

London Borough of Islington

Audit and Risk Committee - 18 March 2024

Minutes of the meeting of the Audit and Risk Committee held at Committee Room 1, Town Hall, Upper Street, N1 2UD on 18 March 2024 at 7.00 pm.

Present: **Councillors:** Councillor Nick Wayne (Chair), Councillor Flora Williamson (Vice-Chair), Councillor Janet Burgess MBE, Councillor Sara Hyde,)
Also Present: **Independent member:** Alan Begg (Co-Optee) and Alan Finch (Co-Optee)

Councillor Nick Wayne in the Chair

111 APOLOGIES FOR ABSENCE (Item A1)

There were no apologies for absence.

112 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

There were no substitute members at the meeting.

113 DECLARATIONS OF INTEREST (Item A3)

There were no declarations of interest made at the meeting.

114 MINUTES OF THE LAST MEETING (Item A5)

The minutes of the meeting held on 29th January 2024 were confirmed as a correct record and signed by the Chair.

115 VERBAL FINANCIAL UPDATE (Item A4)

There was no update for the meeting. It was highlighted that the quarter three financial monitoring was encouraging with Islington Council breaking even during a difficult climate.

116 REPORTS OF THE EXTERNAL AUDITOR (Item B1)

The Committee received an update from the external auditors for 2022-23, Grant Thornton, that included the audited versions of the 2022-23 Statement of Accounts, the 2022-23 External Audit Findings Report for Islington Council and Islington Pension Fund, the 2022-23 Annual Governance Statement and 2022-23 Auditors Annual Audit Report. It was highlighted that sound financial management had been demonstrated by the Council and stakeholders could have confidence in the Council's financial future. The reports included some minor amendments and recommendations for improvement. The Council's Main Account and Pension Fund received an unqualified and unmodified opinion.

The Committee discussed the following;

- The recommendation for improving savings monitoring and how best practice would include members agreeing a list of savings as part of the budget. This would then be tracked through to the end of the year, so it was clear what savings were made and how the council performed against its agreed savings targets.

Audit and Risk Committee - 18 March 2024

- That the Council were doing well regarding Adult Social Care and should continue to focus on and monitor that area.
- That the recommendations around cyber security were for improvement and there were no concerns.
- That the Council had launched its procurement process to replace the management override controls.

RESOLVED:

- (a) To approve the audited 2022/23 Statement of Accounts (Appendix A), and to delegate authority to the Section 151 Officer in consultation with the Chair of the Audit and Risk Committee to approve any further audit adjustments that might arise before release of the audit opinions.
- (b) To note Grant Thornton's 2022/23 Audit Findings Reports for Islington Council and Islington Pension Fund and the action plan of recommendations (Appendix B of the report).
- (c) To approve the draft Letters of Management Representation for the Islington Council and Islington Pension Fund (Appendix C of the report), and to delegate authority to the Section 151 Officer and Chair of the Audit and Risk Committee to sign on behalf of the organisation once the audit opinions are provided by the auditor.
- (d) To approve the audited 2022/23 Annual Governance Statement (Appendix D of the report), signed by the Leader and the Chief Executive.
- (e) To note the Auditor's Annual Audit Report 2022/23 covering value for money (Appendix E of the report).

117

24/25 DRAFT INTERNAL AUDIT PLAN (Item B2)

The Committee received the draft internal audit plan 2024-25 for approval. The report outlined the proposed 2024-25 Internal Audit plan for the council and included the internal audit strategy and an assurance map that mapped audit activity around each of the Council's principal risks.

The Committee discussed the following;

- The Good Governance Group was an officer group including representatives from Finance, Law and Governance, Human Resources, Procurement and Internal Audit. The group maintains oversight of the council's overall governance framework and had met quarterly over the last two years to discuss various governance matters. The terms of reference of the board was to be updated and it was important to understand how it fit alongside other boards to ensure there wasn't overlap.
- Youth safety alternative provision had been included in the plan as it had been identified as a principal risk by the children and young people's management team. This review would consider the effectiveness of alternative provision for young people who offend, or are at risk of offending, and would consider the potential correlation between exclusions, suspensions and youth crime.
- Whether the resources were there to deliver the plan. It was explained that the plan had been written to take into account available resource, and the plan does include some contingency. Recruitment and retention remains a key risk in the Internal Audit service

RESOLVED:

To approve the 2024/25 Internal Audit Plan

118 **BI-ANNUAL WHISTLEBLOWING MONITORING REPORT (Item B3)**

The Audit and Risk Committee received its bi-annual whistleblowing monitoring report. The report provided details of new referrals made between 1 July 2023 and 31 January 2024, a total of 13 referrals were assessed as having met the criteria for whistleblowing during that period. The report also provided an update on 4 referrals that were open at the time of the last report to the Committee in September 2023.

The Committee resolved to exclude the press and public for the duration of this item due to the likely disclosure of exempt information, by virtue of paragraph(s) 1, 2, 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

The committee discussed the following:

In relation to schools:

- An increase in whistleblowing at schools. The Council provided recommendations to the Governing Board and would check how they were being implemented. More information on referrals could be circulated to the committee if requested.
- That there were pressures related to place planning.
- That the Council offers a safe space for whistleblowing, does not identify whistleblowers, and had received feedback about positive changes on the ground.
- How recommendations made to Governing Boards could be monitored to ensure they were followed through.
- That whistleblowing related to academies had a separate process. The academies would be written to, and the council would do exploratory work at the same time to establish if there are matters to further explore.

In relation to wider trends:

- The impact of current volumes on resources.
- That whistleblowing happened in peaks and troughs and a high number of people making contact could be a good sign that there was trust in the Council.
- Whether there was something in the way the Council worked that meant whistleblowing was often only taken so far i.e. some whistleblowers did not provide additional information when requested. It was explained that whistleblowers did sometimes withdraw or stop providing information when asked. In these cases, the matter could not be pursued due to a lack of evidence. The whistleblowing assessment process could mean that some complaints that initially came in as whistleblowing could end up being progressed through other processes. For example, a grievance matter to be dealt with by human resources.

RESOLVED:

To note the report

119 **CONSTITUTION UPDATE (Item B4)**

The Committee received an update on the constitution review.

The members of the Committee discussed whether it was appropriate to appoint an external advisor. It was felt that to ensure value for money a working group of members should be established initially to see whether external support was necessary. It was suggested that the working group be facilitated by the Executive Member for Finance, Planning and Performance and that it consider the scope of the review. It was also suggested that the Monitoring Officer provide a scope and timeline for the review and that an action plan be brought to the Audit and Risk Committee meeting in May.

Audit and Risk Committee - 18 March 2024

The Committee also agreed to provide in principle funds of up to 10k towards external support, if authorised by the Chair of the Audit and Risk Committee and the Director of Law and Governance, before the meeting in May.

RESOLVED:

(a) To convene a working group to look at the constitution review.

(b) To approve in principle funds of up to 10k towards external support, if authorised by the Chair of the Audit and Risk Committee and the Director of Law and Governance, and if changes were required before May.

120

RISK DEEP DIVE - SOCIAL CARE MARKET INSTABILITY (Item B5)

The Committee received a report for their deep dive into Social Care Market instability. It was explained that due to the financial climate the level of risk was considered on a par with the preceding year however work was ongoing to ensure best value for the Council.

The Committee discussed the following;

- The kind of uplifts that providers were requesting. This could vary from 2.4% to 40%, with those supporting learning difficulties having the highest unit cost and asking for the highest uplifts.
- Whether the Council felt confident it was able to meet growing demand and the increasing complexity of needs. The Council was working closely with Public Health to understand and manage demand and was aware of areas for improvement and was working creatively and collaboratively to improve them.
- Whether the needs of those being housed outside of the borough were being met. It was explained that best value could be achieved working with North Central London Boroughs and that social workers and an oversight board had a role in highlighting and monitoring risks.
- Whether there was a plan for those with learning disabilities who were currently being cared for by elder people who would not be able to continue caring for them.
- That the report did not provide a sense of the risks, the monitoring of them, or the success of mitigations. It was explained that there was a quality oversight board that had oversight of all the providers. It looked at quality of care but also had a list of providers that there were financial concerns about. There was only one provider of concern on the list.
- That providers continued to be impacted by social care market instability and whether this was increasing, expected to increase or stabilising and whether a change in government would also have an impact. It was still a concern but also seen as stable because of the mitigations in place. Any changes caused by a change in government would be planned for after the event due to resources,
- Whether budget pressures were increasing and whether that would impact the current mitigation measures. Financial pressures were a concern, and they did not want to lose providers who were stretched, but the Council provided a significant uplift budget that they had been able to work within despite significant requests for uplifts. It was hoped the next years budget would be slightly better due to better processes.
- That the next meeting of the Audit and Risk Committee was in the new municipal year and it may be appropriate for the new membership to decide how they would like to monitor social care market instability going forward.

RESOLVED:

To note the Risk Management Strategy for the Principal Risk.

121 **AUDIT AND RISK COMMITTEE TRAINING (Item B6)**

RESOLVED:

To consider training when the new Audit and Risk Committee were appointed in May.

The meeting ended at 9.10 pm

CHAIR