

# Agenda Item 3

## STANDARDS AND GENERAL PURPOSES COMMITTEE 25 JULY 2019

(7.15 pm - 9.08 pm)

PRESENT Councillors Councillor Peter McCabe (in the Chair),  
Councillor Adam Bush, Councillor Ben Butler,  
Councillor John Dehaney, Councillor Brenda Fraser,  
Councillor Dickie Wilkinson, Councillor Sally Kenny, Councillor  
Stan Anderson, Councillor David Williams,  
Councillor Hina Bokhari, Councillor Nigel Benbow and  
Councillor Russell Makin

### ALSO PRESENT

Pam Donovan – Independent Person

Simon Mathers – Ernst and Young  
Simon Luk – Ernst and Young

Caroline Holland (Director of Corporate Services), Paul Evans  
(Assistant Director of Corporate Governance), Margaret Culleton  
(Head of Internal Audit), Roger Kershaw (Assistant Director of  
Resources), Steve Bowsher (Chief Accountant), Nemashe  
Sivayogan (Head of Treasury and Pensions), Bindi Lakhani  
(Head of Accountancy) and Amy Dumitrescu (Democratic  
Services Officer)

### 1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillors Agatha Akyigyina and Mary Curtin.  
Councillors Stan Anderson and Sally Kenny attended as their substitutes.  
Councillors Nigel Benbow and Russell Makin attended the meeting, replacing  
Councillors Thomas Barlow and Pauline Cowper.

Apologies were received from Independent Person Clive Douglas.

### 2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

### 3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting held on 14 March 2019 were agreed as  
a correct record.

### 4 FINAL ACCOUNTS (Agenda Item 4)

The External Auditor presented the report advised that the audit of the Pension Fund  
Accounts was complete subject to letters due to be signed by various parties

following the Committee meeting. The Auditors expected to provide an unqualified opinion.

A large amount of work had been required late in the day following the McCloud judgement (relating to pension liabilities for all ages rather than only older pension members) and therefore the liabilities for the Local Government Pension Scheme had been re-assessed. Currently the Government had been denied an appeal on this judgement and therefore the additional liabilities needed to be recognised. There was one disclosure on the Pension Fund.

In relation to the Council accounts, the Pension fund liability had led to a rerun of the actuary assessments and this was reflected in the amended statements.

The External Auditor gave an overview of the areas of focus for and advised that there had been no significant changes to the accounts arising from the audit. The External Auditor informed the Committee that in relation to CIF, auditors were satisfied that this was well dealt with by officers and only some small changes had been made, with an unqualified opinion proposed.

The External Auditor noted that there were no other reporting issues and members noted that the contingent liability had been discussed at length during the Pension Fund Investment Advisory Panel and comfort had been given in line with other bodies satisfying the panel on these issues.

The External Auditor gave an overview of the Audit Results Report for the main Council accounts including the updated scope and advised that the auditors were working hard to ensure the work was completed by the deadline of 31 July 2019 and were being well supported by officers to achieve this.

The External Auditor advised that there was one unadjusted difference in relation to the DSG (dedicated schools grant).

In relation to valuation of PPE (Property, Plant and Equipment) the auditors were content that there were no significant adjustments to be made this year and whilst detailed recommendations for improvement would be made, officers had worked hard to improve PPE records and had been successful in doing so.

Value for Money assessments were fully complete and resulted in an unqualified opinion and auditors were content that the content of the MTFs (Medium Term Financial Strategy) was comprehensive and with reasonable assumptions.

In relation to the DSG a recovery plan had been produced however this was not factored into the MTFs and would lead to a budget gap going forward.

Following recommendations made last year in comparison to this year, auditors noted that whilst this was a work in progress officers were doing all of the right things to improve where improvements were required.

Members expressed concern regarding the DSG and the Director for Corporate Services advised that since the introduction of the DSG, the DfE (Department for Education) had allowed for deficits to be carried over and did not expect these to be funded by Council general resources.

The Chair thanked the auditors for their hard work which was recognised by the Committee.

#### RESOLVED:

1. That Committee approved the audited Statement of Accounts, including the Group Accounts and the Pension Fund Accounts (Appendix 2), subject to any further comments from the External Auditor.

2. That Committee noted any comments made by the Pensions Fund Advisory Panel regarding the Pension Fund Accounts.
3. That Committee noted EY's Audit Results Report (Appendix 4) for the Pension Fund accounts under the International Standard on Auditing (ISA) 260.
4. That Committee noted EY's Audit Results Report (Appendix 3) for the Statement of Accounts under the ISA 260.
5. That the Chair signed the Statement of Responsibilities for the Statement of Accounts (Appendix 2).
6. That the Chair signed Letters of Representation (Appendices 3 and 4) for the Statement of Accounts and Pension Fund Accounts.

5 FEE LETTERS FOR THE COUNCIL AND PENSION FUND ACCOUNTS  
(Agenda Item 5)

The External Auditor presented the Fee Letters and in response to members questions advised that there was no additional fee for questions received from members of the public.

6 INTERNAL AUDIT ANNUAL REPORT (Agenda Item 6)

The Head of Internal Audit presented the report advising that a reasonable assurance would be agreed subject to the limited assurance reports for Declarations of Interest (for officers) and Procurement, the actions for which were due at the end of July 2019.

In response to member questions, the Head of Internal Audit and Director of Corporate Services advised that the declarations of interest process was currently under review and that there had been increased work in this area including publishing further guidance on the Council's intranet.

In response to further questions, the Head of Internal Audit advised that the Accounts Receivable had not been audited in 2018/19 as this was done on a three year rolling programme and has been added to the 2019/10 audit plan.

RESOLVED: That the Committee reviewed and commented on the Internal Audit Annual Report 2018/19.

7 ANNUAL GOVERNANCE STATEMENT (Agenda Item 7)

The Head of Internal Audit presented the report.

In response to member questions, the Director of Corporate Services advised that there would be a report from the Brexit Working Group at the September meeting of Cabinet looking at the potential impact of Brexit and how the impact would be dealt with.

RESOLVED: That the Committee agreed the Annual Governance Statement.

8 LOCAL GOVERNMENT ETHICAL STANDARDS - A REVIEW BY THE  
COMMITTEE ON STANDARDS IN PUBLIC LIFE (Agenda Item 8)

The Monitoring Officer presented the report and gave an overview of the recommendations. The report had concluded that standards for Councillors were generally high and the changes proposed would require a legislative change and therefore were not expected to be brought in at present however the report outlined a number of good practice indicators to be implemented shortly.

Members expressed the view that currently there were not mechanisms in place to widely scrutinise organisations such as the SLWP (South London Waste Partnership) and further discussion on this would take place at the next meeting.

A further report would be brought to the Committee for discussion at the next meeting.

#### RESOLVED:

1. That the Committee noted the recommendations of the Committee on Standards in Public Life.
2. That the Committee agreed the best practice actions described in Paragraph 3.

#### 9 APPOINTMENT OF INDEPENDENT PERSON (Agenda Item 9)

The Democratic Services Officer presented the report. Members requested whether as the appointments of each of the two Independent Persons were required within a short period of time, the appointments could be phased so these coincided. Officers agreed to ensure that the appointments were phased going forward.

RESOLVED: That the Standards and General Purposes Committee agreed that an interview panel comprising one Councillor from each political group should be appointed to interview and to recommend to Council the appointment of one Independent Person to serve for a period of three years.

#### 10 COMPLAINTS AGAINST MEMBERS (Agenda Item 10)

The Committee noted a verbal update from the Monitoring Officer, advising that there had been no new complaints since the previous meeting.

The Monitoring Officer informed the Committee that a previous complaint from 2017 had been referred to the Ombudsman. Whilst the original finding by the Independent Person and Monitoring Officer had been that the complaint did not require further investigation, the Ombudsman finding had been that some additional factors needed to be taken into account and therefore an Independent experienced person should be appointed to reconsider the complaint.

The external person had visited the Council in the week prior to the Committee meeting and findings from the work were expected within 3 weeks following the Committee. The Monitoring Officer advised that if an update was required this would be provided at the next meeting of the Committee.

#### 11 WORK PROGRAMME (Agenda Item 11)

Members discussed whether given recent improvements and progress, the Temporary and Contract Staff report was required at every meeting. It was agreed that the report would be presented at alternate meetings going forward and this would be reviewed in twelve months' time.

The Work Programme was noted and agreed.

## 12 EXCLUSION OF THE PRESS AND PUBLIC (Agenda Item 12)

RESOLVED: That the public were excluded from the meeting during consideration of item 13 on the grounds that it is exempt from disclosure for the reasons stated in the report.

## 13 TEMPORARY AND CONTRACT STAFF UPDATE (Agenda Item 13)

The Director of Corporate Services presented the report and provided updates on recent recruitments. Members expressed that once a HR lead was recruited to the currently vacant post, the post holder should continue to challenge the use of agency and temporary contract staff.

RESOLVED: That members noted the progress made to monitor and control the use of temporary workers and consultants.

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