

MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON THURSDAY, 1ST DECEMBER, 2022

MEMBERS: Councillors Mahym Bedekova (Chair), Ayten Guzel (Vice Chair), Nawshad Ali, Hannah Dyson, Alessandro Georgiou, Joanne Laban, Sabri Ozaydin and Michael Rye OBE

OFFICERS: Fay Hammond (Executive Director – Resources), James Newman (Director of Finance - Corporate), Peter George (Director of Development – Place) Terry Osborne (Director of Law and Governance - Chief Executive Department), Lillee Craig (Head of Programme Management Office (PMO), Gemma Young (Head of Internal Audit and Risk Management - Chief Exec Legal Services), (Marie Lowe (Governance and Scrutiny Officer - Chief Executive Department)

ALSO ATTENDING: David Eagles (Partner, BDO, External Auditors) and Sebastian Evans (Audit Manager, BDO, External Auditor)

1. WELCOME & APOLOGIES

Apologies for absence had been received from Cllr Elisa Morreale, who was substituted by Cllr Hannah Dyson.

Apologies for absence had also been received from Cllr Esin Gunes, Peter Nwosu, Independent Member and Lisa Blake, BDO.

David Eagles and Sebastian Evans from BDO were in attendance.

2. DECLARATIONS OF INTEREST

During the discussion which ensued under item 4 – Audit and Risk Management Service Progress Update, Cllr Nawshad Ali advised that he was a Member of the Council's Local Pension Board and Cllr Sabri Ozaydin advised he was a Member of the Council's Pension Policy and Investment Committee.

3. MINUTES OF PREVIOUS MEETING

NOTED that the minutes of the General Purposes Committee meeting held on 20 October 2022 be **AGREED**.

4. AUDIT AND RISK MANAGEMENT SERVICE PROGRESS UPDATE

The Audit and Risk Management Service Progress Update report summarised the results of the work undertaken during the period 1 April 2021 to 31 October 2022 and the continued work to target limited audit resources at the highest priority Corporate and Schools' services.

GENERAL PURPOSES COMMITTEE - 1.12.2022

The Head of Internal Audit and Risk Management provided a verbal update on the actions from the previous meeting in relation to the Audit and Risk Management Service and the Corporate Risk Register.

Members raised the following queries.

Recycling Waste Services Contract, which was due to expire in September 2023, the dates for the lead-in time for the renewal of the contract; clarification who had responsibility that the formal meetings were minuted and whether the performance of the contractor had reached the agreed performance criteria when there were no contract management agreements in place. **ACTION**

CR05 Duty of Care - Passenger Services Operations - Adults

How the samples of the journeys travelled were used to assess the accuracy of the routes taken or not taken against the claims made and invoiced in relation to transport for Adult Social Care. **ACTION**

With the permission of the Chair, the Head of Internal Audit and Risk Management announced that the Internal Audit and Risk Management Team had won the Public Finance Award, for which the Committee commended the members of staff involved.

AGREED that the feedback from the Committee and contents of the report together with the work of the Audit and Risk Management Service be **NOTED**.

5. UPDATE ON FINANCIAL RESILIENCE/MANAGING THE SAVINGS

The report provided an overview on the Council's financial resilience and managing the savings.

In response to questions from Members, the Executive Director, Resources advised that a specific review on the significant financial pressures faced by the Council was underway. These included the cost of Special Educational Needs (SEN), an increasing need for education, health, and care plans (EHCPs), the need for additional places within the care system. A report would be taken to the appropriate formal body of the Council.

The Executive Director, Resources undertook to provide inflationary information dating back to 1997, together with information regarding SEN for the last three to four years to provide a data comparison regarding the current position and would resend a list of the Council's loans for the last forty years.

ACTION

AGREED that:

1. The journey of financial resilience to the present time be **NOTED**;
2. The challenge presented by the current high inflationary environment which was exacerbating the Council's (and the

GENERAL PURPOSES COMMITTEE - 1.12.2022

sector's) budget challenge for at least 2022/23 and 2023/24, across revenue and capital be **NOTED**;

3. The approach the Council was taking in closing the 2023/24 budget gap be **NOTED**;
4. The negative direction of reserve balances, after a period of upward trajectory be **NOTED**; and
5. The fragile sector wide funding position and changing nature of the challenge, after 2023/24 was balanced be **NOTED**.

6. UPDATE ON THE AUDIT OF THE 2019/20, 2020/21 AND 2021/22 STATEMENT OF ACCOUNTS AND PENSION FUND

Following the publication of the draft 2021/22 Statement of Accounts (including Pension Fund), the report provided an update on the audit status of each year of open, unaudited accounts for the three financial years 2019/20, 2020/21, and 2021/22.

At the request of the Committee, the representatives from the External Auditor undertook to provide an update on the sector-wide infrastructure assets issue, which remained open whilst CIPFA continued to work on a solution, in January 2023.

AGREED that:

1. The information provided within the report of Officers on the progress of audit of LBE's open sets of accounts since the October meeting of the General Purposes Committee be **NOTED**;
2. The current accumulated backlog of three years of open, unaudited statement of accounts be **NOTED**; and
3. At the submission point of the report, the External Auditor, BDO who had intended to have finalised the audit of the 2019/20 statement of accounts in time for the meeting, barring the sector-wide infrastructure assets had not done so be **NOTED**.

7. DATES OF FUTURE MEETINGS

The next meeting of the General Purposes Committee, scheduled to take place on Thursday, 19 January 2023 would start at the slightly later time of **7.15pm**.

8. EXCLUSION OF THE PRESS AND PUBLIC

AGREED to pass a resolution under Section 100(A) of the Local Government Act 1972 excluding the press and public from the meeting for the items of business listed on part 2 of the agenda on the grounds that they involved the likely disclosure of exempt information as defined in those paragraphs of Part

GENERAL PURPOSES COMMITTEE - 1.12.2022

1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

9. MERIDIAN WATER RISK REGISTER UPDATE

The confidential report provided an update on the Meridian Water Risk Register.

AGREED that the report be noted.

The meeting ended at 9.30 pm.