

Decisions of the Audit Committee

14 February 2022

Councillor Rohit Grover (Chairman)
Councillor Alex Prager (Vice-Chairman)

Councillor Laithe Jajeh
Councillor Kathy Levine
Councillor Alison Moore

Councillor Arjun Mittra
Councillor Nick Mearing-Smith

Also in attendance:

Geraldine Chadwick – Independent Member
Richard Harbord – Independent Member

1. **MINUTES OF LAST MEETING (Agenda Item 1):**

The Chairman of the Audit Committee, Councillor Rohit Grover welcomed all attendees to the meeting. The Chairman read out the Covid-secure arrangements which were in place throughout the meeting, to ensure the safety of all those in attendance.

It was RESOLVED that subject to the correction on page 2 of the minutes to read Ms Geraldine Chadwick, the minutes of the previous meeting held on 15 December 2021 be agreed as a correct record.

2. **ABSENCE OF MEMBERS (IF ANY) (Agenda Item 2):**

None.

3. **DECLARATION OF MEMBERS' DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS (IF ANY) (Agenda Item 3):**

Councillor Arjun Mittra declared an interest in relation to item 8 by virtue of being a Barnet Homes tenant.

Councillor Alison Moore declared an interest in relation to agenda item 8 by virtue of being a LA Governor on The Squires Lane Learning Federation Governing Body.

4. **REPORT OF THE MONITORING OFFICER (IF ANY) (Agenda Item 4):**

None.

5. **PUBLIC QUESTION AND COMMENTS (IF ANY) (Agenda Item 5):**

None.

6. MEMBERS' ITEMS (IF ANY) (Agenda Item 6):

None.

7. EXTERNAL AUDITORS REPORT 2020-21 (Agenda Item 7):

The Chairman invited Anisa Darr, (Executive Director of Resources S151 Officer), Jyotika Dabasia (Head of Finance), Lisa Blake (Engagement Lead BDO) and Michael Asare Bediako (Audit Manager BDO) to introduce the report and appendix.

Geraldine Chadwick (Independent Member) requested clarification in future reports for terms used in the appendix around the provision for non-collection of intercompany loans. Richard Harbord (Independent Member) suggested that in its final report BDO could try to distinguish between purely technical accounting issues and issues which affect the General Fund.

Councillor Alison Moore and Richard Harbord (Independent Member) noted the risk for late circulation of the appendix as potentially not being able to consider all the information in full prior to the meeting.

Following consideration of the item by the Committee, it was **RESOLVED:**

- 1. That the Committee approved, subject to there being no material amendments, the Statement of Accounts for 2020/21 and recommended that they be signed by the Chairman and the Executive Director of Resources (Statutory 151 Officer) on behalf of the Council.**
- 2. That the Committee delegated to the Executive Director of Resources (Statutory 151 officer) the ability to make necessary amendments to the statement of accounts, in so far as there is no material impact on the General Fund, based on any subsequent findings of the External Auditor.**
- 3. That the matters raised by the external auditor relating to detailed aspects of the 2020/21 accounts audit be noted.**
- 4. That the Committee noted the measures that the government is taking to help tackle audit delays and the impact on audit deadlines.**
- 5. That the Committee noted the details of the Department for Levelling Up, Housing and Communities (DLUHC) consultation on changes in relation to Minimum Revenue Provision (MRP).**

8. INTERNAL AUDIT EXCEPTION RECOMMENDATIONS Q3 (Agenda Item 8):

Upon invitation of the Chairman, Caroline Glitre (Head of Internal Audit) and Paul Rock (Head of Internal Audit, LB Tower Hamlets) to present the report and appendices.

Paul Rock presented Appendix 2, External Quality Assessment of Internal Audit. Mr. Rock spoke about the adherence to standards as being excellent and noted the small areas for minor improvements which are being actioned.

The Committee welcomed the report and commended the work delivered. In response to queries from the Committee, Paul Rock noted that approximately 17 peer reviews have been undertaken in London. Caroline Glitre informed the Committee about the action plan which will be reported to the Committee as an update to this item.

In response to a query from the Committee regarding Danegrove School, Officers noted that a new Headteacher has taken up the position as of September. In addition to support and regular

contact with the school, a follow-up visit will take place in March and the Committee will be updated.

Following a query from the Committee about health & safety risks in relation to the Estates Compliance report Chris Smith, Assistant Director Estates and Acquisitions, joined the meeting. The Committee noted that for leased properties, a database is in place for inspection reports and that spot checks are undertaken for compliance. Members requested that where possible reminders be issued for tenants for leased properties in relation to health & safety inspection.

It was RESOLVED that the Committee noted the work completed to date on the internal audit Q3 report – 1st October to 31st December 2021.

9. AUDITOR APPOINTMENTS (Agenda Item 9):

The Chairman invited Anisa Darr, Executive Director of Resources (S151 Officer) and Jyotika Dabasia, Head of Finance to present the report. Jyotika Dabasia summarised the report and the evaluation undertaken for each option to establish the most appropriate arrangements for the Council.

Following a query from the Committee, Officers referred to the national opt-in scheme which provides that appointing the same auditor to other opted-in bodies that are involved in formal collaboration or joint working initiatives to the extent this is possible with other constraints.

In response to a query from Members, Officers noted that following discussions with the Society of London Treasurers that there is no strong appetite towards the joint procurement arrangement.

The Executive Director of Resources (S151 Officer) agreed to write to the PSAA regarding concerns over the resourcing and capacity of external auditors.

It was RESOLVED that the Audit Committee:

1. Recommend to Council that it:

- a. Accepts the Public Sector Audit Appointments (PSAA) invitation to ‘opt in’ to the sector led option for the appointment of external auditors for five financial years commencing 1 April 2023; and**
- b. Delegates authority to the Executive Director of Resources to respond to the invitation and take the necessary steps to finalise the appointment itself following the PSAA procurement process.**

2. Noted that its recommendations will be included in the Council’s Annual Budget report to Full Council on 1 March 2022

10. CORPORATE ANTI-FRAUD TEAM (CAFT) (Agenda Item 10):

The Chairman invited Clair Green, Executive Director for Assurance and Declan Khan, Assistant Director Counter Fraud, Community Safety & Protection to introduce the item.

Declan Khan presented a summary of the report to the Committee and spoke about the work undertaken by CAFT during Q3.

Members commended the work delivered and welcomed the report. Members queried the uptake of the e-learning fraud awareness course for staff. Declan Khan informed the Committee about

the recently relaunched and revised fraud awareness course which is mandatory for all staff. Officers agreed to inform the Committee on the uptake of the e-learning course as part of the next update report.

It was RESOLVED that the Committee noted the CAFT Progress Report covering the period 1st October – 31st December 2021.

11. WORK PROGRAMME (Agenda Item 11):

The Chairman noted that due to Purdah it would be advisable to cancel the April 2022 meeting and that the date of the July Committee meeting, currently scheduled for 19 July will be brought forward to June. Members will be consulted on the new date and further correspondence will follow.

RESOLVED that the Committee noted the Forward Work Programme.

12. ANY ITEM(S) THE CHAIRMAN DECIDES ARE URGENT (Agenda Item 12):

None.

The meeting finished at 8:50pm