

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 3 February 2025

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 3 February 2025 at 11.00 am

Present

Members:

Alderman Prem Goyal, OBE (Chairman)
Deputy Randall Anderson
Alderman Alexander Barr
Alderwoman Elizabeth Anne King, BEM JP
Alderman Bronek Masojada
Judith Pleasance
Naresh Hari Sonpar
Gail Le Coz (External Member)
Dan Worsley (External Member)

Officers:

Caroline Al-Beyerty	- Chamberlain
Kate Limna	- Chamberlain's Department
Matt Lock	- Chamberlain's Department
Anu Newton	- Chamberlain's Department
Blair Stringman	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department
Sonia Virdee	- Chamberlain's Department
Thomas Wrench	- 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

RESOLVED – That, the public minutes and non-public summary of the meeting held on 4 November 2024 be agreed as a correct record.

4. OUTSTANDING ACTIONS OF THE COMMITTEE

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

The following points were noted:

- **Non-Public Questions (Chairs of the City Schools Boards)** – It was noted that the action had taken place and could now be closed.
- **Induction Process** - A Member raised a point about the induction process for new Members and its linkage to the recruitment of a new Committee Member. The Town Clerk agreed to consider this for any new recruitment of Members both internal and external.
- **Outstanding Declarations** - There was an update on Member declarations, with eight declarations sent to the Chief Commoner, four resolved, and four still outstanding. The Chamberlain agreed to liaise with the colleagues to resolve any outstanding declarations.

RESOLVED – That the report be noted.

5. **COMMITTEE WORK PROGRAMME**

The Committee received a report of the Town Clerk concerning a draft work plan for the 2025-2026 Civic Year.

One of the key points discussed was whether the review of the internal audit update and the risk review should be included in meeting, especially if that meeting is solely for approving the accounts. There was a suggestion to stick to a regular quarterly update rather than just providing information at the latest Committee meeting. Members agreed that a fifth meeting, if required, would only cover the accounts and not require an internal audit risk update.

RESOLVED – That the report be noted.

6. **RECRUITMENT OF AN EXTERNAL MEMBER**

The Committee considered a report of the Town Clerk concerning the recruitment of an external Member to the Audit Risk Management Committee.

The Town Clerk noted the process for appointing a candidate, Members were informed of the delegated authority request and if agreed, the next stage to process any successful candidate to the April Court of Common Council meeting for formal approval. Members were informed that Interviews were planned to be scheduled at the end of February or early March.

RESOLVED – That Members,

- a) Endorse a panel consisting of the Chairman, Deputy Chairman(s) of the Audit Risk Management Committee and an appropriate officer of the Corporation to conduct interviews for potential candidates.
- b) Delegate authority to the Town Clerk, in consultation with the Chairman and Deputy Chairman(s), to recommend a candidate to the Court of Common Council meeting in April 2025 following interviews for shortlisted candidates.

7. **INTERNAL AUDIT UPDATE**

The Committee received a report of the Chamberlain concerning an update on Internal Audit activity in Q3 of 2024-2025.

Members noted that the update covered various internal audits conducted on contracts and procurement, highlighting concerns about the inconsistent application of controls across several departments.

The Committee discussed the need for more oversight and the possibility of involving the Finance Committee or the Projects and Procurement Sub-Committee to address these issues. There were also concerns about the IR35 regulations and the need for better guidance and training to ensure compliance. Members noted that officers would bring back proposals and plans to address these concerns at the next meeting.

RESOLVED – That the report be noted.

8. **RISK MANAGEMENT UPDATE**

The Committee received a report of the Chief Strategy Officer concerning an update on the Corporate and top red departmental risk registers.

CR40 PSTN Switch Off 2027 was discussed and an update sought. The Chamberlain noted that once the audit of connections, for which funding was required, had been completed, the risk score would likely reduce to Amber. The risk entry would be updated prior to the next meeting. A Member queried what the biggest risk the organisation faced; officers noted that information security was considered the highest risk faced by the City Corporation but mitigations had been strengthened recently.

Responding to a comment from a Member, officers acknowledged the importance of positive opportunity risk, encouraging the organisation to take risks provided they are bounded and that threats have been considered. This will be taken forward in the second year of the Risk Management Strategy 2024-2029.

A Member suggested that the language and narrative of CR30 Climate Action may need to be reframed to reflect recent international political developments. This would be raised with the risk owner.

RESOLVED – That the report be noted.

9. **MID-YEAR TREASURY MANAGEMENT REVIEW 2024/25**

The Committee received a report of the Chamberlain concerning the Mid-Year Treasury Management Review 2024-2025.

Members noted that the review covered the performance of the treasury management activities, including investments and borrowing, for the first half of the financial year. It also highlighted the economic background, the strategy adopted, and the outcomes achieved.

Officers informed Members that the report notes that the treasury management activities have been conducted in accordance with the approved strategy and that the performance has been satisfactory.

RESOLVED – That the report be noted.

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

There were no questions.

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

There was no urgent business.

12. **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.

13. **NON-PUBLIC APPENDIX**

The Committee received a non-public appendix to be read in conjunction with item 6.

RESOLVED – That the non-public appendix be noted.

14. **DRAFT RISK APPETITE STATEMENT**

The Committee considered a report of the Chief Strategy Officer.

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

There were no non-public questions.

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

There was no urgent business.

The meeting ended at 12.10 pm

Chairman

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