

# Agenda Item 3

## STANDARDS AND GENERAL PURPOSES COMMITTEE

5 MARCH 2024

(7.15 pm - 9.10 pm)

**PRESENT** Councillors Councillor Martin Whelton (in the Chair), Councillor John Oliver, Councillor Sheri-Ann Bhim, Councillor John Braithwaite, Councillor Billy Hayes, Councillor Edith Macauley, Councillor Robert Page, Councillor Marsie Skeete, Councillor James Williscroft and Councillor Victoria Wilson

**ALSO PRESENT** John Scarborough (Monitoring Officer), Lance Kearney (Senior Legal Assistant), Roger Kershaw (AD Resources), Margaret Culleton (Head of Internal Audit), Elizabeth Jackson (External Auditor), Kevin Holland (Head of Fraud, SWLFP), Andrew Robertson (Head of Electoral Services), Kathryn Wittams-Smith (Head of HR) and Richard Seedhouse (Democratic Services Officer)

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

Apologies were received from Cllr Attawar and Cllr Howard, and also from Katy Willison and Clive Douglas (Independent Persons)

### 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 were agreed, and noted that the risk register update would return at the next meeting.

### 4 REVIEW OF RIPA POLICY (Agenda Item 4)

The Monitoring Officer introduced the report.

In response to questions it was confirmed that

- The policy will return to the committee for review annually.
- RIPA usage has been reduced, so it's not unusual for local authorities not to have authorisations.

It was **RESOLVED** that the Committee:

- noted that no investigations have involved authorisations under the Regulation of Investigatory Powers Act 2000 (RIPA) since the last report.

- reviewed and approved the revised RIPA Policy.

## 5 POLLING PLACES (Agenda Item 5)

The Head of Electoral Services introduced the report.

In response to questions it was confirmed that:

- An alternative polling place for district CE on the Abbey Orchard estate in Colliers Wood was considered. However, the areas that Clarion offered were in resident parking areas, there are no green spaces in which to install a marquee. This runs the risk of delaying installation of a marquee or portacabin while resident vehicles are removed. Electoral Services also considered Tooting Baptist Church, but the route to the venue would cross a railway line, with no step free access. The decision has been made to retain the status quo, where residents already have experience of attending. There has not been an indication that turnout has been noticeably affected by moving the polling station in 2022.
- Household Notification Letters have been sent out, the polling cards will have a map. There will also be signage on site at the Morden Assembly Hall, so that voters are clearly directed to the new polling station at Morden Park Baptist Church.

It was RESOLVED that the Committee:

- agreed that the Morden Park Baptist Church replaces Morden Assembly Hall as a polling place for polling district AB in Lower Morden ward
- agreed that the Wimbledon College of Art replaces St Marys Church Hall as a polling place for polling district PE in Wimbledon Town and Dundonald ward.

## 6 EXTERNAL AUDIT - VALUE FOR MONEY REPORT (Agenda Item 6)

The External Auditor introduced report. Noting that the report was a change from a VfM report to an audit update report. There were no issues arising, and can return with a fuller report at the next meeting.

This report sets out two areas of interest, following the last meeting. First the context for the audit, 2022 VfM work and also the Pension Fund. We are not doing the accounts for 22/23, DLUHC have a live consultation on accounts and audit market to relieve pressure on 740+ outstanding reports, this finishes shortly. EY have submitted their views. 22/23 accounts will be audited by 30 September 2024, EY will disclaim 22/23 accounts on the reset/recovery period with no fault for the council.

EY focus remains on getting to a position where they are able to issue VfM reports and Pension reports, will disclaim 22/23 accounts and start work on 23/24 accounts, so that 23/24 accounts can be signed off this year.

In response to questions, it was confirmed that:

- EY believe in the recovery of the market and getting the audit back on track and want to deliver the audit over summer. Will bring the audit results report to the September meeting.
- There are a number of councils who have not produced accounts in recent years, and will have multiple years disclaimed, Merton is not one of these.
- Council has to publish statements by 31 May, if unable to do so they must issue a notice to explain why, if we can't produce an audit report by published deadline EY provide a letter to be published. There's no fine for this, pre-covid a list of councils who were late would be published, but this doesn't happen at the moment.
- The DLUHC consultation (which has been live since February and closes on Thursday) does include a question around penalties for councils and audit firms for missing deadlines.

The Assistant Director Resources confirmed that draft accounts were published in May 2023 and expect to publish accounts this year too. But they will be qualified as a result of this, and it means the next set will be qualified too as the opening balances could not be verified. 24/25 will also be qualified as there will be no comparators.

The burden of proof of fault in a delay will be extremely difficult to demonstrate so even if penalties will be incurred, it is unclear how effective they will be.

It was RESOLVED that the Committee noted and commented on the report.

## 7 INTERNAL AUDIT PROGRESS REPORT (Agenda Item 7)

Head of Internal Audit introduced the report, noting 30 reviews completed., 5 limited assurance final reports completed, 222 actions issued. This committee only looks at progress on priority 1 actions, of which there were 18, with 7 outstanding.

In response to questions, it was confirmed that:

- The deficit licences when issued should prompt a recovery plan to show when they will return to normal. There are some schools that are yet to set up a recovery plan.
- IA follow a programme of testing, meet with the school to provide verbal feedback, a draft is then sent to school, and this only becomes final when comments on actions are received back from the school. All outstanding actions are followed-up.
- A financial assessment can be taken to assess for care needs, the audit identified that the cost of providing homecare is higher than the charge to the clients. The charges need to be considered as they have not been reviewed for 12 years.
- The charges are agreed by council, officers can check when/why set/maintained.
- Deferred charges are applied on the Land Register, can come back to committee and confirm if money has been recovered.

- There is a balance to be found in covering schools and other work the team is tasked with, we are trying to increase the school audits, focus is on those that provide the greatest concern
- School audits are usually scheduled every 8 years, but the frequency can increase where there are concerns.
- Not everything needs to be an audit, some things could simply be a question around compliance, that school inspectors could validate without adding to an audit which is mainly focused on financial compliance and governance.
- Deficits should be reduced within 3 years, but a longer term could be agreed as part of a plan of action, depending on the individual needs of the particular school
- An audit on schools will assess whether money is being well managed and establish whether deficits are a result of a governance or funding issue.

It was RESOLVED that Committee noted the report.

It was also RESOLVED to bring officers for outstanding actions over 9 months to committee to explain the circumstances.

## 8 INTERNAL AUDIT PLAN 2024-25 (Agenda Item 8)

Head of Internal Audit introduced the report.

In response to questions, it was confirmed that:

- We have been requested to audit HMO Licenses in Q4, and will meet again with Directors as the quarter approaches to ensure the timing is still appropriate
- Audits on building safety were originally for Legionnaires and asbestos, and have added in repairs and statutory compliance
- Capital projects are chosen by IA in discussion with the finance team and department, to ensure a selection of both large and small projects.
- Air quality audit was requested this year, and has been asked to look at again next year, as work is coordinated across London, the check is to see that charges are being applied correctly.
- The Strategic Plan identifies risks that need auditing, including both higher and lower risk items, to ensure a cross-section is covered. We also factor in a frequency to ensure coverage across each department while acknowledging that not everything can be covered.

It was RESOLVED that the Committee reviewed and commented upon the 2024/25 Draft Internal Audit Plan, Strategy and Charter..

## 9 FRAUD UPDATE (Agenda Item 9)

Head of Fraud, SWLFP, introduced the report.

In response to questions, it was confirmed that:

- Work on temporary accommodation is scheduled
- We don't just work with Clarion, all organisations where the local authority has a nomination right
- A concern has been raised about children leaving the family home where they can't afford private sector accommodation, but wrongly claim to have been thrown out of home in order to get temporary accommodation, which they are then not using, which ties up the market and raises prices in that area, though the applicant for the accommodation is still spending most of their time at the family home.
- We use comparative data where we can access the data, for instance in one example a person who claimed to be working 5 full time jobs supporting schools was identified.
- Fraud team can identify subletters by comparing various data sets to see who is using the address, it should all align, but where it doesn't they can investigate to establish what is happening and establish whether or not there is a fraud.
- Merton contributes 2 of 14.5 people in the fraud team, the manager ensures that Merton receives its fair share of the team, this can fluctuate as fraud is not always linear, at the moment there is a lot of work going on in Merton.
- The partnership is hosted by Richmond and Wandsworth, Merton pay their share which covers the staff members and resources along with the other boroughs that benefit from the service.
- Wandsworth contributes more as it has a larger housing stock.

It was RESOLVED that the Committee noted the Fraud Update on the activity completed during 2023/24 to 31st January 2024, and commented on the matters arising from it, and noted the indicative Fraud Plan for 2024/25..

## 10 REPORT ON THE USE OF TEMPORARY WORKERS AND CONSULTANTS (Agenda Item 10)

Head of HR introduced the report, highlighting the new format and that it incorporates the data requested at previous meetings. Noting in particular that over the last quarter there has been a concerted effort to reduce temp and contract workers. The latest figures are up until the end of January. We have the lowest number of agency workers for 2 years - 294, down from 312 in December. Currently 18 administrative posts covered by agency workers. Agency workers are a choice of last resort, work is underway to see where alternative options can be used, such as apprenticeships. We particularly struggle to recruit permanent children's social workers, we are not alone in this. An REN network member is on all panels for senior roles, involved in shortlisting and interviewing.

In response to questions it was confirmed that:

- Can provide figures on short term contracts reaching 2 and 4 years to interested members

- Are running a number of initiatives to increase representation at higher grades, including a mentoring scheme to ensure candidates are well prepared for interviews at higher levels.
- Can include gender data in future reports.
- Changes between Q2 and Q3 not attributed to a particular strand of work, but training for interview and recruitment panels has started to be rolled out and could be a factor
- The ideal is to equip apprentices to apply for a new job within the council and free up their existing position for the next apprentice to join, rather than making them permanent in a position and losing the opportunity to recruit another apprentice.

It was RESOLVED that the Committee:

- noted progress made to monitor and control the use of agency workers and ongoing processes to continue to reduce agency use and spend
- noted initiatives for promoting apprenticeships and use of the apprenticeship levy
- noted actions being taken to promote Merton Council as an employer of choice
- noted recruitment process monitoring with the emphasis on Equality, Diversity and Inclusion

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

It was RESOLVED that the Committee agreed the work programme, noting that the programme would be revised before the next meeting to redistribute some items to even out agendas over the year.