

MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON WEDNESDAY, 23RD OCTOBER, 2024

MEMBERS: Councillors Nia Stevens (Chair), Mahmut Aksanoglu (Vice Chair), Josh Abey, Nicki Adeleke, Alessandro Georgiou, Elisa Morreale, Nawshad Ali, Hannah Dyson and Chris Joannides

Officers: Olga Bennett (Acting Executive Director Resources), Annette Trigg (Director Finance - Corporate), Terry Osborne (Director Law and Governance), Marion Cameron (Head of Internal Audit), Andrea Kilby (Head of Legal Practice and Compliance), and Nicola Robbins (Governance Manager)

Also Attending: Matt Dean (Grant Thornton), Jason Gurjao (Grant Thornton), and Ciaran McLaughlin (BDO)

1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies for absence were received from Cllr Suna Hurman who was substituted by Cllr Mahmut Aksanoglu and acted as Vice Chair, Cllr Destiny Karakus who was substituted by Cllr Nawshad Ali, Cllr Julian Sampson was substituted by Cllr Hannah Dyson, Cllr Joanne Laban who was substituted by Cllr Chris Joannides and Peter Nwosu.

2. DECLARATIONS OF INTEREST

No declarations of interest were received relating to any items on the agenda.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on Tuesday 10 September were **AGREED** subject to the following amendments:

BDO explained that there were two options to be considered in order to get the accounts ready for final sign off and it would be a matter for the committee to decide the next steps which were as follows:

1. BDO to issue a modified opinion with a limitation of scope which states they were not able to reach a view on the two reserve balances but everything else within the accounts is true and fair;

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2. To view all the errors as being pervasive to the account which would bring the accounts into disclaimer territory but confirmed that this was not the case at this moment in time.

Both of these options would work towards the audit backstop date (13 December 2024) which was recently laid down in parliament stating that all audits up to 2022/23 must be completed and the legislation will be implemented at the end of September.

The unadjusted misstatements are set out in the report, but they do not materially affect the accounts and there be no requirement to be amended. The committee confirmed that they were not aware of any material frauds that might impact on the accounts.

Officers suggested that option 1 would be more desirable as it would be helpful for the auditors going forward when looking into future sets of accounts as the accounts are fundamentally in a good position which will be used as a basis for future budget setting. The committee supported this view of option 1 being the preferred option where practicable, but emphasised the view that meeting the backstop deadline in December and closing out the accounts to allow everyone to move on is the most important goal for auditors and council officers.

4. 6 MONTHLY PROGRESS REPORT ON INTERNAL AUDIT AND COUNTER FRAUD ACTIVITY

Marion Cameron (Head of Internal Audit) introduced the report highlighting the key points.

The officer advised that two of the thirteen planned audits had been fully completed by 31 August 2024, one audit had an audit opinion (Council Housing Fire Safety – Reasonable), two grant certifications and one was a follow up for which a management letter was issued. The Audit action implementation rate for high-risk findings was 82% and for medium risk findings was 89%. 33 actions from high and medium risk findings identified from corporate audits remained open. Of these, 28 actions (14 high risk and 14 medium risk) were not fully implemented by their original due date and are, therefore, classed as overdue.

The Counter Fraud team identified detected and prevented savings of £953k which included notional housing savings of £294k through the recovery of properties used improperly as Council accommodation.

Members acknowledged that the prevention figures are much higher than the detected figures which is good. The £51k in overpaid Housing Benefit will be followed up by the DWP although the council's Internal Audit Team played a crucial role in detecting these overpayments. The team is now collaborating more closely with other departments across the council to detect and prevent such issues at an earlier stage.

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Members queried how long the direct payments third party provider had been providing a service with no formal contract in place and to provide a timeline of when a contract will be in place. The officer advised that they did not have this information to hand but there has been a recommendation made to the department that a contract is to be put in place by the end of the month which is in the process of being implemented.

Members also questioned the notional value of the £42k assigned to recovered council properties, noting that this figure appears to be an average rather than an actual value. They pointed out that not every family in temporary accommodation incurs a cost of £42k, as the costs vary depending on the size of the housing and queried the exact figures.

The officer confirmed that the £42k is an average figure based on calculations published by the Tenancy Fraud Forum. They noted that it would not be straightforward to determine the amount for each case, as each situation is different. However, they could investigate the use of each property and provide a specific figure based on that.

ACTION: Marion Cameron to provide a breakdown of the use of the council properties.

The report was **NOTED**.

5. **INTERNAL AUDIT PLAN 24/25 (Q3 AND Q4)**

Marion Cameron (Head of Internal Audit) introduced the report and explained that the Public Sector Internal Audit Standards (PSIAS) require the chief audit executive (who in the London Borough of Enfield is the Head of Internal Audit) to determine the priorities of the internal audit activity from a risk-based plan which is consistent with the Council's goals.

The draft Internal Audit plan for 24/25 (Q3 and Q4) is brought to the committee for approval, which is based on risk approach, corporate risk registers, consulting with the Assurance Board and departmental management teams. A more agile approach has been used, with the plan being 6 monthly which is an up-to-date methodology when dealing with internal audit.

AGREED the Internal Audit Plan 24/25 (Q3 and Q4).

6. **ANNUAL DATA PROTECTION AND SELF ASSESSMENT OFFICER REPORT FOR 2023/24**

Andrea Kilby (Head of Legal Practice and Compliance) introduced the report and highlighted the key points around the role of the Data Protection Officer, the Council's and Schools' Data Protection and the findings from the recent self-assessment.

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Regarding data breaches, members questioned how our numbers compare to other boroughs, both locally and nationally. The officer stated that they did not have those figures readily available and noted that not all breaches are publicly reported, as there is no obligation to do so in this format. However, they do engage in benchmarking with other London boroughs through the Legal Alliance and data protection is becoming a more spoken about subject within these forums. The officer also stated that the reporting of breaches has been fairly consistent over the last couple of years. An increase in reported breaches is not necessarily negative, as it indicates that incidents are being reported in the correct manner.

In departments like People and Environment, the nature of their work may lead to a higher likelihood of breaches. To address this, attending team meetings and being open and honest about incidents has had a positive impact. Site visits to teams with higher numbers of breaches, such as those involving sending letters to the wrong address, have also been conducted and the majority of data breaches are considered low level.

Mandatory training has been updated this year to focus more on specific areas, and a review is in place to identify where additional mandatory training may be needed, particularly in areas such as People Services who handle large volumes of personal data.

The report was **NOTED**.

7. **GRANT THORNTON PROGRESS REPORT ON THE EXTERNAL AUDIT OF ACCOUNTS FOR 2023/24**

Matt Dean from Grant Thornton (GT) provided an overview of the progress of the external audit for the 2023/24 and VFM audit accounts.

Members questioned whether it was normal for local authorities to go several years without a detailed and focused audit report. GT responded that it was not typical but explained that they have encountered challenges which has resulted in additional work, delays in receiving key information, and the impact of previous audits have all contributed to the delay in completing the work.

Officers and members suggested that the key outstanding elements table could be organised more clearly to distinguish between items that are genuinely late and those that were requested more recently as well as having the items listed in order of priority and evidencing requests for information from officers.

To progress the audit of accounts, it was agreed that they will be presented to the committee in January for formal approval before they are submitted by the legally mandated date of 28 February 2025 with a disclaimed opinion due to the previous year's audits.

The updated was **NOTED**.

8. **GRANT THORNTON VFM OPINION**

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Matt Dean from Grant Thornton (GT) provided an overview of the Value for Money Opinion.

Members enquired about the measures that can be taken to address the substantial dedicated school grants deficit.

GT responded that the report contains several key recommendations for the council to focus on in order to reduce the deficit. These include recognising this area as a risk and adding it to the council's risk register, mobilising the interventions detailed in the DBV Plan, and increasing capacity within the Finance Team along with providing additional training within the Schools Forum.

Regarding the Medium-Term Financial Strategy, members enquired about how its deficiencies could be outlined.

GT explained that auditors are required to assess the strategy using codes of audit practices, which involve a series of questions. These questions do not necessarily categorise the weaknesses as strategic, structural, or political. Instead, the focus is on whether there are sufficient resources to prevent the council's financial sustainability from weakening in the short term.

It was noted by Members that the Meridian Water Scheme was not detailed within the capital programme report for 2024/25 to 2033/34, nor was it included in a confidential report due to the commercially sensitive nature of the information. Given the significant financial pressures the council is facing, members questioned whether this information should be made available.

GT clarified that the report did reflect the council's aspirations for Meridian Water, and this was in relation to capital receipts and selling of assets to fund its overall capital programme which could have been more clearly outlined. The council responded by stating that the information is available but was withheld due to its commercially sensitive nature and would consider this recommendation.

The updated was **NOTED**.

9. **BDO UPDATE ON THE EXTERNAL AUDIT OF ACCOUNTS**

Ciaran McLaughlin (BDO) provided a verbal update on the 2019/20 audit stating that the audit of accounts for 2019/20 will be issued with a disclaimed opinion and it was agreed that an additional meeting would be scheduled on Tuesday 10 December so the committee can sign off the final accounts before the backstop date of 13 December 2024.

The update was **NOTED**.

10. **DATES OF FUTURE MEETINGS**

NOTED that the next meeting of the General Purposes Committee will be held on Tuesday 10 December 2024.