

# Agenda Item 3

## STANDARDS AND GENERAL PURPOSES COMMITTEE

4 NOVEMBER 2021

(7.15 pm - 8.35 pm)

- PRESENT** Councillors Councillor Peter McCabe (in the Chair), Councillor Adam Bush, Councillor Ben Butler, Councillor John Dehaney, Councillor Dickie Wilkinson, Councillor Andrew Howard, Councillor Brenda Fraser, Councillor Nick Draper, Councillor Martin Whelton and Councillor Joan Henry
- ALSO PRESENT** Caroline Holland (Director of Corporate Services), Amy Dumitrescu (Democracy Services Manager), Roger Kershaw (Assistant Director of Resources), Andrew Robertson, Louise Round (Managing Director, South London Legal Partnership and Monitoring Officer), Richard Seedhouse (Democratic Services Officer), Elizabeth Jackson (External Audit)
- ATTENDING REMOTELY** Clive Douglas (Independent Person), Katy Willison (Independent Person), (Nemashe Sivayogan (Treasury and Pensions Manager), Margaret Culleton (Head of Audit)

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

Apologies were received from Councillors Bokhari and Williams. Councillors Gould and McLean attended as substitutes

Subsequently to the agenda being published, Councillor Henry was appointed as a member of the committee replacing Councillor 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 21 September 2021 were agreed as a correct record

### 4 UPDATED AUDIT RESULTS REPORT (Agenda Item 4)

The External Auditor reported that the Pensions Fund audit report was complete and ready for signing. However, the updated report on the Council's Financial Statements is not final, work is ongoing. The deadline of 30 September 2021 had not been met. It was noted that only 9% of local government audits had been signed off. There were 2 key issues that had led to the deadline not being met; black box gap in new isa540, (work is now complete and no issues for Council). The Property Plant and Equipment valuation has work ongoing; when it was received in October, it

highlighted a number of queries, variances and assumptions in which EY and the Council have differing opinions. In order to reach an agreement between the council and EY valuers, additional samples were considered. These further samples brought up a further issue, and work continues to be in progress. The External Auditor is unable to issue an audit opinion as the ongoing work is likely to lead to a material difference in financial statements that will need corrected before the audit opinion can be issued.

EY have raised an internal control recommendation to ensure council tax and NDR debtors are fully reconciled to the general ledger, noting that they had grown from the previous year and will need to be fully reconciled for next year.

In response to Member questions, the External Auditor apologised for not meeting the 30 September deadline and explained the timings of the receipt of the reports and the additional information required and flagged up as a result to the additional work had meant that work is ongoing.

Although EY started working on the reports in July, the EYRE report should have come back in August to allow a month, but it hadn't been received, the Auditor also advised that, the firm is understaffed and this had caused delays. EY were looking to change processes and formats to standardise across councils.

There was a change in 2017/18 in how schools assets are classified, the council values the land at a lower band than EY. In previous years, it hasn't been an issue because it was a low risk consideration. EY and the council have interpreted the RICS guidance slightly differently, if council valuers won't change their approach, then it is likely to require a modification by EY as it is likely to become a material difference.

The Assistant Director for Resources confirmed that the council is now trying to positively engage and valuations teams, looking at requirements coming through from EYRE and looking at a revision once the difference and the size of the gap were understood. A lot of effort goes into evaluation of assets to ensure an accurate figure in our accounts but doesn't necessarily impact council decisions.

The Director for Corporate Services confirmed that the problems highlighted had lead to restating three years' worth of accounts, work which had commenced but also impacts on the work that had already started on valuations for this financial year. If officers were able to have the accounts signed off before Christmas, with a meeting of the Committee not due until March, the committee could delegate authority to sign off the accounts to officers or could call a special meeting or sub-committee meeting to address that.

The External Auditor confirmed that the additional work required would mean an additional charge to the council. This would have to be discussed and agreed with Finance officers before bringing to the committee

The External Auditor advised that while everyone who is working on valuations is RICS qualified, there is room for difference in opinion and in these cases the work is in making sure these differences are within an acceptable level of variance.

The Director of Corporate Services expressed their disappointment that the deadline had not been met and outlined the work the Council had done to try and resolve the issues that had been raised.

At the request of the Committee, the External Auditor committed to seeking to create a protocol outlined expected standards agreed by both parties to prevent future issues.

## RESOLVED

1. That the Committee received a verbal update from EY on the current position relating to the audit for year ended 31st March 2021.
2. That the Committee noted EY's updated Audit Results Report (Appendix 2) for the Pension Fund accounts under the International Standard on Auditing (ISA) 260.
3. That the Committee noted EY's updated Audit Results Report (Appendix 1) for the Statement of Accounts under the ISA 260.
4. That the Chair was authorised to sign the Letters of Representation (Appendices 1 and 2) for the Statement of Accounts and Pension Fund Accounts

And

5. That the Standards and General Purposes Committee delegated authority to the Director of Corporate Services to sign off the final accounts once completed, subject to the Committee receiving a copy for inspection prior to signing.

## 5 INTERNAL AUDIT PROGRESS REPORT 2021/22 (Agenda Item 5)

The Head of Internal Audit reported that progress was continuing with the audits, with 20 reviews completed. The report provided an update on the progress of priority 1 actions. At the time of writing 7 audit actions remained outstanding prior to this year's audits on Building Control, No Recourse to Public Funds and PCI Compliance. It was noted that some teams had asked for extensions on the implementation date, in particular on building control due to staff shortages, the others are expected to be signed off shortly. There are 6 priority 1 actions still outstanding, due at the end of October and December.

The reports gave an update on the fraud partnership work. Housing waiting list data needs cleansing, there are some cases that should have come off.

In response to member questions the Head of Internal Audit confirmed staffing changes in planning had delayed some audit actions and that work was ongoing on publishing charging regulation data by 31 December. The Head of Internal Audit

would be able to report back to the committee about implementation of Building Control audit actions at the next meeting.

The Head of Internal Audit agreed to meet with the Assistant Director for of Sustainable Communities to ensure the work outstanding for development control was being given appropriate priority.

RESOLVED

That the Committee considered and commented on progress of the Internal Audit Plan 2021/22

## 6 REVIEW OF ARRANGEMENTS FOR IN-PERSON COUNCIL AND COMMITTEE MEETINGS (Agenda Item 6)

The Monitoring Officer reminded the committee that when it agreed the current arrangements, the committee had committed to review them after 6 months. The recommendation within the report was to retain the current measures for a further six months with an amendment to the standing orders to agree that remote attendance arrangements apply to full council meetings;

In response to member questions, the Monitoring Officer confirmed that members must be at a meeting physically to vote under the current legislation.

RESOLVED

1. That Committee discussed and reviewed the current arrangements for in-person Council and Committee meetings
2. That the Committee recommended to Full Council the retention of the current measures for a further period of 6 months and to amend the additional standing orders in accordance with appendix A

## 7 REVIEW OF POLLING PLACES (Agenda Item 7)

The Head of Democracy and Electoral Services presented a report on a review of ward arrangements. A change of ward boundaries had required a change of polling districts and polling places, with the proposed changes due to take effect for the Council elections in May 2022 and these would be in use for local and national elections. It was noted that the report had been amended subsequently to publication to show the decision had been delegated to this committee and was not required to be forwarded to Full Council for approval as originally stated

The Head of Democracy and Electoral Services gave an overview of the key points; noting the changes aimed to minimise disruption/confusion for electors and included proposing 5 new polling stations. Out of 86 polling districts there were only 16 which would change polling station locations. Alternative venues to schools that may close for polling had been sought with 7 currently used for polling of which 3 close for polling.

In response to questions the Head of Democracy and Electoral Services advised that, the report outlined why some schools would still be used – it was noted that it is difficult to find an alternative venue which is suitable, available and large enough to be used as a polling station. Currently, these venues needed to be designated as the polling place, however it may be that alternative options could be considered subsequently.

Head of Democracy and Electoral Services confirmed that for Stanford school, the polling station is in fact in a separate facility and has been for a number of years.

#### RESOLVED

That the Committee agreed the designation of polling districts and polling places set out in Acting Returning Officers Submission.

#### 8 APPOINTMENT OF INDEPENDENT PERSON (Agenda Item 8)

The Monitoring Officer confirmed that Clive Douglas was content to serve for another 3 years.

#### RESOLVED

1. That Committee recommended to Council to appoint Clive Douglas for a further three year period as an Independent Person for the purposes of Chapter 7 of the Localism Act. The Independent Person be invited to attend meetings of the Standards and General Purposes Committee in that capacity.
2. That the appointment was made for a period of three years from 8 February 2022.

#### 9 LOCAL GOVERNMENT ACT 1972, SECTION 85 (1): APPROVAL OF ABSENCE (Agenda Item 9)

The Monitoring Officer introduced the report, noting that Councillor Skeete may not be able to attend any meetings in person between the date of the meeting and May 2022.

In response to member questions the Chair explained that it is a rare occurrence, this is an exemption and the committee agreed to send their best wishes to be sent to Councillor Skeete.

#### RESOLVED

That, in the event that Councillor Marsie Skeete is unable to attend a meeting of the authority before 4 May 2022, approval was given to that absence on the grounds of her of ill-health.

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

The Monitoring Officer presented the report to inform the committee of registered gifts and hospitality received and to highlight that there was no need for individual members to register particular items offered to all councillors including pantomime tickets. It was noted that if councillors don't accept these, they would not be expected to register that they had been offered and declined. It was also noted that the report should also have referred to the fact that the previous chief executive was given Wimbledon tennis tickets last year.

### RESOLVED

1. That the Committee noted the report;
2. That members were reminded of their responsibility to complete declarations of gifts and hospitality including reasons for acceptance;
3. The Committee agreed that there was no requirement for members to register the annual offer of tickets for the pantomime at Wimbledon Theatre (although they should continue to register the acceptance of such an offer) or where they were afforded an opportunity to participate in a ballot for paid for tickets for the Wimbledon Tennis Championships;
4. Managers were to remind staff about their responsibilities under the Employee's Code of Conduct to complete declarations, including reasons for acceptance

## 11 COMPLAINTS AGAINST MEMBERS (Agenda Item 11)

The Monitoring Officer confirmed that no complaints had been referred for investigation since the previous meeting

## 12 WORK PROGRAMME (Agenda Item 12)

RESOLVED that the Work Programme was noted and agreed.

## 13 PROGRESS REPORT ON RISK MANAGEMENT (Agenda Item 13)

The Director of Corporate Services informed the committee that when the report came back to committee at a later date there would be some adjustments. Seven risks were scored as red, with Brexit risks now largely moved into normal registers. In response to member questions, the Director informed the committee that the register is reviewed at least on a quarterly basis, the Director chairs the Corporate Risk Management Board on which the Head of Internal Audit sits along with the main insurance lead informing categorisations. There is also a quarterly report back to CMT, and Zurich (Insurance Provider) gives training.

### RESOLVED

1. That the Committee reviewed the adequacy of the risk management framework and the associated control environment
  2. That the Committee considered the Key Strategic Risks and Issues faced by the council, and determined that these were being actively managed
  3. That the Committee considered the Covid Risks and Issues faced by the council, and determined that these are being actively managed
- 14 EXCLUSION OF PUBLIC (Agenda Item 14)

The Committee did not refer to the information contained within the restricted appendix and therefore the meeting remained in public session.

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