

Audit Committee and Audit Committee (Advisory) - 27 July 2021

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held in Committee Room 1, Islington Town Hall, Upper Street, N1 2UD on 27 July 2021 at 7.00 pm.

Present: **Councillors:** Nick Wayne (Chair), Sara Hyde (Vice-Chair),
Janet Burgess MBE and Flora Williamson

**Independent
members:** Alan Begg and Alan Finch

Observer: Councillor Satnam Gill

Councillor Nick Wayne in the Chair

225 APOLOGIES FOR ABSENCE (Item A1)

None.

226 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

None.

227 DECLARATIONS OF INTEREST (Item A3)

Alan Finch declared a personal, non-prejudicial interest in agenda item B5 – Appointment of External Auditors from 2023 - insofar as he was an employee of the Local Government Association and involved in liaison between the LGA and its wholly-owned subsidiary, Public Sector Appointments Ltd. PSAA had appointed Grant Thornton as auditor to Islington Council. He had had no involvement in the appointment of auditors or in the supervision of audit contracts, which was solely the responsibility of PSAA.

228 MINUTES OF PREVIOUS MEETING (Item A4)

RESOLVED:

That, subject to the words "and approved" being added at the end of the final sentence of minute 222 (Updated external audit report), the minutes of the meeting held on 25 May 2021 be confirmed as a correct record of proceedings and the Chair be authorised to sign them.

229 **AUDIT COMMITTEE APPOINTMENT TO PENSIONS SUB-COMMITTEE 2021/22 (Item A5)**

RESOLVED:

That Councillor Mick Gilgunn be appointed as a member of the Pensions Sub-Committee for the municipal year 2021/22, or until a successor is appointed.

230 **THE COUNCIL'S USE OF INVESTIGATORY POWERS (Item B1)**

RESOLVED:

- (a) That the actions undertaken to address the recommendations of the Investigatory Powers Commissioner, as detailed in paragraph 4 of the report of the Corporate Director of Resources, be noted.
- (b) That the outstanding actions to be taken to address the recommendations of the Investigatory Powers Commissioner, again as detailed in the action plan at paragraph 4 of the report, be noted.
- (c) That the level of directed surveillance undertaken by the Council and detailed in the report, be noted.

231 **STRATEGY AND CHANGE PROGRESS REPORT (Item B2)**

The following points/observations were made during discussion of the report:

- It would have been helpful to have extra columns of information included in the table on pages 18/19 of the agenda pack, possibly including KPIs or more information on implementation of the actions in the table in order that the Committee may know how the actions had been measured and whether they had been achieved.
- The way services were delivered should be assessed against a framework, in order that value for money could be tracked. Monitoring and rigour were required to ensure that major projects could be monitored against a framework
- It would also have been helpful to see more information on performance and achievements to date, with a focus on risk
- It was noted that the two preceding points concerned the vision and approach for the Transformation Unit and that more information would be built into the table/report going forward
- A question was asked about whether the project in Adult Social Care on "Integrated Care Programme" had been ongoing since 2003. The Head of Strategy and Change said that this particular project had started last year and undertook to check when the 2003 project had ended
- The Transformation Unit had proved very helpful in the past year, though monitoring projects had proved difficult.
- A concern was noted that, although the Fairer Together and Community Wealth Building Directorates had been established in April 2021, the process for monitoring of delivery of services had not yet been implemented

RESOLVED:

(a) That the progress to date and priorities for the next six months for the Transformation Unit to further strengthen delivery of transformation programmes to maximise benefits for residents, as detailed in the report of the Corporate Director of Resources, be noted.

(b) That the points raised by the Committee above be noted and their concern to see a robust framework in place to monitor projects, including analysis of costs and risks, continuing through to delivery of the project, in order that checks can be made as to whether individual projects have been delivered.

232

ANNUAL GOVERNANCE STATEMENT 2020-21 (Item B3)

The following comments/suggestions were made during discussion:

- The Annual Governance Statement (AGS) needed to include reference to procurement and commissioning and the Council's internal controls for this important area of risk
- A paragraph on corporate governance should be included
- As Covid-19 had affected governance, references to it in paragraph 5.1.3 could be expanded and brought to the front of the document
- For next year, it would be helpful to look again at the structure of the AGS, to include more narrative and broader issues around governance, rather than including them in a list
- An executive summary of the AGS would be helpful, setting out the purpose and key elements
- Paragraph 3.18.5 could be considered superfluous
- There seemed to be a discrepancy between the last sentence of paragraph 4.5.2 which referred to "an adequate level of assurance" and line 5 of the same paragraph which referred to "Moderate Assurance"
- A councillor queried whether a copy of the new Code of Conduct for Members had been circulated to councillors (paragraph 3.1.2) and was assured that they had been
- More detail needed to be included in paragraph 6.2.4, entitled "Tackling inequalities"
- Referring to the general issues highlighted for monitoring in the year ahead and set out in paragraph 6.2, members queried whether these were issues which in fact should be scrutinised by the Audit Committee. It would probably be helpful for the Audit Committee to see self-assessment reports, where governance or audit-type issues were raised, in order that members of the Committee were aware of areas of concern. The word "issues" in these contexts indicated priority areas of work for the Internal Audit Team, rather than governance issues. It was suggested that the paragraph be re-written to reflect this
- There was strong financial management within the Council
- It was important for the Committee to be reassured that robust structures operated within the Council eg there had been an external review of recruitment and the conduct of the Council's senior leadership, but this had not been mentioned in the Statement

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- The Audit Committee should receive a statement of progress against budget, for assurance in this area. It was agreed that a summary table be submitted to the Committee, detailing areas of concern relating to spend against the budget by Directorate.

RESOLVED:

- (a) That, subject to comments/suggestions above being incorporated into the Annual Governance Statement and taken on board by officers as appropriate, the Annual Governance Statement attached at Appendix A to the report of the Corporate Director of Resources be approved.
- (b) That the Corporate Director of Resources, in consultation with the Chair of the Audit Committee, be authorised to approve minor amendments to the Annual Governance Statement prior to the signing of the final statement of accounts.
- (c) That it be noted that officers would report back to the Committee on any amendments made to the Annual Governance Statement at a subsequent Audit Committee, by way of an amended version of the Annual Governance Statement for the Committee's information.

233 RISK MANAGEMENT UPDATE - JULY 2021 (Item B4)

RESOLVED:

That the contents of the report of the Corporate Director of Resources, providing an update on risk management activity that has taken place since the last substantive report to the Committee, be noted.

234 APPOINTMENT OF EXTERNAL AUDITORS FROM 2023 (Item B5)

RESOLVED:

- (a) That it be noted that the Council would be required to make a decision later this year in relation to the appointment of its External Auditors to commence from the financial year 2023/24, as detailed in the report of the Corporate Director of Resources.
- (b) That the options available to the Council in relation to the appointment of its External Auditors from the financial year 2023/24, as detailed in the report, be noted.
- (c) That the wider context for the appointment of new External Auditors, again as detailed in the report, be noted.

235 ACTION PLANS ARISING FROM OUTCOME OF EXTERNAL INVESTIGATIONS (Item B6)

Noting the progress to date and acknowledging the challenges faced, the Committee thanked the Director of Human Resources and Councillor Khurana, Chair of the Personnel Sub-Committee, for all of their work to improve Human Resources.

Given that the membership of the Personnel Sub-Committee was liable to change each year, members suggested that there be an annual training session for councillors involved in recruitment to senior leadership posts.

RESOLVED:

(a) That the contents of the report of the Corporate Director of Resources, detailing progress on implementation of the actions approved by the Committee on 13 August 2020 in relation to the outcomes arising from two separate external investigations into whistleblowing complaints and its exempt appendix (exempt agenda item E1), be noted.

(b) That the Head of Democratic Services and Governance be requested to organise an annual training session for councillors involved in recruitment to senior leadership posts.

236 EXCLUSION OF PRESS AND PUBLIC (Item)

RESOLVED:

That the press and public be excluded during consideration of the following items as the presence of members of the public and press would result in the disclosure of exempt information within the terms of Schedule 12A of the Local Government Act 1972, for the reasons indicated:

<u>Agenda item E1</u>	<u>Title</u>	<u>Reasons for exemption</u>
	Action plans arising from outcome of external investigations - exempt appendix	Categories 1 and 2

237 ACTION PLANS ARISING FROM OUTCOME OF EXTERNAL INVESTIGATIONS - EXEMPT APPENDIX (Item E1)

RESOLVED:

That the contents of the exempt appendix be noted.

The meeting ended at 8.40 pm.

CHAIR