

Audit Committee and Audit Committee (Advisory) - 3 June 2019

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held in Committee Room 4, Town Hall, Upper Street, N1 2UD on 3 June 2019 at 7.30 pm.

Present: Councillors: Nick Wayne (Chair), Sue Lukes (Vice-Chair) and Anjna Khurana

Also Present: Independent members: Alan Begg and Nick Whitaker

Councillor Nick Wayne in the Chair

(A member of the public was permitted to photograph those present, other than those who had declined)

55 **APOLOGIES FOR ABSENCE (Item A1)**
Received from Councillor Rowena Champion.

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

57 **DECLARATIONS OF INTEREST (Item A3)**
None received.

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

RESOLVED:

That the minutes of the meeting held on 11 March 2019 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

59 **MEMBERSHIP, TERMS OF REFERENCE AND DATES OF MEETINGS IN 2019/20 (Item A5)**

RESOLVED:

That the membership of the Audit Committee appointed by the Council on 16 May 2019, terms of reference and dates of meeting of the Audit and Audit (Advisory) Committee for the municipal year 2019/20, as set out in Appendix A of the report of the Corporate Director of Resources, be noted.

60

AUDIT COMMITTEE APPOINTMENTS TO SUB-COMMITTEES AND PENSIONS BOARD 2019/20 (Item A6)

RESOLVED:

Pensions Sub-Committee

a) That the size of the Pensions Sub-Committee and its Terms of Reference, as detailed in Appendix A of the report of the Corporate Director of Resources, be confirmed.

b) That the following members be appointed to the Pensions Sub-Committee for the municipal year 2019/2020, or until successors are appointed:

Councillors	Substitute Members
David Poyser (Chair)	Mouna Hamitouche MBE
Andy Hull (Vice-Chair)	Roulin Khondoker
Paul Convery	Michael O’Sullivan
Sue Lukes	

c) That Councillor David Poyser be appointed as Chair and Councillor Andy Hull be appointed as Vice-Chair of the Pensions Sub-Committee for the municipal year 2019/2020, or until successors are appointed.

Personnel Sub-Committee

a) That the size of the Personnel Sub-Committee and its Terms of Reference, as detailed in Appendix A of the report of the Corporate Director of Resources, be confirmed.

b) That the following members be appointed to the Personnel Sub-Committee for the municipal year 2019/2020, or until successors are appointed:

Councillors	Substitute Members
Nick Wayne (Chair)	All other Executive members
Andy Hull	
Jenny Kay	
Anjna Khurana	
Richard Watts	

c) That Councillor Nick Wayne be appointed Chair of the Personnel Sub-Committee for the municipal year 2019/20, or until a successor is appointed.

Pensions Board

a) That the following appointments be made to the Pensions Board:

i) Valerie Easmon-George as pensioner member representative, for a term of four years, from 3 June 2019.

- ii) Alan Begg as an independent member, for a term of four years, from 3 June 2019.

- b) That the following members be re-appointed for a three year term, from 3 June 2019:
 - (i) Mike Calvert, Unison, as a member representative
 - (ii) Maggie Elliott – Chair of Governors at Montem School, as an employer representative.

- c) That Maggie Elliott be reappointed as Vice-Chair of the Pensions Board.

- e) That Councillor Paul Smith be reappointed as a member and Chair of the Pensions Board.

- f) That the appointment of George Sharkey, GMB, as a member representative for a four year term, with effect from 26 May 2017, be noted.

- g) That it be noted that there was an employer representative vacancy and a substitute pensioner member representative vacancy on the Pensions Board.

61

ANNUAL GOVERNANCE STATEMENT (DRAFT) (Item B1)

The following points were noted during discussion:

- The Acting Head of Law and Governance undertook to respond to a question raised about the final sentence in paragraph 3.12.1 of the Annual Governance Statement viz “Details of all training provided to Members is reported to Audit Committee annually” and how this was achieved.
- With regard to paragraph 4.4.9 of the Annual Governance Statement, it would be part of good governance to include reference to the fact that the Audit Committee would receive “deep dive” reports on the way the Council managed large scale projects, as part of identification and management of risks
- Given its cross cutting affects, the development of information technology across the Council was highly significant, particularly with regard to its application to external customer user experience, which was fundamental to achieving budget savings in the longer term
- The general areas for concern or further development detailed in paragraph 6.2 of the Statement, including the development and delivery of the savings programme and its overall management and scrutiny, the restructuring of Digital Services and development of a new Strategy for the Service, progress in addressing some of the issues affecting Corporate Human Resources
- That an update on the bullet points in paragraph 6.2 be submitted to the Audit Committee on 2 September 2019, particularly the three principal areas of delivery and development of the savings programme, the restructure of

Digital Services and development of a new Strategy for the Service and service improvements to Corporate Human Resources Division.

RESOLVED:

(a) That the Annual Governance Statement for 2018-19, attached at Appendix A to the report of the Director of Financial Management, be approved.

(b) That an update on the bullet points in paragraph 6.2 be submitted to the Audit Committee on 2 September 2019, particularly the three principal areas of: delivery and development of the savings programme, the restructure of Digital Services and development of a new Strategy for the Service and service improvements to Corporate Human Resources Division.

62 AUTHORISATION OF EXTERNAL INVESTIGATION INTO WHISTLEBLOWING COMPLAINTS (Item B2)

RESOLVED:

(a) That approval be granted to the appointment of an external investigator, who had been identified as a Queen's Counsel (assisted by junior Counsel), with relevant experience in local government and employment law and in the conduct of external investigations, to undertake an investigation into a whistleblowing complaint described in the exempt appendix to the report.

(b) That the Acting Director of Law and Governance's selection of the external investigator, as detailed in resolution (a) above, be approved, and that authority be granted to the appointment of the investigator.

(c) That the findings of the independent investigation be reported to a future meeting of the Audit Committee.

63 ENFORCEMENT AND PROSECUTION POLICY (Item B3)

Jan Hart, Service Director for Public Protection, introduced this report.

RESOLVED:

That the "Islington – Enforcement and Prosecution Policy", appended to the report of the Corporate Director of Environment and Regeneration, be approved.

64 MARKET SUPPLEMENTS - MEMBERS' QUESTIONS TO THE ACTING DIRECTOR OF HUMAN RESOURCES AND HEAD OF SCHOOLS HUMAN RESOURCES (IN ACCORDANCE WITH A RESOLUTION PASSED BY THE COMMITTEE IN MARCH 2019) (Item B4)

Alan Grant, the Acting Director of Human Resources and Head of Schools Human Resources, was in attendance for members' discussion of this item.

In response to a request from the Chair for an update on where the Council stood broadly on the matter of market supplements and what analysis had been carried out to determine their value, it was reported that a total of 15 Council employees received market supplements, 13 of whom worked in Housing and all of which were

attached to gas engineer roles. One member of staff in Environment and Regeneration and another in the People Directorate also received market supplements. The total costs of the supplements was £98k p.a., of which £87k was paid to staff in Housing. The public sector often found difficulty to match the private sector in salaries for staff in, for example, Digital Services and it was necessary to pay the going rate to attract quality staff.

The Acting Director of Human Resources and Head of Schools Human Resources undertook to respond to members on the question of any consequential effects on existing staff carrying out the same role in a division where a post attracted a market supplement. He acknowledged that further workforce planning was needed to address this, including the appointment of a Workforce Planning Officer.

A member of the Committee asked for evidence that market supplements worked and asked whether consideration had been given to the upskilling of staff, on condition that they remain as Council employees, or be required to pay back training costs to the Council. Further information was required on the number of times market supplements were offered, whether it had then resulted in satisfactory recruitment to a particular post and the extent to which staff with market supplements remained in post. A comparison with other boroughs would be helpful in this context.

The Acting Director of Human Resources and Head of Schools Human Resources was asked to send a written response to members of the Committee on these points, before the next meeting of the Committee.

RESOLVED:

That the Acting Director of Human Resources and Head of Schools Human Resources provide a written update to members of the Committee on the points above, raised during discussion, before the next meeting of the Committee.

65 AUDIT COMMITTEE FORWARD PLAN OF BUSINESS

The Committee considered items on the Forward Plan of business for the Committee, which had been forwarded to the Chair.

Members expressed concerns about contracting practices (eg how sizeable contracts are procured) and the Council's commitment to insourcing (eg of cyclical repairs). A suggestion was made that it would be useful for the Committee to consider the Risk Register more frequently to ensure that the Committee was satisfied that managers' response to any particular risk was appropriate.

Following discussion, it was agreed that:

- Although the Corporate Management Board kept a risk log which was updated by Corporate Directors, an interim review of the Risk Register be submitted to the Audit Committee for review, preferably in July of each year,

given that the full Risk Register was due for review by the Committee in January 2020.

- The updated Forward Plan of business for the Audit Committee be circulated to members of the Committee for information

66 ALAN LAYTON, DIRECTOR OF FINANCIAL MANAGEMENT AND S151 OFFICER (Item)

The Chair noted that this would be the last attendance of Alan Layton at the Audit Committee, prior to his retirement in July 2019. On behalf of the Committee, he thanked Alan Layton for his immeasurable assistance and immense contribution, not only to the work of the Committee, but to the Council. He thanked him for his years of valuable service to the Council and wished him well for the future.

RESOLVED:

Accordingly.

67 AUTHORISATION OF EXTERNAL INVESTIGATION INTO WHISTLEBLOWING COMPLAINTS - EXEMPT APPENDIX (Item F1)

RESOLVED:

That the contents of the exempt appendix on the external investigation into whistleblowing complaints be noted (- see minute 62 for decision).

The meeting ended at 9.00 pm

CHAIR