

THE LONDON BOROUGH OF CAMDEN

At a meeting of the **AUDIT AND CORPORATE GOVERNANCE COMMITTEE** held on **THURSDAY, 26TH SEPTEMBER, 2024** at 6.30 pm in Committee Room 2, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE COMMITTEE PRESENT

Councillors Meric Apak (Chair), Matt Cooper (Vice-Chair), Steve Adams, Nasim Ali, Judy Dixey and Lorna Jane Russell and Fehintola Akinlose and Alan Layton (Independent Member)

MEMBERS OF THE COMMITTEE ABSENT

Councillors Camron Aref-Adib, Richard Cotton, Nazma Rahman and Nanouche Umeadi

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the Audit and Corporate Governance Committee and any corrections approved at that meeting will be recorded in those minutes.

MINUTES

1. APOLOGIES

Apologies for absence were received from Councillors Aref-Adib, Cotton and Umeadi.

2. DECLARATIONS BY MEMBERS OF STATUTORY DISCLOSABLE PECUNIARY INTERESTS, COMPULSORY REGISTERABLE NON-PECUNIARY INTERESTS AND VOLUNTARY REGISTERABLE NON-PECUNIARY INTERESTS IN MATTERS ON THIS AGENDA

There were no declarations of interest.

3. ANNOUNCEMENTS (IF ANY)

Broadcasting of the meeting

The Chair announced that the meeting was being broadcast live by the Council to the internet and could be viewed on the website for twelve months after the meeting. After that time, webcasts were archived and could be made available on request.

4. DEPUTATIONS (IF ANY)

There were no deputations.

5. NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT

There was no notification.

6. MINUTES

RESOLVED –

THAT the minutes of the meeting held on 18th July 2024 be approved and signed as a correct record.

7. 2021-22 STATEMENT OF ACCOUNTS AND AUDIT COMPLETION REPORT

Consideration was given to a report of the Executive Director Corporate Services.

Suresh Patel of Forvis Mazars, the Council's external auditor, reported that there had been good progress on a number of issues in the two weeks since the Audit Completion Report had been issued and in his view there had been a significant improvement in working relationships and an increase in the speed of response to auditor queries.

In response to questions, representatives of Forvis Mazars confirmed that there was no financial penalty for the late completion of an audit. They also confirmed that they had found no evidence of fraud in relation to management override of controls.

The Financial Reporting Manager commented that as a result of a finding from the previous year's audit, there had been improvements in valuation processes, and there was challenge and consistency checking as part of those processes. Mr Patel added that Forvis Mazars were satisfied with the objectivity and independence of the external valuer.

Members remarked that it was encouraging to note the improvements in processes within the Council and in working relationships with the external auditors.

RESOLVED –

- (i) THAT the External Auditor's reports for the 2021/22 statement of accounts at Appendices A and B of the report be noted;

- (ii) THAT the amended 2021/22 Statement of Accounts at Appendix C of the reports be approved;
- (iii) THAT the Executive Director Corporate Services, in consultation with the Chair of the Audit and Corporate Governance Committee, be authorised to approve any remaining amendments to the Statement of Accounts as the auditors complete the final outstanding matters as listed in Appendices A and B of the report;
- (iv) THAT is be noted that officers will report back on any such amendments made at the following Audit and Corporate Governance Committee meeting for the Committee's information;
- (v) THAT the Chair of Audit and Corporate Governance Committee be authorised to sign the 2021/22 Statement of Accounts; and
- (vi) THAT the draft Letter of Representation, as set out in paragraph 4.4 and included in the Audit Completion Reports, be noted.

8. UPDATE ON THE AUDIT BACKLOG

Consideration was given to a report of the Executive Director Corporate Services.

Suresh Patel of Forvis Mazars, the Council's external auditor, commented that the 2022/23 and 2023/24 accounts were very likely to be disclaimed as the revised backstop deadlines meant that there was not going to be sufficient time to complete the audits. This of course would impact on the following years audits as there would be no assurance on the opening balances, but it was intended to bring a plan for rebuilding assurance to the Committee in due course. He added that all audit firms were in a similar position and there would be a large number of authorities with disclaimed accounts for those periods.

A Member expressed concern about such a lack of assurance during a period of financial pressure on local government. Mr Patel assured Members that the external auditor would still be required to carry out its responsibilities around value for money and financial sustainability.

The Director of Finance commented that, notwithstanding the high likelihood of the accounts being disclaimed, they would still be published and there would be additional communications issued about the situation in order to provide reassurance to residents and Members.

RESOLVED –

THAT the report be noted.

9. DRAFT STATEMENT OF ACCOUNTS AND DRAFT ANNUAL GOVERNANCE STATEMENT 2022/23

Consideration was given to a report of the Executive Director Corporate Services.

In response to questions and comments, officers made the following remarks:-

- Whilst there was always room for improvement, it was considered that the adequacy and effectiveness of the overall governance arrangements was sufficient.
- Officers could provide further analysis to explain that large swings in valuations of property within the Housing Revenue Account between 2020/21 and 2022/23.

ACTION BY: Director of Finance

- The collection fund account had been impacted in this period by financial support from the government in relation to the Covid-19 pandemic.
- Officers could provide further analysis of the significant rise in rent arrears between March 2021 and March 2022.

ACTION BY: Director of Finance

- The cost of living crisis had led to an uptick in debt as people began to feel increased pressure on their budgets, and this was being seen across the country. Camden was looking to take a more proactive approach to debt management, by identifying potential issues earlier and seeking to provide support before the situation escalated.
- Assumptions around the provision made for debt were reviewed every year and built into the working papers. The external auditor also tested the assumptions.
- Officers could undertake some modelling around the ongoing impact of the cost of living crisis on debt levels and provide an update to members of the Committee.

ACTION BY: Director of Finance

- Payments to staff listed in the notes to the accounts included any capital payments made upon retirement.

Members asked that, when the next set of accounts was presented to the Committee, it be accompanied by a short presentation pulling out the key points.

ACTION BY: Director of Finance

RESOLVED –

- (i) THAT the draft Annual Governance Statement for 2022/23 at Appendix A of the report be approved;
- (ii) THAT authority be delegated to the Executive Director Corporate Services to make any minor amendments to the Annual Governance Statement prior to publication; and

- (iii) THAT the draft Statement of Accounts for 2022/23 presented at Appendix B of the report be noted.

10. UPDATE TO THE HEALTH AND WELLBEING BOARD TERMS OF REFERENCE

Consideration was given to a report of the Executive Director Adults and Health and a reference from the Health and Wellbeing Board.

RESOLVED –

THAT the changes to the Terms of Reference of the Health and Wellbeing Board set out in paragraphs 2.1 and 2.2 of the report be recommended to the Council for agreement.

11. WORK AND TRAINING PLAN AND ACTION TRACKER

Consideration was given to a report of the Borough Solicitor.

RESOLVED –

- (i) THAT the work plan for the remainder of 2024/25, as set out at Appendix A of the report, be noted;
- (ii) THAT the training proposal set out at paragraph 3.4 of the report be noted; and
- (iii) THAT the action tracker for actions arising from the last meeting, as per Appendix C of the report, be noted.

12. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was no urgent business.

The meeting ended at 7.49pm.

CHAIR

Audit and Corporate Governance Committee - Thursday, 26th September, 2024

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MINUTES END