

London Borough of Islington

**Audit and Risk Committee - 8 July 2024**

Minutes of the meeting of the Audit and Risk Committee held at Committee Room 1, Town Hall, Upper Street, N1 2UD on 8 July 2024 at 7.00 pm.

**Present:**        **Councillors:**        Councillor Paul Convery (Chair), Councillor Sara Hyde (Vice-Chair), Councillor Janet Burgess MBE, Councillor Caroline Russell, Councillor Nick Wayne)  
**Also Present:**        **Independent member:**        Alan Begg (Co-Optee)

**Councillor Paul Convery in the Chair**

**132        APOLOGIES FOR ABSENCE (Item A1)**

Apologies were received from Alan Finch.

**133        DECLARATION OF SUBSTITUTE MEMBERS (Item A2)**

There were no substitute members at the meeting.

**134        DECLARATIONS OF INTEREST (Item A3)**

There were no declarations of interest made at the meeting.

**135        MINUTES OF PREVIOUS MEETING (Item A4)**

There were no matters arising from the minutes.

**RESOLVED:**

That the minutes of the meeting held on the 21 May be confirmed as a correct record and signed by the Chair.

**136        VERBAL FINANCIAL UPDATE (Item )**

The Committee received a briefing on the council's financial position. This included a list of emerging pressures as at month two. It was highlighted that the Council's month three monitoring report was due to the Executive on the 5 September 2024 and to scrutiny on the 12 September 2024.

The Committee discussed the following main points:

- The need for the financial update to capture important information and in good time, so the committee could carry out its role effectively.
- That there was continued pressure on finances and a particular concern around parking underachievement and the commercial rent shortfalls, and this would be considered during one of the committees 'deep dives'.
- How the emerging pressures were calculated and whether a change to their current trajectory was possible. It was explained that there was no expectation of any material deteriorate but a more detailed picture would be available when the quarter one report was produced.

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- Whether there was a risk to the council's resilience caused by shortfall figures, it was explained that there was some income expected within the next six months and savings to be made.
- Whether there was a gap between financial planning and what was happening on the ground for example, by overestimating parking income and having a people friendly streets program.
- The impact of the resident roamer scheme on income. It was considered that this was not substantial.
- That the projected losses should have been brought to the committee earlier.
- That the Chair would write to the Chief Executive to request an update, before the September meeting, on the mitigating actions being taken to ensure the current level of overspend and income shortfall didn't continue.

### 137 **PRINCIPAL RISK REPORT (Item B1)**

The Committee received the annual principal risk report. The report contained the council's corporate risk register and was written in consultation with risk leads, directorate management teams and the corporate management team. The report included the key controls and mitigation plans for the 28 principal risks identified.

The committee discussed the following main points:

- Following a question on risk appetite, it was explained that a score of 15 and above would not be a tolerated position and would require a significant mitigation action plan in place.
- That climate change resilience and adaptation had increased in risk score because of the significant intervention and resources needed to mitigate.
- How good governance and best practice could be tested and assessed in relation to the change programme delivery risk and the establishment of a new Mission Delivery Board.
- The need to simplify complicated governance structures and reshape them.
- Whether a pipeline of climate resilience projects could be developed to ensure the council was ready to apply for government funding when opportunities became available.
- Whether it was possible to include measurable, time-based actions in the action plan to help the committee monitor the principal risks.
- On the budget gap 2025-6 and 2026-7, the importance of understanding the risks when setting the budget, in particular the impact of savings options on the risks and the interaction between financial and non-financial pressures.
- The importance of risk management highlighting opportunities.
- That the council needs to be proactive, and carefully consider how to avoid the depletion of reserves.
- That the arrangements for the Capital Programme were still being revised to ensure improvements.
- A member felt that how the council works with community partners should be included regarding response and recovery - failure to effectively respond and recover from a critical incident.
- On serious health and safety incidents in housing and actions related to damp and mould a member felt the actions were complacent and needed to be more specific. It was explained that the report tried to provide the committee with an overview and that there were more detailed plans available. The work of scrutiny committees was also highlighted.
- Whether there was sufficient oversight and governance arrangements for the principal risk on safeguarding children.

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- Whether there was a risk of schools becoming academies.

### RESOLVED:

To note the report.

138 **WORK PLAN (Item B2)**

139 **ACTION SHEET (Item B3)**

The meeting ended at 8.30 pm

**CHAIR**