

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Tuesday, 3 November 2015**

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall on Tuesday, 3 November 2015 at 1.45 pm

### **Present**

#### **Members:**

Alderman Nick Anstee (Chairman)	Oliver Lodge
Nigel Challis (Deputy Chairman)	Alderman Timothy Hailes
Roger Chadwick (Ex-Officio Member)	Jamie Ingham Clark, Deputy
Henry Colthurst (Ex-Officio Member)	Alderman Ian Luder
Hilary Daniels (External Member)	Kenneth Ludlam (External Member)
Revd Dr Martin Dudley	Caroline Mawhood (External Member)

### **In Attendance**

#### **Officers:**

Peter Kane	- Chamberlain
Julie Mayer	- Town Clerk's
Caroline Al-Beyerty	- Chamberlain's Department
Steve Telling	- Chamberlain's Department
Chris Harris	- Chamberlain's Department
Paul Dudley	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Nick Bennett	- Moore Stephens
Lucy Nutley	- Moore Stephens
Heather Bygrave	- Deloitte
Angus Fish	- Deloitte

#### **1. APOLOGIES**

Apologies were received from Sheriff Charles Bowman (Alderman); Jeremy Mayhew and Graeme Smith.

#### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

#### **3. MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 17<sup>th</sup> September 2015 were approved.

#### **4. OUTSTANDING ACTIONS OF THE COMMITTEE**

The Committee received its outstanding actions list and noted the following:

- A new template for the Head of Annual Internal Annual Opinion Report was in place and a mock external inspection had been scheduled for January.
- Chris Harris had met with Graham Smith in respect of cyber security, following the Committee's consideration of this item at its last meeting.

## 5. COMMITTEE WORK PROGRAMME

Members received the Committee's work plan and noted that '*Deep Dives*' into corporate risks would be re-introduced from January 2016, starting with Air Quality, which had been approved by the Chief Officers' Summit Group as a new Corporate Risk.

The Summit Group had also agreed to add Road Safety as a new Corporate Risk. Members suggested that, given the current press interest in cyclist and road casualties, this risk should also be considered as a deep dive at the next meeting, with a relevant officer from the City of London Police in attendance. Members noted that the Streets and Walkways Sub Committee on 20 November 2015 would receive a report on the remodelling of Bank junction.

There was a further suggestion that, in addition to the Risk Challenge Session for the 3 schools, a further session be added covering Education more generally, with an invitation extended to the Chairman of the Education Board.

## 6. CORPORATE RISK REGISTER REVIEW

The Committee considered a report of the Chamberlain setting out the latest Corporate Risk Register and the addition of two new Corporate Risks, as detailed above. The Chairman was also pleased to announce the success of a recent Member Development session on risk management, which had been very interactive and raised interest in future membership of the Committee.

In respect of the other corporate risks, the following matters were raised/noted:

- Police Funding Gap – this would be the subject of a Member Breakfast briefing, to which external Members would be invited.
- IT Service Provision - the completion of the Police infrastructure work would bring in extra resilience and completion was expected for the end of December. Members noted that this would make a significant difference to the risk level.

RESOLVED, that :

1) The Committee endorse the decision of the Chief Officers' Risk Management Group to add new two risks to the corporate risk register, as set out below, and note that this will increase the total number of corporate risks to 11:

- MCP – Air quality
- DBE – Road Safety

2) It be noted that there are no substantive changes to the existing nine corporate risks since the last risk update to Audit and Risk Management Committee in September 2015.

7. **CITY'S CASH FINANCIAL STATEMENTS 2014/15**

The Committee considered a report of the Chamberlain seeking the agreement of the Audit and Risk Management Committee to recommend approval (by the Finance Committee) of the City's Cash Financial Statements for 2014/15. Members noted that the External Auditors had proposed an unqualified opinion. A Member Development Session on the Financial Statements had been well attended and a suggestion in respect of the wording in the Annual Report had been adopted.

During the discussion, Members made some further suggestions, as follows:

- The wording of Section 5 of the Annual Report regarding Governance Arrangements should be made clearer.
- In addition to the disclosure note to the financial statements, the works being undertaken to the Hampstead Heath Ponds should be included in the Annual Report.

RESOLVED, that - the City's Cash Financial Statements be recommended for approval (by the Finance Committee) for the year ended 31 March 2015.

8. **DELOITTE'S FINAL REPORTS ON THE AUDITS OF THE CITY FUND AND CITY OF LONDON PENSION FUND**

The Committee received a report of the Chamberlain in respect of Deloitte's final reports on the Audits of the City Fund and City of London Pension Fund. Members suggested that, as there were some changes to the City Fund Financial Statements between the July meeting of the Committee and the final sign off, it should go on record in these Minutes that Members of the Audit and Risk Management Committee and those attending the briefing sessions were comfortable with the final version. (Further detail on these changes was outlined on the next report on this agenda – *Decisions taken under Delegated Authority since the last Meeting of the Committee*.)

The Chairman suggested and Members agreed that, given the pension deficit was the subject of a discussion at the Court of Common Council, the Court should receive a further report explaining the position, subject to the agreement of the Chairmen of Policy and Resources and the Finance Committee. Amongst other things, the report would need to explain the difference between the accounting and actuarial deficits. There was a further suggestion that the Court should receive a brief summary on the work of the Audit and Risk Management Committee more generally and its success in raising the profile of risk management across the City of London Corporation.

RESOLVED, that - Deloitte's final audit reports on the City Fund and City of London Pension Scheme be noted.

9. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY PROCEDURES - AUDITED 2014/15 CITY FUND AND PENSION FUND FINANCIAL STATEMENTS**

The Committee received a report of the Town Clerk which reported on the following decision, which had been taken under delegated authority, since the last meeting of the Committee:

RESOLVED, that – the delegated decision taken in respect of the Audited 2014/15 City Fund and Pension Fund Financial Statements be noted.

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

**The meeting ended at 2.30 pm**

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Chairman

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