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# Tyne and Wear Passenger Transport Authority Special Meeting

22 June 2006  
(9.30am – 9.50am)

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**Present:** Councillor Lawson (in the Chair)

Councillors: Green, Hanson, Hodson, A Ord, O'Shea, Watson and P Wood

**In Attendance:** P Woods M Calvert, P Hedley, S O'Donnell, L Bentley and J Curran

**Representing Nexus:** M Parker, S Atkinson and B Garner

## 28 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Keating, McKeever, D Wood, Sleightholme, Bolland and Clare.

## 29 **ANNUAL ACCOUNTS 2005/06 (PRE-AUDIT)**

Submitted: A report of the Deputy Clerk and Treasurer (PTA) (copies attached to Official Minutes).

P Woods introduced the report which sought approval for the 2005/06 Annual Accounts (pre-Audit). A supplemental report was circulated which contained a more detailed introduction to the accounts.

When finalised, the accounts would be produced in a blue coloured brochure. P Woods thanked M Calvert who had prepared the accounts for his work and the production of the brochure. He then drew members' attention to key points within the budget and referred particularly to the new requirement for the PTA and Nexus to produce group accounts. This had presented some difficulties as both organisations used different accounting policies. However he was satisfied with the result of the exercise.

### **Questions/Comments:**

- The Chairman referred to the title page (page 2 of the Draft Annual Accounts on the main agenda) and particularly to the reference to "Passenger Transport Committee" which should be amended to "Passenger Transport Authority".

- In response to a query, P Woods explained that the capital financing charges did not just relate to the Tyne Tunnel, but to all capital items including those funded through Nexus. He explained how borrowing costs were apportioned among the five districts. The Authority was required to set aside a minimum revenue provision for the redemption of external debt.
- M Calvert explained in relation to Section 14 – “Disclosure Notes to the Consolidated Revenue Accounts” (related party transactions) that the amount for provision of support services, was an error in the main report and had been amended to £577,000 in the tabled report. P Woods agreed this still was a significant increase and explained that during 2005/06 there had been extra financial resources required to support the tendering operation of the New Tyne Crossing. This had increased with more being used on the legal activities. A single line covered all activities from Newcastle City Council.
- In response to a query, M Calvert explained that there would be no change in policy regarding debtors and creditors, however more funding was being paid out at the year end than in previous years. This led to an improvement in cash flow arrangements.

**RESOLVED** – That

- (i) the 2005/06 be approved; and
- (ii) the provisional figures in the accounts be noted.

30 **STATEMENT ON INTERNAL CONTROL 2005/06 (DRAFT)**

Submitted: A report of the Deputy Clerk and Treasurer (PTA) (copies attached to Official Minutes).

P Woods introduced the Statement on Internal Control which was designed to identify and prioritise the risks and achievements of the Authority’s policies, aims and objectives. He drew attention to improvements in the internal audit system. There had been a new Chief Internal Auditor appointed in May 2006 and Strategic Partner for Audit Work had been appointed. The issues arising from 2005/06 were identified and these would be tracked and could in addition be monitored by the Scrutiny Committee. He would expect to see significant improvement in these areas in next years Statement on Internal Control.

P Woods explained that the accounts and the Statement on Internal Control would be presented to the Authority, post audit, probably in July or September. Members would be advised of any developments on the Statement on Internal Control.

The Chairman thanked P Woods and M Calvert for their presentation.

**RESOLVED** – That the 2005/06 statement on internal control be approved and its comments noted.