

MINUTES OF THE CORPORATE COMMITTEE MEETING HELD ON THURSDAY, 21 JULY 2022, 7–9PM

PRESENT: Amin, Mark Blake, Rossetti, Abela, Adje, Culverwell, Diakides (chair), Dogan (vice-chair), Jameson, Mason and Simmons-Safo

Also attending: Kaycee Ikegwu (Head of Finance & Housing), Minesh Jani (Head of Audit & Risk Management), Tim Mpofu (Head of Pensions & Treasury), Andrew Meek (Head of Organisational Resilience), Alexis Correa (Deputy Head of Service for Health & Safety, Capital Projects & Property), Benita Edwards (Assistant Head of Legal Services), David Eagles (BDO external auditor), Ray Gard (external assessor), and Jack Booth (Principal Committee Co-ordinator).

1. FILMING AT MEETINGS

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

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mahbub. Apologies for lateness were received from Councillor Dogan, Councillor Amin, and Councillor Mason.

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 no deputations.

6. MINUTES

The chair asked the Head of Audit & Risk Management if there was a discrepancy between two lines on page 3 of the minutes. The first stated: '[t]he acquisition and disposal of assets audit was scheduled to be presented to the committee at the next meeting.' The second line said: '[t]he auditing of the acquisitions and disposal of assets would be a piece of work that the Head of Audit & Risk Management proposed to look at in the upcoming municipal year.'

The Head of Audit & Risk Management said that there was a discussion at the last meeting about the governance around the disposal of assets. What was agreed was that the Audit & Risk team would carry out a follow up piece of work in relation to previous audits. The committee asked for the Head of Audit & Risk

Management to carry out a new audit in lieu of concerns around governance that had been highlighted. **(Action: Minesh Jani)**

RESOLVED

That the minutes of the Corporate Committee meeting held on 10 March 2022 be confirmed and signed as a correct record.

7. STATEMENT OF ACCOUNTS 2021-22

The Head of Finance & Housing gave a verbal update regarding the Statement of Accounts, highlighting the following:

- This meeting was the time of the year when a draft statement of accounts for the previous financial year was given to the committee. The draft statement of accounts was not ready that was why this was a verbal update. The reason why the accounts were not ready was due to a nationwide issue relating to an alteration in the method of accounting, as well as factors relating to the pandemic. Only 9% of local authorities had completed their statement of accounts; and
- It was emphasised that this was the first time that the council had been in the position of not having the statement of accounts ready.

David Eagles the council's external auditor provided a verbal update on the progress of the completion of the statement of accounts:

- That nationwide issues were caused by the discrepancy in the valuation of infrastructure assets. The Chartered Institute of Public Finance and Accountancy (CIPFA) had been attempting to deal with this issue;
- In February 2022 it was determined that it was not possible for proper accounting processes to take place when an infrastructure asset was removed from use;
- What had happened when an infrastructural asset was removed from use was that the cost, the accumulative depreciation, and the net impact of that were accounted for. The new code had an additional element that meant that cost needed to be accounted for on a geographical basis. It was not possible to comply with this requirement; and
- CIPFA were attempting to change the code to address the method of accounting outlined above. External auditors were not able to issue an opinion until this issue has been clarified.

In response to questions, the external auditor and the Head of Finance & Housing provided the following answers:

- In terms of what Haringey Council could have done to foresee this issue, there was little that could be done. The council found themselves in a nationwide problem. The external auditor advised to the committee that the council were following the same processes as the majority of local authorities, it was a case of waiting for the situation to resolve itself nationally;
- There were not local authorities in a more advanced position for accounting for their infrastructure assets than Haringey Council. This was because all local authorities had to account for these assets in the same way. The

external auditors were not making any criticism of the way the council had dealt with this issue; and

- The Head of Finance & Housing relayed that the council would make their best endeavours to meet the deadline for the 2022-23 accounts; however, external factors would have to be considered. For example, if the existing infrastructure asset valuation issue persisted. The local authority was liaising with other boroughs, partners and independent bodies to find a solution to the issue.

RESOLVED

To note the Head of Finance & Housing's verbal update.

8. TREASURY MANAGEMENT OUTTURN 2021-22

The Head of Pensions & Treasury provided an update to the Committee on the council's treasury management activities and performance in the year to 31 March 2022 in accordance with the CIPFA Treasury Management Code of Practice.

In response to questions, the Head of Pensions & Treasury provided the following answers:

- The long-term borrowing portfolio had fixed interest rates, there were no variable rates. The existing loan portfolio would not be impacted by an increase in interest rates. However, any new loans that the council took out would be affected by the rise in interest rates; and
- When the last strategy was set it was assumed that rates would be at 3.5% for Public Works Loan Board (PLWB) loans. The rate was currently at 3.2% meaning that if this loan were taken up it would come in below budget.

RESOLVED

- a. To note the Treasury Management activity undertaken during the year to 31 March 2022 and the performance achieved which is attached as Appendix 1 to this report.
- b. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

9. HEAD OF AUDIT & RISK MANAGEMENT UPDATE

The Head of Audit & Risk Management provided an update on the overall adequacy and effectiveness of the system of internal control and risk management operating throughout 2021/22. Presenting a summary of the audit work undertaken to formulate the opinion, including reliance placed on work by other bodies.

In response to questions, the Head of Audit & Risk Management provided the following answers:

- Limited assurances had been given around cyber security for two consecutive years. The council's external auditors who have carried out the internal audit, have stressed the need for the council to be prepared should a cyber-attack happen. There was a forthcoming report that included cyber security recommendations. It was emphasised that management would be strongly encouraged to carry out these recommendations;
- The role of the Audit & Risk Team was to independently appraise operations of the council, reporting these back to management. Where a system was assigned a limited assurance, this needed to be rectified. The areas that were given limited assurance, such as mental health assessments, elective home education, and deprivation of liberty, had been given recommendations, when the Audit & Risk Team were happy that these risks had been closed off the status of these risks could be reassessed and potentially changed;
- Emerging risks throughout the year were assessed based on risk assessment;
- Actions arising from audit reports were set out in an action plan within the audits that were given to the heads of service. It was important for management to act on these matters, through closing off identified risks;
- There was a method of reporting on audits at the statutory officers group meetings. This allowed these officers an opportunity to have an overview of risks across the council;
- Child Protection Plan and Education, Health, and Care Plan audits had been deferred. It was anticipated that they would be completed soon, they were currently at draft report stage. The findings of these two reports would be brought to the next meeting **(Action: Minesh Jani)**;
- It was important that the overall audit plan was visible, to this end he would circulate the overall audit plan to members and bring an updated overall audit plan to the next meeting. The overall audit plan identifies audits by department, so it was clear to see where responsibility for an audit was allocated **(Action: Minesh Jani)**;
- It was suggested that the Head of Procurement be invited to the next meeting to give an update on the status of the procurement recommendations **(Action: Minesh Jani)**; and
- The assurances that have been given to schools in the last two years had significantly improved. Risks that emerged at schools were around DBS clearances for school governors. This issue had also been flagged at Schools Forum, a meeting between stakeholders in schools and officers of the council.

RESOLVED

To note the content of the Head of Audit and Risk Management's annual audit report and assurance statement for 2021/22.

10. ANNUAL GOVERNANCE STATEMENT 2021-22

The Head of Audit & Risk Management relayed the purpose of the Annual Governance Statement, which was to satisfy statutory requirements and to provide a draft statement relating to the 2021/22 financial year for review and approval.

In response to questions, the following answers were provided:

- The council had taken numerous steps to ensure adequate controls were in place around the decision making for property acquisitions. This has created a clear audit trail of how decisions were being taken in this matter. The Head of Audit & Risk Management highlighted that it was not for him to give a breakdown of how the controls were implemented. He suggested that the relevant head of service could be invited to a particular meeting where the committee required a more detailed response on an issue; and
- An update on the six significant risks would be provided at the meeting on 15 November 2022 (**Action: Minesh Jani**). A councillor asked if it was possible to have a report about the risk that the insourcing of Homes for Haringey posed to the council by the meeting on 15 September 2022. (**Action: Minesh Jani**).

RESOLVED

- a. To review and approve the draft 2021/22 AGS attached at Appendix A.
- b. To note the approval timescale and processes for the draft 2021/22 AGS.

11. EXTERNAL ASSESSMENT OF INTERNAL AUDIT

The Head of Audit & Risk Management outlined that the committee had a strategic role to ensure the council's assurances were robust. To this end, the work of internal audit was a key component of the assurance framework. The outcome of the external assessment provided evidence as to whether the internal audit service was operating in accordance with the Public Sector Internal Audit Standards (PSIAS).

The Head of Audit & Risk Management introduced Ray Gard who has assessed the internal audit functions of the council. This was completed on a five-year cycle to provide external assurance to the approach of internal audit. Ray Gard introduced his report.

In response to questions, the external assessor and the Head of Audit & Risk Management gave the following answers:

- Public Sector Internal Audit Standards specify that a quality assurance plan must be in place to ensure compliance. The purpose of the document was to identify areas where the internal audit function could be improved. The document sets out the direction of travel for improvement, which was then assessed by the external assessor; and
- Most internal audits at local authorities had improved significantly since the Public Sector Internal Audit Standards were introduced in 2013. There were a couple internal audit processes at different local authorities around the country, that in the external assessor's opinion, were particularly good. He was happy to pass on the names of these local authorities to the Head of Audit & Risk Management. It should be noted that these local authorities operated with in-house teams, whereas Haringey operated a completely outsourced service. In this respect it was difficult to make comparisons;

- Regarding best practice to how an audit service should function, this was dependent on outcomes. If the outcome were to have assurance on controls and risk management, the current model that Haringey operated was sufficient. If the committee wanted a more proactive and insightful internal audit service, then having an in-house team would achieve this. In-house services gain detailed knowledge of their organisation; therefore, when developing certain processes and mechanisms they can work productively with management to achieve this **(Action: Minesh Jani)**.

RESOLVED

To note the positive outcome of the External Quality Assessment for Assurance and are assured over the quality and effectiveness of the Council's Internal Audit Function.

12. INSURANCE ARRANGEMENTS

The Head of Audit & Risk Management highlighted that the report laid out arrangements to manage the council's insurable financial risks following the transfer of functions previously carried out by Homes for Haringey to the Council. The council's insurance service is responsible for managing the council's insurance policies and the management of any insurance claims.

In response to questions, the Head of Audit & Risk Management provided the following answers:

- Through insourcing Homes for Haringey, the council had conducted a cost-benefit analysis to reduce insurance costs; and
- Insurance claims that were not catered for within the Housing Revenue Account (HRA), a ring-fenced account for certain defined transactions, would be channelled through existing processes.

RESOLVED

To note the arrangements put in place to manage the insurable financial risks using insurance arrangements for functions previously managed by Homes for Haringey.

13. SKILLS TRAINING MATRIX

The Head of Audit & Risk Management said that the Skills Training Matrix report sought feedback from members of the committee and its training needs. This information would be used to specify the training needs of the members of the committee to allow the committee to fulfil its remit.

The chair commented that it was important for committee members to fill out the skills audit. He also suggested that, after the skills audit was complete, that the committee look at co-opting independent members to fill any skills gaps that had been identified **(Action: Minesh Jani/ Jack Booth)**

RESOLVED

- a. To note the contents of this report.
- b. That members of the committee complete the skills matrix online using a link that will be sent separately by Democratic Services. The link will mirror the areas set out on the skills matrix attached to this report. Members are asked to complete the skills matrix by 31 August 2022.

14. HEALTH, SAFETY, AND WELLBEING POLICY

The Deputy Head of Service for Health & Safety, Capital Projects & Property relayed that there was a requirement to review the Corporate Health, Safety and Wellbeing Policy so that it reflected the latest changes in the council's structure, while ensuring it remains fit for purpose. The policy review includes changes on the health, safety and wellbeing governance structure. It also accommodates the insourcing of Homes for Haringey. The responsibility to review the policy lay with this committee and the Staffing and Remuneration Committee, each committee with a responsibility for sections specific to its area.

In response to questions, the Head of Organisational Resilience and the Deputy Head of Service for Health & Safety, Capital Projects & Property gave the following answers:

- Physical, emotional, social and economic wellbeing of staff were covered in the section of the policy that the Staffing and Remuneration Committee considered. It was suggested that the report regarding the section of the policy relating to wellbeing and equalities, which were considered at the Staffing and Remuneration, be forwarded to committee members (**Action: Alexis Correa/ Andrew Meek**);
- The policy was revised in line with Health and Safety at Work Act 1974 and accounted for the impact on equalities outcomes through consulting with unions and colleagues in HR;

RESOLVED

- a. To approve the draft Corporate Health, Safety and Wellbeing Statement Policy, attached at Appendix A.
- b. To authorise the Chief Executive Officer, in consultation with the Chair of the Committee, with the Corporate Health, Safety and Wellbeing Board and with the Corporate Leadership Team, to make such amendments to the policy as considered to be minor. These amendments are to be reported at the next Committee meeting.

15. NEW ITEMS OF URGENT BUSINESS

There were no items of urgent business.

16. DATES OF FUTURE MEETINGS

To note the dates of future meetings:

Thursday, 15 September 2022
Tuesday, 15 November 2022
Thursday, 2 February 2023
Tuesday, 28 March 2023

All meetings to commence at 7pm.

CHAIR: Councillor Diakides

Signed by Chair

Date