

GENERAL PURPOSES AND AUDIT COMMITTEE

Meeting held on Wednesday, 17 September 2014 at 6.36pm, Committee Room F10, Town Hall, Katharine Street, Croydon CR0 1NX.

MINUTES – PART A

Present: Councillor Matthew Kyeremeh (Chair);
Councillor Humayun Kabir (Vice Chair);
Councillors: Emily Benn, Carole Bonner, Jan Buttinger, Dudley Mead, Steve O’Connell, Tim Pollard and John Wentworth.

Independent Non-Voting Co-opted Members: Mr Pawel Krzemienski and Mr Robert Sleeman.

Also in Attendance Julie Belvir, Director of Democratic and Legal Services, Dominic Bradley and Paul Grady (Grant Thornton), Richard Simpson Director of Finance and Assets and Section 151 Officer, Simon Maddocks, Head of Governance, , Laura Jenner, Category Manager, Strategy Commissioning, Procurement and Performance, Ian Geary, Accounting Manager, Finance and Assets, Nigel Cook, Head of Pensions and Treasury and Dave Phillips, Mazars Public Sector Internal Audit Limited.

Absent: An apology for absence was received from Councillor Mike Selva and an apology for lateness was received from Councillors Steve O’Connell and John Wentworth.

A26/14 MINUTES OF THE LAST MEETING

Minutes of the last meeting held on 25 June 2014 were approved and signed with the following amendments:

A18/14 - 7.3 – Common variant replaces - (inherit removed)

A23/14 – last line amended to read “ranked” not ranged

A24/14 – Gary Seed in attendance amended to read Paul Forrester and “Officer” removed

A25/15 – 1.2 future meeting dates of the General Purposes and Audit Committee are as follows:

Wednesday 5 November 2014

Wednesday 28 January 2014

Wednesday 25 March 2014

A27/14 DISCLOSURE OF INTEREST (agenda item 3)

None

A28/14 URGENT BUSINESS (agenda item 4)

None

A29/14 EXEMPT ITEMS (agenda item 5)

RESOLVED that the allocation of business between Part A and Part B of the agenda as printed be confirmed. Moved by Councillor Carole Bonner and Seconded by Councillor Emily Benn.

A30/14 INTEGRATED FRAMEWORK AGREEMENT FOR CARE, SUPPORT AND HEALTH RELATED SERVICES (agenda item 6)

Laura Jenner, Category Manager, Strategy Commissioning, Procurement and Performance, was in attendance at the meeting for this item and reported that Members were asked to agree an exemption under Regulation 3 of the Council's Tenders and Contracts Regulations from the requirement to formally execute Individual Integrated Framework Agreement (IFA) for care support and health services; and refer proposed awards of orders for services to be called off under the IFA to the Contracts and Commissioning Board (CCB) or the relevant Cabinet Member for approval.

The Committee raised concerns around the detail contained within the framework as this had not previously been reported to General Purposes and Audit Committee (GPAC). Rates of expenditure were a particular concern which Richard Simpson, Director of Finance and Assets and Section 151 Officer agreed to investigate how future expenditure could be reported. The Committee requested that officers provide periodical updates regarding expenditure.

RESOLVED: to exempt under Regulation 3 of the Council's Tenders and Contracts Regulations from the requirement to formally execute individual Integrated Framework Agreement (IFA) for care support and health services; and refer proposed awards of orders for services to be called off under the IFA to the Contracts and Commissioning Board (CCB) or the relevant Cabinet Member for approval.

A31/14 ISA 260 REPORTS AND VALUE FOR MONEY REPORT – FINAL ACCOUNTS 2013/14 (agenda item 7)

Richard Simpson, Dominic Bradley and Paul Grady were in attendance at the meeting for this item.

Mr Simpson confirmed that the report before the Committee was the most up-to-date version of the final accounts, Members having received an earlier draft at its meeting of 25 June 2014. Officers reported that earlier outstanding issues highlighted previously had since been resolved.

Grant Thornton reported that the accounts demonstrated a high level of finance management and relationships between council officers and Grant Thornton remained strong, enabling continued frank and open exchange.

Grant Thornton agreed to deliver a Member learning and development session at 5.00pm on Wednesday 5 November 2014 entitled "A Guide to

Local Government Accounting” This session would support the work of GPAC and would be open to all Members of the Council.

RESOLVED: to

- 1.1 note the respective ISA 260 Reports for the Council and the Croydon Pension Fund issued by the Council’s external auditors, Grant Thornton (Appendices 1 and 2 of the previously distributed report);
- 1.2 note the findings of the Council’s Value for Money Report issued by the Council’s external auditors, Grant Thornton (in Appendix 3 of the previously distributed report);
- 1.3 approve the joint letters of representation from the Council and Grant Thornton (in Appendices 4 and 5 of the respective reports in 1.1, of the previously distributed report) issued for the Council and the Croydon Pension Fund;
- 1.4 approve the adjustments to the Council’s 2013/14 draft accounts recommended in the Audit Findings report for the Council (contained in Appendix 13 of the previously distributed report)
- 1.5 agree that for the reasons detailed in para.3.2, the Director of Finance and Assets and s.151 Officer, in consultation with the Chair of the General Purposes and Audit Committee be given delegated authority make any further adjustments to the Council’s 2013/14 draft accounts recommended by Grant Thornton, subsequent to this meeting and before the final accounts are signed by him. Members of the Committee were encouraged to raise any further issues with the Chair for possible adjustments before signing.

A32/14 TREASURY ANNUAL REVIEW 2013/14 (agenda Item 8)

Nigel Cook, Head of Pensions and Treasury was in attendance at the meeting for this item and reported that investments, borrowing and check controls were satisfactory.

Members asked for clarity regarding temporary loans. Officers reported that a developing trend emerged between local authorities of temporary borrowing to enable temporary cash flows which also took advantage of low interest rates as they continue to be available.

RESOLVED to note the contents of this report and to endorse the continued implementation of the Council’s Treasury Strategy by the Director of Finance & Assets.

A33/14 ANTI-FRAUD REPORT 1 APRIL 2014 – 31 JULY 2014 (agenda Item 9)

Simon Maddocks, Head of Governance, was in attendance at the meeting for this item and reported that the team had been successful in recovering

monies and assets of £998,000, to the end of August 2014. Officers were confident that the Team would reach their target of recovery by the end of the year of around £2M.

Simon Maddocks and his team have agreed to provide Members with a learning and development opportunity entitled "Fraud Awareness for Members". The session would be delivered at 5.00pm on Wednesday 28 January 2015, prior to the GPAC meeting scheduled to take place on the same day.

RESOLVED to note the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2014 – 31 July 2014.

A34/14 DEPARTMENT OF WORK AND PENSIONS SINGLE FRAUD INVESTIGATION SERVICE (agenda item 10)

Simon Maddocks presented this item and confirmed that plans for a national Single Fraud Investigation Services had commenced. Croydon along with all councils would be referring all benefit fraud cases directly to the SFIS over the next 18 months starting in October 2014; Croydon will start making referrals from December 2014. Investigation staff will transfer to the Department of Work and Pensions in March 2015. The team hope to retain as many existing investigation staff in Croydon as possible.

RESOLVED to note the Department for Work & Pension's plans for creating a Single Fraud Investigation Service in respect of benefit fraud investigations and the Council's plans to address the impact of this on its ability to investigate non-benefit fraud in Croydon in future.

A35/14 INTERNAL AUDIT MONITORING REPORT (Agenda Item 11)

Simon Maddocks was in attendance at the meeting for this item and reported that the majority of reports were yet to be finalised due to the time of year and that no proper opinions could be given. Follow up work was in progress.

RESOLVED to note the Internal Audit Monitoring Report for April 2014 to July 2014 (Appendix 1 of the previously distributed report).

A36/14 CONSTITUTIONAL MATTERS (Agenda Item 12)

Julie Belvir presented this item and reported that due to the establishment of the General Purposed and Audit Committee which replaced the Audit Advisory committee and the recent change in leadership, the Committee felt it presented an opportunity to refresh co-option arrangements for the General Purposes and Audit Committee and to formalise co-option arrangements for the Pensions Committee as well.

Members requested that new appointments should be made for both committees in the spirit of cross party working with the final decision being delegated to Julie Belvir in her capacity of Director of Democratic Services.

Councillor John Wentworth, Chair of the Pension Committee and Member of the General Purposes and Audit Committee had been briefed of the changes and was in agreement in his capacity as Chair of the Pension Committee to the refresh and formalisation of co-option procedures.

RESOLVED:

1. To formally thank the current independent non-voting co-opted Members on the General Purposes and Audit Committee for their services to the Committee and ask officers to convey this appreciation to them in writing;
2. To approve the revised procedures at Appendix 1 for appointment of independent non-voting co-opted Members in respect of the Audit functions of the Committee and the procedures at Appendix 2 in respect of appointment of independent non-voting co-opted Members on the Pensions Committee;
3. That the Chair, on behalf of the Committee, be delegated authority to appoint, for the remainder of this municipal year, on an interim basis two independent non-voting co-opted Members to the Committee in accordance with the procedures set out at Appendix 1 and that the Chair of the General Purposes and Audit Committee under delegation commence the appointment process in January 2015 for the upcoming municipal year in accordance with the timetable set out in this report;
4. To formally thank the current non-voting co-opted Members of the Pensions Committee and ask officers to convey this appreciation to them in writing;
5. That the Pensions Committee be delegated authority to approve the appointment of the Staff Side representative and the two Pensioner Representatives as nominated by their respective interest groups in accordance with Appendix 2 and article 2.02 of the Constitution for the remaining term.
6. That the Director of Democratic and Legal Services be delegated authority to make the agreed changes and any consequential amendments to the Constitution needed to effect the recommended changes within this report.

A37/14 CAMERA RESOLUTION (Agenda Item 12)

Councillor Dudley Mead proposed and Councillor Humayun Kabir seconded the motion and the Committee **RESOLVED** that the Press and public be excluded from the remainder of the meeting on the grounds that it was likely, in view of the nature of the business to be considered, that there will be disclosure of confidential or exempt information falling within paragraph 3 in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

A38/14 CORPORATE RISK REGISTER (Agenda Item B1)

RESOLVED to note the content of the Corporate Risk Register as at September 2014 and

That in the spirit of transparency and openness agenda of the new administration that officers would consider how best to report the Corporate Risk Register in part A of the agenda.

The meeting ended at 8.00pm.