

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

STANDARDS AND GENERAL PURPOSES COMMITTEE 7 SEPTEMBER 2017

(7.15 pm - 9.00 pm)

PRESENT: Councillors Councillor Peter McCabe (in the Chair),
Councillor Janice Howard, Councillor Agatha Mary Akyigyina,
Councillor Adam Bush, Councillor John Dehaney,
Councillor Mary-Jane Jeanes, Councillor Ian Munn,
Councillor Gregory Udeh, Councillor John Bowcott,
Councillor Mary Curtin and Councillor Nick Draper

Independent Person – Pam Donovan

ALSO PRESENT: Caroline Holland – Director of Corporate Services
Paul Evans – Assistant Director of Corporate Governance
Simon Mathers – External Auditor – Ernst Young
Suresh Patel – External Auditor – Ernst Young
Roger Kershaw – Interim Assistant Director of Resources
Steve Bowsher – Chief Accountant
Dawn Jolley – Head of Commercial Services
Lisa Jewell – Democratic Services Officer

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from Councillor David Williams and Councillor Martin Whelton.

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 29 June 2017 are agreed as an accurate record.

4 AUDITED FINAL ACCOUNTS 2016/17 (Agenda Item 4)

The Director of Corporate Services presented the Report on the Audited Accounts 2016/17, and highlighted the additional information in the Supplementary Agenda. She explained that the introduction of the Council's new financial system in February 2017 had delayed the delivery of some information to the External Auditors, with the result that that the External Audit was not yet complete, specifically the Bank Reconciliation, the Working Papers and issues related to school PFIs. Concerns regarding next year's deadline for the close of accounts on 31.7.18 had been discussed with the External Auditors. This year an additional fee had been charged as a result of the extra work. The Director of Corporate Services reported that additional work had been identified as necessary to bring the working papers to the

standard required by the auditors. She assured the Committee that next year the new system should make processes easier. In response to a member question on the risk of fraud caused by the late bank reconciliation, The Director of Corporate Services assured Members that the Council was always mindful of fraud and worked with the Auditors to prevent this.

The External Auditors presented their report to the Committee and confirmed that they now had the bank reconciliation information and would be able to finalise the audit the day after the Committee. They asked the Committee to note that once all the outstanding matters were completed they expected to issue an unqualified audit opinion on the accounts 2016/17. They outlined the timetable that they and the Council would work to in order that the early deadlines of close of accounts for 2017/2018 were met and said they were pleased with the positive response they had received from the Council's Financial Managers. They explained that although the introduction of the new financial system had caused delays to this year's accounts, they were now content that the issues would be solved before next year's accounts.

In response to Members questions the External Auditors felt that the new system was necessary as the old system had limitations, was unsupported and did not support all of the External Audit analytical tools. The Director of Corporate Services explained that whilst the timing of the introduction of the new system was not ideal, there had been other factors that influenced the decision at that time.

The Committee noted that The Pension Fund Advisory Panel had just met, and the external Auditors were content with the accounting for the Pensions Fund.

Members asked questions seeking clarification on technical details of the accounts report. The Committee noted that the decision to sell the Wimbledon Car Park P4 had been put on hold when the original winner of the tender withdrew, but a sale could be pursued again as this decision has already been made. Members asked that the table at page 267 be provided in larger size next year. Members noted that there is a typographical error on page 9 table 2 of the report and that the table on page 22 shows the correct data.

Members requested that the Director of Corporate Services report back to the next meeting of the Committee with an update on all issues currently outstanding and any issues relating to the early closing of accounts in 2018.

The Committee agreed the recommendations contained in the report but the Chair agreed that he would sign the letters from recommendation 5 and 6 once the External Auditors were satisfied that all work was complete.

RESOLVED

1. That Committee approve the audited Statement of Accounts, including the Pension Fund Accounts (Appendix 2), subject to any further comments from the External Auditor.
2. That Committee note any comments made by the Pensions Fund Advisory Panel regarding the Pension Fund Accounts.

3. To note EY's Audit Results Report (Appendix 4) for the Pension Fund accounts under the International Standard on Auditing (ISA) 260.
4. To note EY's Audit Results Report (Appendix 3) for the Statement of Accounts under the ISA 260.
5. That the Chair signs the Statement of Responsibilities for the Statement of Accounts (Appendix 2, page 154) when the audit was complete.
6. That the Chair signs Letters of Representation (Appendices 3 and 4) for the Statement of Accounts and Pension Fund Accounts when the audit was complete.

5 REVIEW OF CONTRACT STANDING ORDERS (Agenda Item 5)

The Head of Commercial Services presented her report on revisions to the Council's Contract Standing Orders, and asked members to note that the Council is obliged to have up to date and fit for purpose Contract Standing orders that comply with relevant legislation. Members noted that the report contained up dated Contract Standing orders that comply with the Public Contracts legislation 2015 and the Local Government Transparency Code 2015, are robust and transparent, reflect best practice and will be more straightforward for officers to use.

Members noted that there were now six procurement procedures that officers could follow. A Member asked about the specific circumstances that would allow the negotiated procedure without prior publication to be used. The head of Commercial Services explained that this would only be used after careful consideration and in consultation with Legal Officers in circumstances where there was only one provider bidding for a contract.

The Committee welcomed the proposed new Contract standing Orders.

RESOLVED

That Members note, approve and recommend to full Council, the proposed revisions made to the Council's Contract Standing Orders. Changes made are in response to the implementation of the Public Contracts Regulations 2015, the Local Government Transparency Code 2015 and to drive greater compliance overall with procurement governance and best practice.

6 UPDATE ON RIPA AUTHORISATIONS (Agenda Item 6)

The Assistant Director of Corporate Governance presented the report on RIPA authorisations and asked members to note that there had been no RIPA authorisations since their last meeting. He confirmed that it was good practice to avoid using RIPA as covert actions were a last resort

One application for communication data was made regarding illegal sales over the internet, but the site was closed before action could be taken.

The Committee noted that the Council was planning to prosecute 45 case of fly tipping, via an online application – which kept costs at a minimum. Members were

pleased to note these potential prosecutions but several members said that there was still a problem with fly-tipping in their wards. The Committee asked to be sent the details of the 45 cases.

RESOLVED

That members note the purposes for which investigations have been authorised under the Regulation of Investigatory Power Act (RIPA) 2000

7 COMPLAINTS AGAINST MEMBERS (Agenda Item 7)

The Committee received a verbal update from the Assistant Director of Corporate Governance on recent complaints against members.

The Committee noted that of the two recent complaints against members one had been dismissed by the Monitoring Officer and Independent Person and the other was on going.

Members commented that they had received representation from the complainant in the case that had been dismissed by the Monitoring Officer and Independent Person. It was agreed that the Chair of Standards and General Purposes would reply to the complainant noting that the complaint had been dealt with in accordance with Council procedures by the Monitoring Officer and Independent Person. The Committee noted that the complainant had other grievances that could not be dealt with by the Standards process and had been directed to other agencies that would be able to investigate these grievances.

8 TEMPORARY AND CONTRACT STAFF UPDATE (Agenda Item 8)

The Director of Corporate Services presented the Temporary and Contract Staff update report, and emphasised that progress is being made in reducing the numbers of such staff. She reported that the 'temp to perm' system has contributed to this progress, and a recruitment campaign in Corporate Services should reduce the numbers further. The Director asked the Committee to note that there were key areas that were still experiencing problems with recruiting permanent staff, particularly Children's Services, Social Care and Planning, and also that there are contract staff who continue to be employed owing to their specialist roles. Members asked about staff who have been for those who had been contracted for longer than 24 months and noted that they are in a variety of roles, some very specialist and that some may be part of the 'temp to perm' conversion process. The Director confirmed that going forward there would be a greater emphasis on apprenticeships and 'growing our own' staff.

Members asked about the impact of IR35 on our temporary staff situation and noted that the effects of these changes were still being worked through

RESOLVED

The Committee noted the progress made to monitor and control the use of temporary workers and consultants

9 WORK PROGRAMME (Agenda Item 9)

Members requested that updates on the Final Audited Accounts for 2016/17 be added to the November 2017 and March 2018 work programmes. This was agreed by the Committee.