

## **THE LONDON BOROUGH OF CAMDEN**

At a meeting of the **AUDIT AND CORPORATE GOVERNANCE COMMITTEE** held on **THURSDAY, 3RD APRIL, 2025** at 7.00 pm in Committee Room 2, Town Hall, Judd Street, London WC1H 9JE

### **MEMBERS OF THE COMMITTEE PRESENT**

Councillors Meric Apak (Chair), Steve Adams, Nasim Ali, Richard Cotton, Judy Dixey, James Slater and Nanouche Umeadi and Fehintola Akinlose and Alan Layton (Independent Members)

### **MEMBERS OF THE COMMITTEE ABSENT**

Councillors Matt Cooper, Nazma Rahman and Lorna Jane Russell

**The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the Audit and Corporate Governance Committee and any corrections approved at that meeting will be recorded in those minutes.**

### **MINUTES**

#### **1. APOLOGIES**

Apologies for leaving early were received from Councillor Ali.

#### **2. DECLARATIONS BY MEMBERS OF STATUTORY DISCLOSABLE PECUNIARY INTERESTS, COMPULSORY REGISTERABLE NON-PECUNIARY INTERESTS AND VOLUNTARY REGISTERABLE NON-PECUNIARY INTERESTS IN MATTERS ON THIS AGENDA**

There were no declarations of interest.

#### **3. ANNOUNCEMENTS (IF ANY)**

##### **Webcasting**

The Chair announced that the meeting was being broadcast live by the Council to the internet and could be viewed on the website for twelve months after the meeting. Anyone addressing the meeting was deemed to be consenting to having their contributions recorded and broadcast.

## **Order of agenda**

The Chair proposed, and it was agreed, that Item 8 (Risk Deep Dive – Increasing Homelessness) be taken as the first substantive item of business.

### **4. DEPUTATIONS (IF ANY)**

There were no deputations.

### **5. NOTIFICATION OF ANY ITEMS OF BUSINESS THAT THE CHAIR DECIDES TO TAKE AS URGENT**

There was no notification of urgent business.

### **6. MINUTES**

#### **RESOLVED –**

THAT the minutes of the meeting held on 20<sup>th</sup> February 2025 be approved and signed as an accurate record.

### **7. PRINCIPAL RISK UPDATE**

Consideration was given to a report of the Executive Director Corporate Services.

In response to a question regarding whether effective communication within the Council was an area of risk, the Head of Internal Audit, Investigations and Risk Management explained the process for identifying principal risks and remarked that the fact it was not currently included meant that the Council's management team did not currently consider it to be a principal risk. However, she would feed back to them that the issue of communication had been raised as a possible area of concern.

**ACTION BY:           Head of Internal Audit, Investigations and Risk Management**

The Director of Finance advised that multi-year financial settlements for local government were expected to begin in 2026/27, which it was hoped would bring greater certainty around funding levels. On the impending inspection by the Housing Regulator, he remarked that a considerable amount of work was taking place, not only on restructuring the Housing service, but also on responding to the points made in the notice of inspection, but he would come back with a fuller answer on the preparations taking place.

**ACTION BY:           Director of Finance**

Members of the Committee briefly discussed potential topics for a risk deep dive report to the November meeting of the Committee and agreed that the topic would be climate resilience.

**ACTION BY:            Executive Director Supporting Communities**

**RESOLVED –**

- (i)     THAT the report be noted; and
- (ii)    THAT a principal risk deep dive report on delivering net zero carbon and improving climate resilience be brought to the November meeting of the Committee.

**8.     RISK DEEP DIVE - INCREASING HOMELESSNESS**

Consideration was given to a report of the Executive Director Supporting Communities.

In response to questions regarding the restructure of the Housing team, officers remarked that, whilst recruitment was taking place, the team was using agency staff and staff on fixed term contracts, and was prioritising key services such as health and safety until such time as there was a full complement of staff. The housing patches were being realigned into five neighbourhoods and there was a great deal of other work in the pipeline, but in the interim basic services were being covered. In relation to the procurement of housing in the private rented sector, there was a significant challenge around supply of affordable housing and competition from other boroughs and organisations such as the Home Office. The Council was working with London Councils on lobbying the government for a national procurement process to mitigate some of the competition issues and it also might become necessary to seek accommodation further away from the borough where it was more affordable.

Members expressed concern about the difficulty of getting onto the waiting list for housing, the need for larger family homes and the apparent increase in homelessness in the borough as evidenced by a number of homeless encampments. Officers remarked that part of the intention of the restructure was to move from a crisis management position to a more pro-active, preventative approach to enable a much quicker response to the risk of homelessness to prevent it happening in the first place. In relation to housing supply, the family friendly scheme was looking to sell properties that were no longer viable in order to buy bigger properties. The Director of Housing remarked that marginal improvements to the service would not solve the fundamental issues, and national input and a collective approach was needed to do that. Officers were working with colleagues in adult social care to think about how to help those living in homeless encampments in the borough, given that there was an insufficient supply of move on opportunities. The housing allocations scheme was being reviewed, but the fundamental issue was that there was an

insufficient supply of housing and so difficult choices would have to be made. There would also be a sheltered housing review later in the year and consideration was also being given to reviewing the priority for homeless households. The Peer to Peer review of private rented procurement was being done by the Head of Service from Hounslow Council who was well respected in the field, and would help ensure that this relatively new area of work was done well. Void turnaround times had reduced since the new voids process was introduced but there was still more work to be done.

**RESOLVED –**

THAT how this risk is being managed be noted.

**9. DRAFT 2025-26 INTERNAL AUDIT AND INVESTIGATIONS PLAN**

Consideration was given to a report of the Executive Director Corporate Services.

In response to questions, officers made the following points:-

- The Team was working closely with colleagues in housing on the issues identified with the quality of responses to complaints about voids and damp and mould and there would be more detail on this in the Annual Report coming to the next meeting.
- The introduction of the Global Internal Audit Standards was not expected to lead to much change for the service, which was already largely compliant, with only some small adjustments required.
- Although the plan for the year might look a little uneven, Audit owners would be informed imminently that they were on the plan and detailed scheduling would begin. Quarter 1 was kept relatively free for closing off and follow up activity, which is why Quarter 2 looked rather busy at this point, and the plan was considered realistic.
- There was no risk to Camden from the de-merger of the shared audit service as the Head of Service would be coming back to Camden full time. In the run up to that, she was focussing on ensuring a smooth handover and transition on the Islington side.
- There would be update on the follow up review on modern slavery in the report to be next meeting.

**RESOLVED –**

THAT the contents of the report be noted and the following be approved:-

- (i) The Internal Audit Strategy at Appendix A of the report;
- (ii) The Internal Audit Charter at Appendix B of the report;

- (iii) The 2025-26 Internal Audit Plan at Appendix C of the report;
- (iv) The Principal Risk Assurance map at Appendix D of the report; and
- (v) The 2025-26 Annual Investigations Plan at Appendix E of the report.

## **10. INTERNAL AUDIT FOLLOW UP UPDATE 2024-25**

Consideration was given to a report of the Executive Director Corporate Services.

Members expressed concern about the how long the follow up work around damp and mould had been going on for, and considered that they would find it helpful to hear from the service itself as to why this was the case. Officers undertook to set up an informal session for Members of the Committee to meet with key officers.

**ACTION BY:           Head of Internal Audit, Investigations and Risk Management**

In relation to the audit of the Chalk Farm Tenant Management Organisation (TMO) which had resulted in a no assurance rating following the original audit, and the fact that only moderate progress had been made since then despite the completion of three follow ups, officers remarked that the audit had resulted in 17 recommendations and at least 30 actions, so there was a great deal of work to be done. The Audit Team had a good relationship with the TMO but there had been a lot of staff turnover and progress had been slow. That said, moderate progress was reasonable in the context of a TMO. In relation to the follow up work on the Housing Voids audit, there would be an update in the report to the next meeting of the Committee.

## **RESOLVED –**

THAT the report be noted.

## **11. AUDITOR'S ANNUAL REPORT FOR 2023/24 AND AUDIT STRATEGY UPDATE**

Consideration was given to a report of the Executive Director Corporate Services.

The Audit Manager from Forvis Mazars, the Council's external auditor, reported that there was an error in the graph on page 14 of the agenda and number 3 should say 'valuation of investments within level 3 of the fair value hierarchy'.

A Member expressed concern about the statement on page 110 stating that the auditors had not gained sufficient assurance to issue an unqualified opinion on the Pension Fund accounts. The Financial Reporting Manager assured Members that the Financial Reporting Council and the Ministry of Housing, Communities and Local

Government had said that authorities receiving such an opinion should not be adversely judged, and it should not be taken as an indication that there was any cause for concern. The issue was simply that there had been insufficient time to complete all the work needed due to the statutory deadline for publication of the accounts.

The Audit Partner from Forvis Mazars commented that great progress had been made over recent years and he did not consider that there was any cause for concern. In relation to why there was a qualified opinion on the Pension Fund accounts but a disclaimed opinion on the Council accounts, he explained that the Pension Fund accounts were much simpler and the auditors had been able to test two years' worth of investment, giving sufficient assurance to issue a qualified opinion.

**RESOLVED –**

- (i) THAT the Annual Audit Report for the 2023/24 financial year, at Appendix A of the report, be noted;
- (ii) THAT the update on the audit strategy for the Council for 2024/25 be noted; and
- (iii) THAT the audit strategy for the Pension Fund for 2024/25, at Appendix B of the report, be approved.

**12. ACCOUNTING POLICIES FOR THE STATEMENT OF ACCOUNTS 2024/25**

Consideration was given to a report of the Executive Director Corporate Services.

In response to a question about whether officers had any fundamental concerns about the accounting policies, the Chief Accountant remarked that the main issue was the implementation of Internal Financial Reporting Standard 16 (IFRS16) and this would be carried out for the 2024/25 accounts. The Audit Partner for Forvis Mazars remarked that IFRS16 was likely to be a challenge where authorities had Private Finance Initiative (PFI) Schemes and Camden did have one or two PFI schemes, but this was less of a challenge in terms of the accounting policies themselves and more of a challenge in terms of practice. The Chief Accountant added that the Council had appointed an external audit and accounting firm to update the PFI accounting models for IFRS16.

**RESOLVED –**

- (i) THAT the Accounting Policies set out at Appendix A for the financial year 2024/25 be approved; and
- (ii) THAT authority to the Executive Director Corporate Services, following consultation with the Chair of the Committee, to approve any further

amendments to the accounting policies that are found to be required during preparation of the accounts, noting these will be reported to the Committee when the accounts are presented for approval.

### **13. WORK AND TRAINING PLAN AND ACTION TRACKER**

Consideration was given to a report of the Borough Solicitor.

The Democratic Services Manager observed that, due to the clearance of the audit backlog, the 2025/6 work programme was looking considerably more manageable than that of 2024/5, but this could of course be kept under review.

In relation to the Annual Review of the Committee's Effectiveness, the Director of Finance remarked that this would be relatively light touch, following last year's in depth review session, and he would be sharing some proposals for this in advance of the meeting.

**ACTION BY:            Director of Finance**

#### **RESOLVED –**

- (i) THAT the work plan for 2025/26 as set out at Appendix A be noted;
- (ii) THAT the training programme set out at paragraph 3.4 of the report be noted;  
and
- (iii) THAT the action tracker for actions arising from the last meeting be noted as per Appendix C.

### **14. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT**

There was no urgent business.

The meeting ended at 8.44pm.

**CHAIR**

***Audit and Corporate Governance Committee - Thursday, 3rd April, 2025***

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**MINUTES END**