

WESTERN RIVERSIDE WASTE AUTHORITY

AUDIT COMMITTEE

Minutes of the meeting of the Audit Committee held at the Town Hall (Room 122), Wandsworth High Street, SW18 on 31st July 2019 at 2.30 pm.

PRESENT

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| Hammersmith & Fulham Council | – Councillor W. Harcourt |
| Kensington & Chelsea Council | – Councillor M. Palmer |
| Wandsworth Council | – Councillor Mrs. S. Sutters (Deputy Chairman in the Chair) |

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Holland.

Prior to considering the first item on the agenda Councillor Harcourt had concerns that there was no representation from one of the Constituent Councils, namely Lambeth Council. Councillor Palmer also expressed his regret on this matter. The Deputy Clerk confirmed that every Member of the Authority had been sent a copy of the agenda for this meeting and that no observations or comments had been received from any Member of the Authority prior to the meeting.

The Chairman, Councillor Mrs Sutters confirmed she had also raised this matter with officers as it was regrettable that Lambeth would not be represented at such an important meeting. The Chairman added that Members of the Authority had been advised that non-Authority Members may attend the meeting as observers.

The Clerk advised that this meeting could not be delayed as the Accounts and Audit Regulations (England and Wales) 2015 require the Authority to approve the Accounts by the 31st July 2019. The Clerk explained that the Authority is subject to Section 31 of the Local government Act 1985 – which refers to ‘Members of Joint Authorities’. The Clerk detailed the relevant sections below, which had been sent by the Deputy Clerk to all Members of the Authority via email:

In accordance with Section 31(2)(a) a constituent council may at any time terminate the appointment of a person appointed by it to a joint authority and appoint another member of the council in his place.

Section 31(2)(b) states that where a constituent council exercises its powers under this section —

- (a) it shall give notice of the new appointment and of the termination of the previous appointment to the authority to which those appointments were made; and
- (b) the new appointment shall take effect, and the previous appointment shall terminate, at the end of one month from the date on which the notice is given.

The Clerk advised that Councillor Mary Atkins and Councillor Holland had been appointed as Lambeth's representatives on WRWA at Lambeth's Annual Council meeting on 24th April 2019 for the Municipal year 2019/20.

Lambeth had given notice that on 12th July 2019 that Councillor Meldrum was to replace Councillor Atkins. In accordance with S31(2)(b) Councillor Meldrum's appointment would be effective from 12th August 2019. Therefore, for the purposes of this meeting Lambeth's membership is currently Councillors Atkins and Holland. The Clerk confirmed that the Deputy Clerk had advised both Councillors Atkins and Holland that they were Lambeth's current representatives on the Authority.

Councillor Harcourt asked if there was any discretion given the level of importance of the subject matter under consideration. The Clerk advised that the Chairman had no discretion in this matter.

Councillor Harcourt raised the possibility of having substitutes/named deputies to avoid such situations. The Clerk advised that Section 31 makes no provision for deputies or alternates. The Clerk added that the West London Waste Authority had made representations to the Government to amend Section 31 to allow for substitutes. West London Waste Authority has one Member per Constituent Council. Their request was not successful.

The Treasurer proposed that there be a discussion paper to the next Authority meeting highlighting the issues arising from Section 31 and whether Members would wish to make representations to Government on the legislation. The proposal was agreed by the Members of the Audit Committee.

AUDITED ACCOUNTS FOR 2018/19 (PAPER NO. WRWA 886)

Mr. Ben Sheriff, (Auditor-Deloitte) stated that the statutory timetable had not been met and that this was unique for this Authority but not unique across the country. Mr. Sheriff added that the audit timetable was not being met across the country. He advised that the area of concern for the Authority was over the accounting arrangements for the WMSA.

The Treasurer advised that there were two new accounting standards applicable to local government for the first time in 2018/19 which had required additional clarification with the auditors. The Treasurer added that most of the issues have been resolved, but the issue relating to the accounting treatment of the £3.5 million received from Cory relating to the Authority's consent to refinancing of the EfW is yet to be resolved.

The Treasurer explained that the accounting arrangements for the WMSA have been the same since financial close was reached in 2008; and have been subject to external audit by three different firms since 2008.

The Treasurer advised that the Auditor's second recommendation in relation to accounting papers would need to be reviewed in view of the potential resource implications arising from the recommendation, as assistance to undertake some of the work may need to be sourced externally. The Treasurer on being questioned about the potential costs said he could not confirm costs at present.

In response to another question the Treasurer confirmed that in 2008 an accounting paper was not produced and not deemed necessary by the auditors at that time.

The Treasurer advised that under the Regulations the Authority is required to approve the accounts with or without an Audit Certificate. In addition, Regulation 10(a) states that the Authority must publish a notice stating that it has been unable to publish the statement of accounts and the reasons for this.

The Treasurer also confirmed that a progress report would be presented to the next meeting of the Authority in September. It was then

REOLVED to:

- (a) approve the Authority's Statement of Accounts (Appendix A);
- (b) publish the Statutory notice with regard to the non-completion of the audit by 31st July as required by Regulation 10.2 a of the Accounts and Audit (England and Wales) Regulations 2015;
- (c) note Deloitte's Draft ISA 260 report relating to the Accounts for 2018/19 (Appendix B); and
- (d) otherwise receive this report for information

The meeting ended at 2.50 p.m.