

AUDIT AND STANDARDS COMMITTEE

6 December 2022

Title: Council's Accounts Audit Update - 2019/20 and Subsidiaries' accounts audit – 2021/22	
Report of the Chief Financial Officer	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Thomas Mulloy, Chief Accountant	Contact Details: E-mail: Thomas.Mulloy@lbbd.gov.uk
Accountable Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Accountable Strategic Leadership Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Summary This report is to note an update regarding the external audit of the Council's Statement of Accounts 2019/20. And to update on the latest regarding 2021/22 accounts audits of the Council's subsidiaries.	
Recommendation(s) The Audit and Standards Committee is recommended to note the contents of this report.	
Reason(s) It is a statutory obligation for the Council's Statement of Accounts to be produced and audited, and that the Statement of Accounts and the Annual Governance Statement must be approved by a Committee of the Council	

1. Introduction and Background

- 1.1 At the last meeting of the Committee, BDO provided a timetable to the Committee for completing the 2019/20 audit which has been beset by delays. The plan was to complete the audit by January 2023 and to present it to the Committee at a specially convened meeting on 7 February 2023. BDO will be providing a verbal update to the Committee on the progress in meeting the deadlines that were set out.
- 1.2 Although the 2019/20 accounts audit of the Council and its Group Accounts is still on-going, the individual 2021/22 accounts audits of the Council's subsidiaries are progressing well. The subsidiaries can be categorised as follows:

1.2.1 Barking & Dagenham Trading Partnership (BDTP Group)

Testing is largely completed. A Board meeting for BDTP is scheduled on 14th December with a view of signing and filing within December.

1.2.2 Reside Entities including BD Giving (Charity)

The audits are progressing well and they are nearing completion of the majority of the entities. The intention is to complete and file the accounts by the Companies House deadline of 31 December 2022. However, one entity may struggle to be completed – B&D Reside Regeneration LLP.

1.2.3 Be First (Regeneration) Ltd and Be First Developments (Muller) Ltd

An audit committee meeting is scheduled on 1 December 2022. All being well it is anticipated that both will be signed at the Board meeting a week later and filing within December.

1.2.4 B&D Energy Ltd

The audit is in its final stages, and the intention is to sign off at the next Board meeting on 13 December 2022, and file at Companies House shortly afterwards.

2. Financial Implications

Implications completed by: Thomas Mulloy, Chief Accountant

- 2.1 Other than the audit fees previously mentioned in the Audit Plan, there are no financial implications arising from the report.

3. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 3.1 The Chief Financial Officer has a statutory duty, under Section 151 of the Local Government Act 1972, to ensure that there are proper arrangements in place to administer the Council's financial affairs. An essential component of sound administration is a sound audit function.
- 3.2 The Local Audit and Accountability Act 2014, established a new audit regime. Local Authorities must appoint a local auditor which in carrying out its' role must be satisfied that the authority has:
- made proper arrangements for securing economy, efficiency and effectiveness in its use of resources;
 - in its accounts comply with the requirements of the enactments that apply to them;
 - observed proper practices in the preparation of the statement of accounts and that the statement presents a true and fair view.
- 3.3 This is supported by the Code of Audit Practice, published by the NAO, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

Public Background Papers Used in the Preparation of the Report: None