

## **INFORMAL NOTES FROM GENERAL PURPOSES COMMITTEE**

**THURSDAY 13TH JANUARY 2022**

**Those present:** Cllr Mahym Bedekova, Cllr Ergin Erbil, Cllr Edward Smith, Cllr Joanne Laban, Cllr Lee David-Sanders, Cllr Claire Stewart,

**Apologies for lateness:** Cllr Katherine Chibah, Cllr Tim Leaver

**Officers:** Gemma Young, Jeremy Chambers, Fay Hammond, Melissa Williamson, Will Wraxall, Claire Johnson, Metin Halil

The Chair (Cllr Bedekova) welcomed everyone to the meeting and explained that this was an informal meeting of the General Purposes Committee (GPC). This means that it is not a formal meeting of the authority and Councillors need to be aware that joining this meeting is not recorded as attendance for the purposes of Section 85 Local Government Act 1972.

The meeting will be managed as if it were an in-person formal meeting. Officers will present reports and answer questions from Panel members in the usual way. A Committee Services Officer is in attendance to take notes. The notes will be presented to the next formal meeting of the Panel for formal ratification as the Panel sees fit.

### **1. Audit & Risk Management Services Progress Report**

Gemma Young, Head of Internal Audit and Risk Management (HoIA)

Internal Audit - 26% of audits have been finalised compared to 29% finalised last year. The audit plan was agreed with GPC in March last year, 16 audits have been cancelled from the plan with 6 being added. The cancellation or deferral of audits from the plan is only done with good reason, for example, the assurance can be obtained by other means.

17 audits have been completed since the start of the financial year, 10 are grants, and the 7 remaining, 4 reasonable assurance audits and 3 limited assurance audits. The Council are required to prepare an annual internal audit opinion but as the reports are still being finalised for 21/22, the definitive opinion cannot be confirmed but it is currently looking like the looking positive overall.

High implementation rate if of agreed audit actions now with a continuous positive trend over the last couple of years' audit trend, 74% completion rate and med risk actions 83%, good but some work to go, Annexe A of the report details shows outstanding actions.

Update on PSAIS (Public Sector Internal Audit Standards) compliance. Required to have an external review every five years and very important to comply with the standards as it underpins the quality of the work of the team and complies with the

external standards. We have recently done a self-assessment and no major areas of non-compliance and generally confirm to the required standards. An external review is due in 3 years' time.

Counter Fraud Team are doing well this year and narrowly missed the Public Finance Award and the team continue to make big recoveries and detected and prevented savings of £1m so far this year and contributing to £1.7m national housing savings and sharp rise in Right to Buy cases.

The following comments and questions were received:

1a. Cllr Edward Smith asked for clarity with regards to Appendix B of the report in respect of overdue high-risk actions. In the past, the Head of Service used to attend Committee to give feedback as to why the recommendations have not been implemented. Several pages of overdue are high risk actions. How are these being monitored.

In response, the HoIA stated that the Assurance Board runs a very robust process, attended by the CEX and Monitoring Officer. The Board insists upon written updates from action owners. If there are matters of concern, CEX will chair a meeting with the action owners and Gemma Young - and the HoIA is confident that these actions are taken seriously. Often outstanding issues are outside our control such as Broomfield House - outside the direct control of officers. There is confidence in this process and over the last couple of years an uptake in implementation rate has been seen.

2a. Cllr Joanne Laban asked how long the team have to improve the Community Infrastructure Levy (CIL) as there are large planning applications approved recently which produced large amounts of CIL and why was the Transformation audit cancelled. Lots of work going on in that area (website and digitally). It was noted that in the report the new MEQ system is going to be in place, is this yet to be decided - is this signed off yet? Update required please.

In response: the HoIA said that the Transformation Project was taken out of 21/22 as the Transformation team only carried out small projects relating to Covid, which the team referred to as crisis projects, but the audit is back in the plan for 22/23. As per the usual practice, if an audit is deferred from the previous year will be looked at the next year.

Regarding the CIL - Each of the agreed actions generally have different dates for implementation, not something the team are lenient on therefore short dates are generally applied. An exact response to be emailed following the meeting.

## **2. Corporate Risk Register**

Received an update report from Gemma Young on the Corporate Risk Register. Since the last report was received by the Board in October, 3 high level reviews have been undertaken by the CEX Department in November and the People Department and Executive Management Team in December. Changes made since October are quite small and highlighted in blue in Appendix A. No risks have been added or

removed. Major incident risk changed for medium to high risk. Members are assured reviews have been constant and discussed at gold and silver, with particular input from the planning service and colleagues in public health.

The following questions and comments were received:

2a. Cllr Edward Smith - can the following comments on the Corporate Risk Register to be clarified. In relation to CR07 - data management additional technology - the slowness in updating and replacing existing IT applications is of concern. Delays over Citrix delayed for many years, and this seems a vital application. Not clear why it has not been implemented and clarity is requested to say why IT applications need to be prioritised in a way that is clearer for members and officers.

In response, Gemma Young advised there is an internal board which oversees implementation prioritisation.

Additionally, Fay Hammond advised - in terms of CIVICA, this is one of our priorities and is due to be delivered this year. In terms of a generic risk, it is good to reflect the assurance in our risk registers and can be amended, if necessary, thus ensuring that our systems are safe, and if are due to be replaced and make sure they are appropriately patched and updated to be secure. Agenda item 16 update on Cyber and Technology Security refers and happy to update risk register to reflect this if required.

2b. Cllr Edward Smith - CR09 in relation to health and safety. Major fire in the car park. This should feature in the corporate risk register.

In response, this is covered under CR08 Major Incidents. HoIA to review CR09 to see if fire can also be included in that too.

2c. Cllr Joanne Laban - health and safety alert was showing red and now on amber. How can this be amber following the fire and the length taken to rectify the situation. How often is the health & safety risk re-evaluated?

In response, Gemma Young advised that the risks are looked at on a monthly basis at the highest level at DMT, and three monthly at EMT. Feedback can be circulated if required. If the unmitigated risk remains as red - it would show that we have done nothing to rectify and there is a lot of work undertaken in respect of health and safety and the amount of mitigation in place, this has moved the risk to amber.

### **3. Counter Fraud Policies:**

Received the following Counter Fraud policy documents for approval by the Committee, confirming that all policies support the council's zero tolerance approach to fraud:

#### **a. Counter Fraud Sanctions & Prosecution Policy:**

This new policy was brought before the committee for the first-time last year and sets out the options available to us, such as housing fraud, employee misconduct etc. Sanctions include fines, disciplinary action and in more serious cases imposing

criminal prosecution. This is a fair and transparent policy which clearly shows sanctions and how/when they can be applied.

b. Whistleblowing Policy and Procedures, including model whistleblowing policy and procedures for main schools, PRU's and Academies and others:

Council committed to the highest possible standards, applies to all employees, Councillors and contractors, allowing people to blow the whistle to Gemma Young directly, with the option to go via their line manager first if they wish. The report clearly explains protection available to the whistle blowers and the procedures involved in taking action. We had 6 in 2021, compared to the average of 7 when compared to other boroughs. The policy was last approved in March 2021, with no major legislative change seen. The policy is updated annually to make sure that any staff changes are up to date.

c. Anti- Money Laundering Policy and Guidance

This policy is not mandatory as the Council is not a regulated body or financial institution, but it is deemed best practice to have one. There are certain points contained therein that are relevant to where money laundering can occur such as the Right to Buy Scheme. There have been no significant changes to the policy and therefore no updates have been required.

The following comments/questions were received

3a. Cllr Laban asked how whistleblowing received from LEA schools are dealt with (as Academies deal with their own).

In response, the policy includes a model policy for schools. Initially the issue is raised with the line manager first and often involves minor issues. If the person does not feel comfortable, they can escalate the issue to the head teacher or the governors. The Council will only get involved when all the initial avenues have been exhausted and/or confidence is lost.

3b. Cllr Smith was concerned that the report policies have not changed since they were looked at in detail 12 months ago. Number of cases of fraud, whistleblowing and money laundering that the council have encountered is required and what action was taken to sanction the individuals concerned.

In response, Gemma advised that these details were not put into the policy but indeed captured in the annual report which is completed in June every year. Gemma to send Cllr Smith a link which will provide all the information requested. An updated report will be presented to GPC in June 2022. **Action: Gemma to send link to Cllr Smith**

3c. Cllr Laban highlighted the issue of the campaign for cash to be given to help with food during the first wave of the pandemic via the Just Giving page. The money raised went into a staff members bank account before it went into the councils' own accounts. This was not ideal as it could be vulnerable to fraud, or the perception of money-laundering. Future campaigns need to make sure that when money is

received, it goes directly into the Council's bank account. How can this issue be resolved going forward in order to avoid the Council's reputation being at risk.

In response, Gemma Young advised that this was a unique situation and not anticipated to happen again. Unfortunately, "Just Giving" would not authorise the payment going to the Council's bank account and insisted on paying this into a personal account otherwise money would go back to the donors. These were charitable donations and not to be looked at as cleaning the proceeds of a crime. An investigation was taken and a management letter with recommendations completed. Monitoring takes place regularly but agree that this situation was not ideal and will not happen again.

#### **4. Elections Review:**

Received a report from Lee-Marie Grant, Head of Electoral Services, and presented by Jeremy Chambers, Director of Law & Governance in her absence. The following points were highlighted:

The Council are holding an "all out" election on all its 63 seats in May 2022 and this is based on the new ward boundaries which were passed through Parliament a year ago and is known as a "Polling District and Polling Places" review - meaning where the new polling stations are. The report includes progress that has been made. It should be noted that a huge amount of detailed work has been undertaken in preparation for "all out" local elections by the team including the Polling District and Polling Places review.

The report includes how the planning was put together and the activities of the Returning Officer and the Electoral Registration Office and the process the Council followed in terms of its management of the election. Planning for an election to take place starts with project meetings early and run for a long time, the frequency of which increases as the election dates come nearer, including key members of staff, such as the CEX, digital services, communications etc. To set procedures in place to avoid any major risks to the reputation of the authority if anything goes wrong.

The entire project is run in accordance with the Electoral Commission's Guidance, called "The Planning for An Election" and can be found on the Electoral Commission website if anyone wants to look at this. Skilled staff many elections taken place recently over the last 4 years and assurance we are in a good place. Planning going well. No concerns that are necessary to flag up at this point. The only other thing to highlight is number of postal voters we now have. And this has been encouraged. helps in terms of management of the election and now have increased numbers, pattern seen in London and across the whole of the country.

The following comments and questions were received:

4a. Cllr Edward smith expressed concern regarding notifying electors of changes in the ward boundaries and providing explanations regarding three and two person wards, as well as changes in polling stations. Getting the message across may be difficult and writing to all electors may not be enough. Has the Council's

communications team, social media and local papers been briefed to help spread the word?

In response, there is a drive to let people know, poll cards and a separate work stream with communications now until the election. All electors will be written to and more work will be done nearer to raise awareness and encourage the public to go out and vote and avoid added confusion on the day of the election.

4b. Cllr Mahym Bedecova asked if correspondence and awareness was to be made available in different languages.

In response, yes, the Council's website and communications are being made available in many of the primary languages. Jeremy to speak with Lee to circulate clear instructions in this respect. **Action Lee-Marie Grant.**

4c. Cllr Joanne Laban asked for clarification on the sufficient staff to cover the election with covid still looming.

In response, Jeremy advised that when the GLA elections took place, the usual number of staff were available, together with a significantly large number of reserve staff just in case (more than double). This was a necessary step to mitigate the risk. Similar arrangements in May are in place and national position is monitored and discussed with the Returning Office and Head of Elections. Enfield takes a cautious approach to staffing levels.

4d. Cllr Laban asked if residents who are no longer members of the EU have issues voting, will the polling staff be up to date with the legislation and information sharing in order to capture as many votes as possible?

In response to the Right to Vote legislation, the staff are well aware of the status issues which many residents now face and the electoral register has been updated to include prefixes which guide the electoral staff prefixes, which are familiar with these and are well known by election staff and electoral commission also offer extensive guidance.

4e. Cllr Laban asked if the polling stations no longer being used will be signposted so that regulars know where to go to vote.

In response, yes, this will be undertaken but Lee-Marie to confirm by email. **Action: Lee-Marie Grant.**

## **5. Complaints and Information Annual Report:**

Received a report from Karen Wright, Complaints and Information Manager and presented by Will Wraxall, Shareholder & Commercial Partnerships Manager in her absence. The following points were highlighted:

Of the total number of complaints received, less first stage complaints were seen because between 2019-20 & 2020-2021 council changed from a stage 3 practice to a stage 2 practice complaints process as recommended as best practice by the local government and housing ombudsman. Completion rate of 80% of first stage

responses on time and 68.6% of the final stage responses, an improvement from last year which was 55% where less complaints were received, so an added improvement this year.

Complaints referred to ombudsman and housing ombudsman - all the terminations from that year yet have still not been received. Out of the 4 investigations, 2 upheld, 1 not upheld and 1 outcome waited. Actions and learning in the complaints process have been identified and there are many actions to undertake such as apologies or financial compensation where standards were not met, development of processes and revision of template on the website, allowing easier navigation of the process for people and improvement on information available. Also, adjustments to service delivery and bills have been identified to further improve the system.

In relation to capturing corporate themes, these are reported internally through management teams, and there is a project underway at the moment, (paragraph 25 of the report) to change the current system of how complaints are managed to a system called Beron. Allowing us to undertake more comprehensive information for learning and actions.

Assuring progression of complaints as required, there are reminders complaints team send out with a clear escalation process and regular open complaint ports are circulated to Directors.

MEQ/FOI/Subject Access Reports – roughly same number seen as in 2019-2020. Response times improved and team continue to work and improve those in the coming year.

List of development improvement actions – key one is the Beron system which will overhaul the data analysis completed on complaints, allowing more information to be provided on areas with regular complaints, improving corporate learning for each team.

154 compliments in the year the bulk in Place and people reflecting on those areas having the most customer facing services in the Council.

The following comments and questions were received:

5a. Cllr Edward Smith - in respect of MEQ's - 1 in 5 are not being replied to within the 8 days. Delays by service areas perhaps cause the delay. Are there any trends to lack of responsiveness to service areas?

In response, Fay Hammond advised the report identified that some questions took longer, where some of them involved case work with particular individuals with resolutions taking longer. More analytical data in future is to be provided which will show more individual cases can be more problematic.

5b. Cllr Joanne Laban - advised most of her MEQs do not come back on time although high in volume. Residents are now advised that responses take longer. Going forward, why is there a delay and the quality of the responses also need attention as they are often sent back for reconsideration. What work is being done. What happens if a team area is consistently not responding towards the SLA's.

In response, Fay Hammond advised that this area does require improvement and a review of the process as a Council in this particular area is being undertaken. An improvement will be seen in this quarter as planned interventions will take place. All overdue responses are chased at officer and team leader level and are monitored regularly.

5c. Cllr Ergin Erbil advised that he does receive responses to his high volumes of MEQ numbers within 8 working days as guidance suggests. The overdue cases are often problematic with a unique issue to that particular resident. MEQ over the years have got better and have been sent without delay. In terms of MEQ's, do officers have a breakdown of which cases are received, i.e., percentage for transport, housing, antisocial behaviour and can this be shared regularly.

In response, Fay Hammond advised that all the information is available but is not readily collated in a way that is analytical at the moment. Analytics can be input into the annual report for this year for 2021-22 and agreed that this would be helpful and committed to providing this for the annual report 2021-22.

5d. Cllr Lee David Sanders - SAR and FOI - is there any visibility on the data of how long it takes for those not responded to on time. How many days after the SLA or longer? Are there numbers of FOI not answered as subject range is too broad and not appropriate to answer? Section 21, we have now got figures on FOI escalation, is that going onto the report moving forward as it is helpful to see those complaints also?

Have we had any complaints going to the financial commissioner due to lack of response time or where we have refused a response?

In response, Fay Hammond advised data on days over for the SAR's is not immediately available and can be shared and will ensure that it is in next years' Annual report and report back to the committee. Report information is from the previous financial year and feedback given is helpful and comments can be incorporated for the current financial years' annual complaints and FOI/SARS reports. **Action Fay Hammond**

Few complaints have been referred to the ICO for the length of time it has taken, less than 5 in fact. Referrals to the ICO, usually because an exemption has been applied or said we do not hold any information rather than the length of time it has taken.

## **6. CIPFA review of GPC report (including the implications of the MHCLG new local audit framework technical consultation outcomes):**

Report received from Melissa Williamson (Transformation Finance Manager) and provided an overview of the recommendations from the recent independent review of the GPC via CIPFA and the full draft report is also included in the pack. Representative from CIPFA sent his apologies this evening.



The following information was highlighted:

CIPFA found the operation of the GPC works well and complies with the requirements. Appendix C of the CIPFA report provides more details of the individual assessment against the good practice assessment areas. Key findings are outlined in section 3 of the CIPFA report with several recommended actions. Officers have considered these recommendations and outlined in Appendix A of the cover report. Each of the recommendations and responses were discussed as outlined in the report.

The following comments and questions were received:

6a. Cllr Edward Smith commented on recommendation 4 and the length of reports. Most members may not have the time to go through the lengthy reports. A protocol of how these reports are put together needs to be agreed by the CEX and it seems there are many obvious points to go into the protocol. Interested in exception reporting, if there are no change, no good reason to include them. Decision making reports should be the only ones of interest. This request needs to be put forward and a firm acknowledgement that officers will not be at risk if certain points may be missed from reports, hence the lengthy reports. CEX to take this on board and agree a protocol and officers will not be criticised for omissions.

In response, Fay Hammond advised that although there are a lot of papers for the members to read and this request will be taken back to EMT. Difficult to get a balance between what needs agreeing and transparency when providing information. This point will be taken formally to EMT. Thank you for this feedback. And be input into the GPC action plan for future committees so that we can still meet our statutory obligations. **Action: Fay Hammond**

6b. Cllr Laban -the scope of the GPC was questioned since it changed from Audit and Risk Management and whether the merger is a good way to conduct audit work.

In response, Fay Hammond advised that some councils have a dedicated audit and risk and Enfield has audit and risk committee and general purposes together. From the CIPFA review, the representative from CIPFA can respond separately to this but has not to date raised any issues. Post May 2022 this can be reviewed again and opportunity to look at this again. This report provides an independent review of the GPC as it is operating now and can influence things in the future potentially. The overall theme of the report is a well-run GPC which shows compliancy.

## **7. Members Induction and Development Session:**

Received report from Claire Johnson, (Head of Governance & Scrutiny (Superintendent Registrars)). Members are asked to agree the member induction and member development programme which will support newly elected and reflected councillors in their roles for 2022-23. As this is an informal meeting, if agreed this will need to be ratified at a formal meeting of the committee. Appendix A page 193 shows proposed development programme for members, details plan for member induction and the support that will be provided immediately following election and

highlights the training required following the AGM for certain committees and the development programme available throughout the year. There is a catalogue of E-learning courses start on page 16 of the appendix on these are available any time on-line on the I-learn system. Listed on-line courses available at the GLA.

Paragraph 6 of the report lists key dates for the induction.

Induction includes a buddy scheme 8 weeks following election, with a senior officer as first point of contact, signposting on services and council related matters.

Following the AGM and committees have been allocated, requirements for statutory training such as planning, licensing, pensions and GPC will be programmed in 2/3 weeks following the AGM in preparation.

Member Development programme (page 11 & 12 of appendix) is based on training previously provided to members which they found useful and some additional courses. Key principle on training is that it is offered digitally by default as this was found more useful in the past and attendance was higher.

The following comments and questions were received:

7a. Cllr Joanne Laban - with regard to the training schedule it is very important that members have the scrutiny training even if they are not a member of the Overview and Scrutiny Committee - to gain a good to understand what the scrutiny function is and to make sure that is more comprehensive than previously. Cabinet Members and backbenchers should also be included.

In response, Claire confirmed that this can be opened for all members.

The comments were noted, and agreement will be confirmed at the next meeting.

## **8. Update on Statement of Accounts:**

Received an update report on the progress of the statement of accounts by Matt Bowmer (Interim Director of Finance) in terms of end of 2019-2020, and 2021-22.

2019-2020 - the audit manager nearly completed the review and is in the hands of the audit partner (David Eagles).

2020-2021 accounts - the audit cannot progress until previous year is signed off. BDO have completed some systems work and the internal team met with the new Audit Manager on 20-21 Accounts Sebastian Evans and discussed audit plans for the 20-21 accounts - likely that this work will take place either side of the work they do with the statutory health audit in March/April time and the core part of the audit will conclude late June/July.

2021-2022 accounts - team are focussed on closing these and a draft close down timetable circulated across all Heads of Service to be taken to EMT in next couple of weeks.

David Eagles commented on how serious this review process is for getting this work right. FRC issued a fine of £250K for a failing for the 2018/19 audit for one of their councils, specifically relating to property valuation matters and refurbishment costs for housing. This is one of our own key areas to look at this year. There is real regulated pressures and time needed to get this right to deliver the right quality audit.

The following comments and questions were received:

8a. Cllr Edward Smith - From the report received, as far as the 2019-20 concerned there seems to be two outstanding issues to be explained. First, IWE pension liability, an error of £9.4m and difference of opinion between BDO and the council over how this should be treated. The other is the Councils dwellings valuation which refers to 9 beacons from a sample of 134 (is this referring to properties?) and this is to be reported as an unadjusted error and how significant is this? How close is the 2019/2020 accounts to be agreed?

In response, David Eagles advised that it is normal procedure when identifying errors, adjustment is needed whether they are material or sufficient size to be adjusted, or whether not sufficiently large (above a certain level) they do not have to be adjusted to get the opinion to be clean.

Council dwellings - huge numbers of beacons valued this year compared to previous years where lower numbers were criticised. Some issues from this process are not surprising but part of the getting to the cleaned out tidy position going forward. Overall, not a huge item, just tidying up.

Beacon properties explained - Council have 10,000 HRA dwellings and historically only valuing 24 of them per year to establish the overall movement in value. A massive exercise has been undertaken as part of the 19-20 accounts to break down these assets into like types, diverse estate, different postal codes, and houses etc. 2,900 architypes of properties have been grouped together into beacons, grouped to 400 beacons, forming the basis of our valuation of the whole estate. For 2019-20 a property in each beacon has been visited to establish the valuation. 134 of those beacons were looked at, 9 of which the Council have not been satisfied with the extrapolations undertaken by Stratton Park and a variation has been seen on the valuations at the back of that. This is the basis of the beacons work undertaken.

Pensions - yes - a difference of opinion. Council view is for the scheme, defined benefit scheme, pension scheme determined what is paid out at the end not paid in. for the Council it is set up as a defined benefit scheme (the full liability payable to pensioners as it is accrued should be reflected I the accounts. What we now have is that the subsidiary has not accounted for the account's liability and the council should be in the subsidiary and not in the Council accounts. Grouped together it is fine but separately it is wrong but not enough value to warrant an amendment.

The council is not adjusting the accounts and will appear on the ISA260 as unadjusted errors and they are not material in nature, albeit the £9.4m significant sum, it does appear in the council's consolidated accounts.

8b. Cllr Bedekova, as the Council does not have any outstanding actions for statement of account 2019-20 when will these be signed off?

In response, aiming for 3rd March GPC meeting to approve the accounts.

## **9. Draft 2022/23 Ten Year Treasury Strategy - Council and Borrowing**

Received a report on the Treasury Management Strategy Statement for 2022/23. The Committee were asked to review the proposed strategy for 22/23 to 31/32 and the Annual Investment Strategy (AIS) for the year ended 31<sup>st</sup> March 2023, together with supporting information.

The following comments and questions were received:

9a. Cllr Edward Smith observed that the reports provided was clear and informative. The problem is the level of interest and the minimum revenue provision that is set out in 22/23, £29m. If the current plans followed for the capital programme will rise to £40m for 2031-32. The Conservatives are unhappy about the level of the cost of this borrowing.

In response Fay Hammond thanked Cllr Smith. The level of interest on general reserve fund itself is in the region of £8.2m. The interest in relation to the borrowing for the HRA, is supported with the rental income which is in excess of £60m per year. Other borrowings such as Meridian Water, the long-term business plan shows that eventually this will pay for itself as a scheme. There is assurance that it remains affordable from a council point of view.

9b. Cllr Tim Leaver - what we are investing in should be highlighted. With regard to paragraph 41 table 2 please confirm that the investment made in Meridian Water and Joyce and Snells, is actually going to be adequately financed and there are no issues to access funding during the period to 2030-31.

In response Fay Hammond advised in terms of the borrowing it is all reflected on the MFPlan and we are comfortable that this is affordable. This is reviewed on an annual basis, and we have a 10-year treasury strategy and are serious about our long-term borrowing position.

Access to funding is not an issue, we have access to the PWLB, and we are regenerating in Enfield, and we can access funding from the PWLB which currently is the cheapest and most accessible means of funding for the council at the moment and we are able to access this. In future, if resources are needed it is important to note that we have a £2m borrowing cap and Enfield are in fact leading the way on this initiative. Managing risk is monitored and a report to the committee on the sensitivity of our borrowing and interest rates has been provided to the committee. There is therefore no issue with accessing funding and level of borrowing and risk is managed.

9c. Cllr Joanne Laban asked in terms of access to funding, there are clear challenges. A lot of our borrowing for Joyce and Snells is reliant on social housing funding.

In response, Fay Hammond advised that there are challenges in getting grant funding for our programmes, which is the source of funding we have from the GLA to support our affordable housing, included in our HRA business plan. It is recognised that this is a factor in delivering our capital programme. The grants are important to us to deliver those investments.

## **10. Update on Financial Resilience/Managing the Savings**

Received a report from Melissa Williamson on the draft financial resilience update, and the committee are asked to note the report. Work is taking place to manage the challenges ahead as highlighted in the report.

No further comments or questions were received.

## **11. Contract Extension Report:**

Received a report from Claire Reilly Head of Procurement Resources & People providing an update on Contract Extensions and Frameworks, as requested by the committee on the 22nd April 2021.

The following comments and questions were received:

11a. Cllr Edward Smith asked a question in respect of contract extensions. What are the reasons for extensions to contracts? What are the governance arrangements for justified extensions?

In response, Claire Reilly advised that some questions received from the previous committee have enabled them to investigate a lot of issues earlier. 1st March going live, the procurement process is going live on 1st March and awareness is raised on the forward plan and contracts that are coming up for renewal and raising awareness to services earlier in the sourcing cycle and review of contracts so that procurement can be arranged before contracts cease for continuity.

11b. Cllr Leaver - as contracts come up for renewal, do we have a policy for assessing whether these can be delivered in house?

In response, as contracts come up on the forward plan, if above the threshold, a procurement resource is allocated. "Make or Buy" decisions are looked at with the business case, comes to procurement board to allow discussions. Commercial team can look at properly costing out what an insourced solution would look like.

## **12. External Audit Contracting Arrangements Review:**

Received a report from Fay Hammond setting out the proposals for appointing the external auditor to the Council/Authority for the accounts for the five-year period from 2023/24. The report recommends that the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government for five financial years from 1st April 2023.

The sector-wide procurement conducted by PSAA is expected to produce better outcomes and will be less burdensome for the council Authority than a procurement undertaken locally, seconded by the LGA. The decision will go to full council by 11th March because of then amount of lead in time for the PSA to go out for tender.

The following comments and questions were received:

12a. Cllr Bedekova asked if contact other local authorities on other appointments and how have they chosen their external auditors.

In response, Fay Hammond advised that there is a significant number of networks who liaise with each other, and every Section 151 Officer in London meet regularly to discuss certain issues. Across London, our Enfield experiences are echoed more widely and there are challenges in the current audit market, the PSAA route is the best route to go down and most London council's will be using them.

12b. Cllr Leaver asked is this an appropriate to discuss this at Part 2.

David is from BDO are aware that this information is in the public domain. All decisions are independently made from the Council and have no influence any decisions made by the PSAA.

12c. Cllr Edward Smith - concern is that these arrangements follow a corporate way of choosing auditors - has this led to stretching resources across the country with problems with signing off accounts. Is this connected with the way the auditors are procured or is this not the case. Is there a possibility of us going alone, and is the current arrangements problematic and not clear to all of us? Are there limited number of first considered in this area of work?

In response, Fay advised that in terms of the challenges, some of them are regulatory audit problems with wider workloads, and the second is the challenges that those agencies have had in resourcing and not to do with the procurement arrangements but a sector wide issue with audits. Through the pandemic, some firms got more staff from abroad as an example. This is a wider market issue not a contract issue. PSAA could have identified problems earlier and from a managing procurement and understand the market more, the environment has changed since the original PSAA contract was first initiated.

PSAA are doing as much as they can to encourage and support the market to apply for the new contracting arrangements and support the wider market but are a small number of accountancy bodies that have this market currently.

**13. Meridian Water Risk Register Update:**

This item was discussed under Part 2 of the meeting.

**14. Cyber & Technology Security:**

This item was discussed under Part 2 of the meeting.