support is required. We have not rolled out a new programme of training because of concerns we would then have to completely redesign and further confuse Budget Holders.</p>	
	1.2	We will implement quarterly formal BPC training sessions available to all budget holders, underlining the necessity for using the tool in the budgeting process.	30-Sep-2022	Update, March 2023 See 1.1	30-Jun-2023
Budgeting process is not formalised and communicated.	2.1	<p>We will ensure that end-to-end processes and procedures are created, and these are shared with budget holders.</p> <p>Formal documentation regarding budget setting and monitoring will include the following:</p> <ul style="list-style-type: none"> - Roles and responsibilities of budget holders, finance managers, Heads of Service, etc. - Clear timetables and plans for each financial year with regards to the budget process, including key dates, and responsible parties. - Process document outlining the responsibilities of each Group with oversight 	31-Jul-2022	<p>Update, March 2023</p> <p>The issues described above (1.1) have delayed us being able to provide a concise and clear process this year. We are drafting a new set of principles, including policy and process guidance which will be updated with what decision we take on BPC.</p>	30-Jun-2023

Finding Title	No.	Agreed Action	Original Due Date	Update	Revised Target Date
		over the budgeting process.			
	2.3	We will ensure that actions arising from the informal weekly meetings are documented and are measurable and assigned a provisional completion date.	31-Jul-2022	Update, March 2023 This has not been formally implemented. Focus has been on completing each monitor despite the issues with BPC. However, we will include this recommendation in the new set of principles, including policy and process guidance referred to in 2.1.	30-Jun-2023
Lack of efficient handover between budget holders	3.1	We will ensure that ongoing procedure notes are retained throughout the yearly process across each budget, and that these are shared with new budget holders during budget handovers.	31-Jul-2022	Update, March 2023 Both recommendations are on hold whilst we consider next steps and BPC alternative. Producing one set of guidance only for it to be replaced so quickly would not be helpful to Budget Holders. The checklist is still considered an important tool and will be included in new set of principles, including policy and process guidance referred to in 2.1. IA, Update July 2022 Awaiting response	30-Jun-2023
	3.2	We will implement a new onboarding checklist for all leaving budget holders to complete with	30-Sep-2022	Update, March 2023 Both recommendations are on hold	30-Jun-2023

Finding Title	No.	Agreed Action	Original Due Date	Update	Revised Target Date
		<p>their replacement to ensure that key aspects of the budget process including setting and forecasting tasks are covered.</p> <p>We will ensure the checklist is reviewed by a line manager, to validate the onboarding is complete, and that it is communicated to budget holders on a regular basis.</p>		<p>whilst we consider next steps and BPC alternative. Producing one set of guidance only for it to be replaced so quickly would not be helpful to Budget Holders. The checklist is still considered an important tool and will be included in new set of principles, including policy and process guidance referred to in 2.1.</p>	
	3.3	<p>We will provide quarterly refresher training sessions to ensure that budget holders are aware and knowledgeable about the budgeting process in place. Any areas of concern raised by budget holders will be addressed during those sessions and followed up on with the relevant budget holders. Such training will be held alongside the training sessions held on the BPC tool discussed in Finding 1.</p>	30-Sep-2022	<p>Update, March 2023 See 1.1</p>	30-Jun-2023

ANNEX D: Overdue High Risk Actions

Resources

Audit Name	Finding Title	Agreed Action	Original Due Date	Update	Revised Target Date
DWP Memorandum of Understanding	Governance Process	The governance procedures will be reviewed annually in line with the MoU to ensure they remain relevant and up to date.	31-Mar-2022	<p>Next update due 30 June 2023</p> <p>Update, March 2023 We will wait for the DWP MOU to be received for 23/24 first and then review the procedures that were compiled in March 2022 as there may be some changes that affect this. Once received we can review these with our key stakeholders from HR and DS. We can receive the DWP MOU anytime from April to as late as June.</p>	30-Jun-2023

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London Borough of Enfield

Report Title:	Draft 2022-23 Statement of Accounts and audit update
Report to:	General Purposes Committee
Date of Meeting:	28 June 2023
Cabinet Member:	Cllr. Leaver, Cabinet Member for Finance & Property
Directors:	Fay Hammond, Executive Director Resources
Report Authors:	Annette Trigg Strategic Head of Corporate Finance Kevin Bartle Interim Director of Corporate Finance
Ward(s) affected:	N/A
Key Decision Number	N/A
Implementation date, if not called in:	N/A
Classification:	Part I Public
Reason for exemption	N/A

Purpose of Report

1. This report includes the draft 2022/23 Statement of Accounts and provides an update on the audit status for each year of the open accounts. London Borough of Enfield has open, unaudited accounts for the three financial years 2019/20, 2020/21, and 2021/22.

Recommendations

- I. To note the draft 2022/23 Statement of Accounts and the publication of the accounts by the deadline of 31 May 2023.
- II. To note the information provided within this report on the progress of audit of LBE's open sets of accounts since the March General Purposes Committee meeting.
- III. To note the current accumulated backlog of open, unaudited statements of accounts.
- IV. To formally request from BDO an update at the October 2023 General Purposes Committee meeting detailing their audit plan for completing the audits and the staff resourcing strategy to provide targeted progress.

2. General Purposes Committee is recommended:

Background and Progress to Date

3. A core General Purposes Committee role is to review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.
4. The 2022/23 draft Statement of Accounts publication deadline was brought forward to 31 May, two months earlier than the 31 July, 2021/22 deadline. This was a challenging deadline for all Local Authorities in view of the ongoing audit issues and resourcing pressures.
5. The General Purposes Committee are familiar with the backlog of the Council's unaudited statement of accounts (including Pension Fund) for the financial years 2019/20, 2020/21 and 2021/22. The focus remains on working with our external auditors, BDO, to finalise the audit of 2019/20, which then allows progress onto the audit of 2020/21 and subsequently 2021/22.

2022/23 draft Statement of Accounts

6. The 2022/23 draft Statement of Accounts is attached. The accounts were published on 31 May 2023 in accordance with the earlier publication deadline. Enfield Council was one of only eight London Councils to meet this challenging deadline, which was a significant achievement.
7. The achievement of the earlier deadline was a result of planning early, improvements in processes and establishing a more stable team within the finance department.

8. The format of the 2022/23 draft Statement of Accounts document has also been reviewed and updated.

2019/20 Statement of Accounts Audit

9. The finalising of the audit of the Council's 2019/20 accounts (including Pension Fund) remains of critical importance, given the time elapsed since publication of the draft version and with it being the first item on the critical path through the audit of open accounts. Whilst BDO had previously begun to audit 2020/21 with 2019/20 still open back in March 2022 (before turning attention to NHS audits), BDO have made it clear in subsequent months that 2019/20 needs to be closed before work on the 2020/21 audit recommences.
10. The 2019/20 audit work required by the Council's officers has been progressed as far as possible, however some areas of the work were put on hold to focus on ensuring the Council could meet the draft Statement of Accounts earlier publication deadline of 31 May.
11. BDO advised that the 2019/20 audit could not be concluded before the start of their NHS audits in April and the work would therefore slip until later in 2023.
12. Included in the March 2023 report to GPC, there were five areas of work to be resolved which are listed below which have also been updated to reflect the latest position.
 - a. **Infrastructure assets**, CIPFA issued guidance in January following the Statutory Instrument which was issued in December.

June 2023 update: BDO has set up a technical panel to review the Infrastructure Assets information provided by their Local Authorities clients in response to the revised requirements. BDO have been advised that not all issues have been resolved at this stage. Council officers have provided the information requested to BDO for consideration. Some of this information was provided to BDO this month due to the closure of the 2022/23 being a priority. We are now waiting for a response from BDO.
 - b. **Schools and Other Land and Buildings** assets where revaluations show significant variances between the latest and previous valuations.

June 2023 update: Council officers have worked closely with the Council's external valuers, property colleagues and BDO staff to resolve the issues. The assets where valuation corrections are required have been listed and provided to BDO for review prior to the final changes being made to the 2019/20 Statement of Accounts. Council officers are now waiting for a response from BDO and no further work is required by the Council at this stage.
 - c. **HRA garage valuations** were commissioned as part of the 2022/23 valuations process. It was clear that the valuation changes

would result in a significant change which may impact prior years' accounts.

June 2023 Update: The work to assess the valuation changes was completed and provided to BDO for review. BDO carried out audit testing of this work and followed up with queries to the Council's external valuer. The review of the audit work completed is now with the BDO Senior Audit Manager for review. At this stage the Council has no outstanding work to complete and is waiting for the outcome of the audit review work before the valuation changes can be made in the 2019/20 accounts.

- d. **LBE responses to BDO EQCR (Engagement Quality Control Reviewer)** the Council's review of the comments have been delayed whilst the assets work was being finalised as the outcome of the changes could also impact this work.

June 2023 Update: This work has been delayed further due to the completion of the asset's valuation work and the focus on the completion of the 2022/23 draft Statement of Accounts by the 31 May 2023 publication deadline. The Council has recommenced the work following the publication of the 2022/23 accounts and are aiming to provide the responses to BDO before the end of June.

- e. **BDO internal quality reviews by the EQCR** of housing assets Beacons, Pension Fund and other audit work were in progress but were not completed prior to the NHS audit work.

June 2023 Update: Due to the need to complete further work on the 2019/20 accounts the EQCR has been delayed except for the Pension Fund Accounts which is ongoing and the target is for this to be completed before the end of June 2023.

13. The corrections to the asset valuations above tighten and improve baseline asset information further, reducing risk of problems for future years.

Timescales for the completion of the 2019/20 BDO Audit work

14. The vast majority of the accounts audit is complete, with only residual work remaining on finalising the infrastructure issue and clearing quality review points. BDO have advised the Council that they are proposing to re-commence this work in September and issue an audit opinion in November this year.
15. As part of the update from BDO they have advised that the Use of Resources work needs updating to reflect the Statement of Accounts draft accounts and supporting working papers preparation and quality control issues. BDO plan to qualify their Value for Money opinion.

2020/21 Statement of Accounts Audit

16. There has been no change in the status of this audit since the last General Purposes Committee.
17. As was reported to June 2022 GPC, BDO completed the first phase of their audit of LBE's 2020/21 main accounts over February and March

2022, focusing primarily on fieldwork relating to Property Plant and Equipment. The second phase of the audit recommenced on 7 November with the first week spent on the audit planning. The focus of the audit up to the end of January was on Property, Plant and Equipment, sample testing of transactions and reviewing the working papers and samples submitted to BDO earlier this year. The Pension Fund accounts audit commenced in December and work continued into February. The Pensions audit work is around 70% complete. The remaining BDO audit work will be completed when the 2020/21 audit restarts, this will be after the 2019/20 audit has been completed by BDO.

18. BDO's work on the 2020/21 audit has now been substantively paused and will not recommence until late July after the NHS audits have been completed. This is, in part, to enable 2019/20 accounts to be finalised but also due to ongoing BDO staff resourcing pressures. LBE have asked BDO to provide an audit plan for the remaining 2020/21 audit work, which has not yet been provided. LBE have also requested that BDO undertake a pattern of work which would enable longer unbroken concentration of audit work thus avoiding ongoing changes to the audit team.

2021/22 Closure of Accounts update

19. There has also been no change in the status of this audit since the last Committee.
20. The 2021/22 accounts were published on 31 July 2022, in line with the statutory deadline, and the link to the accounts circulated to GPC members. However as already outlined within this report, BDO's sequential working through of LBE's statements of accounts from earliest to latest means that there will be a considerable wait for the audit of the 2021/22 accounts; with 2019/20 and 2020/21 to be finalised first.
21. It should also be noted that, with 2019/20 and 2020/21 accounts remaining open, the opening balances for the 2021/22 financial year have not been formally signed off and remain subject to review which is also the case for the 2022/23 accounts.

National Audit Position

22. The General Purposes Committee have been made aware of the capacity issues and challenges within the audit market nationally, and the conversations that LBE officers have had with Public Sector Audit Appointments (PSAA) who operate and manage the audit contracts between local authorities and the audit firms. It should be noted, however, that the PSAA do not have contract performance management responsibilities for the audit firms they have appointed through the national framework, so their ability to improve the position is limited.
23. The national issue of delays in external audit is beginning to have a wider impact, as reported in LGC early this month, this is impacting on the sign off on entire government departments.

24. The table below shows the latest Local Authority audit position.

Audit Opinions data 2015/16 to 2021/22

Audit year Publishing date	Number of opted in bodies	Percentage of audits complete by publishing date	Number of audits outstanding per financial year As at 31 May 2023	Number of audits by oldest year outstanding
2021/22 30 Nov	467	12%	343 (73%)	215
2020/21 30 Sep	474	9%	128 (27%)	92
2019/20 30 Nov	478	45%	36 (8%)	26
2018/19 31 Jul	486	57%	10 (2%)	8
2017/18 31 Jul	494	87%	2	1
2016/17 30 Sep	497	95%	1	0
2015/16 30 Sep	497	97%	1	1

As at 31 May 2023

Public Sector
Audit Appointments

Next Steps/Actions

25. Finalising of the 2019/20 audit remains the priority. However as in previous years BDO's resources have been diverted to NHS audits from March to July and BDO have proposed that they recommence the 2019/20 audit work in September 2023 with the aim of issuing the audit opinion in November 2023.
26. Following the publication of the 2022/23 draft Statement of Accounts. The Council Finance Team is now focusing on resolving the remaining 2019/20 Statement of Accounts EQCR responses to provide these to BDO by the end of June.
27. The Council Finance Team will also be finalising the 2022/23 working papers to ensure they are ready for the audit when it takes place and will continue to make further improvements to the closing processes in preparation for the 2023/24 accounts.
28. When BDO return to complete the 2019/20 audit the Council Finance Team will work with BDO to finalise the changes and will make the amendments required to the accounts.

Resources

29. A three-year backlog of open accounts continues to create significant pressures on the Council Finance Team. The revised staff structure proposal to increase the level of support in this area, which was referred to in the last report to the General Purposes Committee, has now been approved and implemented, and recruitment to posts is in progress.

Relevance to Council Plans and Strategies

30. The Council's Plan is delivered through resilient finances. The external audit is a process of testing and challenge, undertaken by an independent and external body against the local government statutory accounting framework, to ensure the annual accounts present a true and fair view of the Council's financial position.

Financial Implications

31. There are no direct financial implications beyond that an unqualified set of Accounts demonstrates that the Council is a 'going concern' and that any audit changes may materially affect the underlying net worth of the entity.

Legal Implications

32. The responsibilities for the framework within which local authority audits are conducted is the Local Audit and Accountability Act 2014. The Code of Audit Practice sets out what local auditors of relevant local public bodies are required to do to fulfil their statutory responsibilities under the 2014 Act. Schedule 6 of the Act requires that the Code be reviewed, and revisions considered at least every five years. A Code of Audit Practice came into force on 1 April 2020, after being approved by Parliament. The new Code applies to audits of local bodies' 2020-21 financial statements onwards: The detailed statutory Auditor Guidance Notes (AGNs) that will support the new Code are being drafted.
33. It is a requirement of the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 for the Statement of Accounts to be produced in accordance with proper accounting practices.
34. The Accounts are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, which specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position and transactions of the Council.
35. The Code sets out the proper accounting practices required by section 21(2) of the Local Government Act 2003. These proper practices apply to:
- Statements of Accounts prepared in accordance with the statutory framework by the Accounts and Audit (England) Regulations 2015
 - The audit of those accounts undertaken in accordance with the statutory framework established by section 5 of the Local Audit and Accountability Act 2014.

Equalities Implications

36. There is no Equality impact arising from this report.

HR and Workforce Implications

37. There are no Workforce Implications arising from this report.

Environmental and Climate Change Implications

38. There are no Environmental and Climate Change implications arising from this report

Public Health Implications

39. There are no Public Health implications arising from this report.

Property Implications

40. **There** are no Property Implications arising from this report.

Safeguarding Implications

41. There are no Safeguarding implications arising from this report.

Crime and Disorder Implications

42. There are no crime and disorder implications arising from this report.

Other Implications

43. None.

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London Borough of Enfield

Report Title	Draft 2022-23 Annual Governance Statement
Report to	General Purposes Committee
Date of Meeting	28 June 2023
Cabinet Member	Cllr. Leaver, Cabinet Member for Finance & Property
Executive Director / Director	Fay Hammond, Executive Director Resources
Report Author	Kevin Bartle, Interim Director of Corporate Finance
Ward(s) affected	N/A
Key Decision Number	Non Key
Classification	Part 1 Public
Reason for exemption	N/A

Purpose of Report

1. The purpose of this report is to consider London Borough of Enfield's draft Annual Governance Statement (AGS) for the financial year 2022-23.

Recommendations

2. General Purposes Committee is recommended to:

- I. Note the updated CIPFA guidance applicable to the AGS;
- II. Note and comment on the draft AGS;
- III. Approve the draft 2022-23 AGS for inclusion in the Council's draft 2022-23 annual accounts.

Background

3. The Council is required by the Accounts and Audit Regulations 2015 to preview the effectiveness of its system of internal control at least once a year and include a statement on this review within its published annual financial accounts. The Regulations stipulate this shall be termed the Annual Governance Statement (AGS).
4. The AGS for 2022-23 has been produced in draft format, subject to GPC approval.
5. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require all local authorities in England to review their system of internal control annually, and to include a statement on this review in the annual published accounts, being titled the Annual Governance Statement (separate regulations applying to other United Kingdom jurisdictions).
6. The deadline for publishing the draft (unaudited) accounts reverted back to 31st May 2023 for the 2022-23 accounts, a reduction in the time available to prepare the draft accounts by two months in comparison to the previous two years.
7. The expected standard, content and quality measure of the AGS is crystallised within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, as well as CIPFA's Delivering Good Governance in Local Government Framework (2016) (referred to hereafter as 'the CIPFA framework'). An AGS prepared in accordance with these documents will meet the Council's obligations under the aforementioned regulations.

The general purpose and format of the AGS

8. The CIPFA Framework identifies that the effective AGS should be "meaningful but brief", as well as "high level, strategic and written in an open and readable style".
9. The focus of the draft AGS presented here is therefore corporate; identifying those risks which affect the entire organisation and its ability to deliver services and meet objectives. There may be high operational risk areas in

individual services which are not covered within the AGS, as this is not its purpose.

10. To comply with the CIPFA Framework, the Council is required to address the following issues within the AGS:
 - a. Acknowledge its responsibility for ensuring sound internal control and refer to its Code of Governance. The Council has referred to the CIPFA/SoLACE Framework of governance, and the AGS for both years considered are formatted to identify how the Council complies with the principles of this framework.
 - b. Reference to key elements of framework and those responsible for developing and maintaining the governance environment. This is included within the assessment against the CIPFA/SoLACE framework, with further identification of key structures and documents to support this assessment.
 - c. The assurance opinion on the governance arrangements. This is provided by the Head of Internal Audit and is located at the end of the AGS before the conclusion.
 - d. Identification of key governance risks for the coming year and proposed action to address them.
 - e. Update how the risks identified in the previous AGS have been addressed and resolved.
 - f. Conclusion, including a commitment to ongoing, continuous, and monitored improvement.

CIPFA Advisory Note: Understanding the challenge to local authority governance

11. CIPFA published the Advisory note one: Understanding the challenge to local authority governance in March 2022. The advisory note “formalises key messages surrounding recent governance failures that have been identified in statutory and non-statutory reviews and public interest reports. It reinforces the good practice principles local government bodies in the UK should adopt, and signposts relevant documentation. The panel expects all organisations to be aware of and learn lessons from recent examples of failure, and this advisory note highlights this message”. The note applies to all local government bodies in the UK.
12. The guidance note follows the publication of several public interest reports, and the common theme of significant weaknesses in governance. The note reflects upon the findings and learning points and recommends the following two areas for additional consideration for the improvement of governance for further local authorities:
 - a. The importance of the annual governance statement; and,
 - b. The quality of internal challenge.
13. This report focuses on the recommendations for annual governance statements. The note reinforces the importance of the annual governance statement and its use to identify failings of governance and provide an opportunity internally to improve and thereby reduce risk. It should normally

be approved at the same time or no later than the statement of accounts and should be regarded as a vital tool by those charged with governance and the leadership team.

14. The note recommends that in addition to the organisation acknowledging its responsibility for ensuring governance is effective, the AGS should:
 - a. Focus on outcomes and value for money
 - b. Evaluate against the local code and principles
 - c. Be written openly and be easily digestible
 - d. Include an opinion on whether arrangements are fit for purpose
 - e. Include identification of significant governance issues and an action plan to address them
 - f. Explain action taken in the year to address the significant governance issues identified in the previous year's statement
 - g. Be signed by the chief executive and leading member in a council.

15. The advisory note can be accessed on the CIPFA website here: <https://www.cipfa.org/about-cipfa/cipfas-governance-structure/cipfa-practice-oversight-panel/advisory-notes/understanding-the-challenge-to-local-authority-governance>

2022-23 Enfield Annual Governance Statement

16. The draft Annual Governance Statement is attached to with this report. In line with the current guidance and good practice, the 2022-23 statement is structured as followed:
 - a. Introduction and acknowledgement of responsibility
 - b. The principles of good governance – this section provides an overview of the CIPFA/Solace core principles of governance
 - c. Key elements of the Council's Governance Arrangements – explains how our governance arrangements operated in practice this year and how we have applied the CIPFA/Solace Framework
 - d. Value for money statement
 - e. Compliance with the CIPFA Financial Management (FM) Code
 - f. Governance issues – this section provides an update on issues identified in the 2021-22 statement and actions taken as well as details of any additional governance issues identified in 2022-23
 - g. Review of effectiveness.

Compliance with the CIPFA Financial Management Code

17. In September 2019, CIPFA published the Financial Management (FM) Code, which sets out the principles by which authorities should be guided in managing their finances and the specific standards, they should, as a minimum, seek to achieve.

18. An in depth external assessment of Enfield's financial management arrangements across the organisation was undertaken by CIPFA in 2021-22 based on the CIPFA FM model. As part of this work, CIPFA confirmed that they did not see any instances of non-compliance with the code providing assurance on the Council's Financial Management arrangements.

19. This has been supplemented with a high level light-touch review of our Financial Management arrangements in place in 2022-23 to highlight any areas of focus for 2023-24. The key areas of ongoing focus/concern in relation to the FM code standards continue to be:
- a. Financial resilience and sustainability;
 - b. Unaudited Statement of Accounts for prior years and audit process.
20. The updated CIPFA audit committee guidance in October 2022, recommended that the audit committee should consider compliance with the FM Code and how this is met when reviewing the AGS. This will be considered further in 2023-24 to ensure the committee is operating in line with the updated guidance and best practice.

Governance Issues

21. The Council has undertaken an assessment of governance issues and actions to address them. The AGS includes an update on issues identified in the 2021-22 statement and actions taken as well as details of any additional governance issues identified in 2022-23.
22. The governance issues highlighted in the statement include:
- a. Financial Impact
 - b. Increase in service demand;
 - c. Financial resilience;
 - d. Information governance;
 - e. Subsidiary company strategy;
 - f. Statement of Accounts and external audit delays;
 - g. Purchase Cards control risks;
 - h. Improving communication on budget matters and improving links to the Council Plan; and
 - i. Housing Assurance Framework.
23. The committee are asked to note and comment, if appropriate, on the governance issues outlined in the statement.

Assurance Opinion

24. The annual opinion of the Head of Internal Audit identifies *Reasonable Assurance* over the effectiveness of the control environment. As with the previous AGS, the section includes contextual information on the Internal Audit Plan, including a comparison to the previous year.

Relevance to Council Plans and Strategies

25. The purpose of the AGS is to consider the effectiveness of the Council's governance framework and its system of internal control. These are the means by which the Council manages its risks to within its risk appetite and ensures that the aims of the Corporate Plan are deliverable; without effective governance, risk management and control, the likelihood of failure to achieve the aims of the Corporate Plan increases.

Financial Implications

26. There are no direct financial implications to the proposals. The risks identified above include strategic financial risks, the effects of which have been detailed in other relevant reports.

Legal Implications

27. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015, requires the council to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

28. The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government: Framework (2016) (The Framework) fulfils the statutory requirements across the United Kingdom for the council to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts. The Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be “prepared in accordance with proper practices in relation to accounts”. Therefore, the Council shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016). The Framework is also intended to be used as best practice for developing and maintaining a locally adopted code of governance

Equalities Implications

29. There are no Equalities impacts. There is no proposed change or alteration to any form of service provision, and no proposed expenditure.

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Appendices

Appendix A – Draft 2022-23 Annual Governance Statement

DRAFT Annual Governance Statement 2022/23

INTRODUCTION AND ACKNOWLEDGEMENT OF RESPONSIBILITY

Enfield Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement.

THE PRINCIPLES OF GOOD GOVERNANCE

The CIPFA/SoLACE Delivering Good Governance¹ publication (2016) defines the principles of good governance in the public sector. This document sets out the core and sub principles that underpin the good governance framework, explains how the Council's governance arrangements operated in practice during 2022/23, and demonstrates how the CIPFA/SOLACE Framework has been applied.

The CIPFA/SoLACE core principles of good governance are:

¹ <https://www.london.gov.uk/moderngovopdc/documents/s58145/Item%206b-%20Appendix%20A%20CIPFA%20Delivering%20Good%20Governance%20in%20Local%20Government%20Framework.pdf>

DRAFT

KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE ARRANGEMENTS

Good governance is fundamental to our ability to achieve our objectives, manage our finances and maintain trust. It also encourages more robust decision making, greater scrutiny of decisions and better planning for the future. Our governance arrangements are the framework that we have put in place for our governance and internal control to ensure that the intended outcomes for stakeholders are defined and achieved. An overview of the Council's governance framework is outlined in this Annual Governance Statement for the year ending 31 March 2023.

Overview of the Council's governance framework

The Council's governance framework is based around the core principles and sub principles set out in the CIPFA/SoLACE Delivering Good Governance² publication (2016).

The seven core principles of good governance in the public sector are set out below along with details of how we meet these principles and examples.

A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law

Ethical values, integrity and legislative oversight are crystallised with the Council's Constitution. The Constitution was most recently reviewed during 2019-2020 by the Monitoring Officer to ensure it remains in accordance with all developments in these areas; such reviews are periodically undertaken. The requirements of the Constitution are monitored at departmental level, and the scheme of delegation determined by the Constitution ensures clear demarcation of responsibility and authority, to ensure there is adequate oversight of operational compliance with its requirements. The Council Scheme of Delegation was most recently agreed by Council on 10th May 2023.

² <https://www.london.gov.uk/moderngovopdc/documents/s58145/Item%206b-%20Appendix%20A%20CIPFA%20Delivering%20Good%20Governance%20in%20Local%20Government%20Framework.pdf>

The Council reviewed and enhanced its induction process for new Councillors following election in 2022, to ensure effective understanding of the requirements of the Constitution and the standards expected by residents of the borough.

The Council further has specific resource dedicated to ensuring it meets statutory duties, both in service delivery and in effective enactment of legislation such as Freedom of Information and co-operation with Ombudsman enquiries.

The Council's Code of Conduct determines the standards required of officers, and the human resources framework further solidifies these into expected behaviours monitored through Performance Development Review.

The Council's Code of Conduct for Members sets out the standards of conduct expected by Members.

The Council has a Councillor Conduct Committee which is ultimately responsible for the promotion and monitoring of high standards of conduct amongst councillors and co-opted members. The role of the committee is to assist councillors and co-opted members to observe their Code of Conduct and all other Codes within the Constitution and to consider requests for dispensations by councillors, and co-opted members relating to interests set out in the Code of Conduct.

B – Ensuring openness and comprehensive stakeholder engagement

The Council believes in transparency and seeks to make information public wherever possible. A comprehensive publication scheme is kept up to date via the Council's website. A petition scheme is also available via the website to enable residents to make representations to the Council directly.

Stakeholder engagement is widely promoted prior to any decision-making, and the Council's format of reports includes a number of sections designed to ensure that all appropriate issues have been considered and all stakeholders consulted. The format was most recently updated in 2020-21.

Examples of stakeholder engagement during 2022-23 include:

- The new Council Plan public consultation ran for 12 weeks between the 21st June 2021 to 13th September 2021 and supported by a consultation campaign, 17 engagement workshops and 5 drop in sessions. 7,267 responses were received which informed the work done in 2022/23 on finalising the draft plan.
- The Council Tax Support Scheme public consultation ran for 12 weeks between the 14th October 2022 to 6th January 2023. Communication and publicity regarding the consultation included an on-line questionnaire for residents, Voluntary and Community Sector (VCS) e-newsletter, hard copies of the questionnaire available at hub libraries and a targeted social

campaign. 183 responses were received to the standard questionnaire and 18 responses to the easy read version. The final scheme was amended to reflect the consultation feedback from a key voluntary sector partner.

- The Meridian Water West Supplementary Planning Document (SPD) public consultation ran for six weeks between the 9th November to 14th December 2022 following a series of pre-consultation engagement sessions held with key stakeholders throughout 2022. The consultation phase was supported by email notifications, a dedicated webpage and a press advertisement in the Enfield Independent. The consultation was publicised on the Council's social media channels and 'Have Your Say' platform with hard copies also available in the Council's Silver Street reception and nearby libraries. Two drop-in sessions were held to give residents and interested parties the opportunity to find out more about the SPD and pose questions to Council officers and meetings were offered to key stakeholders during the formal consultation period. A total of 20 responses were received from a range of 19 organisations and one individual. The feedback from the responses received will inform the work done on finalising the draft SPD in 2023/24.

Further details on current proposals and previous consultations and engagement activity can be accessed in the 'Have your say' section on the Council's website.

<https://www.enfield.gov.uk/consultations>

C – Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes

The Enfield Council Plan 2020-22: A Lifetime of Opportunities sets out the vision for delivering a lifetime of opportunities for everyone in Enfield. We have reflected on progress made on delivering this 2020 Plan; and on the challenges and opportunities for the borough and its residents for the next three years to create a new refreshed vision and priorities for 2023 – 2026.

Our new Council Plan 2023-26 sets out how we are investing in Enfield to deliver positive outcomes for our communities. We want to support residents to live happy, healthy and safe lives; have enough income to support themselves and their families; and live in a good quality home they can afford in a carbon neutral borough, We want children and young people to do well at all levels of learning and for residents to age well.

The Plan sets five overarching priorities; five principles; and six future outcomes we're working towards. The five priorities are:

- Clean and green places

- Strong, healthy and safe communities
- Thriving children and young people
- More and better homes
- An economy that works for everyone

The way the Council engages and works with residents, businesses and partners and the way it makes decisions and allocates resources are fundamental to our success. The Council Plan principles explain how the Council will work to deliver the vision for Enfield and are:

- Fairer Enfield
- Accessible and responsive services
- Financial resilience
- Collaboration and early help
- Climate conscious

We have identified six future outcomes that we are seeking to positively impact over the four years of the Council Plan and beyond. We have identified measurable indicators to help us understand progress on achieving these outcomes for our residents. The six future outcomes are:

- Residents live happy, healthy and safe lives
- Residents have enough income to support themselves and their families
- Children and young people do well at all levels of learning
- Residents age well
- Residents live in good quality homes they can afford
- Residents live in a carbon neutral borough

The finance Medium Term Financial Strategy and updated plan is key to the delivery of the Council Plan and outcomes with significant work undertaken to increase the focus on longer term planning, sustainability and financial resilience.

The Council Corporate Peer Review was undertaken in 2022, which concluded that the, “Council’s approach to governance is good”, and that the Council is, “clear on its priorities and is set to build upon on the successes of previous years, continuing to create positive

outcomes for residents, with ambition and at pace.” There is an action plan and monitoring arrangements in place for the recommended actions from the peer review.

Sustainable Economic, Social and Environmental Benefits

Enfield declared a climate emergency in the Summer of 2019 and implemented a Climate Action Plan which commits Enfield to becoming a carbon neutral organisation by 2030 and a carbon neutral borough by 2040. Our Climate Action Plan 2020 sets out our current carbon emissions (our baseline) and the action we need to take to achieve our net zero targets.

We have committed to review performance and publish our progress on an annual basis. This aligns with our open and honest corporate values. We published the second progress report this year, the Enfield Climate Action Progress Report 2021/22, as well as Enfield’s Carbon Emissions Review 2021/22. The progress report highlights the following achievements during this time:

- Further embedding Climate Action in the Council’s Plan and decision-making processes, with a stronger dedicated Climate Action and Sustainability Team, working closely with all teams within the Council
- Delivering the LED street light replacement programme, as well as implementation of various active travel schemes
- Achieving the target of planting 100,000 trees as part the Enfield Chase Restoration projects
- Publishing our first Sustainable and Ethical Procurement Policy, which includes climate action considerations for use in the selection criteria for our procurements
- Pushing forward with the retrofit of corporate buildings and council housing stock, investing both our own capital, and finishing our first retrofit pilot, while jointly leading the pan-London ‘Retrofit London Programme’ with Waltham Forest and development of the Retrofit London Housing Action Plan
- Receiving an ‘A-’ rating, for our first submission to Carbon Disclosure Project, CDP.

The 2022/23 Climate Action Plan review is in progress and is expected to be published in summer 2023.

The new Council Plan 2023-26 will support the Council to continue to deliver on the commitments set out in the Enfield Climate Action Plan.

The Council’s internal processes promote the focus on outcomes in terms of sustainable economic, social and environmental benefits, including:

- The Council's business case templates incorporate these elements of outcomes, as do procurement bid assessment tools, in alignment with the Council's governing financial strategies and policies. Reporting on potential expenditure or investment includes dedicated sections highlighting social, financial and environmental implications, ensuring that these aspects are captured in every report.
- The approach to business case formation is being reviewed based on the HM Treasury better business case approach, with training sessions delivered to officers in June 2022.
- Performance management of day-to-day services covers both financial performance via budget and service delivery, measuring social outcomes for the community, across a comprehensive framework covering all of the Council's operations.

D – Developing the interventions necessary to optimise the achievement of the intended outcomes

The Council operates a network of Boards across its operations, including senior management membership. These Boards draw authority from the central Executive Management Team and monitor the delivery of projects and services across the Council including the achievement of expected outcomes, or agreement of action plans were required to ensure outcomes continue to be delivered. The network has been mapped and reviewed to ensure efficiency in operations and that work is not duplicated.

The Council reports quarterly to Cabinet on the Corporate Performance Scorecard that reflects the Council priorities as outlined in the Council Plan. The scorecard has been developed to demonstrate progress towards achieving the Council's aims and key priorities as set out in the Council Business Plan. The report is a management tool that supports Council directorates and the Executive Management Team (EMT) in scrutinising, challenging and monitoring progress towards achieving the Council's aims. The Corporate Performance Scorecard is considered at the Finance and Performance Scrutiny Panel.

The Council may also commission from time to time external review of particular risk areas, to develop efficient and effective service delivery and future proof against rising costs or high investment need.

E – Developing the entity's capacity, including the capability of its leadership and the individuals within it

Our new Work Force Strategy: Investing in Our People 2023-28 will support the Council to continue to develop our capacity and workforce. The new strategy is the culmination of work done in 2022-23 and sets out how we are developing as a high performing organisation that is collaborative, innovative, and inclusive, where we let talent flourish and develop the skills we need to succeed.

It outlines how we will equip our workforce to meet the needs of our communities now and in the future, so as the Council and our services evolve, we will have the right people, with the right skills, connected to our communities and working together for Enfield.

Our vision is for the workforce is to have the right people, with the right skills, connected to our communities and working together for Enfield. We will deliver this vision by focusing on four key priorities:

- Resourcing and talent
- Developing our people
- Culture and transformational change
- Making our mark on equality, diversity and inclusion

Our values are to be bold; make a difference; and show you care.

Our behaviours are to take responsibility; be open, honest and respectful; listen and learn; and work together to find solutions.

Fairer Enfield, 2021-25, our equality, diversity and inclusion policy, outlines our ambition to be an organisation where local people choose to work and develop good careers; where staff from different backgrounds work together harmoniously and productively and everyone feels valued.

The Council operates a comprehensive Performance Development Review system which ensures continuous improvement in both the skills of and support provided to officers at every level of the authority. Internal training networks offer a wide range of skill development employees with specialist training arranged through the Development Review where appropriate.

Staff networks also support the development and capabilities of staff through regular seminars, workshops and learning. A series of leadership and culture workshops and our existing organisational development courses continue to support staff development.

F – Managing risks and performance through robust internal control and strong public financial management

The Council's Risk Management Strategy governs the corporate approach to risk management. It is supported by a comprehensive Performance Management Framework, and an annual Internal Audit Plan seeking to address areas of key risk on the Corporate Risk Register.

The Audit Committee function is carried out by the General Purposes Committee (GPC) in Enfield and is a key component of good governance. The Committee are an important source of assurance about the Council arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance.

In 2021-22, the Council commissioned CIPFA to undertake an independent review of the General Purposes Committee against the 2018 CIPFA Audit Committee Good Practice Guide. The review provided assurance on the operation and effectiveness of the GPC with CIPFA confirming that the operation of the General Purposes Committee in the London Borough of Enfield, on balance, works well and to the satisfaction of its members and to officers who support the committee.

CIPFA published the updated 2022 edition of the Audit Committees: Practical Guidance for Local Authorities and Police 2022 in October 2022. We have undertaken an initial self assessment against the updated guidance in January 2023 to ensure the committee is operating in line with the updated guidance and best practice. Proposed actions have been recommended to the committee and an updated action plan will be put in place in 2023-24.

Strong public financial management

Financially the Council operates planning through its Medium-Term Financial Plan and Capital Programme, with associate Treasury Management Strategy. Operational expenditure is governed by the Contracts Procedure Rules within the Constitution, and the Scheme of Delegation determines the appropriate authority required for different levels of expenditure, ensuring that appropriate oversight of spend is delivered in alignment with the Council's risk appetite.

Robust financial management arrangements are more important than ever as local authorities across the UK continue to face significant challenges including increasing demand and cost pressures, uncertain funding and operating in an increasingly complex and unpredictable environment. Unprecedented inflation rises, the associated cost of living increases and the economic environment are magnifying these financial challenges.

We have focused in recent years on strengthening our financial management arrangements, in recognition of the ongoing and ever increasing importance of financial management in this challenging environment. We have focused on a continuous self-improvement plan, with areas prioritised for improvement informed by best practice and independent advice. As part of this process, The Chartered

Institute of Public Finance and Accountancy (CIPFA) were commissioned to undertake the following two independent reviews to inform our approach:

- Finance structure – initial review of the finance structure in 2021 which was intended to consider option for developing a structure that was fit for the future
- Financial Management review – CIPFA were commissioned to independently review the Council’s financial management arrangements across the organisation using the CIPFA Financial Management (FM) model. The final outcome of the review concluded an overall score of 3 out of 5

In 2022-23, we have continued to build on the foundations in recent years, including

- Progressing the work in developing a fit for the future structure, successfully recruiting to several key posts within the finance and procurement teams
- Setting up a Finance Continuous Improvement Board, which now meets monthly to focus on driving through the improvements
- Progressed capital improvements including the establishing the Capital Finance Board and Development and Investment Financial Framework (DIFF)
- Focus on reviewing our balance sheet position
- Engaging with our Treasury Advisers to undertake a review our MRP position in 2022.

Recruitment and retention of key staff to ensure the finance team is suitably resourced and fit for purpose in the current environment and in view of the resources available remains a significant challenge and key area of focus moving forward.

Financial resilience and sustainability

Financial resilience describes the ability of local authorities to remain viable, stable and effective in the medium to long term in the face of pressures from growing demand, tightening funding and an increasingly complex and unpredictable financial environment.

Financial resilience and sustainability remain a key area of risk for Enfield, and other local authorities.

The Council continues to make financial sustainability and resilience a key area of focus, with significant work undertaken in previous years to create a robust and sustainable budget to put the Council in a strong position to manage the challenges ahead.

Improvements include:

- Ongoing focus on longer term financial planning, with a five-year Medium Term Financial Plan and ten-year Capital Strategy and Treasury Strategy in place
- Increased focus on capital financing and regular assessment of interest rate risk
- Review of financial viability and affordability of capital projects with a heightened focus on the impact on revenue budgets
- Detailed review of the financial model for the Council flagship regeneration scheme, Meridian Water, reported to April Cabinet, setting out the optimised financial plan
- Initiation of a strategic review of Council companies
- Detailed review of the use of reserves including a five year plan for reserves
- Introduction of additional internal financial governance and challenge arrangements, including
 - Pressures Challenge Boards scrutinising revenue budgets
 - Capital Finance Board
 - Weekly Executive Management Team budget meetings
 - Assurance Board
 - Finance Continuous Improvement Board which, from 2023-24, will start to additionally concentrate upon improving the Council's financial resilience in light of the on-going challenges facing the organisation

Regular consideration of Public Interest reports, new CIPFA guidance and assessment of lessons learnt as applicable for Enfield continue to take place.

Financial sustainability and resilience remain a key area of focus for the General Purposes Committee, which is considered by the committee annually, most recently in January 2022. The Finance and Performance Scrutiny Panel considers the council's financial monitoring reports at each meeting and also considered key financial pressure of Temporary Accommodation.

Financial resilience risks, existing risk mitigations and further planned actions are included in the Corporate Risk Register.

G – Implementing effective practices in transparency, reporting, and audit, to deliver effective accountability

The Council's transparency requirements for decision-making is determined within the Constitution, and these processes are enacted and monitored by the Council's Governance team. The format of reports is according to a standard template ensuring that the same quality of consideration is afforded all decisions, and comparable information available on all decisions.

The Council operates an annual Internal Audit Plan, which is approved by the General Purposes Committee. The Internal Audit Plan focuses on key areas of risk primarily identified in the Corporate Risk Register. In line with the Public Sector Internal Audit Standards (PSIAS), progress against the Internal Audit Plan and audit outcomes are reported regularly through the year to the General Purposes Committee. The Head of Internal Audit and Risk Management also delivers an annual internal audit opinion.

Dedicated resource and arrangements are in place to deliver the Council’s statutory transparency and accountability roles within the Freedom of Information and Data Protection Acts, and to ensure full co-operation with all investigations by the Information Commissioner, Local Government & Social Care Ombudsman, and Housing Ombudsman.

The key elements of the governance structures and processes in place are summarised in the table below:

Element	Structure and processes
1. Cabinet and Leader	<ul style="list-style-type: none"> • Provides political leadership; • A key role in delivering the council's services, proposing the budget, and promoting the Council's aims and strategic priorities; • Cabinet provides transparent and accountable political leadership. It considers the business detail involved in delivering the Council's corporate priorities.
2. Scrutiny	<ul style="list-style-type: none"> • Scrutiny reviews the Council policy and has the power to challenge decisions; • The Overview and Scrutiny Committee and its Scrutiny Panels scrutinise decisions made by the Cabinet, and those delegated to officers, and reviews services provided by the Council; • General Purposes Committee review governance and promote high standards of conduct by councillors.
3. Decision Making	<ul style="list-style-type: none"> • All decisions are made in compliance with the law and the Council's Constitution; • Formal meetings of the council are held in public; • Decisions are published on the Council website.
4. Risk Management	<ul style="list-style-type: none"> • The Risk Management Strategy ensures proper management of risks and sets out how threats and opportunities faced in the delivery of the Council's objectives are managed; • Risk registers identify both strategic and operational risks. Identified risks are scored according to likelihood and impact, and a traffic light system has been adopted to monitor the effectiveness of mitigating actions

Element	Structure and processes
	<p>agreed. Strategic risks are reviewed by senior management and by elected members prior to and at the General Purposes Committee on a regular basis.</p>
<p>5. Executive Management Team</p>	<ul style="list-style-type: none"> • The Head of Paid Service is the Chief Executive and is responsible for all council staff and leading an effective Executive Management Team; • The Executive Director of Resources is the Council's Section 151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money; • The Director of Law and Governance is the Council's Monitoring Officer who is responsible for ensuring legality and promoting high standards of conduct in public life.
<p>6. Council</p>	<ul style="list-style-type: none"> • Council is responsible for approving the budget, agreeing policies, making constitutional decisions and deciding local legislation. Council elects the Leader for a term of four years, and the Leader appoints a cabinet of up to ten councillors (including him/herself), each holding a special portfolio of responsibility. • The Council's Constitution is updated where necessary throughout the year and sets out how the Council operates. It states what matters are reserved for decision by the whole council, the responsibilities of the cabinet and the matters reserved for collective and individual decision, and the powers delegated to panels and committees. • The overall budget of the Council is set by the Council and all decisions are made within this framework. The council's goals are developed alongside the budget. Progress is reviewed by the Leader, lead Cabinet Member for Finance and Procurement, and respective cabinet members. The Council also monitors its performance through feedback from its residents and service users.

Value for Money Statement

In making decisions, allocating resources and planning service delivery, the Council ensures value for money arrangements are put in place and that its services are delivered in an economical, efficient, effective and equitable way.

The Council promotes the economy, efficiency, effectiveness and equality of its services through its high-level governance and management arrangements including:

- A clear governance structure is in place, as well as well-defined roles for the leadership team
- The leadership team take collective responsibility for financial management arrangements with weekly Executive Management Team budget meetings to focusing on financial management and value for money
- Activities and decisions are subject to appropriate scrutiny, a key role for the leadership team and the General Purposes Committee, who carry out the role of the Audit and Risk committee function
- Audit arrangements including internal and external audit arrangements
- Clear objectives and strategy based on local need outlined in the Enfield Council Plan 2023-26, setting out how we are investing in Enfield to deliver positive outcomes for our communities and overarching ambitions and cross cutting themes
- Effective service and financial planning with an approved annual budget, Five Year Medium Term Financial Strategy, Capital Strategy and Ten Year Capital Programme and Ten Year Treasury Management Strategy are in place. These long term financial strategies are key to the delivery of the Council Plan and financial resilience

To ensure value for money is achieved, the Council has in place robust arrangements to support its decision making; commitment of expenditure, oversight of contracts and its risk management arrangements including:

- Financial regulations which form part of the Council's Constitution, setting out how the Council manages its financial arrangements
- The Council's Contract Standing Order requirements, which form part of the Council's Constitution, which set out the Council's procurement requirements to ensure that contracts are entered in a compliant manner and deliver value for money
- The Procurement Team has been restructured to include Category Managers and strengthen the contract management teams, thereby significantly increasing the Council's capacity. Ensuring that effective arrangements are in place for contract management and procurement processes are delivering value for money. Annually General Purposes receives a report regarding procurement performance.
- Risks and existing risk mitigations and further planned actions are included in the Corporate Risk Register.
- Culture and leadership is a key part of ensuring value for money. CIPFA review identified high-level strengths in the Finance leadership across the Council. This has been strengthened with the additional capacity at Director level in finance; with one role focussed on commercial and capital programmes, given Enfield's ambitious regeneration plans, the other role focussed on statement of accounts and medium term financial plan.

The Council monitor and assess the extent to which its services represent value for money and the effectiveness of its service regularly. Examples of this in 2022/23 include:

- Benchmarking of total costs and income with London Boroughs, the financial impact of covid19. In addition, benchmarking services costs and performance with similar local authorities is used as a tool to inform budget setting.
- CIPFA FM review was undertaken measuring the effectiveness of the finance team and the wider organisation's financial management.
- Quarterly performance information reported to Cabinet includes specific action plans for services which are not meeting the agreed targets.

Equality

- Equality impact assessments
- Engagement with service users
- Engagement with the voluntary sector

Compliance with the CIPFA Financial Management code

In September 2019, CIPFA published the Financial Management (FM) code, which sets out the principles by which authorities should be guided in managing their finances and the specific standards, they should, as a minimum, seek to achieve. The code is designed to support good practice in financial management and to assist local authorities demonstrate their financial sustainability.

In response to the introduction of the code and ongoing focus on financial management the Council has:

- i. Undertaken an initial light touch internal review of the standards to identify any potential areas of improvements requiring further action
- ii. Commissioned CIPFA to undertake an in depth external assessment of our financial management arrangements across the organisation based on the CIPFA FM Model
- iii. Commissioned CIPFA to undertake an external financial resilience assessment (in response to FM Code standard F)
- iv. Considered the symptoms of financial stress and factors that drive the ability of the authority to withstand financial pressures as part of the January 2022 GPC Financial Resilience report. An action plan has been created to be monitored by the improvement board (in response to FM code standard G)

The CIPFA FM Model links to the CIPFA FM Code. As part of the work on the CIPFA FM model, CIPFA confirmed that they did not see any instances of non-compliance with the code, providing further assurance on the Council's Financial Management

arrangements. CIPFA representative directly briefed the Executive Management Team, Assurance Board and in March 2022, the Finance and Performance Scrutiny Panel on the outcome of the CIPFA review.

The Council complies with the code and has used the internal and external reviews to inform the medium-term improvement plan and action plan, incorporating feedback from the finance team, wider organisation and best practice. Financial management remains a key area of focus for the Council, subject to ongoing review and monitoring in order to drive continued improvement. CIPFA summarised their findings, “The Council is well placed for business as usual (subject to having to prop up its “clunky” systems) but currently not for its ambitious capital plans and that there are real financial resilience risks (plus commercial issues) here.”

The CIPFA FM review identified key challenges to address including; a need for a new ERP system, finance team capacity to focus on transformation, ensuring staff are skilled to support the complexities of the Council’s commercial arrangements and ambitious capital programme (exploring use of the HM Treasury Better Business Case), and the Resilience risks relating to the Council’s ambitious Capital Programmes, Regeneration, Housing Programme and Treasury Strategy e.g. construction price increase risk.

Actions taken have been focussed on building the staff skills and structures and increase capacity to support the council’s capital programme including – delivering the better business case training, spreadsheet modelling training, HRA regulation training by CIPFA, a complete structure review has been undertaken resulting in strengthening the staffing structures under the new Director of Capital and Commercial. Funding for a new ERP system is included in the Digital Capital Programme, however, this has not progressed at this time due to resourcing constraints.

GOVERNANCE ISSUES

The Council has undertaken an assessment of governance issues and actions to address them. The table below provides an update on issues identified in the 2021/22 statement and actions taken as well as details of any additional governance issues identified in 2022/23.

Governance Issue/ Area of Focus	Overview	Update and further actions planned
<p>Financial Resilience</p> <p>(Update on area of focus identified for 2022/23 in the 2021/22 statement)</p>	<p>The financial climate continues to be a challenge for the Council, the impact of inflation, service demand and the impact of the wider economic circumstances and risks. The financial year 2022/23 closed, with a forecast significant depletion in risk reserve levels.</p> <p>The cumulative impact of the general economic conditions, inflation and construction price inflation, and interest rate rises require close monitoring of the budget and reviewing the medium term financial plan assumptions. In particular the impact of temporary accommodation is resulting in an in year significant financially challenging position. Further the future budget gap remains significant as anticipated funding levels fall short of the forecast increased cost pressures.</p> <p>In addition the MRP technical consultation outcome has not yet been concluded and this has potential to further impact on the Council's financial resilience.</p>	<p>Financial resilience remains a top priority. There are three live work streams to focus the organisation on addressing the financial challenges: <i>stabilise</i> the current financial year, <i>save</i> for the future years and longer term <i>transformational</i> focus. These workstreams span capital and revenue budgets and progress is being driven through the new Finance Resilience Board programme.</p> <p>Progress will be reported in the autumn as part of the monitoring and budget setting cycles.</p> <p>The Council has £3m contingency annual budget and risk reserves of £3.4m. In addition, risk reserves are in place for capital financing and collection fund and housing benefit smoothing reserves. This reduced level of reserves brings sharp focus on the in year financially challenging position.</p> <p>The Capital Strategy planned for autumn 2023 will focus on financial resilience responding to the current economic climate.</p>

Governance Issue/ Area of Focus	Overview	Update and further actions planned
		<p>Given the pressures on the HRA business plan, although the HRA reserve has increased (above the minimum levels), ongoing monitoring of the business plan is recognised as an increasing risk.</p> <p>The Dedicated Schools Grant (DSG) deficit in 2022/23 totalled £2.618m arising from High Needs cost pressures. The cumulative DSG deficit, at the end of 2022/23 is £15.236m. In response to the significant accumulation of DSG deficits nationally, the Department for Education have developed two programmes, the Safety Valve programme, which targets Councils with the highest deficits and the Delivering Better Value (DBV) programme. The Council is part of the DBV programme which provides support to 55 Councils with significant deficits. To produce an action plan to reduce the debt, however, additional funding is not provided as part of this programme.</p> <p>The new Council Plan provides a renewed strategic direction for the Council as it continues to invest in the borough to deliver positive outcomes for residents. The Plan emphasises the need for financial resilience and moving to a position where we are less reliant on central government funding and instead resourced more by funding generated in-borough and through inward investment using levers such as our Local Plan.</p>
Financial Impact	The Council continues to operate in an environment of considerable uncertainty and financial challenge. The	The 2023/24 budget and updated Medium Term Financial Plan (MTFP) to 2027/28 was approved by

Governance Issue/ Area of Focus	Overview	Update and further actions planned
(Update on the governance issue identified in the previous years statement)	<p>potential financial impact of the ongoing challenges in 2023/24 and future years continues to be a significant area of concern and ongoing focus through the Council's budget setting and in year budget monitoring processes.</p> <p>The Council continues to focus on financial planning through the regular review and updating of the Medium Term Financial Plan to reflect any known significant changes and the estimated financial implication and put in place mitigating actions where possible.</p>	<p>Council in February 2023.</p> <p>A balanced budget was set for 2023/24, however, this was in part achieved by the use of one-off funding sources. At the time the budget was set, future years budget gaps totalled £76.518m which will need addressing through a combination of increases in government funding, potential council tax increases and further savings and efficiencies over the medium term.</p> <p>Departments are working on developing further savings plans to help in bridging the budget gap.</p> <p>Potential governance issues and risks associated with savings plan proposals will be considered further as part of this process.</p>
<p>Increase in Service Demand</p> <p>(Update on the governance issue identified in the previous years statement)</p>	<p>The key areas of budget pressure that continue to be felt in the Council's demand driven services include:</p> <ul style="list-style-type: none"> • Adults and Children's Social Care, specifically Learning Disabilities and Older People and people with physical disabilities services • Homelessness services, specifically the provision of Temporary Accommodation. <p>Homelessness is a key area of concern with the Council experiencing unprecedented demand from residents losing their homes. This is at a time when the</p>	<p>The level of demand on key services will continue to be closely monitored in 2023/24, with mitigating actions put in place where possible.</p> <p>A new approach to maximise the opportunities for residents to secure affordable accommodation in the light of increased pressures on accessing temporary and affordable housing in the borough is being developed, with a new service model and a revised placement policy proposed in 2023/24.</p>

Governance Issue/ Area of Focus	Overview	Update and further actions planned
	private rented sector is contracting, rents are rising and there is a severe shortage of affordable privately rented homes across the whole of the southeast of England. The supply of temporary accommodation has also fallen, meaning that the service has been dependent on commercial hotels and shared accommodation.	Potential governance issues and risks associated with the increases in service demand will be monitored closely in these key areas.
Information Governance (Update on the area of focus identified in the 2021/22 statement)	The Council requires adequate security controls and processing of its data and information in order to provide excellent protection of data and service to customers in regard to its duties under the Data Protection and Freedom of Information Acts.	The Cyber Security function has an ongoing monitoring and work plan to further enhance the Council's data security. This is reported to the GPC. The cross council information governance board is in place and meets regularly.
Subsidiary Company Strategy (Update on the area of focus identified in the 2021/22 statement)	The Council's subsidiary companies deliver services to assist in provision to residents. However, they represent significant investment from the Council, and it is therefore appropriate that their use and role in the Council's holistic approach to service delivery is reviewed at regular intervals.	The Council has commissioned independent strategic reviews of its companies, to shape and inform the MTFP. In addition, a number of actions were identified as a result of a review of company governance, these are being monitored at the Finance Continuous Improvement Board. In 2021-22, an internal operational document setting out the loan agreements with Companies was drafted. This will be reviewed in 2022-23.

Governance Issue/ Area of Focus	Overview	Update and further actions planned
<p>Statement of Accounts</p> <p>(Update on the area of focus identified in the 2021/22 statement)</p>	<p>Statement of Accounts 2019/20, 2020/21, 2021/22 – audit outstanding</p> <p>The Council Statement of Accounts for 2019/20, 2020/21 and 2021/22 audit has not been completed. The Council's Accounts have been published on time however, the audit has been delayed through resourcing challenges in the external auditors and more latterly an unresolved national technical issue related to infrastructure assets valuations.</p>	<p>The General Purposes Committee receives regular updates on the progress of the accounts external audit and the improvements in the Council's processes.</p> <p>Critically a permanent, skilled Chief Accountant has been in place for a year and the corporate finance function has been restructured to build in resilience. This post and corporate team has had significant impact on the quality of work undertaken and drive to embed improved processes.</p> <p>In this context of unaudited Statement of Accounts, assurance around the credibility of the finance function is sought from alternative sources including: internal audit, reviewing of public interest reports and assessing LBE in the light of these, the CIPFA FM independent review, external reviews such as our MRP policy (February 2022); training for all Housing and Finance colleagues on HRA financing (this was in response to public interest reports in other councils).</p> <p>A Finance Continuous Improvement Board is in place to monitor progress on these improvements.</p>
<p>Purchase Cards</p> <p>(Governance issue identified in 2022/23)</p>	<p>Purchasing goods via the Council's main purchasing system, Neptune, is the Council's preferred method to pay and purchase goods and services. However, Purchase Cards (P Cards) were introduced some years ago to enhance the purchase to pay process, providing an easy and flexible alternative for buying</p>	<p>As a direct and immediate result of the audit, additional measures were introduced to improve the level of compliance, which resulted in improved compliance.</p> <p>In light of the findings of the audit, plus reflections on the P Card system and policy post-pandemic, a review</p>

Governance Issue/ Area of Focus	Overview	Update and further actions planned
	<p>small spend items.</p> <p>The Council's Financial Regulations and Contract Procedure Rules set out the guidelines that officers must comply with when purchasing goods and services on behalf of the Council.</p> <p>The number of P Cards in circulation increased during the coronavirus pandemic. The period over the pandemic necessitated greater flexibility and the ability to support residents.</p> <p>An internal audit of the P Card process was issued with limited assurance and identified non-compliance with P Card policy and procedures and a risk of fraudulent transactions taking place.</p>	<p>of the P Card system was undertaken over the summer months of 2022.</p> <p>In addition to the review of the policy, each card was and the reason for having the card was reviewed.</p> <p>The review of P Cards led to a 44% reduction in cards in circulation. Other changes have been implemented to further improve control and help P Card users including reductions to transaction limits on most cards; improved communications, information, guidance and training; a new card application process and strengthening of the monitoring process.</p> <p>Considerable work has now taken place to tighten the policy and rationalise the number of cards in circulation by almost half and reduce/homogenise card limits. These changes ensure improved compliance and control going forward.</p>
<p>Improving communication on budget matters and improving links to the Council Plan</p> <p>(Area of focus identified in 2022/23)</p>	<p>The importance of culture in financial resilience is well documented in public interest reports.</p> <p>Although CIPFA FM scored well on leadership. The Corporate Peer Review identified opportunities to improve communication on budget to the wider organisation.</p> <p>Clearly link our Medium-Term Financial Plan to our new Council Plan.</p>	<p>Development of a wider communication approach for the 2024/25 budget strategy is underway to drive consistency of messaging throughout the organisation. This includes clear messages on budget holder accountability.</p> <p>In addition, a briefing session will be undertaken for all budget holders to ensure they understand their roles and responsibilities. This will include the outcome of a review of departmental schemes of delegation programmed in this year, communicated to the wider</p>

Governance Issue/ Area of Focus	Overview	Update and further actions planned
		<p>organisation.</p> <p>Further actions are underway to link the MTFP and the new Council Plan, recognising that the MTFP is integral to the implementation of the Council Plan.</p>
<p>Housing Assurance Framework</p> <p>(Governance issue identified in 2022/23)</p>	<p>The Council has developed a new assurance framework covering the Council Housing Service to ensure conformance with the new regulatory framework for social housing which is outlined in the Social Housing Regulation Bill scheduled to pass through Parliament in spring/summer 2023.</p> <p>The number of reported cases relating to damp and mould or conditions that increase the risk of damp and mould has been included in the corporate performance report.</p>	<p>The new assurance framework was approved by Cabinet in February 2023 enabling transparency and oversight of performance. The framework will help ensure that the service meets the proposed changes to the Social Housing Regulation and the four consumer Standards by reporting in a transparent way on performance.</p> <p>The framework will mitigate the risks associated with non-compliance against the Housing Regulators consumer standards using a three lines of defence model aligned to the key risks which may prevent compliance with the regulatory standards and to provide stronger governance structure around the Consumer Standard.</p> <p>An assurance action plan has been developed to embed and monitor all requirements of the Assurance Framework and to ensure these are maintained or updated when appropriate.</p> <p>The new addition of Damp and Mould monitoring is in development. We have formed a multidisciplinary task force to address damp and mould issues across all</p>

Governance Issue/ Area of Focus	Overview	Update and further actions planned
		<p>tenures and we are currently developing more detailed KPIs which may be comparable with other boroughs.</p> <p>In 2023 we will be launching our housing skills academy which will provide all staff with knowledge in these areas with a system of quality checks. We will also be working to develop and embed an approach to “making every visit count”.</p>

Other significant governance actions taken during the year

The Council’s statutory officers (head of paid service, section 151 officer, monitoring officer) meet regularly as part of a wider Assurance Board to consider strategic and operational risk. The Board work programme cycle is refreshed to respond emerging risks. Examples include of areas considered include, preparation for the CQC inspection of Adult Social Care, risks and response to damp and mould in Council housing, cyber and security and martyns law, insurance market challenges. Actions from this board are monitored.

Corporate Risk Register Review

The Corporate Risk Register was reviewed and updated regularly by senior management, reported to the internal Assurance Board and the General Purposes Committee on a quarterly basis. With the ongoing economic uncertainty, high inflation and interest rate increases coupled with the cost of living crisis, risk scores were re-assessed and increased where appropriate.

Additionally, one medium rated risk, Legislation, Regulations, and Standards was removed from the Corporate Risk Register. This risk was defined as “The Council does not comply or is slow to respond to new or changed legislation, regulations, and standards”. Following a review, it was considered the risk is well engrained into the organisation and is business as usual. As such it is no longer considered to be a significant corporate risk. Going forward any risks relating to specific legislation will be captured in departmental risk registers as and when they arise.

Statement of Accounts Delays in External Audit

There are delays in the external audit of the Council's Statement of Accounts for 2019/20,2020/21 and 2021/22 which remains of serious concern to the Council and to members of the General Purposes Committee. The Council continues to drive improvements in its Statement of Accounts processes in preparation for the finalisation of these audits.

General governance and Risk Management Actions for 2022/23

The Council will review the effectiveness of the enhancements to the Scrutiny process made in previous years, to ensure the arrangements are operating as expected and providing a good quality of scrutiny.

The Council will review policies and processes in regard to information transparency, to enhance availability of Council information and provision of excellent service under Data Protection and Freedom of Information legislation.

REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness.

The effectiveness of governance arrangements is monitored and evaluated throughout the year and activity undertaken includes:

- Consideration of governance issues by the Executive Management Team, the Assurance Board and Departmental Management Teams including risk registers, counter fraud updates and internal audit reports
- Preparation of a rolling plan of audit coverage provided by the Head of Internal Audit and Risk Management which is primarily based on an assessment of the Council's risk profile.
- The Annual Audit Opinion which is provided by the Head of Internal Audit and Risk Management.
- Ongoing assessment of internal management processes including performance management and compliance monitoring
- The work of the Council's governance boards and working groups, including the Executive Management Team, the Assurance Board, other Management Boards, Departmental Management teams and working groups (e.g. the Risk Management Group)

- The independent views of regulatory inspection agencies such as Ofsted and the Care Quality Commission
- The views of external auditors regularly reported to the General Purposes Committee including regular progress reports and the Annual Audit Letter
- The work of the General Purposes Committee that includes ensuring best practice in corporate governance is applied across the Council.

Internal Audit Plan

The Council operates an Annual Internal Audit Plan to review the effectiveness of its governance in specific areas. The development of the audit plan targets those areas considered to be higher risk for the Council and for residents. Due to this, the likelihood of negative assurance levels on individual audits increases, as any control weakness identified will be proportionally more significant in high-risk areas. The methodology of financial auditing continued to encompass comprehensive whole system reviews of key financial processes. Schools are audited on a rotational basis.

In summary, the conclusion is that there is a reasonable assurance (based on the evidence reviewed), there was a similar number of audits of concern (limited or no assurance) to the previous year, however, significant progress has been made with the speed of completing red and medium audit actions. This is set out in more detail below.

The Council (via the General Purposes Committee) commissioned the 2022/23 Internal Audit Plan leading to 43 assurance opinions given during the year, of which 22 (51%) received a *Limited Assurance* rating. No audits received a *No Assurance* rating during 2022/23. In 2021/22, 14 *Limited* and 2 *No Assurance* reports were given constituting 42% of total opinions.

Limited Assurance reviews related to:

- Business Rates Process
- Payments to Residential Care Providers
- Parking Contract
- Recycling Waste Services Contract
- Planning (CIL/S106)
- Transformation – Income and Debt Programme

- Key Capital Project: Building Bloqs
- The Latymer School
- West Lea School
- Highfield Primary School
- St. Ignatius College (NB still in draft)
- Corporate Health & Safety Board
- Housing Gateway Limited – Disabled Facilities Grant Process
- Web Content Accessibility Guidelines 2.1
- Multi Agency Safeguarding Hub
- Digital Services Procurement
- Staff Ethical Standards
- General Ledger
- Financial External Audit Process
- Business Continuity Planning (NB still in draft)
- Economic Strategy
- Household Support Fund and Holiday & Food Grant

Audit action monitoring

Audit actions recommended to address control weaknesses identified are monitored through the year for implementation by officer Assurance Board. The Assurance Board membership includes the Chief Executive, Section 151 Officer and Monitoring Officer.

For 2022-23, as at 31st March 2023, all actions due were implemented except for 1 high risk actions and 8 medium risk actions. This compares to 9 overdue high-risk actions and 14 overdue medium risk actions at 31st March 2022.

Assurance Statement

Based on the work undertaken by the Internal Audit team during 2022/23 the opinion of the Head of Internal Audit and Risk Management is that the arrangements for governance, risk management and internal control provided *Reasonable Assurance* that

material risks, which could impact upon the achievement of the Council's services or objectives, were being identified and managed effectively. This is based on the work undertaken by the Internal Audit team during 2022/23. Improvements are required in the areas identified in the audit reports to enhance the adequacy and effectiveness of the framework of governance, risk management and internal control.

Conclusion

The Council is satisfied that appropriate governance arrangements are in place. We propose over the coming year to take the steps to address the matters identified above to further enhance our governance arrangements.

DRAFT

Signed on behalf of Enfield Council:

Ian Davis

Chief Executive

Date:

Councillor Nesil Caliskan

Leader of the Council

Date:

DRAFT

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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