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GENERAL PURPOSES COMMITTEE - 10.9.2024

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

MEMBERS: Councillors: Nia Stevens (Chair), Sabri Ozaydin, Josh Abey, Nicki Adeleke, Alessandro Georgiou, Joanne Laban, Elisa Morreale, Lee Chamberlain and Peter Nwosu

Officers: Fay Hammond (Executive Director Resources), Annette Trigg (Director Finance Corporate) and Nicola Robbins (Governance Manager)

Also Attending: Ciaran McLaughlin (BDO) and Sebastian Evans (BDO)

1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies for absence were received from Cllr Julian Sampson who was substituted by Cllr Lee Chamberlain.

Cllr Destiny Karakus was absent from the meeting.

2. DECLARATIONS OF INTEREST

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

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on Wednesday 24 July were **AGREED** subject to an amendment to reflect that Cllr Alessandro Georgiou was in attendance of the July meeting which had been rectified online before tonight's meeting.

4. BDO AUDIT REPORT 2019/20

Ciaran McLaughlin (BDO) provided a verbal update on the 2019/20 audit completion report stating that the accounts are almost final but there are a few tasks that are still being worked through in order to sign off the accounts.

Having completed the work to date, some issues have been identified in relation to the prior period adjustment. While they were happy with the asset side of the transactions, but the reserves side of transactions are less conclusive so need to ensure there are no material misstatements. There are some uncertainties based on lack of and/or access to historical records to support and clarify some of the issues with the transactions.

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BDO explained that there were three options to be considered in order to get the accounts ready for final sign off and it would be a matter for the committee to decide the next steps which were as follows:

1. BDO to issue a modified opinion with a limitation of scope which states they were not able to reach a view on the two reserve balances but everything else within the accounts is true and fair;
2. To view all the errors as being pervasive to the account which would bring the accounts into disclaimer territory but confirmed that this was not the case at this moment in time;
3. To work towards the audit backstop date (13 December 2024) which was recently laid down in parliament stating that all audits up to 2022/23 must be completed and will be implemented at the end of September.

The unadjusted misstatements are set out in the report, but they do not materially affect the accounts and there be no requirement to be amended. The committee confirmed that they were not aware of any material frauds that might impact on the accounts.

Officers suggested that option 1 would be more desirable as it would be helpful for the auditors going forward when looking into future sets of accounts as the accounts are fundamentally in a good position which will be used as a basis for future budget setting.

Members acknowledged that although it has taken a long time to get to this stage, there had been a lot of errors found which officers had now rectified sufficiently and considered option 1 to be a good way forward. Members asked for assurances as to how long the outstanding matters would take to resolve to which BDO responded would be 4 weeks.

Members expressed concerns of the mid-December backstop date deadline potentially being missed. BDO responded stating that they have been through the final accounts in a good level of detail with two levels of review, have identified where the outstanding issues are which may lead to follow up questions but should be fairly straightforward to resolve and were confident that the mid-December backstop date will not be missed.

Members asked if the extensive work carried out on the 19/20 accounts would have any bearing on the subsequent audits for 21/22 and 22/23. BDO responded that the 19/20 audit will have no impact on the 21/22 and 22/23 audits which will not be audited in detail and will most likely roll up to the mid-December backstop date.

ACTION: BDO to attend the October meeting to provide a further update of the 19/20 audit. This is to include a more in-depth update on namely; the Meridian Water Remediation Works, Housing Benefit overpayments, Temporary Accommodation rent arrears and the sundry debtors.

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Officers confirmed that the Value for Money statement from Grant Thornton which will be coming to the next committee meeting will show their views on the current situation with regard to the 2023/24 audit.

Sebastian Evans (BDO) introduced the Pension Audit Completion report for 19/20 outline the key points. A version of this paper was first brought to the committee in October 2021 and the findings had not changed much during this time. There were no unadjusted misstatements, so all of the findings were adjusted for during the course of the audit which made it straightforward when informing an opinion. Management overrides of controls which is on all audits as a mandatory risk but did not find any matters that were cause for concern.

With regard to the pension liability, there was no indication of bias it was just a case of when the actuarial report was drafted to when it was subsequently finalised during Covid, there were a lot of changes to actuarial assumptions during that time and those were reflected in the final accounts. The committee confirmed that they were not aware of any material frauds that might impact on the accounts.

The updates were **NOTED**.

5. INFORMING RISK ASSESSMENT AUDIT REPORT

Annette Trigg (Director Finance – Corporate) introduced the report outlining the key points. Officers are to fill out key priority areas across the council, governance and key stakeholders and provide responses so everyone is aware of the risks which will be transparent and clearly recorded.

The report was **NOTED**.

6. DATES OF FUTURE MEETINGS

NOTED that the next meeting of the General Purposes Committee will be held on Wednesday 23 October 2024.

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