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**Administration & Governance**

<b>Board paper title</b>		Paper 01/10/20 - 1
Administration & Governance		
<b>Report by</b>	Wayne Hubbard	
<b>Job Title</b>	Chief Executive Officer	
<b>Date of decision</b>	Board meeting: 1 October 2020	

<b>Summary</b>
This paper reports on written resolutions issued since the previous meeting; updates on membership changes; and seeks an amendment to the Audit Committee terms of reference and approval of membership.

<b>Recommendations</b>
<p>The Board is recommended to</p> <ul style="list-style-type: none"> <li>• Note the approval of Written Resolution <i>31/07/20 Approval of Accounting Statements</i>.</li> <li>• Note current membership of the Board including the new appointments of Cllr Claire Holland, Joe Murphy, Chantelle Nicholson and Cllr Krupa Seth,</li> <li>• Approve the reduction in the membership of the Audit Committee from five to four Board members.</li> <li>• Agree the membership, including the chair, of the Committee.</li> </ul>

<b>Risk Management</b>	
<b>Risk</b>	<b>Action to mitigate risk</b>
LWARB is without a functioning Audit Committee so its functions are not being carried out.	Board is invited to appoint members to the Committee.

<b>Implications</b>
<b>Legal</b> Audit Committee: The LWARB Order allows the Board to establish committees, appoint members and delegate authority as it sees fit.
<b>Financial</b> Audit Committee: The reduction of membership of the Audit Committee by one will generate a saving of approximately £3,400.
<b>Equalities</b> None

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## Administration & Governance

### Why the paper is being presented

The paper is presented to update the Board on governance/administrative developments since its last meeting and to seek approval to reduce the size of the Audit Committee. The Board are also requested to agree the membership of the Audit Committee.

### Written resolutions

One paper has have been issued under the written resolution procedure since the previous Board meeting:

*31/07/20 Approval of Accounting Statements.*

This paper sought approval of the accounting statements included in the LWARB Annual Governance and Accountability Return. The recommendation was approved by the Board.

### Membership

The terms of membership of the Board of Cllr Bassam Mahfouz, Cllr Ian Wingfield, Barbara Anderson and Melville Haggard came to an end on 10<sup>th</sup> August 2020. London Councils has appointed Cllr Claire Holland, Joe Murphy, Chantelle Nicholson and Cllr Krupa Seth from 11 August for a period of four years.

The full membership of the Board is now:

Member	Affiliation	Appointment	Term
Liz Goodwin		Mayor of London	2
Joe Murphy	Independent	London Councils	1
Chantelle Nicholson	Independent	London Councils	1
Shirley Rodrigues	Independent	Mayor of London	2
Cllr Nesil Caliskan	LB Enfield	London Councils	1**
Cllr Claire Holland	LB Lambeth	London Councils	1
Cllr Guy Senior	LB Wandsworth	London Councils	1*
Cllr Krupa Sheth	LB Brent	London Councils	1

\* From July 2018

\*\* From January 2020

Biographical information on all of the current Board members may be seen at <https://www.lwarb.gov.uk/who-we-are/board-and-committees/board-members/>

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### **Audit Committee**

LWARB currently has one established committee: The Audit Committee which also acts as a finance and staffing committee.

The current terms of reference are attached at Appendix 1.

The Membership of the committee is specified the terms of reference as five members of LWARB. Until August 2020, the membership consisted of Cllr Bassam Mahfouz (Chair), Cllr Guy Senior, Cllr Ian Wingfield and Barbara Anderson, with one vacancy. As Barbara Anderson and Cllrs Mahfouz and Wingfield have now left the Board, there are four vacancies, including the Chair.

It is proposed that the membership be reduced from five to four Board members. As five members represents more than 50% of the Board, this seems unnecessarily cumbersome. The Audit Committee has been operating with only four members since the departure of Cllr Feryal Clark in December 2019. No change to current quorum of three.

The Board is required to agree the membership of the Committee, including the Chair.

### **Meetings timetable**

Quarterly Board meetings are currently being arranged, with Audit Committee meetings to be scheduled in advance of each.

### **Supporting documentation**

Appendix 1: Audit Committee Terms of Reference

## **Terms of Reference for the Audit Committee**

The London Waste and Recycling Board (the “Board”) was established under section 356A of the Greater London Authority Act 1999 (as amended) and the London Waste and Recycling Board Order (Statutory Instrument 2008 No. 2038) (the “Order”).

The Order provides that the Board may establish committees (article 8) and delegate certain functions to a committee of the Board (article 12). The Audit Committee is a committee of the Board under article 8 of the Order, and section 3 of the Board’s Governance Framework.

The Audit Committee was established by a decision of the Board through its Urgency Procedure on 13 February 2009.

The Board has delegated certain functions to the Audit Committee, set out here as the Terms of Reference.

### **Membership and attendance**

The Audit Committee will initially comprise five members of the Board. The Board’s Head of Finance, Chief operating Officer, the external auditors and internal auditors will be invited to attend Audit Committee meetings. The Audit Committee may appoint external members to provide additional support on legal, financial or commercial matters, any such appointment to be subject to confirmation by the Board.

A member of the Committee shall be nominated by the Board to act as Chairman of the Audit Committee. In his or her absence at a meeting the members of the Audit Committee present may nominate a committee member to deputise in his or her place for the duration of the meeting.

Under Section 18 of The London Waste and Recycling Board Order 2008 committee meetings are open to the public: this is subject to paragraphs 18 (2) and (3) which refer to the exclusion of the public where confidential information may be disclosed.

### **Quorum**

A quorum will be constituted provided that at least three members are present.

### **Authority**

In all other respects (including without limitation with regard to voting and procedural matters) the Audit Committee shall be governed by the Board’s Standing Orders

### **Responsibilities**

The Audit Committee’s main roles are:

- To ensure the existence of financial systems, processes and procedures to maintain financial probity and control over the activities of the Board;
- To liaise with the external auditors over their annual programme and to approve the annual internal audit programme;

- To deal as appropriate with matters raised by the external auditors' management letters and reports;
- To deal as appropriate with matters arising from the internal auditors' reports;
- To review, approve and recommend for signature the annual report and accounts of the Board;
- To review the Board's risk register and ensure that satisfactory actions are being taken to mitigate identified risks;
- To monitor administrative expenditure against budget, and approve any variations in accordance with procedures set out in the Scheme of Delegated authority.
- To review annually the Terms of Reference of any committees of the Board.
- To review the Board's governance arrangements, to include the Board's Standing Orders

The Audit Committee's role is combined with that of a Finance Committee and a Remuneration and Staffing Committee. This will include:

- Review the Head of Finance reports on the financial performance of the Board; and
- Reviewing routine financial and administrative matters on behalf of the Board.
- Overseeing the establishment and implementation of the Board's Pay Policy
- Approving any changes in the Board's staff structure.

### **Frequency of meetings**

It is envisaged that the Audit Committee will meet at least four times a year. One of these meetings will be concerned mainly with the approval of the Board's annual report and accounts, and will be usually be in July. The remaining meetings will be held approximately one month before Board meetings.

### **Reporting Procedures**

The Audit Committee will receive and consider, inter alia, the following reports:

- Minutes of previous Audit Committee meetings;
- Quarterly reports of the Board's financial performance;
- Quarterly updates of the Board's risk register and any mitigating actions that have been taken;
- Reports from the Board's internal auditors;
- Reports from the Board's external auditors, in particular the annual management letter following the audit of the Board's accounts;
- Papers for consideration in respect of financial, budgetary and internal control matters from time to time.

These reports will form the basis of the Audit Committee report to the Board.

June 2009

Revised:     October 2010  
                   November 2012 (Committee Quorum)  
                   January 2013 (Staffing & Remuneration function)  
                   August 2017 (Minor amends)