

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 17 November 2025

Minutes of the meeting of the Audit and Risk Management Committee held at
Guildhall, EC2 on Monday, 17 November 2025 at 11.00 am

Present

Members:

Alderman Prem Goyal CBE (Chairman)
Alderwoman Elizabeth Anne King, BEM JP (Deputy Chairman)
Gail Le Coz (Deputy Chairman)
Deputy Timothy Butcher
Simon Burrows
Stephen Hodgson
David Sales
Ruby Sayed
Naresh Hari Sonpar
Dan Worsley
Alderman Kawsar Zaman

Officers:

Ian Thomas CBE	- Town Clerk
Caroline Al-Beyerty	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Dionne Corradine	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department
Olivia Plunkett	- Town Clerk's Department
Iain Jenkins	- Town Clerk's Department
Daniel Peattie	- Town Clerk's Department
Anu Newton	- Chamberlain's Department
Molly Carvill	- Town Clerk's Department

1. APOLOGIES

There were no apologies.

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

RESOLVED - That, the public and non-public summary minutes of the meeting held on 15 September 2025 were agreed as a correct record.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

The Committee received a report of the Town Clerk concerning outstanding actions.

The Chairman had advised that Members defer any questions until the non-public session, as the outstanding action related to confidential information concerning the recruitment of an external Member.

RESOLVED - That, the report be noted.

5. **COMMITTEE WORK PROGRAMME**

The Committee received a report of the Group Chief Internal Auditor concerning the amendments to the proposed Committee dates for 2026, and the revised schedule of meetings for 2027.

The Chief Strategy Officer highlighted three items needing updating in the work programme:

- May 2026 - Annual Risk Management Report
- July 2026 - Risk Appetite Update, which would provide a key update incorporating ongoing work on risk appetite and any revisions required following consideration by Service Committees and Boards
- November 2026 – Risk Appetite Update

The work programme would be updated ahead of the next Committee meeting.

A Member sought clarification on the use of the term 'work programme', noting that it suggested the inclusion of the underlying audits and reviews. The Member revealed how the programme was more of a Committee programme and suggested that the terminology be clarified to indicate that underlying work, projects, and reviews are scheduled and managed separately. The Group Chief Internal Auditor suggested that renaming it 'Committee Cycle of Business' might provide greater clarity.

RESOLVED - That, the report be noted.

6. **COUNTER FRAUD & INVESTIGATIONS MID-YEAR REPORT 2024/25**

The Committee received a report of the Group Chief Internal Auditor concerning an update on the activity of the Anti-Fraud and Investigation team during the first half of the 2025/26 reporting year.

The following discussion took place:

- a) The Deputy Chair commended the Counter Fraud and Investigations Team for their work and the quality of the report and requested further information on the key themes arising from the recent fraud prevention workshops. The Counter Fraud & Investigations Manager explained that findings primarily related to employee matters, with significant themes emerging around collaboration between the Investment Property Group

and Commercial teams in addressing risks. A joint session was planned to facilitate this work.

- b) A Member queried whether the report should reference mid-year 2025–26 rather than 2024, the Officer confirmed that this was a mistake. The Member also encouraged inclusion of return on investment (ROI) metrics and drawing on sector examples to enhance the report.
- c) A Member expressed his interest in reading the investigations and processes undertaken but noted the absence of any reference to criminal proceedings. He queried whether police involvement formed part of the process, due to significant figures which indicated large-scale fraud. The Officer confirmed that police involvement occurred where necessary, noting that most investigations were managed internally and prosecutions were undertaken under Local Government powers under the Fraud Act. One case was awaiting trial at the Old Bailey, scheduled for next Spring, and two further business rates cases were being prepared for prosecution.
- d) A Member requested further information regarding Social Housing Tenancy Fraud and its interaction with credit reference agencies. The Officer explained that credit reference data was used to review mortgage records, deceased data, and links to other addresses, as well as check whether tenants were listed at different properties. The process generated risk scores and intelligence to identify cases requiring further investigation. Regarding the 532 cases marked as 'nil', it was clarified that no issues were identified by Experian. The Officer further confirmed that the notional savings of £315,278 represented estimated fraud values, such as discounts prevented in right-to-buy fraud cases. For sub-letting cases, a standard London figure of approximately £59,000 was applied.
- e) A Member expressed interest in the outcomes and lessons learned and asked whether issues identified were fed back to the housing teams and shared across the organisation. He noted that if work continued at the same pace without review, progress might be limited. The Officer confirmed that engagement had taken place with the housing allocation team to implement four prevention measures. There was ongoing monthly dialogue with the housing management team to review case outcomes and agree further actions and they were made aware of fraud risks, such as Airbnb-related issues. Training sessions had been scheduled with the housing team for January to address ongoing risks.
- f) The Officer confirmed that where a corporate investigation occurred, reports were submitted to the Director and Head of Service, including a series of recommendations to ensure lessons were learned and acted upon. In response to a Member's question about whether this was reported to Members, the Officer advised that such reporting would take place once a summary report was available.

RESOLVED - That, the report be noted.

7. RISK MANAGEMENT UPDATE

The Committee received a report of the Chief Strategy Officer updating Members on the City of London Corporation's risk management which included the corporate and top rated red departmental risk registers.

The following points were noted:

- a) **Risk titles** - The Deputy Chair commented on the naming of new risks and noted that the titles were not always clear and amending the wording might provide greater clarity. The Chief Strategy Officer responded that this would be raised with risk owners and the Chief Officer Risk Management Group (CORMG). She explained that the current approach to titles and descriptions was intentional, following previous Committee feedback to avoid excessive detail to maintain a clear focus on the risk itself.
- b) **Risk CR35** - A Member sought clarity on risk CR35, Unsustainable Medium-Term Finances – City Fund. They queried whether potential Government proposals on business rates redistribution could affect the current risk score and noted that the target score was set at half the current level, questioning the realism of achieving this by the end of the financial year given the constant trajectory. The Chamberlain advised that by March 2026, more information would be available on transitional relief within the settlement period, which was expected to provide financial cover for the next couple of years.
- c) **Chief Risk Officer Network** - A Member asked whether engagement with the Chief Risk Officer Network would continue following the Chief Strategy Officer's attendance at their launch (hosted by the former Lord Mayor). The Chief Strategy Officer confirmed this and outlined two ways this was taking place: through the City of London Corporation as host, and through engagement with risk practitioners to integrate risk into business decision-making. The Chief Strategy Officer further advised that the Chief Risk Officer Summit would again be hosted by the City of London Corporation in May 2026, with continued input planned.
- d) **Risk CR02** - A Member noted risk CR02, had previously been titled "Loss of Business Support" but was now described as "City Corporation's role in promoting UK FPS." The Member was concerned that the revised title appeared to represent a different risk. The Chief Strategy Officer explained that the changes to the corporate risk wording and rating had been reviewed and agreed by the Chief Officer Risk Management Group. She further confirmed that, at departmental and other risk levels, the wider approach to supporting business remained in place.
- e) **Housing Revenue Account** - The Deputy Chair questioned whether reference to the Housing Revenue Account (HRA) should appear in the

public report. She noted that the risk had first been raised in October 2023 and commented that maintaining the risk between now and March 2026 appeared optimistic. The Chamberlain confirmed that it was appropriate to state in public session that there were three main risks to the HRA, with further detail provided in the non-public section. The three risks were outlined as follows:

- Immediate risk: The HRA was in a fragile position, as evidenced by the accounts, and a robust action plan was in place to address this within the year, including collaborative work with the Executive Director of Children and Community Services and the City Surveyor.
 - Medium-term risk: Consideration of actions required to address changes in legislation.
 - Wider position: The HRA had been referenced by Members at the Policy and Resources Committee and the Finance Committee to assess its long-term implications.
- f) **Risk CR39** - The Chief Strategy Officer reminded Members that, at the previous meeting, it had been noted that CR39 (Recruitment and Retention) was considered a legacy risk and that work had been undertaken to identify the key people-related risks. The Chief People Officer had led this work at both departmental and cross-Corporation level and had been invited to the Committee to provide an update from a risk perspective. Members were advised that the outcomes of this work would begin to appear in future reports.

The Chief People Officer introduced himself to the Committee and noted that CR39 (Recruitment and Retention) had not been reviewed for some time and explained that analysis of voluntary attrition showed a reduction from 9.6% to 9% though this varies across the organisation and should therefore be managed locally, as appropriate. He advised that, subject to discussions with the Corporate Services Committee, he intended to reposition the risk towards organisational change readiness, focusing on culture, change management, and preparing managers and staff for future developments (such as SAP implementation and Ambition 25), rather than concentrating on attrition figures.

A Member requested the latest sickness rates, and the Chief People Officer advised that this was another area where localised reporting would be beneficial, noting that seasonal factors and outdoor roles could affect figures. He reported that the organisational average was 6.4 days lost per FTE over the course of the year (based on a dashboard that was approximately one month old).

RESOLVED – That, the report be noted.

8. **INTERNAL AUDIT UPDATE**

The Committee received a report of the Group Chief Internal Auditor updating Members on the Internal Audit activity between 1 July 2025 and 30 September 2025.

The following questions were raised during discussion:

- a) A Member requested further information regarding the Internal Audit review of consultancy use. The Member noted that the reported range of £20m–£60m in 2024/25 was significant and observed that this linked to the recommendations made. He also noted that management actions were scheduled for completion by October with a follow-up in November and asked for an update on progress. The Group Chief Internal Auditor confirmed that of the three recommendations made, one had been fully implemented, and progress was being made on the remaining two. He advised that the recommendation relating to the chart of accounts was well advanced and linked to the implementation of the new SAP system and transition to the new ERP platform.
- b) A Member requested clarification on whether a system existed to map consultancy expenditure against internal resources and asked if a skills audit had been undertaken to identify gaps between consultancy provision and in-house capability. The Member queried whether in cases of capacity issues, there was a process for internal training. The Chamberlain explained that the ability to address this effectively required foundational data on roles and responsibilities across the organisation, which would be available through the new SAP system.
- c) The Chief People Officer advised that a strategic workforce planning role would form part of the HR transformation and would be introduced as part of the recruitment drive. He emphasised the importance of data in shaping future workforce planning and confirmed that HR business partners were working to identify the nature of activities undertaken, the skills required, and the most appropriate resourcing approach. Using data would enable informed decisions, such as appointing permanent staff for projects exceeding two years or engaging fixed-term contractors for shorter projects. He also referred to Ambition 2025 and the development of a career framework, explaining that HR was mapping “job families” across the organisation to provide better intelligence.
- d) The Deputy Chair raised concern regarding overdue actions, particularly where some red-rated actions had been outstanding for over a year. Attention was drawn to fire safety at the Barbican and the recent audit, and the Deputy Chair questioned whether these matters should be referred back to the relevant service committees. In response, the Group Chief Internal Auditor confirmed that follow-up work had been undertaken on the fire safety audit and that the team had revisited the Barbican on more than one occasion to review progress in implementing the recommendations. He advised that the next step would be escalation, which would be carried out through the new Insight Report

format to the appropriate service committee, and confirmed that this process would take place shortly.

- e) A Member emphasised the importance of the work and systems being implemented and requested that the Committee receive a report in six months' time capturing progress, identifying any additional risks, and highlighting which mitigations were effective and which were not. The Chief People Officer agreed.

A discussion took place regarding the Internal Audit review on the use of consultants, with particular reference to IR35 compliance. The Group Chief Internal Auditor explained that there was a clear link between consultancy engagements and IR35 requirements, and that due diligence was being undertaken.

The Chairman expressed concern regarding overdue, red-rated recommendations, noting that some implementation target dates dated back to 2024. He requested that the report be amended to include revised dates for all outstanding recommendations together with a summary of the actions taken to address them. The Chairman further requested that the Chairs of the relevant service committees be contacted and confirmed that, should any recommendations remain overdue three months from now, he would invite those Chairs to attend this Committee.

In response, the Chamberlain confirmed that, since publication of the report, further follow-up work had been undertaken and most of the six overdue recommendations for the Chamberlain's department had now been addressed. The Group Chief Internal Auditor added that some work remained outstanding and that discussions were ongoing regarding three revised recommendations, which would reflect the actions taken to date. He advised that recommendations had been reviewed and recast to address the remaining issues, with revised timescales agreed.

The Chairman requested that the Group Chief Internal Auditor send an update to Members in 6 weeks via email regarding the progress on the overdue recommendations.

RESOLVED – That the report be noted.

9. **CITY'S ESTATE FINANCIAL STATEMENTS**

The Committee considered a report of the Chamberlain detailing the consolidated financial statement for City's Estate, for the year ending 31 March 2025, and the audit findings report. This item was received as a late submission.

The report author introduced the two late items and advised that he would present items 9 and 10 together due to their similarities. Members were informed that the reports had already been considered by the Finance Committee earlier in November and approved for the necessary delegations to sign, subject to review and approval by the Audit and Risk Management

Committee. If Members were content to approve the recommendations, the required signings could proceed. It was highlighted that the key messages from the Finance Committee regarding the City's Estate accounts were to note the overall reduction on the net asset position, which reflected the scale of investment across major programmes and the need to dispose of assets to fund them. Overall, it was conveyed that the reports demonstrated progress.

The Committee discussed the decline in net assets of the City's Estate. The Chamberlain explained that the asset base was being drawn down to fund investment in operational property, which was acceptable during periods of growth but required careful management. She acknowledged that the current level of drawdown was unsustainable and reflected a significant catch-up period following years of underinvestment in operational property.

Auditors from Crowe summarised their findings for Members, noting that the Audit was nearly completed.

Management Accounts:

The Auditors addressed concerns regarding management accounts and recommended that the City Corporation adopt a process for routinely producing them. This recommendation was raised previously and aimed to strengthen top-level controls and provide formal oversight throughout the year.

The Chamberlain confirmed that monthly accounts were provided to all committees and boards, with reports including any internal control weaknesses and audit recommendations but that a year earlier, the team had been operating under capacity and special arrangements had been made for quarterly reporting. However, she reiterated that this was not considered business as usual and emphasised the expectation of monthly reporting going forward.

A discussion took place regarding the length of time taken to address the management accounts issue originally raised two years earlier. The Finance Director explained that the delay was due to operational capacity and a backlog of accounts for the City Fund. Officers also reassured Members that the Corporation does already produce quarterly reporting to Committee and was reporting monthly to Chief Officers.

RESOLVED – That Members,

- Recommend approval of the 2024-25 City's Estate Financial statements, and the financial statements of each of the 9 consolidated charities.
- Requested management accounts were provided at every Committee meeting.

10. CITY'S ESTATE TRUST FUNDS AND SUNDRY TRUST FUNDS ANNUAL REPORTS AND FINANCIAL STATEMENTS

The Committee considered a report of the Chamberlain providing an update on the annual reports and financial statements for the 11 Sundry Trust charities for the year ended 31 March 2025.

RESOLVED – That Members,

- Recommend approval to the Chairman and Deputy Chairman of Finance Committee, for signing of the 11 charities presented for the year ended 31 March 2025, for those charities where the Corporation is Trustee;
- Recommend to the Chairman and Deputy Chairman of Finance Committee, the authority to recommend the accounts to the Aldermen for the Emanuel Hospital charity where the Corporation is acting by the Court of Aldermen as the named corporate trustee; and to the individual trustees of the Sir William Coxen Trust Fund and the Samuel Wilson Loan Charity for the year ending 31 March 2025

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

There were no questions.

12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business raised.

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 15 September 2025 be approved as an accurate record, with the ransomware policy shared.

15. RISK MANAGEMENT UPDATE (NON-PUBLIC APPENDIX)

The Committee received the non-public appendix, which was received in conjunction with item 7. The appendix outlined the status of each corporate risk.

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

There were no questions raised.

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

The Committee discussed the one outstanding action list which was at item 4.

The meeting ended at 12.48 pm

Chairman

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