

## **THE LONDON BOROUGH OF CAMDEN**

At a meeting of the **AUDIT AND CORPORATE GOVERNANCE COMMITTEE** held on **THURSDAY, 17TH NOVEMBER, 2022** at 7.00 pm in Committee Room 2, Crowndale Centre, 218 Eversholt Street, London, NW1 1BD

### **MEMBERS OF THE COMMITTEE PRESENT**

Councillors Sagal Abdi-Wali (Chair), Matt Cooper (Vice-Chair), Camron Aref-Adib, Siân Berry, Richard Cotton, Judy Dixey, Samata Khatoon, Jenny Mulholland and Gio Spinella and Nanouche Umeadi (substitute)

### **MEMBERS OF THE COMMITTEE ABSENT**

Councillor Anna Burrage

**The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the Audit and Corporate Governance Committee and any corrections approved at that meeting will be recorded in those minutes.**

### **MINUTES**

#### **1. GUIDANCE ON HYBRID MEETINGS**

##### **RESOLVED –**

THAT the hybrid meeting procedure be agreed.

#### **2. APOLOGIES**

Apologies for absence were received from Councillor Burrage and Councillor Umeadi attended as a substitute committee Member.

#### **3. DECLARATIONS BY MEMBERS OF STATUTORY DISCLOSABLE PECUNIARY INTERESTS, COMPULSORY REGISTERABLE NON-PECUNIARY INTERESTS AND VOLUNTARY REGISTERABLE NON-PECUNIARY INTERESTS IN MATTERS ON THIS AGENDA**

Councillor Abdi-Wali, Chair of the committee declared in the interest of transparency, that she was one of the ward members that had been consulted about the proposed polling place changes in the item 16 report on the agenda.

**4. ANNOUNCEMENTS (IF ANY)**

**Broadcasting of the meeting**

The Chair announced that the meeting was being broadcast live by the Council to the Internet and could be viewed on the website for twelve months after the meeting. After that time, webcasts were archived and could be made available upon request. Those who were seated in the meeting room or participating via Teams were deemed to be consenting to having their contributions recorded and broadcast and to the use of those sound recordings and images for webcasting and/or training purposes.

**5. DEPUTATIONS (IF ANY)**

There were no deputations.

**6. NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT**

There was no notice of urgent business.

**7. MINUTES**

**RESOLVED –**

THAT the minutes of the meeting held on 16<sup>th</sup> June 2022 be approved and signed as a correct record.

**8. ANNUAL GOVERNANCE STATEMENT 2021/22**

Consideration was given to a report of the Executive Director Corporate Services that in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, provided information about the Council's governance arrangements during 2021/22, where the Council is required to undertake a review of its governance framework and publish an Annual Governance Statement (AGS) which is audited alongside its Statement of Accounts.

The purpose of the AGS process was to provide a continuous review of the Council's governance framework and to provide assurance on its effectiveness and where applicable, produce an action plan to address any weaknesses identified.

During consideration of the report committee members raised questions about Covid 19 grant related fraud in the borough and asked if any grants would need to be recovered. They also asked what criteria had been applied to the 'review

effectiveness' section of the AGS and how had this been measured. There were also further questions about how effective the engagement had been on the equalities and disproportionality agenda across the Council.

In response Members were told that:

- Camden's Revenues Team, with input from the Anti-Fraud and Investigation Team, had been proactive in addressing the risks of grant fraud and this had resulted in minimal levels of fraud and loss. There had been at most five investigations and two or three of them had been upheld and had required the recovery of funds. A link to the Annual Fraud Report with further information would be circulated to the committee.

**Action By: Head of Internal Audit, Investigations and Risk Management**

- External audit findings, internal audit opinion and self-assessment by management had been taken into account in considering the effectiveness of governance arrangements. The self-assessment by each departmental management team included a graded score based on controls in place and provided opportunities for specific issues in service departments to be identified.
- Addressing inequalities and disproportionality was very much at the heart of the Corporate Strategy and there was a collective approach across all of the Council's work. Further information was provided in the Corporate Quarterly Performance reports.

**RESOLVED –**

- (i) THAT the Annual Governance Statement for 2021/22 at Appendix 1 be approved;
- (ii) THAT authority be delegated to the Executive Director Corporate Services, in consultation with the Chair of Audit and Corporate Governance Committee, to approve any minor amendments to the Annual Governance Statement to reflect any changes required as a result of external audit, prior to the signing of the final statement of accounts;
- (iii) THAT it be noted that officers would report back on any amendments made in line with recommendation (2) above at a future Audit and Corporate Governance Committee meeting, and will provide a copy of any amended version of the Annual Governance Statement for the Committee's information.

**9. AMENDMENTS TO THE TERMS OF REFERENCE AND HEARING PROCEDURES OF THE LICENSING PANELS**

Consideration was given to a report of the Borough Solicitor.

The report asked Members to consider and recommend to Full Council the approval of changes to the Terms of Reference and Hearing Procedures for Licensing Panels, to allow them to determine applications for alcohol licences and sex establishment licences.

During consideration of the report Members discussed the additional level of knowledge that was required in order to determine sex establishment applications; they asked if these applications would be heard alongside alcohol licence applications and which officers would be present at panel hearings. Members also asked how many sex establishment licences there were in Camden.

In response the Committee was informed that Licensing Committee Members had received additional training on the sex establishment licensing regime to equip them in their consideration and decision making of these applications. Panel members would also have the expertise of the licensing officer, licensing lawyer and committee clerk that were present at each panel meeting to assist and support them with legal advice or procedural matters.

Members were also informed that sex establishment premises licences were considered on an annual renewal basis and that there were now fewer premises in the borough than prior to the Covid 19 Pandemic.

**RESOLVED –**

THAT the following recommendations be referred to Full Council for approval:

- (i) THAT the terms of reference of the Licensing Sub-Committees (known as Licensing Panels) be amended as set out at Appendix A to allow Panels to determine applications made under the Local Government (Miscellaneous Provisions) Act 1982 for the grant, renewal, transfer, variation or revocation of sex establishment licences; and
- (ii) THAT the hearing procedures of the Licensing Sub-Committees (known as Licensing Panels) be amended as set out at Appendix B to incorporate the procedure for the hearing of applications made under the Local Government (Miscellaneous Provisions) Act 1982 for the grant, renewal, transfer, variation or revocation of sex establishment licences.

**10. PROPOSED CHANGES TO THE TERMS OF REFERENCE OF PLANNING COMMITTEE AND MEMBERSHIP OF THE STRATEGIC PANEL SET OUT IN THE PLANNING PROTOCOL**

Consideration was given to a report of the Director of Economy, Regeneration and Investment and the Borough Solicitor.

The report had set out the proposed changes to the wording of the Terms of Reference of the Planning Committee and summarised the proposed changes to the Planning Protocol to amend the membership of the Strategic Panel, with recommendations to be referred to Full Council.

During consideration of the report the committee asked about the quorum of the Strategic Panel, whether the work of the Panel could be interpreted as predetermining the outcome of applications and what were the criteria for being invited to attend Strategic Panel meetings.

In response to their questions Members were advised that:

- Strategic Panel meetings did not predetermine applications. They were an opportunity for discussions to take place with an open mind at a very early stage before applications were submitted.
- Clarification on the criteria for being invited to attend the Strategic Panel meetings would be sought and provided to members of this committee.

**Action By: Director of Economy, Regeneration and Investment and the Borough Solicitor**

**RESOLVED –**

THAT the following be recommended to Council:

- (i) THAT the proposed changes to the Terms of Reference of the Planning Committee as set out in the report and detailed as tracked changes in Appendix A be agreed;
- (ii) THAT the proposed changes to the Planning Protocol regarding the membership of the Strategic Panel, as set out in the report, be agreed; and
- (iii) THAT the Borough Solicitor be authorised to amend the Constitution to give effect to the proposed changes.

**11. PRINCIPAL RISK REPORT 2022**

Consideration was given to a report of the Executive Director Corporate Services that provided an update on the Council's principal risks since the last update to the Audit and Corporate Governance Committee on 8<sup>th</sup> December 2021. The report presented the Council's position as at October 2022 and highlighted the main events and changes that had occurred since the last report. The report included that since December 2021 Camden had continued to operate in a heightened risk environment and these risks were summarised in the report under the key themes of: Cost of Living - affecting both residents and businesses; Financial Resilience - pressures on the Council's finances. The report also set out the overall risk exposure and changes in risk levels since the last report.

Principle risk deep dives were presented to the committee bi-annually and provided an in-depth understanding of the risk area and an insight into the actions to mitigate risks. Members were asked to agree four risk areas for deep dive reports in 2023 based on the Executive Summary of Principal Risks, Appendix 4 to the report.

During consideration of the report Members discussed the risk areas, deliberated about which areas should be selected and raised the following points:

- Whether climate risk/heatwaves/flooding had been adequately captured in the report. Should climate risk be linked with the strategic objective 'Safe, Strong and Open Communities?'
- What was the Council doing to protect residents from the impacts of the Cost of Living?
- Were we being complacent about the financial challenges faced by schools and were they at risk of closure? Should the risk level be higher?
- That cyber security risk should be examined
- The cost of housing, private sector housing and associated health issues e.g mould.

In response Members were told that the impact of the government's financial Autumn statement (made earlier that day) and the implications for residents and Camden's financial position would be looked at. The committee had received a deep dive report on cyber security risk in March 2022 and there continued to be an increased awareness of this risk area. Camden's schools were financially at the same level of risk since the last time the committee had been updated. There was an understanding of the schools that were at risk but the risk leads would be asked for a further update.

**Action By: Head of Internal Audit, Investigations and Risk Management**

The risk of fire had been the main housing health focus but mould and risk of flooding could also be listed as areas of concern. This would be fed back to the risk leads.

**Action By: Head of Internal Audit, Investigations and Risk Management**

Having considered which risk areas should be the focus of deep dive reports for 2023, the committee agreed on an initial three areas and that a fourth area would be selected at a future date.

**RESOLVED –**

- (i) THAT the Councils principal risks and actions being taken to mitigate the risks be noted and
- (ii) THAT the following three risk areas be agreed as deep dive reports to be brought to two meetings of this committee in 2023 - Energy Costs, Emergency Preparedness and Housing Revenue Account Financial Resilience

(iii) THAT a fourth area for a deep dive in 2023 would be agreed at a later date.

## **12. INTERNAL AUDIT INTERIM REPORT 2022-23**

Consideration was given to a report of the Executive Director Corporate Services that provided the Committee with an update regarding the work undertaken by Internal Audit, in respect of delivery of the 2022-23 Internal Audit Plan, from 1st April 2022 to 31st October 2022.

In response to the report and a request for further information on the outcomes of the Community Investment Programme Internal Audit review it was agreed that an extract of the Internal Audit report would be circulated.

**Action By: Executive Director Corporate Services**

### **RESOLVED –**

THAT the report be noted.

## **13. TREASURY MANAGEMENT REPORT**

Consideration was given to a report of the Executive Director Corporate Services that provided an update on the economic background, summarised Treasury activities between April 2022 and September 2022 and presented the debt and investment portfolios as at 30 September 2022.

We Make Camden included a commitment to “long-term plans to ensure we remain a financially stable authority in a very different financial climate”. A robust and effective Treasury Management Strategy is crucial to enabling this ambition. The report provided a perspective on the management of investments of £603m (there was an additional separate sum of €289m relating to the North London Waste Authority) and debt of £330m worth of resources, and an update on external factors that could affect the future financial plans of the Council.

Members of the committee were pleased to see that environmental, social and governance issues had been given significant consideration and raised questions about the impact of bonds and banking risks affecting the Council.

In response Members were informed that the Council had not been impacted by the recent instability in the money markets from a borrowing or investment perspective.

### **RESOLVED –**

THAT the report be noted.

#### **14. FINANCIAL REPORTING AND EXTERNAL AUDIT UPDATE**

Consideration was given to a report of the Executive Director Corporate Services that provided an update on the financial reporting and external audit issues in local government, the impact on the audit of Camden accounts, and the plans for tackling the backlog in reporting and audit work.

Representatives from the Council's external auditors Mazars were present and explained the national issues, as detailed in the report, that had affected the audit of authorities across local government. Concerns about local authority financial reporting and audit timeliness had exacerbated since 2019, whereby Camden, along with 50 other local authorities were currently in a position where their accounts for 2019/20 had not been signed off by their auditors.

There had been some improvement and it was hoped that the audit of the 2019/20 and 2020/21 accounts would conclude in January 2023.

Some Members expressed concern at how the situation had arisen and why the audits had not been signed off for such a length of time. They were also concerned about the financial cost to the Council and asked about what was actively being done to progress matters.

Mazars informed the committee that there had been a financial cost to the additional work required on the 2019/20 audit and that this had required additional resources. Members were assured that there was collective work taking place to complete this work as soon as the circumstances and the challenges that had created the audit complications allowed.

#### **RESOLVED –**

THAT the report be noted.

#### **15. ANNUAL REWARD AND TERMS AND CONDITIONS UPDATE**

Consideration was given to a report of the Director of People and Inclusion that provided an overview of Camden's Reward Strategy and terms and conditions across the Council. The update included an overview of: the Council's reward package and changes made during 2021/22; work done to implement changes to the terms and conditions of Camden staff; and politically restricted positions within the Council.

Members asked about what support was given to foster carers; how many politically restricted posts were there at Camden and welcomed the closing of the ethnicity pay gap.

The following information was provided in response to points raised by the committee:



- That foster carers of Camden's looked after children and young people were not directly employed in this role by the Council and therefore were not eligible to join the Council's pension scheme. Camden employee's with caring responsibilities were provided with additional leave days to encourage them in their role.
- There were 457 politically restricted roles in Camden which was a comparable number to other councils. There had not been any requests for granting exemptions to a post in recent times.
- Information on the take up of the Employee Assistance Programme would be provided. Staff surveys had shown that there was wide awareness amongst staff of the support that was available to them as employees.

**Action By: Executive Director Corporate Services**

- Providing a breakdown of the pay gap between the specific ethnicities of British Bangladeshi and British Indian was too small a number to make it statistically significant. The difference between the pay of black and white staff had informed a lot of the Council's ethnicity pay gap work. Very few organisations published this data and Camden was very transparent in the information it provided.

**RESOLVED –**

THAT the report be noted.

**16. POLLING DISTRICT REVIEW AND UPDATE ON THE ELECTIONS ACT 2022**

Consideration was given to a report of the Borough Solicitor that invited the committee to comment on the proposed changes to some Polling Stations in the borough following feedback from the last local elections, whilst noting that the final decision on polling places was delegated to the Council's Returning Officer. The report also provided an update on the main provisions of the Elections Act 2022.

The proposed changes to the polling stations with an explanation for the change as set out in the report were discussed. This included that the local Councillors for each of the wards had been consulted about the changes and had agreed to them. In summary the changes were:

- Hampstead Town: AA, AB, AC - Move electors in current AB into AA to vote at Burgh House.
- West Hampstead: EA, EB, EC - To revert to the 2019 Review arrangement, cutting EC polling district along the line of the Railway Line. Using Brondesbury Christian Centre for Polling District EC and St James's Church Hall for Polling District ED.

***Audit and Corporate Governance Committee - Thursday, 17th November, 2022***

- Camden Square: SA, SB - To split Polling District SB into two Polling districts SB and SC along the railway line. This will make two smaller Polling Districts around the two estates.
- Kings Cross: PA, PB, PC, PD - To put a Porta Cabin with disabled access in the car park of Camden Garden Centre, on the right hand side of the car park. This would be subject to the agreement of the Garden Centre about hire arrangements.

As a local ward Councillor and member of this committee, Councillor Cotton raised the issue of the polling station at MA that should be moved to MB. This was because of the development taking place in that ward, that would make the route for voters much longer if it remained in its current location.

**Action By: The Borough Solicitor**

The provisions of the Election Act 2022 were considered including the assistance to disabled voters, photo identification at polling stations and changes to overseas elector requirements.

From 2023 electors at polling stations would need to show photographic identification in order to vote. A Photo Authority Certificate was being introduced from January 2023, that could be used as an alternative form of identification at polling stations, particularly by electors who did not have other accepted photo identification documents. The certificates would be administered via a portal and distributed by a third party provider.

The committee was also informed that overseas voter changes would increase the Camden voters that were eligible for this category considerably.

Members were provided with the following information in response to their concerns about the requirement for photo identification in order to vote:

- There would be a programme of assistance for those who needed help with their Photo Authority Certificate applications.
- Election Offices would be able to provide reprints of the document if needed. The certificates would eventually be available directly from election offices and staff would be on hand to assist with the applications and ensure that electors were supported.
- There would be a national and local programme of communications about the Photo Authority Certificate in January 2023 and communications about the changes would be developed over the next few months. Any suggestions from Councillors about sharing information locally would be welcomed.
- Changes to postal votes would mean they would need to be renewed every three years.
- The recent online canvass of voters had shown a 15% increase in online respondents compared to this time last year.

The committee was informed that they would be provided with advice on the changes as further information became available.

**RESOLVED –**

- (i) THAT the Committee's comments on the proposed changes to polling places outlined in the report be noted and
- (ii) THAT the comments on the changes contained within the Elections Act 2022 be noted.

**17. WORK AND TRAINING PLAN AND ACTION TRACKER**

The report was taken as read.

**RESOLVED –**

- (i) THAT the work plan for 2022/23 be noted;
- (ii) THAT the training sessions that had taken place for Members of the Committee be noted;
- (iii) THAT the action tracker for actions arising from the previous meeting as per Appendix C be noted.

**18. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no urgent business.

The meeting ended at 9.45 pm.

**CHAIR**

**Contact Officer: Donna Alexander-Morrison**

**Telephone No: 020 7974 5319**

**E-Mail: donna.alexander-morrison@camden.gov.uk**

**MINUTES END**