

THE LONDON BOROUGH OF CAMDEN

At a meeting of the **NORTH LONDON WASTE AUTHORITY AUDIT COMMITTEE** held on **THURSDAY, 25TH JULY, 2019** at 2.30 pm in Committee Room 2, Crowndale Centre, 218 Eversholt Street, London, NW1 1BD

MEMBERS OF THE COMMITTEE PRESENT

Councillors Charles Adje, Andy Hull, Richard Olszewski, Rebecca Rennison and Peter Zinkin

MEMBERS OF THE COMMITTEE ABSENT

Councillors Guney Dogan and Clyde Loakes

ALSO PRESENT

Councillor Chris Bond

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the North London Waste Authority Audit Committee and any corrections approved at that meeting will be recorded in those minutes.

MINUTES

1. ELECTION OF CHAIR

RESOLVED –

- (i) THAT Councillor Andy Hull be appointed Chair of the Committee for the 2019/20 municipal year; and
- (ii) THAT Councillor Peter Zinkin be appointed Vice-Chair of the Committee for the 2019/20 municipal year.

2. TERMS OF REFERENCE

The terms of reference of the Committee were noted.

3. APOLOGIES

Apologies for absence were received from Councillor Clyde Loakes.

4. DECLARATIONS BY MEMBER OF ANY PECUNIARY OR NON-PECUNIARY INTERESTS IN RESPECT OF ITEMS ON THIS AGENDA

There were no declarations of interest.

5. ANNOUNCEMENTS (IF ANY)

There were no announcements.

6. DEPUTATIONS (IF ANY)

There were no deputations.

7. MINUTES

RESOLVED –

THAT the minutes of the meeting held on 26th July 2018 be approved and signed as a correct record.

8. NOTIFICATIONS OF ANY ITEMS OF BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no urgent business.

9. 2018/19 STATEMENT OF ACCOUNTS

Consideration was given to the report of the Financial Adviser, which was presented by Paul Gulliford (Head of Finance), Lucy Nutley and Gary McLeod (Mazars). The Head of Finance amended the third officer recommendation to the Committee requesting that the Audit Committee Chair and Deputy Clerk be authorised to sign the 2018/19 Statement of Account and Annual Governance Statement as the Clerk was on leave.

The Chair noted that Mazars anticipated issuing an unqualified audit opinion on the financial statements.

The Head of Finance confirmed that he had met with the Head of Treasury and Financial Services at London Borough of Camden to discuss the external auditor's recommendation that the Waste Authority set up a separate bank account. They had discussed the challenges and costs this would introduce. It was proposed that a report be brought to the full Authority meeting in October 2019 assessing the following three options: making the current situation work more effectively; setting up a separate account to manage project expenditure; and setting up a completely separate bank account for the Waste Authority.

In response to questions about how significant a problem was the lack of a separate bank account for the Waste Authority, the external auditor suggested that this depended on the level of risk that the Authority was comfortable with and the level of borrowing that was being undertaken. The Waste Authority should feel secure with the governance arrangements for its cash holdings. As the North London Heat and Power Project (NLHPP) progressed, there would be large draw-downs on money which would then be outside the direct control of the Authority.

The Chair suggested that a report from the Financial Adviser in October 2019 to the full Authority meeting would be welcome. This should address the pros and cons of the options outlined by the Head of Finance and recommend a way forward. It was noted that this would tie into the emerging Financial Strategy that was due to return to the Authority meeting in October.

ACTION BY: Financial Adviser

The Head of Finance assured the Committee that Camden Council's accounting system allowed for separate reporting for multiple projects. Members queried whether the accounting system also allowed for separate reporting for multi-year projects. It was noted that borrowing and spending would begin to increase significantly. Officers were asked to bring a response to this query to the Authority meeting in October 2019.

ACTION BY: Head of Finance

RESOLVED –

- (i) THAT the Committee noted the draft Report to those Charged with Governance (ISA 260 report);
- (ii) THAT the Committee authorised the Financial Adviser to sign the 2018/19 letter of management representation as drafted on pages 15-17 of Appendix A;
- (iii) THAT the Committee approved the Authority's 2018/19 Statement of Accounts and Annual Governance Statement and authorised the Audit Committee Chair and Deputy Clerk to sign these documents;
- (iv) THAT the Committee noted that the Financial Adviser would report back to the October full Authority meeting with steps to consider in relation to the auditor's recommendation that the Authority should have its own bank account; and
- (v) THAT the Committee thanked the Head of Finance and his team for their work on preparing the accounts to the statutory deadlines and thanked the auditing team for their first audit undertaken for the Waste Authority.

10. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no urgent business.

The meeting ended at 2.55 pm.

CHAIR

North London Waste Authority Audit Committee - Thursday, 25th July, 2019

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MINUTES END