

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE AUDIT COMMITTEE

HELD AT 6.35 P.M. ON THURSDAY, 19 OCTOBER 2023

COMMITTEE ROOM - TOWER HAMLETS TOWN HALL, 160 WHITECHAPEL ROAD, LONDON E1 1BJ

Members Present in Person:

Councillor Harun Miah
Councillor Ahmodur Khan
Councillor Kabir Ahmed (Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Abdul Wahid (Cabinet Member for Jobs, Skills and Growth)
Councillor Maisha Begum
Councillor Mufeedah Bustin
Councillor Asma Islam
Charlotte Webster Independent Person

Members In Attendance Virtually:

Councillor Saied Ahmed (Cabinet Member for Resources and the Cost of Living)

Apologies:

Councillor Rachel Blake

Officers Present in Person:

David Dobbs (Head of Internal Audit, Anti-Fraud and Risk)
Farhana Zia (Democratic Services Officer, Committees, Governance)

Officers In Attendance Virtually:

Julie Lorraine (Corporate Director Resources)

1. DECLARATIONS OF INTEREST

There were no declarations of pecuniary interest made by members of the committee.

2. TOWER HAMLETS ITEMS FOR CONSIDERATION

2.1 Annual Governance Statements: 2020/21, 2021/22 and 2022/23

Ms Julie Lorraine Corporate Director for Resources introduced the item stating the Governance Statements had been brought to the Extraordinary Audit Committee meeting because it was her view that they needed to be in

the public domain. She said that in the absence of the financial statements, it was vital to have the Annual Governance Statements published on the Council's website.

Ms Lorraine explained that usually the Annual Governance Statements are produced with the financial statement of accounts but as some of the financial statements, were in the midst of being finalised, it was her opinion that the Annual Governance Statements for 2020/21, 2021/22 and 2022/23 ought to be produced as the two were not inextricably linked to the Financial Statements. Ms Lorraine said she had asked Mr Dobbs, Head of Internal Audit, Anti-Fraud and Risk to produce the reports attached.

Mr Dobbs referred members to the report in the supplementary agenda pack and said that the Annual Governance Statement were a requirement of the CIPFA/SOLACE principals of Good Governance, whereby the Council was required to undertake a review of its corporate governance processes, systems and give an assurance on the governance framework to support the creation of an Annual Governance Statement.

In response to comments and questions from members the following was noted:

- Mr Dobbs stated that it had been difficult to produce statements for the past years, but he had attempted to strike a balance in compiling the narrative. He said that the three statements aimed to show the progress made by the Council in dealing with its governance issues over the period of time concerned. He said he took on board the comment made about the Mayor's and Chief Executive forward on page 10 of the supplemental agenda and said the comment that the current Chief Executive was not the Chief Executive at the time of the statement had been discussed, but that the Chief Executive had not requested any further explanatory narrative to be added.
- Ms Julie Lorraine said that the approval of the three Governance statements would bring the Council up to date with the AGS's outstanding. She said the 2023/24 AGS would be brought to Committee by July 2024 and thereafter everything would be synchronized.
- Ms Lorraine said that there had been a change of approach to how the Annual Governance Statements are produced. She said her view was that the publication of the statements was in the public interest and therefore needed to be on the Council's website. She said previous rules determined the AGS was integral to the statement of accounts and could not be separated, however these rules had since changed, and as such she felt it important to publish these AGS statements as soon as possible. She said she had spoken with the Administration and the Chief Executive before bringing the statements to the extraordinary meeting. Ms Lorraine said they still carried a risk that the statements may not align with the external auditor's opinion once the audited positions are known, however the statements needed to be in the public domain as will, in time any adjustments needed to the statements once the relevant audit processes are complete.

The Audit Committee **RESOLVED** to:

1. Review and agree the Council's Annual Governance Statements in relation to 2020/21, 2021/22 and 2022/23.

The meeting ended at 6.55 p.m.

Chair, Councillor Harun Miah
Audit Committee