

MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON WEDNESDAY, 26TH JUNE, 2024

MEMBERS: Councillors Sabri Ozaydin (Chief Whip), Josh Abey, Nicki Adeleke, Destiny Karakus (Associate Cabinet Member (Non-geographical)), Joanne Laban, Elisa Morreale, Patricia Gregory, Andy Milne and Suna Hurmane and Elisa Morreale

Officers:

Fay Hammond (Executive Director Resources), Annette Trigg (Interim Director of Finance), Claire Johnson (Head of Governance and Scrutiny) and Sakinah Sutherland (Governance Officer)

Also Attending:

Ciaran McLaughlin (BDO) and Matt Dean (Grant Thornton)

1. WELCOME & APOLOGIES

The meeting was Chaired by Cllr Sabri Ozaydin due to the Chair's absence.

The Chair welcomed everyone to the meeting.

Apologies for absence were received from the following:
Cllr Nia Stevens who was substituted by Cllr Suna Hurman
Cllr Alessandro Georgiou who was substituted by Cllr Andy Milne
Cllr Julian Sampson who was substituted by Cllr Patricia Gregory
Peter Nwosu (Independent Advisor)

Apologies for lateness were received by Cllr Elisa Morreale who had a conflicting meeting within the Council.

2. DECLARATIONS OF INTEREST

No declarations of interest were received.

3. MINUTES OF THE PREVIOUS MEETING

The minutes from the previous meeting held on 27 March 2024 were **AGREED**.

4. GENERAL PURPOSES COMMITTEE WORK PROGRAMME 2024/25

Claire Johnson (Head of Governance and Scrutiny) provided a brief overview of the 2024/25 Work Programme.

Members questioned how the Work Programme items were chosen.

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In response, the Officer confirmed items usually follow on yearly. Members are welcome to raise potential work programme items for the committee to vote on to implement.

The update was **NOTED**.

5. **BDO PROGRESS REPORT ON THE EXTERNAL AUDIT OF ACCOUNTS FOR 2019/20**

Ciaran McLaughlin (BDO) provided a verbal update on the 2019/20 audit, reporting that the audit is nearing completion, with BDO being 85-90% confident it will be finalised by the end of July. He noted that a Limitation of Scope notice has been issued due to historically natured assets, but the report is expected to present a true and fair view of the authority's financial position. The work on infrastructure assets is complete, and the current focus is on prior period adjustments and the Value for Money assessment for 2019/20.

The audit will undergo BDO's internal quality review on 2nd July 2024, with no issues anticipated. Upon finalising the 2019/20 accounts, attention will shift to the 2020/21 and subsequently the 2022/23 accounts.

Members questioned the likelihood of meeting the July deadline. BDO confirmed his confidence and agreed to be held accountable but noted that the audit would not meet the governance deadline of 12th July 2024 for the General Purposes Committee meeting on 24th July 2024.

Members also enquired about governance weaknesses noted in the Value for Money conclusion. BDO assured the committee that Enfield Council's current financial team is meeting the necessary requirements. However, the 2019/20 accounts provided incomplete financial information, undermining informed decision-making, and consequently affecting the audit. Fay Hammond (Executive Director Resources) explained that the most significant areas impacting the 2019/20 accounts were due to staff capacity and the asset register. She noted that over the past two years, the Council has had a stable and resourced corporate team, changed its valuers, and continues to review the quality of information held on the asset register.

ACTION: Fay Hammond to email committee members of Governance changes in the Resources Team.

ACTION: Governance Team to add a single item meeting in early September to review BDO 2019/20 Audit.

The update was **NOTED**.

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6. DRAFT STATEMENT OF ACCOUNTS 2023/24

Annette Trigg (Interim Director Finance) informed the committee that the draft statements of accounts for 2023/24 were completed on schedule. A formal review of these statements will take place during the General Purposes Committee meeting in July, where members will have the opportunity to conduct an in-depth examination of selected topics.

ACTION: Committee members to review the statement of accounts and email the Governance Team with questions or preferred areas of focus.

The update was **NOTED**.

7. GRANT THORNTON AUDIT PLAN FOR EXTERNAL AUDIT OF ACCOUNTS 2023/24

Matt Dean from Grant Thornton (GT) provided an overview of the Audit Plan for the 2023/24 accounts. He informed committee members that the key areas of focus in the external audit plan are broadly similar to those in previous audits and comparable to any London borough of similar size and scale. He noted that the planned materiality for this year's accounts audit is lower than usual for the Council. This adjustment reflects the fact that previous accounts are unaudited, leading to a greater degree of uncertainty. Consequently, Grant Thornton has reduced their materiality threshold by 5-10%. Despite this reduction, the figures remain reasonably healthy.

The Value for Money report is currently undergoing internal review and will be shared with officers once finalised. The group accounts and group audits related to subsidiaries are progressing alongside the main accounts and are expected to be completed by the end of September 2024.

GT also presented the second document, the Pension Fund Indicative Audit Plan. Key areas of focus for this plan include level 3 assets and investments.

Committee members questioned the following points:

Deadline Confidence: Committee members asked if GT was confident that the report would be produced on time and meet the deadline. Dean responded that they are 99% confident of meeting the deadline, provided there are no disruptions.

Indicative Materiality: Committee members inquired about the meaning of "indicative materiality." Matt Dean explained that materiality is the threshold amount set by GT. If an error exceeds this amount, it could potentially alter the audit opinion on the accounts.

Backstop: Fay Hammond asked GT to update committee members on how they are addressing the audit backlog. She noted that BDO completed the 2019/20 audit, but the intervening years, including 2023/24, have not been

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audited. This provided Grant Thornton the opportunity to explain how they are managing this situation and the backstop.

GT updated committee members, noting that there is a proposal to introduce statutory backstops to address the national backlog of audit opinions and initiate the process of restoring timely audits. The proposal involves changing legislation to require external auditors to clear the backlog of historical audit opinions up to and including the financial year 2022/23 by 30 September 2024. However, progress has been delayed by the election.

Despite this delay, GT is continuing with the existing timetable for the 2023/24 audit, aiming to complete the work by September. The expectation is to gain confidence in the 2022/23 opening balances in the Statement of Accounts over the five-year contract period, focusing on different areas each year.

The update was **NOTED**.

8. DATES OF FUTURE MEETINGS

NOTED that the next meeting of the General Purposes Committee is Wednesday 24 July 2024.