



AUDIT COMMITTEE AND AUDIT COMMITTEE (ADVISORY)

29 September 2020

SECOND DESPATCH

Please find enclosed the following items:

Item A5	Membership, terms of reference and dates of Audit Committee 2020/21	1 - 6
Item A6	Appointments to the Pensions Sub-Committee and Personnel Sub-Committee	7 - 14

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Date: : 25 September 2020



Report of: Acting Director of Law and Governance and Monitoring Officer
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Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	29 September 2020		n/a

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Subject: MEMBERSHIP, TERMS OF REFERENCE AND DATES OF MEETINGS OF AUDIT AND AUDIT (ADVISORY) COMMITTEE

1. Synopsis

To inform members of the remit of the Audit and Audit (Advisory) Committee.

2. Recommendation

2.1 To note the membership appointed by Council on 24 September 2020, terms of reference and dates of meetings of the Audit and Audit (Advisory) Committee for the municipal year 2020/21, as set out at Appendix A.

3. Background

3.1 The terms of reference of the Audit and Audit Advisory Committee (as contained in Part 5 of the Council’s Constitution) are set out at Appendix A.

3.2 The membership and dates of meetings agreed are also set out at Appendix A for information.

4. Implications

4.1 Financial Implications

None.

4.2 Legal Implications

None.

4.3 Environmental implications

None.

4.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment has not been carried out since the contents of this report relate to a purely administrative function and will not impact on residents.

5. Conclusion and reasons for recommendations

The report is submitted to ensure members are fully informed of the remit of the Committees and their administrative arrangements.

Background papers:

None.

Final report clearance

Signed by



25.09.2020

Acting Director of Law and Governance and
Monitoring Officer

Date

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AUDIT COMMITTEE AND AUDIT COMMITTEE (ADVISORY)

1. COMMITTEE MEMBERSHIP – (Agreed at Annual Council 24 September 2020)

Councillors	Substitute Members
Nick Wayne (Chair)	Jenny Kay
Andy Hull (Vice-Chair)	Roulin Khondoker
Troy Gallagher	Flora Williamson
Anjna Khurana	John Woolf
<u>Independent Members - Audit Committee (Advisory)</u> Alan Begg Alan Finch	

2. FUTURE MEETING DATES

N.B – It is anticipated that all meetings will be held remotely, until further notice.

25 January 2021 at 7.00pm	16 March 2021 at 7.00pm	25 May 2021 at 7.00pm
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3. AUDIT COMMITTEE

Composition

The membership of the committee shall not include any members of the Executive.

The membership of the Audit Committee (Advisory) shall include two independent members.

Quorum

The quorum shall be three members, not including Independent members

Terms of Reference

Audit Committee (Advisory) Functions

To consider the following matters and to make recommendations concerning them to the relevant Council bodies or to officers:

1. The Head of Internal Audit's annual report and opinion and the level of assurance internal audit activity can give over the Council's corporate governance arrangements;
2. The external auditor's annual letter, relevant reports and the report to those charged with governance on issues arising from the audit of the accounts;
3. Reports dealing with the management, performance and value for money of the providers of internal and external audit services;
4. A report from internal audit on agreed recommendations not implemented within a reasonable timescale;
5. The appointment of the Council's external auditor;
6. Work to be commissioned from internal and external audit;
7. Specific internal and external audit reports as requested;
8. The contract procedure rules and financial regulations in the Council's constitution and the Council's compliance with its own and other published standards and controls;
9. Any issue referred to it by the Council, Executive, Policy and Performance Scrutiny Committee or the Chief Executive;
10. The Council's arrangements for corporate governance and risk management and recommend necessary actions to ensure compliance with best practice;
11. The production and content of the authority's Annual Governance Statement;
12. The annual report from the Monitoring Officer concerning standards of member conduct, which shall include a summary of complaints received under the Code of Conduct Complaints Procedure and their outcome.
13. Any report on any matter relevant to the advisory functions of the Committee which the Committee may request from the Corporate Director of Resources or other proper officer.

Audit Committee Decision-Making Functions

Audit related matters

To review and agree the annual statement of accounts, including considering whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or the audit that need to be brought to the attention of the council.

1. To adopt the authority's Annual Governance Statement.

2. To agree annually the amount calculated by the Council as its tax base for the whole area of the borough, any tax base applying as special levies, and other matters associated with the tax base.

General Matters

3. To appoint a Personnel Sub-Committee, including approval of its terms of reference and membership. Members of the Sub-Committee will be the Leader of the Council, the Executive Member with responsibility for Human Resources, and three ordinary member positions. One of the ordinary committee members will be the appointed Chair. All other Executive Members will be appointed to act as substitutes for the Committee, with the relevant Executive Member joining the Committee depending on the appointment being made. There will also be 5 ordinary member substitutes, one of whom will be the Chair of Audit Committee.
4. To appoint a Pensions Sub-Committee.
5. To appoint such other sub-committees or other bodies, including their membership and terms of reference, as the Committee deems from time to time appropriate.
6. To grant exemptions under section 3 of the Local Government and Housing Act 1989 from political restriction to holders of posts under the Council and to give directions as to inclusion of specified posts in the list maintained by the Council under section 2(2) of that Act.
7. To make appointments between council meetings to those outside bodies and panels appointed to by the Council under Part 3 paragraph 7.2.
8. To determine matters relating to the organisation and conduct of elections, including the following:
 - i. division of the constituency into polling districts;
 - ii. division of the borough into polling districts.
9. To regulate matters affecting members, including remuneration, expenditure and training and to promote high standards of conduct amongst members.
10. To recommend to Council the introduction, amendment or revocation of byelaws.
11. To take decisions on any matter within the terms of reference of any of its sub-committees where the proper officer considers that it is necessary and reasonable to do so.
12. All other non-Executive matters specified under the relevant legislation save for those which are delegated to officers (unless the relevant Corporate Director refers the matter to the committee) or are reserved to the Council under paragraph 1 of Part 3 of this Constitution or to the Licensing Committee or Licensing Regulatory Committee and Planning committees.

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**Governance and Human Resources
Town Hall,
Upper Street
London N1 2UD**

Report of : Acting Director of Law and Governance and Monitoring Officer

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	29 September 2020		n/a

Delete as appropriate		Non-exempt
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Subject: AUDIT COMMITTEE APPOINTMENTS 2020/21

1. Synopsis

This report seeks agreement to the appointment of the Pensions Sub-Committee , Personnel Sub-Committee and the Pensions Board.

2. Recommendations

2.1 Pensions Sub-Committee

- (a) To confirm the size of the Sub-Committee and its terms of reference in Appendix A
- (b) To appoint the members named in Appendix A for the municipal year 2020/21, or until successors are appointed.
- (c) To appoint the Chair and Vice-Chair for the municipal year 2020/21, or until successors are appointed.

2.2 Personnel Sub-Committee

- (a) To confirm the size of the Sub-Committee and its terms of reference in Appendix A
- (c) To appoint the members named in Appendix A for the municipal year 2020/21, or until successors are appointed.

- (d) To appoint the Vice-Chair for the municipal year 2020/21, or until a successor is appointed.

2.3 Pension Board

i) To note the following appointments:

a) Valerie Easmon-George as pensioner member representative for a term of four years, from 3 June 2019.

b) The reappointment of the following members for a three year term from 3 June 2019:

(i) Mike Calvert, Unison, as a member representative

(ii) Maggie Elliott – Chair of Governors at Montem School as an employer representative.

c) Alan Begg as an independent member for a term of four years, from 3 June 2019.

d) To appoint Maggie Elliott as Vice-Chair of the Pensions Board.

e) Councillor Paul Smith as a member and Chair of the Pensions Board.

f) To note the appointment of George Sharkey, GMB, as a member representative for a four year term, with effect from 26 May 2017

g) To note that there is an employer representative vacancy and a substitute pensioner member representative vacancy.

3. Background

3.1 The terms of reference for the Pensions Sub-Committee, Pensions Board and the Personnel Sub-Committee are set out in Appendix A.

3.3 The proposed membership for each of the Sub-Committees of the Audit Committee and the meeting dates agreed for the year are also set out at Appendix A.

3.4 The Pension Board membership consists of:

- 3 Islington Council Pension Fund employer representatives
- 3 Islington Council Pension Fund member representatives
- 1 independent member (non-voting)

4. Implications

4.1 Financial Implications

None

4.2 Legal Implications

These are set out in the report.

4.3 Environmental Implications

There are no environmental impacts arising from this report.

4.3 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment has not been carried out since the contents of this report relate to a purely administrative function and will not impact on residents.

5. Conclusion and reasons for recommendations

Approval to the recommendations is needed to ensure that the Sub-Committees and the Pensions Board are properly constituted.

Background papers:

None.

Final Report Clearance

Signed by



25.09.2020

Acting Director of Law and Governance and
Monitoring Officer

Date

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1. **PENSIONS SUB-COMMITTEE**

1.1. Committee Membership 2020/21

Councillors	Substitute Members
Paul Convery (Chair)	Sara Hyde
Satnam Gill OBE	Anjna Khurana
Michael O'Sullivan	John Woolf
Dave Poyser	(1 vacancy)

Terms of Reference

1. To consider policy matters in relation to the pension scheme, including the policy in relation to early retirements.
2. To administer all matters concerning the Council's pension investments in accordance with the law and Council policy.
3. To establish a strategy for disposition of the pension investment portfolio.
4. To determine the delegation of powers of management of the fund and to set boundaries for the managers' discretion.
5. To review the investments made by the investment managers and from time to time consider the desirability of continuing or terminating the appointment of the investment managers. (Note: The allocation of resources to the Pension Fund is a function of the Executive).
6. To consider the overall solvency of the Pension Fund, including assets and liabilities and to make appropriate recommendations to the Executive regarding the allocation of resources to the Pension Fund.
7. The Chair of the Pensions Sub-Committee will represent Islington Council at shareholder meetings of the London Collective Investment Vehicle (London LGPS CIV Limited). In the absence of the Chair a deputy may attend.

1.2 Quorum

The quorum for the Pensions Sub-Committee is 2 elected members.

1.3 Future Meeting Dates

Listed below are the dates of the meetings for 2020/21:

8 December 2020

23 March 2020

The date for the Pensions AGM 2020 is to be confirmed.

2.. **PERSONNEL SUB-COMMITTEE**

2.1 Committee Membership 2020/21

The Audit Committee will appoint members to the Personnel Sub-Committee following appointments made at the Annual Council Meeting. Members of the Sub-Committee will be the Leader of the Council, the Executive Member with responsibility for Human Resources and three ordinary member positions. One of the ordinary Sub-Committee members will be the appointed Chair. All other Executive Members will be appointed to act as substitutes for the Sub-Committee, with the relevant Executive Member joining the Sub-Committee depending on the appointment being made. There will also be 5 ordinary member substitutes, one of whom will be the Chair of Audit Committee.

When an appointment is to a post employed jointly by the Council and another organisation, such as the National Health Service, membership of the committee may be increased to include a relevant representative of that organisation as a co-opted non-voting member subject to the agreement of the Personnel Sub-Committee Chair

Councillors	Substitute Members
Anjna Khurana (Chair)	All other Executive members
Richard Watts	Nick Wayne
Satnam Gill OBE	Roulin Khondoker
Jenny Kay	Troy Gallagher
Angela Picknell	Sara Hyde

2.2. Terms of Reference

1. Responsibility for and monitoring of, the Council's health and safety policies as employer, including reports on health and safety within Council departments.
2. To approve the early retirement of the Chief Executive and to agree the award of any discretionary payments in connection with such retirement or redundancy.
3. To approve any payment to an officer on termination of employment in respect of redundancy entitlement, any payment under the Local Government (Early

Termination of Employment) Discretionary Compensation Regulations and notice pay in respect of termination in the interests of the efficient exercise of the Authority's functions, which exceeds £100,000 in total.

4. To be responsible for the recruitment and appointment of Corporate Directors and Service Directors in accordance with Part 4, Rule 101.

5. To agree the starting salary for any post where the overall remuneration package on new appointment (excluding pension contributions in accordance with the Local Government Pension Scheme regulations) is to exceed £100k

6. To hear representations in respect of the termination of a Corporate Director's employment in accordance with the JNC terms and conditions of employment.

7. To appoint an independent person (within the meaning of the Local Authorities (Standing Orders) (England) Regulations 2001) to carry out the functions in Regulation 7 of those regulations.

8. To receive submissions from trades unions' representatives on agenda items concerning staff terms and conditions

9. To make recommendations to Council on the appointment of the Chief Executive.

10. To make recommendations to Council on the appointment of independent persons to serve on the Standards Committee and Audit Committee.

11. To receive notification when any member of staff performing a role appointed by Personnel Sub Committee leaves their position or gives notice that they are leaving and to agree a timeline for recruitment, if applicable.

2.4 Meeting arrangements

The quorum for the Personnel Sub-Committee is 3 elected members. Meetings for the municipal year 2020/21 will be arranged as required.

3. Pensions Board

3.1 Terms of Reference

1. To assist the London Borough of Islington as scheme manager in securing compliance with:

- a. the Local Government Pension Scheme Regulations 2013;
- b. any other legislation relating to the governance and administration of the Local Government Pension Fund Scheme (LGPS);
- c. requirements imposed by the Pensions Regulator in respect of the LGPS;
- d. such other matters as the LGPS regulations may specify

2. To assist the London Borough of Islington in securing the effective and efficient governance and administration of the scheme;
3. To consider cases that have been referred to the Pension Regulator and/or the Pension Ombudsman; recommending changes to processes, training and/or guidance where necessary;
4. To produce an annual report outlining the work of the Board throughout the financial year.
5. To make recommendations to the Pension Sub-Committee.

Composition

The membership of the Board shall consist of:

- 3 Islington Council Pension Fund employer representatives
- 3 Islington Council Pension Fund member representatives
- 1 independent member (non-voting)

No substitutes are permitted, with the exception of the member of the Board who is appointed to represent pensioner members of the LGPS

All members of the Board shall be appointed by full Council or its Audit Committee which shall also appoint a chair from among the members of the Board.

Any person who is applying for or appointed as a member of the Pension Board must provide the Scheme Manager with such information as and when the Scheme Manager requires to ensure that any member of the Board or person to be appointed to the Board does not have a conflict of interest.

No officer or elected member of the Council who is responsible for the discharge of any function in relation to the LGPS.

Members of the Pension Sub-Committee shall be invited to attend meetings of the Board as observers.

Meeting Dates 2020/21:

8 December 2020

23 March 2021

The date for the Pensions AGM 2020 is to be confirmed.