



Finance Committee APPENDICES PACK

Date: TUESDAY, 23 JANUARY 2018

Time: 1.45 pm

Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members:	Jeremy Mayhew (Chairman)	Gregory Lawrence
	Deputy Jamie Ingham Clark	Tim Levene
	(Deputy Chairman)	Oliver Lodge
	Randall Anderson	Paul Martinelli
	Alderman Nick Anstee	Deputy Robert Merrett
	Nicholas Bensted-Smith	Hugh Morris
	Chris Boden	Deputy Henry Pollard
	Mark Bostock	William Pimlott
	Deputy Roger Chadwick	Alderman Matthew Richardson
	Dominic Christian	Alderman William Russell
	Karina Dostalova	James de Sausmarez
	Simon Duckworth	Ian Seaton
	Alderman Peter Estlin	Sir Michael Snyder
	Sophie Anne Fernandes	Deputy James Thomson
	Sheriff & Alderman Timothy Hailes	Deputy Philip Woodhouse
	Caroline Haines	Sir Mark Boleat (Ex-Officio Member)
	Christopher Hayward	Deputy Catherine McGuinness (Ex-Officio Member)
	Deputy Tom Hoffman	Andrew McMurtrie (Ex-Officio Member)
	Michael Hudson	Deputy Alastair Moss (Ex-Officio Member)
	Deputy Wendy Hyde	
	Deputy Clare James	

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Lunch will be served for Members in Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

8. **REVISED FINANCIAL REGULATIONS**
Report of The Chamberlain.
For Decision
(Pages 83 - 116)
9. **RISK MANAGEMENT - TOP RISKS**
Report of The Chamberlain.
For Information
(Pages 117 - 124)
10. **CENTRAL CONTINGENCIES**
Report of The Chamberlain.
For Information
(Pages 125 - 128)
16. **21 NEW STREET FOR CITY OF LONDON POLICE**
Joint Report of The Chamberlain, The Commissioner of the City of London Police and The City Surveyor.
For Decision
(Pages 129 - 140)
20. **CITY'S ESTATE - ANNUAL STRATEGY UPDATE**
Report of The City Surveyor.
For Information
(Pages 141 - 162)
21. **BRIDGE HOUSE ESTATES - ANNUAL STRATEGY UPDATE**
Report of The City Surveyor.
For Information
(Pages 163 - 178)
22. **STRATEGIC PROPERTY ESTATE - ANNUAL UPDATE**
Report of The City Surveyor.
For Information
(Pages 179 - 188)

City of London Corporation

FINANCIAL REGULATIONS

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SECTION I. INTRODUCTION

[Standing Order 49](#) of Court of Common Council of the City of London Corporation (the City) states that:

1. The Financial Regulations form part of the City's overall system of financial management, accountability and control and shall be complied with all City of London Corporation staff.
2. The Financial Regulations are maintained by the Finance Committee.

This version of the Financial Regulations was approved by the Finance Committee on 23 January 2018.

Under the Financial Regulations, other financial instructions and guidance may be issued from time to time as appropriate by the Chamberlain and will form part of the Finance Manual and will have the force of Financial Regulations.

All staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

Failure to follow Financial Regulations or financial instructions issued by the Chamberlain under Financial Regulations may result in action under disciplinary procedures.

SECTION II. RECENT VERSION HISTORY

These Regulations builds on and replaces the September 2009 version of the Financial Regulations Part 1 & Part 2 and is intended to be a high-level document that provides a framework to support the City's statutory responsibility for managing its finances.

It also allows the City to further strengthen and improve its approach to finance management enhancing its ability to deliver its corporate aims and objectives successfully.

These regulations should be regularly updated to reflect changes within other policy areas and reference to these Financial Regulations should be made when replacing or updating other policy covered by these regulations.

Date	Comments
October 2005	Updated Financial Regulations
September 2009	Updated Financial Regulations and split Regulations into Part 1 & Part 2
January 2018	Updated Financial Regulations and Financial Regulations Part 2 developed into the Finance Manual.

SECTION 1. GENERAL

- 1.1 Any report to the Court of Common Council, its committees or its partners which has financial implications should be prepared in consultation with the Chamberlain who shall incorporate in the report such comments as considered necessary. Reports relating to financial matters shall be provided to the Chamberlain in sufficient time for consultation no less than 28 days before the date of the first meeting due to consider the report. The Chamberlain reserves the right to delay the submission of any report with Financial Implications which has not been submitted in time for adequate consideration.
- 1.2 These Financial Regulations use Local Authority compliance as the benchmark for all funds under the City's control, except where otherwise expressly provided for.
- 1.3 For all charities for which the City is Trustee, reporting and other regulations must follow guidance issued by the Charity Commission.
- 1.4 These Financial Regulations should be read in conjunction with any other instructions relating to financial management, accountability and control , particularly:
 - [Standing Orders of the Court of Common Council](#)
 - [The Scheme of Delegation](#)
 - [Corporate Project Procedures](#)
 - [Procurement Code and Rules](#)
 - [Employee Handbook](#)
 - [Data Protection Policies and Procedures](#)
- 1.5 The Deputy Chamberlain as Head of Profession for Finance in the City shall ensure these Regulations are kept up to date, and report to the Finance Committee recommending any changes considered necessary.
- 1.6 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and Finance Manual and that they comply with them.
- 1.7 All City staff have a responsibility to maintain the integrity and security of information which is under their control by virtue of their employment (including confidential and personal information, held in any format). All staff shall comply with the requirements of the DPA, GDPR and the City's policies and procedures in relation to data protection which can be found on the [Information Management Strategy](#). These requirements are explained in more detail in the Finance Manual.

SECTION 2. RESOURCE ALLOCATION, REVENUE ESTIMATES AND CAPITAL BUDGETS

- 2.1 [Standing Order 48](#) sets out the governance arrangements for resource allocation, revenue estimates and capital budgets. The Chamberlain is responsible for notifying Chief Officers on the timetable and processes for the preparation of the forthcoming year's resource allocation, revenue estimates, and capital budgets. Chief Officers shall supply such information to the Chamberlain as may be required so as to comply with the timetable and processes stipulated and prepare revenue estimates of income and expenditure in accordance with the budget policy determined by the Policy and Resources Committee and in consultation with the Chamberlain who shall critically scrutinise the estimates before submission to Service Committees.

Managing Budgets

- 2.2 Any deficit on the total of a Chief Officers local risk budgets is required to be carried forward, and recovered from within the department's budget allocation for the following year unless specifically waived by the Finance Committee. Subject to the prior approval of the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) surpluses on a department's local risk budgets may also be carried forward provided that these do not include any fortuitous savings outside the control of the Chief Officer, and, any cumulative underspending which is to be carried forward is limited to 10% of the Chief Officer's local risk budget, up to a general maximum of £500,000 or £1,000,000 in the case of the City Surveyor.
- 2.3 Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources Committee, such budgets do not include any contingencies. The budgets directly overseen by the Finance Committee therefore include central contingencies to meet unforeseen and/or exceptional items that may be identified across the City Corporation's range of activities. Requests for allocations from the contingencies should demonstrate why the costs cannot, or should not, be met from existing provisions.
- 2.4 Any requests for carry-forward from Central Risk budgets are required to be requested at first point from the Chamberlain. If approved, all such requests would then be provided to the Chairman of both Finance and Policy & Resources Committee for their consideration and potential approval. Applications for carry-forwards will be accessed by the following criteria:
- Carry forward requests can be up to 10% or £500k (whichever is the lesser) of the final agreed local risk budget excluding budgets brought forward from the previous year. However, the City Surveyor may carry forward up to £1m and the Chamberlain and Director of IT may each carry forward a maximum of £500k.
 - In respect of the above the City Schools, Police, the Barbican Centre (local risk budget), the Cemetery, and the Housing Revenue Account, are excluded as separate carry forward arrangements apply. In the case of the Barbican Centre Managing Director's financial target, surpluses of up to 15% of the local risk budget may be carried forward and the Managing Director may incur a deficit of up to £500,000 at

any one time.

- In respect of the Police Authority's Policing Plan budget, unspent balances, excluding variations in capital financing costs, shall be carried forward, subject to periodic review as to the level of balances.
- Fortuitous savings clearly outside the control of Chief Officers should not be eligible for carry forward; instead it should be demonstrated that underspends are the result of planned/managed strategies.
- Carry forward requests should be approved to fund a specific purpose.
- Each individual agreed carry forward is ring-fenced to the purpose specified.
- Unspent balances should generally only be carried forward and applied in the Fund in which they were generated.

2.5 In respect of the above financial regulation the City Schools, Police, the Barbican Centre (local risk budget), the Chamberlain's Information Technology (IT) Division, the Cemetery, and the Housing Revenue Account, are excluded as separate carry forward arrangements apply. In the case of the Barbican Centre Managing Director's local risk budget, surpluses of up to 15% of the local risk budget may be carried forward and the Managing Director may incur a deficit of up to £500,000 at any one time. The reasonableness of this level will be reviewed annually. With regard to the Chamberlain's IT budget surpluses or deficits, of the lesser of either £500,000 or 10% of the total IT departmental budget, may be carried forward.

2.6 Where a Chief Officer is unable to contain expenditure within his/her existing local risk resources due to essential growth (for example to meet a new legislative requirement) or a one off additional cost, a business case for a budget increase should initially be discussed with the Chamberlain to agree the potential funding strategy. A report will then be submitted to the relevant spending committee and Resource Allocation Sub Committee for approval.

2.7 Virement

- (a) Virement is the transfer of savings (or additional income) from one budget line to facilitate spending on another budget line. No Virement will be permitted between funds in the year, nor is virement normally allowed in respect of Central Risk budget lines. (Central Risk items include levies and precepts, investment income (including property), capital charges, central support costs, insurance, rating revaluation changes, grants/support earmarked for specific organisations/themes and centrally controlled and recharged IT expenditure.)
- (b) Chief Officers, or nominated Officers previously notified to the Chamberlain, are authorised to approve virements within funds for Local Risk budget estimates. These virements are generally only allowed up to a total of £500,000 in one financial year, but in the case of the City Surveyor this financial limit is £1,000,000 in one financial year. This being subject to the savings utilised not arising from any specific amount approved from the Finance Committee contingencies, or any sums specifically approved by the Policy and Resources Committee for Policy Initiatives. Chief Officers shall advise the

appropriate Committee and Finance Committee of any significant virements and gain prior approval if they raise significant policy issues or will result in total virements of any Chief Officer exceeding £500,000 (or £1,000,000 in the case of the City Surveyor).

- (c) This Financial Regulation on virements cannot be applied to Police Budgets of core activities directly funded by external bodies and can only be applied to finance and support costs.

SECTION 3. ACCOUNTING

- 3.1 All accounting procedures and financial records shall be determined by the Chamberlain, and any changes require the prior approval of the Chamberlain.

Separation of Duties

- 3.2 So far as possible, in the allocation of accounting duties, the following principles shall be observed: -
- (a) The duties of providing information regarding sums due to or from the City and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;
 - (b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

Assets:

- 3.3 The City owns and is otherwise responsible (whether or not as charity trustee) for a wide range of assets. For assets to appear on the balance sheet as qualifying items (or groups of items such as Cars) must be valued at £50,000 or more. Low monetary value assets may hold other important value and security must also be ensured on these items such as laptops and mobile phones.

Financial Statements:

- 3.4 Each Chief Officer shall make returns of outstanding expenditure and income in the form and by the date specified by the Chamberlain in the programme for the closure of the annual accounts as are referred to in 3.5 (b).
- 3.5 Procedures for the audit and publication of Financial Statements to the Court shall be as follows:
- (a) The financial year shall run from 1st April to 31st March.
 - (b) (i) The Auditors of the City's Cash, Bridge House Estates and Sundry Trust Funds Financial Statements are elected by Common Hall on Midsummer Day.
(ii) The Auditors of City Fund and Pension Fund Financial Statements shall be appointed by the Court of Common Council.
 - (c) The Auditors shall report to the Court of Common Council or Common Hall as appropriate, in writing upon completion of their audits.
 - (d) The Chamberlain shall submit the Financial Statements, duly certified, to the Finance Committee in accordance with statutory requirements, but within reasonable timescales as soon as business permits.
 - (e) The audited and published City Fund and Pension Fund Financial Statements should be presented to the Court of Common Council by 31st July together with the Financial Statements for Bridge House Estates. All other Charitable Trusts of

which the City is Trustee should present their Financial Statements to the Court of Common Council when available, [where the Charity Commission requires these to be produced](#). Bridge House Estates and City's Cash present their Financial Statements to the Court of Common Council before 31 January. All three Financial Statements are published on the website as well as the Sundry Trusts.

I.T. Systems

- 3.6 The Chief Officer concerned shall ensure that all financial information held on IT systems is properly maintained and capable of easy reconciliation to the central financial accounting system. IT systems should be brought together into combined systems where possible in accordance with the common systems principles outlined in the [Information Management Strategy](#).
- 3.7 Any IT system that is used to hold and/or organise personal data must be notified to the City's IT Information Officer and the Information Compliance Team.

SECTION 4. INTERNAL AUDIT

- 4.1 Responsibility for maintaining an adequate and effective system of internal control rests with the Court of Common Council, but has been delegated to the Chamberlain to make arrangements to provide an objective assurance opinion on the City's overall control environment, comprising risk management, control and governance by evaluating its effectiveness in achieving the City's objectives having regard to the functions being exercised in each case. This role is performed by the Internal Audit, Risk Management and Anti-Fraud section.
- 4.2 The Audit and Risk Management Committee shall approve the annual audit plans and receive regular reports on assurances provided and progress on the implementation of recommendations. The Audit and Risk Management Committee will also review the effectiveness of the Internal Audit service and the Head of Audit and Risk Management will ensure that a good working relationship with Members is established and maintained. The Head of Audit and Risk Management is required to report independently of the Chamberlain, having direct access to the Town Clerk and Chairman of the Audit and Risk Management Committee where necessary.
- 4.3 The Internal Audit function has unrestricted access to all City records and information, both manual and computerised, cash, stores and other City property or assets it considers necessary to fulfil its responsibilities. Audit may enter Council property and has unrestricted access to all locations and officers where necessary on demand and without prior notice. Right of access to other bodies funded by the City should be set out in the conditions of funding. Audit will require and receive such information and explanations as are necessary concerning any matters under examination.
- 4.4 Each Chief Officer shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions are implemented in a timely and efficient manner.
- 4.5 Further details on the Internal Audit function are provided in the [Internal Audit Charter](#).

Preventing fraud and corruption

- 4.6 The Chamberlain is responsible for developing and maintaining the [Corporate Anti-Fraud & Corruption Strategy](#), and ensuring that effective internal controls are in place to minimise the risk of fraud, corruption or other financial irregularity.
- 4.7 All Members and Officers must ensure that they comply with the City's Corporate [Anti-Fraud & Corruption Strategy](#), and [Anti-Money Laundering guidelines](#).
- 4.8 Any Member, Officer or contractor of the City, who suspects fraud, corruption or other financial irregularity, must ensure that this is reported promptly to the Head of Audit & Risk Management, in order to ensure that evidence is secured and the matter is considered for further investigation.

- 4.9 Where any individual feels unable to report concerns of fraud, corruption or other financial irregularity directly to the Head of Audit & Risk Management or their line manager, they should report those concerns via the City's whistleblowing channels. Those reporting genuine concerns under the [Whistleblowing Policy](#) will not be at risk of suffering any form of retribution as a result of the disclosure.
- 4.10 The Head of Audit & Risk Management must consider whether an investigation is appropriate, and, if so decided, must arrange for such an investigation. The Head of Audit & Risk Management will report the findings of any criminal, civil or disciplinary investigation to the Chamberlain and relevant Chief Officer.
- 4.11 Management should not attempt to interview staff suspected of perpetrating a fraud, corruption or other financial irregularity, unless expressly asked to do so by the Head of Audit & Risk Management, as this may prejudice any disciplinary or police investigation and/or subsequent legal proceedings.
- 4.12 The Head of Audit & Risk Management will, in consultation with the Chamberlain and/or Town Clerk and the relevant Chief Officer, report matters of a criminal nature to the Police for consideration of criminal investigation, where considered appropriate to do so.
- 4.13 The Head of Audit & Risk Management will maintain a register of all reported incidents of fraud, corruption or other financial irregularity. These will be reported periodically to the Audit & Risk Management Committee.
- 4.14 Any employee who suspects money laundering activity must report this promptly to the Head of Audit & Risk Management, who is designated as the City's Money Laundering Reporting Officer (MLRO).

SECTION 5: RISK MANAGEMENT

- 5.1 The Accounts and Audit Regulations 2015 (as amended) require that the City ensures that its financial management is adequate and effective and that there is a sound system of financial control that facilitates the effective exercise of the City's relevant functions and that includes risk management arrangements.
- 5.2 Under the Local Government Act 1999, the City (as a local authority and police authority) is under a general Duty of Best Value "to secure continuous improvement in the way in which its functions are exercised, make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The application of risk management supports this statutory duty.
- 5.3 The CIPFA "Delivering good governance in Local Government Framework 2016 Edition" identifies risk management as one of seven core principles in the overall effective governance of a local authority.
- 5.4 The Charity Commission sets out the expectations for charities and risk management, [within its guidance](#). Those charities for which the City is Trustee are required to follow this guidance.
- 5.5 The City is committed to establishing an effective risk management framework and culture to enable management at all levels to deliver their objectives in the light of those risks. This commitment is set out in the Policy Statement together with the risk management formal process in the [City's Risk Management Strategy](#). This Strategy is approved by the Audit and Risk Management Committee.
- 5.6 (a) The Chamberlain is the lead Chief Officer for Risk Management within the City and responsible for preparing, maintaining and promoting the Risk Management policy and strategy, securing approval of the Audit and Risk Management Committee and maintaining the corporate risk register.
- (b) The Chamberlain may also issue requirements and /or guidance to Chief Officers to maintain or improve the City Corporation's risk management framework.
- (c) The Chamberlain will regularly report to the Audit and Risk Management Committee corporate and top red departmental risks as well as providing an annual assessment of the overall effectiveness of the corporate risk management framework (this will usually be reported in the Annual Governance Statement).
- 5.7 (a) Chief Officers must have regard to the requirements and /or guidance issued by the Chamberlain and adhere to the [City's risk management policy and strategy](#).
- (b) Specifically, Chief Officers are responsible for:
- Ensuring that risk management is integrated into business planning, programme and project management and finance planning.

Ensuring that there are appropriate management arrangements for the continuous identification, assessment, mitigation, monitoring and reporting of risk within the department.

Maintaining corporate and departmental, service, team risks on the corporate risk system and use system generated reports for management and Committee reporting purposes.

Reporting their corporate and departmental level risks to their relevant Committee(s) in accordance with the Guidance on reporting risk information to Grand Committees.

Appointing a senior officer to act as the departmental risk co-ordinator to promote effective risk management within the department, liaise with the corporate risk advisor and ensures it complies with the City Corporations risk management policy and strategy.

Reducing the risk of significant service disruptions by ensuring that they have in place appropriate and robust business continuity plans.

SECTION 6. TREASURY MANAGEMENT

- 6.1 The Court of Common Council adopts the "Code for Treasury Management in the Public Services" (the Treasury Management Code) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA). This regulation shall include management of monies in connection with cash and funding resources of the City as Police Authority.
- 6.2 A Treasury Management Strategy Statement and Annual Strategy Statement setting out the City's strategy and procedures is adopted annually by the Court of Common Council and [can be found here](#) and includes the following scheme of delegation for the operation of treasury policy:

The Court of Common Council

Approval and amendment of Treasury Policy Statement.
Delegated Power Exercised By

The Finance Committee

Amendment of means of determining list of approved institutions.
Approval of Annual Financial Strategy
Authorisation of terms of engagement of external managers

The Chamberlain

Application of Approved Strategy
Treasury dealing with counterparties
Authorisation of cash transfers
Borrowing and lending documentation
The review of the Treasury Systems Document.

- 6.3 All money in the management of the City shall be aggregated for the purposes of Treasury Management and shall be under the control of the Chamberlain.
- 6.4 All executive decisions on borrowing, investment or financing shall be delegated to the Chamberlain or through him to his staff, who shall be required to act in accordance with the Treasury Management Code.
- 6.5 The Chamberlain shall report to the Financial Investment Board not less than twice in each financial year on the activities of the Treasury Management operation and on the exercise of the Treasury Management powers delegated to him. One such report shall comprise an Annual Report on Treasury Management of the succeeding financial year.
- 6.6 Trustee Reports provided for Charitable Funds managed by the City are compliant with Charities (Accounts and Reports) Regulations 2008 and make a risk management statement in their trustee's report.

SECTION 7. INVESTMENTS, BORROWING AND TRUST FUNDS

- 7.1 All borrowing or investments of money shall be made in accordance with the orders of the Court of Common Council or as delegated to the Finance Committee, Investment Committee, Financial Investment Board or Social Investment Board and the Chamberlain.
- 7.2 All securities for money shall be held by the Chamberlain or his nominees, except where legal requirements necessitate their being held elsewhere.
- 7.3 The Chamberlain shall maintain records of all borrowing of money.
- 7.4 All Members and Officers acting as trustees by virtue of their official positions shall deposit all securities relating to the trust with the Chamberlain, or his nominees, unless the deed otherwise provides.
- 7.5 In addition to the matters set out at 7.1 – 7.4 above, all investments of charitable funds must comply with the relevant charity's governing documents, the Trustee Act 2000, the Charities Act 2011 and [other regulatory requirements](#).

SECTION 8. PROCUREMENT

- 8.1 In accordance with [Standing Order 51](#) all procurement and contracts activity must be undertaken by Officers in accordance with the agreed [Procurement Code](#).
- 8.2 Chief Officers shall be responsible for all procurement originating from his/her service for the execution of any works, supply of goods, materials and services and shall ensure that the selection of firms to be invited to tender shall be in accordance with the procedures detailed in the [Corporate Project Procedures](#) and Procurement Code.
- 8.3 No City Form of Tender, or contract, shall be issued unless its terms have been previously approved by the Comptroller and City Solicitor and be consistent with the requirements as laid down in Standing Orders, Procurement Code and these Financial Regulations.
- 8.4 All officers placing orders are required to comply with the City's Procurement Code.
- 8.5 Tenders and quotations must be sought in accordance with the procurement thresholds contained in the Procurement Code.
- 8.6 The use of corporate purchase cards (P-card) is restricted to authorised staff that must follow the guidance contained in the [Purchase Card Policy](#) issued and sign to confirm their understanding of them. Where appropriate, a P-card should be used for all expenditure up to £100 per transaction. Card users are responsible for entering information onto the P-card system which is clear and accurate, avoiding the use of terms which may be open to misinterpretation. [The Purchasing Card Policy](#) lays out further detail on P-Card use.
- 8.7 Purchase orders must be raised through City Finance System. Otherwise purchase orders should be raised in a manner approved by the Chamberlain's Commercial Director and authorised by the appropriate Chief Officer or their nominee.
- 8.8 Where contractors are engaged for works that fall within the scope of the Construction Industry Scheme (CIS), the Chamberlain's City Procurement shall confirm whether the contractor holds a valid Unique Tax Reference (UTR) number and verify whether the contractor is registered with HM Revenue & Customs (HMRC) for CIS, ensuring that tax is deducted from payments at the appropriate rate.

SECTION 9. PAYMENTS OF ACCOUNTS

- 9.1 Payments shall be made, wherever possible, through City Finance System and by the Bank Automated Clearance System (BACS). Where payment by BACS is not possible or feasible then payment shall normally be made by cheque drawn through the City Finance System or, in the case of payments of £1m or more, by the Clearing House Automated Payment Systems (CHAPS). Any payment of £1m or more must be authorised by either the Deputy Director of Financial Services or the Corporate Treasurer in addition to the standard approvals.
- 9.2 Any payments where timing is crucial (e.g. certain property transactions) or where use of BACS would not be appropriate may be processed by the Clearing House Automated Payment Systems (CHAPS).
- 9.3 Payments in foreign currency shall be by the SWIFT system (electronic transfer direct into a beneficiary's bank account) or by special arrangement with a bank in the relevant country, or by a banker's draft drawn in the currency required.
- 9.4 No officer shall be able to approve a requisition or purchase order that he/she has raised in the City Finance System. The appropriate separation of duties is/shall be ensured by the maintenance of relevant responsibilities and purchase order approval hierarchies within the City Finance System with the exception of system administrators.
- 9.5 The person named as the Requestor on the relevant purchase order is responsible for Goods receipting in the City Finance System to confirm that the supplier's invoice is properly payable in accordance with [the Accounts Payable procedures](#).
- 9.6 The Chamberlain's Accounts Payable Team is responsible for the payment of all invoices for goods and services. Any invoices received by departmental Officers must be forwarded to the Accounts Payable Team without delay.
- 9.7 All undisputed invoices must be paid within 30 days of receipt, but contractual terms may oblige the City to pay certain invoices sooner. Furthermore, the City shall aim to pay undisputed invoices from Small to Medium Enterprises (SMEs) within 10 days of receipt.

SECTION 10. IMPREST ACCOUNTS (PETTY CASH)

- 10.1 The Deputy Chamberlain shall provide Imprest accounts and may arrange for bank accounts to be opened for use by holders of Imprest accounts but are not generally encouraged. Such bank accounts shall not be overdrawn.
- 10.2 No sums received on behalf of the City may be paid into an imprest account, but shall be banked separately or paid to the City promptly as may be directed. Income and change floats shall be kept separately from the imprest cash at all times, and shall not be used to fund cash expenditure.
- 10.3 Payments from imprest accounts shall be limited to minor items, the maximum value of which shall be £100; larger figures require the prior approval of the Chamberlain's Internal Audit Section. All payments shall be supported by vouchers and all receipts, including a VAT receipt wherever appropriate. Payments made on behalf of the Commissioner of Police in pursuit of his operational responsibilities may exceed the maximum figure where specifically authorised by the Commissioner of Police.
- 10.4 Imprest holders shall provide the Chamberlain with certificates annually which must be sent to their departmental finance unit promptly after the end of the appropriate financial year.
- 10.5 Reimbursements of imprest accounts shall be made through the City Finance System ordinarily at monthly intervals, following a full reconciliation of the imprest account and, in any event, frequently enough for the relevant bank account to remain in credit until the reimbursement cheque is deposited and cleared.
- 10.6 If an imprest holder leaves the City's service, he or she shall account to the Deputy Chamberlain for the amount advanced.
- 10.7 Disbursements shall be limited to minor items of expenditure, and specifically should not include expenditure which should form part of the payroll system, (e.g. clothing and car allowances), nor shall they include the encashment of personal cheques and the advancing of loans.
- 10.8 The only bank charges which should be incurred, in respect of imprests operated via a bank account, are those in the normal course of operation of the account.
- 10.9 All Departments holding petty cash should ensure that, at all times, cash is adequately secured. As a minimum this should be in a cash box within a lockable drawer. Amounts in excess of £100 should be kept in a safe overnight.

SECTION 11. TRAVELLING AND SUBSISTENCE CLAIMS

- 11.1 All claims for reimbursement of travelling, subsistence and minor personal expenses shall be made via the payroll system (self-service through the HR/Payroll System). Items or services purchased on behalf of the City must not be reimbursed through the HR System. Each claim shall be promptly submitted for payment through the HR system detailing the expenditure incurred, supported by receipts, dated, coded, and approved electronically by the appropriate authorising officer.
- 11.2 The preferred method of payment for items up to £100 purchased on behalf of the City is a Purchasing Card (P-Card) in line with Section 7.6 of these regulations and [the Purchase Card Policy](#).
- 11.3 Claims with a total value of less than £100 (inclusive of VAT) may be reimbursed from petty cash where use of a P-card would be unsuitable or a P-card is unavailable i.e. outside of office hours or for one off expenditure.
- 11.4 Copies of claims and receipts must be kept by the claimant for audit monitoring purposes.
- 11.5 Every Officer who receives a car loan or car allowance, whether casual or essential, must produce to his or her Chief Officer the registration document of the car, a valid certificate of insurance and an assurance to take all reasonable steps to maintain the car in an efficient and roadworthy condition. The Chief Officer shall be promptly informed of any subsequent changes to the above details.
- 11.6 All car allowances are to be paid through the payroll system.
- 11.7 The certification by or on behalf of the Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and all the requirements of the appropriate City scheme have been observed.
- 11.8 All travelling allowances paid shall be in accordance with the current provisions laid down by the City in the Business and Travel Expenses Scheme. All subsistence allowances paid shall be in accordance with the current provisions laid down by the City in the Employee Handbook.
- 11.9 The payment of fees for individual membership of professional bodies shall be the responsibility of the member of staff to whom the individual membership relates. Consistent with the [Subscriptions to Professional Bodies, Societies and Business Interest Groups](#) employee policy, Staff can, through the HR System, reclaim membership fees for approved professional bodies, a list of which [can be found here](#). Fees for corporate membership of professional bodies shall be paid by the Chamberlain's Accounts Payable Team.

SECTION 12. CUSTODY AND SECURITY OF ASSETS

- 12.1 Chief Officers are responsible for maintaining proper security and stewardship over all assets under their control in accordance with [Standing Order 55](#)
- 12.2 Chief Officers are responsible for the maintenance of registers for City Fund, City's Cash and Bridge House Estates assets as follows:
- Property (Buildings and Land) - City Surveyor
 - Police Vehicles - Commissioner of Police
 - Other Vehicles - Director of Built Environment
 - Exhibits - Assistant Town Clerk and Cultural Hub Director
 - Barbican Centre - Managing Director, Barbican Centre
 - Infrastructure - Director of Built Environment
- 12.3 All Chief Officers shall ensure that any information requested from them by the above registrars, for the purposes of maintaining the above asset registers, is provided rapidly and freely. Any acquisitions or disposals of assets (other than furniture and equipment) should be notified to the relevant registrar at the appropriate time.
- 12.4 The authority to acquire new or add to/enhance existing assets is subject to the Corporate Project Procedure.
- 12.5 A terrier (a record system for the City's land and property holdings) shall be maintained by the City Surveyor's for all City properties, whether owned or leased. This should supplement the information required to maintain property asset registers for all Funds.
- 12.6 The Comptroller and City Solicitor is responsible for the safe custody of all deeds and lease agreements in respect of all properties owned or leased by each of the City's Funds.

SECTION 13. INSURANCE

- 13.1 The City maintains insurance cover to limit the financial impact of the consequences of an incident giving rise to the loss or damage to the City's assets or a claim being made against the City.
- 13.2 The Chamberlain shall affect and maintain all insurance policies and will manage all claims within the policies, in consultation with other officers as necessary.
- 13.3 Chief Officers shall notify the Chamberlain's Insurance Section promptly of all new risks, assets or material changes relevant to the City's insurance policies. This may include, but not be limited to:
- Significant organisational changes, responsibilities and practices e.g. major in/outourcing.
 - Additions, loans and disposals of assets, including properties, vehicles, works of art etc.
 - Contract works, changes of use and occupancy of properties.
 - Major events, collaborations.
- 13.4 Chief officers shall maintain and provide up to date insurance values for the assets insured.
- 13.5 Chief Officers shall immediately notify the Chamberlain's Insurance Section of any loss, liability or damage to third parties or to City property that may lead to a claim and take appropriate action to prevent further losses occurring. All officers and staff must comply with the relevant terms and conditions of the insurance policies and provide assistance in the investigation of any claim within the specified timescales, as required. No admission of liability or offers of payment should be made that may prejudice the assessment of liability in respect of any insurance claim.
- 13.6 No Chief Officer shall enter into any indemnity which the City is required to give unless the terms thereof have been approved by the Deputy Chamberlain and Comptroller and City Solicitor or their named delegated officer.

SECTION 14. SECURITY AND DATA PROTECTION

- 14.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash, information etc. under his or her control (see also Financial Regulations concerning Inventories Section 18). In this respect, he or she shall inform the Deputy Chamberlain or Head of Audit & Risk Management and the Security Board where appropriate, immediately where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 14.2 Maximum limits for cash holdings shall be agreed with the Chamberlain's Head of Audit & Risk Management and shall not be exceeded without his express permission.
- 14.3 Keys to safes and similar receptacles are to be the responsibility of designated Officers and are to be kept secure at all times. Loss of any such keys must be reported to the Deputy Chamberlain or Head of Audit & Risk Management forthwith. Duplicate keys to all safes are to be held in a place approved by the Chamberlain's Head of Audit & Risk Management and locked away for use in the case of emergency only.
- 14.3 Chief Officers should ensure that all staff are aware of the arrangements which the City has in place for the proper control and management (including retention) of all information owned by, or otherwise under the control and management of, the City and held in any format (e.g. paper, electronic, microfiche, etc.). Chief Officers should ensure that all members of their Department are aware that information concerning secret and confidential matters or personal information must not be disclosed in any way except to persons entitled to receive such information. All staff are expected to be familiar with the Employee Handbook, have completed relevant mandatory training (including IT security and data protection training), and be familiar with their own department's policies and procedures.

All staff, including temporary, contract or agency staff, are required to comply fully with the requirements of the Data Protection Act (DPA) and General Data Protection Regulations (GDPR). Chief Officers, (who are each "Responsible Officers" for the purposes of the DPA and GDPR) each have particular responsibility for implementing appropriate measures and maintaining proper safeguards to ensure the security and the appropriate degree of privacy of all personal data held within their departments, whether electronically or in other formats. The Chamberlain's IT Director and the City's IT Information and Security Director (who are each "Responsible Officers" for the purposes of the DPA and GDPR) each have similar obligations relevant to their role.

- 14.5 The Chamberlain's IT Director shall agree with Chief Officers, consulting as appropriate with the Chamberlain's IT Audit Manager, the degree of privacy and security to be applied to IT Systems. The IT Information and Security Director shall then be responsible for maintaining proper security and the agreed control of access the systems to maintain the privacy or confidentiality the information held on those systems where he is responsible for development, support or operation of those systems. Chief Officers are responsible for maintaining such standards within their own departments.

- 14.6 Chief Officers should ensure that all staff within their department who use IT and communication storage devices (e.g. Desktop PCs, Laptops, PDAs, Smart Phones, Mobile phones, etc.) are aware of, and adhere to, the current [IT Security requirements](#) and [Internal Audit Guidelines](#). All new employees should be briefed as to the security policies and procedures that are applicable to them, including the implications of relevant legislation.
- 14.7 Prior to the employment of temporary contract, or agency staff, each Chief Officer should ensure that they receive written confirmation from such staff that they understand and agree to conform to the Rules for the Use of City Information Technology Systems (IT) Facilities. System access will be provided by the IT Service Desk. Line of Business Application (LOB) access may require authority to access the specific information from the relevant business system administration team.

NB. Further information about staff responsibilities in relation to Financial Regulations 14.4 to 14.7 can be found in the Finance Manual (Section 14)), the Data Protection Policies and Procedures, and the Employee Handbook – specifically the Employee Code of Conduct and the policies entitled "[Data Protection Policy](#)" and "[Communications & Information Systems Use \(e.g. Email & Internet\)](#)".

SECTION 15. INCOME & BANKING ARRANGEMENTS

- 15.1 The systems effecting the collection of all money due to the City shall be approved by the Chamberlain.
- 15.2 All banking arrangements shall be made by or subject to the prior approval of the Chamberlain.
- 15.3 The Chamberlain shall be notified promptly of any event where income potential will arise to the City. In such instances the Chamberlain shall be consulted prior to any contracts, leases and other agreements and arrangements being entered into which involve the receipt of money by the City, and the Chamberlain has the right to inspect any document or other evidence in this connection as he may decide.
- 15.4 Each Chief Officer shall ensure the use of City Finance System for the raising of debtor invoices and the recording of data in respect of miscellaneous invoiced income, unless otherwise directed by the Deputy Chamberlain.
- 15.5 All income must be accounted for separately and never credited to an expenditure code. In particular, proceeds from the disposal of assets are not to be off-set against expenditures.

Payments

- 15.6 All income, whether cheques, notes or coins received by an officer on behalf of the City shall, without delay, be recorded including a reference to the related debt, such as the receipt number, the name of the debtor, details of any cheques or other indication of the origins of the income, and (unless otherwise directed by the Comptroller and City Solicitor) paid intact into a designated bank account. This shall be done at regular intervals and in a manner as directed by the Deputy Chamberlain.
- 15.7 Cash payments are not encouraged, except where necessary and Officers must ensure that cash payments are not accepted for individual transactions which exceed the threshold of 10,000 euros (set by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 which came into force on 26 June 2017.
- 15.8 Departmental procedures for accepting cash, cheques or credit cards tendered in respect of the sale of goods, materials or services by the City shall be agreed by the Deputy Chamberlain.
- 15.9 All cheques and similar documents (but excluding cheques drawn on authorised imprest accounts) shall be ordered only on the authority of the Deputy Chamberlain, who shall make proper arrangements for their safe custody.
- 15.10 Cash holdings on premises shall be kept to a minimum, in safes or locked receptacles appropriate for the value being held with regard to the insurance limits. The average and maximum values held in safes must be notified to the Insurance Section.

15.11 Money held on behalf of the City shall be kept separately from personal funds and shall not be used in any way for personal purposes.

15.12 Every transfer of official money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving Officer.

VAT

15.13 Chief Officers shall ensure that the form of any sundry debtor invoice, or other equivalent document used in the collection of VAT, is approved by the Deputy Chamberlain prior to use.

15.14 For all new income streams advice should be sought from the City's VAT Accountant to determine the appropriate VAT liability. A guide for VAT can be found [here](#).

Irrecoverable debts

15.15 No debt shall be written off without first obtaining the approval of the Chamberlain's Head of Revenues and the required level of authority (see [Standing Order 52](#)). Write offs may be approved for a variety of reasons, among the more usual are:

- (a) insufficient legal proof of the debt or liability for the charge;
- (b) probable expense of legal action in excess of amount to be recovered;
- (c) debtor cannot be traced;
- (d) debtor with insufficient means or assets;
- (e) the debt represents the balance outstanding after a final dividend has been paid in bankruptcy or insolvency cases.

Chief Officers shall maintain relevant documentation to support the validity of the write-off, confirming that action has been taken to mitigate the loss.

Fees and Charges

15.16 When determining fees and charges to persons or external organisations, all departments should recover full costs, or submit reasons to the appropriate Service Committee when that objective is not met. The Duty to recover costs must be subject to any other overriding statutory provision e.g. Freedom of Information Act 2000.

15.17 Charges and the charging rationale should be reviewed regularly (e.g. annually). The review of charges should be reported to Committee unless discretion is specifically awarded to Chief Officers.

15.18 Should consideration be given to offering goods or services in the form of a benefit-in-kind to a third party, the relevant policy on benefits-in-kind should be followed both prior to making the decision to provide goods or services at a reduced or nil charge, and in subsequent monitoring of this decision.

SECTION 16. PARTNERSHIPS

16.1 When entering into collaborative arrangements be they partnering, partnership agreements, or other forms of sponsorship, each Chief Officer shall undertake an initial due diligence exercise to ascertain which form of collaboration is being proposed. Based on this initial scoping exercise, the relevant collaboration proposal will need a risk management appraisal to ensure that the City's interests are protected and appropriate financial (including fiscal) and legal advice needs to be sought from both the Chamberlain and the Comptroller and City Solicitor. Chief Officers shall ensure that: -

- (a) staff are aware of the [Audit Guidelines](#) on partnering and adhere to these where it is possible to do so;
- (b) Where appropriate and necessary select routes to choose an appropriate partner involving City Procurement;
- (b) an appropriate exit strategy is in place;
- (c) where necessary, proposed contractual and other relevant agreements are approved by the appropriate Service Committee, and where the Town Clerk considers necessary, approval is also received by the Finance and/or Policy and Resources Committees, prior to the conclusion of any negotiations with external bodies; and
- (d) details of each collaborative arrangement must be forwarded to the Town Clerk for inclusion within a corporate database.

16.2 Within three years of the start of a collaborative arrangement (partnering or partnership agreement or sponsorship agreement as the case may be), each Chief Officer shall ensure that the ongoing costs, benefits and risk management issues are reported to the appropriate Service Committee with reference to applicable corporate objectives and agreed project outputs. Further reporting is to be carried out at intervals of three years for as long as the relevant arrangements remain active.

SECTION 17. GRANT-MAKING

- 17.1 All grants awarded from charitable funds managed by the City shall be made in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland .
- 17.2 All grants awarded from non-charitable funds managed by the City should aspire to follow recommended practice as established within the Charities SORP, with reasons submitted to the appropriate service committee when this practice is not followed.

SECTION 18. SALARIES, WAGES AND PENSIONS

- 18.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees and pensioners of the City shall be made by the Chamberlain or under arrangements approved by him.
- 18.2 Each Chief Officer, or their authorised representatives, shall notify the Chamberlain's Payroll Manager as soon as possible, and in the prescribed form, of all matters affecting the payment of such emoluments, and in particular; -
- (a) Appointments, resignations, dismissals, suspensions, secondments and transfers;
 - (b) Absences from duty for sickness or other reason, apart from approved leave, as laid out in the Employee Handbook;
 - (c) Changes in remuneration, and pay awards and agreements of general application;
 - (d) Information necessary to maintain records of service for superannuation, national insurance, income tax, etc.
- 18.3 All appointments of permanent employees shall be made in accordance with the regulations of the City and the approved establishments, grades and rates of pay. The creation or re-designation of any post requires prior approval in accordance with the Schemes of Delegation as published by the Town Clerk, for City of London Departments and the three City Schools. Any changes to existing or new posts made in line with this regulation must be notified to the appropriate HR Business Unit to be entered on the HR system.
- 18.4 All pay amendments and time records shall be in a form approved by the Chamberlain's Payroll Manager. The names of the officers authorised to sign such records shall be sent to the Chamberlain's Payroll Manager by each Chief Officer together with specimen signatures. Changes shall be notified to the Chamberlain's Payroll Manager as they occur.
- 18.5 All Line Manager's engaging Consultants on behalf of the City are required to complete the HMRC's [Employment Status Service tool](#) to ascertain the correct status of each engagement. The results of the tool are to be retained for Audit inspection. The tool will indicate the correct engagement status of the consultant:
- Employee's – engaged through HR and on to the Payroll;
 - IR35 applies – engaged through Payroll direct;
 - Self Employed/Sole Trader/Limited Company (not Personal Service Company) – Set up on CBIS as a supplier.

SECTION 19. INVENTORIES

- 19.1 Chief Officers shall ensure that Inventories of all assets are maintained by their Department. An inventory is a detailed list of assets. "Assets" shall be taken to mean furniture, fittings and equipment, plant, machinery and the City's Treasures. Assets that are being rented or leased on a long-term basis, or such that the responsibilities of stewardship lie with the Department, should also be included in the inventory. Generally, items with a life-span longer than one year should be included, unless they are already recorded on a formal stock record system.
- 19.2 The inventory should be in the form of a permanent document. It is important to ensure that the inventory is complete and that all parts of it are kept together. The inventory can be in any media, except index cards.
- 19.3 Each Chief Officer is responsible for ensuring that an annual check is carried out of all items on the inventory and for taking action in relation to surpluses and deficiencies. If any discrepancies are found when checking the inventory, these should be followed up until reasons have been found. If the result of these findings is that an item has to be removed from the inventory, then the appropriate authorisation should be sought. If the item concerned is valued at more than £5,000, then Committee approval should be sought for any such write-off in accordance with Financial Regulation 12.4 below. The inventory should then be amended accordingly.
- 19.4 The disposal of any item of inventory shall comply with the City's agreed disposals procedures items of inventory with an estimated disposal value in excess of £5,000 must be approved by the appropriate Committee.
- 19.5 The City's property shall not be removed or used otherwise than in accordance with the ordinary course of the City's business or purposes except in accordance with specific directions issued by the Chief Officer concerned.

SECTION 20. STOCKS AND STORES

- 20.1 Each Chief Officer shall be responsible for the proper care and custody of the stocks and stores under the control of his or her department, and shall maintain proper records in such a form and the extent as may be agreed from time to time by the Deputy Chamberlain.
- 20.2 Chief Officers shall ensure that a count and valuation and reconciliation of all stocks and stores held in their departments is carried out, either continuously, or on or about the 31st March of each year. The Deputy Chamberlain, however, may dispense with this requirement in cases where the value of the items held in store is less than £5,000 in total.
- 20.3 All items of stock, other than PC equipment, found to be surplus are to be disposed of at the best prices available by sale, exchange, internal transfer or scrapped. In respect of PC equipment, this is to be disposed of in accordance with the procedures detailed on the appropriate Intranet page as maintained by the Chamberlain's IT Division.

SECTION 21. MOTOR VEHICLES

- 21.1 All departments operating vehicles shall maintain records listing details of all motor vehicles under their control whether owned by, hired by or leased to the City. Each Chief Officer shall ensure that all such information concerning vehicles under their control is supplied to the Director of the Built Environment who is responsible for maintaining an asset register for City owned vehicles.
- 21.2 Chief Officers may acquire and dispose of any vehicle provided they comply with the Procedure for the [Purchase and Disposal of City of London Vehicles](#) as published by the Chamberlain's City Procurement.
- 21.3 The registration documents of all City owned vehicles shall be recorded and held in safekeeping in a manner approved by the Deputy Chamberlain.
- 21.4 Each department hiring or leasing vehicles shall maintain adequate records evidencing the terms of the hire or leasing agreement.
- 21.5 No vehicle shall be used otherwise than in accordance with the ordinary course of the City's businesses or purposes without the prior permission of the Chamberlain. Such permission is only to be given in exceptional circumstances upon presentation of a written report providing justification.
- 21.6 A vehicle trip log shall be kept for all motor vehicles which require a road fund licence. This should show as a minimum the milometer readings at the beginning and end of the trip, the reasons for the trip, and the name of the driver officer in charge of the vehicle during the trip. Chief Officers shall be responsible for ensuring that milometer readings are continuous.

SECTION 22. ENTERTAINMENT & HOSPITALITY

Hospitality

- 22.1 Acceptance of gifts or tokens by employees from persons who have, or may seek to have, dealings with the City are dealt with through the [Employee Handbook – Code of Conduct – Hospitality & Gifts](#).

Entertainment

- 22.2 The City currently has an Exemption with the HMRC for all qualifying “business entertainment of clients”. This is only to be used to cover costs of employee’s providing entertainment for clients e.g. discussing a particular business project or forming or maintaining a business connection. This does not include entertaining members of staff of the City.

Appendix 2 – Revision Log from 2009 Financial Regulations

Section 1. General:	
1.2	Added to benchmark regulation against Local Authority Compliance and give provision for City of London special provision.
1.3	Added to codify charitable funds compliance with Charity Commission guidelines.
1.4	Added links to: Standing Orders of Common Council; Procurement Code; Employee handbook and Data Protection Policies and Procedures.
1.6	Added for explicit data protection reference.
Section 2. Resource Allocation, Revenue Estimates and Capital Budgets:	
2.4	added to give detail of regulations for Central Risk Budget carry forward.
Section 3. Accounting:	
3.3	Added to define the City's assets.
3.5	Detail of the end of year financial statements has been moved from Treasury Management section and updated to reflect current practice.
3.5e	Adds detail on process for Charitable Funds annual reporting. Removes regulation stating City Cash is not reported to Court of Common Council.
3.6	Corrected to comply with I.T. Rationalisation Policy.
Section 4. Internal Audit:	
4.2	Clarifies independence of Internal Audit and codifies access to the Town Clerk and Chairman of the Risk and Audit and Risk Management Committee.
4.3	Revises previously defined areas of access to give unrestricted access to internal audit to all City records and information.
4.6-14	Expands regulations on fraud and corruption prevention.
Section 5. Risk Management:	
5.3	Codifies the City's adherence to the CIPFA "Delivering good governance in Local Government Framework 2016 Edition" which encompasses risk management as one of seven core principles in good governance of a Local Authority.
5.4	Regulation added to codify adherence to the Charity Commission's guidance for Risk Management
5.5	Adds link to the City's Risk Management Strategy.
5.6&7	Codifies Chief Officer responsibilities for risk management.
Section 6. Treasury Management:	
	No changes
Section 7. Investments, Borrowing and Trust Funds:	
7.1	Updated to include Social Investment Board
7.2	City's Cash and Bridge House Estates required to now maintain asset registers
7.4	Added for specific reference to members for where they also serve as a trustee.
7.5	Regulation added as specific Charity Provision
Section 8. Procurement:	
8.1&2	Updated to include links to the Procurement Code and Corporate Project procedures as they apply to procuring goods and services and tendering for contracts.
8.6	Updated Procurement reflecting the development of Purchasing Cards (P-cards) replacing Corporate Credit Cards.
8.7	Added detail on the rules regarding engaging contractors for works that fall within the scope of the Construction Industry Scheme (CIS).
Section 9. Payment of Accounts	
10.1	Updated to confirm arrangements on payments over £1m
10.5&6	Added to codify responsibility of Officers in relation to payments of invoices.
10.7	Codifies payment terms of undisputed invoices.

Section 10. Imprest Accounts (Petty Cash):	
All	Section updated for new job titles
Section 11. Travelling and Subsistence Claims:	
11.1	Confirms that staff claims for reimbursement of travel, subsistence and minor personal expense shall be made via the payroll system.
11.2	Added to clarify when it may be appropriate to use a Purchasing card.
11.3	Added to clarify when petty cash may be used for re-imburement.
11.9	Added to codify practice of paying for professional body membership in line with Corporate Policy.
Section 12. Custody and Security of Assets:	
12.2	City's Cash and Bridge House Estates now required to maintain asset registers.
12.4	Adds the authority to acquire new or enhance existing assets is subject to the Corporate Project Procedure.
Section 13. Insurance:	
13.6	Term "or their named delegated officer" added to codify current practice.
Section 14. Security and Data Protection:	
14.3-6	Detail and clarification added relating to data protection requirements of personal data
Section 15. Income & Banking:	
All	Section reordered for clarity and sub-headings added for ease of reference
Section 16. Partnerships:	
16.1	Section enhanced in liaison with City Solicitors for clarity on the regulations for the varying types of partnerships entered by the City of London.
Section 17. Grant-Making:	
17.1 & 17.2	Added to codify grant making activity from charitable funds managed by the City shall be in accordance with the Charities Statement of Recommended Practice (SORP).
Section 18. Salaries, Wages and Pensions:	
18.5	Adds details on Line Managers responsibility for assessing the employment status before engaging contractors and temporary staff to ensure compliance with IR35 public sector tax legislation.
Section 19: Inventories:	
19.3	Deleted regulation on reporting of portable items with a value of £20,000 or more as no longer applicable.
Section 20: Stocks and Stores:	
	No change
Section 21: Motor Vehicles:	
	No change
Section 22. Entertainment & Hospitality	
22.1 & 22.2	Added to codify regulations and the City's current tax exemption for qualifying "business entertainment of clients".

CHB Detailed risk register by risk category

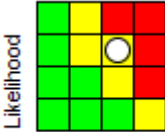
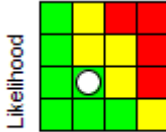

Report Author: Hayley Hajduczek

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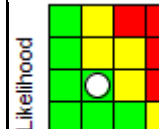



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR16 Information Security <div>Page 17</div> <div>22-Sep-2014</div> <div>Peter Kane</div>	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: Cybersecurity attack - unauthorised access to COL IT systems. Loss or mishandling of personal or commercial information. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 1988. Incur a monetary penalty of up to £500,000. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.	 Likelihood Impact	16	Work is continuing to complete the implementation of the action plan. Patching of equipment and decommissioning aged and vulnerable equipment has been completed. Following key tasks have now been completed: <ul style="list-style-type: none"> • Patching regime reviewed; • Vulnerability assessment completed; • Incident management exercise; • Additional security awareness material purchased. 02 Jan 2018	 Likelihood Impact	8	30-Apr-2018	

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR16b	For all major systems establish data owner and retention policy for information therein.	This is now being picked up with the GDPR ready project being led from the Comptroller team and IT team in the Corporation and the Information Management and Security team in the Police. Update reports on progress provided to Summit and IT Sub-Committee on a regular basis.	Sean Green	02-Jan-2018	30-Apr-2018
CR16h	Online training to be made available to Members following workshop in February 2016.	Induction training provided - Gary Brailsford Hart is supporting this risk to execute mitigating actions from plan in place. Training for Officers and Members in 2018 now being developed.	Gary Brailsford-Hart	02-Jan-2018	30-Apr-2018
CR16i	The Development and implementation of more technical security infrastructure	Using a recognised Cyber security maturity model there is a dashboard being reported that shows via a RAG status 10 areas of focus to mitigate this risk with training, processes and tools being delivered that in combination will bring the risk to Amber as planned and Green by July 2018.	Sean Green	02-Jan-2018	30-Apr-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR19 IT Service Provision 14-Jul-2015 Sean Green	Cause: The whole Police IT Estate and parts of the Corporation are in need of further investment. Event: For the Corporation, poor performance of IT Service and for the Police critical failure of the Police IT Service. Effect: Loss of communications or operational effectiveness (may also lead to low staff morale). Possible failure of critical Corporation and Policing activities. Reputational damage.	 Likelihood Impact	12	Following the recent improvements to the corporate IT network and systems the Chamberlain agreed to reduce the risk score to an amber 12. It is likely that over the coming months the risk will be further mitigated to a green rating. 02 Jan 2018	 Likelihood Impact	4	30-Jun-2018	

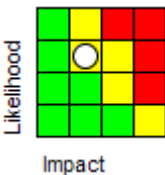
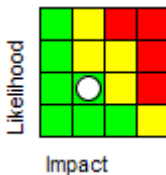

Action no, Action owner	Description	Latest Note			Managed By	Latest Note Date	Due Date
CR19c Page 118	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure.	Delivery of the new solution will take place throughout 2017 and into early 2018. The LAN hardware has been procured. The remediation of IT communications rooms will be completed by the end of December 2018. IT have awarded the contract for the LAN design, build and support and the solution design is underway. The WAN implementation is now underway with BT.			Sean Green	02-Jan-2018	31-Mar-2018
CR19e	This is the first phase of the revised project to fully replace ageing unsupportable networking hardware from the City and City Police's infrastructure.	Implementation is in progress and will be completed by April/May 2018.			Sean Green	02-Jan-2018	31-Mar-2018
CR19f	The full delivery of a new network for the Corporation and city Police.	The WAN work has started. Remediation of IT communications rooms are almost complete. LAN hardware has been procured. LAN design and build is underway.			Sean Green	02-Jan-2018	31-Mar-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR23 Police Funding 21-Nov-2016 Caroline Al-Beyerty; Ian Dyson	Cause: Reduction in government funding and growing demand in Policing services leading to pressures for the City Fund -Police. Event: Reduction in government funding.Budget deficit forecast for next 5 years requiring action to balance the budget The Government's stated intention is that the shortfall should be met from an increase in the precept (in the City's case, the business rate premium). Effect: Potential impact on security and safety in the City as need to make savings, prioritise activity, review funding City of London Police will be unable to maintain a balanced budget and current service levels as reflected in their Medium Term Financial Plan.from City and Business Rate Premium.	 Likelihood Impact	12	Deloitte Review on Future Demand and VfM identified significant savings opportunities. Plans are now being developed to deliver increased effectiveness and savings which will feed into 2018/19 budget and Medium Term Financial Plan and mitigate service impact. 02 Jan 2018	 Likelihood Impact	4	31-Mar-2018	

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR23a	Limited opportunities in 2017/18 to make in year savings against front line police officer budgets without impacting adversely on delivery of key policing plan objectives. Police staff numbers subject to further scrutiny as part of in-year savings exercise.	Chief Officer Cash Limited Budgets include a savings target of £1.2m against the non-pay budget of £29.3m. The force has managed to secure savings of £0.7m against Repair and Maintenance, Travelling Expenses, Tasking and Core Directorate Overtime Budgets; however, this currently falls short of the savings target by £0.5m. Further details will be reported to Police Committee in the quarter 3 budget monitoring report.	Michelle King	02-Jan-2018	31-Mar-2018
CR23b	Exhaust the Police Reserves by 31 March 2018	The actual drawdown on reserves in 2016/17 was £0.6m, an improvement of £2m compared to the forecast position. Current anticipated year-end position is breakeven, utilising £1.5m of the POCA balances. No draw-down is forecast on the Police General Reserve, leaving a balance of £350k.	Philip Gregory; Michelle King	02-Jan-2018	31-Mar-2018
CR23d	Consider increase in the business rates premium in future periods	Will be considered as part of the medium term financial planning for 2018/19.	Caroline Al-Beyerty	02-Jan-2018	31-Mar-2018
CR23e	Efficiency and Performance Sub Committee commissioned a review of shared services.	The scope of the review is currently being agreed and will be led by the Town Clerk. The timetable has slipped from the original anticipated deadline of 31 December 2017.	Caroline Al-Beyerty; Alistair Sutherland	02-Jan-2018	31-Dec-2017
CR23f	Implement the recommendations from the Deloitte review through the Change Programme being established by the Commissioner of Police	A Change Programme is being established to develop a revised Target Operating Model for CoLP to deliver greater effectiveness and financial stability. This will comprise a number of programme boards reporting to a Change Programme Oversight Group chaired by the Commissioner which then reports to Police Committee.	Alistair Sutherland	02-Jan-2018	31-Mar-2018

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CHB FS001b	VFM to be embedded in the Business Planning process, including an annual self—assessment of performance on	VFM challenge embedded in the Business Planning process with an annual self—assessment of performance on VFM by service departments. This was included in the Business Planning	Mark Jarvis	02-Jan-2018	31-Dec-2017

	VFM by service departments which highlights areas requiring improvement, open to scrutiny by Service Committees and Efficiency & Performance Sub-Committee.	advice which was circulated in October to all department leads. A pilot of the self -assessment has been carried out by DCCS and findings will be discussed by officers in January. Once discussion has taken place this action will be complete.			
CHB FS001c	Detailed post-SBR Efficiency Plan to be drafted and implemented, including a framework that would incorporate continuous improvement savings and a rolling review programme to secure more radical changes in efficiency and effectiveness.	<p>The pilot for the Chief Officer Peer Review has now been completed and the methodology has been refined for the wider roll out made up of 3 additional groups. Sessions began in October 2017, with the intention of completing the Peer Review by March 2018. These sessions will help Chief Officers develop their business plans to make efficiency savings or generate income to help meet the annual 2% continuous improvement requirements of the Efficiency and Sustainability Plan and achieve better alignment of activities to the outcomes in the corporate business plan.</p> <p>An Efficiency and Sustainability Plan update paper was reported to Efficiency and Performance Sub-Committee in November 2017. The paper provided Members with an update on the Chief Officer Peer Review and the review of Central Risk items and how they support departments preparation for the annual 2% continuous improvement budget reductions from 2018/19. The outcomes of the Chief Officer Peer Review will be reported to Efficiency and Performance Sub-Committee in quarter 1 of the 2018/19 financial year.</p>	Geoff Parnell	02-Jan-2018	31-Mar-2018
CHB FS001d	Build a programme of VFM probes into specific service or cross.	<p>In response to areas identified during the service based review two probes have been commissioned.</p> <ol style="list-style-type: none"> 1. A thematic review of facilities management review, reported to the November Efficiency and performance Sub Cttee; and 2. An efficiency review of library services is underway, following the policy decision not to reduce the number of libraries. <p>An Efficiency and Sustainability Plan update paper was reported to Efficiency and Performance Sub-Committee in November 2017. The paper provided Members with an update on the Chief Officer Peer Review and the review of Central Risk items and how they support departments preparation for the annual 2% continuous improvement budget reductions from 2018/19. The outcomes of the Chief Officer Peer Review will be reported to Efficiency and Performance Sub-Committee in quarter 1 of the 2018/19 financial year.</p>	Caroline Al-Beyerty	02-Jan-2018	31-Jan-2018

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CHB FS004 Management Information Provision 13-Jun-2017 Philip Gregory	Cause: Lack of relevant management information to Members, Chief Officers and budget holders results in delays to decision making or poor decision making. Knock on impact results in resources not being correctly prioritised. Event: Systems are not in place to support effective financial forecasting of revenue budgets and capital projects. Effect: processes for financial management fail to direct resources appropriately to priorities.		6	A project manager has been appointed to lead the development of management information in conjunction with the implementation of forecasting within Oracle. Good progress has been made in defining the scope of management information required and establishing delivery plans. 03 Jan 2018		4	31-Mar-2018	

Action no, Action owner	Description	Latest Note			Managed By	Latest Note Date	Due Date
CHB FS004a	Agree a corporate suite of management information dashboards to include in Departmental Business Plans.	Dashboards have been developed across consistent themes and in a house style and included in Q2 departmental business plans. These will be further refined in Q3. Financial information will be augmented by departmental specific metrics where desired.			Simon Whelan	03-Jan-2018	31-Jan-2018
CHB FS004b	Phased roll-out of PA (Projects) forecasting with finance teams taking the lead in providing training and support for project managers.	A baseline forecast has been established in Oracle for all projects as at 21st March 2017 and a corporate wide revised forecast entered in Oracle is being used for the medium term financial plan reporting to Members. Finance staff have provided hands on training for their project managers on forecasting. Chamberlain's will also be providing training in financial management of projects as part of the corporate project manager training being developed with the Town Clerks Project office. New project reports are being finalised by the capital team in conjunction with the Oracle team which will significantly improve financial management information.			Julie Smith	03-Jan-2018	31-Jan-2018
CHB FS004c	Phased roll-out of GL (Revenue) forecasting with finance teams taking the lead in providing training and support for budget managers.	Profiling and forecasting revenue budgets in Oracle is now BAU for all departments apart from the Police and part of the City Surveyor budgets that relate to works on behalf of other departments. Discussions are ongoing with the Police and changes to the coding structure to enable full City Surveyor forecasting will be implemented from 2018/19 budgets.			Julie Smith	03-Jan-2018	31-Mar-2018
CHB FS004d	Financial management information requirements to be harvested across the organisation with an aim of ensuring that managers have the information they need to make good quality decisions.	Following a series of meetings with finance business partners across the organisation, management information requirements have been collected and are currently being assessed, prioritised and resourced before being fed into delivery workplans.			Simon Whelan	03-Jan-2018	28-Feb-2018
CHB FS004e	Establish mechanisms to ensure that departmental management information practises are up to date and in line with current best practice.	Research on current best practice and the art of the possible is underway with an aim of ensuring that departmental management information practices and techniques are up to date and fit for purpose.			Simon Whelan	03-Jan-2018	28-Feb-2018

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2017/18 General Contingency – City's Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			950,000
	2016/17 Provision brought forward to fund allocations agreed in previous years			85,000
	Total Provision			1,035,000
21 Oct 2014	Up to £98,500 in match funding (in partnership with the Mercers' Company) for a biography of Sir Thomas Gresham phased over 5 years	TC	60,000	
17 Feb 2015	Grant funding for The Honourable The Irish Society (£25,000 p.a. for 2014/15 and 2015/16) with payment of the grant conditional upon the purchase of the land for development which was delayed until 2016/17	TC	25,000	
2 May 2017	Funding of £375,000 towards the CoL and CoL Police IT project (£70,000 City's Cash, £290,000 City Fund and £15,000 Bridge House Estates)	CHB	70,000	
6 June 2017	Funding of £140,000 for three additional posts in the Public Law Division of the Comptroller and City Solicitor's Department (£97,000 City Fund, £36,000 City's Cash and £7,000 Bridge House Estates)	C&CS	36,000	
25 June 2017 (Urgency)	Funding of up to £50,000 towards the Beech Street project to explore its potential uses	CS/CLSG	50,000	
1 Aug 2017 (Urgency)	Funding of £56,000 for additional posts in Town Clerks	TC	56,000	

2017/18 General Contingency – City’s Cash Continued

Date	Description	Responsible Officer	Allocation £	Balance £
17 Oct 2017 (Urgency)	Funding of £275,000 towards a feasibility study in relation to a proposed new combined court feasibility study	TC/CS	275,000	
18 Oct 2017 (Urgency)	Funding of £50,000 towards a feasibility study for a possible investment scheme in subsidised accommodation for teachers	TC	50,000	
	Total allocations agreed to date			622,000
	Balance remaining prior to any requests that may be made to this meeting			413,000

2017/18 National & International Disasters Contingency – City’s Cash

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			100,000
24 May 2017	Red Cross and Manchester City Councils ‘We love Manchester Appeal’	TC	25,000	
1 Sept 2017	Red Cross South Asia Floods Emergency Appeal	TC	25,000	
12 Sept 2017	Red Cross Hurricane Irma Emergency Appeal	TC	25,000	
19 Sept 2017	Red Cross Myanmar Appeal	TC	25,000	
	Total allocations agreed to date			100,000
	Balance remaining prior to any requests that may be made to this meeting			0

2017/18 General Contingency – City Fund

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			800,000
	2016/17 Provision brought forward to fund allocations agreed in previous years			0
	Total Provision			800,000
17 Feb 2015	Funding of £142,000 towards an appeal regarding Greater London Authority Roads	C&CS/CS	15,000	
19 Jan 2016	Additional funding towards the Greater London Authority Roads appeal	C&CS/CS	80,000	
12 Apr 2017 (Urgency)	Funding for the CoL and CoL Police IT project towards Security Assurance Testing	CHB	90,000	
2 May 2017	Funding of £375,000 towards the CoL and CoL Police IT project (£70,000 City's Cash, £290,000 City Fund and £15,000 Bridge House Estates)	CHB	290,000	
6 June 2017	Funding of £140,000 for additional posts in the Public Law Division of the Comptroller and City Solicitor's Department (£97,000 City Fund, £36,000 City's Cash and £7,000 Bridge House Estates)	C&CS	97,000	
25 June 2017 (Urgency)	Funding of up to £50,000 towards the Beech Street project to explore its potential uses	CS/CLSG	50,000	
12 Sept 2017	Funding of £75,000 to Central London Forward to mitigate the loss of ESF grant award	CHB	75,000	
	Total allocations agreed to date			697,000
	Balance remaining prior to any requests that may be made to this meeting			103,000

2017/18 General Contingency – Bridge House Estates

Date	Description	Responsible Officer	Allocation £	Balance £
	2017/18 Provision			50,000
	2016/17 Provision brought forward to fund allocations agreed in previous years			0
	Total Provision			50,000
2 May 2017	Funding of £375,000 towards the CoL and CoL Police IT project (£70,000 City's Cash, £290,000 City Fund and £15,000 Bridge House Estates).	CHB	15,000	
6 June 2017	Funding of £140,000 for three additional posts in the Public Law Division of the Comptroller and City Solicitor's Department. Split £97,000 City Fund, £36,000 City's Cash and £7,000 Bridge House Estates.	C&CS	7,000	
	Total allocations agreed to date			22,000
	Balance remaining prior to any requests that may be made to this meeting			28,000

Key to Responsible Officers:

CS – City Surveyor

TC – Town Clerk

C&CS – Comptroller and City Solicitor

CHB – Chamberlain

CLSG – Headmistress of the City of London School for Girls

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