

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Tuesday, 7 May 2019**

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Tuesday, 7 May 2019 at 2.00 pm

### **Present**

#### **Members:**

Alderman Ian Luder (Chairman)  
Alexander Barr (Deputy Chairman)  
Randall Anderson  
Anne Fairweather  
Marianne Fredericks (Ex-Officio Member)  
Alderman John Garbutt (in the Chair until Item 4)  
Deputy Jamie Ingham Clark (Ex-Officio Member)  
Kenneth Ludlam (External Member)  
Caroline Mawhood (External Member)  
Jeremy Mayhew (Ex-Officio Member)  
Andrien Meyers  
John Petrie

#### **Officers:**

Chloe Rew	- Town Clerk's Department
Alistair MacLellan	- Town Clerk's Department
Tom Conniffe	- Town Clerk's Department
Kate Smith	- Town Clerk's Department
Peter Kane	- Chamberlain
Paul Dudley	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
Pat Stothard	- Head of Internal Audit and Risk Management
Michael Cogher	- Comptroller and City Solicitor
Paul Double	- City Remembrancer
Andrew Carter	- Director of Community and Children's Services
Alistair Sutherland	- Assistant Commissioner, City of London Police
Cecilie Booth	- City of London Police
Leigh Lloyd-Thomas	- External Auditor, BDO

1. **APOLOGIES**

It was proposed by Jeremy Mayhew that Alderman John Garbutt take the Chair.

Apologies were received from Hilary Daniels and Paul Martinelli.

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

There were no declarations.

3. **COURT ORDER**

Members received the Order of the Court dated 25 April 2019.

4. **ELECTION OF THE CHAIRMAN**

Members elected a Chairman in accordance with Standing Order 29.

RESOLVED, that – being the only Member willing to serve, Alderman Ian Luder be elected as Chairman for 2019/20.

5. **ELECTION OF THE DEPUTY CHAIRMAN**

Members elected 1 Deputy Chairman in accordance with Standing Order 30, and 1 Deputy Chairman from the External Members, in accordance with a convention adopted by the Committee on 6 March 2018.

RESOLVED, that – being the only Members willing to serve, Mr. Alexander Barr (Court of Common Council Member) and Ms. Hilary Daniels (External Member) be elected as Deputy Chairmen for 2019/20.

6. **APPOINTMENT OF SUBCOMMITTEES**

Members considered a report of the Town Clerk which sought to elect 3-4 Members to serve on its Nominations Sub-Committee, one of which being an External Member, and to co-opt 2 Members to serve on the Police Performance and Resource Management Sub-Committee.

RESOLVED, that –

1. Being the only Members willing to serve, Mr. Randall Anderson, Mr. Jamie Ingham Clark, Mr. Kenneth Ludlam and Ms. Caroline Mawhood be appointed to the Nominations Sub-Committee for 2019/20. (*NB Members agreed to 2 external Members, Mr. Ludlam and Ms. Mawhood, being appointed to the Sub-Committee, as had been the case the previous year.*)
2. Being the only Members willing to serve, Mr. Kenneth Ludlam and Ms. Caroline Mawhood be co-opted to the Police Performance and Resource Management Sub-Committee for 2019/20.

7. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that - the minutes of the meeting held on 12 March 2019 be approved as a correct record, subject to the following amendments:

- Page 12, para 7: The Head of Internal Audit clarified that an opinion will be given for work that has been completed since the previous Head of Internal Audit opinion (not only work completed in the 2018/19 Plan).
- Page 15, para 15: 'Members were concerned with the ten-year rotation of audit partners.

8. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the Committee's Outstanding Actions list, noting the items discharged on this agenda and that new items may be added as the meeting progressed.

- Regarding the Multi Academies Trust (MAT), the Chairman provided an update regarding a meeting held with the CEO and CFO of MAT clarifying the relationship between the MAT, co-sponsored academies and the City's audit functions.
- Regarding the Freedom of Information Requests for the City of London Police, the Committee received an update advising that the original backlog of requests at the time of the last audit had been completed. However, due to a long-term sickness and increase in demand, the backlog had grown to 460 applications, which are subject to a management plan. Additional resources had been allocated to facilitate their completion. Furthermore, it was reported that there were 2 vacancies for which recruitment was underway. A further report is to be presented in July.

9. **COMMITTEE WORK PROGRAMME**

Members received the Committee's Work Programme and noted the following changes:

- Annual Report to be brought to the Committee on 24 September 2019 (to be subsequently brought to the Court of Common Council on 10 October 2019);
- Deep Dive CR01: Resilience to be moved to 24 September 2019;
- Deep Dive CR20: Road Safety to be brought forward to 16 July 2019;
- Review of Risk Management Strategy to be brought to the Committee on 19 November 2019.
- Subsequent to the meeting, the Risk Challenge Session for the City Surveyor's was moved to January 2020, and the Risk Challenge Session for Guildhall School of Music and Drama will take place on 16 July 2019.

10. **ANNUAL GOVERNANCE STATEMENT 2018/19**

Members considered a joint report of the Town Clerk and the Chamberlain relative to the Annual Governance Statement 2018/19, presenting the annual summary and update of the City Corporation's governance and internal control framework.

RESOLVED, that Members –

1. approve the AGS set out in Appendix 1 for signing by the Chairman of the Policy and Resources Committee and the Town Clerk and Chief Executive, subject to the amendments agreed by the Chairman and Deputy Chairman;
2. note that the AGS will be published alongside the 2018/19 City Fund and Pension Funds Statement of Accounts;
3. note the future work programme in paragraph 94 of the AGS to improve the governance framework; and,
4. delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairman of this Committee, to amend the AGS for any significant events or developments relating to the governance arrangements that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

11. **HEAD OF INTERNAL AUDIT OPINION AND ANNUAL REPORT 2018/19**

Members received a report of the Head of Audit & Risk Management relative to the Head of Internal Audit Opinion and Annual Report 2018/19.

RESOLVED, that – the report be received and its contents noted.

12. **INTERNAL AUDIT RECOMMENDATIONS FOLLOW-UP**

Members received a report of the Head of Audit & Risk Management relative to the Internal Audit Recommendations Follow-Up, which provided an update on the outcome of a recent follow-up exercise focused on red and amber priority recommendations due for implementation by 31 March 2019.

RESOLVED, that – the report be received and its contents noted.

***\*\*\* Following this item, the Committee moved to a confidential session to discuss a staffing matter before resuming in public \*\*\****

13. **INTERNAL AUDIT CHARTER - UPDATE 2019**

Members considered a report of the Head of Audit & Risk Management relative to the Internal Audit Charter – Update 2019.

RESOLVED, that – the revised Internal Audit Charter be approved subject to the amendments agreed by the Chairman and Deputy Chairman.

**14. RISK MANAGEMENT UPDATE**

Members considered a report of the Chamberlain relative to the Risk Management Update, which provided the Committee with an update on the corporate and top red departmental risk registers.

RESOLVED, that Members–

1. note the Planning and Transportation Committee’s resolution of 18 March 2019;
2. confirm that corporate risk owners be requested to review risk descriptions. Any changes to these risk descriptions will be reported to the July 2019 meeting;
3. endorse the decision of the Summit Group that information management risk (CR29) be included on the corporate risk register;
4. note the risk status (corporate and departmental) of the information security risk (formerly CR16), to be further discussed at the next meeting; and,
5. note the risk report.

**15. PLANNING AND TRANSPORTATION COMMITTEE RESOLUTION REGARDING CR20: ROAD SAFETY**

Members received a resolution of the Planning and Transportation Committee requesting corporate risk CR20: Road Safety be reviewed, both in its description and rating.

RESOLVED, that – CR20: Road Safety be reviewed in description and its rating brought to 12. A Deep Dive of CR20 will take place at the next meeting on 16 July 2019, to which the Chairman of the Planning & Transportation Committee, the mover of the resolution and the risk owner will be invited.

**16. DEEP DIVE RISK REVIEW**

**16 a) CR17 Safeguarding**

Members received a report of the Director of Community and Children’s Services relative to the work undertaken to mitigate the risk CR17: Safeguarding.

RESOLVED, that – the report be received and its contents noted.

**16 b) CR10 Adverse Political Developments**

Members received a report of The Remembrancer relative to risk CR10: Adverse Political Developments and the steps taken to mitigate the risk of political developments which may damage the future status and functioning of the City Corporation.

Further discussion was carried out in the non-public session due to the sensitivity of information discussed.

RESOLVED, that – the report be received and its contents noted.

17. **REFERENCE FROM THE STANDARDS COMMITTEE**

Members did not receive a reference from the Standards Committee and the item was discharged.

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

There were no questions.

19. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

The Chairman expressed his thanks to Pat Stothard for his dedicated work as Head of Internal Audit, as this will be his last meeting.

20. **EXCLUSION OF THE PUBLIC**

RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Item	Paragraph
21	3
22	3 & 5
23	3
25	1 & 3

21. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the non-public minutes of the previous meeting held 6 March 2019 be approved as a correct record.

22. **CR28: ACTION FRAUD RISK - APPENDIX FOR RISK MANAGEMENT UPDATE (ITEM 14)**

Members received the non-public appendix read in conjunction with the report of the Chamberlain at Agenda Item 14.

23. **NON-PUBLIC APPENDIX FOR DEEP DIVE: CR17 SAFEGUARDING (ITEM 16A)**

Members received the non-public appendix read in conjunction with the report of the Director of Community and Children's Services at Agenda Item 16a.

24. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

25. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were three items of other business.

**The meeting ended at 4.05 pm**

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Chairman

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