Dear Tom

DELAY IN LAYING THE 2017/18 ACCOUNTS OF THE GANGMASTERS AND LABOUR ABUSE AUTHORITY

I am writing to explain why the statutory deadline of 31 January 2019 was not met for laying the 2017/18 accounts of the Gangmasters and Labour Abuse Authority (GLAA).

Preparation and auditing of the GLAA’s accounts were affected by exceptional circumstances for a second year running. These include changes of accounting officer and pressures from other business, such as the transition to new Home Office IT. The GLAA appointed an interim Chief Executive and Accounting Officer in April 2018 who resigned unexpectedly, in October. This required a second temporary appointment to be made in October, until the new substantive Chief Executive, Dr Michael Rich, took up his post in January.

Taking account of the circumstances that had affected GLAA, the NAO provided additional resource for the audit which was, considerately, delayed until GLAA had completed its IT transition. GLAA’s resources had been spread too thinly and it was not sufficiently prepared for the audit, which could not be completed as planned. The resourcing issue had been acknowledged within GLAA, but it was not until the arrival of Michael Rich that decisive action was taken to remedy this.

The Home Office has supported GLAA with some additional contractor assistance. Further audit fieldwork must be completed and the accounts are not likely to be finalised before April.

Future arrangements

I have sought assurance from the GLAA Chair, Margaret Beels, that there will be no recurrence of such delays for the 2018/19 GLAA accounts. Margaret assures me that the GLAA Board has a very high degree of confidence that their new chief
executive, Michael Rich, understands the issues and will be more proactive in this area than his recent predecessors.

To ensure timely laying of the 18/19 accounts, Michael Rich has agreed an early scoping meeting with NAO to plan the audit. This will be followed up by continuing close contact, to anticipate problems that may arise and deal with issues as they emerge, to ensure the 2018/19 accounts can be certified well within the deadline.

The GLAA Board and its Audit and Risk Committee, will closely monitor the accounts preparation to check progress and any further action needed.

Copies of this letter go to the Chair of the Public Accounts Committee and the Comptroller and Auditor General.

Yours sincerely,

Sir Philip Rutnam
Permanent Secretary