

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Tuesday, 30 November 2021**

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Tuesday, 30 November 2021 at 2.00 pm

### **Present**

#### **Members:**

Alexander Barr (Chairman)  
Hilary Daniels (Deputy Chairman and in the Chair from Item 8 onwards)  
Alderman Prem Goyal (Deputy Chairman)  
Rehana Ameer  
Randall Anderson  
Christopher Boden  
Anne Fairweather  
Deputy Jamie Ingham Clark (Ex-Officio Member)  
Gail Le Coz (External Member)  
Paul Martinelli  
Deputy Andrien Meyers

#### **Officers:**

Ben Dunleavy	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain's Department
Karen Atkinson	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor's Department
Laura Davison	- Innovation and Growth
Paul Dudley	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Aqib Hussain	- Chief Operating Officer's Department
Neilesh Kakad	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Amanda Luk	- Chamberlain's Department
Julia Megone	- Chamberlain's Department
Damian Nussbaum	- Innovation & Growth
Nathan Omane	- Chamberlain's Department
Stuart Phoenix	- City of London Police
Sonia Virdee	- Chamberlain's Department

#### **Also in Attendance:**

David Eagles	- BDO (External Auditors)
Sebastian Evans	- BDO (External Auditors)
Peter Lewis	- BDO (External Auditors)
Heather Wheelhouse	- BDO (External Auditors)

1. **APOLOGIES**

Apologies for absence were received from Jeremy Mayhew and John Petrie.

Ruby Sayed and Dan Worsley observed the meeting virtually.

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

Christopher Boden made the following declaration, in respect of item 22 in the confidential agenda:

- Member of the Audit Registration Committee of the Institute of Chartered Accountants of England and Wales.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the public minutes of the meeting held on 5 October 2021 be agreed as a correct record.

4. **CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS 2020-2021**

Members received a report of the Chamberlain relative to the 2020-21 City Fund and Pension Fund Statement of Accounts.

RESOLVED, that - Members:

1. Consider the contents of the Audit Management Report issued by BDO LLP;
2. approval of the 2020-21 City Fund and Pension Fund Statement of Account 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, approval of any material change to the financial statement required before the signing of the audit opinion by BDO, which is expected by mid-December.

5. **CITY'S CASH FINANCIAL STATEMENTS 2020-21**

Members received a report of the Chamberlain relative to the Annual Report and Consolidated Financial Statements for City's Cash for the year ended 31 March 2021.

RESOLVED, that – Members:

1. Note that the external auditor BDO LLP intends to give an unqualified audit opinion for both City's Cash and the 10 consolidated charities' individual financial statements;
2. Consider the contents of the Audit Management Report issued by BDO LLP; and
3. Recommend approval of the 2020/21 City's Cash Financial Statements, and the financial statements of each of the 10 consolidated charities, for the year ended 31 March 2021 to Finance Committee.

6. **BRIDGE HOUSE ESTATES ANNUAL REPORT AND FINANCIAL STATEMENTS 2020/21**

Members received a joint report of the Managing Director of Bridge House Estates and the Chamberlain relative to the draft Annual Report and Financial Statements for Bridge House Estates (BHE) for the year ended 31 March 2021.

RESOLVED, that – Members:

1. Consider the contents of the audit management report issued by BDO;
2. Recommend approval of the BHE Annual Report and Financial Statements for the year ended 31 March 2021 to the BHE Board; and
3. Delegate authority to the Managing Director of BHE and the Chamberlain, in consultation with the Chair and Deputy Chair of the BHE Board, for approval of any material change to the financial statements required before the signing of the audit opinion by BDO.

7. **BRIDGE HOUSE ESTATES BOARD RESOLUTION**

Members received a resolution of the Bridge House Estates Board that the Committee's advice be sought by the Board as appropriate in relation to audit and risk matters.

The Deputy Chairman (External) commented that it would be good practice for the Bridge House Estates Board to review their governance.

RESOLVED, that – the resolution be noted.

8. **SUNDRY TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2020-21**

Members received a report of the Chamberlain relative to the Annual Reports and Financial Statements for the Sundry Trust Funds for the year ended 31 March 2021.

The Committee agreed to send a formal note of thanks to the Audit Review Panel, as this was the final year it would be operating.

RESOLVED, that - Members:

1. Note that the external auditor BDO LLP intends to give an unqualified audit opinion on each set of charity financial statements;
2. Consider the contents of the audit management report issued by BDO LLP; and
3. Recommend approval of the financial statements for the year ended 31 March 2021 to the Finance Committee for those charities where the Corporation is Trustee; to the Aldermen for the Emmanuel Hospital charity where the Corporation acting by the Court of Aldermen is the named corporate trustee; and to the trustees of the Sir William Coxen Trust Fund; the Samuel Wilson Loan Charity and the Vickers Dunfee Memorial Benevolent Fund (see appendix 1 for charity registration numbers).

*Deputy Chairman Hilary Daniels (External) took the Chair from this item onwards.*

9. **OUTSTANDING ACTIONS OF THE COMMITTEE**

RESOLVED, that - the list of outstanding actions of the Committee be received and its contents noted.

10. **COMMITTEE WORK PROGRAMME**

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

11. **ANNUAL GOVERNANCE STATEMENT 2020/21**

Members received a joint report of the Town Clerk and Chief Executive and the Chamberlain regarding the Annual Governance Statement (AGS) 2020/21.

A Member asked how the points for future years would be captured. The Head of Audit explained that responsibility for the AGS is soon to be transferred to the Corporate Strategy and Performance Team, who will be taking on the feedback from the Committee.

RESOLVED, that – the AGS be noted and approved for signing by the Chair of Policy and Resources and the Town Clerk, and that its publication alongside the 2020/21 City Fund and Pension Fund Statement of Accounts be noted.

12. **ANTI-FRAUD & INVESTIGATIONS - 2021/22 MID-YEAR UPDATE REPORT**

Members received a report of the Head of Audit and Risk Management

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

13. **DEEP DIVE RISK REVIEWS**

13.1 **Deep Dive: CR02 Loss of Business Support**

Members received a report of the Director of Innovation and Growth relative to a Deep Dive of CR02: Loss of Business Support.

A Member commented that it was not helpful to receive the paper without the risk metrics. The Town Clerk explained that this information had been missed from the agenda pack, and undertook to circulate it to Members after the meeting.

Members expressed their concern about businesses were leaving the City, and asked how Members could act as a liaison between IG and businesses in their Ward. The Director of IG replied that CR02 was focused on the loss of support from FPS (Financial and Professional Services), which was a UK-wide risk and part of the City Corporations UK-wide role. There needed to be a separate risk for the closure of small and medium-sized businesses in a range of sectors across the City. The City Corporation provides support for these SME through the Small Business Research and Enterprise Centre, and across other services. The Corporate Risk Manager said that the best approach would be for him to work with the Director of IG's team on splitting out the risk. A Corporate Risk Register review was in progress, and there would be an opportunity at the Executive Leadership Board to put the case for a risk on SMEs to be elevated to the corporate level. The Chamberlain commented that the comments from

Members was helpful in framing how the risks could be developed in the wider review timeframe. The next review of the Risk Register was due to the Committee's meeting on 18 January, and this would include the flightpath on CR02. The Deputy Chairman (External) requested that further information on CR02 could be included in a future Committee report reviewing the Risk Register..

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

### 13.2 **Deep Dive: CR29 Information Management**

Members received a report of the Chief Operating Officer relative to a Deep Dive of CR29 Information Management.

Members commented greater controls needed to be implemented to try to reduce the likelihood of the target risk as well as the impact, and asked if the target risk in the register was the right one. The target should be for the risk to be in green, not amber.

A Member commented that the report often refers to the risks with staff, and whether the risk was also applicable to Members. The IT Director said that the risk should be applicable to all who work for the City Corporation and receive information from it, and that he would take the role of Members in the risk into consideration, including the possibility of training in information security for Members.

A Member asked if the risk had been benchmarked against similar risks experienced by other major institutions in the City of London. The IT Director replied that while there was no benchmarking, they do have a maturity model which is a comparison tool for best practice with other organisations and would be able to share the maturity model with the Committee.

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

### 14. **HMICFRS REPORT**

Members received a report of the Commissioner of Police in regards to an overview of the Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) continuing programme of inspections and published reports.

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

### 15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no public questions.

### 16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no urgent business.

### 17. **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.

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

RESOLVED, that – the non-public minutes of the meeting held on 5 October 2021 be agreed as a correct record.

**19. NON-PUBLIC OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the list of outstanding actions.

RESOLVED, that – the list of non-public outstanding actions of the Committee be received and its contents noted.

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

There was one non-public question.

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

There was none.

**The meeting ended at 4.08 pm**

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Chairman

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