

Agenda Item 3

STANDARDS AND GENERAL PURPOSES COMMITTEE 22 SEPTEMBER 2020

(7.15 pm - 8.28 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 Pauline Cowper,
Councillor Andrew Howard and Councillor Carl Quilliam

ALSO PRESENT Clive Douglas – Independent Person
Katy Willison – Independent Person

Suresh Patel, Simon Luk and Simon Mathers – External Audit

Roger Kershaw (Assistant Director Resources), Margaret Culleton (Head of Internal Audit), Fabiola Hickson (Head of Law, Property and Commercial), Steve Langley (Head of Housing Needs), Steve Bowsher (Chief Accountant), Amy Dumitrescu (Democratic Services Officer), Diane Perez (Cabinet Assistant) and Matthew Cannon (Trainee Electoral Services Officer)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from Councillor Mary Curtin.

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 23 July 2020 were agreed as a correct record.

4 FINAL ACCOUNTS (Agenda Item 4)

The Assistant Director presented the report, highlighting areas of adjustments made on the recommendation of audit colleagues.

External Audit presented their section of the report, advising that the final audit results were expected to come to committee in November 2020.

External Audit advised that on audit differences, one difference had been identified in relation to property valuation and two differences identified which related to accounting errors on the face of the Balance Sheet, however none of these impacted the general fund. One unadjusted misstatement was also identified for PPE.

External Audit advised that in relation to value for money this was likely to be an unqualified opinion.

It was noted that last year services in the 2019/20 year had been successful in delivering a £1.7m net favourable variance, however there were still pressure points within the budget particularly relating to SEN (Special Educational Needs) and SEN transport costs.

External Audit had looked at the last update of the MTFFS (Medium Term Financial Strategy) and were satisfied this had been updated reasonably and there was a reasonable basis for the projections. The budget gaps reported are accurate and savings plans are in place to address those going forward and therefore there were no matters to report there.

It was acknowledged that the impact of Covid 19 has been significant and the MTFFS will need to be updated to reflect that. Officers are working on this and this would be referenced in the value for money (VFM) conclusion given, however Covid shouldn't impact on the 2019.20 VFM judgement.

On fees, External Audit would need to conclude on final fees where additional work had been undertaken and they undertook to come back on these in due course.

In response to member questions, officers advised that currently there was £6.173m within the Covid19 reserve. The MTFFS needed to be updated again for the impact of covid19 in due course. Officers advised that a monthly return on the impact of Covid19 is sent to MHCLG.

The Committee thanked all involved for their hard work, particularly in ensuring the accounts were signed off on time.

RESOLVED:

1. That the Committee approved the audited Statement of Accounts, including the Group Accounts and the Pension Fund Accounts (Appendix 2), subject to any further comments from the External Auditor.
2. That the Committee noted any comments made by the Pensions Fund Advisory Panel regarding the Pension Fund Accounts.
3. The Committee noted EY's Audit Results Report (Appendix 4) for the Pension Fund accounts under the International Standard on Auditing (ISA) 260.
4. The Committee noted EY's Audit Results Report (Appendix 3) for the Statement of Accounts under the ISA 260.
5. That the Chair signed the Statement of Responsibilities for the Statement of Accounts (Appendix 2).
6. That the Chair signed the Letters of Representation (Appendices 3 and 4) for the Statement of Accounts and Pension Fund Accounts.

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

The Head of Internal Audit presented the report. In response to questions from members, the Head of Internal Audit advised that most areas were audited every 3-5 years with some done annually. All actions are followed up and closed off and if progress is insufficient those areas would go back on the plan.

In relation to the impact of Covid 19, the Head of Internal Audit informed the committee that fraud checks had been completed on the business grants allocations as well as an audit on the Covid19 response to check whether the Council had complied with the regulations. Some other planned work had needed to be postponed as a result of the Covid19 related audits.

RESOLVED:

That the Committee considered and commented on the progress report.

6 OMBUDSMAN REPORT - HOUSING (Agenda Item 6)

The Head of Housing needs presented an overview of the report and noting that Merton has the lowest number of people living within temporary accommodation of any London Borough.

In response to member questions, the Head of Housing needs advised that it was a rare occurrence to arrange placements out of London, with approximately 6 or 8 per annum, however it was noted that there are some occasions where residents request to be placed outside of London in areas where housing is more affordable.

The team were currently in the process of compiling a housing options toolkit which had developed how persons were interviewed as well as reflecting changes in the law.

The team had reviewed the findings of the LGSCO and regularly reviewed other cases published by the LGSCO and would continue to do so.

At the request of the committee, the Head of Housing Needs agreed to bring another report back to a future meeting in 2021 to review the progress made.

RESOLVED:

1. That the Standards & General Purposes Committee considered the contents of the report regarding the Local Government and Social Care Ombudsman (LGSCO) decision and report.

2. That the Standards & General Purposes Committee noted the actions already taken to remedy this matter, namely the written apology to Mr X, the award of compensation, amendments to the Homeless Placement Policy and the refresh of the Housing Options Toolkit.

7 COMPLAINTS AGAINST MEMBERS (Agenda Item 7)

The Deputy Monitoring Officer advised that there had been no complaints against members since the last meeting of the Committee.

8 WORK PROGRAMME (Agenda Item 8)

The Work Programme was noted.

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