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GENERAL PURPOSES COMMITTEE

26 SEPTEMBER 2013

(19.15 - 21.00)

PRESENT Councillors Peter McCabe (in the Chair), Laxmi Attawar, John Dehaney, Janice Howard, Lewis-Lavender, Ian Munn, Rod Scott, Debbie Shears, David Williams and Martin Whelton.

Caroline Holland (Director of Corporate Services), Paul Dale (Interim Assistant Director of Resources), Brendan Bradley (Senior Accountant), Miriam Adams (Interim Treasury & Insurance Manager), Steve Bowsher (Chief Accountant), Margaret Culleton (Head of Internal Audit), Julia Regan (Head of Democracy Services), Sean Cunniffe (Head of Customer Contact) and Colin Millar (Democracy Services).

Ernst Young auditors

Paul King, David Wilkinson, Michael Yeats and Peter O'Neill.

1 DECLARATIONS OF INTEREST (Agenda Item 1)

None were made

2 APOLOGIES FOR ABSENCE (Agenda Item 2)

Councillor Agatha Akigyina (Councillor Martin Whelton substituting)

3 MINUTES OF THE MEETING HELD ON 27 JUNE 2013 (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 27 June 2013 are agreed as a correct record.

4 AUDITED FINAL ACCOUNTS 2012/13 (Agenda Item 4)

Additional appendices and addendums were tabled.

Members discussed the final audited accounts with the external auditors and officers including the following matters:

- The collection fund reserve was an unusable reserve and was not shown with the other reserves;
- The analytical tools were not available to use because of the complexity of the systems and the late appointment of auditors – the tools should be available next year;

- Underspends which ran for more than a year were prioritised to be taken as savings;
- The underspend for 2012/13 was £1.2 m – it was anticipated that 2013/14 would be less than that;
- The capital programme was last reprofiled at September Cabinet and was kept under constant review – officers were encouraged to take a whole programme approach to their capital programme plans;
- The auditors did not make a judgement on the level of reserves and there was no benchmarking;
- The planned use of reserves was reported to Council at its budget meeting each year – Merton’s reserves level was at around the mid-level for London boroughs;
- Financial management systems needed updating to make them less complex and cumbersome – this work had been approved by Cabinet in September and was now underway;
- Short term deposits were increased as reserves were available to invest;
- The pension fund was 85% funded at the last valuation – this is in the top half of funds across London;

RESOLVED:

1. That the General Purposes Committee approve the audited Statement of Accounts, including the Pension Fund Accounts.
2. That the General Purposes Committee note any comments made by the Pensions Fund Advisory Panel in relation to the Annual Pension Fund Accounts 2012/13.
3. To note Ernst & Young’s Audit Results Report for the Council’s Pension Fund accounts under the International Standard on Auditing 260 (ISA 260).
4. To note Ernst & Young’s Audit Results Report for the Council’s main accounts under the ISA 260.
5. That the Chair signs the Letter of Representation for the Council’s 2012/13 main accounts.
6. That the Chair signs the Letter of Representation for the Council’s 2012/13 Pension Fund accounts.

5 INTERNAL AUDIT - PROGRESS ON ANNUAL AUDIT PLAN (Agenda Item 5)

Members discussed the report with officers:

Members were very concerned that some areas were subject to a second limited assurance. They asked officers to report their concerns to CMT and asked to have an emphasis placed on implementing actions agreed with internal audit. Officers would be asked to appear at committee if members felt that there was inappropriate delay in complying with these actions.

Caroline Holland said that service improvement issues including audit actions were now part of the appraisal and service objectives processes.

Sean Cunniffe was in attendance to discuss the cash collection contract which was currently unsatisfactory. The contract was currently at tendering stage and should be let by January 2014. The existing contractor was entitled to submit a bid. The emphasis on letting the contract would be on quality.

Paul Dale said that the duplicate entries were due to a failed batch process which was not reversed for some time. Monthly reconciliations had now been introduced which would allow such issues to be identified and dealt with more quickly.

Members were of the view that personal payments needed to be monitored to ensure that public money was being properly spent.

RESOLVED:

1. That Members note the report and comment upon matters arising from the Internal Audit Progress Report
2. That members approve the Internal Audit Charter

6 FREEDOM OF THE BOROUGH (Agenda Item 6)

RESOLVED:

- 1) That the General Purposes Committee recommends to Council that the three Wimbledon ladies champions Angela Mortimer, Ann Haydon-Jones and Virginia Wade be awarded the freedom of the borough.
- 2) That the General Purposes Committee recommends to Council that officers be instructed to report to General Purposes Committee on future criteria and procedures for considering nominees for the freedom of the borough with a view to making a recommendation to Council on the adoption of such criteria and procedures.