MINUTES OF THE AUDIT COMMITTEE HELD ON TUESDAY, 11 MARCH 2025, 7:00PM – 10:02PM

PRESENT: Councillors Erdal Dogan (Chair), Isodoris Diakides, Mary Mason, Ahmed Mahbub, Cathy Brennan, Alessandra Rosetti, Adam Small

ALSO ATTENDING: Reyaaz Jacobs (Independent Member), Reene Deba (Independent Member)

1. FILMING AT MEETINGS

The Chair referred to the notice of filming at meetings and this information was noted.

2. APOLOGIES FOR ABSENCE

No apologies had been received.

3. URGENT BUSINESS

There was no urgent business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

There were none.

6. MINUTES

RESOLVED: That the minutes of the meeting held on 27 January 2025 be agreed and signed as a correct record.

In relation to the Action Tracker, the reasons why actions on it appeared for long periods was to ensure that no action was closed prematurely. The Committee would receive updates for actions until the action was complete. The Action Tracker would be updated at the next Committee to reflect progress. However, the actions would not be taken off the Tracker until the Committee was satisfied that the action was completed.

7. COMMERCIAL PROPERTY AUDIT - UPDATE

Mr Jonathan Kirby, Director of Capital Projects & Property, introduced the report.

The meeting heard:

- In terms of focusing some of the resource in order to deliver the priority recommendations, the team had looked to do this efficiently. Part of it was also about the usefulness of the data. As much resource as possible could be put into this, but if the data was not present, it was about being able to compile it or create it. One of the recommendations in the report was about management systems and digitalisation systems which would provide greater ability to clear some of the priority 1 recommendations.

- A project plan to capture the data had been put in place and was subject to wider governance as the Council reviewed its financial position. The process cost money and because of the data issues, it would not be possible to express what the overall cost saving would be. This had been presented to Corporate Leadership Team and an outcome was awaited.

- Digitalisation of lease reading through AI was one such potential progress.

- The future of the property review was about the form and how the Council would look to do the delivery. One of the issues faced in the past in terms of reviews was systems being able to communicate to each other. There was a huge dependency with the financial reporting systems as much as on the asset part. These needed to be aligned. Some reliance may be needed on use of spreadsheets in the meantime. A lot of it also was about timing. If budget efficiency was needed in delivering the project property review, priority would have to be given to certain properties. This would take longer than the wider five-year program. A risk-based review would be taken for the highest risk sites which needed attention. This would have a red, amber, green (RAG) rating system.

- As part of the team's response to the Council's financial constraints, it was in the process of reviewing all properties and whether or not they provided wider value to Haringey or if the Council should look to change and have a much more efficient portfolio. This would though, take longer.

- In relation to adapting the culture, the Council had brought all of the property figureheads together such as Facilities Management, Property and Asset Management. Attempts were being made to promote cross-working. There was still a long way to go, but some progress had been made on showing the benefits of collaboration and minor behavioural changes. There had been a marked improvement in this. The first recommendation that came through from the external property review was about creating a corporate property model - a corporate landlord approach through the Property Compliance Boards. Internal Audit attended these meetings due to the revised government structure so there was more 'holding to account' that took place.

- The priority ratings were from the audit via Mazars. They had provided the 1, 2, 3 rating. Health and Safety was important as was the financial situation. In commercial property, there were currently 17 vacant properties, however, they were all part of the property life cycle. There were two under agreement for lease, others on the market and some that were being intentionally held vacant pending renovation of the particular properties. There was a technical difference between void and vacant properties. There were a very limited number of void properties, three were being held ‘intentionally void’ pending renovation. The remainder were all part of the wider letting cycle. Therefore, they were either on the market, about to go on the market or under offer.

- The debt in the audit report was a snapshot in time of June 2023. The debt had not been neglected. This was high at the top of the wider property agenda as this was seen as important. The Committee would be informed of the arrears.

- There were not leases that the Council did not know about, but as of March of last year, the Council had only manually reviewed 480 of the circa 1,200 leases. The Council was just under 50% of the way through this. Some of the lease review that had been completed were relatively easy to complete. The more complex leasing was taking a longer time. As issues had been found within the leases, the Council sought to rectify them or put management in place. This process had slowed down naturally as the Council looked to tackle the problems as found rather than just to document them.

- The Strategic Asset Management and Property Improvement Plan (SAMPIP) would be re-submitted to Cabinet in April 2025.

- A query was raised that the Council had reported a 100% fire compliance without actually having it. Also, given the Council's financial constraints, the Council had resolved to complete all property review within 24 months. In response, the meeting heard that the reviews had started, but given the current position, some of the proposals may have to come under review. In future reports, if it was possible to find a way of delivering this within five years, that would be what was done. In relation to the priority points, if the level of resource meant that the Council had to focus on the priority 1s more than the others, then this would have to be done.

- It was not being stated that an extra 24 months would be needed to complete the review. A risk was being highlighted that it was not yet an issue, but given the financial situation, a review would be needed on what any mitigations would be. There were three years remaining to complete the review to get to the 100% mark on the items. This did not mean that nothing had started until the end point. There would be a constant improvement throughout.

- The service originally had very little data which still conflicted with multiple sources. The property review would help a return to ‘ground zero’ and build the data baseline ‘up from scratch’. However, a service needed to be run at the same time and there were a number of residents and business owners that relied on the Council being able to run a functional Property Service. Whilst the service was trying to prioritise tackling those most in need through the process, the length of time it took for the service to respond, make the right recommendations and make progress took longer due to the baseline data. From the commencement of the reset of the baseline data, it would take 24 months to get to that data baseline. This did not stop work in the meantime. At the end of the 24 months, progress would have to have been made. It was well recognised that the data was correct so, that the right recommendations could be made and promises could be delivered. Without it, it would still be possible to continue the work. It would just take longer.

- The reason some of the issues had happened over numerous years was because the Council worked in a silo approach to property – it was the Council’s property - and that was how the Council had to work in looking at it. Where there had been service areas looking after property where the corporate property model was not present, an alternative may be better, may be worse or may mean that recordings were made in different ways, but trying to match all the different bits together was a big part of what the aims were.

- It was important to have comparators. A snapshot of the figures was useful, but if the targets were not clear, it became very difficult for a committee to determine the efficiency and efficacy of the progression. It was important to make sure that the reports were complete with tangible data points.
- The SAMPIP was submitted to Cabinet in June 2023.
- A lot of the mistakes of the past, across all councils, had been to go out and buy a system because it looked useful, without first seeking clarity on how the Council wanted to deliver. One of the things highlighted in the plan was that if it was owned as a corporate system, it had to have links through to other Council systems, such as the financial system. A typical troubleshooting issue tended to be that baseline data was not clean and the Council was ensuring that it was cleansing data. Nothing would transfer to a new system until this had occurred. Another typical issue was that the cheapest solution would be brought. Value for money was usually about the best product. The Council was working on the scope and specification of any digital solution to ensure that it was the right solution and responded to every single need that Haringey had. A benefit of getting an off-the-shelf system rather than requiring a bespoke system was that it could keep up to date with the wider market and could adapt any legislative changes. Long sessions had been held with digital based colleagues about building against going to the market and it was determined that the Council would go to the market. It was important to forecast the absolute basic principles that was needed from a property management system so that any bespoke requirements could be delivered separately rather than trying to manipulate a property management system that was not supposed to deliver a specific thing. The key principles of clean data, value for money and making sure it was a wider corporate system so there were multiple points of accountability.
- The team was getting closer to establishing a single source of truth regarding the data. Data on lease management was progressing well as checks were being made on the title, the lease and all associated documents to make sure that when speaking to tenants, the right data was present. Part of the problem was that there was no place to put clean data. Attempts were being made to store it in an accessible manner. Without the implementation of a property management system where all the data was clean, it could get mixed with the unreliable data.
- The residual risk for the service (listed as 12) could be higher. The risk had been listed higher before. The first audit that was assigned was given a nil assurance, so the residual risk was, at that point, very high. It had come down to a 12, but it was worth reflecting back to see if it was still appropriate.
- Having the Committee see the progress via the statistics as opposed to saying that a lot of work had been done, helped the Committee get a better-informed decision of what the up-movement or down-movement of the residual risk was.
- Even as a as a corporate landlord, the Council would be reviewing every property in any case. What had been set out in the SAMPIP was the way in which each property was assessed could be done for the benefit of residents and what was set out in the

corporate plan. For example, the community needs and services. If any property cannot be used for any other purpose or repurposed, then it would make sense to put it up for disposal and reinvest the money in other properties.

- The staff involved in the work had come from a very difficult position and that was why SAMPIP was put through in the first instance - to have a framework where the Council could change things. There had been progress and with the scrutiny of the Audit Committee along with the scrutiny of the of the Cabinet Lead, further progress would be made.
- The commercial portfolio involved the voluntary and community sectors. The team would consider market values, the Council could look at best consideration through social value.

The Chair stated that since some of the recommendations had not been implemented due to the data, then this issue needed to be resolved with focus.

RESOLVED: To note the Commercial Property audit coverage and follow up work completed.

8. TREASURY MANAGEMENT UPDATE

Mr Sam Masters, Head of Finance (Pensions and Treasury), introduced the report.

The meeting heard:

- When the Council set its budget each year, it was set for what the Council expected to borrow in the year. The Council did not actually borrow funds until it needed to (it would only borrow once other forms of financing had been utilised). The Council had spoken about its high levels of borrowing and how it needed to be reduced or needed to limit any increases in future years. In 2025/26, although the Council may set a budget, the Council should be trying to limit spending, given the high levels of debt. One way to do this was to continue to review the capital program through 2025/26. The Council had quite a significant capital program both for the general fund and also for the HRA. Another way was to consider the Exceptional Financial Support (EFS). The budget for 2025/26 was set based on the sum of £37million EFS - £10 million of which was funded from capital receipts and £27 million from borrowing. The £37 million was the maximum sum anticipated to be needed. The emergency response arrangements put in place was an attempt to find savings where possible so this could reduce how much of the £37 million the Council utilised and therefore, reduce the amount needed to be borrowed.
- The Council had a cash flow model forecast for the whole year which would give the it an indication about when it needed to borrow. The Council always had a cash flow model in place. Over the last couple of weeks, the Council had tried to tighten it to get a clearer picture around when the Council needed to borrow. It was important to understand how the Council's spending profile was for the capital program. It was not a case of simply trying to keep the capital program to a reasonable size.
- It was possible to take the strategy to not borrow until towards the end of the year so that borrowing was done at the latest possible time. However, this could result in the

Council getting caught out and into a situation where the Council would pay a couple of percent more than it would need to. This could result in quite a significant debt.

- One way to fund Exceptional Financial Support was via capital receipts, as opposed to borrowing. However, the Council should refrain from disposing of valuable community assets just to fund EFS as directed by Central Government. This was expressly stated in the letter sent by Central Government which the Council published as part of the budget report. The assumption the Council had made was that the £10 million would be from capital receipts with the balance being from borrowing. At least £8 million of the capital receipts had already been received. With regard to the capital receipts, the cost to the Council was effectively the lost opportunity costs as the receipts could have been used to fund other capital development. It should be noted that with borrowing to fund EFS, the Council was required to charge the Minimum Revenue Provision (MRP) as it would do with normal capital prudential borrowing. Not only does the Council have to budget for the borrowing cost at, say, 5%, the Council also had to budget for the MRP charge. The MRP charge was made so that the Council repaid borrowing over the deemed life of the asset, which, for EFS, was considered to be 20 years. The true cost to the revenue budget was probably closer to about 8%. This was the combination of MRP and finance costs. The Council should try to reduce as much as possible the amount of the £37 million it utilised. However, any spend through use of capital receipts was slightly better than borrowing.

- In terms of capitalisation, the Council did capitalise various revenue costs such as staffing for those involved in the assets or the capital schemes. The Council had to abide by counting rules in terms of what the Council could and could not capitalise. This needed to be kept under review. The budget had removed a number of significant schemes out of the capital program when it was agreed. The Council needed to just assure itself from an accounting perspective that it was capitalising the right amount of cost.

- The borrowing moved in line with what with the Council's capital financing requirement. Part of the capital financing requirement was internal borrowing. The Council would look to use this first before having to go out to the market. The two largest elements of the calculation would be internal borrowing, which was using reserves or capital receipt, a HRA scheme or other such avenues. These would be maximised for use before going out to the market.

- The Civic Centre was one of many schemes within the capital program. There was a business case that had been in existence for a number of years and was presented to Cabinet in recent months. There was an assumption in the capital program around the budget for the Civic Centre and that was part of the Council's borrowing requirement. The business case suggested that it was a self-financing scheme. The business case had a series of assumptions around the future of the Station Road sites that the Council would vacate when it moved to the Civic Centre. There would also be savings on the revenue cost and utility bills of the current sites. Although there was borrowing required, the revenue generation from the move covered the costs of the borrowing. This needed to be kept under review all the way through. This was also true of any of self- financing schemes.

RESOLVED:

1. To note the treasury management activity undertaken during the financial year to 31 December 2024 and the performance achieved attached as Appendix 1 to the report.

2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

9. ANNUAL GOVERNANCE STATEMENT 2023/24 MID YEAR UPDATE

Ms Vanessa Bateman, Deputy Head of Audit and Risk Management, introduced the report.

The meeting heard:

- There was an improvement plan, but the plan for data was captured within the themes to which it related. There was an improvement plan for housing which included the data element, as did property and procurement.

- On the Annual Governance Statement (AGS), there was a broader issue around information governance. Some of the differences in the update included a significant change to all matters relating to finance within the document. There had been a significant governance issue around finance. There was a small amount of change regarding new external auditors. Everywhere within the document where it talked about KPMG or CIPVA, this was all added content. In relation to the significant governance issues, the one relating to finance had been refreshed significantly. Each of the other five had involved work with senior leaders regarding where they were with their action plans. This was done as part of the AGS process in any case. The responsibility for facilitating the document was rotated.

- The Council recently had a cyber related internal audit and it was the most positive assurance that had been received. The organisation had a firm grasp of the continuity arrangements and how it needed to respond to emergencies. The Committee had heard in the past of a limited assurance on business continuity plans, but this was about two years ago. It was now likely that the Council would be able to respond to any emergency. One challenge the Council had was that it had a vacancy for about two years for a Continuity Manager. The Council did now have a new manager, although a different manager had taken maternity leave.

- Payment of the London Living Wage was part of the contracts in practice. The section which referred to it may need to be revised.

- The only time that the Committee could not be informed in detail about instances relating to fraud was if an alleged fraud was going through the judiciary system, in which case, no comment would be made.

RESOLVED:

To note the amended 2023/24 AGS, attached at Appendix A of the report.

10. ANNUAL INTERNAL AUDIT PLAN, STRATEGY AND CHARTER 2025/26

Mr Minesh Jani, Head of Audit and Risk Management, introduced the report

The meeting heard:

- There was no overarching five-year report in terms of the audit plan. The audit plan was a one-year plan for next year. This was because it was hard to foresee the level of risks in future years for the program and the type of work needed to be done. However, due to the Council's past circumstances, a long list of all the audits carried out – at least since 2016 - acted as a prompt to make sure that nothing was missed.

- Having a five-year plan might be useful. However, some boroughs did not have a plan for the year and instead had a plan for three months only with indications of what they might look at and only deciding what they would do after they've looked at their risk register at the end of the three months. The trend for internal audit to maintain focus on the key areas of risk was pointing in the opposite direction. This meant not having a long plan and focus on risks as they arose and give assurances on risks as they arose.

- The audit on case management within Children's Services was essentially the audit of the Liquid Logic case management system within Children's Services to make sure that it was being utilised in terms of capturing the totality of case load.

- Auditors needed some boundaries around the audit so that it could scope the work. Audits did go beyond those boundaries and did have implications elsewhere. Attempts would be made so that when the Committee received a report, the scope of the audit along with implications in other services that was relevant.

- Typically, when the auditors had completed their work, they would usually raise recommendations based on two aspects; either that the design of the process was not good enough or that a design was present, but was not being followed. In addition to this, a cultural consideration should be taken into account which could help look at root causes.

- It was difficult to be sympathetic to the proposal of continuously waiting for a new system. The Council had to operate its services and functions and ideally a system could do everything that was required. However, if this was not forthcoming, then a resolution of some kind would need to be sought. Systems and functions needed to operate.

- It would be useful to seek a short-term solution until a long-term solution could be found.

RESOLVED:

To approve the updated Annual Internal Audit Strategy and Plan for 2025/26 (as at Appendix A of the report), the Internal Audit Charter (as at Appendix B of the report) and note the Internal Audit Protocol (as at Appendix C f the report) and the Assurance Risk Map (as at Appendix D of the report).

11. INTERNAL AUDIT PROGRESS REPORT 2024/25 - QUARTER 3

Mr Minesh Jani, Head of Audit and Risk Management, introduced the report.

The meeting heard:

- The service was responsible for making sure that they produced regular information and a request for updating a list of housing boards could be passed onto the service. Internal audit would not have that information on an ongoing basis but the service could be asked to create this and this could be reported back to the Committee.

- The contract that the Council had for the delivery of audit was with a company called Mazars. The contract ran until to the end of the next financial year and was through the Croydon framework. Croydon Council went out a few years ago to allow all London boroughs potentially to buy off their framework for the delivery of audit. Haringey had accessed it to employ Mazars.

- In relation to management of contract spend, a nil assurance tended to indicate a completely broken system, whereas a limited assurance indicated a system which was not working as well as it should do. In this specific area, the arrangements that should be in place was if there was any off-contract spend, that this was identified it and fix it so that it was minimised. There was a specific team that looked out for contract spends and reported back. The actions that should follow were not happening. Having identified the anomalies, actions needed to be taken. In relation to culture of compliance, it was often the case that people were found to not be following the rules. This was followed up to understand what it was that drove people to do what they did. Upon investigation, staff appeared to be trying to follow the rules, but the length of time it took for them to complete a task took too long and looked for a quicker way of doing something. A better process needed to be established.

- In all of the internal audit reports, there had been quite a few of limited assurance where compliance was an issue. The data on compliance was being monitored and reported to services. For the last four or five months, this data was being reported to the corporate leadership team as part of the monthly reporting. This was not just on off-contract spend, it was also around Purchase Card compliance. For about four weeks, all new contracts now had to be signed off by an assistant director. The Council was about to put in place a regulation that no purchase orders would be approved without setting up a small spending panel. This had not necessarily been part of an outcome of the internal audit review. The new Procurement Board that had been established was about having a tight grip over buying and purchasing behaviour.

- The manner in which the Council arranged its processes for billing clients led to the adult social care debt. One of the one of the key issues is that the Council did not have a variable direct debit so the Council had a fixed amount that it billed each client, each month, irrespective of the service they received. This was then retrospectively calculated what the charge should be and bill the client afterwards. The clients themselves were never quite sure how much their debt actually was It was possible to invite the appropriate service to give an update at a future meeting on general management of financial assessments as a whole, because the auditors raised a number of different areas of concern impacting many aspects of how financial assessments were carried out. It was worth considering if a person did not engage in providing the information for financial assessments, if the Council should maintain the policy to continue providing the service or if there should there be an alternative. An update would be provided at the next meeting.

- The issue of voids had been raised in the past. The Committee wished to have an audit of voids carried out. The number of issues that were not working as well as they should be. No update at present time could be provided. However, the Director could be asked to provide an update to the Committee.

- It was difficult to say if the whole organisation of the Council really appreciated where it was financially. The Council had been open, honest and transparent about the issues that it faced. The financial challenges had been discussed since last September or October 2024. The Council talked about the challenges. It was not clear if everybody making a spending decision or an income collection decision had finance at the forefront of their minds. The Council had developed a financial recovery plan. Everybody at the Council had to play a role.

- The demonstration of limited assurances was to target internal audit at the right places where there were suspected concerns and risks. A report with an entirely adequate or substantial feedback would be concerning in its own way.

- The role of the Corporate Director of Finance Resources was to make sure that the organisation was following up on the recommendations that came out of the internal audit review Internal audit colleagues would do follow-ups, but lead officers needed to make sure that they were addressing recommendations.

The meeting felt that the limited assurance on Broadwater Farm and the general update was extremely worrying because of the amount of money involved and the number of flats that frozen compared to how many people on the waiting list accommodations. It was noted that a formal business case was not in place for the program and that the project initiation document had not been updated since March 2019. This had been a subject of previous audits and had to go further than simply being noted.

The project had been initiated approximately eight years ago. The estimate at the time was £30 million. This was an underestimated sum. Not providing a regular update was something that needed to be urgently considered. The reports also stated that recommendations were due for implementation by March 2025.

An update could be given on these issues at a future meeting.

RESOLVED: To note the audit coverage and follow up work completed.

At this point in the proceedings, the Chair decided to suspend standing order 18 so that the meeting could be concluded.

12. ANTI - FRAUD AND CORRUPTION PROGRESS REPORT QUARTER 3 2024/25

Ms Vanessa Bateman, Deputy Head of Audit & Risk Management, introduced the report.

The meeting heard:

- In relation to the death list information, there was a section on the Council's website that residents could use to inform the Council of a death to withdraw services that were no longer required. Other death lists came from other services like the Registrar which was shared across the Council. Within the National Fraud Initiative, there was a lot of matching data to death records. Deaths occurring abroad was more challenging to document. The team had mechanisms to support Housing if there were suspicions, but these would be made apparent through a tenancy not being used or abandoned or through identifying unauthorised occupants and then investigating the issue. Council tax had different information from different places and this had not looped through to housing. There had been cases where Housing knew about a death, but direct payments did not. This had a vulnerability to fraud.

- A query was raised regarding where an employee of a care provider contracted by the Council was being asked to pay money to the care provider. In response, the meeting heard that in certain circumstances the Council would investigate something like this, but it was more likely for other agencies to get involved and some joint work may be done.

- The Commissioning team did quality audits on the Council's providers, some of which involved examining employee files and HR files. This was how some assurances were sought around what staff were being paid. The Council had a duty to ensure that staff had the right to work and proper DBS checks. However, the team that did this was a small team.

- Internal Audit had done a project to look at cases in council tax which had a probate rating. This meant that checking that the team that worked in council tax knew that the person had died and then looked at whether Housing were aware and had acted on it.

RESOLVED:

To note the activities of the team during quarter three of 2024/25.

13. UPDATED CORPORATE RISK REGISTER

Mr Minesh Jani, Head of Audit & Risk Management, introduced the report.

The meeting heard:

- When the Risk Register was presented to the Committee previously, the implementation date for the future actions was shown as the 31 March 2025. Now that the risk had been refreshed, management had reassessed the timeline and it now displayed the implementation date to be 31 December 2026. In October 2024, the service had indicated that they would complete the actions by 2025, but this had been now reassessed and it indicated they would complete them by 2026.

- Although the risk wording had been updated with emphasis on lack of corporate change and the future risk increased from "8" to "12", the Corporate Risk Register stated that future risk was listed at 20. This needed to be examined.

- It was possible to use the risk table to inform where potential risks may lie, but through the work that the Committee had been doing and all the discussions it had, it was possible to discern where the risks actually were. There may be other risks not yet considered, but on the risk map, there were quite a few risks that needed to be managed. However, work would still be done to look at the systems and see if it was possible to populate it with 'inherent risks' (a risk profile without controls).

RESOLVED:

To note the Corporate Risk Register as at 31 January 2025, attached at Appendix A of the report.

14. MONEY LAUNDERING POLICY

Ms Vanessa Bateman, Deputy Head of Audit & Risk Management, introduced the report.

RESOLVED:

To endorse the Money Laundering Policy.

15. UPDATE ON PROCUREMENT MODERNISATION PLAN AND COMPLIANCE WITH THE PROCUREMENT ACT

Ms Taryn Eves, Corporate Director of Finance Resources and Mr Barry Phelps, Chief Procurement Officer, introduced the report.

The meeting welcomed the report and heard:

- All of the Procurement staff were now accredited practitioners in the Procurement Act. They had all gone through the central government college and taken the courses required to become accredited under the Procurement Act. Some members of the team were advanced practitioners. Ongoing training was in place for the Council which ran three times a week and would do so for the next few months. These included training sessions introducing staff to the Procurement Act, picking out the salient points that they needed to be aware of regarding their procurement, commissioning and contract management activity. Specific focus sessions were held and specific training was done for the care teams. As of next month, the Council would introduce a refresh contract management training so that the Council could rise to a better standard of contract management. It would understand what staff obligations were under the Procurement Act, but also introduce best practice which was aligned with central government. There would also be an ongoing program of training for the foreseeable future, but at a reduced scale.

- As part of the modernisation program, a restructure within strategic procurement had been completed. This involved the introduction of a policy and sustainability workstream. A compliance officer had been appointed within Strategic Procurement who was looking at some of the areas previously picked up in audits around multiple contracts going to certain suppliers and different spending. All procurements above £25,000 was being centralised. Previously, the team only managed procurements above £160,000. The team that would be managing a significant amount of the expenditure would follow compliance. The Compliance Officer was monitoring compliance by the team as well as others. A regime that monitored the transparency requirements under the Procurement Act had already been established to ensure that procedures were being followed. A monthly meeting was held with officers and a structured set of data was provided on compliance information.

- Data was being used to specify a targeted engagement with people where it was needed. The spending controls put in place as part of the emergency response to the financial position was not a long stain long-term sustainable solution. Compliance as part of business as usual should be a normal practice. The training and engagement would continue as long as it was needed. This was so that staff became aware of their roles and responsibilities and if there was still non-compliance, then the consequences needed to be considered. A second line of defence was there for compliance, whether it was the Procurement team or the Finance team. A range of enabling services needed to be the eyes and ears for each other. If there were areas of non-compliance, it would be useful to understand why this was the case. Sometimes it was a training or communication need.

RESOLVED:

To note the information contained in the report.

CHAIR: Councillor Erdal Dogan

Signed by Chair ………………………………..

Date …………………………………