

## **MINUTES OF INFORMAL AUDIT AND STANDARDS COMMITTEE**

Tuesday, 28 September 2021  
(7:00 - 8:05 pm)

**Present:** Cllr Princess Bright (Chair), Cllr Adegboyega Oluwole (Deputy Chair), Cllr Dorothy Akwaboah, Cllr Simon Bremner, Cllr Josie Channer, Cllr Irma Freeborn, Cllr Mohammed Khan and Cllr Giasuddin Miah

### **19. Declarations of Interest**

The Independent Advisor (IA) disclosed that he was engaged as a consultant to Public Sector Audit Appointments (PSAA), which appoints the Council's external auditor. The IA disclosed that he was advising on the financial evaluation of the forthcoming tender, and the potential impact on the time that will be required as a result of changes in auditing and accounting standards requirements.

The IA assured the Committee that it did not affect Barking and Dagenham Council or the appointment of an external auditor. The Chair agreed that this was not a disqualifying interest and permitted the IA to continue to participate in the meeting.

### **20. Minutes - To note the minutes of the meetings held on 12 July 2021**

The minutes of the meeting held on 12 July were noted.

### **21. Accounts Audit Update - 2019/20**

The Chief Accountant (CA) updated the Committee. The External Audit Report 2019/2020 was due to be presented to the Committee at this meeting, however owing to delays the auditors, BDO, informed the Committee that the report would not be completed in time for the Committee's consideration

The CA acknowledged the Committee's frustration at the slow pace of the audit and regretted that the audit could not be presented.

The CA explained that there had been issues in obtaining documents that BDO requested owing to Covid-19 as it required council staff to book time in the office to obtain the papers. As of 28<sup>th</sup> September, BDO had not reviewed or cleared significant amounts of information that had been submitted to them by the Council. As a result, there may be late follow up questions and additional samples.

The Chief Financial Officer (CFO), noting that the audit covered the period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020, explained that some of the documents were kept in storage and, following the outbreak of Covid-19 in March 2020 and the initial guidelines restricting access to the town hall, there was no way to access the documents.

Following questioning, the CFO added that, as a result of Covid-19, processes had been changed and documents were now being scanned or were in the process of being scanned and, as a result, there should not be any further delays to the

provision of papers to the auditors in relation to this audit and future audits.

The CA disclosed that the partner and technical review point, that relate to the initial review points of the Councils' accounts, had only been received from BDO on 21<sup>st</sup> September. Normally, this would be provided at the beginning of the audit. However, the CA stressed that they were committed to supporting BDO in completing the audit and had no wish to delay the audit beyond October 2021.

The CA made it clear that the Council's statement of accounts for 2021 need to be audited by 31<sup>st</sup> March 2022 as the new ERP would be implemented. It was intended that the normal audit cycle would be resumed. In order to manage expectations, going forward two meetings per week would be held with auditors to ensure that any issues were quickly identified and remedied.

The Chair expressed concern that she was not promptly informed of the latest delay to the audit. The Chair also recalled that the previous reason given for the delay, during the Summer, was the prioritisation of NHS audits as well as issues with the Council providing documents on a timely basis relating in part to the Covid-19. However, the Chair noted that the CA had indicated that BDO had still not reviewed documents provided by the Council adding that the papers circulated to the Committee were not sufficiently clear on the reasons for the latest delay. The Chair sought clarification on the reason for the pause by auditors.

BDO's representatives responded that a significant amount of work had not been completed by the Council by the time BDO restarted work on the audit. The Representative stated that they had concluded in March 2021 that they had received an insufficient volume of responses to requests for working papers and queries from the Council to complete the audit within the time required before the NHS related pause. Therefore, the audit was rebooked for September/October 2021 and arrangements were made to ensure that the audit team was the same as that prior to the audit.

BDO returned to the audit in September 2021 and, during that time, the CA responded to the queries and working papers that were raised before the pause for the NHS audits. BDO intended to spend the next six to eight weeks processing the information provided by the CA and their representatives said they were committed to completing the report but cautioned that, whilst a report would be submitted to the next meeting of the Committee, it may be an update rather than a completion report. Alternatively, the completion report may still have some outstanding issues which would be addressed in subsequent meetings. BDO representatives said that some information requests were outstanding and that, when provided, would require additional time to respond. BDO representatives cautioned that, though they aimed to complete most of the audit, they could not give a definitive undertaking in relation to deadlines but would endeavour to complete as much of the audit as soon as possible.

Responding to BDO representatives, the CA said that the Committee should assume that it was unlikely that BDO would be able to complete the full report by the next scheduled meeting. The Chair indicated that the meeting scheduled for 20<sup>th</sup> October was to enable the presentation of the report and that if it was not ready by that date it should be rescheduled to early November.

However, BDO would send an update report to Committee members in mid-October if the October meeting was cancelled.

The Committee noted the update.

## **22. Review of Gifts and Hospitality Registers**

The Head of Law (HoL) updated the Committee. A table had been enclosed with the papers setting out gifts and hospitality received and the name of the officers and councillors who received them.

The Chair noted that some names had not been included. The HoL responded that the omissions related to service users and, owing to the privacy provisions of the Human Rights Act, their details could not be placed in a publicly available document.

In response to questioning, the HoL said that it was difficult to attach a monetary value to certain gifts and hospitality, however in such circumstances councillors and officers should consult with the monitoring officer in order to determine an estimate and that gifts and hospitality should be declared as soon as possible. The CFO clarified gifts and hospitality were usually not in cash but were in the form of an invitation/ticket to an event or a physical gift. Offers of cash must be declined and offers of hospitality must be linked to Council business and/or the wellbeing of the community. The HoL and CFO said that if councillors were in doubt, they should err on the side of caution and declare it or speak to the monitoring officer.

The Committee noted the report.

## **23. Standards Complaints update**

The HoL updated the Committee.

There was one complaint outstanding and the councillor in question was unwell. The investigation was continuing in consideration of this.

In response to questioning, the HoL disclosed that the monitoring officer provided an update in April 2021 on how complaints could be moved forward but this related to new complaints as opposed to existing ones.

The Chair clarified that, owing to the need for confidentiality, information sharing was restricted but stated that, given the need for oversight, more information needed to be shared with the Committee, however the Chair would speak to the monitoring officer to discuss how to balance the Committee's need to know with the need to safeguard confidentiality.

The Committee requested clarification on the type of the complaints were dealt with by the monitoring officer and those referred to the Committee. The HoL added that the monitoring officer had sent out an email to all members explaining the extent of the information that could and could not be sent out and the HoL offered to meet with Committee members should they require further information. The HoL would re-circulate the monitoring officer's email.

The Committee noted the report.

**24. Work Programme 2021/22**

The Committee noted the work programme.