

Audit Committee Minutes



Monday 9 June 2025

PRESENT

Committee members: Councillors Patrick Walsh (Chair), Lisa Homan, Callum Nimmo and David Morton

External Auditor – Grant Thornton

Paul Cuttle (Key Audit Partner)

Officers:

Sharon Lea (Chief Executive) (attended remotely)
Sukvinder Kalsi (Executive Director of Finance & Corporate Services)
Jacqui McShannon (Executive Director of People) (attended remotely)
David Hughes (Director of Audit, Fraud, Risk and Insurance) (attended remotely)
James Newman (Assistant Director of Finance)
Moir Mackie (Head of Internal Audit)
Andy Hyatt (Head of Fraud)
Jules Binney (Risk and Assurance Manager)
Tina Akpogheneta (Chief Digital Officer, Digital Services)
Liam Oliff (Committee Coordinator)

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Cllr Adrian Pascu-Tulbure.

Sharon Lea, Jacqui McShannon and David Hughes were attending remotely.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

The minutes of the meeting held on 10 March 2025 were agreed as an accurate record.

4. EXTERNAL AUDIT PLANS 2024/25

Paul Cuttle (Key Audit Partner – Grant Thornton) introduced the report which set out the audit plan for the London Borough of Hammersmith and Fulham (LBHF) and the LBHF Pension Fund. The process used to process the accounts was the same as previous years and the outcome was expected to be similar. The annual accounts were required to be published by the end of June, but it was expected that this would be done ahead of the deadline.

Councillor Callum Nimmo mentioned that there was a statutory backstop in place which was helping Councils which were struggling to publish their accounts and questioned whether this would be relevant for LBHF. Paul Cuttle explained that the backstop was not needed at LBHF, but that Councillor Nimmo was correct that this was being used by many Councils. He added that the intention at LBHF was to sign off accounts well in advance of the deadline.

Councillor Lisa Homan sought views on the impact of the volatility in the pension sector and the upcoming pensions bill on the Local Government Pension Scheme (LGPS). Paul Cuttle told the Committee that it was too soon to tell exactly what the impacts would be. Regarding market volatility, he added that most of the focus with the pension investment was focused on Level 3 Investments, which were hard to value, he added that the approach to auditing would not change.

The Chair mentioned that the timeline for submitting accounts set out in the report was an ambitious one and that there would be additional workload. He asked that given the difficulties of recruiting staff in the audit sector, whether Grant Thornton were confident that they would be able to deliver the necessary work, within the given timeframes. Paul Cuttle told Councillors that roughly 80% of the accounts which had been signed off in time had been done through Grant Thornton, he added that he was confident in the timescales and that they would be starting the work for this year's accounts immediately. Sukvinder Kalsi (Executive Director of Finance & Corporate Services) added his thanks to the work of Paul Cuttle and the team at Grant Thornton. He mentioned that they provided independent assurance that the LBHF Finances were well managed and that they had signed off 4 sets of accounts in 18 month period.

RESOLVED:

The Members noted the 2024/25 External Audit Plans for the London Borough of Hammersmith and Fulham Audit and London Borough of Hammersmith and Fulham Pension Fund Audit.

5. HEAD OF INTERNAL AUDIT ANNUAL REPORT 2024/25

Moir Mackie (Head of Internal Audit) presented the report which summarised the work of Internal Audit in 2024/25 and provided the opinion of the Director of Audit, Fraud, Risk and Insurance on the adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion was provided for the use of LBHF and is used to support its Annual Governance Statement. The report set out a consistent level of assurance being obtained and provided for 2024/25 through the work of internal audit.

Councillor Lisa Homan referred to page 105, paragraph 24 of the agenda pack and asked whether Councillors could be assured that the groups mentioned were effective when there were so many. David Hughes (Director of Audit, Fraud Risk and Insurance) explained that there were lots of boards mentioned as the officers were actively engaged with all these boards. He added that it was good to show that audit were involved at a senior level.

Councillor Lisa Homan referred to Appendix 4 on page 117 of the agenda pack and asked whether the implementation dates of June 2025 for the Climate actions were realistic. Moira Mackie said that they were optimistic implementation dates and that lots had changed since the audit was originally done. It was agreed that this topic could be brought back to September meeting of the Audit Committee, once the detailed follow up was complete.

ACTION: Moira Mackie

The Chair asked what happened once a department had been audited in terms of following up the recommended actions of the audit. Sharon Lea (Chief Executive) explained that Moira Mackie and the Senior Leadership Team (SLT) would look into the progress post audit and following that, the Chief Executive would chase the actions personally. The Chair asked Moira Mackie whether she would agree that there was support from SLT. Moira Mackie said there was good support from SLT. Sharon Lea added that there was a monthly SLT assurance meeting which was chaired by David Hughes and had items on the agenda to review audit statuses and outstanding actions. She mentioned that the line from SLT to departments that had been audited was that audits were an important check and challenge, and it is expected that the audit team would not have to chase actions.

RESOLVED:

That Members agreed to note the Head of Internal Audit's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control environment under paragraph 11 of the report.

6. CORPORATE ANTI-FRAUD SERVICE ANNUAL REPORT 2024/25

Andy Hyatt (Head of Fraud) introduced the report which provided an account of fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2024 to 31 March 2025 to minimise the risk of fraud, bribery and corruption occurring within and against the Council. The report also detailed activity and performance against the Council's Anti-Fraud and Corruption Strategy to assess its effectiveness, highlighted some of the current and emerging areas of fraud risk and provided an overview of the effectiveness of the Council's arrangements to minimise the risk of fraud. Between 1 April 2024 and 31 March 2025, the Council processed 92 new referrals and concluded 441 investigations. Conclusions varied from successful prosecutions to preventative measures, actions to deter fraud, or no further action if no wrongdoing was found. Out of the concluded cases, 112 resulted in positive outcomes related to preventing, detecting, or recovering fraud loss.

Councillor Lisa Homan asked about illegal TV streaming and sought further information on the topic. Andy Hyatt explained that there was a property within the Borough that was streaming football illegally to other residents. He added that 18% of the recovered money from the investigation would go to LBHF and that they were working closely with Sky and the Premier League.

Councillor Lisa Homan highlighted the issue of housing tenancy fraud and asked whether the Housing Associations were seeking help on this. Andy Hyatt told the Committee that LBHF had invested in a financial investigator to tackle this and were liaising with the Planning department. He added that Housing Associations had been getting their own investigators on board.

Councillor David Morton raised the issue of abandoned vehicles as well as untaxed and uninsured vehicles. He asked whether there was a mechanism to coordinate with the DVLA as usually Councillors were told that it was the DVLA's responsibility whenever they report an incident of this nature. Andy Hyatt explained that they did speak to the DVLA to gain intelligence on individuals but that there was not much coordination regarding abandoned vehicles. He agreed to have a further look at this after the meeting and liaise with Councillor Morton.

ACTION: Andy Hyatt

Councillor David Morton questioned the policy on squatting in commercial property and asked if it cost LBHF money to remove squatters as there was no legislation regarding commercial property like there was with residential property. Andy Hyatt agreed to liaise with the Community Safety Lead and the Metropolitan Police and come back to the committee with more information on this topic at a later date.

ACTION: Andy Hyatt

Councillor Callum Nimmo queried the trend in the figures regarding the number of properties that had been recovered due to fraudulent usage this year compared to the previous year. Andy Hyatt confirmed that the numbers were relatively even year-to-year.

Councillor Callum Nimmo asked how the majority of fraud cases were reported. Andy Hyatt told the committee that the way cases were reported varied, it was sometimes from maintenance workers who were working at the properties in question, there had also been reports from Councillors when canvassing.

The Chair sought more clarity on the calculation used to determine the loss to LBHF when there was fraud at a property and the gain when it was recovered. Andy Hyatt explained that it was a complicated formula and that he was happy to provide more details after the meeting.

ACTION: Andy Hyatt

Councillor Lisa Homan questioned whether there was a way to calculate the loss to LBHF of court cases being delayed and whether the loss could be recovered. Andy Hyatt told Members that there were routes such as a Civil Recovery, but that the most important action for the fraud team was to recover the property for proper

usage. He added that he would check with LBHF's legal team to seek the best route for recovering losses from delayed court cases.

RESOLVED:

That Members noted the report.

7. CYBER SECURITY UPDATE

Exclusion of the public and press

The Committee resolved, under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the exempt presentation, on the grounds that they contained the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighed the public interest in disclosing the information.

The Committee held further discussions in private session

RESOLVED:

That Members noted the Exempt Report and Appendix 1.

8. DATE OF NEXT MEETING

The Committee noted the date of the next meeting:

- 22 September 2025

9. EXCLUSION OF THE PUBLIC AND PRESS (IF REQUIRED)

Please see item 7.

Meeting started: 19.00

Meeting ended: 20.27

Chair

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