

## MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON WEDNESDAY, 24TH JULY, 2024

**MEMBERS:** Councillors Sabri Ozaydin (Chair), Suna Hurman (Vice Chair) Josh Abey, Nicki Adeleke, Patricia Gregory, Destiny Karakus, Joanne Laban, Andy Milne and Elisa Morreale

**Officers:** Annette Trigg (Interim Director of Finance), Claire Johnson (Head of Governance & Scrutiny), Claire Reilly (Head of Policy and Contract Development), Fay Hammond (Executive Director Resources), Ludmilla Iyavoo (Senior Litigation & Governance Lawyer), Marion Cameron (Deputy Head of Internal Audit & Risk Management), Michael Sprosson (Head of Procurement Services), Penny Halliday (Director of Meridian Water) and Sakinah Sutherland (Governance Officer)

### 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, substituted by Cllr Doris Jiagge  
Cllr Elisa Morreale, substituted by Cllr Chris Joannides  
Cllr Destiny Karakus, substituted by Cllr Guney Dogan and Peter Nwosu

### 2. DECLARATIONS OF INTEREST

No declarations of interest were received.

### 3. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 26 June 2024 were **AGREED**.

### 4. ANNUAL INTERNAL AUDIT AND COUNTER FRAUD REPORT FOR 2023/24

Marion Cameron, Deputy Head of Internal Audit & Risk Management, presented the 2023/24 report, which provides a 'reasonable' assurance over the arrangements for governance, risk management, and internal control in the London Borough of Enfield. This rating is consistent with previous years. The implementation rate of audit recommendations remains robust, with approximately 80% of actions successfully executed.

An external assessment will be conducted towards the end of this financial year to ensure compliance with internal audit standards, which are reviewed every five years. In the meantime, an annual self-assessment will be carried

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out, incorporating the new global internal audit standards set to become mandatory in January 2025.

The counter fraud team detected and prevented approximately £2.9 million in fraud last year. The team also participated in a pilot project with the National Fraud Initiative, focusing on temporary accommodation and secondary employment, which has already seen some early successes. To enhance fraud awareness across the council, the team has implemented various fraud prevention activities. Notably, their apprentice won the "Apprentice of the Year" award at the Public Sector Counter Fraud Awards, a significant achievement for the team.

Members' Inquiries and Officer responses:

- Members raised concerns about the detection of £90,500 in fraudulent purchase card transactions, questioning the effectiveness of the oversight mechanisms in place and whether the cardholders involved are still employed by the council. Officers acknowledged a lapse in oversight, which has since been rectified. Improvements have been made to the payment review and approval process, making it easier for managers to monitor transactions. The individuals involved are no longer with the council.
- Concerns were also expressed about whether the presence of two whistleblowers might indicate a broader cultural issue within the organisation. Officers clarified that both whistleblowers were linked to a single incident involving breaches of the staff code of conduct. This matter was thoroughly investigated, and those responsible are no longer employed by the council. Additionally, a restructuring process is underway in that department to address and improve the organisational culture.
- Members questioned the appropriateness of the 'reasonable' assurance rating, particularly given a decline in substantial assurance reports from 17% to 8%. Concerns were also raised about areas with limited assurance, particularly in housing conditions and repairs, which included three high-importance issues and 14 issues in total. Officers responded that the 'reasonable' assurance rating is still considered appropriate despite the decline. While acknowledging that some areas have limited assurance, the majority of audits were deemed reasonable. The high implementation rate of audit actions—approximately 80%—reflects the council's commitment to addressing these issues, with the Assurance Board providing rigorous oversight.
- Members questioned why Key Performance Indicators (KPIs) are not consistently met by their target dates. Marion Cameron acknowledged the delays and expressed dissatisfaction. While the timelines are tight, she assured members that efforts will be made to improve compliance going forward.

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- Finally, members inquired why ongoing issues, such as housing disrepair, are frequently reported with limited assurance and show little improvement. Officers explained that many of these issues have not been audited recently, as the internal audit team does not review the same areas annually. This may contribute to the recurring limited assurance ratings in certain areas.

**Action:** Members are invited to email any further questions to the Governance team.

The report was **NOTED**.

### 5. ANNUAL SCHOOLS INTERNAL AUDIT REPORT FOR 2023/24

Marion Cameron, Deputy Head of Internal Audit & Risk Management, presented the Annual Schools Internal Audit Report. The report, which has been distributed to headteachers, chairs of governing boards, and finance chairs, summarises the findings from audits conducted at six schools in the borough. It encourages all schools to reflect on these findings and identify if similar areas in their institutions require improvement.

The report noted an overall increase in positive assurance opinions, indicating strong levels of control and effective practices in the schools reviewed.

Members inquired about how mistakes identified in schools are rectified and how governors are being educated on their disclosure obligations and financial responsibilities. It was clarified that a governor training programme exists but is managed by the Education team.

Members also asked how the Audit team ensures that schools implement the recommended actions. Marion Cameron explained that schools are required to submit evidence to the Internal Audit team to confirm that audit actions have been implemented.

The report was **NOTED**.

### 6. REVIEW OF THE MEMBER T&D PROGRAMME

Claire Johnson, Head of Governance & Scrutiny, provided an update on the Member Development Programme. She reported that an induction session for members took place in June 2022. Since then, 15 development sessions have been offered, with additional activities planned through April 2025. Upcoming events include Members' Personal Safety and Conflict Management refresher training in October 2024, and an overview of the new Procurement Act 2023 in November 2024. Members are encouraged to email the Governance team with any suggestions for further opportunities to be included in the 2025 programme.

The report was **NOTED**.

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### 7. ANNUAL REPORT ON CONTRACT PROCEDURE RULES, WAIVERS AND PROCUREMENT SERVICES UPDATE FOR 2023/24

Michael Sprosson, Head of Procurement Services, presented the annual report on procurement. He noted that demands on the service have increased by 20%, indicating strong engagement in compliant procurement processes. Significant progress has been made, including the publication of a corporate contracts register, an annual procurement plan, and a three-year procurement pipeline. During this process, 100 missing contracts were identified, leading to protective measures involving £14.5 million worth of business.

In response to the General Purposes Committee's request last year, governance for contract extensions has been improved. Service departments are now required to submit justification papers for extensions, ensuring compliance with procurement assurance and insurance requirements.

Overall, compliance with Contract Procedure Rules was rated as good. Sprosson highlighted an increase in the number of waivers, attributing it to valid reasons such as the direct award of leisure services contracts and the insolvency of a local user-led organisation, which required swift collaboration with local voluntary groups to maintain service continuity. Additionally, waivers and exceptions were implemented as part of efforts to regularise projects and ensure contract stability during the design and execution of new procurement processes. Regular highlight reports are being provided as the Procurement Act progresses, with all preparations on track to meet the deadline.

Claire Reilly, Head of Policy and Contract Development, assured members that obtaining a waiver is not a simple process; a valid reason is required for it to be granted. To improve contract management, the procurement team has developed a forward plan that alerts them to contracts nearing their end date, allowing them to stay ahead of schedule and manage renewals or new tenders proactively.

The report was **NOTED**.

### 8. UPDATE AND AMENDMENT OF THE COUNCILS CONTRACT PROCEDURE RULES

Michael Sprosson, Head of Procurement Services, informed members about the procurement reforms this year, including the NHS Provider Selection Regime and the upcoming Procurement Act 2023, set to be implemented in October. This legislation represents a significant change in procurement law, necessitating a complete rewrite of the contract procedure rules to ensure compliance. Members received a summary of these changes prior to this meeting and will be fully briefed at the next council meeting in September. Additionally, members will receive training on the new contract procedure rules in November.

The update was **NOTED**.

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### 9. DATES OF FUTURE MEETINGS

**NOTED** that the next meeting of the General Purposes Committee is Tuesday 10 September 2024.

### 10. EXCLUSION OF THE PRESS AND PUBLIC

If necessary, to consider passing a resolution under Section 100A(4) of the Local Government Act 1972 excluding the press and public from the meeting for any items of business moved to 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)

### 11. MERIDIAN WATER RISKS AND ISSUES REPORT

Penny Halliday (Director of Meridian Water) introduced the confidential report of Meridian Water Risks and Issues and provided an update to the committee.

The committee noted the latest Meridian water programme risk and issue registers.

Members questioned why the item is part 2 confidential.

**ACTION:** Terry Osbourne (Director of Law & Governance) to email members and officers with an explanation of why this item is confidential.