

MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON TUESDAY, 10TH DECEMBER, 2024

MEMBERS: Councillors Nicki Adeleke (Chair), Ian Barnes (Vice Chair), Nawshad Ali, Hivran Dalkaya, Alessandro Georgiou, Elisa Morreale, Julian Sampson, James Hockney, and Eylem Yuruk and Peter Nwosu (Independent Member)

Officers: Annette Trigg (Director Finance - Corporate), Jo Moore (Executive Director – Resources), Olga Bennett (Director Finance – Capital and Commercial), Terry Osborne (Director Law and Governance), Nicola Robbins (Governance Manager) and Sakinah Sutherland (Governance Officer)

Also Attending: Councillor Tim Leaver (Deputy Leader), Sebastian Evans (BDO)

1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies for absence were received from Cllr Nia Stevens who was substituted by Cllr Ian Barnes and acted as Vice Chair, Cllr Mahmut Aksanoglu who was substituted by Cllr Eylem Yuruk, and Cllr Joanne Laban who was substituted by Cllr James Hockney.

2. DECLARATIONS OF INTEREST

No declarations of interest were received relating to any items on the agenda.

3. MINUTES OF PREVIOUS THE MEETING

The minutes of the previous meeting held on Wednesday 23 October were **AGREED**.

4. BDO EXTERNAL AUDIT OF ACCOUNTS

Members raised a point of order and concern regarding the late publication of the report from the Director of Finance – Corporate on this item, which were received just one day before the meeting. Members pointed out that this left insufficient time for them to properly review the report, hindering their ability to provide accurate opinions or informed commentary. The Monitoring Officer advised that this was not technically a breach of the Access to Information Rules as the report was published as soon as it was available but usual good practice is that reports are published at the same time as the agenda.

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Annette Trigg (Director of Finance – Corporate) presented an overview of the Council's Statement of Accounts and Pension Fund Accounts for 2019/20, alongside BDO's draft final audit completion reports for 2019/20, the revised 2019/20 Annual Governance Statement, and the Auditor's Annual Report and Value for Money (VFM) assessments for 2020/21 to 2022/23.

She explained that the Council must meet the audit backstop date of 13 December 2024, as mandated by the Council Audit Regulations 2024 amendment. This requires the accounts from 2019/20 to 2022/23 to be signed off as true and fair by the Section 151 Officer. This process depends on resolving all material misstatements and errors.

Members queried why longstanding issues raised by BDO remain unresolved. Officers responded that while efforts have been made to address these using historical data, changes to systems and processes since 2019 have posed significant challenges. The finance team delayed finalising the papers in the hope that BDO would change their disclaimed opinion and the Section 151 Officer, would be able to sign off the audit accounts. When this did not happen, the report had to be rewritten.

The Executive Director, Resources, identified three key issues that must be resolved before she would be in a position to be able to sign off the accounts. Members expressed concern about delays causing a cycle of unsigned accounts and asked whether a formal notice of non-compliance must now be issued. Officers confirmed that it would.

BDO explained that their progress over the past year was hindered by staff shortages and unresolved matters identified in April. Members also raised concerns about a £41k miscalculation in the asset register, which officers attributed to a historical data transfer error that led to some assets being missed. Measures are being implemented to prevent similar errors in the future.

In response to member concerns about why these issues remain unresolved after several years, officers noted that the audit findings were shared in September, with the final report delivered only last week. Regular updates have been provided to the committee. They acknowledged the Council's current position is different from 2019 and assured members that lessons have been learned.

Members asked BDO about weaknesses noted in securing value for money. BDO clarified that this was a generic term and not an indication of specific instances of wasted taxpayer resources.

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Failure to meet the backstop date requires the Council to issue a notice outlining the reasons for missing the deadline. Legislation mandates that the audit be completed as soon as practically possible. Officers aim to resolve the outstanding matters by February 2025.

Members expressed concern that issues raised years ago remain unresolved but acknowledged that other councils face similar challenges due to the complexities of their accounts. The Minister has been informed of the delay, and a statement listing non-compliant councils is expected to be published in February 2025.

BDO claimed in their report that statutory information was not provided on time by the Council. However, members countered this assertion, emphasising that both they and council officers have been cooperative and responsive. They noted that required documents were produced on time and, in many instances, resent multiple times due to the change of staff assigned to the Council by BDO.

APPROVED the revision of the Annual Governance Statement 2019/20

NOTED:

- I. the changes to the Accounts and Audit (Amendment) regulations 2024 and the impact on the audit of the Council's accounts 2019/20 to 2022/23;
- II. the external Auditor's reports for the four years 2019/20 to 2022/23;
- III. the external Auditor has given a "disclaimer" audit opinion for all four years in accordance with the 2024 Regulations;
- IV. the 2019/20, 2020/21, 2021/22 and 2022/23 Statement of Accounts and Pension Fund Accounts;
- V. the Responsible Financial Officer (S151 Officer) is not in a position to sign off the accounts as representing a true and fair view until further assurance work is undertaken;
- VI. the impact of this is that the Council will not be able to meet the backstop statutory deadline of 13 December 2024;
- VII. the proposed Auditor fees for the 2019/20 Statement of Accounts of £397k as set out on page 98 of Appendix 1a, and the fee for the 2019/20 Pension Fund Accounts of £37k as set out on page 30 of Appendix 1b, and that fees for the backstopped audits 2020/21 to 2022/23 will be determined following a review by the PSAA.

5. DATES OF FUTURE MEETINGS

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NOTED that the next meeting of the General Purposes Committee will be held on Wednesday 29 January 2025.