

London Borough of Islington

Audit Committee and Audit Committee (Advisory) - 29 July 2019

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held at Islington Town Hall, Upper Street, London N1 2UD on 29 July 2019 at 7.00 pm.

Present: Councillors: Nick Wayne (Chair), Rowena Champion, Mouna Hamitouche and Anjna Khurana

Also Present: Independent members: Alan Begg and Nick Whitaker

Councillor Nick Wayne in the Chair

74 APOLOGIES FOR ABSENCE (Item A1)

Received from Councillor Sue Lukes.

75 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

Councillor Mouna Hamitouche substituted for Councillor Sue Lukes.

76 DECLARATIONS OF INTEREST (Item A3)

None.

77 MINUTES OF PREVIOUS MEETINGS (Item A4)

RESOLVED:

That the minutes of the meetings held on 3 and 27 June 2019 be confirmed as a correct record and the Chair be authorised to sign them.

Matter arising:

Market supplements – Members noted the information in the exempt paper which had been circulated and requested a further update to their meeting on 28 January 2020.

78 APPOINTMENTS TO THE PENSIONS SUB-COMMITTEE (Item A5)

RESOLVED:

(a) That Councillor Paul Convery be appointed as Chair of the Pensions Sub-Committee.

(b) That Councillor Michael O'Sullivan be appointed as a member of the Pensions Sub-Committee.

(c) That Councillor David Poyser be appointed as a substitute on the Pensions Sub-Committee.

79 ANNUAL GOVERNANCE STATEMENT AND STATEMENT OF ACCOUNTS (Item B1)

The Chief Accountant gave a detailed presentation to the Committee, providing an explanation of major changes this year.

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He pointed out that, as the Council's auditors still had a little more work to carry out, it would be useful for officers to have authority to make any further changes necessary to the Accounts, in consultation with the Chair as appropriate.

The following points were noted during discussion:

- In response to a question about the potential impact of "no deal Brexit" on the Council's budget, it was reported that work had already started to address this and would continue over the summer. The Council's Corporate Review Team would review risks and impacts on the Council in terms of its finances and its ability to provide services.
- Specifically on the Pension Fund, the Actuary would factor in any risks associated with a no deal Brexit and would provide a long term view. It was not thought that there would be much impact on the Pension Fund. The Fund's next valuation would take place in March 2020.
- Members had asked questions on the Accounts in a private session held with the auditors, without the presence of officers.

RESOLVED:

- (a) That the 2018/19 Statement of Accounts, Pension Fund Accounts and the accompanying Annual Governance Statement, attached to the report of the Chief Accountant, be approved.
- (b) That the auditor's Audit Findings Reports and Value for Money conclusion, as detailed in the report, be noted.
- (c) That the action plans of recommendations in the Audit Findings Reports be approved.
- (d) That the letter of representation set out in Appendix B of the report be approved.
- (e) That any late changes to the Accounts be delegated to the S151 Officer and Deputy S151 Officer, in consultation with the Chair, if deemed appropriate.
- (f) That the Chief Accountant and his staff team be thanked for their work in achieving an unqualified report on this year's accounts.

80

RISK REGISTER (MID-YEAR REVIEW) (Item B2)

With regard to Brexit, Members discussed potential risks that the Council might need to mitigate as a matter of urgency and the steps to be taken corporately to address this, in particular the short-term risks i.e the first 2 months after a no-deal Brexit, and the impact on the Council in terms of its finances and ability to provide services.

RESOLVED:

- (a) That the status of the actions in Appendix A to the report to mitigate the principal risks identified in the Principal Risk Report (dated March 2019) be noted.
- (b) That a brief report be submitted to the September meeting detailing plans to mitigate the effects of Brexit and the steps to be taken corporately to address this, in particular the short-term risks i.e the first 2 months after a no-deal Brexit, and the impact on the Council in terms of its finances and ability to provide services. That this be linked to the availability of Council financial resources.

81

INTERNAL AUDIT PROGRAMMES AND TRANSFORMATION REVIEW (Item B3)

The Committee noted in particular the four areas for continued development viz Agreed Minimum Standards, Clear Escalation Criteria, Wider PMO Publication and Departmental Management Team Project Monitoring, to ensure the successful delivery of the Council's change portfolio. As this would impact on all managers, the programme needed to be

cascaded down, so all Council departments were aware of it. In order to ensure that the Programmes and Transformation project was enabling the delivery of successful projects, the Chair suggested that a brief verbal update on progress be submitted to the September meeting and that a report be submitted to a future meeting on the effectiveness of Programmes and Transformation, by way of a couple of examples of how projects have progressed through the processes described in the report.

RESOLVED:

- (a) That the Internal Audit Service's final management letter, attached as Appendix 1 to the report, be noted, including management responses to audit recommendations and timescales for implementation.
- (b) That a brief verbal update on progress be provided to the September meeting of the Committee and a written report on the effectiveness of the Programmes and Transformation project to a subsequent meeting.

82 THE COUNCIL'S USE OF SURVEILLANCE UNDER THE REGULATION OF INVESTIGATORY POWERS ACT (Item B4)

RESOLVED:

- (a) That the level of directed surveillance undertaken by the Council, including the downward trend in the number of RIPA authorisations since 2010/11, as detailed in the report of the Interim Corporate Director of Resources, be noted.
- (b) That the recent legal developments also detailed in the report be noted.

83 UPDATE ON OMBUDSMAN'S DECISIONS JANUARY TO JUNE 2019 (Item B5)

In response to members' questions about the apparently low figures in paragraph 3.6 of the report, which related to complaints received about the Council, the Acting Director of Law and Governance's representative stated that the figures had been obtained from the Local Government and Social Care Ombudsman's (LGSCO) website and it was possible that the website had not been updated and the figures were therefore not recent. He pointed out that the numbers in the report did not include those rejected by the Council's Complaints Unit. The report referred only to complaints considered by the Ombudsman.

For the future, the Committee thought it would be more helpful to see figures for the total numbers of complaints about the Council.

RESOLVED:

- (a) That the contents of the report of the Acting Director of Law and Governance, detailing the number, nature and findings of complaints dealt with by the LGSCO, during the period from 1 January to 30 June 2018, be noted.
- (b) That future reports provide figures of all complaints made to the LGSCO against the Council.

The meeting ended at 8.57 pm

CHAIR