

Audit Committee

Agenda

Thursday, 23 May 2024 at 7.00 p.m.
Committee Room - Tower Hamlets Town Hall,
160 Whitechapel Road, London E1 1BJ

Members:

To be confirmed at the Annual Council Meeting 15 May 2024.

[The quorum for the Audit Committee is 3 voting Members]

Contact for further enquiries:

Farhana Zia, Democratic Services,

farhana.zia@towerhamlets.gov.uk

020 7364 0842

Town Hall, 160 Whitechapel Road, London, E1 1BJ

<http://www.towerhamlets.gov.uk/committee>



Public Information

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Please note: Whilst the meeting is open to the public, the public seating in the meeting room for observers may be limited due to health and safety measures. You are advised to contact the Democratic Services Officer to reserve a place.

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A Guide to Audit Committee

The Audit Committee is responsible for considering the Council's arrangements for internal control, governance and financial management and recommending any actions accordingly.

This includes:

- Audit Plans.
- Reports from external audit (such as the Annual Audit Letter and Governance Report).
- The Annual Governance Statement.
- Anti-fraud and corruption initiatives.
- Authority's Risk Management Arrangements.
- The administration of the Council's financial affairs.
- Approving the Authority's Statement of Accounts.

Public Engagement

Meetings of the committee are open to the public to attend, and a timetable for meeting dates and deadlines can be found on the council's website.

London Borough of Tower Hamlets



Audit Committee

Thursday, 23 May 2024

7.00 p.m.

APOLOGIES FOR ABSENCE

- 1. APPOINTMENT OF VICE-CHAIR**
- 2. DECLARATIONS OF INTEREST (PAGES 7 - 8)**

Members are reminded to consider the categories of interest, identified in the Code of Conduct for Members to determine: whether they have an interest in any agenda item and any action they should take. For further details, see the attached note from the Monitoring Officer.

Members are also reminded to declare the nature of the interest at the earliest opportunity and the agenda item it relates to. Please note that ultimately it is the Members' responsibility to identify any interests and also update their register of interest form as required by the Code.

If in doubt as to the nature of an interest, you are advised to seek advice prior the meeting by contacting the Monitoring Officer or Democratic Services.

- 3. MINUTES OF THE PREVIOUS MEETING(S) (PAGES 9 - 16)**

To confirm the minutes of the Audit Committee held on 23rd April 2024.

- 4. Audit Committee Terms of Reference, Membership, Quorum and Dates of Meetings 2024- 2025**
- 5. EY ITEMS FOR CONSIDERATION**
- 6. TOWER HAMLETS ITEMS FOR CONSIDERATION**
 - 6.1 Annual Governance Statement 2023/24 (To Follow)**
- 7. AUDIT COMMITTEE WORK PLAN**



8. ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT

9. EXCLUSION OF PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion: “That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

EXEMPT SECTION (Pink Papers)

The Exempt/Confidential (pink) papers for consideration at the meeting will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Democratic Services Officer present or dispose of them in the confidential bins.

9.1 Adult Social Care Procurement (To follow)

Next Meeting of the Audit Committee

Thursday, 18 July 2024 at 6.30 p.m. to be held in Committee Room - Tower Hamlets Town Hall, 160 Whitechapel Road, London E1 1BJ



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Agenda Item 2

DECLARATIONS OF INTERESTS AT MEETINGS– NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Code of Conduct for Members at Part C, Section 31 of the Council's Constitution

(i) Disclosable Pecuniary Interests (DPI)

You have a DPI in any item of business on the agenda where it relates to the categories listed in **Appendix A** to this guidance. Please note that a DPI includes: (i) Your own relevant interests; (ii) Those of your spouse or civil partner; (iii) A person with whom the Member is living as husband/wife/civil partners. Other individuals, e.g. Children, siblings and flatmates do not need to be considered. Failure to disclose or register a DPI (within 28 days) is a criminal offence.

Members with a DPI, (unless granted a dispensation) must not seek to improperly influence the decision, must declare the nature of the interest and leave the meeting room (including the public gallery) during the consideration and decision on the item – unless exercising their right to address the Committee.

DPI Dispensations and Sensitive Interests. In certain circumstances, Members may make a request to the Monitoring Officer for a dispensation or for an interest to be treated as sensitive.

(ii) Non - DPI Interests that the Council has decided should be registered – (Non - DPIs)

You will have 'Non DPI Interest' in any item on the agenda, where it relates to (i) the offer of gifts or hospitality, (with an estimated value of at least £25) (ii) Council Appointments or nominations to bodies (iii) Membership of any body exercising a function of a public nature, a charitable purpose or aimed at influencing public opinion.

Members must declare the nature of the interest, but may stay in the meeting room and participate in the consideration of the matter and vote on it **unless:**

- A reasonable person would think that your interest is so significant that it would be likely to impair your judgement of the public interest. **If so, you must withdraw and take no part in the consideration or discussion of the matter.**

(iii) Declarations of Interests not included in the Register of Members' Interest.

Occasions may arise where a matter under consideration would, or would be likely to, **affect the wellbeing of you, your family, or close associate(s) more than it would anyone else living in the local area** but which is not required to be included in the Register of Members' Interests. In such matters, Members must consider the information set out in paragraph (ii) above regarding Non DPI - interests and apply the test, set out in this paragraph.

Guidance on Predetermination and Bias

Member's attention is drawn to the guidance on predetermination and bias, particularly the need to consider the merits of the case with an open mind, as set out in the Planning and Licensing Codes of Conduct, (Part C, Section 34 and 35 of the Constitution). For further advice on the possibility of bias or predetermination, you are advised to seek advice prior to the meeting.

Section 106 of the Local Government Finance Act, 1992 - Declarations which restrict Members in Council Tax arrears, for at least a two months from voting

In such circumstances the member may not vote on any reports and motions with respect to the matter.

Further Advice contact: Linda Walker, Interim Director of Legal and Monitoring Officer, Tel: 0207 364 4348

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

Subject	Prescribed description
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE AUDIT COMMITTEE

HELD AT 6.34 P.M. ON TUESDAY, 23 APRIL 2024

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

Members Present in Person:

Councillor Harun Miah	
Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Abdul Wahid	(Cabinet Member for Jobs, Skills and Growth)
Councillor Rachel Blake	
Charlotte Webster	Independent Person

Members In Attendance Virtually:

Councillor Maisha Begum*

Apologies:

Councillor Mufeedah Bustin
Councillor Asma Islam

Others Present in Person:

Angus Fish	Deloitte
Jonathan Gooding	Deloitte

Officers Present in Person:

Paul Audu	(Interim Head of Pensions & Treasury)
Pat Chen	(Head of HR)
David Dobbs	(Head of Internal Audit, Anti-Fraud and Risk)
Abdulrazak Kassim	(Director Finance, Procurement and Audit)
Ahsan Khan	(Chief Accountant)
Julie Lorraine	(Corporate Director Resources)
Dr Somen Banerjee	(Director of Public Health)
Sarah Murphy	(Principal Social Worker - Adult Social Care Services)
Warwick Tomsett	Joint Director, Integrated Commissioning
Farhana Zia	(Democratic Services Officer, Committees, Governance)

Officers In Attendance Virtually:

Leah Sykes
Usman Zia

(Head of Customer Services)
Head of Information Governance

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Asma Islam and Councillor Mufeedah Bustin.

*Councillor Maisha Begum joined the meeting virtually for the first item only.

1. DECLARATIONS OF INTEREST

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

2. MINUTES OF THE PREVIOUS MEETING(S)

The Audit Committee **RESOLVED**:

1. That the unrestricted minutes of the Audit Committee held on the 22nd January 2024 be approved and signed by the Chair as a correct record of the proceedings.

3. DELOITTE ITEMS FOR CONSIDERATION

Officers from Deloitte were in attendance. Their report was appended at appendix 1 of item 4.1 and they contributed to that item when it was discussed.

4. TOWER HAMLETS ITEMS FOR CONSIDERATION**4.1 Addressing the Local Audit Backlog and Update on Outstanding Audit of Accounts 2020/21, 2021/22 and 2022/23**

Mr Ahsan Khan, Head of Strategic Finance and Chief Accountant presented the backlog report and update on the outstanding accounts of 2020/21, 2021/22 and 2022/23.

Mr Khan explained that the backlog in Local Authority accounts had grown to unacceptable levels and as such the Government published a statement in July 2023 setting out proposals to tackle the local audit backlog. He said organisations involved in the regulation and oversight of local body financial reporting and audit ("system partners") had been working collectively to agree a proposed solution to clear the outstanding historical audit opinions and ensure that delays did not return.

He referred to paragraph 3.4 onwards, of the supplementary agenda and said the proposed measures consisted of three phases: Reset, Recovery and Reform. Mr Khan explained to the Committee, what each stage would involve.

He said the finance team were focussed on delivering the outstanding accounts by the September 2024 deadline.

Mr Jonathan Gooding, external auditor from Deloitte said it was vital that the 'backstop' dates as mentioned at paragraph 3.7 of the report were met. He said they were making progress and would report back to the Committee as part of the Annual Auditor's report.

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

- In response to the tight timetable and what the implications would be, if the deadlines were not met, Mr Gooding stated that sector wide guidance in this regard was evolving. He said that if local authorities did not meet the deadlines, they would be expected to report and explain why.
- Mr Khan added the finance team would to their utmost to meet the deadlines and said they had reviewed their resources as well as priorities. They were very much focussed on meeting the deadlines and undertake the value for money exercise thereafter. He said they had met with the new auditors EY, who would be appraised of any additional work required.
- Ms Julie Lorraine, Corporate Director for Resources and Section 151 Officer stated the Government consultation was due to the backlog in public sector audits, which the Government recognised. She said the proposal was to clear the backlog in the most practical way. Resources had been devoted to meet the backstop deadlines and she hoped opinions would be issued by the external auditors soon after. She said 'as a nation' it was important to 'reset' public sector audits.

The Audit Committee **RESOLVED:**

1. To note the summary proposals for addressing the Local Audit Backlog in England
2. To note Deloitte's briefing paper to the Council on Plans for Addressing the Backlog in Local Audits (Appendix A)
3. To note the position on the outstanding external audits of the Council's Statement of Accounts for 2020/21, 2021/22 and 2022/23
4. To note the councils latest draft accounts for 2020/21, 2021/22 and 2022/23 (Appendix B, C and D respectively)

4.2 Internal Audit Plan and Charter 2024-25

Mr David Dobbs, Head of Internal Audit, Anti-Fraud and Risk, introduced the report and stated that the Internal Audit Plan and Charter for financial year 2024 -25 was attached to the report for the Committee to review and agree.

He said the Audit plan appended at appendix 1 provided an explanation of the methodology used and listed the planned audits for 2024/25 at page 25 of the agenda. Planned school audits were listed on page 27. He said he had taken on board the suggestions made by the Committee last year and had

consulted a wide range of stakeholders including the Senior Leadership Team.

In response to comments and questions the following was noted:

- Mr Dobbs said the range and quantity of planned audits was deliverable by the team and said various stakeholders include the Institute of Internal Auditors had been consulted.
- Councillor Blake asked if the two audits highlighted at the January 2024 meeting – ‘Management of Lettings’ and ‘Management of Markets – Follow up’ were to be brought back to the Committee. Mr Dobbs replied they would be brought to the Committee if they achieved a ‘limited assurance report’. He said he was happy to make available to the Committee the full reports of any audits, members were interested in.

The Audit Committee **RESOLVED** to:

1. Agree the Internal Audit plan and Charter for 2024-25 attached at Appendix A.

4.3 Internal Audit and Anti-Fraud - Progress Report

Mr David Dobbs, Head of Internal Audit, Anti-Fraud and Risk introduced the report and stated the report provided an update on the progress made against the delivery of the 2023-24 Annual Internal Audit Plan. The report also provided an update on the investigation activity, fraud prevention and anti-fraud work. Mr Dobbs referred members to paragraph 3.1 and the appendix attached to the report and said 47% of audit opinions had resulted in Reasonable or Substantial assurance compared to 65% for year 2022-23. He said this was an interim figure and was subject to change.

Mr Dobbs stated that officers were present at the meeting to answer questions relating to the limited assurance reports.

- Scheme of Publication
- Attendance Management
- RFQ Process

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

- Referring to Appendix A of the report and the ‘advisory’ opinion, Mr Dobbs explained the opinion was likely to change if the service improved their policies and procedures. He said it was necessary to ensure a balanced opinion was given.
- In response to the ‘limited assurance’ cited on page 45 for Malmesbury Primary School, Mr Dobbs said that the internal audit team would be working with the school’s finance team to address the weaknesses identified.

- Referring to the Attendance Management limited assurance report, Ms Lorraine, Corporate Director for Resources and Section 151 Officer said accountability for attendance was the responsibility of the manager and the service - and not HR. She said they were looking to have software in place which would make it easier for staff members to report absence and for managers to record absence.
- Ms Julie Lorraine, Corporate Director for Resources and Section 151 Officer said there had been a review of the RFQ Process and the procurement thresholds used internally. An independent review had been undertaken to review the thresholds so there was less burden on budget holders to approve thresholds less than a £100,000. She said CIPFA recommendations had been taken into consideration.
- In answer to if staff training was provided for the RFQ process, Mr Dobbs confirmed it was however said this would need to be reviewed in light of the suggested changes.
- **ACTION:** When asked if there was an action plan for the recommended changes, Mr Dobbs said this would be circulated to the Committee.

The Audit Committee **RESOLVED** to:

1. Note the contents of the attached report and the overall progress and assurance opinions for audits carried out as part of the 2023-24 Audit Plan.

4.4 Risk Management – Corporate and Directorate Risk Registers

Mr David Dobbs, Head of Internal Audit, Anti-Fraud and Risk, introduced the Risk Management report and said the Corporate Risk Register (Appendix A) and the risk register for Health and Social Care Directorate (Appendix B) were attached to the report. He referred members to paragraph 3.4 of the report and said three new risks had been identified for the Corporate Risk Register. He said Officers from the Health and Social Care Directorate were in attendance to answer questions relating to their risk register.

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

- Councillor Kabir Ahmed requested the column for responsibility be updated to show the interim Corporate Director for Health and Social Care rather than the Corporate Director who had left the Council. Mr Dobbs said this would be updated in due course, as the information at the time of publication was correct.
- Mr Dobbs confirmed he was working with services who had recently come 'in house' such as Tower Hamlets Homes to fill gaps in using the JCAD system and to identify risks.
- Mr Somen Banerjee, Interim Corporate Director of Health and Social Care Directorate said their risk register was in reasonable shape as they continued to use the methodology and processes adopted by the previous Director. Mr Warwick Tomsett, Joint Director for Integrated

Commissioning, added they followed a regular cycle of review and discussion of risks.

- Mr Dobbs said the ownership of risks lied with the risk owner who was either the Head of Service or the Corporate Director.
- **ACTION:** Mr Dobbs said he would bring to the July meeting the Risk Management Annual Report including details of how current and target risks had changed over a period. He said the software was able to produce this information.

The Audit Committee **RESOLVED** to:

1. Note the updated Corporate Risk Register and where applicable, request risk owner(s) with risks requiring further scrutiny to provide a detailed update on the treatment and mitigation of those risks including impact on the corporate objectives at the next Audit Committee meeting (or separately before the meeting, if urgent).
2. Note the proposed changes to the Council's risk registers, as set out in paragraphs 3.4 and 3.5.
3. Note the updated Health and Social Care Directorate Risk Register and where applicable request risk owner(s) with risks requiring further scrutiny to provide a detailed update on the treatment and mitigation of their risks including impact on the directorate's objectives at the next Audit Committee meeting (or separately before the meeting if urgent).

4.5 Annual Review of the Anti-Bribery Policy

Mr David Dobbs, Head of Internal Audit, Anti-Fraud and Risk said the report recommended the Audit Committee to note and approve the updated Anti-Bribery policy. He said the policy had to be reviewed annually and formed part of the Council's Fraud and Risk Management arrangements.

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

- Mr Dobbs said training on Anti-Bribery and Fraud was part of the mandatory corporate training programme and the scenarios used in the training were updated and refreshed. He said new joiners were expected to complete this training as part of their e-learning programme.

The Audit Committee **RESOLVED** to:

1. Note and approve the Council's updated Anti-Bribery policy (Appendix A)

5. AUDIT COMMITTEE WORK PLAN

Members of the Audit Committee noted the Committee work plan.

The Chair, Councillor Harun Miah informed members there would be a new workplan for the Audit Committee for 2024-25, at the start of the new municipal year.

6. ANY OTHER BUSINESS THE CHAIR CONSIDERS URGENT


There was no other business to be discussed by the Committee.

The meeting ended at 8.02 p.m.

Chair, Councillor Harun Miah
Audit Committee

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Agenda Item 4

Non-Executive Report of the: Audit Committee 23 rd May 2024	 TOWER HAMLETS
Report of: Linda Walker, Interim Director of Legal and Monitoring Officer	Classification: Open (Unrestricted)
Audit Committee Terms of Reference, Membership, Quorum and Dates of Meetings 2024- 2025	

Originating Officer(s)	Farhana Zia
Wards affected	All Wards

Executive Summary

This report sets out the Terms of Reference, Membership, Quorum and Dates of meetings of the Audit Committee for the Municipal Year of 2024/25 for the information of members of the Audit Committee.

Recommendations:

The Audit Committee is recommended to:

1. Note its Terms of Reference, Quorum, Membership and Dates of future meetings as set out in Appendices 1, 2 and 3 to this report.
2. Determine the preferred time at which the scheduled meetings will start.

1. REASONS FOR THE DECISIONS

- 1.1 The report is brought annually to assist new and returning Members by informing them of the framework of the Committee set out in the Council's Constitution.

2. ALTERNATIVE OPTIONS

- 2.1 The report asks Members solely to confirm its constitutional arrangements and therefore they are not required to consider any alternative options.

3. DETAILS OF THE REPORT

- 3.1 Each year, following the establishment of the Committee at the Council's Annual Meeting, it is customary that the newly established Committee considers its procedural arrangements.

Audit Committee Arrangements

- 3.2 At the Annual General Meeting of the full Council to be held on 15th May 2024, the Authority is expected to approve proportionality, establish Committees and Panels of the Council and appoint of Members thereto. The membership of Audit Committee for the municipal year 2024/25 was among the committees' memberships to be approved and these details are set out at Appendix 2 to the report.
- 3.3 Having been established by Council, it is customary that the committee (at its first meeting of the municipal year) note its terms of reference, and quorum. These are set out in Appendix 1 to the report.
- 3.4 The Committee's meetings for the remainder of the year, as agreed at the same meeting of the Council, are also provided at Appendix 3.
- 3.5 Meetings are scheduled to take place at 6:30 p.m. except where the meeting falls within the month of Ramadan where they will aim to take place at 5:30 p.m. The Committee may wish to discuss an alternative start time that suits its Members at the first meeting of the Committee.
- 3.6 It may be necessary to convene additional meetings of the Committee should urgent business arise. Officers will consult with the Chair and Members as appropriate.

4. EQUALITIES IMPLICATIONS

- 4.1 When drawing up the schedule of dates, consideration was given to avoiding school holiday dates and known dates of religious holidays and other important dates where at all possible.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.

- Data Protection / Privacy Impact Assessment.

5.2 Not applicable to this report.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This report recommends that the Audit Committee note its Terms of Reference, Quorum, Membership and Dates of future meetings as set out in Appendices 1 – 3. There are no direct financial implications arising from this report.

7. COMMENTS OF LEGAL SERVICES

7.1 Under Regulation 3 of the Accounts and Audit Regulations 2015, the Council is required to ensure that it has a sound system of internal control that facilitates effective exercise of the Council's functions and includes arrangements for the management of risk. The Council is also required by Regulation 5 to maintain an effective system of internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance. One of the functions of the Audit Committee under the Council's Constitution is to review internal audit findings. The updated terms of reference are consistent with the legal framework and Part A, Section 10 of the Council's Constitution and have been adopted by Council in accordance with Part A, Section 7(a).

Linked Reports, Appendices and Background Documents

Linked Report

- NONE
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Appendices

- Appendix 1 – Audit Committee Terms of Reference
- Appendix 2 – Membership
- Appendix 3 – Scheduled meetings for the Municipal Year

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- NONE

Officer contact details for documents:

N/A

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1. Audit Committee

Summary Description:	
<p>1. The Audit Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.</p> <p>2. The purpose of the Audit Committee is to provide independent assurance to the Members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.</p>	
Membership: 7 Councillors. There can only be a maximum of one Member of the Executive on the Committee (who must not be the Cabinet Member for Resources) and they must not be the Chair.	
Independent Person: The Audit Committee may choose to appoint an Independent Person (IP) to advise and support the Committee. The IP will not be a member of the Audit Committee but would be entitled to attend all the meetings and associated training of the Committee. The IP can receive and comment on any reports submitted to the Committee, including restricted agenda items.	
Functions	Delegation of Functions
<u>Governance, Risk and Control</u>	None
1. To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	
2. To review the Annual Governance Statement (AGS) prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.	None
3. To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	None
4. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.	None
5. To monitor the effective development and operation of risk management in the Council.	None
6. To monitor progress in addressing risk-related issues reported to the committee.	None

7. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	None
8. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.	None
9. To monitor the counter-fraud strategy, actions and resources.	None
10. To review the governance and assurance arrangements for significant partnerships or collaborations.	None
<u>Internal audit</u>	None
11. To approve the internal audit charter.	
12. To review proposals made in relation to the appointment of external providers of internal audit services.	None
13. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	None
14. To approve significant interim changes to the risk-based internal audit plan and resource requirements.	None
15. To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.	None
16. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.	None
17. To consider reports from the Head of Internal Audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include: <ul style="list-style-type: none"> a. Updates on the work of internal audit including key findings, issues of concern and management actions as a result of internal audit work. b. Regular reports on the results of the Quality Assurance and Improvement Programme (QAIP). c. Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and the associated Local Government Application Note (LGAN) published by the Chartered Institute of Public Finance and Accountancy (CIPFA) considering whether the non-conformance is significant enough that it must be included in the AGS. 	None
18. To consider the Head of Internal Audit's annual report, including: <ul style="list-style-type: none"> a. The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that 	None

support the statement. b. The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.	
19.To consider summaries of specific internal audit reports as requested.	None
20.To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.	None
21.To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.	None
22.To consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations.	None
23.To provide free and unfettered access to the Audit Committee chair for the Head of Internal Audit, including the opportunity for a private meeting with the committee.	None
24.To commission work from internal audit.	None
25.To consider the Council's RIPA policy under the Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016	None
26.To consider the Council's use of surveillance in accordance with the Regulation of Investigators Powers Act 2000 and the Investigatory Powers Act 2016.	None
<u>External audit</u> 25.To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments (PSAA) or the authority's auditor panel as appropriate.	None
26.To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	None
27.To consider specific reports as agreed with the external auditor.	None
28.To comment on the scope and depth of external audit work and to ensure it gives value for money.	None
29.To commission work from external audit.	None
30.To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	None
<u>Financial reporting</u>	None

31. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.	
32. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	None
<u>Accountability arrangements</u>	None
33. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.	
34. To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.	None
35. To publish an annual report on the work of the committee.	None
Quorum: 3 Members of the Committee	

LONDON BOROUGH OF TOWER HAMLETS
AUDIT COMMITTEE MEMBERSHIP 2024-2025

AUDIT COMMITTEE (Nine members of the Council. Chair and Vice-Chair cannot be a member of the executive)		
<i>Aspire Group (5)</i>	<i>Labour Group (4)</i>	<i>Ungrouped (0)</i>
Cllr XX Cllr XX Cllr XX Cllr XX Cllr XX Substitutes:- Cllr XX Cllr XX	Cllr XX Cllr XX Cllr XX Cllr XX Substitutes:- Cllr XX Cllr XX Cllr XX	N/A

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AUDIT COMMITTEE

SCHEDULE OF MEETING DATES 2024-2025

Thursday, 23rd May 2024

Thursday, 18th July 2024

Thursday, 10th November 2024

Thursday, 9th January 2025

Thursday, 24th April 2025

Thursday, 12th June 2025[^]

Note:

All meetings will start at 6:30 p.m. unless otherwise determined by the Chair.

[^] - Provisional for 2025/26

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AUDIT COMMITTEE WORK PLAN 2024/25

Contact Officer:	Farhana Zia Democratic Services
Email:	farhana.zia@towerhamlets.gov.uk
Telephone:	020 7364 0842
Website:	www.towerhamlets.gov.uk/committee
Last updated:	14 th May 2024

AUDIT COMMITTEE WORK PLAN 2024/25

REPORT TITLE	BRIEF SUMMARY	LEAD OFFICER	OTHER CTTEE MEETINGS
20TH MAY 2024	Audit Committee Training: Financial Management and Administration	TBC	
23RD MAY 2024			
1. Appointment of Vice-Chair	Appointment of the vice-chair for municipal year 2024-25.	Audit Committee	
2. Terms of Reference	Terms of reference 2024/25 to be approved by the Committee.	Farhana Zia/ David Dobbs	
3. Deloitte/EY (the Council's appointed external auditor)	Standing Item	Jonathan Gooding/Angus Fish	
4. Annual Governance Statement: 2023-24	The draft Annual Governance Statement for 2023-24 for approval	David Dobbs	
5. Internal Audit: External Quality Assessment	Report detailing the quality assessment carried out by Validera.	David Dobbs	Deferred until July 2024
6. Adult Social Care Procurement	CONDIFENTIAL REPORT	Julie Lorraine	
7. Audit Committee Work Plan	Review and agree items on the work plan for the Committee.	Audit Committee Members	
15TH JULY 2024	Audit Committee Training: Treasury Management (to be provided by Arling Close)	TBC	
18TH JULY 2024			
1. Deloitte/EY	Standing item	Jonathan Gooding / Angus Fish	

AUDIT COMMITTEE WORK PLAN 2024/25

REPORT TITLE	BRIEF SUMMARY	LEAD OFFICER	OTHER CTTEE MEETINGS
2. Internal Audit: Annual Report for 2023-24	Annual report on all internal audit and counter-fraud activity	David Dobbs	
3. School Audits: Annual Report for 2023-24	Annual report detailing the results and themes from school audits undertaken during 2023-24	David Dobbs	
4. Risk Management: Annual Report for 2023-24	Annual report on Risk Management activity undertaken during 2023-24	David Dobbs	
5. Insurance: Annual Report for 2023-24	Annual report on Insurance activity undertaken during 2023-24	David Dobbs	
6. Public Interest Reports		Karen Swift/Leah Sykes/Usman Zia	
7. Internal Audit: External Quality Assessment	Report detailing the quality assessment carried out by Validera.	David Dobbs	Deferred from June 2024
8. Audit Committee Work Plan	Review and agree items on the work plan for the Committee.	Audit Committee Members	
7TH OCTOBER	Audit Committee Training: Statement of Accounts	TBC	
10TH OCTOBER 2024			
1. EY	Standing item		
2. Risk Management Report 2024-25: Progress update & Directorate Risk Register	Progress update	David Dobbs	
3. Internal Audit and Anti-Fraud 2024-25 Progress update	Progress update	David Dobbs	
4. Annual Whistleblowing Report and Policy Review	Annual policy review.	David Dobbs	

AUDIT COMMITTEE WORK PLAN 2024/25

REPORT TITLE	BRIEF SUMMARY	LEAD OFFICER	OTHER CTTEE MEETINGS
5. Annual Review of the Anti-Money Laundering Policy and Guidance	Annual policy review.	David Dobbs	
6.			
7.			
8. Audit Committee Work Plan	Review and agree items on the work plan for the Committee.	Audit Committee Members	
6TH JANUARY 2025	Audit Committee; Capital Accounting	TBC	
9TH JANUARY 2025			
1. EY	Standing item		
2. Risk Management Report 2024-25 – Progress update & Directorate Risk Register	Progress update	David Dobbs	
3. Internal Audit and Anti-Fraud 2024-25 Progress update	Progress update	David Dobbs	
4.			
5.			
6.			

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AUDIT COMMITTEE WORK PLAN 2024/25

REPORT TITLE	BRIEF SUMMARY	LEAD OFFICER	OTHER CTTEE MEETINGS
7.			
8. Audit Committee Work Plan	Review and agree items on the work plan for the Committee.	Audit Committee Members	

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AUDIT COMMITTEE WORK PLAN 2024/25

REPORT TITLE	BRIEF SUMMARY	LEAD OFFICER	OTHER CTTEE MEETINGS
21ST APRIL 2025	Audit Committee Training: Internal Audit	David Dobbs	
24TH APRIL 2025			
1. EY	Standing item		
2. Internal Audit: Annual Plan and Audit Charter 2025-26	Annual Internal Audit and Counter-Fraud Plan for 2025-26	David Dobbs	
3. Internal Audit And Anti-Fraud 2025-26 Progress Update	Progress update	David Dobbs	
4. Risk Management Report 2025-26 – Progress Update & Directorate Risk Register	Progress update	David Dobbs	
5. Annual Review Of The Anti-Bribery Policy	Annual policy review	David Dobbs	
6.			
7.			
8. Audit Committee Work Plan	Review and agree items on the work plan for the Committee.	Audit Committee Members	
CARRY FORWARD ITEMS – 2024/25			
1.			

AUDIT COMMITTEE WORK PLAN 2024/25

REPORT TITLE	BRIEF SUMMARY	LEAD OFFICER	OTHER CTTEE MEETINGS
2.			
3.			

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