

THE LONDON BOROUGH OF CAMDEN

At a meeting of the **AUDIT AND CORPORATE GOVERNANCE COMMITTEE** held on **THURSDAY, 5TH FEBRUARY, 2026** at 6.30 pm in Committee Room 2, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE COMMITTEE PRESENT

Councillors James Slater (Chair), Matt Cooper (Vice-Chair), Steve Adams, Janet Grauberg, Samata Khatoun and Nanouche Umeadi and Fehintola Akinlose and Alan Layton (Independent Member)

MEMBERS OF THE COMMITTEE ABSENT

Councillors Nasim Ali, Richard Cotton, 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 absence were received from Councillors Ali, Cotton, and Russell.

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

Agenda Item 11 - Camden Learning - Annual Accounts 2024/25

Councillor Janet Grauberg declared for transparency that she did freelance consultancy and Camden Learning was one of her clients.

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.

4. DEPUTATIONS (IF ANY)

The Chair reported that one deputation request had been received in relation to the 2023/24 Accounts. The deputation request was refused because the matters raised had been sufficiently addressed previously.

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

There was no notification.

6. MINUTES

Consideration was given to the minutes of the previous meeting.

RESOLVED –

THAT the minutes of the meeting held on 27 November 2025 be approved and signed as a correct record.

7. RISK DEEP DIVE - CLIMATE

Consideration was given to the report of the Executive Director Investment, Place and Opportunity, which was introduced by the Head of Climate, Air Quality and Energy and the Climate Adaptation and Resilience Lead.

Officers provided the following responses to questions:

- Climate adaptation plans had been developed for schools in the Somers Town area and would be rolled out more widely across Camden subject to resources
- Many school buildings were old and particularly vulnerable to heat, and that adapting them was difficult without major investment and past investment had focused mainly on reducing carbon emissions and energy use, and that future projects needed to address heat risk at the same time.
- Two Somers Town schools had adopted measures from their adaptation plans, including installing solar film on windows to provide temporary shading.
- The cool spaces programme had been designed to support vulnerable residents during extreme heat.
- Public realm improvements were key to mitigating climate risks, as greening streets and open spaces helped cool local microclimates.

- Camden's sewer network was old and not designed for current rainfall levels and residents were advised to slow the flow of rainwater into the system, for example by using rainwater butts.
- Successful community-led flood action groups in South Hampstead and South End Green had shared knowledge and identified vulnerable neighbours.
- The Environment Agency and London Fire Brigade were running a pilot in Camden to distribute flash flooding leaflets and collect information on vulnerable residents and access needs.
- Camden measured and reported borough-wide CO₂ emissions, based on government meter point data for electricity, gas and vehicle use within Camden's geographical boundary.
- The dataset had been available since 2008 and was considered robust.
- A link to the government data source could be shared with Committee Members after the meeting.
- The 2023 South Hampstead flooding incident had been caused by a burst Thames Water main rather than climate change. Thames Water had since replaced the main, improved infrastructure, and installed non-return valves to prevent sewer surcharging.
- The South Hampstead area was identified as a Local Flood Risk Zone with enhanced planning requirements and was part of the London "Flood Ready" programme and one of two priority catchments.
- Officers reported that £1.5 million was available across the central London catchment area of which Camden is a member for cross-borough drainage schemes, including projects near Belsize Road and in South Hampstead. Thames Water was a contributing partner to this fund.
- Thames Water's AMP8 capital programme used a data-led approach to select infrastructure for renewal.
- The Council's Highways and Street Works Teams reported local data to Thames Water, including information from recent pipe bursts and other incidents.
- Thames Water retained overall responsibility for asset selection but reported annually to the Culture and Environment Scrutiny Committee and were due to attend the meeting of this committee that was scheduled for 23 February 2026.

RESOLVED –

THAT the Committee note how the risk is being managed.

8. RISK DEEP DIVE - CYBER AND DATA SECURITY

Consideration was given to the report of the Executive Director Corporate Services, which was introduced by the Chief Experience & Information Officer and the Head of Technology.

Officers provided the following responses to questions:

- When a phishing email was correctly reported through the Hoxhunt Training Programme, users received positive feedback and short guidance explaining why their action was correct, while incorrect responses triggered more detailed training.
- A new contract for data backup was being tendered, as the current one was due to end. The main challenge was the volume of data and statutory retention requirements.
- To provide context, it was explained that network drives alone held around 40 terabytes of unstructured data (e.g. documents owned by teams). Data stored in Microsoft 365 was not completely unprotected, as it could be recovered through e-discovery tools or recycle bins, but including that data in backups would be extremely expensive.
- All critical systems used by services such as social care and housing, which were fully protected on the Rubrik platform.
- Senior Leaders recognised the evolving cyber risks and therefore had consistently supported investment in this area since April 2021.
- Camden used ISMS Online to manage its Information Security Management System (ISMS), tracking all contracts, associated security assessments and risks. Security Assessments had increased from around 20 per year in 2022 to 80 in 2025. The team responsible for undertaking these reviews had grown from one to three members of staff, reflecting the increased priority placed on this work.
- Some pan-London systems (e.g. youth justice) held data from multiple boroughs and new procurement for such systems required consistent security standards, including multi-factor authentication, across all participating boroughs.
- The Council operated a layered security approach and carried out regular desktop incident exercises to test readiness. In the event of a serious incident, systems would be shut down immediately, with recovery actions following.
- Camden was regarded as a leading borough in cybersecurity and shared learning with other authorities.
- Generative AI had increased social engineering risks by enabling large-scale, sophisticated phishing and manipulation and staff education was a key defence against this risk.
- Web filtering using Microsoft Defender had been implemented, which blocked access any tools with a risk score above 7. This system was dynamic, with tools being blocked or unblocked based on risk.
- Sensitive systems required additional controls beyond standard logins, including multi-factor authentication, and all critical systems were linked to single sign-on. All user activity was monitored and logged.
- Compromised accounts were automatically disabled and flagged for investigation.
- Engagement with Hoxhunt training was around 60% across approximately 5,500 user accounts and performance data was reported to Directors and Heads of Service.

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- Cyber awareness sessions had been delivered in seven secondary schools, extending learning into the community.

The Committee wish to discuss the Part II Appendix so passed the following resolution:

RESOLVED –

THAT the press and public be excluded from the proceedings of the Audit and Corporate Governance Committee on 5 February 2026 during consideration of item 8 on the agenda on the grounds that it is likely, in view of the nature of the business to be transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Specifically -

Publicity in respect of item 8 would be likely to lead to the disclosure of information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime by virtue of Category 7 of Schedule 12A of the Local Government Act 1972 (as amended).

PART II

Officers responded to questions from Members of the Committee in relation to the information set out in the Part II appendix.

PART I

The Committee returned to open session, and it was

RESOLVED –

THAT the Committee note how the risk is being managed.

9. ANNUAL GOVERNANCE STATEMENT 2024/5

Consideration was given to the report of the Executive Director Corporate Services, which was introduced by the Chief Accountant and the Financial Reporting Manager.

Responding to a question about homelessness and housing revenue account (HRA) spending pressures, the Director of Finance confirmed the internal audit plan would be reviewed to check what coverage existed in those areas and noted that internal auditors routinely carried out work on financial resilience each year, which would include the HRA and general fund and the nature of significant budget pressures.

Responding to a follow up question, officers clarified the position on the delayed audit of homelessness and temporary accommodation and reported that a productive scoping meeting had already taken place, with the audit now expected to begin in Quarter 4 of 2025/26 and report in Quarter 1 of 2026/27. The Director of Finance added that his expectation was that the audit would be completed within that timeframe and that progress could be monitored through the normal audit reporting cycle, including the annual internal audit plan and external audit strategy.

In response to concerns about governance issues relating to the HRA and temporary accommodation, officers confirmed that these were not about a failure to trace or account for money. Instead, they reflected the scale of spending and the significant diversion of resources from other areas due to demand pressures.

The external auditor added that the matters raised were reflected in the accounts and related to the 2024/25 statement of accounts. They confirmed that they were satisfied that the annual governance statement was appropriately prepared.

Responding to a question about the formal objection to the governance statement, the external auditor explained that provisional views on the objection had been issued two to three weeks earlier, after which a 21-day period was allowed for further representations. A lengthy response had since been received, which now needed to be considered before a final view could be reached. Despite this, the auditor confirmed that there was no issue with the Committee approving the annual governance statement, with delegated authority for any minor final amendments.

RESOLVED –

THAT the Committee:

- i) Approves the Annual Governance Statement for 2024/25 at Appendix A; and
- ii) Delegates authority to the Director of Finance to make any final minor amendments to the Annual Governance Statement prior to the publication of final documents for the Statements of Accounts for 2024-25.

10. 2024-25 STATEMENT OF ACCOUNTS AND AUDIT COMPLETION REPORT

Consideration was given to the report of the Executive Director Corporate Services, which was introduced by the Chief Accountant and the Financial Reporting Manager.

Officers provided the following responses to questions:

- A much clearer understanding of the IFRS 16 (leases) standard had been achieved. Its implementation had been complex and, as expected, had materially affected the accounts. Lessons had been identified to improve data capture in this area in future years.

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- Completing several audits in a short period had highlighted opportunities for improvements with accounts preparation and presentation and addressing audit requirements and processes.
- A meeting would be held between the external auditor and the Finance team to capture lessons learned from this audit and improve future processes.
- Once the current accounts were finalised, the focus would move to strengthening the 2025/26 year-end process and sharing learning across the department.
- Movements in unusable reserves were driven by technical accounting adjustments, including pension liability valuations, asset revaluations and depreciation, which caused year-on-year volatility.
- Most of the reduction relating to earmarked reserves came from planned drawdown to support the capital programme and business grant schemes.
- The General Fund balance had increased by £1.5m per year in line with an agreed policy, demonstrating financial resilience.
- The reserve movements were understood, planned for and reflected in the Council's long-term financial planning and Treasury Strategy.
- The Council was keen to engage in sector-led work to improve the presentation and transparency of local authority accounts.

The External Auditors provided the following responses to questions:

- Despite downward trends in reserves, no value for money concerns had been identified in relation to the Council's financial sustainability.
- Reductions in reserves were common across councils due to financial pressures and that the Council's approach to managing reserves had not raised concern.
- The accounts were complex and national reforms were underway to improve transparency and accessibility.
- A multi-year approach to rebuilding audit assurance would be developed; however, this would not be a one-year process and would require sustained work over several years.
- The Committee would be updated once a timeline had been agreed.
- Earlier statutory backstop deadlines would increase pressure, and this would be addressed through future audit strategy planning.

RESOLVED –

- i) THAT the external auditor's draft completion report for the 2024/25 accounts at Appendix A of the report be noted;
- ii) THAT the 2024/25 Statement of Accounts at Appendix B be approved;
- iii) THAT the Director of Finance, following consultation with the Chair of the Audit and Corporate Governance Committee, be authorised to approve any remaining amendments to the Statement of Accounts as the auditors complete any final outstanding matters;
- iv) THAT the Chair of Audit and Corporate Governance Committee be authorised to sign the 2024/25 Statement of Accounts; and

- v) THAT the 2024/25 Summary Accounts presented at Appendix C of the report be noted.

11. CAMDEN LEARNING - ANNUAL ACCOUNTS 2024/25

Consideration was given to the report of the Executive Director Corporate Services, which was introduced by the Director of Camden Learning.

Responding to a question about the level of surplus held by Camden Learning, the Camden Learning Chief Executive Officer advised that this had been recognised by the Board and was already a key part of strategic financial planning discussions. A new Finance and Operations Director had been appointed in the past year and had taken a more strategic approach to financial management, including presenting options for how the surplus could be invested.

It was clarified that the surplus was approximately 2.7% above the organisation's approved reserves, so while it appeared substantial, it was only slightly above the agreed threshold. It was emphasised that the money should ultimately benefit schools and was intended to be used to "seed fund" work across individual schools and partnerships.

In response to a follow up question, the Camden Learning Chief Executive Officer advised that Camden Learning was now planning to invest more directly in school innovation and collaboration. He added that further investment would also be directed towards key priority areas, including attendance support and improving standards at Key Stage 4.

In response to a query about significant year-on-year fluctuations in liabilities shown in the notes to the financial statements, particularly relating to corporation tax and amounts due to Camden, the Camden Learning Chief Executive Officer advised that he did not have the detailed information available at the meeting. He confirmed that he would consult the Finance Director and provide a written response in due course.

ACTION: Camden Learning Chief Executive Officer

RESOLVED –

THAT the Committee notes the report.

12. PAY POLICY STATEMENT 2026/27

Consideration was given to the report of the Director of People and Inclusion, which was introduced by the Employment and Total Reward Lead.

RESOLVED –

THAT the Committee recommends to Council that it agrees the Pay Policy Statement for 2026/27, as attached at Appendix 2 of the report.

13. MEMBERS' ALLOWANCES SCHEME 2026/27

Consideration was given to the report of the Director of Participation, Partnerships and Communication, which was introduced by the Head of Member Support.

Responding to a question, the Head of Member Support confirmed that the next report from the Independent Panel on Members' Allowances was expected the following year and that this would provide the next formal opportunity to review the members' allowances scheme and, as part of this process, the Committee could provide feedback on these proposals, which would be taken into consideration.

In response to a follow up question, it was confirmed that there had been changes to the dependent carers' allowance the previous year, as it was recognised the allowance offered previously was inadequate.

The Committee agreed that wider issues around diversity, representation and support available to councillors should be considered as part of a future review of allowances, as it was important that the allowances scheme made consideration for these issues.

The Committee acknowledged that following the next local government election (May 2026), a new cohort of councillors would be well placed to reassess whether the allowances scheme adequately supported working people, carers and those with disabilities.

RESOLVED –

THAT the Committee recommends that Council:

- i) Adopts the Members' Allowances Scheme as set out in Appendix A for the 2026/27 financial year;
- ii) Authorises the Director of Participation, Partnerships and Communication to take the necessary steps in the operation of the scheme to update and publicise the scheme; and
- iii) Authorises the Borough Solicitor to take the necessary steps to update the Constitution regarding the updated scheme

14. WORK AND TRAINING PLAN AND ACTION TRACKER

Consideration was given to the report of the Borough Solicitor.

RESOLVED –

THAT the Committee:

- i) Note that the work plan for the remainder of 2025/26 as set out at Appendix A and agree any amendments;
- ii) Note the training programme set out at paragraph 3.4 of the report and indicate whether there are any additional areas in which Members would like training during 2025/26; and
- iii) Note the action tracker for actions arising from meetings in 2025/26 as per Appendix C of the report.

15. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

There was none.

The meeting ended at 8.41 pm.

CHAIR

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MINUTES END