

Agenda Item 3

STANDARDS AND GENERAL PURPOSES COMMITTEE 5 NOVEMBER 2020

(7.15 pm - 8.19 pm)

PRESENT Councillors Councillor Peter McCabe (in the Chair),
Councillor Adam Bush, Councillor Agatha Mary Akyigyina,
Councillor Ben Butler, Councillor John Dehaney,
Councillor Dickie Wilkinson, Councillor David Williams,
Councillor Hina Bokhari, Councillor Nick McLean,
Councillor Mary Curtin and Councillor Carl Quilliam

ALSO PRESENT Suresh Patel – EY
Simon Mathers – EY
Simon Luk – EY
Clive Douglas – Independent Person
Katy Willison – Independent Person
Caroline Holland (Director of Corporate Services), Margaret
Culleton (Head of Internal Audit), Steve Bowsher (Chief
Accountant), Amy Dumitrescu (Democratic Services Officer),
Farzana Karamat-Mughal (Democratic Services Officer
(Temporary)), Roger Kershaw (Assistant Director of Resources),
Louise Round (Managing Director, South London Legal
Partnership and Monitoring Officer) and Dr Dagmar Zeuner
(Director, Public Health)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from Councillor Pauline Cowper and Councillor Andrew Howard. Councillor Nick McLean attended as substitute.

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 22 September 2020 were agreed as a correct record.

4 AUDITED FINAL ACCOUNTS 2019/20 (Agenda Item 4)

The Director of Corporate Services introduced the report, advising that Merton was one of the first to have had their accounts audited by EY by the deadline that had been set.

The External Auditors gave an overview of the report, highlighting the changes since the previous report to committee in September 2020. It was noted that in relation to the DSG (Dedicated Schools Grant) the cumulative overspend had been correctly disclosed. A statutory instrument had been introduced by the MHCLG to allow cumulative DSG deficits to be accounted for as an unusable reserve and this would

be applied prospectively from 1 April 2020 and therefore had no impact on the 2019/20 accounts. A DSG recovery plan was in place.

Referring to the Pensions liabilities, assurances requested had now been received and the liabilities had been increased as a result.

On the value for money conclusion, an unqualified conclusion was proposed however it was noted that the DSG was an area that needed to be addressed.

The impact of Covid was not considered as this did not begin to impact until the end of March 2020.

In regards to fees, the three areas of additional work had now been included and the additional fees would be provided to the Director of Corporate Services.

In response to questions from members, it was confirmed that the DSG had been discussed at the Children and Young People Overview and Scrutiny Panel and an update on the current deficit would also be taken back to the panel.

In response to further questions, External Audit advised that in relation to the difference between EY's valuer and the Council's valuer and whether this would be an ongoing issue, it was considered that it might however it also may not if the valuers changed or the approach changed. In relation to the going concern disclosure, it was noted that this had been more extensive this year and might need to be going forward however further guidance was expected from Cipfa on this issue.

RESOLVED:

1. That the Committee, having scrutinised and approved the accounts at its meeting on 22nd September, approved one amendment to those audited Statement of Accounts, including the Group Accounts and the Pension Fund Accounts subject to any further comments from the External Auditor.
2. The Committee noted EY's Audit Results Report (Appendix 2) for the Pension Fund accounts under the International Standard on Auditing (ISA) 260.
3. The Committee noted EY's Audit Results Report (Appendix 1) for the Statement of Accounts under the ISA 260.
4. That the Chair signed the Statement of Responsibilities for the Statement of Accounts (Appendix 3).
5. That the Chair signed the Letters of Representation (Appendices 1 and 2) for the Statement of Accounts and Pension Fund Accounts.

5 WHISTLEBLOWING POLICY REVIEW (Agenda Item 5)

The Head of Internal Audit presented the report and updated policy, highlighting the changes that had been made to the policy. Online fraud training would be rolled out to all employees by the end of the year.

In response to member questions, officers advised that in relation to the increase in cases, a further report would be brought back to the March 2021 committee to give details on the reasons for these increases.

The Head of Internal Audit confirmed there was no appeals process, but there are external bodies that the Whistleblowing can contact, if they are dissatisfied with the Councils review. Independent Person Clive Douglas queried whether his own role could be extended to undertake these reviews.

RESOLVED:

The Committee commented upon and approved the revised Whistleblowing policy and commented on the Whistleblowing process.

6 HEALTH AND WELLBEING BOARD TERMS OF REFERENCE (Agenda Item 6)

The Director of Public Health presented the report detailing the proposed terms of reference for the Health and Wellbeing Board Sub-group. This sub-group is advisory and reports to the statutory Health and Wellbeing Board. The terms of reference had been agreed by the Health and Wellbeing Board.

In response to a question from Independent Person Katy Willison, the Director of Public Health would amend the terms of reference to clarify the frequency of meetings.

RESOLVED:

A. The Committee agreed the draft terms of reference for the Health and Wellbeing Board Community Subgroup to be reported to full Council in November.

7 ANNUAL GIFTS AND HOSPITALITY REPORT - MEMBERS AND OFFICERS (Agenda Item 7)

The Monitoring Officer presented the report, noting that all gifts and hospitality on both registers showed all appeared to be registered appropriately. There had been fewer declarations than in previous years, whilst the reason for this was unclear however all staff and members would be reminded of their responsibility to declare gifts and hospitality. There had been a blanket declaration inputted on behalf of the number of officers who had received towels donated by the All England Lawn Tennis Club following the cancelled Wimbledon 2020 tournament and a number of members had also declared receiving these.

RESOLVED:

A. That the Committee noted the report.

B. That members were reminded of their responsibility to complete declarations of gifts and hospitality including reasons for acceptance.

C. Managers will remind staff about their responsibilities under the Employee's Code of Conduct to complete declarations, including reasons for acceptance.

8 COMPLAINTS AGAINST MEMBERS (Agenda Item 8)

The Monitoring Officer advised the Committee that there had been no complaints which had gone to the investigation stage. There had been one complaint received regarding the content of some members' submissions on the Boundary Review, however the Monitoring Officer and one of the Independent Persons had taken the view that this complaint did not meet the threshold for investigation.

The Monitoring Officer advised there had been one further complaint received on the day of the meeting which would be assessed and brought to the next meeting if required.

9 WORK PROGRAMME (Agenda Item 9)

The Work Programme was noted and agreed.

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