

Audit Committee and Audit Committee (Advisory) - 20 March 2017

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 20 March 2017 at 7.00 pm.

Present: **Councillors:** Satnam Gill OBE, Olly Parker and Richard Greening.
Also Present: **Independent member:** Alan Begg.

Councillor Satnam Gill OBE in the Chair

137 APOLOGIES FOR ABSENCE (Item A1)

Apologies for absence were received from Councillor Flora Williamson and Independent Member, Nick Whitaker.

138 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

There were no declarations of substitute members

139 DECLARATIONS OF INTEREST (Item A3)

There were no declarations of interest.

140 MINUTES OF PREVIOUS MEETING (Item A4)

RESOLVED

That the minutes of the meeting held on the 24 January 2017 be confirmed as a correct record subject to the deletion of Alan Begg and Nick Whitaker from the list of councillors present and the Chair be authorised to sign them.

It was noted that there needed to be more focus on reducing the number of agency staff. IR35 was being implemented on the 6 April which may reduce the number of agency staff. The Committee considered that the target needed to be at a more appropriate level and the Policy and Performance Committee could review this.

RESOLVED that the Audit Committee request the Policy and Performance Scrutiny Committee review the agency target, currently set at 13%, and set a more appropriate level.

141 EXTERNAL AUDITOR REPORTS (Item B1)

The Chair welcomed Neil Hewitson and Paul Cuttle, KPMG to the meeting.

Neil Hewitson introduced the External Audit Plan 2016/17.

The following points were made during the discussion:-

- Members considered there was a greater risk in managing the balance on the revenue budget rather than the valuation of land and buildings.
- It was noted that income generation was a new area of work for the Council and carried a risk with the lack of experience and the risk of new business.

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- It was noted that this risk would be looked at as part of the medium term financial strategy and the level of materiality would be considered. It was considered by the Committee that it would be helpful if the audit process could help develop this new area of work.
- The level of materiality was reached through a standard set of calculations.

RESOLVED that the report be noted.

142 INTERNAL AUDIT PLAN (Item B2)

During consideration of the report the following points were made:-

- It was noted that 10 days had been set aside for the income generation audit. This could be adjusted if necessary.
- Members of the Committee were pleased to see that there were audits planned for pest control and the blue badge fraud review.
- It was noted that the design of the blue badge did not help prevent fraudulent use as the photo was displayed on the underside. The audit would include a review of high risk areas in Islington and look at other local authority best practice.
- It was noted that there were five days allocated to third sector organisations and Councillors could report any examples they considered high risk to the Head of Internal Audit. Some work had been carried out on third sector organisations in previous years.
- The commissioning audit had been arranged at the request of management and internal audit would work with Service Directors on this audit.
- That members requested an audit on 'village principles'.

RESOLVED that

- 1) the report be approved.
- 2) The 'village principles' area be considered for inclusion in the 2018/2019 internal audit plan.

The meeting ended at 7.25 pm

CHAIR