

**Audit Committee and Audit Committee (Advisory) - 19 March 2018**

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 19 March 2018 at 7.00 pm.

**Present:**           **Councillors:**           Nick Wayne (Chair), Rakhia Ismail, Rowena Champion and Satnam Gill OBE.

**Also Present:**           **Independent member:**           Alan Begg

**Councillor Nick Wayne in the Chair**

**179**           **APOLOGIES FOR ABSENCE (Item A1)**  
Apologies were received from Nick Whitaker, Independent Member.

**180**           **DECLARATION OF SUBSTITUTE MEMBERS (Item A2)**  
There were no declarations of substitute members.

**181**           **DECLARATIONS OF INTEREST (Item A3)**  
There were no declarations of interest.

**182**           **MINUTES OF PREVIOUS MEETING (Item A4)**  
**RESOLVED:**  
That the minutes of the meeting held on 23 January 2018 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

Minute No 171 – Statement of Accounts

The Chair reported that he was satisfied that matters were proceeding and were close to a formal resolution. There would be a further update at the next meeting.

Minute No 173 – Annual Treasury Management and Investment Strategy 2018-2019

It was noted that a note was circulated following the Audit committee in January and members were satisfied with the explanation on assurance and risk.

**183**           **INTERNAL AUDIT ANNUAL PLAN 2018/19 (Item B1)**  
The following points were made during the discussion:-

- It was noted that the Internal Audit team produced the annual plan by identifying an audit universe and conducting risk assessments across the universe to arrive at key audit areas. These were taken to each Department Management Teams (DMT) for consultation in January 2018 and then agreed by the Corporate Management Team in February 2018.
- 550 audit days had been allocated leaving 200 days for ad hoc or unplanned work arising during the year.
- Work relating to audits in 2016/2017 would be followed up in 2017/2018 and 2018/2019 would be used to follow up work from the 2017/2018 audits.
- The more comprehensive presentation of outcomes from audits in the committee papers was an ongoing piece of work.

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- Departments were not resistant to audits or audit plan and were supportive of Internal Audit.
- Internal Audit risk assessments resulted in an 'A' list and 'B' list audit plan that was then taken to DMTs. The A list contained audit reviews that were assessed as higher risk and higher priority and were earmarked for 2018-2019. The B list contained audit reviews that were lower risk and potentially earmarked for 2019-2020. In terms of resources the A list would take priority.
- It was expected that a future Chair would work with the Internal Audit team and look at the areas covered by the audit team and consider the areas that may need to be returned to in future years.
- The areas on the audit plan had been benchmarked with other authorities and were found to include all key areas. Officers and members could contact the Head of Internal Audit team directly if unexpected items arose and these would be risk assessed and potentially covered by the contingency days.

**RESOLVED** that the Annual Internal Audit Plan for 2018/2019 be approved.

### **184 GENDER PAY GAP (Item B2)**

The following points were made during the discussion:-

- Islington figures were more favourable when making comparisons with other London Boroughs such as Hackney and Haringey. This information would be circulated to Audit Committee members for their information.
- Although the figures had not been audited, the Director of Human Resources was confident that the figures had been calculated correctly. There was no statutory requirement to audit the figures.
- It was considered that men and women would both be paid the same for the equivalent job although those people that had been in the job for a longer period of time could be paid at a higher rate.
- The figures were taken from the payroll as at March 2017 but it was expected that there would be a further report in May/June which would take figures from payroll data as at March 2018.
- It was hoped to do more work around groups of jobs or using data or dip sampling to assess possible discrepancies.

**RESOLVED** that the report be approved for publication.

### **185 EXTERNAL AUDITOR REPORTS (Item C1)**

The following points were made during the discussion:-

- The external auditors look at the risks following discussions with key external stakeholders, the National Audit Office and the Department of Digital, Culture, Media and Sport and also through comparisons made with 16 other London Boroughs.
- There were fewer risks than last year and the external auditors reported changes year on year. The level of materiality had remained unchanged from 2016/17.
- The testing for Housing Benefit subsidy identified three errors from 60 cases and the claim was qualified. It was reported that this was not a particular concern and the qualified error was relatively small and was likely to be a one off error.
- The potential overspend would be reflected in the 2018/19 budget and the Council should not have this overspend moving forward.

**RESOLVED** that

- a) The External Audit Plan 2017/2018 be approved.
- b) The Annual Report on Grant Claims and Returns 2016/17 be noted.

**186 MARKET SUPPLEMENTS UPDATE (Item C2)**

The Committee noted the lack of progress on filling some posts and expected to see further progress in the report to the next meeting.

**RESOLVED** that a report be submitted to the July meeting.

**187 WHISTLEBLOWING REPORT APRIL 2017 - JANUARY 2018 (Item C3)**

The following points were made during the discussion:-

- The whistleblowing policy was to be reviewed this year but was not changing significantly and it was not considered that it would be beneficial to review more regularly than every four years.
- It was noted that whistleblowing policies were reviewed generally every three to five years across London.
- The Anti-Fraud Strategy was also being amended and would be submitted to the Audit Committee later in the year.

**RESOLVED** that the report be noted.

**188 WHISTLEBLOWING REPORT - APPENDIX (Item F1)**

**RESOLVED** that the exempt appendix be noted.

The meeting ended at 8.00 pm

**CHAIR**