

Minutes of the Governance, Audit, Risk Management and Standards Committee (GARMS)

18 January 2024

Members Present: -

Councillor Arjun Mitra (Chair)
Councillor Ella Rose (Vice-Chair)

Councillor Rohit Grover	Councillor Simon Radford
Councillor Humayune Khalick	Richard Harbord (Independent Member)
Councillor Peter Zinkin	Jack Chan (Independent Member)

1. MINUTES OF THE PREVIOUS MEETING

RESOLVED that the minutes of the previous meeting held on 27 November 2023 be agreed as a correct record.

Matters arising from the Minutes.

Item 9 Status of the 2020/21 Audit and Plans for 2021/22 and 2022/23 Audit Delivery.

Officers advised that the Committee would be updated on the whistleblowing complaint and outcome of Grant Thornton UK LLP (GT) review at their next meeting. The Committee noted that BDO would provide an update on the external audit, and this would be presented under Agenda Item 9.

2. ABSENCE OF MEMBERS

None.

3. DISPENSATIONS BY THE MONITORING OFFICER (IF ANY)

None.

4. DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND BOTH INTERESTS (IF ANY)

Councillor Arjun Mitra declared a non-pecuniary interest on Item 8, Internal Audit Exception, Recommendations and Progress Report Q3, by virtue of the fact that he was a school governor at Coppetts Wood Primary School.

5. DEPUTATIONS (IF ANY)

None.

6. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

None.

7. PETITIONS (IF ANY)

None.

8. INTERNAL AUDIT EXCEPTION, RECOMMENDATIONS AND PROGRESS REPORT Q3, 1ST OCTOBER - 31ST DECEMBER 2023

Caroline Glitre, Head of Internal Audit, presented a report which outlined the progress made against internal audit recommendations and work completed to date on the Internal Audit Plan 2023-24 and high and medium priority internal audit recommendations. During Q3, the service completed 19 reviews and at the end of Q3 had delivered 70% of the annual internal audit programme for 2023/24, against a target of 75% for Quarter 3. There was one Limited Assurance report issued this quarter.

Members welcomed the work undertaken by Officers in updating the Councils Business Continuity Management (BCM) and noted that other Local Authorities would be liaised with regarding contents of their own Plans. In response to questions, Officers advised that a full discussion was held regarding the Assurance rating for BCM and best practices guidance which are used in auditing this area were viewed and adapted to fit a Local Authority context. The Committee was informed that there was extensive work which needed to be undertaken and this included updating BCM templates, staff training and completing service area business impact assessments. There have been appointments of Business Continuity Leads for each Service Area.

Officers informed members that it felt the Council could effectively respond to any businesses continuity issues despite not having updated documents. The Committee were reminded that the Council response to Covid-19 Pandemic was well managed, and this was reflected in the ratings.

Members commented on the importance of the BCM being prioritised and noted that the Item would not be included in the Cabinet Forward Plan. The Committee commented that a report on the BCM which includes the recommendations made and actions taken to improve its contents should be presented at Cabinet and noted that Officers will liaise with the Leader of the Council on the subject. (**ACTION**). The Committee was informed that BCM was last updated in 2019.

Regarding the ongoing audit actions around Starters, Leavers and Movers (SLaM), Officers reminded that Oracle, the new Finance and HR, would be launched in April and would improve the tracking of staff details such as change of employment and assist with disseminating this information to relevant Service Areas who require this data. The Oracle IT system has a simplified built in process system which enables Managers to easily input these data requirements and there will be training for these staff members. The Committee was informed that HR would undertake a review of the IT systems, and this include identifying line managers who failed to comply with procedures.

In response to questions regarding KP1 2 (Verification that at least 90% of Critical and High Risks have been mitigated by management at the time of follow up) Officers advised that the target agreed for this KPI by a former Audit Committee was 90% and for Q3 period performance was 67%. The Committee noted that this figure was below the recommended target but was the highest score in comparison to the past two quarters.

Officers noted that Premises, Licensing and Gambling policies and procedures audit actions had not been fully implemented but that progress was being made in this area. The Committee were informed that the Service Area had transferred from Capita to the Assurance Directorate in April 2023 and that there was a high volume of work which needed to be undertaken following the audit. At current there are only few remaining

recommendations which need to be implemented and those which are considered as high risks would be addressed first. The Committee were advised that the Service Area had made good progress and the actions would be reported as fully implemented at their next meeting.

RESOLVED

1. That the Governance, Audit, Risk Management and Standards Committee noted the general work completed to date on the Internal Audit Q3 report – 1st October to 31st December 2023.
2. That the Governance, Audit, Risk Management and Standards Committee noted the work completed to date on Schools within the Internal Audit Q3 report – 1st October to 31st December 2023.

9. GRANTS CERTIFICATION WORK REPORT 2021/22

Mohammed Ahmed, (Chief Accountant) presented a report which summarised the work undertaken on Grants Certification.

Members congratulated Officers on the accuracy of their work in support of the Housing Benefit Subsidy claim and agreed that the Teams should be thanked for their input and performance (**ACTION**).

RESOLVED

1. That the Committee noted the completion of the certification of the Housing Benefit Subsidy for 2021/22.
2. That the Committee noted the progress on the 2021/22 & 2022/23 Capital Pooling Return, 2022/23 Housing Benefit Subsidy certification, and 2020/21 Teachers' Pensions Audit.

10. UPDATE ON STATUS OF 2020/21 AUDIT

Lisa Blake (Head of Public Sector Assurance BDO UK LLP) provided an update on the external audit of the Council's Statement of Account which is being undertaken by BDO. These included the status of the 2021/22 and 2022/23 External Audit.

The Committee was advised that the 2020/21 audit had progressed and noted that there was still outstanding work in relation to infrastructure. Lisa advised that work still need to be carried out regarding the valuation of Brent Cross and this involved looking at a 'technical consultation matter'. Members were informed that an infrastructure review would be completed before the next Committee and that no timeframe could be provided regarding Brent Cross. The Committee was advised that BDO Teams were now fully staff following the Christmas break and would return to work on the 2020/21 Audit. The Committee was advised that additional resources were put in place to address some of the review points, and this would be overseen by Michael Asare Bediako (Audit Manager BDO UK LLP).

Lisa advised that Grant Thornton LLP (GT) would need to be liaised with in relation on how the 2020 / 21 Audit was to be concluded regarding the whistleblowing complaint and the outcome of Grant Thornton UK LLP (GT) review, and that a meeting was held with

the mentioned Chief Executive and Officers before Christmas. There have been further meetings scheduled for 2024 with GT to discuss the outcome of their review and this would be followed by an internal consultation to see how it affects the 2020 / 21 audit and whether any procedures needed to be implemented to conclude findings. The Committee was advised that work undertaken by GT would be used and this would minimise duplications of work. There would also be an evaluation on whether any further works need to be undertaken which GT had not completed.

Lisa advised the Committee that she would be retiring from BDO, and that Mr Ciaran McLaughlin had been appointed as her successor. The Committee was advised that Ciaran was an experienced Senior Partner in Public Sector at BDO and would have an integral part in devising future work programmes. Lisa advised that she would leave her role before the audit had been concluded and confirmed that membership of her team would remain. The Committee was assured that Michael and Ciaran would continue to oversee the Audits until their completion.

Ciaran informed that he would be responsible for the 2020/21 Audit and needed to be assured that the current work to date on these Accounts was satisfactory and that this process was mandatory and may cause further delays. The Committee was advised that the Council would not incur any costs and that information which was previously provided by Officers may be required to be submitted again. The Committee were reminded that the Audit requirements changed each year, and these needed to be reviewed to see whether they had any bearings on the previous information that was provided.

In response to questions, Lisa advised that BDO had liaised with GT regarding the scoping document which details the work that was to be undertaken by the latter and its outcomes would be reported at a future Committee. Members noted that at their previous meeting it had been assured by BDO that they would receive a full update on the implication of the Whistle Blowing Complaint on their Audit. Lisa advised that the complaint related to a matter which expanded over several years and that a timetable could not be given until all evaluation of information had been completed. Lisa advised that the Christmas period which was referred earlier in the meeting was in relation to the progresses made regarding the Audit and its effect on the senior reviews of infrastructure which was completed before this period. The Committee was informed that BDO's internal consultation team was to hold a meeting on what the next steps and this would be reported at the next meeting.

Members commented at their previous meeting, BDO had advised that they were conducting their own internal investigation on the Whistleblowing Complaint and the audits of Accounts was to be paused. Lisa advised that they were required to consult with their internal Forensic Team and needed to determine in consultations with GT on whether their work proposed by the mentioned could be used or if additional information needed to be obtained. Lisa commented that there was a misunderstanding in this area and that BDO had meet with Senior Officers at the Council to clarify this point.

Councillor Arjun Mittra raised a motion that the recommendation of the report be amended to read 'That the Committee noted the lack of progress towards the sign off the Council's 2020/21 Statement of Accounts. The motion was seconded by Councillor Peter Zinkin.

RESOLVED

That the Committee noted the lack of progress towards the sign off of the Council's 2020/21 Statement of Accounts.

11. SIRO REPORT

Clair Green (Executive Director of Assurance) presented a report which provided a summary of information governance risks, issues, and the council's activities to ensure appropriate governance of information within the Council. The report provided assurance to the Committee that the council's information governance policy and practice is in line with legal obligations and consistent with the principles of good governance. Members were advised that the report was the first to be presented at the Committee and would be considered on an annual basis. The Committee was advised that the report outlined the staffing arrangements regarding the overall management and leadership of the Council.

The Committee was advised that there was an internal audit of third-party cyber security arrangements in the previous year and were reminded that they had received presentation by Barry May, Assistant Director, Resident Experience & Digital, Growth & Corporate Services. The Committee noted that some information on Cyber Security were disclosed in exempt sessions and that Mr May would be present at the next Committee to answer any queries (**ACTION**). The Committee noted that Cyber Security updates would be included in their next risk register.

Officers advised that wording of future reports would be reviewed to ensure that it aligns with the current Council's governance arrangements (**ACTION**). In response to questions, Members were advised that there was a policy regarding General Data Protection Regulation (GDPR) and the disclosure of information to Members.

RESOLVED

1. The Committee noted the Council's Activities and position in respect of Information Risk as set out in the report.
2. The Committee agreed to consider any further steps it may wish to see taken to promote good practice in information governance within the Council.

12. COMMITTEE FORWARD WORK PROGRAMME

The Committee noted that they had two remaining meetings scheduled on their Work Programme and that the Council calendar for the next Municipal Year had been circulated. The Committee was informed that no meetings had been scheduled for 14 November 24 and the period prior.

The Chair thanked Officers for compiling their Work Programme.

13. ANY ITEM(S) THAT THE CHAIR DECIDES ARE URGENT

The Chair advised that he had an Item, and this related to the Minutes of the Committee held on 27 November 23. The Chair read an extract of the minutes from Pg 3 and 4 - Item 9 Status of the 2020/21 Audit and Plans for 2021/22 and 2022/23 Audit Delivery

Text

'Mr Michael Asare Bediako BDO UK LLP, advised that GT had briefed BDO UK LLP about the complaint and the former was reviewing its potential impact on the financial statement. In response to the Committee, Mr Asare Bediako advised that the complaints were in relation to an 'ongoing contracts' and 'contract management' and that GT investigation may be limited and therefore the matter had been referred to BDO UK LLP internal forensic department to make a fuller investigation. BDO UK LLP will also be requesting further information from the Council about the complaint'.

'Mr Asare Bediako advised that the Committee would receive a full update on the implication of the complaint'.

The meeting finished at 8.20 pm