

<b>King George's Fields Trust Board Meeting</b>  23 March 2022	 <b>TOWER HAMLETS</b>
<b>Report of:</b> James Thomas, Corporate Director Children and Culture	<b>Classification:</b> Not restricted
<b>Finance Updates for King George's Fields Trust (KGFT): March 2022</b>	

<b>Lead Member</b>	Councillor Sabina Akhtar, Cabinet Member for Culture, Arts and Sports
<b>Originating Officer(s)</b>	Catherine Boyd, Interim Head of Arts Parks and Events
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	This report has been reviewed as not meeting the Key Decision criteria.
<b>Forward Plan Notice Published</b>	15 March 2022
<b>Strategic Plan Priority / Outcome</b>	All

### **Executive Summary**

This report includes an update on the submission of the financial and annual reports to the Charity Commission and an update on the preparation of the 2020/21 audited accounts. In addition, a draft annual report and financial overview for 2021/22 has been provided.

The report also provides an overview of recommendations from the auditors regarding financial and accounting systems and processes for the board's consideration.

## **Recommendations:**

The Board is recommended to:

1. Note the update on the submission of the 2018/19 and 2019/20 annual audited accounts and reports to the Charity Commission
2. Note the recommendations made by the auditors and give permission to the Corporate Director for Children and Culture and Corporate Director for Resources to implement these recommendations as per the Management Response provided [Appendix 1]
3. Note the update on the preparation of the 2020/21 audited accounts and report to the Charity Commission
4. Approve the appointment of Arnold Hill & Co LLP to audit the accounts for 2021/22
5. Note the update on the current financial position and activity update for 2021/22. [Appendices 2 and 3]

## **1 REASONS FOR THE DECISIONS**

- 1.1 The King George's Fields Trust (KGFT) board is required to submit audited accounts and reports to the Charity Commission for England and Wales.
- 1.2 The King George's Fields Trust (KGFT) board is requested to consider the recommendations that have been identified by the external auditors (Arnold Hill & Co LLP) following the audit of the 2019/20 accounts. Officers have provided a management response to these recommendations and the council requires permission from the board to action these recommendations.
- 1.3 Arnold Hill & Co LLP were appointed to audit the 2018/19, 2019/20 and 2020/21 accounts. For continuity, it is suggested that Arnold Hill & Co LLP are appointed to audit the 2021/22 accounts.

## **1 ALTERNATIVE OPTIONS**

- 1.1 There are no alternatives as KGFT is a registered charity and bound by the legislation for charities and is therefore required to prepare and submit audited accounts to the Charity Commission.
- 1.2 Not take into consideration the recommendations from the independent auditors regarding financial systems and controls and put the charity and the council as trustee at risk of being in breach of the Charity Commission's Statement of Recommended Practice (SORP) requirements.

## **1 DETAILS OF THE REPORT**

- 1.1 **Update on the submission of the annual accounts and reports to the Charity Commission:** the annual reports and accounts were submitted to the Charity Commission on 8 March 2022.

- 1.2 **Recommendations from the auditors:** As part of the 2018/19 and 2019/20 audit several financial/accounting recommendations have been made by the external auditors (Arnold Hill & Co LPP). Approval is required from the board for the council to implement some of these recommendations.
- 1.3 The auditor recommendations have been provided along with a management summary for consideration by the board (Appendix 1).
- 1.4 **Update on the preparation of the 2020/21 audited accounts and reports to the Charity Commission:** work has commenced on the audit of the King George's Field Trust accounts for the years ending 2021 and the audit will be undertaken by Arnold Hill & Co LLP who undertook the audit of the 2018/19 and 2019/20 accounts.
- 1.5 The annual reports are being produced in keeping with the requirements of the Charity Commission for organisations with a turnover of over £1million.
- 1.6 An update on the submission of the audited accounts and annual reports for year end 2020/21 will be provided to the Charity Commission.
- 1.7 **Update on the 2021/22 audited accounts:** pending approval by the board to appoint Arnold Hill & Co LLP and the completion of the 2020/21 accounts, the 2021/22 audited accounts will be prepared for submission in line with the council's own year-end, close down processes. The statutory deadline for the audited accounts and annual report for 2021/22 to be uploaded to the Charity Commission is 31 January 2023.
- 1.8 **Update on the current financial position and activities for 2021/22:** a forecast for the current financial year (2021-22) has been provided and an activity report.

## **2 EQUALITIES IMPLICATIONS**

- 2.1 The King George's Fields Trust manages lands and facilities which are open to all. Where charges have to be made, such as artificial football pitches, charges are kept at affordable levels for the local community.

## **3 OTHER STATUTORY IMPLICATIONS**

- 5.1 There are no further statutory implications.

## **4 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The financial implications arising from the audited accounts are contained in the Appendices to this report.

## **5 COMMENTS OF LEGAL SERVICES**

- 5.1 As trustee, the Board must make sure that the charity is carrying out the purposes for which it is set up, and no other purpose. Further, the Board must act in the Charity's best interests and manage the Charity's resources responsibly.
- 5.2 The framework for accounting by charities imposes on charities a legal duty to submit to the Commission annual reports, accounts and returns.
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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE if none.

#### **Appendices**

- Appendix 1 – Management response to auditor recommendations
- Appendix 2 – Current financial overview 2021/22
- Appendix 3 – Activity update 2021/22

#### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- None

#### **Officer contact details for documents:**

Catherine Boyd, Interim Head of Arts Parks and Events.