

Agenda Item 3

STANDARDS AND GENERAL PURPOSES COMMITTEE 28 NOVEMBER 2022

(8.00 pm - 9.42 pm)

PRESENT Councillors Councillor Michael Brunt (in the Chair),
Councillor John Oliver, Councillor Laxmi Attawar,
Councillor John Braithwaite, Councillor Caroline Charles,
Councillor Billy Hayes, Councillor Edith Macauley,
Councillor Gill Manly, Councillor Michael Paterson,
Councillor Martin Whelton, Councillor Simon McGrath and
Councillor Victoria Wilson

ALSO PRESENT Louise Round (Interim Executive Director of Innovation and
Change), Margaret Culleton, Roger Kershaw (Interim Executive
Director of Finance and Digital), Helen Martin, Kevin Holland and
Richard Seedhouse (Democratic Services Officer)

**ATTENDING
REMOTELY** Councillor Gill Manly, Nemashe Sivayogan (Head of Treasury
and Pensions), Katy Willison, Clive Douglas and Elizabeth
Jackson (Ernst and Young)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Robert Page, Councillor Simon McGrath attended as substitute. Councillor Gill Manly attended remotely.

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 13 October 2022 were agreed as a correct record.

4 EXTERNAL AUDIT ANNUAL LETTER (Agenda Item 4)

The External Audit Annual Letter will be brought to a future meeting of the committee.

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

The Head of Internal Audit introduced the report.

In response to questions, the Head of Internal Audit confirmed that officers could be invited to the Committee meeting to report on how items of concern had been taken forward, there is no automatic process for doing so, but as some items have been on the report three times, now may be a good time to invite relevant officers. At this stage it would not be necessary to invite the Chief Executive, but that is possible.

RESOLVED:

- That the committee noted and commented on the report, and requested that officers from Building Control and PCI Compliance be invited to the March meeting, if their audit items remain unresolved.
- That officers would circulate a list of when schools in the borough had last been audited to members.

6 FRAUD UPDATE REPORT INCLUDING RIPA AUTHORISATIONS (Agenda Item 6)

The Head of Shared Fraud Partnership introduced the report. The National Fraud Initiative allows the borough to match data with other local authorities to find people who have moved between areas, or deceased, to ensure that benefits are not duplicated. This work provides a significant return for little input from the authority. The work will mainly weed out clerical issues, but the risk of fraud lies within this area.

The work will feature on the audit plan for next year, and the numbers could be lower when checked at that time. A number of authorities have done extensive data cleansing, which will impact on final figures.

RESOLVED:

That members noted the Fraud Progress report that included an indicative plan for the application of resources for 2022/23, a review of activity completed during 2021/22 and 2022/23 to October 2022, and commented on the matters arising from it.

7 FINAL ACCOUNTS (Agenda Item 7)

The Interim Executive Director for Finance and Digital introduced the report, with the External Auditor, Ernst and Young.

In response to questions, officers confirmed that the understatement of cash was related to how schools submitted their data, accounts had been amended to show PTA funds were correctly categorised, the money was not mislaid.

Errors in accounting classification had shown an understatement in cash and overstatement in debtors, this had been resolved.

There is potential for some elements to become material, there is work in progress in this complex area, the rest of the report is fine.

If the committee approves subject to further changes, officers will write to the committee once the audit is complete highlighting any additional findings with amendments and a final version. If necessary a meeting with the chair and vice-chair

can be arranged, with responsibility for final approval delegated to the chair, vice-chair and S151 officer.

RESOLVED:

- That the Committee approved the revised Statement of Accounts, including the Group Accounts and the Pension Fund Accounts (Appendix 2), subject to any further comments from the External Auditor. B.
- That the Committee noted EY's Audit Results Report (Appendix 3) and the Letter of Representation for the Statement of Accounts.
- That the Committee noted EY's Audit Results Report (Appendix 4) for the Pension Fund accounts and the Letter of Representation.
- That the Standards and General Purposes Committee delegated authority to the Executive Director of Finance and Digital to sign off the final accounts once completed, subject to the Committee receiving a copy for inspection prior to signing.

8 RISK MANAGEMENT (Agenda Item 8)

The Interim Executive Director for Finance and Digital introduced the report and in response to questions noted that Cyber attacks are a major risk, although Merton has not been adversely affected directly, other councils have and it's important to be prepared, effective training is in place.

The pandemic had tested the business continuity plans well, and we had shown ourselves to be well equipped to deal with the risk.

The Cost of Living Crisis is a risk and is covered in balancing the budget, the impact on the council has not yet manifested, but the pressure on services is likely to increase, both in terms of the demands on services and the impact of inflation on council costs in delivering services.

The impact of the mini-budget was short term, affecting gilt prices and inflation and government borrowing, over time it is expected to settle down as financial markets become more confident in the British economy.

The next quarterly review could include a narrative explaining the limits of actions available to the council in some instances.

RESOLVED:

- That the Standards and General Purposes Committee reviewed the adequacy of the risk management framework and the associated control environment
- That the Committee considered the Key Strategic Risks and Issues faced by the council, and determined whether these are being actively managed

9 ANNUAL GIFTS AND HOSPITALITY REPORT (MEMBERS) (Agenda Item 9)

The Chair encouraged members to speak to colleagues, share the report and promote the declaration of gifts and hospitality.

The Monitoring Officer introduced the report and the proposed changes to the Gifts and Hospitality Protocol.

RESOLVED:

- That the Committee noted the report
- That members were reminded of their responsibility to complete declarations of gifts and hospitality including reasons for acceptance
- That members discussed and approved the amended Gifts and Hospitality Protocol contained at Appendix 2 of the report, in regard to the tickets to the pantomime, but retained the current procedure on declaring participation in the Councillors' ballot for Wimbledon Championship Tickets
- That the members delegated authority to the Monitoring Officer to amend the protocol to reflect the views of the Committee.

10 ANNUAL GIFTS AND HOSPITALITY REPORT (OFFICERS) (Agenda Item 10)

The Monitoring Officer introduced the report and in response to questions confirmed that officers are never named in public documents.

RESOLVED:

- That the Committee noted the report

11 HEARINGS SUB-COMMITTEE (Agenda Item 11)

The Monitoring Officer introduced the report, and in response to questions confirmed that the size of the Sub-Committee and proportion of representation had been agreed at a previous meeting of the Standards and General Purposes Committee.

RESOLVED:

- That the Standards and General Purposes Committee agreed to appoint a sub-committee to undertake hearings as and when required to consider complaints against members under the members complaints process, part 5A of the Council's Constitution (Appendix A). Group offices would be approached to nominate members.
- The Monitoring Officer would compare proposed sanctions with those in other councils and report back to the Committee if there are notable differences.

12 WORK PROGRAMME (Agenda Item 12)

The Chair requested that an item on Temporary and Contract workers be expanded to a report on HR Metrics covering a wider range of information, to inform the Committee on the shape of the workforce following the pandemic.

RESOLVED: That the Work Programme was noted and agreed as amended.

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