

**Audit Committee and Audit Committee (Advisory) - 30 January 2023**

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held in Committee Room 1, Town Hall, Upper Street, N1 2UD on 30 January 2023 at 7.00 pm.

**Present:**      **Councillors:** Nick Wayne (Chair), Flora Williamson (Vice-Chair), Janet Burgess MBE and Sara Hyde,

**Independent members:** Alan Begg and Alan Finch

**Councillor Nick Wayne in the Chair**

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

None.

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

None.

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

None.

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

**RESOLVED:**

That the minutes of the meeting held on the 15 November 2022 be confirmed as a correct record and the Chair be authorised to sign them.

**39      PRINCIPAL RISK DEEP DIVE: HEALTH AND SOCIAL CARE INTEGRATION AND SOCIAL CARE MARKET INSTABILITY (Item B1)**

The Director of Adult Social Care, the Director and Assistant Director of Strategic Commissioning attended to discuss the principal risk within the Health and Social Care Integration & Social Care Market Instability.

The following points were noted in the discussion:

- It was explained to the committee that there are measures in place to address the confidence in market sustainability and our bespoke approach with providers further enhances our confidence and engagement with providers ensures awareness of their financial stability. The council undergoes annual activities in Islington and NCL and also commissioned an external provider to undertake market sustainability exercises. We keep sight of the providers financial workbooks to assess their financial position. Due to

the bespoke approach with our providers each situation is different, and we are unable to list costs of failure as this differs among providers. There are no providers currently failing financially.

- It was explained to the committee that we will be able to provide a savings against the budget. The council has a budget for uplifts in 2022/2023 and the LLW was paid by providers where it was possible to negotiate with them
- It was explained to the committee that Islington has a good history of innovation working with our partners and voluntary sector in the Borough which helps us manage some of the risks. The CCG (previously the Better Care fund) have also invested generously into the fund for us in comparison with other boroughs due to our good track record of delivering in the borough.
- It was explained to the committee that where we have not seen improvement on the insufficient capacity, resource and integration within the health and care system to meet resident needs ,this is due to external factors such as inflation.
- It was explained to the committee that we have undertaken a reassessment of risks were caused by the literal shift in the move from CCG and the new expectations at a national level. Conflicting pressures such as inflation increased the risks.
- The Council is working in collaboration with Whittington Hospital to proactively manage risks on hospital discharge by ensuring the right balance of health and social care.

**RESOLVED:**

- (a) To note the risk management strategy for these two Principal Risks Set of risks, as detailed in the report of the Director of Adult Social Care.
- (b) That there be a further report on progress to the committee as a deep dive in January 2024.

40

**REPORT OF THE EXTERNAL AUDITOR - AUDIT FINDINGS REPORT**  
**(Item B2)**

The following points were noted during the discussion:

- The Director of Finance detailed the progress on the 21/22 audit process along with colleagues from Grant Thornton, the current Council external auditor. It was noted that despite taking longer than anticipated, the audit is progressing well. The external auditor stated they will present the report to the Audit committee meeting on 13<sup>th</sup> March 2023. The Committee asked that the report be provided by the start of March to allow time to understand it to which the external auditor confirmed this would be provided.
- It was explained to the committee that the delays in completing the final report so far have been due to three main factors. Firstly, the complexity of the Audit means the external auditor must go into more detail than anticipated for example, looking at the yields of the investments. Secondly, in terms of infrastructure the delays are caused by local authorities missing records of activities such as repairs etc., and this is a wider national issue among other audit firms outside of Grant Thornton. Thirdly, there are delays

in the working papers however, the committee was assured that there are adequate resources in place to get the report completed.

- A question was asked as to whether there were any red flags from the findings of the report so far and the committee was assured that there were no major issues arising.
- The Chair thanked the internal and external officers for their hard work on this.

**RESOLVED:**

That the contents of the report of the Corporate Director of Resources be noted.

**41**

**21/22 ANNUAL GOVERNANCE STATEMENT (Item B3)**

The following points were noted during the discussion:

- It was explained to the committee that there has not been much change in the past year however, going forward significant changes in the next report could be anticipated as the Council is in a fundamentally different position.
- The committee agreed that the report should include a few paragraphs surrounding the next steps, lessons learned, and changes from the previous year to ensure we are a reflective forward-looking organisation.
- The report also needs to highlight outcomes including statistics and further detail around the audit section.

**RESOLVED:**

a) That the Annual Governance Statement attached at Appendix A to the report of the Corporate Director of Resources be noted.

b) That the Corporate Director of Resources be authorised, in consultation with the Chair of the Audit Committee, to approve minor amendments to the Annual Governance Statement prior to the final signing of the statement of accounts

c) To note that officers will report back on any amendments made to the Annual Governance Statement at a subsequent Audit Committee and provide a copy of any amended version of the Annual Governance Statement for the Committee's information.

**42**

**COUNCIL TAX BASE (Item B4)**

**RESOLVED:**

a) That the council taxbase for the whole area for 2023/24 of 81,882.2 Band D equivalent properties after adjusting for non-collection be approved.

b) That it be noted that the 2023/24 taxbase maintains the balanced budget position for 2023/24 and will be fully incorporated in the final version of the 2023/24 budget report and council tax calculations to be considered by the Executive on 9 February 2023 and Council on 2 March 2023.

c) That the council taxbase for meeting the special expenses issued by the Lloyd Square Garden Committee for 2023/24 shall be 44.1 Band D equivalent properties after adjusting for non-collection be approved.

d) That the council tax forecast for 2022/23 and distribution of this in 2023/24 between the council and Greater London Authority (GLA) be noted.

43 **22-23 INTERNAL AUDIT INTERIM REPORT (Item B5)**

The following points were noted during the discussion:

- It was explained to the committee that we have are in a good position with audit overall and the main components of the audit concern satisfaction with monitoring the housing and school's directorates.
- The council conducts workshops to ensure staff are aware of good and bad audit and what this can look like. The council is taking proactive steps such as risk workshops.
- It was explained to the committee that there are no red flags currently, or any significant cause for concerns such as financial mismanagement concerns, safeguarding and other high-level risks.
- It was agreed that there would be more detail in summarising findings in moderate assurance going forward.
- It was explained to the committee that there will be an update on the governing bodies that have been designed and set up to undergo self-assessment.
- The chair agreed that, on behalf of the committee, he would write to (i) the Corporate Director of Children and Young People to express the Committee's concerns around the potential issue of financial management and governance for governing bodies and (ii) the Acting Corporate Director of Homes and Neighbourhoods about financial management by TMOs

**RESOLVED:**

That the Internal Audit interim annual report 2022/23, as detailed in the report of the Corporate Director of Resources, be noted.

44 **PRINCIPAL RISK UPDATE (Item B6)**

The following points were noted during the discussion:

- It was explained to the committee that the financial settlement for the current year has been positive for the Council, and we secured slightly more funding for vital services such as Adult Social Care. This enhances stability of the market and puts the Council at less risk.
- The committee noted that the risks associated with interest rates has also reduced however, inflation remains uncertain.
- In terms of cyber risks, the committee was informed that we are two thirds of the journey on our way to the cloud and data sensors however, once completed this will enhance security against cyber-attacks.
- The committee noted the Council's current risk profile is comprehensive and we do not anticipate any new risks.

**RESOLVED:**

That the Principal Risk Update – January 2023, detailed in the report of the Corporate Director of Resources, be noted.

**45** **ANNUAL REPORT OF THE PERSONNEL SUB-COMMITTEE (Item B7)**

The following points were noted during the discussion:

- It was suggested that, as part of a review of the Constitution and the terms of reference of committees, officers could address the matter of responsibility for staffing matters
- The chair suggests a possible annual report to Policy and Performance Scrutiny Committee around recruitment and retention of staff to ensure no areas of concern

**RESOLVED:**

- a) That the work of the Personnel Sub-Committee in 2022 be noted.
- b) That thanks be extended to the Personnel Sub-Committee for its work.

**46** **ANNUAL REPORT OF PENSIONS SUB-COMMITTEE (Item B8)**

**RESOLVED:**

- a) That the Annual Report of the Pensions Sub-Committee be noted.
- b) That the sub-committee be thanked for their hard work, especially their work to reduce future emissions of fossil fuel reserves and carbon, their rigorous approach to monitoring Fund managers and their very accurate and forward-thinking target of divesting the Fund of Russian interests at speed.

The meeting ended at 9.00 pm

**CHAIR**