

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

27 November 2023

Members Present:-

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

Councillor Rohit Grover
Councillor Humayune Khalick
Councillor Peter Zinkin

Councillor Simon Radford
Richard Harbord (Independent Member)

Apologies for Absence

Jack Chan (Independent Member)

1. ABSENCE OF MEMBERS

Jack Chan, Independent Member, sent his apologies to the Committee.

2. MINUTES OF THE PREVIOUS MEETING

RESOLVED that the minutes of the previous meeting held on 16 October 2023 be agreed as a correct record.

Matters arising from the Minutes.

- Item 7 Status of the 2020/21 Audit and Plans for 2021/22 And 2022/23 Audit Delivery.

The Chair advised the Committee that they would receive an update regarding the status of the 2020/21 Audit and this will be discussed under agenda Item 9.

3. DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS (IF ANY)

None.

4. DISPENSATIONS BY THE MONITORING OFFICER (IF ANY)

None

5. DEPUTATIONS (IF ANY)

None.

6. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

None.

7. CORPORATE ANTI-FRAUD TEAM (CAFT) HALF YEAR REPORT 2023-24

Declan Khan (Assistant Director Counter Fraud, Community Safety & Protection) presented a report which covered the period between 1st April 30th to September 2023 and provided an up-to-date picture of the work undertaken by the Corporate Anti-Fraud Team (CAFT) during this timeframe.

Members welcomed the work undertaken by the CAFT Team in tackling fraudulent activities and successfully prosecuting perpetrators. The Committee discussed the statistics regarding these activities and requested that information be provided on how current figures compared to the previous year. Officers advised that a report detailing this information would be brought to the Committee in June 2024. (**Action: Assistant Director Counter Fraud, Community Safety & Protection**).

Members were advised that the length of time for repossessing properties varied and noted on occasions social tenants would illegally sublet their homes. These properties are returned to Barnet Homes and may need to be renovated before being relet. Following questions from Members Officers advised that Central Government were reviewing on how technology could be used to deter and detect Blue Badge fraud and that Department of Transport (DoT) also take part in the information gathering regarding their misuse. There is usually a high concentration of misuse of blue badges at Town Centres and checks undertaken in areas are intelligent led and outcomes are captured in the CAFTs INTEL system and used in the planning of operations. Officers advised that Blue Badge holders are contacted and informed that these permits would be withdrawn if they are misused.

In response to Members, Officers advised that Penalty Charges Notices (PCN) are registered to the vehicle registration number and non-payment of these fines after a certain period would be considered as a debt and are recovered. The Parking Team are responsible for issuing and overseeing all PCN.

The Committee agreed that various examples of case studies of successful prosecution of fraudulent activities by the Council should be widely publicised (**Action: Assistant Director Counter Fraud, Community Safety & Protection**). The CAFT have recently organised a series of events during International Fraud Awareness Week and these included workshops for staff and information points at Brent Cross Shopping Centre.

RESOLVED

1. That the work of the Corporate Anti-Fraud Team referred to in the CAFT Half Yearly Report for 2023-2024 be acknowledged.

8. ORACLE CLOUD IMPLEMENTATION IN BARNET UPDATE

Anisa Darr, (Executive Director of Resources) presented a report which provided an update on the implementation of the Council's new finance and HR system, Oracle Cloud. The report highlighted the progress made, key risks and summarises the lessons learned from implementing Oracle Cloud at other councils (based on publicly available information).

The Committee noted that one of the primary risks regarding Oracle Cloud was around the timely availability and quality of data of the current systems and raised questions how this was to be managed. Officers advised that there were two main data sources and these included finance from the financial procurement system and HR data from the core

HR system. The finance data was reported to be under control and 3 data migration cycles undertaken were all successful. There have been difficulties with transferring HR data into a useable format and the first HR data migration cycle however was successful. There will be further data migration cycles conducted before the Oracle Cloud goes live.

In response to questions from Members, Officers advised that there would be no other finance and HR data system operating in parallel once Oracle Cloud goes live. There would be extensive support provided to staff members regarding navigation and usage of the Oracle Cloud. The main users of the site are staff members based in Finance, Procurement, Business Support and HR and these officers would be upskilled and be supported through the transition by the programme and their managers.

Members requested that an updated report be presented at their meeting in April 2024 which details the risk analysis that were carried out prior to Oracle Cloud going live and noted that this information would clarify why this decision was made (**Action: Executive Director of Resources**). Officers advised that several other London Local Authorities who had adopted Oracle Cloud had been liaised with regarding its implementation and lessons learnt.

RESOLVED

1. The Committee noted the actions that are being taken to ensure a successful implementation of the new Finance and HR system for the Council.

9. STATUS OF THE 2020/21 AUDIT AND PLANS FOR 2021/22 AND 2022/23 AUDIT DELIVERY

Anisa Darr, (Executive Director of Strategy and Resources) presented a report which set out the status of the 2020/21 Audit and Plans for 2021/22 and 2022/23 Audit Delivery.

The Chair advised that following the last GARMS Committee the Leader of the Council and himself had been briefed by the Chief Executive regarding the whistleblowing complaint. The whistleblowing complaint is connected to an employment matter and grievance which had been dealt with. The complaint as it stands is unsubstantiated and not precise in its nature. The Chief Executive has commissioned an external review by Grant Thornton UK LLP (GT) to firstly clarify the allegations and secondly to clarify whether there is a case for a full investigation or not. This review is currently taking place and Members will be briefed at the outcome at their next meeting in January 2024. The Committee was advised that no further discussions regarding the complaint could be held.

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. This may potentially further delay the 'sign off' for the 2020/21 Accounts.

Members raised concerns about the further potential delay on the Audit of the 2020 / 21 Accounts by the Whistleblowing Complaint and the risks of qualified accounts being

signed. Mr Asare Bediako advised that this position was unlikely to occur as the auditing of the 2020/21 Accounts was in the advance stage and would be within the set timeframe. In response to the Committee, Asare Bediako advised that a few aspects regarding the financial statements such as infrastructure assets were still being reviewed and that some queries remain outstanding. The Committee was advised that all queries raised by BDO UK LLP had been addressed apart from the recent enquiries made.

The Chair raised further concerns regarding the ongoing delay with the disclosure of the 2020/21 Accounts and commented that it was unacceptable and requested information on when the Audit would be finalised. Asare Bediako acknowledged that the length of period taken to sign off the 2020/21 Accounts was unsatisfactory. The Committee was informed that BDO UK LLP would incur reputational damage if the wrong qualification was submitted by the Advisory Firm and work would be undertaken to ensure that Accounts are signed before the backstop date is enforced. Asare Bediako advised that the Committee would receive a full update on the implication of the complaint at their next meeting in January 24 **(Action: Mr Asare Bediako, BDO UK LLP)**

Councillor Peter Zinkin moved a motion to amend Recommendation 1 and this was seconded by the Chair. It was agreed that the recommendation be amended to read 'That the Committee noted with extreme concern the lack of progress towards the sign off the Council's 2020/21 Statement of Accounts and urged BDO UK LLP to do everything possible to complete these set of Accounts'.

RESOLVED

- 1. The Committee noted with extreme concern the lack of progress towards the sign off of the Council's 2020/21 Statement of Accounts and urged BDO UK LLP to do everything possible to complete these set of Accounts'.**
- 2. That the Committee noted BDO's Audit status report which gives an Audit Status and Completion Plan for the audit of the years 2020/21, 2021/22 and 2022/23.**

10. QUARTERLY RISKS REPORT (Q2 2023/24)

Alaine Clarke, Head of Programmes, Performance and Risk presented a report which provided an overview of risks for the latest (completed) quarter, focusing on the council's strategic and high level (15+) service risks. These risks were reviewed in Quarter 2 (Q2) 2023/24 by risk owners/managers and Directorate Senior Leadership Teams before undergoing a "check and challenge" by the corporate risk team and final review by the Council Management Team on 24 October 2023.

The Committee was informed that the Overview and Scrutiny Committee had considered a report on Brent Cross West and associated critical Infrastructure project and that Cabinet would decide on the area. Members was informed that Risk STR026 'Embedding the new administration's priorities' was added onto the Strategic Risk Register in June 2022 following the change of the Administration and this was included to ensure that the right meetings and structures were in place to deliver the new priorities. Members held a discussion and noted that the Corporate Risk Register should reflect all the risks faced by the Council and these included changes in the political direction and its impact on policies and their implementation. The Committee were reminded that a new governance system had also been adopted alongside the Corporate

Plans by Full Council. Members suggested that Risk STR026 title be amended and reads 'The Corporate Plan's Priorities' (**Action: Head of Programmes, Performance and Risk**).

Members noted that Risk STR026 had increased and that the Local Government Association (LGA) Peer Challenge was referenced. Members advised that the Action Plan for the Peer Challenge wording should be reviewed as the word 'We' was used interchangeably for the Corporate Management Team (CMT) and Cabinet (**Action: Head of Programmes, Performance and Risk**). The Committee was advised that the Peer Challenge had highlighted that the relationship between CMT and Cabinet had not 'fully yet matured' and its perception on what amounted to a 'good officer relationship' was not completely aligned with that of the LGA and these specific issues would need to be addressed.

RESOLVED

1. That the Committee noted the status of the council's strategic and high level (15+) service risks, including the controls/mitigations in place to manage these risks.

11. COMMITTEE FORWARD WORK PROGRAMME

The Committee noted the Work Programme and was advised that it would be revised to include all the reports and updates requested during the meeting.

12. PETITIONS (IF ANY)

None

The meeting finished at 8.30 pm