

Committee: Audit and Risk Management Committee Finance Committee	Date: 12 May 2023 16 May 2023
Subject: Report of Action Taken	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	See background papers
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Deputy Town Clerk	For Information
Report author: Ben Dunleavy, Governance Officer	

Summary:

This report provides details of a decision taken between Committee meetings. The decision was taken under urgency procedures for the Audit and Risk Management Committee, and under delegated authority for the Finance Committee.

Recommendation

Members are asked to note the report.

Main Report

Decision Under Standing Orders 41A and 41B – Outstanding Sundry Trusts Annual Report and Financial Statements 2021/22

1. A request was sought from the Audit and Risk Management Committee and the Finance Committee for approval under urgency and delegated authority procedures of the Annual Reports and Financial Statements of the three remaining Sundry Trust charities for the year ended 31 March 2022.
2. The recommendation for the Audit and Risk Management Committee was to:
 - i) Note that the external auditor Crowe intends to give an unqualified audit opinion/ unmodified independent examiner's report for the two charities;
 - ii) Recommend approval of the annual reports of the 3 outstanding audited/ examined charities to the Finance CommitteeThe recommendation for the Finance Committee was to:
 - (i) Note that the external auditor Crowe is anticipating giving an unqualified audit opinion on the audited charity annual report and that the independent examiner Crowe is anticipating giving an unmodified report for the independently examined charity annual report;
 - (ii) Consider the resolution from the Audit and Risk Management Committee and, if appropriate, approve the financial statements of the charities included at **Appendix 1** for the year ended 31 March 2022;
 - (iii) Delegate to the Chamberlain, in consultation with the Chairman and Deputy Chairman of Finance Committee, approval of any material changes to the statement of accounts required before the signing of the audit opinion/independent examiner's report by Crowe – which is expected in the coming days;
 - (iv) Approve delegated authority for the Chairman and Deputy Chairman of the Finance Committee to approve and sign the financial statements of the two audited/examined charities (CLS Bursary & Awards Fund and CLSG Bursary Fund incorporating the CLSG Scholarships and Prizes Fund) on behalf of the Court of Common Council.
3. Of the 15 Sundry Trust charities , 12 reports were presented for recommendation and approval in January 2023, but the final 3 were not presented due to staff shortages and subsequent prioritisation of workload This resulted in delays to preparation and as a consequence also to the auditors'/independent examiners' work.
4. The annual reports and financial statements for the three charities are attached at Appendix 1 to the report. They were not submitted to the Charity Commission by the required statutory deadline, which is noted on the relevant section of the Charity Commission website. In addition, 2 others were not submitted on time that had been previously recommended/approved by these Committees, where the auditors/examiners were not able to complete their work due to other priorities.
5. The audit/independent examination work is now substantially complete for all these charities. No major issues have been identified and on this basis we

understand that Crowe UK LLP (“Crowe”) currently intend to issue an unqualified opinion (audit) or unmodified report (independent examination) for each annual report, but some points of internal control will be raised in a future management letter that will be presented to the Committees.

6. An urgent decision was requested from the Audit and Risk Management Committee so as to allow the Annual Reports and Financial Statements to be recommended to the Finance Committee and ensure that there were no further delays in submission, due to the potential reputational risk associated with the public record of such delays. The Finance Committee had delegated authority for this decision at its meeting on 18 April.
7. Approval was accordingly given under urgency for the Audit and Risk Management Committee, and subsequently under delegated authority for the Finance Committee, by the Town Clerk in consultation with the relevant Chairs and Deputy Chairs.

Ben Dunleavy

Governance Officer E: Ben.Dunleavy@cityoflondon.gov.uk

Background Papers

‘Outstanding Sundry Trusts Annual Report and Financial Statements 2021/22’ Report of the BHE & Charities Finance Director (representing the Chamberlain) and appendices, approved on 19 April for the Audit and Risk Management Committee under urgency, and on 25 April for the Finance Committee under delegated authority