

# MINUTES OF AUDIT AND STANDARDS COMMITTEE

Tuesday, 9 May 2023  
(7:00 - 7:45 pm)

**Present:** Cllr Princess Bright (Chair), Cllr Dorothy Akwaboah, Cllr Josie Channer, Cllr Adegboyega Oluwole, Cllr Muazzam Sandhu and Stephen Warren;

**Apologies:** Cllr Rocky Gill and Cllr Margaret Mullane

## 30. **Declarations of Interest**

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

The IM assured the Committee that this did not directly 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 IM to continue to participate in the meeting.

## 31. **Minutes - To confirm as correct the minutes of the meetings held on 7 February 2023**

The minutes of the meeting held on 7 February 2023 were confirmed as correct.

## 32. **Council's Accounts Audit Update - 2019/20, Subsidiaries' accounts audit - 2021/22 and Progress on Accounts Closure - 2022/23**

BDO representatives updated the Committee.

BDO expressed its disappointment that the 2019/20 audit was still outstanding. Most of the fieldwork had been completed and reviewed; however, there were outstanding issues in relation to infrastructure assets and property, plant, and equipment (PPE).

BDO reported that a temporary solution, agreed by Chartered Institute Public Finance and Accountancy (CIPFA) and the Financial Reporting Council (FRC) had been implemented in relation to the accounting for infrastructure assets. A bulletin was published by CIPFA in January 2023 and BDO had, in response, created a work programme which would be developed further to facilitate the completion of the fieldwork in regard to infrastructure, following receipt of working papers from the Council in relation to infrastructure assets.

BDO cautioned that the audit would not be completed by the next meeting of the Committee, which was scheduled for 28 June 2023. However, BDO was confident that it would be able to provide a detailed timeline relating to the completion of the 2019/20 audit by the end of May 2023, for consideration at the next meeting of the Committee. Following agreement, the timeline would be included in a progress

report that would contain an indicative timeline for the completion of all of the outstanding audits (2020/21, 2021/22, 2022/23) that BDO was contractually obliged to undertake.

In response to questioning, BDO said that resource prioritisation was considered on a weekly basis but given the continuing challenges in the audit market, this was challenging, and an absolute assurance could not be given.

The Chief Accountant (CA) said that, in relation to the Council's accounts, progress had been made. In regard to the draft group accounts, Companies House had been informed of the delay and it was expected that the accounts would be completed by the new statutory deadline of 17 May 2023.

The Committee expressed its disappointment at the latest delay to the 2019/20 Accounts Audit before noting the report.

### **33. Complaints Update**

The Head of Law updated the Committee.

More information had been provided to the Committee. There were two ongoing investigations. One investigation had been delayed due to extenuating personal circumstances of the person subject to the complaint, but it was still ongoing. The other complaint was still ongoing, and in both cases, information was restricted due to data protection requirements.

The Committee noted the update.

### **34. Draft Internal Audit Charter, Strategy and Plan for 2023/24**

The Head of Assurance (HoA) updated the Committee. The Internal Audit Charter was updated annually by the HoA. The Charter was subjected to minor changes to reflect current reporting lines and no other changes were deemed necessary.

The HoA then discussed the Internal Audit Strategy. The strategy was subject to an annual review and only minor changes were made to reflect a change in working practices.

The Internal Audit Plan consisted of 865 audit days and was developed in line with the Charter and Strategy. The plan also detailed the manner which Internal Audit resources would be used including draft audit titles and proposed audit objectives.

As part of the risk-based approach that the Council took in relation to audit, 65 of the 865 audit days within the plan had been held back in the event that some, as yet unspecified, risk emerged during the year and required an immediate response.

The HoA addressed the issues of management requests, emphasising that where such requests were made, this did not mean that these would be added to the audit plan. The HoA would determine this and it would be audited with the same rigour as other areas of internal audit.

In response to questioning, the HoA elaborated that input from managers and directors was sought as part of the construction of the plan, since they would be familiar with procedures and changes in legislation; however, the HoA stressed that they did not determine the final outcome of the plan. The final decision was that of the HoA.

The HoA also clarified to the Committee that, at the time the plan was being drawn up, the outcome of audits in particular areas from the previous fiscal year, such as financial systems, were still being finalised. These would be presented to the Committee at its next meeting, as part of the report relating to internal control.

The Committee agreed to approve the draft Internal Audit Charter.

The Committee agreed to approve the draft Internal Audit Strategy 2023/24.

The Committee agreed to approve the draft Internal Audit Plan 2023/24.

### **35. Work Programme 2023/24**

The IM indicated that it was good practice to measure the Committee's Forward Plan against the Committee's Terms of Reference, as this would determine if the Committee would be able to fulfil its duties. The IM was of the conclusion that the Forward Plan, at present, did not do this.

BDO said that it would send the Governance Officer a list of items to be added to the Forward Plan for the Committee to consider. The Chair requested that all officers email the Governance Officer with items for the Forward Plan as soon as possible.

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