

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 18 January 2022

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Tuesday, 18 January 2022 at 2.00 pm

Present

Members:

Alexander Barr (Chairman)
Hilary Daniels (Deputy Chairman)
Alderman Prem Goyal (Deputy Chairman)
Rehana Ameer
Randall Anderson
Christopher Boden
Anne Fairweather
Marianne Fredericks (Ex-Officio Member)
Deputy Jamie Ingham Clark (Ex-Officio Member)
Gail Le Coz (External Member)
Paul Martinelli
Jeremy Mayhew (Ex-Officio Member)
Deputy Andrien Meyers
Ruby Sayed
Dan Worsley (External Member)

Officers:

Caroline Al-Beyerty	- The Chamberlain
John Barradell	- Town Clerk and Chief Executive
Michael Cogher	- Comptroller and City Solicitor
Paul Dudley	- Chamberlain's Department
Ben Dunleavy	- Town Clerk's Department
Jack Joslin	- City Bridge Trust
Matthew Lock	- Chamberlain's Department
Gary Locker	- Town Clerk's Department
Sarah Phillips	- Town Clerk's Department
Julia Pridham	- City Bridge Trust
Sonia Virdee	- Chamberlain's Department

1. APOLOGIES

No apologies were received.

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

A number of Committee Members, as well as the Chamberlain, declared in respect of Item 7 on the agenda, that they served on Committees dealing with responsible for the charities concerned in the report.

3. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the minutes and non-public summary of the meeting on 30 November 2021 be agreed as a correct record.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the list of outstanding actions.

It was noted that a full update on contaminated land would come back to the Committee at a later meeting. The Chairman requested that the framework for running this meeting be put into a briefing note and distributed to the Committee.

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

5. **COMMITTEE WORK PROGRAMME**

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

6. **EXTERNAL MEMBER RECRUITMENT**

The Town Clerk provided Members with an update on the recruitment of a new external member.

RESOLVED, that – authority be delegated to the Town Clerk, in consultation with the Chairman and Deputy Chairmen, to recommend a candidate to the Court of Common Council meeting in April, in the expectation that this recommendation will follow the recommendation of the Nominations Sub-Committee.

7. **ESTABLISHING A CHARITY RISK MANAGEMENT PROTOCOL**

Members received a report of the Managing Director of Bridge House Estates in relation to the establishment of a Charity Risk Management Protocol.

The Chairman requested that further information on the assets and net income of the charities be circulated to Members, to provide a better understanding of their proportionate size.

A Member commented that the first two paragraphs of part 5 ('Risk Process') of the draft Protocol, as set out in the appendix to the report, made sense, but that the remaining paragraphs in this section were unnecessary, as they restated portions of the City of London Corporation's Risk Policy. The key was that the City Corporation's corporate risk process should be followed, and duplicating versions of it left open the risk of divergence. In reply, an Officer said that there were some differences in wording, but it could be reviewed. The Member felt that specific exceptions to the corporate risk policy should be made explicit.

RESOLVED, that – Members:

- Note the progress of the CC Review as it relates to risk management; and

- Agree the policy principle of a Risk Management Protocol being established for all charities within scope of the CC review.

8. **INTERNAL AUDIT 2022/23 PROGRAMME OF WORK**

Members received a report of the Head of Audit and Risk Management relative to the Internal Audit Programme of Work for 2022/23.

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

9. **INTERNAL AUDIT UPDATE**

Members received a report of the Head of Audit and Risk Management relative to the Internal Audit Update.

The Head of Audit and Risk Management informed Members that they hope to explore aspects of performance monitoring with the Executive Leadership Board, as their experience has been that action taken by management to address issues raised is generally only implemented after follow-up from Internal Audit, rather than proactively. The Town Clerk and Chief Executive supported this approach, and said that they would also follow up on issues on implementing recommendations from Internal Audit.

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

10. **RISK MANAGEMENT UPDATE**

Members received a report of the Chamberlain relative to the corporate risk register.

Members heard that, relative to historic minimum and maximum levels, the number of corporate risks was currently at the lower end. The Chairman requested for this information to be included in future updates.

RESOLVED, that – Members:

- Note the Risk Management update report;
- Endorse the decision of the Executive Leadership Board for removal of CR20 Road Safety and CR32 Wanstead Park Reservoirs from the corporate risk register and de-escalate to departmental register and retain CR21 Air Quality on this register; and
- Endorse the ELB decision to include CR26 Protective Security on to the corporate risk register with immediate effect.

11. **DEEP DIVE RISK REVIEWS**

11.1 **Deep Dive: CR01 Resilience (Town Clerk's)**

Members received a report of the Town Clerk relative to a Deep Dive of CR01 Resilience.

Members agreed that it was important for the successes of the Corporation in identifying and managing the critical resilience risks over the last two years to be shared with Members.

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

12. RISK MANAGEMENT HEALTH CHECK

Members received a report of the Chamberlain relative to the Risk Management.

The Chairman said that the positive conclusions of the Health Check report should be included in the Annual General Statement.

A Member asked if an update on the Health Check could be brought to the Committee in six months.

RESOLVED, that – Members:

- Note the Health Check (external Risk Management Review) report produced by Risk Management Partners.
- Note that the Executive Summary and seven recommendations outlined in the report will be taken forward by the Town Clerk's Department (Chief Strategy Officer).

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

There were none.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chairman and the Head of Audit and Risk Management announced that this was the last meeting that Paul Dudley would attend, as he was retiring as Corporate Risk Manager at the end of March. They praised Paul's exemplary service to the Committee and the City of London Corporation, especially in assisting it in its risk maturity journey, and commended his commitment and professionalism.

Paul said that it had been a pleasure to work for the Committee, and that it was the most effective Audit and Risk Management Committee he had worked with. He was proud to have served it, and the Committee should be proud of the work it does

The Chairman announced that this was Hilary Daniels last meeting as both Deputy Chairman and as an external member. He commended her commitment to the Committee, both in formal meetings and the Committee's informal risk challenge sessions. He thanked her for her contributions in terms of counsel, challenge and support.

A Member who had formerly served as Chairman of the Committee endorsed the words of the Chairman, and said that Hilary was extremely experienced and fearless in taking on interests. Hilary was the third external member appointed by the Committee, and all of these members have been vital, and share credit for the performance of the Committee. He said that the Committee would not

have been as successful without the input of external members, and that Hilary should be proud of this legacy.

Hilary thanked the current and former Chairmen, and said that it had been an honour and a privilege to work on the Committee. During her nine year membership, she had seen the agenda and capabilities of the Committee improve, and the work of the Committee mature. The Risk Management Health Check item on the agenda for this meeting was a demonstration on how the Committee has improved. She was grateful for how officers have answered her challenges, questions and comments, as the Committee could not do its work without these responses.

The Chairman thanked the outgoing external audit team from BDO, and wished them well individually and collectively.

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.

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

RESOLVED, that – the non-public minutes of the meeting on 30 November 2021 be agreed as a correct record.

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

A Member asked, on the issue of recruitment of external Members, what steps had been taken to increase the pool of applicants after the original recruitment period had been extended. In reply, the Town Clerk said that in the new recruitment drive, all Members of the Court had been contacted with details of the position and asked to circulate it among their professional networks.

The Chairman of the Property Investment Board (PIB), which has also recently undertaken the recruitment of an external member, asked whether it was worth considering how Committees recruiting external members to cooperate on the process. The Chairman said it would be, and undertook to consult with the PIB Chairman after the meeting.

A Member raised the question of remuneration for external Members, to match the remuneration offered to Court Members. The Chairman said that he was happy to support this in principle if a mechanism could be found, but he agreed with the views of external Members that it could potentially make it more difficult for external candidates to serve.

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

The Chamberlain briefed Members on an issue raised by the external auditors on the sign off for the City Fund accounts, concerning the disclosure of investment transactions. A briefing note had been circulated to Members before the Committee meeting.

19. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the confidential minutes of the meeting on 30 November 2021 be agreed as a correct record.

The meeting ended at 16:04

Chairman

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