

Agenda Item 4

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GENERAL PURPOSES COMMITTEE

10 MARCH 2016

(7.15 pm - 9.15 pm)

PRESENT Councillor Peter McCabe (Chair),
Councillor Janice Howard, Councillor Laxmi Attawar,
Councillor Adam Bush, Councillor Tobin Byers,
Councillor Stephen Crowe, Councillor Mary Curtin,
Councillor Ian Munn, Councillor David Williams and
Councillor Agatha Mary Akyigyina

ALSO PRESENT Paul King, Executive Director, Ernst & Young
Kim Brown – Joint Head of HR Policy Development
Margaret Culleton – Head of Audit
Julia Regan – Head of Democracy Services
Kevin Holland – Head of Shared Fraud Partnership
David Keppler - Head of Revenues and Benefits
Lisa Jewell – Democratic Services

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies for absence were received.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

No declarations of pecuniary interest were made.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes of the meeting on 4 November 2015 were agreed as a true record.

4 CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2014-15 (Agenda Item 4)

Paul King, Executive Director, Ernst & Young, presented the Certification of Claims and Returns Annual report 2014-15. This report gave a summary of the results of Ernst & Young's work on the Council's Housing benefit subsidy claim. He reported that for 2014-2015 the level of errors was reduced compared to previous years. Members noted that although a lot of the issues were minor the DWP are very exact regarding errors and overpayment, however small.

Members asked the Head of Revenues and Benefits about system issues with Civica and noted that going forward such issues will be raised and resolved with Civica as soon as they are identified.

RESOLVED

Members noted the report

5 EXTERNAL AUDIT: AUDIT PLAN (Agenda Item 5)

Paul King, Executive Director, Ernst & Young, presented the Audit Plan, which summarised the initial assessment by Ernst and Young of the key risks driving the development of an effective audit for the Council, and outlines the planned audit strategy by Ernst and Young in response to those risks. Members noted the PSAA reduced scale audit fees.

RESOLVED

Members noted the report

6 EXTERNAL AUDIT:AUDIT BRIEFING (Agenda Item 6)

Paul King, Executive Director, Ernst & Young, presented their Local Government Audit Committee Briefing. Members noted the section containing Key Questions for the Audit Committee and asked about Merton's Council Tax Support Scheme and how it compares to that of other London Boroughs. The Revenue and Benefits Manager said he would send members a spreadsheet that provided this information. The Chair asked if the Director of Finance be asked if she had anything further to add to this.

RESOLVED

The Committee noted the Briefing Document

7 INTERNAL AUDIT: PROGRESS REPORT (Agenda Item 7)

The Head of Audit presented her report on Internal Audit Progress. Members commented on the section detailing limited assurances with regard to service tenancies, saying that this had been an issue for a number of years

The Committee requested the following from the Head of Audit:

- Request for a follow up report on service tenancies to GP committee
- Ensure that relevant officers attend GP Committee when Limited Assurances are on the Agenda, let Democratic services know the names of these officers
- Let the Chair know in advance if Officers are concerned by the issues on the agenda or are unable to attend
- Fraud partnership to check data to ensure service tenancies properties are not being sub-let
- Let Committee know how many former employees have bought their service tenancy properties since 2009.

In relation to the Limited Assurance at the Smart Centre, the Committee requested, from the head of Audit, a follow up review to include the reasons for the deficit.

The Head of Democratic Services was asked to send Committee Members the Asset Management Plan that went to the Financial Management Task Group. The Committee would then consider if they required further information.

The Committee considered Staff Sickness levels as detailed in the report. The Joint Head of HR Policy Development asked the Committee to note that Merton, unlike other London Boroughs, does employ its own front line staff such as waste collectors. The Committee requested further information on the age profile of Merton Council Staff compared to that of other London Boroughs, this will be provided by the Joint Head of HR Policy Development.

RESOLVED

That the General Purposes Committee:

- A. noted the Internal Audit Progress Report and comment upon matters arising from it.
- B. noted the Whistleblowing update.

8 INTERNAL AUDIT: PLAN, STRATEGY AND CERTIFICATE (Agenda Item 8)

The Head of Audit presented her report on the draft Internal Audit Strategy, Plan and Charter 2016/17 which was noted by the Committee.

RESOLVED

The General Purposes Committee reviewed the 2016/17 Draft Internal Audit Strategy, Plan and Charter.

9 INTERNAL AUDIT: WHISTLEBLOWING POLICY (Agenda Item 9)

The Head of Audit presented a report on the updated Whistleblowing Policy. The Committee asked the extent to which Whistleblowers were moved out of the organisation via compromise agreements. The Head of Audit was asked to monitor this and report back to the Committee.

RESOLVED

The General Purposes Committee commented on and approved the revised Whistleblowing Policy.

10 INTERNAL AUDIT: ANNUAL FRAUD UPDATE (Agenda Item 10)

Kevin Holland, Head of Shared Fraud Partnership, presented the Fraud Update Report and the 'Protecting the London Public Purse 2015' benchmarking report. The

Committee noted that the update report described the structure of the South West London Fraud Partnership (SWLFP) and described the work it undertakes. Members commented that much of this work was related to Housing and reducing housing waiting lists and asked if Merton Priory Housing paid for any of this work. Officers replied that they did not and the main cost and benefit of this work was to the Council.

Members asked about prosecutions against fraudulent Blue Badge use and noted that London Borough of Wandsworth did actively pursue and prosecute such fraud, but the Merton did not. Members agreed that it was important that residents could see action being taken against such fraud. The Committee informed the Head of Fraud Partnership that they would like to see Merton pursuing and prosecuting against Blue Badge Fraud.

RESOLVED

That the General Purposes Committee

1. notes the Fraud Progress report and comment on the matters arising from it.
2. receive as information the first London based Protecting the Public Purse Report and support continued participation including the development of the London baseline for future regional benchmarking activities.

11 UPDATE REPORT ON NON-KEY DELEGATED EXECUTIVE DECISIONS
(Agenda Item 11)

The Head of Democracy Services presented her report on the Review of Non-Key Delegated Executive Decisions. Members noted that the process for recording and publishing non-key delegated executive decisions was implemented in November 2014 in response to new legislation and that Council had agreed that those decisions should also be subject to call-in. Members noted that this system had not proved onerous for Democracy Services Officers. The Head of Democracy Services agreed to meet with Councillor Ian Munn, to discuss the delegated decision process and forward plan system. The conclusion of this meeting would be reported to the next GP meeting, and the Committee would then decide whether or not to request a further review report of the process.

RESOLVED

That The General Purposes Committee:

1. Discussed and commented on the review of the new process for recording and publishing non-key delegated executive decisions that was implemented in November 2014
2. Recommended that no changes are made to the process for recording and publishing these decisions at present

3. Recommend that, should he identify concerns or a need for change in future, the Assistant Director of Corporate Governance should bring a further review report to the Committee.

12 WORK PROGRAMME (Agenda Item 12)

The Committee noted the Work Programme for the GP Committee 2016-17. Members discussed the possibility of combining Standards Committee with GP Committee, but agreed that this was an issue they would discuss with their groups.

Paul King asked for the report – External Audit: Audit Results Report – to be added to the agenda for September 2016.

RESOLVED

The Committee noted the Work Programme

13 EXCLUSION OF THE PUBLIC (Agenda Item 13)

RESOLVED

That the public were excluded from the meeting during consideration of the following reports on the grounds that they were exempt from disclosure for the reasons stated in the reports.

14 TEMPORARY AND CONTRACT WORKERS (Agenda Item 14)

The Joint Head of HR Policy Development presented her report on Temporary and Contract Workers and apologised for the late circulated annexe. The Chair requested that this report be brought to GP Committee as a regular standing item.

The Committee noted the detail in the report and annexe regarding hard to fill vacancies and the use of contract and temporary staff to fill such vacancies. However the Committee felt very strongly that all departments that hire temporary staff at over £30 per hour should be firmly challenged about their need for these staff versus employing permanent staff. This was especially the case where such temporary staff were retained for over 24 months.

The Committee asked to see actual vacancy rates and numbers for each department and also any cases where the long-term use of contract staff had been successfully challenged.

RESOLVED

The Committee noted the progress made to monitor and control the use of Temporary workers and Consultants

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