

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 24 September 2019

Minutes of the meeting of the Audit and Risk Management Committee held at the Guildhall EC2 at 2.00 pm

Present

Members:

Alderman Ian Luder (Chairman)	Alderman John Garbutt
Alexander Barr (Deputy Chairman)	Kenneth Ludlam (External Member)
Hilary Daniels (Deputy Chairman)	Paul Martinelli
Randall Anderson	Caroline Mawhood (External Member)
Deputy Jamie Ingham Clark (Ex-Officio Member)	Jeremy Mayhew (Ex-Officio Member)
Marianne Fredericks (Ex-Officio Member)	Andrien Meyers

Officers:

Chloe Rew	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Karen Atkinson	- Chamberlain's Department
Paul Dudley	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Ian Dyson	- Commissioner of the City of London Police
Gary Brailsford-Hart	- City of London Police
Alan Bennetts	- Comptroller and City Solicitor's Department

Also in attendance:

Fiona Condron	- External Auditor, BDO
James Hay	- External Auditor, BDO
Leigh Lloyd-Thomas	- External Auditor, BDO
Michael Hudson	- Finance Committee
Wendy Hyde	- Finance Committee

1. APOLOGIES

The Chairman welcomed the Chamberlain and thanked the Deputy Chamberlain and Deputy Director of Financial Services for their work in acting up in the Chamberlain's absence.

Apologies were received from Alderman Nicholas Anstee, Anne Fairweather and John Petrie.

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**

RESOLVED – that, the public minutes and non-public summary of the previous meeting held 16 July 2019 be agreed as a correct record.

4. **DRAFT MINUTES OF THE NOMINATIONS SUB-COMMITTEE**

RESOLVED, that – the draft minutes of the Nominations Sub-Committee of the Audit and Risk Management Committee meeting held 7 May 2019 be received and its contents noted.

Members received an update on the recruitment for an external member vacancy for 2020.

5. **OUTSTANDING ACTIONS OF THE COMMITTEE**

RESOLVED, that – the outstanding actions of the Committee be received and their contents noted.

The Commissioner of the City of London Police (CoLP) provided an oral update on the arrears in Freedom of Information Act (FOIA) requests. Since the last update, the backlog of cases was resolved and new cases were received. In April 2019, a new record keeping system for FOIA requests was implemented. 121 cases were awaiting closure. It was reported that FOIA requests were an ongoing risk area for CoLP, particularly due to the difficulty in recruiting and retaining trained staff to manage requests.

6. **COMMITTEE WORK PROGRAMME**

Members received the Committee workplan. It was noted that additional items would be added to the workplan and an updated version would be circulated to Members following the meeting,

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

7. **2018/19 ANNUAL REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

Members considered a report of the Town Clerk relative to the annual report of the Audit and Risk Management Committee presented by the Chairman of the Committee. This was the first instance that a report of this nature had been prepared for the Committee.

RESOLVED, that Members:

1. note the appendix – 2018/19 Annual Report of the Audit and Risk Management Committee presented by the Chairman of the Committee.
2. agree the next Annual Report of the Audit and Risk Management Committee cover 1 August 2019 to 31 March 2020, with subsequent reports coinciding with the financial year.

8. **2018-19 CITY FUND AND PENSION FUND FINANCIAL STATEMENTS - AUDIT COMPLETION REPORT**

Members received a report of the Chamberlain relative to the audit completion reports for the 2018/19 City Fund and Pension Fund Financial Statements.

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

9. **BRIDGE HOUSE ESTATES ANNUAL REPORT AND FINANCIAL STATEMENTS 2018/19**

Members considered a report of the Chamberlain relative to the Bridge House Estates Annual Report and Financial Statements for the year ended 31 March 2019 for approval. The report was accompanied by the BDO audit report.

RESOLVED, that the Audit and Risk Management Committee –

1. consider the contents of the audit management report issued by BDO at annex 2;
2. recommend approval of the BHE Annual Report and Financial Statements for the year ended 31 March 2019 to the Finance Committee; and,
3. delegate authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee, for approval of any material change to the financial statements required before the signing of the audit opinion by BDO.

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

Members received a report of the Head of Audit and Risk Management relative to the Internal Audit Recommendations Follow-Up. The report provided Members with a status update on the implementation of high priority Internal Audit Recommendations. It was noted that when a recommendation is not implemented, this is often due to the action not being operationally viable in the given timeframe, or the action is dependent on other departments and there are delays in implementation.

RESOVLED, that – the report be received an its contents noted.

11. **ANNUAL SUMMARY OF HMICFRS INSPECTIONS AND REPORTS**

Members received a report of the Commissioner of the City of London Police relative to the annual summary of Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) programme of inspections, published reports and responses.

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

12. **DEEP DIVE - CR16: INFORMATION SECURITY**

Members received a report of the Chamberlain relative to a Deep Dive of CR16: Information Security Risk. The report was further discussed in non-public session along with the non-public appendix at Agenda Item 17.

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

13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

A question was raised in respect of governance arrangements with the Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music and Drama, the central issue being that the Chairman should be an independent Member, and there was question amongst the Board as to whether Common Councillors can be considered independent. The Chairman requested that a joint report of the Comptroller and the Chamberlain be presented to the Committee in November 2019 so the matter could be formally discussed.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

15. 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.

16. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED, that – the non-public minutes of the previous meeting held 16 July 2019 be agreed as a correct record.

17. APPENDIX TO DEEP DIVE CR16

Members considered the non-public appendix to the Deep Dive of CR16: Information Security at Agenda Item 12.

RESOLVED, that –

1. the non-public appendix be received and its contents noted; and,
2. the risk description for CR16 be amended to reflect an emphasis on City of London preparedness.

18. INTERNAL AUDIT REVIEW - CITY OF LONDON FREEMEN'S SCHOOL ENABLING WORKS PROJECT

Members received a report of the Head of Audit and Risk Management relative to an internal audit review of the City of London Freeman's School Enabling Works Project.

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

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

There was one question.

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

There was no other business.

21. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the confidential minutes of the previous meeting held 16 July 2019 be agreed as a correct record.

22. **EXTERNAL AUDIT ARRANGEMENTS**

Members considered a confidential report of the Chamberlain relative to external audit arrangements.

The Committee agreed to extend the meeting 10 additional minutes.

23. **CONFIDENTIAL QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

24. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED DURING THE CONFIDENTIAL SESSION**

There was no other business.

The meeting closed at 4.07 pm

Chairman

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