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GENERAL PURPOSES COMMITTEE 17 SEPTEMBER 2014

(7.15 pm to 9 pm)

PRESENT Councillors Councillor Peter McCabe (in the Chair),
Councillor Janice Howard, Councillor Laxmi Attawar,
Councillor Adam Bush, Councillor Mary Curtin,
Councillor Abigail Jones, Councillor Ian Munn,
Councillor David Williams, Councillor Stephen Crowe and
Councillor Pauline Cowper

1 DECLARATIONS OF INTEREST (Agenda Item 1)

No declarations were made.

2 APOLOGIES FOR ABSENCE (Agenda Item 2)

No apologies for absence were given.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

RESOLVED: That the minutes of the meeting are agreed as an accurate record.

4 AUDITED FINAL ACCOUNTS 2013/14 (Agenda Item 4)

In presenting the report, Paul King went through the summary of the Audit Results report contained within the papers and invited comment and questions.

Councillor David Williams queried the way in which the budget underspends are shown in the accounts. He advised that the levels of underspend were easier to find in reports for previous years and suggested that the difficulty in finding this information could lead to accusations of a lack of openness and transparency.

When asked to comment, Paul King explained that the role of auditor is to give an opinion on the financial statement, and they were satisfied that there were no inconsistencies. It was not the role of the auditor to give an opinion on whether or not LB Merton is attempting to conceal the level of reserves, but to conclude whether or not there is a true and fair view given in the accounts.

When asked by Councillor Peter McCabe, Caroline Holland advised that the reserves are reported on in the monthly financial monitoring reports to Cabinet, and to the quarterly Financial Monitoring Task Group. Furthermore the use of reserves is detailed in an appendix to the budget report to Council. She stated that transparency is being improved and there is no attempt to conceal the levels of reserves.

Paul Dale reiterated Caroline Holland's comments regarding the level of reporting on this issue in the Cabinet reports, and suggested that Councillor David Williams would find the information required in those reports. He noted that the auditors have suggested that reporting to Cabinet and General Purposes Committee should be better aligned and expressed willingness to improve the reporting. Caroline Holland also pointed the committee's attention to pages 11-12 of the agenda which contained a table showing the level of reserves.

When asked by Councillor Ian Munn, Paul King outlined the benefits and disbenefits of carrying out the revaluation of the council's assets.

Michael Yeats went through the Audit Results report for the Pension Fund. He confirmed that this had been presented to the Pension Fund Advisory Committee who were satisfied with the findings. There were no questions or comments raised by the committee.

RESOLVED:

1. That the General Purposes Committee approves the audited Statement of Accounts, including the Pension Fund Accounts.
 2. That the General Purposes Committee notes comments made by the Pension Fund Advisory Panel in relation to the Annual Pension Fund Accounts 2013/14.
 3. To note Ernst & Young's Audit Results Report for the Council's Pension Fund accounts under the International Standard on Auditing 260 (ISA 260).
 4. To note Ernst & Young's Audit Results Report for the Council's main accounts under the ISA 260.
 5. That the Chair signs the Statement of Responsibilities for the Council's main accounts.
 6. That the Chair signs the Letter of Representation for the Council's 2013/14 main accounts.
 7. That the Chair signs the Letter of Representation for the Council's 2013/14 Pension Fund accounts.
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- 4a AUDITED FINAL ACCOUNTS 2013-14 - ADDENDUM AND APPENDICES (Agenda Item 4a)
 - 5 INTERNAL AUDIT PROGRESS REPORT (Agenda Item 5)

Margaret Culleton presented this report and invited comments and questions.

Councillor Stephen Crowe asked if the issue regarding the processing of expenses via iTrent had been assessed in terms of financial impact to the Council. Steve Bowsher was unable to give full details but gave the view that the financial impact would not be significant. Councillor Peter McCabe asked that such information be contained in future reports.

Councillor Ian Munn asked for more detail on the 12 on-going cases for 2013/14. Margaret Culleton advised that full details would normally be supplied in the annual report but undertook to provide regular updates.

Councillor Peter McCabe expressed concern about the third instance of limited assurance being given for Payroll. Caroline Holland reassured the committee that these issues are being taken seriously. Dean Shoesmith confirmed that work is underway to address the recommendations, but the process is made even more complex because the system is shared between four boroughs. He gave assurances that the robust actions being carried out will satisfy Audit requirements. Caroline Holland undertook to feedback the committee's concern on this issue to the next Governing Board meeting in October.

Report received.

6 ANNUAL GOVERNANCE STATEMENT (Agenda Item 6)

Margaret Culleton introduced the report.

RESOLVED: That the General Purposes Committee agrees the final Annual Governance Statement.

7 WHISTLEBLOWING POLICY (Agenda Item 7)

Margaret Culleton introduced the report and invited questions and comments.

Councillor Abigail Jones asked how staff are made aware of the policy, and Margaret Culleton explained that details are available on the intranet, and leaflets and posters are distributed, both internally and to schools and voluntary organisations.

Councillor Peter McCabe asked if any monitoring was undertaken about any detriment suffered by a whistleblower. Dean Shoesmith was unable to recall any instances but advised that staff would be expected to pursue this through the grievance or dignity at work procedures. Caroline Holland added that many whistleblowing allegations are made anonymously so it would be difficult to track any subsequent issues. Dean Shoesmith confirmed that managers are made aware, via training that they must protect staff who have made a whistleblowing allegation, although he acknowledged that often the manager can be the subject of such an allegation, so the Director or another appropriate manager is kept informed. Dean Shoesmith undertook to carry out an audit of the last year of dignity at work,

disciplinary and grievance allegations, to check if they dovetail with any whistleblowing allegations.

RESOLVED: That the Committee approves the revised Whistleblowing Policy.

8 FOLLOW UP ACTIONS TO ERNST & YOUNG REPORT "REVIEW OF ANONYMOUS WHISTLEBLOWING STATEMENT" - REPORT TO FOLLOW (Agenda Item 8)

Dean Shoesmith introduced the report and went through each of the recommendations made by Ernst & Young in their report "review of anonymous whistleblowing statement".

Councillor Peter McCabe expressed his dissatisfaction with the formatting and late issue of the report and appendix, and stated that future reports brought to the committee must be on time and clearly legible. Dean Shoesmith apologised and undertook to present the information again in a clearer format.

Whilst acknowledging Dean Shoesmith's reassurance that HR have now established a database containing details of all interim staff, Councillor Peter McCabe asked if managers were aware they must approach HR prior to appointing a new interim staff member. Dean Shoesmith confirmed that this was the case.

In response to a question from Councillor David Williams, Dean Shoesmith undertook to ascertain and report back how many agency workers are currently employed at a rate lower than £30 per hour.

Dean Shoesmith outlined the areas, such as children's social work, where permanent recruitment is a challenge, particularly where local authorities are in competition with each other.

Dean Shoesmith undertook to bring the "managing relationships at work" policy to this committee following approval by CMT.

Report received.

8a FOLLOW UP ACTIONS TO ERNST & YOUNG REPORT - 'REVIEW OF ANONYMOUS WHISTLEBLOWING STATEMENT' (Agenda Item 8a)

9 WORK PROGRAMME (Agenda Item 9)

Caroline Holland advised that the report on Polling Places will come to the November meeting of the committee.

Paul King noted the audit results report should be removed from the November meeting, as it had been done at this meeting.

Received.