

## **THE LONDON BOROUGH OF CAMDEN**

At a meeting of the **AUDIT AND CORPORATE GOVERNANCE COMMITTEE** held on **WEDNESDAY, 2ND JULY, 2025** at 7.00 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, Nasim Ali, Judy Dixey, Nazma Rahman and Nanouche Umeadi; and Fehintola Akinlose and Alan Layton (Independent Members)

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

Councillors Richard Cotton, Samata Khatoon 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 Cotton, Khatoon 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**

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.

**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.

**6. MINUTES**

**RESOLVED –**

THAT the minutes of the meeting held on 3<sup>rd</sup> April 2025 be approved and signed as a correct record.

**7. INTERNAL AUDIT ANNUAL REPORT 2024-25**

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

In response to questions, the Head of Internal Audit, Investigations and Risk Management made the following remarks:

- Whilst it was the responsibility of individual service management to ensure that changes made as a result of audit findings were filtered down, follow up visits were carried out by the Audit Team which would flag any agreed audit actions that had not been implemented within the service.
- Property Management - contract management, referenced on page 27 of the agenda, was a specific area of procurement relating to housing. The Director had flagged it as a potential area of risk and had invited the team to carry out an audit. The follow up on the findings of that audit would take place in due course.
- The procurement audit was a follow up on an audit carried out two to three years ago and related to the corporate procurement team. The Property Management procurement audit related to Housing.
- The report covered a 14 month period, rather than twelve months, as there was always work ongoing in the April/May period and it allowed the most up to date information to be reported to the Committee.
- On the audit of concessionary travel, the management response to the findings had been received, allowing the rating to be shared with the Committee. No assurance did not mean that the service was not functioning, but rather that there were fundamental weaknesses in the system. Management had accepted the findings of the audit.

- The modern day slavery audit had been an audit of the Council team that worked to identify and escalating concerns about instances of modern day slavery.
- In relation to the fact that, after two follow ups, only moderate progress had been made on the findings of the audit of Medical Assessments (Housing), this was not indicative of a lack of engagement by the service, but rather of the complexity of the issues in that area, which other authorities in London were also experiencing.
- The Schools Financial Values Statement audit referred to on page 39 of the agenda was a reconciliation of school records for submission to the Department for Education and did not result in an audit rating.

The Director of Housing gave some more details of the work taking place to address on the findings relating to Medical Assessments and the reasons for the slow rate of progress, such as the need to substantially update the underlying IT system, and added that in the meantime there were workarounds in place and the backlog of assessments had been cleared. On allocation of void properties, the service was now doing pre-void letting, so that properties could be allocated whilst being made ready to let and this had cut down the turnaround time for voids substantially.

The Director of Property Management commented that there had been a huge volume of work taking place to address the findings of the damp and mould audit and the findings and action plan were a valuable resource informing the development of the service. The new Damp and Mould Policy had been published, and would be reviewed regularly, and data on homes was being added to through internal surveys, about 4000 property surveys having taken place so far this year. Capacity within the service and in the supply chain had both been issues and were being addressed, and work was underway to improve data management and governance. A lot of work had also taken place on improving procurement and contract management on high volume low value ad hoc contracts in housing.

A Member congratulated housing officers on the progress that had been made on improving allocations and voids turnaround and asked about the review mechanism. The Director of Housing commented that the allocations document was under constant review in order to be responsive to changing needs in the sector, and minor changes were made quite frequently, but there would be a full scale review of the document shortly.

A Member asked for reassurance that the underlying causes of the damp and mould issues were being addressed. The Director of Property Management remarked that there was now more targeted capital investment in order to try to reduce the revenue pressure and improve living conditions for tenants and leaseholders, and a great deal of thought was going into the investments and interventions taking place.

In response to a question regarding the ability to implement the recommendations on contract management, the Director of Property Management remarked that the larger mechanical and electrical contracts were stable with well established governance. There were challenges around getting best value on smaller procurements in a difficult economic environment where costs were unpredictable,

but officers were working on ensuring that contract variations were agreed in accordance with best practice.

**RESOLVED –**

THAT the report be noted.

**8. 2024-25 ANNUAL COUNTER FRAUD REPORT**

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

A Member remarked that there might be a case for advertising the fact that the Council prosecuted those suspected of blue badge fraud and officers undertook to give some thought to the suggestion.

A Member remarked on the fact that there was little detail about where controls had been enhanced as a result of investigations. The Head of Internal Audit, Investigations and Risk Management responded that more detail could be provided in writing after the meeting and in future annual reports.

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

In response to a question about the increase in ineligible right to buy requests, officers commented that this was due to a surge in applications ahead of the recent reduction in discount on right to buy purchases. The decrease in the number of properties recovered as a result of ineligible succession or assignment applicants was largely the result of a lack of resources being able to be made available for this work due to pressures elsewhere.

A Member of the Committee indicated that she wished to ask a question on the information contained in the confidential appendix to the report and therefore it was

**RESOLVED –**

THAT the press and public be excluded from the proceedings of the Audit and Corporate Governance Committee on 2<sup>nd</sup> July 2025 during consideration of this part 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.

**PART II**

Questions were asked and answered regarding the Metropolitan Police's responsiveness to requests from the Anti-Fraud and Investigations Team and the difficulty sometimes experienced in obtaining further information from whistleblowers.

## **PART I**

### **RESOLVED –**

THAT the report be noted.

#### **9. LONDON BOROUGH OF CAMDEN REMEDIES POLICY AND PROCEDURE COMPLAINTS (SERVICE FAILURE) PROPERTY MANAGEMENT**

Consideration was given a report of the Director of Property Management.

Members discussed the lift reimbursement policy, with some feeling that the amount of compensation proposed might be seen as inadequate. The Head of Property Customer Services and Engagement commented that the residents' panel had felt it to be a reasonable amount of compensation when combined with the new more proactive approach on lift breakdowns, and was in line with practice in other local authorities. In response to a question regarding the mechanism for claiming compensation, he commented that there was clear guidance available to tenants on how to claim.

A Member remarked that the compensation for delays that significantly affected a child's education was too prescriptive an amount for such a serious issue, as was the amount proposed for ongoing issues that seriously impacted health, safety or the ability to use a home. He considered that these amounts should be removed from the policy as they were not in proportion to the impact that tenants might experience in these circumstances.

The Head of Property Customer Services and Engagement remarked that part of the intention of the policy was to avoid the need to go down the legal disrepair route and to deal with these issues in a more relational way, and this was aligned with the approach being taken in other local authorities.

In response to an observation that many tenants were not aware that they could claim compensation, the Head of Property Customer Services and Engagement remarked that there was a full communications plan in place to make sure that residents were aware. Officers were also exploring the idea of automatic compensation in some circumstances and of offsetting compensation payments against rent arrears.

A Member observed that the policy could be adapted in the future in the light of experience if necessary, and it would also be open to the Housing Scrutiny Committee to scrutinise the operation of this policy once it had been in operation for some time.

On being put to the vote it was

**RESOLVED –**

THAT the report be noted and the revised London Borough of Camden Remedies Policy & Procedure Complaints (service failure) Property Management policy be approved.

**10. ANNUAL TREASURY MANAGEMENT OUTTURN REPORT 2024/5**

Consideration was given to a report of the Cabinet Member for Finance and Cost of Living.

In response to a question about whether maintaining the level of investment income achieved by the Council would require more active management in future, the Head of Treasury clarified that Camden's investments were already actively managed and the security of the Council's funds was the primary concern, followed by the availability of liquidity, and then yield. Responding to a question on how much headroom was left before current balances would need to be used in lieu of borrowing, the Director of Finance remarked that modelling took place on this regularly and there was currently five or six years of headroom before the Council would potentially need to borrow.

**RESOLVED –**

THAT the report be noted.

**11. EXTERNAL AUDIT STRATEGY 2024/25**

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

In response to questions, representatives of Forvis Mazars, the Council's external auditors, made the following comments:-

- The four audit risks identified in the report were much the same across all London councils as all had large pension liabilities and large asset bases requiring valuation. In relation to the new Leasing standard, Camden did not have many leases and the Private Finance Initiative liabilities were fairly small, so the Council was in a better position than others in that respect.
- The auditors were seeing more councils with financial sustainability risks but Camden was not currently one of those, and was also in a relatively good position in relation to borrowing.
- They were seeing more councils receiving adverse reports from social housing regulators, although these had not yet translated into audit risk in Camden.
- The National Audit Office guidance on rebuilding audit assurance, issued in June 2025, was quite complex, but did indicate that it would be more complicated for

authorities with more than one year's disclaimed accounts to rebuild assurance, and there were implications in particular for the way Council reserve balances were audited and verified. The team was in the process of turning the guidance into a methodology to rebuild assurance and would be sharing that with officers shortly. A report would then be brought to a subsequent meeting of the Committee to provide more detail.

- As a result of this complex guidance, Forvis Mazars would be taking a slightly different approach to audits this year. With multiple clients having to rebuild audit assurance, Forvis Mazars would be taking longer to complete council audits, spreading audit resources fairly among local authority clients. This meant that auditors and councils would have more time to tackle any issues, albeit with smaller audit teams.
- There was a good level of confidence that the 27<sup>th</sup> February 2026 backstop deadline would be met.

**RESOLVED –**

THAT the external audit strategy for the Council for 2024/25, as presented at Appendix A to the report, be approved.

**12. ANNUAL REVIEW OF THE COMMITTEE'S EFFECTIVENESS**

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

The Chair commented that the work plan for the committee was more manageable now that the accounts backlog had been cleared so this would hopefully alleviate the concerns some Members had expressed about having inadequate time to consider some reports. He added that he would pick up the point about liaising with Scrutiny Chairs to broaden the committee's perspective on key issues.

A Member suggested that when looking at external audit reports it might be helpful for Members to consider what questions they wished to ask in advance of each meeting and to send them through in writing so that officers could prepare detailed responses. The Director of Finance undertook to put a process in place for this ahead of the next external audit report coming to committee.

**ACTION BY:            Director of Finance**

**RESOLVED –**

THAT the report be approved.

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

Consideration was given to a report of the Borough Solicitor.

**RESOLVED –**

- (i) THAT the work plan for the remainder of 2025/26, as set out at Appendix A of the report, 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 meetings in 2024/5, as per Appendix C of the report, be noted.

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

There was no urgent business.

The meeting ended at 8.50pm.

**CHAIR**

**Contact Officer: Vicky Wemyss-Cooke**

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**MINUTES END**