

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Wednesday, 13 January 2021**

Minutes of the meeting of the Audit and Risk Management Committee held virtually on Wednesday, 13 January 2021 at 2.00 pm

### **Present**

#### **Members:**

Alexander Barr (Chairman)	Deputy Jamie Ingham Clark (Ex-Officio Member)
Alderman Ian Luder (Deputy Chairman)	Paul Martinelli
Hilary Daniels (Deputy Chairman)	Caroline Mawhood (External Member)
Randall Anderson	Jeremy Mayhew (Ex-Officio Member)
Chris Boden	John Petrie
Anne Fairweather	Ruby Sayed
Marianne Fredericks (Ex-Officio Member)	Dan Worsley (External Member)
Alderman Prem Goyal	

### **In Attendance**

#### **Officers:**

Chloe Rew	- Town Clerk's Department
Richard Holt	- Town Clerk's Department
Peter Kane	- Chamberlain
Alistair Cook	- Chamberlain's Department
Paul Dudley	- Chamberlain's Department
James Gibson	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Ian Dyson	- Commissioner of the City of London Police
Jon Averbs	- Director of Markets & Consumer Protection
Ruth Calderwood	- Department of Markets and Consumer Protection

#### **Also In Attendance:**

Leigh Lloyd-Thomas	- External Auditor, BDO
--------------------	-------------------------

#### **1. APOLOGIES**

Apologies were received from Deputy Andrien Meyers.

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

There were none.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the minutes of the previous meeting held on 3 November 2020 be agreed as a correct record.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the list of outstanding actions. The action regarding Members' declarations would be added to the list so the action could be captured for the record.

5. **COMMITTEE WORK PROGRAMME**

Members received the committee's work programme. It was agreed that the plan would be expanded for the remainder of 2021 and would include the risk challenge session programme.

6. **INTERNAL AUDIT PROGRESS REPORT**

Members received a report of the Head of Audit and Risk Management relative to the Internal Audit Progress Report, which provided an update on internal audit activity and progress against the 2020/21 Internal Audit Plan. With respect to the impact of COVID-19, some internal audit work had been deprioritised due to operations being suspended and that IT resilience had been impacted. With respect to fraud, grants were being administered, however due to rapid growth and conditions surrounding fraud, the matter required additional attention. In response to concerns regarding Mazars and the cost of the service, the Head of Audit and Risk Management advised that further information would be provided in the non-public session.

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

7. **DRAFT INTERNAL AUDIT PLAN 2021-22**

Members considered a report of the Head of Audit and Risk Management relative to the Draft Internal Audit Plan 2021-22. Members questioned the amount of time allocated to the Chamberlain's Department, Town Clerk's Department, and the City of London Police, however the Head of Audit and Risk Management advised that this referred to allocated time and that the time would not necessarily be used. With respect to the City of London Police, the Commissioner advised that the Police do not have their own audit function, and therefore use the Chamberlain's audit division to discharge its responsibilities as a Home Office force.

RESOLVED, that – the 2021/22 Draft Internal Audit Plan be agreed.

8. **INTERNAL AUDIT REVIEW OF OPERATIONAL PROPERTY MANAGEMENT - STATUS UPDATE**

Members received a report of the Head of Audit and Risk Management relative to the Internal Audit Review of Operational Property Management Status Update. It was reported that Internal Audit was working through options with the City Surveyor and that the findings of this review would be presented to the Committee at its next meeting in March.

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

**9. CORPORATE RISK MANAGEMENT STRATEGY**

Members received a report of the Chamberlain relative to a Corporate Risk Management Update (noting that this was an update report rather than a strategy report). The Corporate Risk Strategy would be provided in May once the implications of the Target Operating Model (TOM) were clear.

The following risk factors were highlighted:

- COVID-19: a new variant of the virus had emerged in the UK, and the UK had moved to a new national lockdown;
- Brexit: The UK had officially left the EU; a new trade agreement was established since the report was published and therefore the risk register would be reviewed to reflect potential risks and opportunities.

Members noted the ongoing confusion regarding what target dates represent and therefore suggested that it would be useful to note if the target date represented the date to achieve a target risk score, or a date to review the risk.

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

**10. DEEP DIVE: CR21 AIR QUALITY**

Members received a report of the Director of Markets & Consumer Protection relative to a Deep Dive of CR20 Air Quality. The Director noted that air quality was improving in the City, both due to the City's 2019-24 Air Quality Strategy and other factors. The emission reduction bill and environment bill which were going through parliament would have further impact. The risk had been de-escalated from red to amber.

The Director noted that most particles measured within the City come from outside the City's boundaries. Traffic management schemes had had a notable impact, and the business engagement programme had been effective in securing pledges from City businesses to reduce emissions caused by buildings and staff transport, as well as raising awareness amongst staff. The impact of COVID-19 had reduced the workforce presence in the City which contributed to improved air quality; the new transport strategy created more space for pedestrians and once workforce returns, it was anticipated that there would be less vehicle traffic. It was further noted that whilst initiatives had focused on promoting fully electric vehicles, and whilst the government had plans to transition to electric vehicles by 2030, it was noted that hybrid vehicles would be an alternative.

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

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

There was one question with respect to the Redmond Review and how the City responded to the report on review of local audit. The Chamberlain noted that as the City had its own audit arrangements, and it was not necessary for the City to respond, however the Chamberlain noted that the recommendation to provide a simplified version of accounts would improve accessibility and understanding of accounts for the public.

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

There was one item of other business.

Members considered a report of the Town Clerk & Chief Executive relative to the annual review of the Committee's Terms of Reference and Frequency of Meetings. With respect to any amendments of the Terms of Reference in light of the recommendations from the Lisvane Review, the impacts of this review are yet to be confirmed. In terms of the potential for increased risk of fraud from the Lisvane Review's recommendations regarding governance for the Planning & Transportation Committee, the Head of Audit and Risk Management noted that the Audit & Risk Management Committee did not have a core role in working through its recommendations. The Committee's current Terms of Reference allowed for the Committee to become involved in matters of concern only where necessary. The Chairman noted the Committee's responsibility to provide oversight of the executive governance of the Corporation, and the Court of Common Council was responsible for governance arrangements of the non-executive function.

RESOLVED, that –

1. the terms of reference of the Committee be approved for submission to the Court in April 2021 as set out in appendix 1;
2. the Committee continues to meet 6 times a year; and,
3. any further changes in the lead up to the Court's appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman.

**13. 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.

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

**RESOLVED**, that – the non-public minutes of the previous meeting held on 3 November 2020 be agreed as a correct record.

**15. CORPORATE RISK MANAGEMENT STRATEGY: NON-PUBLIC APPENDICES**

The non-public appendix was received in conjunction with the report of the Chamberlain at item 9.

**16. DEEP DIVE REVIEW OF CR23 - POLICE FUNDING**

Members received a report of the Commissioner of the City of London Police relative to a Deep Dive of CR23 Police Funding.

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

**\* The Committee agreed to extend the meeting \***

**17. EXTERNAL MEMBER: RECOMMENDATION FROM THE NOMINATIONS SUB-COMMITTEE**

Members considered a report of the Town Clerk & Chief Executive relative to the External Member Recommendation from the Nominations Sub-Committee.

RESOLVED, that – Members agree that the nominated candidate be recommended to the Court of Common Council at its meeting in March 2021.

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

There was one question.

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

**The meeting ended at 4.12 pm**

-----  
Chairman

**Contact Officer: Chloe Rew  
tel. no.: 020 7332 1427  
chloe.rew@cityoflondon.gov.uk**