

**Audit Committee and Audit Committee (Advisory) - 22 September 2015**

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 22 September 2015 at 7.30 pm.

**Present:**           **Councillors:**       Raphael Andrews, Satnam Gill, Olly Parker and Richard Greening

**Also Present**       **Councillors:**       Martin Klute and Gary Doolan

**Independent Member:**       David Bennett

**Councillor Satnam Gill in the Chair**

**52**           **APOLOGIES FOR ABSENCE (Item A1)**  
Councillors Andrews and Greening for lateness.

**53**           **DECLARATION OF SUBSTITUTE MEMBERS (Item A2)**  
None.

**54**           **DECLARATIONS OF INTEREST (Item A3)**  
None.

**55**           **MINUTES OF PREVIOUS MEETING (Item A4)**  
**RESOLVED:**  
That the minutes of the meeting of the Committee held on 4 June 2015 be confirmed as a correct record of the proceedings and the Chair be authorised to sign them.

**56**           **MATTERS ARISING FROM THE MINUTES (Item )**  
Training of Members for Audit – Minute 48(b)

The Chair stated that he had still not received a response on this and that he would investigate this and inform Members of the Committee.

**57**           **CHAIRS REPORT (Item )**  
The Chair stated that the item on Dismissal arrangements for Statutory Officers would be deferred until the Local Government Association had produced procedures on this and hopefully would now be considered at the next meeting of the Committee.

**58**           **INTERNAL AUDIT ANNUAL REPORT (Item B1)**  
The Head of Internal Audit, Michael Bradley, outlined the report during which the following main points were made :-

- Overall the Council's systems for control, risk and governance were generally adequate with some improvement required and the Council had moderate assurance.
- In relation to the areas of Planning and Building Control, management were aware of the risks.
- With regard to Braithwaite TMO officers from Housing were investigating this.

## **Audit Committee and Audit Committee (Advisory) - 22 September 2015**

- Reference was made to paragraph 5.5 of the report in relation to SEN and the transition to adult social care and it was stated that this would be likely to be reviewed in 12 months by Audit and there was legislation coming out around this.

### **RESOLVED:**

That the report be noted.

- 59** **ANNUAL REPORT ON STANDARDS AND MEMBER CONDUCT (Item B2)**  
Discussion took place as to whether it would be useful for Members to receive regular briefing notes on the Code.

In addition it was stated that Members should be reminded that if in doubt, they should declare relevant interests at the meeting, as well as in the written declaration of interests, given the recent decision in the Flowers case that was referred to at paragraph 3.10 of the report.

### **RESOLVED:**

- (a) That the Assistant Chief Executive Governance and HR be requested to provide regular briefing notes to Members reminding them of their responsibilities under the Standards and Members Code of Conduct.
- (b) That the details of the recent Flowers case, as referred to above, be circulated to Members of the Council for information.

- 60** **PRINCIPAL RISKS - INTERIM RISK MANAGEMENT UPDATE (Item B3)**

### **RESOLVED:**

That the report be noted.

- 61** **STATEMENT OF ACCOUNTS 2014-15 (INCLUDING PENSION FUND ACCOUNTS) AND ANNUAL GOVERNANCE REPORTS, INCLUDING KPMG REPORT (Item C1)**

Mohammed Sajid, Chief Accountant gave a presentation to the Committee, a copy of which is interleaved. Representatives of KPMG were also in attendance and presented their Annual Governance Report.

During consideration of the report the following main points were made:–

- There was a general fund balance of 3% of net spend and this was reviewed every year as part of the budget process.
- A representative from KPMG commented that the quality of the Council's financial reporting processes, supporting work papers were of a consistently high standard and that KPMG anticipated issuing an unqualified audit opinion on the Council's finance statements and the Pension Funds financial statements.
- KPMG reported that the Council performed well compared to other Councils however, they would not be in a position to issue an audit certificate as they were considering elector queries relating to 2013/14 and 2014/15.

### **RESOLVED:**

- (a) That the 2014/15 audited statement of accounts and the accompanying Annual Governance statement be approved.
- (b) That the Auditor's Annual Governance Reports and value for money conclusion be noted.
- (c) That the action plan in Appendix 1 of the Annual Governance report be agreed.
- (d) That the letter of representation, set out in Appendix B of the report, be agreed.

**62**

**POLLING DISTRICT REVIEW (Item C2)**

Debra Norman, Assistant Chief Executive HR and Governance and Andrew Smith, Head of Registration and Electoral Services were present for discussion of this item and an amended report was laid round.

Councillor Martin Klute and Gary Doolan were also present for discussion of this item and made representations to the Committee.

During consideration of the report the following main points were raised:–

- The use of Popham Community Centre was not considered acceptable and that it was not as accessible as New North Academy and this would impinge on the democratic process.
- Councillor Greening referred to the proposal around Highbury West and the accessibility of voters to the polling station at Hind House and the Arsenal hub.
- Discussion took place as to the letter from the Chair of Governors at New North Academy and that previously when using the school year 6, who would be taking their SATS in May, had been accommodated in the school, whilst the election was taking place.
- It was noted that there were difficulties for disabled access at Popham Community centre and voters had to go through alleyways to get there in some instances, which was not satisfactory.
- There was also an issue about continuity of polling places for voters and that New North Academy had been used for a number of years.
- Councillor Klute stated that he would be happy to contact the school to discuss this matter and how the school could be best accommodated whilst maintaining it as a polling station.
- In response to a question it was stated that the Council had legal authority to use a school as a polling station if this was required.
- In response to a question it was stated that there had been no feedback on using churches from voters of other faiths.
- In response to a statement the Head of Registration and Electoral Services stated that premises that could be used as polling stations were kept under regular review and that any suggestions for alternative suitable venues would be welcomed.

**RESOLVED:**

- (a) That the changes set out in the report be agreed in relation to Highbury West and the Head of Registration and Electoral Services investigating the issue raised by Councillor Greening above.
- (b) That New North Academy continue to be used as a polling place, rather than Popham and Cumming Community Centre, and Councillor Klute be requested to discuss with the school how they can be best accommodated when polling takes place.
- (c) That the comments be noted in relation to Barnsbury, Highbury East, Mildmay and St. Georges wards.
- (d) That it be noted that all other wards remain unchanged.

**63**

**LONDON SCALE OF ELECTION FEES AND EXPENSES (Item C3)**

Debra Norman, Assistant Chief Executive HR and Governance was present and accompanied by Andrew Smith, Head of Registration and Electoral Services, who outlined the report.

**RESOLVED:**

- (a) That the proposed scale of fees and expenses, as outlined in Appendix 1 of the report, be approved with effect from the date of the report
- (b) That the London wide scale of fees and expenses, as agreed by the Leaders Committee of London Councils from time to time, be adopted

**64 REVIEW OF VOLUNTARY REDUNDANCY SCHEME (Item C4)**

The Assistant Director HR and Governance, Debra Norman, and the Director Financial Management, Alan Layton, were present for discussion of this item.

During consideration of the report the following main points were made:–

- Discussions had taken place with the Trade Unions on the pilot scheme and this would be for one year and would then reduce back down to £500 unless a further report was submitted to Audit Committee in 12 months time.
- In response to a question it was stated that it was difficult to ascertain how many voluntary redundancies there would be in 2016/17, however in 2011/12 there were 140/150 redundancies, 82 of which were voluntary.
- The Chair referred to the fact that if voluntary redundancy payment was only £500 it would be only those staff with a pension available who would take this, which may cause a pension strain, whereas staff further down the pay scale may be tempted with a higher redundancy payment.
- A Member expressed the view that he was in favour of reducing compulsory redundancies if possible.
- A Member indicated that there may be a 'landslide' of lower graded staff applying at £5000 and there needed to be a limit on the number who can apply for this and enquired whether there would be a sufficient budget and where will the money come from if there are more people applying for voluntary redundancy than are needed.
- A Member stated that perhaps a limit should be set on the maximum budget set aside for VR.
- Members were informed that it was difficult to set a precise budget for redundancy payments, however there is £2.7 million set aside for redundancy payments next year and if a precise budget was set this may affect ongoing savings
- Concern was expressed that if there were shared services what would be the situation and it was stated that when voluntary redundancies were accepted in shared services with Public Health they had been agreed with Camden
- Redundancy could only be paid if a post was deleted. This proposal would make it an easier process to go through and would achieve savings on officer time and limit the possibility of legal action from staff
- A Member expressed the view that perhaps a compromise figure of £2500 could be agreed and this be reviewed in 12 months time, if necessary.

**RESOLVED:**

That the information in the report concerning the voluntary redundancy schemes over the last 5 years be noted and approval be given to a payment of £2500 being offered to volunteers accepted under the voluntary redundancy scheme on a pilot basis for the 2015/16 scheme.

**65 TERMINATION PAYMENT POLICY (Item C5)**

Debra Norman, Assistant Chief Executive HR and Governance was present and outlined the report.

During consideration of the report the following main points were made:–

- It was noted that in relation to paragraph 4.4 of the report it was stated that approvals of further payments by the Audit Committee may delay reorganisations and that once the Government had completed on the consultation on the cap of redundancy payments this would be reported back to Audit Committee for discussion
- In relation to recommendation (iii) of the PPS Committee it was stated that the Chief Executive could approve these, in consultation with the Chair of Audit Committee
- In response to a question it was stated that in relation to recommendation (iv) of the PPS Scrutiny Committee that this issue would be dealt with in relation to the Government legislation on termination payments to Council staff

**RESOLVED:**

- (a) That the content of the report be noted and that the Government intended to implement legislation to impose new governance arrangements in respect of termination payments to Council staff.
- (b) That a further report on termination payments be submitted to the Audit Committee when the legislation was in place, in order that the Council's processes could be amended to comply with the new requirements.

**66 TERMINATION PAYMENTS POLICY EXEMPT APPENDIX (Item E1)**

The meeting ended at 9.45 pm

**CHAIR**