

**EXTRAORDINARY GENERAL MEETING MINUTES - PART 1
THURSDAY 18 JULY 2019 - (5.00 PM–5.15 PM)**

Present:

Councillor O Dervish (Chair), Councillor D Akwaboah, Councillor J Asser (Vice Chair) and Councillor G Kitchen.

Members signed a waiver in respect of their right to receive hard copy of the Agenda papers within the constitutional notice period and agreed to accept late delivery by electronic and tabled copy at the meeting.

The Chair welcomed attendees and apologised for the protracted late start to the meeting which had been caused by travel disruptions. He thanked the Members for their efforts to ensure attendance, thereby making the meeting quorate.

The Chair welcomed Debbie Hanson, Ernst & Young, External Auditor, to the meeting.

1. Apologies for Absence

An apology for absence was received on behalf of Councillor S Bain, Councillor R Benham (attended for the formal start time but had to depart before 5 pm), Councillor S Ghani, Councillor J Howard and the Monitoring Officer Fiona Taylor (Paul Feild, Legal Adviser attended).

2. Declaration of Members' Interests

There were none declared.

3. Annual Governance Statement 2018/19

Members received the Finance Director's report, Appendix and commentary on the Annual Governance Statement as required by the Accounts and Audit Regulations. The document took account of the internal audit report, controls, governance arrangements and issues including fraud and required signature by the Authority's Managing Director and Chair. It was confirmed that the Annual Governance Statement had been signed off on 29 May in accordance with regulations and there were no matters of concern to bring to the attention of Members.

The Annual Governance Statement also reported on improvements and outcomes resulting from the 2017/18 action plan namely Contract Monitoring performance with Constituent Councils and the Contractor and Corporate Governance – Business Continuity.

Matters identified for further development during the 2018/19 review are:

- 1) Contract Monitoring: the reduction in the number of inspections of key sites undertaken by Constituent Councils should be highlighted, proactively reviewed and escalated if necessary; and
- 2) Management of ANPR Systems: systems for monitoring and managing frequent site users should be strengthened.

Members approved the Annual Governance Statement and noted that the report formed part of the approval of the Statement of Accounts for 2018/19.

4. Statement of Accounts and Audit Results Report 2018/19.

Members received the Finance Director's report, External Audit Results Report 2018/19 (ISA 260), Statement of Accounts for 2018/19 and Letter of Representation. The latter two items required approval.

The Finance Director referred to the change in deadline and the ambitious timetable to be met in order to complete the audit and accounts. She referred to the need for the new external auditors to undertake additional work to satisfy themselves of such matters as opening balances and the main areas of expenditure, which had resulted in late revisions to the report. She apologised for missing the dispatch date caused by the late receipt of the external auditor's report.

She was pleased to report that only one adjustment was required to the Balance Sheet which related to PFI reduction in liability, and three or four unadjusted items, changes in materiality thresholds and changes to the accounts.

The External Auditor outlined the responsibilities relating to the audit and confirmed a clean opinion had been reached in respect of the Financial Statements and draft.

The External auditor informed Members that waste matters were complex and following a review of the PFI model and accounting by their PFI expert and discussion with Officers, a change in the accounting model was made and was reflected in the PFI liability but not the Comprehensive Income and Expenditure Statement (CIES). After recalculation, a reduction in the balance sheet of £9.7m was required with a corresponding movement in the Capital Adjustment Account. Officers had not amended the entries in the CIES to reflect the new approach in 2018/19. As a result, contingent rent was understated by £0.738m, the cost of services was overstated by £0.118m, lifecycle costs were understated by £0.135m and finance costs were understated by £1.021m. The impact on the entries in the CIES was not material.

She reported that there were no significant risks, apart from those reported by management or disclosed in the report, which were as below.

Misstatements greater than £0.065m identified during the audit and corrected by management were:

- 1) The Capital Finance Reserve disclosure should be £2m higher having been reported as a net level, however the prudential code stated that this should have been at a gross level. This was amended by management.
- 2) A reclassification of vehicles plant and equipment (PPE) to land and buildings, as the Authority was showing plant and machinery integral to the use of the land and buildings in a separate line. This was not in line with the Code.

Other minor disclosure issues were contained in the report.

There were no Value for Money matters to report.

Members were informed that the work undertaken on the significant risks would incur an additional fee on top of the indicative fee of £14,068 and that the material errors work may also result in an extra fee being applied.

External Auditors confirmed the unqualified opinion stating that the accounts required adoption by the Authority.

The External Auditor thanked Officers and staff for their efforts when dealing swiftly with the problems that arose.

Clarifications and questions were raised by the Chair and other Members about the External Auditor's observations and recommendations relating to PPE (plant, property and equipment), MRP (minimum revenue payment) and the PFI leasehold asset adjustment. The External Auditor clarified her rationales, and Members were content.

Members noted the External Auditor's, Audit Results report and **approved** the letter of representation and the audited Statement of Accounts for the financial year 2018/19. The letter of representation will be signed by the Finance Director.

5. Any other public items

There were none.

6. Private Business

There was none.

Chair: O Dervish

Date: 07 October 2019