

London Borough of Islington

Audit Committee and Audit Committee (Advisory) - 13 March 2023

Minutes of the meeting of the Audit Committee and Audit Committee (Advisory) held at Islington Town Hall, Upper Street, N1 2UD on 13 March 2023 at 7.00 pm.

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

Independent members: Alan Begg and Alan Finch (co-optees)

Councillor Nick Wayne in the Chair

47 APOLOGIES FOR ABSENCE (Item A1)

Councillor Ward had sent apologies.

48 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

None.

49 DECLARATIONS OF INTEREST (Item A3)

Alan Finch, an independent member on the committee, declared interest for item B1. It was noted that as part of his work with the LGA, Mr Finch is the LGA's main liaison with PSAA which is the company responsible for monitoring the performance of external audit firms.

50 MINUTES OF PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting held on 13 September 2022 be confirmed as an accurate record of proceedings and the Chair be authorised to sign them.

51 EXTERNAL AUDIT UPDATE - TO FOLLOW (Item B1)

The Corporate Director of Resources explained that the audit was progressing well, however there had been delays to completion. The Committee was informed that the preparation for the annual accounts started months in advance; this operated with a project management approach, timetabled to ensure the completion date.

The following points were noted during the discussion:

- The Chair stated that the expectation was that the completed external audit had been due. The Corporate Director of Resources and the external auditors stated they were satisfied with the cooperation of the Islington

officers who had been compliant with the tasks given to ensure the Audit could be completed.

- Grant Thornton colleagues apologised for the delay in submitting the completed audit report and noted that the points that were still outstanding were with officers in Grant Thornton and stated that the responsibility also lied with Grant Thornton. The Chair reiterated that the delays to this report were not due to Islington officers and thanked the work that had gone into the progress.
- It was explained to the Committee that the delays in completing the final report so far have been due to several factors such as the overall Local Government audit market. It was noted that there were issues in the wider sector. Grant Thornton colleagues stated that they had prioritised the Audit report and were confident in the staffing and resources deployed to complete this report by the next meeting of the Audit Committee on 23 May 2023.
- The Chair highlighted that the update mentions pausing the progress for March 2023 due to a prior engagement. Grant Thornton colleagues explained the context behind this and reassured members that their processes meant that local authority audits had to be signed off together.
- The Chair thanked Grant Thornton colleagues for taking responsibility and appreciated the apology for the delay in the final report. The Committee expected the final report to be submitted to the 23 May Audit Committee meeting.

RESOLVED:

That the contents of the report be noted.

52

2023 - 2024 AUDIT PLAN (Item B2)

The following points were noted during the discussion:

- The Committee was informed that in addition to completing full audits there will be a process of follow-ups. The completion of agreed actions is tracked through follow up work, whereby the auditee provides evidence confirming the completion of actions. Internal Audit officers review evidence to confirm the completion of actions.
- It was explained that the focus of review of the indexation and inflation governance will be defined during the scoping exercise. This audit related to a principal risk. The plan for 2023/24 will be to carry this out followed by a wider procurement audit in 2024/25.
- When undertaking the audit there were four categories of assurance: substantial assurance (comprising best practice findings only), moderate assurance (meaning there is an adequate framework in place), limited assurance (there are a number of control weaknesses, usually two or above) and no assurance (there are fundamental control weaknesses).
- The audit plan is focussed on areas of highest risk however areas of lower risk are maintained on a reserves list for future audit plans.

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- The Chair has written to the Corporate Directors for schools and Tenant Management Organisations (TMOs) to flag concerns relating to Internal Audit findings in these areas.
- The Committee noted it would be useful to be provided with a breakdown of the audit plan alongside a year-on-year comparison table.
- Regarding adult safeguarding concerns, it was noted that the service had been responsive to previous audits and therefore this was not highlighted for the coming year.
- The risks on page 29 of the report concerned SEN Children and it was suggested that the title should be modified to reflect this.

RESOLVED:

That the 2023-24 Internal Audit plan be approved.

53

BI-ANNUAL WHISTLEBLOWING MONITORING REPORT (Item B3)

The following points were noted during the discussion:

- It was noted that period covered within the report (between the 1 August 2022 to 31 January 2023) there had been 4 referrals made. A further referral had been received since 31 January.
- It was noted that there were two cases in progress at the time of the report and the committee discussed how many cases had been upheld.
- A member raised that it would be helpful in future to have further information on how many referrals were upheld or not.
- In regards to assurance on whether the overall process is working well or not the committee were informed that the number of referrals received can change year on year. Typically the levels have been compared to other councils. Last year Islington Council had a figure of 6 in comparison with some other boroughs that had 8-10.
- It was noted that the work in the previous year on whistleblowing policy was good; it was known that another local authority was using this to guide their own work.

RESOLVED:

That the contents of the report be noted.

54

REVIEW OF CONSTITUTION 2023/24 (Item B4)

The following points were noted in the discussion:

- The review of the constitution is to ensure the constitution's statutory compliance, make the constitution user friendly and fit for purpose. There has been a group set up of members to focus on this and there will be two phases of this review.

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- **Phase 1** of the review is from January to May 2023, this will centre around a statutory compliance 'health check'. This has been positive so far and we only had a few items to change and revisit.
- **Phase 2** of the review is from March to December 2023, this will focus on the Councils finance and procurement processes. There will be a training session with members on the changes they would like to see in this area. The chair adds that he would like to see consultation with backbench and opposition members during this phase.
- A member raised concerns around the lack of opposition and backbench members in the training sessions.
- The Chair advised that it would be beneficial if there was the scope for an external peer review with another local authority or with the independent members of this committee to look through as a second pair of eyes. This ensure more time before this is presented in full council.

RESOLVED:

- (a) That the Terms of Reference, scope, and timescale for the Constitution Review be approved.
- (b) To note that this is a working group process and so the first draft of the phase 1 report is to be completed by the beginning of May. This draft will be
- (c) presented to the Audit committee on the 23rd of May before full council on the 6th of July. This is subject to any other legal requirements.
- (d) The committee agreed to discuss further how to incorporate backbench oversight over the work within both phases of the constitutional review.

55 BI-ANNUAL WHISTLEBLOWING MONITORING REPORT - EXEMPT APPENDIX (Item E1)

Noted.