STANDARDS AND GENERAL PURPOSES COMMITTEE
27 APRIL 2023

(7.15 pm - 9.20 pm)

PRESENT	Councillors Councillor Michael Brunt (in the Chair), Councillor John Oliver, Councillor Laxmi Attawar, Councillor John Braithwaite, Councillor Caroline Charles, Councillor Billy Hayes, Councillor Edith Macauley, Councillor Gill Manly, Councillor Robert Page, Councillor Michael Paterson and Councillor Martin Whelton
PRESENT ONLINE	Councillor Victoria Wilson
ALSO PRESENT	Louise Round (Monitoring Officer) Elizabeth Jackson (Ernst Young), Kevin Holland (Head of Shared Fraud Partnership), Nemashe Sivayogan (Head of Treasury and Pensions), Muhammed Muktadir (Chief Accountant), Helen Martin (Deputy Chief Accountant), Amy Dumitrescu (Democratic Services)

1   APOLOGIES FOR ABSENCE (Agenda Item 1)

There were no apologies for absence.

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 28 November 2022 were agreed as a correct record.

4   EXTERNAL AUDIT 21/22 FINAL AUDIT RESULTS REPORT FOR COUNCIL AND PENSION FUND (Agenda Item 4)

The External Auditor introduced the report. The auditor's report was signed on 7 February 2023, it was an unqualified opinion, with no modifications. No issues arose, officers were communicative and supportive. No ongoing concerns. In response to questions the external auditor confirmed that:

- Merton is one of the few councils to have their accounts signed
- The assumptions on National non-domestic rates were reviewed and found to be satisfactory

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

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5   EXTERNAL AUDIT PLANS FOR COUNCIL AND PENSION FUND
        ACCOUNTS (Agenda Item 5)

The External Auditor introduced the plans. Audit will begin in October 23, with the aim to sign the audit by early January. In response to questions the external auditor confirmed that:

- EY do use an overseas resource to assist with work, but the government accounts do have quirks that mean overseas resources aren't necessarily the best way to ensure the work is completed accurately
- There are 100s of audits still open, which need to be closed before new work begins. EY has limited the amount of work it takes on to ensure that audits can be completed within deadlines.
- As it's a fully substantive audit, EY don't do controls testing, the nature of local government accounts do not lend themselves to control testing as an efficient and effective method
- the risk assessment documents the evidence and then assess the likelihood and size of risks. The sale of CHAS is an area of focus, but not yet rated as a significant risk of weakness, but it would be remiss to not look at it at all.
- Non-domestic rates are a highly material figure, which makes it an inherent risk, and so needs to be audited, to ensure that the assumptions should remain the same, and assess what is it that makes 22/23 the same as 21/22?

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

6   INTERNAL AUDIT PLAN (Agenda Item 6)

Head of the Shared Fraud Partnership introduced the internal audit report. In response to questions he confirmed that:

- Internal audit are not the first line of responsibility to ensure that grant recipients deliver as intended, but the team would ensure that the framework the departments use would flag up any concerns and if funds were not used appropriately they would know, and be able to challenge their activity.
- The cycle of audits are not the limit of work done, so where limited assurance has been provided, additional work is ongoing to improve the situation, where there is a clear need to do additional work, we do.
- Internal Audit will look at adding an audit to assess the frameworks for issuing grants, and report back to the committee on the feasibility of this within this cycle. It is likely to come at the cost of not looking at other areas.

RESOLVED That the Committee reviewed and commented upon the 2023/24 Draft Internal Audit Plan, Strategy and Charter.

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7   WHISTLEBLOWING POLICY AND ANTI-MONEY LAUNDERING POLICY
        REVIEW (Agenda Item 7)

The Head of Shared Fraud Partnership introduced the report. The policies are being
reviewed to ensure they remain current.

-   The hotline goes to the Fraud Partnership, who will then assess the claim with
    he Monitoring Officer and what action ought to be taken.
-   If the policy is approved, it would be advertised on the intranet and within the
    weekly Pulse newsletter.

It was RESOLVED that the Committee approved the revised Whistleblowing and Anti
Money Laundering policies

8   FRAUD UPDATE REPORT (Agenda Item 8)

The Head of the Fraud Partnership introduced the report. In response to questions it
was confirmed that
-   Where issues have been identified within Clarion properties, action is now
    taken, recent problems have been resolved.
-   There aren't penalties that could be imposed by the council, but rectifying the
    issues does cost them significantly.
-   Cooperation was not refused, but due to their IT issues they were not able to
    prepare the necessary notices.
-   Some applications were withdrawn due to applicants being deceased, the
    values saved are notional and set by the National Fraud Network, it's not
    necessarily an accurate reflection of the costs.
-   The figures for cases worked in a year will allow for some cases to be counted
    in multiple years where the work has crossed over the year.
-   Not all applications withdrawn through the work of the fraud team were
    fraudulent.

It was RESOLVED that members noted the Fraud Update report that included an
indicative plan for the application of resources for 2023/24, and a review of activity
completed during 2022/23 to February 2023, and commented on the matters arising
from it.

9   PROCESS REVIEW - NOMINATING HONORARY ALDERMEN (Agenda Item
        9)

The Chair recommended to the Committee that working groups are established to
consider report.

It was resolved that

-   A working group be established, in the ratio 3/1/1/1 across the party groups to
    review the recommendations and report back to the Committee.

10   FREEDOM OF THE BOROUGH (Agenda Item 10)

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It was RESOLVED That the awards working group would also consider any nominations for awarding Freeperson of the Borough Status and to make recommendations to the July meeting of this Committee for onward submission to Council and then a special Council meeting.

11   REMUNERATION OF COUNCILLORS (Agenda Item 11)

It was RESOLVED that a working group be set up to consider the recommendations of the report in more detail and to report findings back to Committee to allow it to make recommendations to Council. The working group would be in the ration 4/2/1/1 across the political groups. The group would report back to the next meeting.

12   AMENDMENTS TO THE CONSTITUTION (Agenda Item 12)

The Monitoring Officer introduced the report and in response to questions confirmed that:

- Pension Fund accounts and reports can be approved by the Pensions Committee

It was RESOLVED that the Committee would:

- recommend to Council that the following amendments to the Council's Constitution be authorised: (i)The amendments to the Pensions Committee terms of reference as detailed in paragraph 2.1 below (i) That all references to CHAS 2013 Ltd be removed from the Constitution as detailed at paragraph 2.4
- noted that the Monitoring Officer will use her delegated authority under Article 15.2(b) of the Constitution to make consequential amendments to the Constitution to reflect the new Council structure agreed in September 2022.
- considered whether to recommend to full Council that changes be made to the Published Pay Policy and the Officer Employment Procedure Rules to clarify the approval process for making termination payments to officers and, agreed to recommend option C set out in paragraph 2.8.
- authorised the Monitoring officer to submit amended versions of the terms of reference of the Appointment Committee, the Pay Policy and the Officer Employment Procedure Rules which reflect this Committee's recommendations for approval by Full Council.
- recommended to Council that the Officer Employment Procedure Rules be amended to remove the current requirement for the appointment of the Monitoring Officer to be agreed by full Council as this is not a legal requirement, on this occasion but not in perpetuity.

13   21/22 ANNUAL COMPLAINTS REPORT (Agenda Item 13)

This item was deferred to the July meeting.

14   MEMBER COMPLAINTS (Agenda Item 14)

The Monitoring Officer introduced the report. In response to questions, confirmed that:

- The intention was to prohibit linking to party political websites and social media, not all websites/social media
- The council's own website and social media would not count as an external website or social media account
- If Councillors linked their own social media accounts to their official council emails, it would be hard for them to defend a complaint about something on their personal social media not being reflective of a council position.

It was RESOLVED that the committee:

- noted the number and types of complaint received by the Monitoring Officer in the last six months;

- agreed that there should be an absolute prohibition on the inclusion of links to external websites and social media accounts which contain party political content in emails sent by councillors;

- asked the Monitoring Officer to write to all councillors reminding them of the need to take care when using council resources including council email addresses to ensure they are not being improperly used for party political purposes and to seek advice from the Monitoring Officer or Deputy Monitoring Office if there is any doubt.

15   WORK PROGRAMME (Agenda Item 15)

It was RESOLVED that:

- The departments/teams with long term Priority One Audit entries should come to the next meeting
- The Work Programme needs updating to reflect the next meeting is in July, not June
- Member enquiries analysis can be brought to the September meeting
- The timing of the November meeting may need to be moved to accommodate the budget reporting

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