

Committee: Audit and Risk Management	Date: 15 January 2019
Subject: Terms of Reference and Frequency of Meetings of the Audit and Risk Management Committee	Public
Report of: Town Clerk	For Decision
Report Author: Julie Mayer	

Summary

As part of the post-implementation review of the changes made to the Governance Arrangements in 2011, it was agreed that all Committees/Boards should review their Terms of Reference annually. This will enable any proposed changes to be considered in time for the reappointment of Committees by the Annual Meeting of the Court of Common Council. The current Terms of Reference are attached for your consideration.

RECOMMENDATION – That:

1. Subject to Members' comments/suggestions, the Terms of Reference of the Committee be approved.

2. The Committee continues to meet 6 times a year.

Appendix – Order of the Court of Common Council, as of 19th April 2018

BOWMAN, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on Thursday 19th April 2018, doth hereby appoint the following Committee until the first meeting of the Court in April 2019.
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AUDIT & RISK MANAGEMENT COMMITTEE

1. **Constitution**

A Non-Ward Committee consisting of,

- ten Members elected by the Court of Common Council* at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- three external representatives (i.e. non-Members of the Court of Common Council with no voting rights)
- the Chairman and Deputy Chairman of the Finance Committee (ex-officio with no voting rights)
- a representative of the Policy & Resources Committee (ex-officio with no voting rights)

NB:- The Chairmen of the Policy and Resources, Finance and Investment Committees are not eligible for election to this Committee and the Deputy Chairman of the Audit & Risk Management Committee for the time being may not be a Chairman of another Committee.

From April 2017 onwards, Members of the Court of Common Council are appointed for terms of three years. The maximum continuous period of service (except when serving as Chairman or Deputy Chairman) shall be nine years in any twelve-year period.

2. **Quorum**

The quorum consists of five Members i.e. at least three Members elected by the Court of Common Council and at least one external representative.

3. **Membership 2018/19**

- 2 (2) Alexander Robertson Martin Barr, *for two years*
- 2 (2) Randall Keith Anderson
- 2 (2) Christopher Paul Boden
- 8 (2) Nicholas John Anstee, Alderman
- 2 (2) Paul Nicholas Martinelli
- 8 (1) Ian David Luder, J.P., Alderman
- 1 (1) John Garbutt, Alderman, *for two years*
- 1 (1) John Petrie, *for two years*
- Vacancy*
- Vacancy*

together with three external representatives :-

Hilary Daniels (*appointed for a three-year term expiring in March 2019*)

Kenneth Ludlum (*appointed for a three-year term expiring in March 2020*)

Caroline Mawhood (*appointed for a three-year term expiring in March 2021*)

and together with the Members referred to in paragraph 1.

4. **Terms of Reference**

Audit

- (a) To consider and approve annually the rolling three-year plan for Internal Audit.
- (b) To consider and approve the annual External Audit Plan.
- (c) To commission and to receive reports from the Chief Internal Auditor on the extent that the City of London Corporation can rely on its system of internal control and to provide reasonable assurance that the City of London Corporation's objectives will be achieved efficiently.
- (d) To meet with the external auditors prior to the presentation of the Accounts to the Court, consider the audited annual accounts of the City Fund and the various non-local authority funds, to receive and consider the formal reports, letters and recommendations of the City of London Corporation's external auditors and to make recommendations relating to the approval of the accounts (to the Finance Committee).
- (e) To meet with the external auditors of the City's various funds at least once in each calendar year prior to the presentation of the financial statements to the Court.

- (f) In addition to (e), to meet with the external auditors of the City's various funds at least once in each calendar year.
- (g) To report back, as necessary and at least annually, to the Court of Common Council.
- (h) To appoint an Independent Audit Panel to make recommendations on the appointment of external auditors to the Court of Common Council.

Risk Management

- (a) To monitor and oversee the City of London Corporation's risk management strategy, anti-fraud and anti-corruption arrangements; and to be satisfied that the authority's assurance framework properly reflect the risk environment.
- (b) To consider all audit or external inspection reports relating to any department at the City of London Corporation and seek assurance that action has been taken where necessary.
- (c) To receive an annual report from the Chamberlain reviewing the effectiveness of the City of London's risk management strategy.
- (d) To consider and report back to the Court on any risks related to all governance issues.
- (e) To undertake periodic reviews of the risk management procedures, financial capabilities, controls, and safeguarding procedures of the City of London School, the City of London School for Girls, the City of London Freemens' School, the City of London Academies Trust (including its embedded academies) and the City Academies which are free-standing entities.

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