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| <b>ITEM 6</b> |
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**PAPER NO. WRWA 878**

## **WESTERN RIVERSIDE WASTE AUTHORITY**

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| <b>MEETING</b>                 | 15th July 2019  |
| <b>REPORT AUTHOR/<br/>DATE</b> | Treasurer (Chris Buss-Tel 0208 871 2788)<br>11th July 2019  |
| <b>SUBJECT</b>                 | Report of the Treasurer on the Authority's statement of Accounts for 2018/19  |
| <b>CONTENTS</b>                | Page 1 Executive Summary and Background<br>Page 2 Recommendations   |
| <b>STATUS</b>                  | Open-circulation of this paper is not restricted.<br><br><b><u>LATE CIRCULATION:</u> AS PROVIDED FOR UNDER SECTION 100B(4)(b) OF THE LOCAL GOVERNMENT ACT 1972, THE CHAIRMAN IS OF THE OPINION THAT THIS REPORT SHOULD BE CONSIDERED AT THE MEETING AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES. THE CIRCUMSTANCES ARE THAT THE REPORT NEEDS TO BE PRESENTED AT THIS MEETING IN ORDER THAT THE AUTHORITY CAN SET UP ARRANGEMENTS FOR THE AGREEMENT OF THE STATEMENT OF ACCOUNTS FOR 2018-19 BY THE STATUTORY DEADLINE of 31<sup>st</sup> JULY 2019.</b> |
| <b>BACKGROUND PAPERS</b>       | No background papers were used in the production of this report   |

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## **EXECUTIVE SUMMARY AND BACKGROUND**

1. As outlined in the outturn report elsewhere on this agenda, the auditing standards placed on the external auditor (Deloitte) require that the Auditor makes a report to the Authority by 31<sup>st</sup> July 2019 following the Audit of the accounts, as a prelude to issuing a formal Opinion on the Authority's accounts.

## **ACCOUNTS AND AUDIT 2018/19**

2. As the responsible financial officer, the Treasurer signed and dated the Statement of Accounts for 2018/19 on 29<sup>th</sup> May 2019. During the audit the Auditors brought to the attention of the Treasurer that the valuations used for balance sheet purposes as at 31<sup>st</sup> March 2018 and audited by the previous Auditors were incorrect. This has led to the March 2018 balance sheet being restated. The Treasurer has also had detailed and lengthy discussions on the application of two accounting standards to the Authority's accounts this has led to a delay in the agreement of the accounts, this has not been resolved. The issues relate primarily to the accounting treatment of the £3.5 million received from Cory relating to authority's consent to refinancing of the EfW and to the underlying perceived financial guarantee within the WMSA. The two accounting standards are applicable to local government for the first time in 2018/19 .This issue will be resolved prior to the statutory deadline for the agreement of the accounts 31<sup>st</sup> July 2019, however at present it is not possible to give a firm date on when this might happen.
3. The Accounts and Audit (England ) regulations 2015 require the accounts to be agreed either by the Authority or a Committee of the Authority. Agreement cannot be delegated to the Chairman. In the light of this, and following consultation with the Chairman and Clerk, it is proposed to establish a committee of the Authority with a single term of reference being to approve the 2018/19 statement of accounts and to receive the report of the external auditors.

## **CONSTITUTION OF COMMITTEE**

4. The committee would consist of a member from each of the constituent Council's. If the Chairman or Deputy Chairman represent their respective Councils they would also be the Chairman and Deputy Chairman of the committee. In the event that the Chairman is unable to attend the Deputy Chairman shall act as Chairman of the committee If both are unable to attend then the Chairman of the committee will be elected by the committee. The Clerk will contact each constituent council to determine which member will be their representative. In the event that the member nominated to the committee is unable to attend the other member for that

Council may act as an alternate. Two members will be required to attend to make the committee quorate. The Authority's rules require that normally four clear days be given of any meeting however, due to the fact that at present it is unclear when the Authority will receive clearance of the accounts and that there is a statutory deadline to meet, it is proposed that in this instance two days' notice shall be the minimum required to authorise the meeting. All other standing orders relating to the conduct of meetings and voting which apply to Authority meetings will apply to the Committee Meeting.

5. This action is highly unusual and is due to a range of circumstances including the shortening of the statutory period to complete both the submission of accounts and audit, combined with the unusual nature of the Authority's contract which did not envisage some of the nuanced accounting standards that now apply to local government.

### **RECOMMENDATIONS**

6. The Authority is recommended to:
  - (a) note the delay in finalising the Audit of the 2018/19 Statement of accounts
  - (b) authorise the Establishment of a committee as set out in paragraph 3 including agreeing the terms of reference and
  - (c) agree the membership arrangements, notice period and procedural arrangements as set out in paragraph 4.

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Western Riverside Waste Authority  
Administration Office  
Smugglers Way  
LONDON SW18 1JS

CHRIS BUSS  
Treasurer

12th July 2019