

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Monday, 13 May 2024**

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 13 May 2024 at 11.00 am

### **Present**

#### **Members:**

Alderman Prem Goyal, OBE (Chair)  
Deputy Elizabeth King BEM JP (Deputy Chair)  
Deputy Randall Anderson  
Alderman Alexander Barr  
Deputy Christopher Boden  
Judith Pleasance  
Karen Sanderson (External Member)  
Naresh Hari Sonpar  
Alderman Kawsar Zaman

#### **Officers:**

Caroline Al-Beyerty	- Chamberlain
Dionne Corradine	- Town Clerk's Department
Matthew Lock	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Jack Joslin	- City Bridge Foundation
Kuar Kirpal	- City Solicitor's Department
Ben Dunleavy	- Town Clerk's Department
Barbara Hook	- Town Clerk's Department
Olivia Plunkett	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department
Thomas Wrench	- Town Clerk's Department

#### **Also in attendance:**

Sophia Brown	- Grant Thornton
Jasmine Kemp	- Grant Thornton
Grant Patterson	- Grant Thornton

### **1. APOLOGIES**

Apologies for absence were received from Gail Le Coz and Alderman Bronek Masojada.

Ruby Sayed and Dan Worsley observed the meeting virtually.

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

There were none.

3. **ORDER OF THE COURT**

Members received the Order of the Court of Common Council dated 25 April 2024 appointing the Committee and setting its Terms of Reference.

4. **ELECTION OF A CHAIR**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 29. Alderman Prem Goyal, as the only Member expressing their willingness to serve, was duly elected as Chairman for the ensuing year and took the Chair.

RESOLVED – That Alderman Prem Goyal be elected Chair of the Audit and Risk Management Committee for the ensuing year.

5. **ELECTION OF DEPUTY CHAIRS**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No. 30. Deputy Elizabeth King, as the only Member expressing their willingness to serve, was duly elected as Deputy Chairman for the ensuing year.

Members elected a Deputy Chair (External) in accordance with a convention adopted by the Committee on 6 March 2018. Gail Le Coz, as the only Member expressing their willingness to serve, was duly elected as Deputy Chair for the ensuing year.

RESOLVED, that – Deputy Elizabeth King and Gail Le Coz be elected as the Deputy Chairs for the ensuing year.

6. **MINUTES OF THE PREVIOUS MEETING**

The public minutes and non-public summary of the meeting held on 26 February 2024 were approved as a correct record.

7. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the Outstanding Actions and noted the updates from officers.

8. **COMMITTEE WORK PROGRAMME**

The Committee's Work Programme was noted.

9. **APPOINTMENT OF SUB-COMMITTEES**

Members received a report of the Town Clerk & Chief Executive relative to the appointment of the Nominations and Effectiveness Sub-Committee and its composition and terms of reference, and the appointment of a Member to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

The Chairman informed Members that a meeting of the Sub-Committee had been arranged to review the results of the effectiveness and skills survey.

RESOLVED, that – Members:

- a) agree the appointment of the Nominations and Effectiveness Sub-Committee, and consider its composition and Terms of Reference; and appoint the following Members to serve on the Sub-Committee in addition to the Chairman and Deputy Chairs:
  - Ruby Sayed
  - Randall Anderson
- b) Appoint Ruby Sayed to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

10. **ANNUAL GOVERNANCE STATEMENT (CITY FUND) 2023/24**

Members received a report of the Chief Strategy Officer concerning the Annual Governance Statement.

During their introduction, officers noted several minor corrections to be made to the Annual Governance Statement (AGS). A Member also asked for the AGS to be amended to reference the Common Council elections in 2025 and to highlight the importance of the induction process for new Members.

It was noted that the new Corporate Plan would provide a lens for future versions of the AGS. It was also noted that there would be changes to the presentation of KPIs following changes to how business plans were produced.

A Member queried whether the AGS correctly reflected the recommendations of the Head of Internal Audit. In reply, officers noted that the Statement covered 2023/24. They also confirmed that the Head of Internal Audit was directly involved in the drafting of the AGS, but that the timing of publication meant that some of his recommendations may not have been included.

RESOLVED, that Members

- a) Approve the AGS, at Appendix 1, for signing by the Chair of the Policy and Resources Committee and the Town Clerk and Chief Executive, subject to the above amendments
- b) Note that the AGS will be published alongside the 2023/24 City Fund and Pension Fund Statement of Accounts
- c) Delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

11. **HEAD OF INTERNAL AUDIT ANNUAL OPINION**

Members received a report of the Chamberlain concerning internal audit.

Members discussed the resource issues facing the Internal Audit team and supported the request for additional funding.

RESOLVED, that – Members:

- a) Note the report and the opinion provided by the Head of Internal Audit.
- b) Support the proposal of the Head of Internal Audit to request additional funding of £165k to expand and enhance the programme of Internal Audit work.

**12. CITY OF LONDON CORPORATION RISK MANAGEMENT STRATEGY 2024-2029**

Members received a report of the Chief Strategy Officer concerning risk management.

Members discussed the status of the Strategy within the City Corporation's governance framework, including at officer and Member levels. It was noted that the outcomes of the risk appetite review would be presented at a future Committee meeting.

It was noted that the Strategy was a living document, and Members asked for the following changes to be included:

- Strengthen the quantitative measures used in reporting progress.
- Greater information on benchmarking against comparable organisations, including both local authorities and complicated corporate entities.
- Updated wording to state that risk appetite should be 'increased and maintained.'

RESOLVED, that – Members:

- a) Endorse the draft Risk Management Strategy 2024-2029.
- b) Authorise the Chief Strategy Officer to agree and finalise any minor changes to the content of the draft Risk Management Strategy 2024-2029, in consultation with the Chair of the Audit and Risk Management Committee.

**13. CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS UPDATE**

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

A Member requested that officers provide Members with further information on immaterial errors under the threshold. In reply, the Chamberlain said that she could share the list but was concerned it would not be an appropriate use of resources, including officer and member time.

RESOLVED, that – Members:

- a) Note the Indicative City Fund Audit Plan for 2023-24 as set out in Appendix 1
- b) Note the Indicative Pension Fund Audit Plan for 2023-24 as set out in Appendix 2

- c) Note the responses from Management for both the City Fund and Pension Fund as per Appendix 3 and Appendix 4

**14. INTERNAL AUDIT UPDATE**

Members received a report of the Chamberlain concerning internal audit.

RESOLVED, that – Members note the outcomes of completed Internal Audit Work.

**15. ANTI-FRAUD & INVESTIGATIONS - 2023/24 ANNUAL REPORT**

Members received a report of the Chamberlain concerning anti-fraud and investigations.

At the request of a Member, officers undertook to consider the benefits of prosecuting single person discount fraud as a deterrent, taking into account public interest and use of public money.

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

**16. RISK MANAGEMENT UPDATE**

Members received a report of the Chief Strategy Officer concerning risk management.

A Member requested that officers consider alternative wording to ‘tree failure’ for ENV-SLT 005.

RESOLVED, that – Members note:

- a) This report and the corporate and top red departmental risk registers attached to this report. Since the previous update:
- b) The total number of corporate risks has increased by one to 15 with the addition of CR 40 PSTN Switch off 2025 (formerly CHB DITS 045). This has been raised from a departmental risk in recognition of the severity and cross cutting nature this risk poses.
- c) The risk score of CR30 Climate Action has been reduced from Amber 12 (impact major 4 x likelihood possible 3) to Amber 8 (impact major 4 x likelihood unlikely 2).
- d) A corporate risk covering ‘tree failure’ in the City Corporation’s Open Spaces is being developed, following an in-principle decision by the Chief Officer Risk Management Group to escalate the risk.
- e) The number of departmental red risks has increased from 18 to 19. Four risks have been added to the register (one new, three escalated) and three removed (one escalated to a Corporate Risk, two de-escalated). One red risk has increased in score.
- f) The update on the governance of charity assets (relating to understanding responsibilities and risks).
- g) That a Risk Management Strategy 2024-2029 has been developed and will be presented to this Committee for endorsement as a separate paper.

h) That a Risk Culture and Appetite Review has been completed, with a summary of findings to be presented to the Committee at its next meeting.

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

There were no questions.

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

There was no other business.

**19. 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.

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

The non-public minutes of the meeting held on 26 February 2024 were approved as a correct record.

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

Following a question from a Member, officers undertook to circulate further information on the risk assessments for an event at Tower Bridge.

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

Officers provided Members with further information on two successful fraud prosecutions.

**The meeting ended at 12.43 pm**

-----  
Chairman

**Contact Officer: Ben Dunleavy**  
**ben.dunleavy@cityoflondon.gov.uk**