

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 26 February 2024

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 26 February 2024 at 11.00 am

Present

Members:

Alderman Prem Goyal, OBE (Chairman)
Gail Le Coz (Deputy Chairman)
Naresh Hari Sonpar (Deputy Chairman)
Deputy Randall Anderson
Alderman Alexander Barr
Alderman and Sheriff Broniek Masojada
Dan Worsley (External Member)

Officers:

Caroline Al-Beyerty	- Chamberlain's Department
Dionne Corradine	- Chief Strategy Officer
Alison Littlewood	- Chief People Officer
Kate Limna	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Liton Rahman	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Nathan Omane	- City Bridge Foundation
John Galvin	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Alan Bennetts	- Comptroller and City Solicitor's Department
Daniel O'Byrne	- Innovation and Growth
Simi Shah	- Innovation and Growth
Ben Dunleavy	- Town Clerk's Department
Olivia Plunkett	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department

Also in attendance

Sophia Y Brown	- Grant Thornton
Paul Dossett	- Grant Thornton

1. APOLOGIES

Apologies for absence were received from Deputy Christopher Boden, Deputy Henry Colthurst, Karen Sanderson and Ruby Sayed.

Judith Pleasance and Paul Singh observed the meeting virtually.

The Chairman informed the Committee that two reports had been circulated as late papers. These related to the Statement of Accounts for both City Fund and City's Estate, and the Chairman hoped that Members would support moving these up the agenda, to be considered after item 6. The Committee supported this change.

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 public minutes and non-public summary of the previous meeting held on 6 November 2023 were approved as a correct record.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the Committee's list of outstanding actions.

At the request of the Deputy Chair (External), officers undertook to add RAG ratings to the outstanding actions.

The Chief Strategy Officer provided an update on several actions. Members noted that officers would provide an update on the donated assets item at the Committee's May meeting.

5. **COMMITTEE WORK PROGRAMME**

Members received the Committee's work programme.

6. **EXTERNAL MEMBER - RE-APPOINTMENT**

The Town Clerk informed the Committee that the Nominations and Effectiveness Sub-Committee had met immediately before the Committee meeting, to consider the reappointment of Gail Le Coz. While the Sub-Committee meeting had been inquorate, the Chairman and Deputy Chair (Court) were supportive of the reappointment.

Accordingly, Members were asked to support a recommendation to the Court of Common Council that Gail Le Coz be reappointed to a second three-year term.

RESOLVED, that – Members recommend the reappointment of Gail Le Coz as an External Member of the Audit and Risk Management Committee for a second three-year term, expiring April 2027, to the Court of Common Council for approval.

7. **CITY FUND STATEMENT OF ACCOUNTS UPDATE**

Members received a report of the Chamberlain concerning the City Fund Statement of Accounts.

The Chamberlain and the external auditors took the Committee through the highlights in the Statement of Accounts.

Following discussion, the Deputy Chair (External) requested that officers provide updates on how the recommendations made by the auditors were being implemented.

RESOLVED, that – Members:

- a) Recommend approval of the 2022-23 Statement of Accounts to Finance Committee.
- b) Delegate authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee, approval of any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected on 26th February 2024.
- c) Consider the Audit Progress Report for the City Fund 2022-23 as set out in Appendix 2.
- d) Consider the Auditor's Annual Audit Report 2022-23 as set out in Appendix 3

8. CITY'S ESTATE STATEMENT OF ACCOUNTS

Members received a report of the Chamberlain concerning the City's Estate Statement of Accounts.

RESOLVED, that – Members note the progress made on the audit of the Annual Report and Financial Statements for City's Estate, and for the Open Spaces and Sundry Trusts.

9. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY (RELATING TO TREASURY MANAGEMENT) 2024/25

Members received a report of the Chamberlain concerning treasury management.

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

10. INTERNAL AUDIT UPDATE

Members received a report of the Chamberlain providing an update on the work of Internal Audit.

Members sought assurance that the ratings on the Barbican Estate Office would be followed up on, noting the concerns of affected residents. In reply, officers said that the Executive Director of Community and Children's Services had given a full commitment to implement Internal Audit's recommendations, and it was the role of the relevant service committees to oversee this implementation.

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

11. RISK MANAGEMENT UPDATE

Members received a report of the Chief Strategy Officer providing an update on risk management.

Officers in the Innovation & Growth Department provided a verbal update on CR30 Climate Action.

The Chief Strategy Officer provided Members with an update on actions following the fire incident at the Central Criminal Court.

RESOLVED, that – Members note:

- This report and the corporate and top red departmental risk registers attached. Since the previous update:
 - The total number of corporate risks has reduced to 14. CR17 Safeguarding has been removed from the Corporate Risk Register (with Chief Officers ensuring safeguarding risks are appropriately captured, mitigated and overseen at a local level).
 - The likelihood of CR36 Protective Security and CR39 Recruitment and Retention has been reduced so both now have a rating of Amber 12.
 - The number of departmental red risks has decreased from 21 to 18. Three risks have been added to the register and six risks have been removed (two deactivated and four de-escalated). A summary of the top red departmental risks is at Appendix 3.
- The briefing note on the work of the Reinforced Autoclaved Aerated Concrete (RAAC) Working Group.
- The continuing work on the Risk Appetite Review and the updating of the Risk Management Policy – both of which are due to be reported back to the Committee at their next meeting (May).
- The verbal update on CR30 Climate Action given by officers from Innovation & Growth, as requested by Members at the November 2023 Committee meeting.

12. DEEP DIVE RISK REVIEWS

12.1 CR16 Information Security and CR33 Major Capital Schemes

Members received a report of Chamberlain concerning two corporate risks.

RESOLVED, that – the reports be received and their contents noted.

12.2 CR35 Unsustainable Medium-Term Finances - City Fund, CR37 Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets) and CR38 Unsustainable Medium-Term Finances - City's Cash

Members received a report of Chamberlain concerning three corporate risks.

RESOLVED, that – the reports be received and their contents noted.

12.3 **CR39 Recruitment and Retention**

Members received a report of Chamberlain concerning a corporate risk.

RESOLVED, that – the reports be received and their contents noted.

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

There were no questions.

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

The Town Clerk provided an update on the status of the Effectiveness and Skills Audit that Members had been asked to complete, noting that only six responses had been received. The Chairman said that this was an extremely important exercise in understanding how the Committee was operating, and in informing the future recruitment of Members, and urged Members to complete the surveys.

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.

Item	Paragraph

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

The non-public minutes of the meeting held on 6 November 2023 were approved as a correct record.

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

There was one question in the non-public session.

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

There were two items of non-public business.

The meeting ended at 12.33 pm

Chairman

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