

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Monday, 14 July 2025**

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 14 July 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:**

Caroline Al-Beyerty	- Chamberlain
Dionne Corradine	- Chief Strategy Officer
Iain Jenkins	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Matt Lock	- Chamberlain's Department
Anu Newton	- Chamberlain's Department
Olivia Plunkett	- Town Clerk'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**

Apologies for absence were received from James St John Davis and Deputy Christopher Boden.

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

There were no declarations.

### **3. MINUTES**

**RESOLVED** – That, subject to an amendment noting Ruby Sayed's apologies, the public minutes and non-public summary be agreed as a correct record.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

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

**RESOLVED** – That, the report be noted.

5. **COMMITTEE WORK PROGRAMME**

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

It was noted that a report on the tender approach would be considered at the next meeting in September.

**RESOLVED** – That, the report be noted.

6. **AUDIT & RISK MANAGEMENT ANNUAL REPORT 2024-2025**

The Committee considered a report of The Chamberlain concerning the Audit and Risk Management Committee 2024-2025 Annual Report on activity up to 31 March 2025.

Members praised the report's clarity and readability, highlighting the strong link between risk and assurance. However, it was suggested the report could benefit from further detail on management's view of the robustness of the control framework, particularly considering assurance findings and recommendations made during the year. Officers acknowledged the feedback and reiterated the collaborative nature of the report's preparation. They noted that the control framework's adequacy had emerged as a theme in discussions with both the committee and the Finance Committee and agreed it could be a focus for future reporting.

Officers referred to the limited red assurance opinion on page 29, noting that while controls were well designed, their application had been inconsistent. They expressed confidence that the issue had been appropriately reported and that the committee was taking necessary action.

A Member raised a suggestion for future reports to include information on FT resourcing levels, such as the number of personnel involved in internal audit and anti-fraud activities. Officers agreed this could be considered, possibly as an appendix.

**RESOLVED** – That Members, agree the 2024/25 Annual Report of the Audit and Risk Management Committee at Appendix 1 for onward submission to the Court of Common Council.

7. **INTERNAL AUDIT UPDATE**

The Committee received a report of the Group Chief Internal Auditor concerning an update on Internal Audit activity between 1 April 2025 and 30 June 2025.

A Member raised concerns about recurring control weaknesses in procurement and school financials. Officers explained this stem from poor application of

controls and a lack of second-line compliance functions. A report is being prepared for SLT to address this organisational gap.

Two limited assurance areas were discussed. At Tower Bridge, issues were mainly administrative, with positive officer engagement. At the City of London School, a £430k underbilling was linked to poor bank reconciliation. Recovery is planned via August direct debits, though pace has been slow due to sensitivities around parent communications. Repairs and maintenance in Community and Children's Services showed little progress. A revisit is recommended due to possible changes in procurement.

A Member queried the seriousness of the reconciliation issue and noted increased audit activity. Officers confirmed improvements in pace and output, with nine reviews in Q1. Another Member asked about audit selection and timelines. Officers said audits are risk-based and typically take three months. Follow-ups occur one month after the latest target date.

Members stressed the need for audit recommendations to be reported to relevant committees, especially if delayed. Officers supported this, suggesting a three-month threshold for escalation. Members highlighted systemic issues and the importance of accountability.

**RESOLVED** – That, the report be noted.

8. **CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS UPDATE 2024/25**

The Committee received a report of The Chamberlain concerning an update on the publication and audit of the 2024/25 Draft Statement of Accounts for the City Fund and Pension Fund.

**RESOLVED** – That, the report be noted.

9. **COUNTER FRAUD & INVESTIGATIONS ANNUAL REPORT 2024/25**

The Committee received a report of the Group Chief Internal Auditor concerning the Counter Fraud & Investigations Annual Report.

Officers explained that savings are calculated using a national formula and reflect the estimated costs avoided through tenancy fraud investigations. They emphasised the value of recovering properties to support social housing needs and reduce temporary accommodation costs. A communications plan is being developed to raise awareness among residents, including posters, leaflets, and monthly emails.

On whistleblowing, Officers outlined the new "Freedom to Speak Up" platform, which allows anonymous two-way communication. Concerns are triaged to assess eligibility for protection under the Public Interest Disclosure Act, with HR support where needed. Volumes of concerns remain consistent, though may increase with the new system.

Members requested a clearer financial analysis. Officers reported that approximately £160,000 is spent annually on counter fraud work, with outcomes valued at £406,000. They acknowledged the difficulty in quantifying prevention benefits but noted plans to track impacts such as tenancies made available due to fraud prevention.

Concerns were raised about the limited focus on housing fraud. Officers explained that while the team is small, contract managers are responsible for fraud controls in procurement. Internal audit conducts spot checks, and significant fraud has been identified and addressed before becoming material.

Members encouraged inclusion of ROI benchmarks and qualitative benefits in future reports. Officers confirmed that a communications strategy is underway to raise awareness of the whistleblowing programme, with support from internal comms and Member Services.

**RESOLVED** – That, the report be noted.

**10. NEW & REVISED ANTI-FRAUD & CORRUPTION STRATEGY**

The Committee received a report of the Group Chief Internal Auditor concerning the new & Revised Anti-Fraud & Corruption Strategy.

A Member queried the timing of the update, referencing the covering note's statement that the current strategy was no longer fit for purpose due to changes in the risk profile. In response, officers explained that while the existing strategy had served its purpose, the new version introduces a more dynamic and measurable approach aligned with evolving risks, including those arising from economic conditions and upcoming legislation such as the Corporate Transparency Act and failure to prevent fraud provisions. The revised strategy sets out a clear improvement path over a three-year period and includes a communications plan, awareness training, and proactive reporting mechanisms. Officers also highlighted the importance of behavioural change, tone from the top, and the success of fraud risk workshops and induction learning.

**RESOLVED** – That, the report be noted.

**11. RISK MANAGEMENT UPDATE**

The Committee received an update report from the Chief Strategy Officer on the City of London Corporation's risk management, including the corporate and top red departmental risk registers, since last reported to the Committee in May 2025.

There was a discussion about the direction of two corporate risks (CR35 *Unsustainable Medium-Term Finances (City Fund)* and CR02 *Loss of Business Support for the City*). It was noted that the Chief Officer Risk Management Group was monitoring sector trends and that CR02 is in the process of being reviewed to ensure clarity, relevance, and robustness of mitigations. In relation to CR02, a Member queried the definition of "the City" and it was clarified that the term refers more broadly than just the City Corporation.

A Member asked about an escalated red departmental risk related to the Department of Community and Children's Services major works programmes and its link to the Housing Revenue Account (HRA). It was confirmed that the risk was linked to the HRA. Mitigations include improving financial forecasting confidence, securing additional funding and/or reprioritising works, strengthening governance, and ensuring cross-departmental collaboration to address HRA pressures. Tracking is in place via service committees, with updates to this committee focusing on mitigation robustness. Target dates for reviews and mitigation actions are embedded in the reporting system.

In response to a question about CR16 *Information Security*, specifically the threat of ransomware, it was explained that the Chief Officer Risk Management Group routinely assesses whether risks may warrant escalation to corporate level. Risks are reviewed holistically with internal and external factors considered. Updates continue to be reported back to the relevant service committee when changes occur.

**RESOLVED** – That, the report be noted.

12. **RISK MANAGEMENT STRATEGY 2024-2029**

The Committee received a report of the Chief Strategy Officer concerning a review of the first year's impact of the Risk Management Strategy.

The positive feedback from officers on the activities during the first year of the Risk Management Strategy was well received by Members. Members praised the behavioural changes observed and requested future updates to include more evidence of risk being used as an enabler. Officers noted that feedback indicated increased cross-departmental collaboration and leadership engagement, with risks now being identified proactively rather than reactively.

**RESOLVED** – That, the report be noted.

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

There were no questions.

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

There was no urgent business.

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. **MINUTES**

**RESOLVED** – That, the non-public minutes of the meeting held on 12 May 2025 be agreed as a correct record.

17. **NON-PUBLIC APPENDIX**

**RESOLVED** – That, the non-public appendix to be read in conjunction with item 11 be noted.

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

There were no non-public questions.

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

There was one item of urgent business in relation to the recruitment of an external Member to the Audit and Risk Management Committee.

**The meeting ended at 12.21 pm**

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Chairman

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