

GENERAL PURPOSES COMMITTEE

13 MARCH 2013

(19:15 TO 21:17)

- PRESENT:** Councillors Peter McCabe (Chair), Janice Howard (vice-Chairman), Laxmi Attawar, John Dehaney, Gilli Lewis-Lavender, Ian Munn, Debbie Shears, Linda Taylor, Ray Tindle and Martin Whelton.
- Ernst Young (external auditors): David Wilkinson, Paul King and Lizzie Peers.
- Simon Williams (Director of Community and Housing), Paul Dale (Interim Assistant Director of Resources), Brian Thompson (Head of Accountancy), Margaret Culleton (Head of Audit), Marissa Bartlett (Head of Joint HR transactional services) and Colin Millar (Democracy Services)
- ALSO PRESENT:** Keith Shipman (Education and youth inclusion manager)

1 DECLARATIONS OF INTEREST (Agenda item 1)

None

2 APOLOGIES FOR ABSENCE (Agenda item 2)

Councillor Samantha George (Councillor Ray Tindle substituting)

3 MINUTES OF THE MEETING HELD ON 27 SEPTEMBER 2012 (Agenda item 3)

RESOLVED: That the minutes of the meeting held on 27 September 2012 are agreed as a correct record.

4 MINUTES OF THE MEETING HELD ON 7 NOVEMBER 2012 (Agenda item 4)

RESOLVED: That the minutes of the meeting held on 7 November 2012 are agreed as a correct record.

5 EXTERNAL AUDITOR - AUDIT PLAN (Agenda item 5)

The plan was presented to the Committee.

The Chair made a reference to a recent serious misstatement of accounts at Croydon PCT and asked what advice the auditors had for members to ensure such a situation did not arise at Merton.

David Wilkinson said that members must satisfy themselves that proper internal controls were in place and that they should be aware of pressure on managers to meet targets. Paul King pointed out that those pressures were more acute in the health service than in local authorities. Paul Dale said that at least one firm of external auditors had commented that there was a better culture in local authorities than in the health service and the role of the s151 officer was a particularly strong point of responsibility in local government finance..

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The Chair asked that officers be reminded that any problems needed to be reported to members immediately. Members would consider any delay in reporting problems as a very serious matter.

The auditors and Interim Assistant Director of Resources of responded to various points raised by members:

- The use of their own experts would only be to check assumptions in case of discrepancies;
- “Trivial” items in accounting terms could still be serious issues and should be dealt with appropriately – this use of the word was only in respect of whether or not the accounts had to be restated;
- Paul Dale said that there was now a more robust system for asset valuation in place;
- Paul Dale said that there was monthly financial monitoring through Cabinet and also regular reports to the Overview and Scrutiny Commission’s Financial Monitoring Task Group;

6 EXTERNAL AUDITOR - BRIEFING NOTE (Agenda item 6)

Noted

7 EXTERNAL AUDITOR - ANNUAL AUDIT FEE LETTER (Agenda item 7)

Noted that this had been covered in agenda item 5

8 EXTERNAL AUDITOR - REPORT TO THOSE CHARGED WITH GOVERNANCE (Agenda item 8)

Noted

9 PENSIONS AUTOMATIC ENROLMENT - PREPARATION AND PROGRESS UPDATE (Agenda item 16)

Reason for urgency: The Chair had agreed to the late submission of this report as an urgent matter as a decision to defer auto enrolment for existing employees has been taken and HR officers would like to report to members prior to the original deadline of 1 April 2013. The Council’s staging date for new employees is 1 April 2013.

Marissa Bartlett explained that this was not an iTrent issue – the software was fully compliant. Councillors would not be auto-enrolled.

Paul Dale said that £300,000 had been allowed in the 2013-14 budget for costs although the exact uptake and cost was not known.

RESOLVED: That the General Purposes Committee:

- 1) notes the contents of the report in relation to the actions being taken to prepare for pensions automatic enrolment of new employees as at 1st April 2013 and;
- 2) agrees to support focused action to encourage voluntary enrolment into an appropriate pension scheme and especially in the advent of

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changes to the Local Government Pension Scheme in 2014.

10 ANNUAL GOVERNANCE STATEMENT (AGS) 2011/12 IMPROVEMENT
PLAN UPDATE (Agenda item 9)

Members were concerned at the number of target dates that had not been met and asked that action be taken to remind officers that these improvement issues must be followed up and implemented.

Margaret Culleton agreed to circulate a list of risk champions to members.

Ian Munn asked that when risk management training is being arranged for Councillors that their availability is checked.

Noted

11 INTERNAL AUDIT PROGRESS REPORT(Agenda item 10)

Members were concerned at the high priority outstanding item for South London Waste Partnership.

The chair asked that officers be reminded to respond and that their response be circulated to members.

Simon Williams and Paul Dale discussed the current procurement model with members. Although procurement was decentralised there was a central team which advised and assisted locally, particularly with teams which had little procurement experience.

Schools were broadly satisfied with iTrent and only one had opted out.

Noted

12 INTERNAL AUDIT PLAN, STRATEGY AND TERMS OF REFERENCE
2013/14 (Agenda item 11)

Margaret Culleton said that limited assurances from previous audits would have a follow-up audit.

The timetable for audits had not yet been set but member comments in respect of the pupil place planning issue would be taken into account.

The numbers of cost centres and subjectives was being reviewed with a view to reducing these where possible.

Noted

13 WHISTLEBLOWING POLICY AND YEARLY UPDATE (Agenda item 12)

Members raised various points which were answered by officers:

- Complaints against councillors were handled by the monitoring officer and the Standards Committee;
- The investigating officers would depend on the nature of the issue

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but the investigations team kept the central register;

- line managers could not decide to classify an issuer as a grievance rather than a complaint;
- all issues raised were on the register presented to the committee regardless of their eventual disposal;
- members were given an assurance that complainants identities were protected;

14 PROTOCOL ON PLANNING MATTERS (Agenda item 13)

Members asked that the words “appear to” be deleted from paragraph 4.11.3.

RESOLVED: That the protocol on planning matters as amended be recommended to Council for adoption.

15 CONSTITUTIONAL AMENDMENTS (Agenda item 14)

RESOLVED: That the proposed amendments to the constitution are recommended to Council for adoption.

16 WORK PROGRAMME (Agenda item 15)

Noted