



Finance Committee APPENDIX PACK

Date: TUESDAY, 7 MAY 2024

Time: 12.45 pm

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

10. **APPOINTMENTS TO COMMITTEES**

Report of the Town Clerk.

For Decision
(Pages 3 - 6)

11. **REVIEW OF THE FINANCIAL REGULATIONS**

Report of the Chamberlain.

For Decision
(Pages 7 - 64)

13. **ENTERPRISE RESOURCE PLANNING (ERP) PROGRAMME UPDATE REPORT**

Joint Report of the Chief People Officer and the Chamberlain.

For Information
(Pages 65 - 70)

14. **CHAMBERLAIN'S BUSINESS PLAN END OF YEAR 2023/24 UPDATE**

Report of the Chamberlain.

For Information
(Pages 71 - 76)

15. **CHAMBERLAIN'S DEPARTMENTAL RISK MANAGEMENT UPDATE**

Report of the Chamberlain.

For Information
(Pages 77 - 100)

21. **STATEMENT OF INVESTMENT PRINCIPLES (SIPS) FOR CITY FUND AND CITY'S ESTATE**

Report of the Chamberlain.

For Decision
(Pages 101 - 110)

23. **STAGE 1 - PROCUREMENT OF THE MANAGED SERVICE TEMPORARY AGENCY RESOURCE CONTRACT**

Report of the Chief People Officer.

For Decision
(Pages 111 - 122)

24. **NEW SPITALFIELDS & BILLINGSGATE MARKETS WASTE MANAGEMENT & MARKET CLEANSING - PROCUREMENT STRATEGY REPORT AND EXTENSION OF CURRENT CONTRACT STAGE 1 REPORT**

Report of the City Surveyor.

For Decision
(Pages 123 - 128)

25. **PRESTIGIOUS SITES CATERING CONTRACT - PROCUREMENT STAGE 2 AWARD REPORT**

Joint Report of the City Surveyor and the Deputy Town Clerk.

For Decision
(Pages 129 - 134)

26. **CORPORATE SECURITY SERVICES - PROCUREMENT STAGE 2 REPORT**

Report of the City Surveyor.

For Decision
(Pages 135 - 144)

28. **MAJOR PROJECT DASHBOARD - PERIOD 12**

Report of the Chamberlain.

For Information
(Pages 145 - 148)

Projects and Procurement Sub-Committee

Composition

The Chairman and Deputy Chairman of the Finance Committee (or their nominees)
(Chair and Deputy Chair)

Two further Members to be appointed by the Finance Committee from either its membership or the wider Court on the basis of skill sets

A representative from the Community and Children's Services Committee

A representative from the Digital Services Committee

A representative from the Police Authority Board

A representative from the Port Health and Environmental Services Committee

Terms of Reference

To be responsible for:-

Projects

- a) Overseeing the total portfolio of projects overseen by the Chief Executive's Portfolio Management Board and receiving regular high level dashboard reports on their progress, identifying notable risks and proposed mitigations;
- b) Making proposals to the Resource Allocation Sub-Committee/the Policy and Resources Committee for projects to be included in the capital/supplementary revenue programme;
- c) Determining how political oversight of relevant Tier 1 and Tier 2 projects can best be achieved where several committees are stakeholders on the proposed project and when projects in excess of £100 million require Policy & Resources Committee oversight;
- d) Reviewing the City Corporation's project management processes, development of project management skills and expertise and the systematic embedding of commercial approaches that share investment and risk.

Procurement

- e) To scrutinise and be responsible for value for money on all City of London Corporation and City of London Police procurement contracts above thresholds stipulated within the City of London Corporation's Procurement Code (total contract value) at key stages, including initial tender strategy to final contract award sign off.
- f) To consider and recommend all procurement contracts above thresholds stipulated within the City of London Corporation's Procurement Code to the Finance Committee.
- g) To invite representative(s) from the relevant Spend Committee to attend meetings ensuring decisions are made corporately.
- h) To provide officers with advice focussed specifically on value for money, and consider lessons learned when major contracts are coming to an end (i.e. before the (re)tender process begins).

- i) To review and consider approvals of £4m waivers for the Chamberlain's department contracts.
- j) To work with the Finance Committee to review and to monitor performance against the Chamberlain's Departmental Business Plan and related corporate initiatives in order to promote value for money and ensure compliance with the UK Public Contract Regulations and the Corporation's Procurement Code.

Efficiency and Performance Working Party

Composition

The Chairman and Deputy Chairman of the Finance Committee

Chairman and Deputy Chairman of the ~~Operational Property and Projects~~ and Procurement Sub Committee

Four Members appointed by the Finance Committee

Terms of Reference

The Working Party will be responsible for:-

- Assess whether the resourcing of policies represent value for money in the achievement of those policies and referring any recommendations to the Finance Committee.
- Monitoring performance against Departmental Business Plans and referring matters to the relevant Committee(s) where the Working Party considers improvement in performance is required.
- Providing a steer to the Finance Committee for the Efficiency workstreams and then monitoring delivery progress and outcomes.
- For higher risk departments and relevant cross-cutting strategic themes- securing sustainable savings already built in to the medium-term or 5 five financial plans.
- Advising the Finance Committee on Value For Money outcomes based on new corporate plan priorities.
- Advising the Finance Committee on Corporate performance framework reporting- services outcome and financial sustainability Key Performance Indicators.
- Continue in their role in the Joint Resource Allocation Sub Committee and Efficiency & Performance Working Group, with all Committee chairman in the Corporation's budget setting meeting held in January each year.

Membership 2023/24

Deputy Henry Colthurst (Chairman, Finance Committee)

Deputy Randall Anderson (Deputy Chairman, Finance Committee)

Alderman Timothy Hailes (Chair, Operational Property and Project Sub-Committee/Projects and Procurement Sub-Committee)

Deputy Shravan Joshi (Deputy Chairman, Operational Property and Project Sub-Committee/Projects and Procurement Sub-Committee)

Nick Bensted-Smith

Steve Goodman

Michael Hudson

Benjamin Murphy

City of London Corporation

FINANCIAL REGULATIONS

Approved by the
Finance Committee
May 2024



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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 by 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 6th June 2023

These Financial Regulations have been adopted for the City Corporation in the discharge of all of its functions and Funds¹, including as Trustee of City Bridge Foundation². Where appropriate the City Bridge Foundation Board may be consulted on any future changes to ensure that new arrangements adopted by the City as a Trustee of the City Bridge Foundation are in the best interests of the charity.

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 management and use of these resources is legal, is properly authorised, provides value for money and achieves best value. Failure to follow Financial Regulations may result in action under disciplinary procedures.

SECTION II. RECENT VERSION HISTORY

These Regulations builds on and replaces the January 2018 version of the Financial Regulations Part 1 & Part 2 and this corporate governance document is intended to be a high- level document that provides a framework to support the City Corporation’s statutory and other legal responsibilities for managing its finances, encompassing all Funds for which it is responsible.

It also allows the City Corporation 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.

¹ Unless the context provides otherwise, “Funds” in these Regulations refers collectively to City Fund (including the Police Fund, the Housing Revenue Fund, Pension Fund), City’s Estate, City Bridge Foundation, any other charitable trusts for which the City Corporation is charity Trustee and is required to account for separately, or otherwise any charitable trust or legal entity where the City Corporation has been given authority to manage that entity’s funds within the City Corporation’s financial systems and management controls to the extent that authority provides; and “Fund” shall refer to any one of those Funds.

² City Bridge Foundatio is the working name of Bridge House Estates (which also previously used the working name of ‘City Bridge Trust’ for grant making activities) Bridge House Estates is the legal name of the charity.

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.
April 2021	Updated Financial Regulations with Part 1 and part 2 Regulations consolidated into one document.
June 2023	Updated Financial Regulations to incorporate amendments to reflect the establishment of the City Bridge Foundation Board, and otherwise for the good administration of charitable funds.

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. For substantial or complex reports, departments are expected to engage with finance at an early stage of report preparation to ensure there is time to consider complex financial issues.
- 1.2 These Financial Regulations use Local Authority compliance as the benchmark for all funds under the City Corporation's control, except where otherwise expressly provided for in these Regulations and always subject to specific regulatory requirements relating to charitable Funds
- 1.3 For all charities for which the City Corporation is Trustee, including as charity Trustee of City Bridge Foundation (Reg. Charity No. 1035628), regard must be had to each charity's governing document and relevant guidance issued by the Charity Commission, in complying with reporting and regulatory requirements and in the financial management of each charity.
- 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 Officer Scheme of Delegation
 - Corporate Project Procedures
 - Procurement Code and Rules
 - Employee Handbook

- Data Protection Policies and Procedures

- 1.5 The Financial Services Director 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. The Finance Director for City Bridge Foundation and charities will recommend any changes needed under the charities framework.
- 1.6 The Financial Services Director shall be consulted in any cases involving the interpretation of the Financial Regulations and their decision, as to their meaning and application shall be final, providing such decision does not have the effect of altering the meaning of a Standing Order or other regulation or contract approved by a Committee or the Court of Common Council.
- 1.7 Notwithstanding the relaxation of certain Financial Regulations relating to the Barbican Centre Managing Director's local risk budget and the execution of the Police Authority's Policing Plan, the Chamberlain reserves the right to demand from the Managing Director and the Commissioner of Police such additional information as is required to fulfil their statutory obligations and their overall financial monitoring responsibilities.
- 1.8 All sums referred to in these Regulations are exclusive of Value Added Tax (VAT) unless specifically stated
- 1.9 All Information Technology (IT) expenditure and development work must conform to the Digital and IT Strategy and to standards and other guidance issued by the City's Director of Digital Information and Technology as Head of Profession for IT in the City Corporation.
- 1.10 The City Corporation's Director of Digital Information and Technology as Head of Profession for IT shall define the corporate IT standards to be followed by Chief Officers and is to be consulted on related matters such as IT staffing and their remuneration. The corporate IT strategy is to encompass these standards and any other E-business or E-government strategy agreed by the City Corporation's Director of Digital Information and Technology. Each Chief Officer shall ensure that a written departmental IT strategy is produced which conforms to the corporate IT strategy, (and to the corporate E-business and E-government strategies) and that this is submitted annually for the approval of the City Corporation's Director of Digital Information and Technology in the form requested. Expenditure on IT equipment, software and services which does not conform to the approved departmental strategy shall be the subject of a prior written proposal for the approval of the City Corporation's Director of Digital Information and Technology. For the avoidance of doubt, decisions which affect IT resourcing of City Bridge Foundation, shall be required to be taken in the best interests of the charity, including to consider the benefits to the charity of using the City's IT systems and resources, and operating within its overarching IT strategies and policies
- 1.11 Chief Officers are responsible for ensuring that all staff in their departments are aware of the existence and content of the Financial Regulations and that they comply with them.
- 1.12 All City Corporation 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 Data Protection Act, UK GDPR and the City Corporation's policies and procedures in relation to data protection which can be found on the Information Management Strategy.

SECTION 2. RESOURCE ALLOCATION, REVENUE ESTIMATES AND CAPITAL BUDGETS

- 2.1 Standing Order 48 sets out the City's corporate governance arrangements for budget setting including 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 detailed revenue and capital estimates of income and expenditure in accordance with the budget policy authorised under Standing Order 48 and in consultation with the Chamberlain who shall critically scrutinise the estimates before submission, for City Fund and City's Estate to the relevant Service Committees, and for City Bridge Foundation to the City Bridge Foundation Board, for decision
- 2.2 For City Fund and City's Estate, overall budgets are set by the Court of Common Council upon the recommendation of the Policy & Resources and Finance Committees in March for the successive financial year. City Fund and City's Estate Service Committee budgets are prepared within the resources allocated by the Policy and Resources Committee and, with the exception of the Policy and Resources and Finance Committee, such budgets do not include any contingencies. However the budgets directly overseen by the Finance Committee also include central contingencies, with delegations to the Chamberlain, 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. For central contingencies, approval is required by the Financial Services Director in consultation with the Chamberlain and Town Clerk/Chief Executive.
- 2.3 For City Bridge Foundation, the charity's overall annual budget is set annually by the Court of Common Council for the City as charity Trustee, upon the recommendation of the City Bridge Foundation Board. As noted at Regulation 2.1 above, detailed revenue budgets and capital budgets for the charity are in accordance with Standing Order 48 set by the City Bridge Foundation Board, led by the Managing Director of City Bridge Foundation in consultation with Chief Officers whose departmental resources are made available to the charity, with those costs and expenses of the Trustee being re-charged to the charity. Within the budget set by the Court, the City Bridge Foundation Board is responsible for allocating resources as required in the charity's best interests (including contingencies), and monitoring income and expenditure (both revenue and capital) against the charity's budget and reserves policy (also set by the Court). As with City Fund and City's Estate, request for allocations from the City Bridge Foundation central contingency allocation should demonstrate to that Board why the costs cannot, or should not, be met from existing provisions.

Revenue Budget Management – Objectives

- 2.5 Budget management ensures that resources allocated by members are used for their intended purposes and that these resources are properly accounted for. Budgetary control is a continuous process enabling the City Corporation to review and adjust its budget targets, if required throughout the financial year. Committee budgets are set for both local and central risk within the City Corporation's overall budget for each Fund. Local risk expenditure and income is deemed to be directly controllable by Chief Officers. Examples of local risk items includes most employee costs, regularly scheduled maintenance checks, utility costs, cleaning and stationery.

Central risk are items of spend or income that can be affected by external factors such that Chief Officers are not held directly accountable for budgetary performance. Recharge risk budgets relate in the main to support services and functions that are recharged on an appropriate apportionment basis to front line services to enable the total cost of service to be calculated. Central and recharge 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. Recharges to charities and other ring fenced funds may only reflect the reasonable costs and expenses incurred by the City in administering that function in accordance with relevant applicable accounting framework. Budgets set for City Bridge Foundation are not separated between central and local risk.

2.6 By identifying and explaining variances against budgetary targets, the City Corporation can identify changes in trends and resource requirements at the earliest opportunity. It is the responsibility of each budget manager, Chief Officer and Committee to manage the budgets under their responsibility and report any expected variances as early as possible, along with potential mitigations.

Revenue Budget Management – Key Controls

2.7 Budget holders will be responsible for income and expenditure on cost centre budgets for which they have been assigned responsibility on Oracle and that this responsibility should be aligned as closely as possible to the decision making that commits the expenditure.

2.8 Budget holders are responsible for all income and expenditure on their cost centres including the recording and approval via appropriate workflows on Oracle..

2.9 Business Plan objectives and key results are monitored in conjunction with the budget and necessary action taken to align service outputs with the budget.

Revenue Budget Management

2.10 The Chamberlain is responsible for establishing an appropriate framework of budgetary management and control through business partnering that enables the following:

- a. Budget management by Committee being exercised within the annual resource envelopes allocated to it unless the Court determines otherwise. For City Bridge Foundation, the City Bridge Foundation Board has the freedom to operate in accordance with the overall budget and policy framework for the charity set by the Court, including any reserves policy or allocation of funds for application against the charity's ancillary object.
- b. Each Chief Officer having available timely and accurate information on income and expenditure for each cost centre to enable managers to fulfil their responsibilities.
- c. All officers responsible for committing expenditure and generating income complying with corporate financial guidance.

- d. Significant variances from approved budgets being reviewed promptly by Chief Officers.
- e. Regular forecasts on income and expenditure compared to the approved budget for City Fund and City's Estate being prepared and reported to Executive Leadership Board and Finance Committee on a quarterly basis, for City Bridge Foundation to the City Bridge Foundation Board, and for any charitable Fund to the Committee having delegated responsibility for that charity's administration and management.
- f. Ensuring spending remains within agreed resource envelopes by regular monitoring of the budget. Working alongside the Chamberlain's business partners to provide regular monitoring information to committee with appropriate explanations and corrective actions required as necessary
- g. To ensure that the business plan is regularly monitored in conjunction with the budget to ensure the delivery of service objectives and any corrective action taken.

2.12, the Chief Officers for services are responsible for:

- a. Ensuring prior approval of any new initiative not included in the business plan or budget that could have one off or ongoing financial consequences.
- b. ensuring compliance with the scheme of virement (see Paragraph 2.18).
- c. consulting with relevant Director or Chief Officer where it appears a budget proposal will impact on another Directors / Chief Officers service or level of activity.

2.13 For all Funds, other than the City Bridge Foundation, where a Chief Officer is unable to contain expenditure within their 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 in line with para 2.2 above.

2.14 For City Bridge Foundation where a relevant designated fund is held, potential overspendings will be reported to the City Bridge Foundation Board and managed against that designated fund. Any other budget changes would follow the process in paragraph 2.13 with the report going to the City Bridge Foundation Board.

2.14 No officer should commit the Corporation to expenditure more than any approved estimate without either first seeking the appropriate approval or making an appropriate virement as described in paragraph 2.18 below, in accordance with SO 48(9).

Treatment of Year End Balances

2.15 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, other than matters relating to City Bridge Foundation which will be determined by the City Bridge Foundation Board in accordance with any overall budget set by the Court in each year. Subject to the prior approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) or the City Bridge Foundation Board for City Bridge Foundation and the requirements at sub-paragraphs i.-viii below,

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. Applications for carry- forwards will be assessed by the following criteria:

- i. 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 Digital Information and Technology may each carry forward a maximum of £500k.
- ii. In respect of the above the City Schools, Police, the Barbican Centre (local risk budget), Open Spaces Charities (fundraising budgets), City Bridge Foundation, 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 of the Barbican Centre may incur a deficit of up to £500,000 at any one time, to be repayable in the following financial year. This deficit should be by exception and should not be on a continual basis from one financial year to the next. The reasonableness of this arrangement will be reviewed annually.
- iii. 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.
- iv. In respect of Open Spaces, fundraising income relating to donations and legacies to the Charities shall be ring-fenced and where necessary, carried forward in the relevant ring-fenced Charitable reserve for each Charity. However, where the charity is in deficit at the end of the financial year, any additional income would need to offset the deficit first and foremost, (subject to any legal restrictions attaching to those funds, or decisions taken by the Trustee in accordance with charity law requirements to remove them), after which point the remaining surplus from the income received can be applied in respect to carrying forward in the relevant ring-fenced Charitable reserve.
- v. 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.
- vi. Carry forward requests should be approved to fund a specific purpose and must comply with the carry forward rules, i.e. relating to planned spend during the financial year the carry forward is being requested from, however delayed due to unforeseen circumstances not within the control of the department
- vii. Each individual agreed carry forward is ring-fenced to the purpose specified.
- viii. Unspent balances should generally only be carried forward and applied in the Fund in which they were generated.

2.16 Other than for City Bridge Foundation any requests for carry-forward from Central Risk budgets are required to be requested at first point from the Financial Services Director. If approved, all such requests would then be provided to the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub (Policy and Resources) Committee (RASC) for their consideration and potential approval. For City Bridge Foundation approval of carry-forward requests from departmental central risk budgets funded from City Bridge Foundation shall be sought from the City Bridge Foundation Board following consultation with the Chamberlain or his/her authorised delegate.

Reserves

2.17 No earmarked reserve, designated fund or other balance sheet provision shall be created without first consulting with the, Assistant Director of Strategic Finance who will advise on whether the proposal can be supported and the further approvals that are required.

2.18 Other than for City Bridge Foundation, any drawdown of earmarked reserves at the end of the financial year will also be subject to the approval of the Financial Services Director/Chamberlain as part of the year end process . For City Bridge Fund these will be subject to agreement of the Chamberlain or his/her authorised delegate and the City Bridge Fund Board.

Scheme of Virement

2.19 The scheme of virement is as follows:

- a) Virement is the transfer of budget from one budget line, as a result of savings or additional income, to another budget line to facilitate spending on that budget line. No Virement will be permitted between funds in the year, nor is virement normally allowed in respect of Central Risk budget lines.
- b) Subject to paragraph (c) below, 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 also advise if the proposed virement is for a single financial year or is ongoing. 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) The Barbican Centre and City Bridge Foundation Managing Directors may, as relevant to the budgets for which they are responsible, authorise all virements between those costs and incomes which comprise the annual local risk budget, and the Commissioner of Police may authorise virements between all heads within the Policing Plan Budget, with the exception of financing and support costs, and subject to prior consultation with the Financial Services Director or the Finance Director CBF where a virement is proposed from a non-staffing to a staffing budget.

Managing Capital and Supplementary Revenue Project Budgets

- 2.20 Capital and Supplementary Revenue Project budgets (“project budgets”) are generally approved and managed in accordance with the Corporate Project Procedure via the gateway process and associated guidance. City Bridge Foundation projects are managed in accordance with the Corporate Project Procedure subject to the City Bridge Foundation Board being the responsible Committee for all decisions except where reserved to the Court of Common Council. Further, the City Corporation’s Major Projects (under City Fund and City’s Estate) are not required to follow the gateways and are under the direct control and management of the Capital Buildings or Policy and Resources Committees.
- 2.21 Capital projects are major one – off expenditures (>£50k) relating to the acquisition, creation or enhancement of an asset that yields benefits to the authority and the service it provides for a period of more than one year. For example, cyclical replacements of major components (e.g. windows, roofs, M&E infrastructure) are capital but cyclical repairs are not. The “Supplementary Revenue Projects” (SRP) classification was created to cover project expenditure controlled in the same way as capital projects that does not meet the accounting definition of capital expenditure, e.g. preliminary project costs at feasibility and option appraisal stages and one-off major repairs (>£50k). Classification of expenditures between capital and SRP is an accounting decision which lies with the Chamberlain.
- 2.22 Project budgets approved via the gateways must be supported by a confirmed source of funding before they can progress. For City Fund and City’s Estate central funding of projects is allocated via the annual capital bid process, with the approval sought from the Resource Allocation Sub and Policy and Resources Committees and subject to any reservations of the Court. For City Bridge Foundation, all approvals shall be sought from the City Bridge Foundation Board including approval for capital projects which are cross cutting across all three funds (City Fund, City’s Estate, Bridge House) within the framework set by, and subject to any reservations to, the Court.
- 2.23 Project budgets are not generally specific to a financial year unless the source of funding is restricted by time (e.g. external grant funding). Maintaining an annual profile is however an essential requirement of each Project Manager
- 2.24 Project expenditure is recorded within the City’s Project Accounting module in a timely manner (as a minimum on a quarterly basis or in line with the Chamberlain’s forecast timetable) and must not be charged to local or central risk codes, with the exception of staff time which is recharged from revenue to project budgets on a regular basis as above.
- 2.25 Capital expenditure and capital income is subject to approval in accordance with the Corporate Project Procedure and must be accounted separately. Particular legal and accounting rules may apply to charitable funds.. Expenditure in excess of £50k which meets the definition of Capital/ Supplementary Revenue projects as set out in the Corporate Project Procedure must be accounted separately from local or central risk revenue expenditure.

Virement of Capital and Supplementary Revenue Project Budgets

- 2.26 Virements within approved project budgets are permitted, provided the overall approved project sum is not exceeded and the scope remains unaffected. Movement between budget heads (e.g. from fees to works) requires approval of Chief Officer and Head of Finance other than for City Bridge Foundation. For City Bridge Foundation the approval shall be sought from the Finance Director of City Bridge Foundation and the Managing Director of BHE.
- 2.27 Increases to an approved project sum must be agreed in accordance with the Project Procedure. Project Budgets cannot be vired between projects. unless approval is sought from Resource Allocation Sub and Policy and Resources Committees.

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.
- (c) Each of the Funds shall have a separate balance sheet, and all charitable funds shall be accounted for separately and processes followed which demonstrate that the charity's funds are being administered correctly and, in that charity's best interests.

Assets:

3.3 The City Corporation 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.

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 Estate, City Bridge Foundation and Sundry Trust (charitable) 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, for City Bridge Foundation to the City Bridge Foundation Board and for all other Funds 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 in accordance with the statutory deadline. All other Charitable Trusts of which the City Corporation is Trustee should present their Financial Statements to the Court of Common Council when available, where the Charity Commission requires these to be produced. City Bridge Foundation and City's Estate present their Financial Statements to the Court of Common Council in accordance with the deadlines set by City Bridge Foundation Board for City Bridge Foundation and by Audit and Risk Management Committee for City's Estate or subject always to statutory and other requirements which may apply. All three Financial Statements for City Fund, City's Estate and City Bridge Foundation are published on the City Corporation's website as well as the Sundry Trusts. The City Bridge Foundation Annual Report and Financial Statements are further published on the City Bridge Foundation website.

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 Director of Digital Information Technology and the Information Compliance Team.
- 3.8 Details of the City Corporation's Finance Information System can be found on the Oracle pages of the intranet.

SECTION 4. INTERNAL AUDIT

- 4.1 In accordance with The Accounts and Audit Regulations 2015, the City Corporation must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, in accordance with the Public Sector Internal Audit Standards (PSIAS). Responsibility for ensuring this is delegated by the Court of Common Council to the Audit and Risk Management Committee. The Chamberlain as Section 151 Officer is responsible under statute for the proper administration of the financial affairs of the City Corporation including compliance with the statutory requirements for Internal Audit.
- 4.2 The Audit and Risk Management Committee shall receive regular reports on completed work of Internal Audit, 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.
- 4.3 While the Head of Internal Audit reports operationally to the Chamberlain, to maintain organisational independence, an unrestricted reporting line exists to the Town Clerk and Chief Executive and the Chairman of the Audit and Risk Management Committee.
- 4.4 Internal Audit's remit extends to all operations of the City of London Corporation and, as required by the PSIAS, 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 property of the organisation 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. Internal Audit will require and receive such information and explanations as are necessary concerning any matters under examination. within a timely manner/ as set out by the internal audit team.
- 4.5 Officers are required to provide all information requested by Internal Audit and Chief Officers shall consider and respond promptly to recommendations made by Internal Audit and ensure that any agreed actions are implemented in a timely and efficient manner.
- 4.6 Further details on the Internal Audit function are provided in the Internal Audit Charter. This can be viewed on the Internal Audit page under Business Support on the Intranet

Preventing fraud and corruption

- 4.7 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.
- 4.8 All Members and Officers must ensure that they comply with the City's Corporate Anti- Fraud Corruption Strategy, and Anti-Money Laundering guidelines.
- 4.9 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 Internal Audit

in order to ensure that evidence is secured and the matter is considered for further investigation.

- 4.10 Where any individual feels unable to report concerns of fraud, corruption or other financial irregularity directly to the Head of Internal Audit or their line manager, they should report those concerns via the City Corporation's anonymous whistleblowing channels. Those reporting genuine concerns either directly or via the anonymous channel will not be at risk of suffering any form of retribution as a result of the disclosure.
- 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 Internal Audit, as this may prejudice any disciplinary or police investigation and/or subsequent legal proceedings.
- 4.12 The Head of Internal Audit 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.
- 4.13 Any employee who suspects money laundering activity must report this promptly to the Head of Internal Audit, who is designated as the City Corporation'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 Corporation's relevant functions and that includes risk management arrangements.
- 5.2 Under the Local Government Act 1999, the City Corporation (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 Corporation is Trustee are required to have regard to this guidance.
- 5.5 The City Corporation must consider this guidance in the development of its approach to risk management for each of the charities for which it is Trustee. In addition, unless in conflict with charity law and regulatory requirements or considered not to be in a charity's best interests, the City Corporation's Corporate Risk Management Strategy and governance processes must be followed.

The City Corporation 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 Corporation's Risk Management Strategy. This Strategy is approved by the Audit and Risk Management Committee and has been adopted for City Bridge Foundation by the City Bridge Foundation Board.

- 5.6 (a) The Chief Strategy Officer is the lead Chief Officer for Risk Management within the City Corporation 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 Chief Strategy Officer chairs the Chief Officer Risk Management Group, a sub-committee of the Executive Leadership Board which supports it in its overall responsibility for risk management and may also issue requirements and /or guidance to Chief Officers to maintain or improve the City Corporation's risk management framework. Risk management is also discussed at meetings of the City Corporation's Senior Leadership Team (Corporate Tier 1 Officers. The Chief Strategy Officer will regularly report the City of London Corporation's corporate and top red departmental risks to the Audit and Risk Management Committee.
- 5.7 Chief Officers must have regard to the requirements and /or guidance issued by the Chief Strategy Officer and adhere to the City Corporation's risk management policy and strategy.

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- this includes considering the risk appetite and risk culture within their areas.
- 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 Service/Grand Committees.
- Identifying and flagging cross-cutting and/or thematic risks impacting the City of London Corporation more widely, eg through Head of Profession roles
- 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 Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. This regulation shall include management of monies in connection with cash and funding resources of the City as Police Authority. For City Bridge Foundation, treasury management standards are adopted.

6.2 A Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management) setting out the City's strategies and procedures is adopted annually by the Court of Common Council and includes the following scheme of delegation for the operation of treasury policy:

The Court of Common Council

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of the Treasury Management Strategy Statement and Annual Investment Strategy (relating to Treasury Management)
- For City Bridge Foundation approval of the charity's overarching Treasury Management Strategy statement

The Investment Committee and Finance Committee (for City Fund & City's Estate) and for City Bridge Foundation the CBF Board and the CBF Investment Committee

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices.
- Budget consideration and approval.
- Approval of the division of responsibilities.
- Receiving and reviewing regular monitoring reports and acting on recommendations.
- Approving the selection of external service providers and agreeing terms of appointment.

Note Finance committee and the CBF Board usually only receive the first item

Audit and Risk Management Committee & The Investment Committee of CBF Board

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The Chamberlain

- Application of approved strategy
- Treasury dealing with counterparties
- Authorisation of cash transfers
- Borrowing and lending documentation.

6.3 All money in the management of the City Corporation 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 their staff, who shall be required to act in accordance with the City Corporation's Treasury Management Code.

- 6.5 The Chamberlain shall report to the Investment Committee 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/her. One such report shall comprise an Annual Report on Treasury Management of the succeeding financial year.
- 6.6 Trustee Reports provided for Charitable Funds administered by the City Corporation must be compliant with charity law requirements (refer ss162,132 and 133 of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008 and make a risk management statement in their tTustee'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 and Investment Committee and the Chamberlain for City Fund and City's Estate and, for City Bridge Foundation the City Bridge Foundation Board and its Investment Committee and the Chamberlain.
- 7.2 All securities for money shall be held by the Chamberlain or their nominees, except where legal requirements necessitate their being held elsewhere.
- 7.3 The Chamberlain shall maintain records of all borrowing of money and make provisions for repayment where appropriate.
- 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 their nominees, unless the deed (or other legal governing document) 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 (as amended) 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 their 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 Procurement Code and Corporate Project Procedures.
- 8.3 No City 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 The use of corporate purchase cards (P-card) is restricted to authorised staff that must follow the rules of the Purchase Card Policy. Where appropriate, a P-card should be used for all expenditure up to £1000 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 Purchase Card Policy lays out further detail on P-Card use.
- 8.5 Purchase orders must be raised through City Finance System and in compliance with the Procurement Code.
- 8.6 Where contractors are engaged for works that fall within the scope of the Construction Industry Scheme (CIS), the Transactional Finance Data Team 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.
- 8.7 Prompt notification shall be given to the Chamberlain's Insurance and Risk Management Team where the goods or services procured or sold or the contract terms being entered into materially affect the Corporation's insurance programme prior to agreement. .
- 8.8 All ex gratia and non-contractual claims from contractors shall be referred for comments to the Finance Director of City Bridge Foundation for City Bridge Foundation contracts or otherwise to the to the Financial Services Director and also to the Comptroller and City Solicitor for comments before settlement is reached. They will further advise on whether approval of the City Bridge Foundation Board for City Bridge Foundation or otherwise of Finance Committee needs to be sought prior to settlement.
- 8.9 The Finance Director City Bridge Foundation for City Bridge Foundation and otherwise the Financial Services Director shall, to the extent he/she considers necessary, examine the final accounts or interim valuations for contracts and shall be entitled to make all such enquiries and receive such information and explanations as may be required to satisfy the accuracy of the accounts (see section 24 of the Financial Regulations for further details).

SECTION 9. PAYMENTS OF ACCOUNTS

- 9.1 Payments shall be made, wherever possible, through City Corporation's Finance System and by the Bank Automated Clearance System (BACS). Where payment by BACS is not possible or practical then payment shall normally be made by cheque drawn through the City Corporation's 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 paid via BACS or cheque must be authorised by 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 CHAPS or Faster Payment. This process should not be used for regular creditor payments. Payment by CHAPS or Faster Payment is available from the Chamberlain's Corporate Treasury Team.
- 9.3 Payments in foreign currency, or sterling payments to a non-UK bank account, shall be made as International payments via internet banking using the beneficiary's International Bank Account Number (IBAN) where possible together with their Bank Identifier Code (BIC, also known as a SWIFT code).
- 9.4 Payment requests in foreign currency or a sterling payment to a non-UK bank account should be made using the standard form which is available from the Chamberlain's Corporate Treasury Team must be approved by an appropriate authorised signatory and submitted to the Corporate Treasury Team.
- 9.5 No officer shall be able to approve a requisition or purchase order that he/she has raised in the City Corporation's 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 Corporation's Finance System with the exception of system administrators.
- 9.6 The Transactional Finance Data Team shall be responsible for maintaining and updating the purchase order approval hierarchy in the City Finance System and authorised signatories for PO exempt payments, however departments and service areas shall be responsible for informing the Transactional Finance Data Team of required changes to the hierarchy/list.
- 9.7 The person named as the Requestor on the relevant purchase order is responsible for Goods Receipting in the City Corporation's Finance System to confirm that the goods/services/works have been delivered.
- 9.8 Payments for goods, services or works will follow the receipt of a valid/undisputed invoice and where the goods, services, or works have been delivered in full. Where officers consider it to be in the best interests of the City Corporation to make a payment in advance, such payments shall only be made if the appropriate authorisation below has been provided in writing in accordance with the table below. If at any time a significant risk or other concern is identified connected with an advance payment, notwithstanding the limits set out below, officers may remit the decision for guidance to Finance Committee for City Fund and City's Estate or for City Bridge Foundation to the City Bridge Foundation Board

Cost of works, goods or services (exc. VAT)	Authorisation Required
Up to £499,999	Head of Finance and Corporate Treasurer
£499,999 up to £999,999	Financial Services Director
£999,000 up to £1,999,999	Chamberlain
£1,999,000 or above	Finance Committee

For City Bridge Foundation in the above table the Financial Service Director should be replaced with the CBF Finance Director, the Chamberlain by the CBF Managing Director and Finance Committee by the CBF Board

- 9.9 Before requesting advance payment, a short business case including the risks should the company not deliver is to be included with request for advanced payment. It is noted that payments for rent, software licences, artists fees (50% in advance), or power connection by UK Power Networks, are paid in advance as a standard term for that industry. Unless officers have identified an additional concern or risk, the presumption should be that these can be paid in advance without application of the additional approval set out in para 9.8 above.
- 9.10 Payments in advance may be made by Purchase Cards (P-cards) without further authorisation provided P-cards are used in accordance with the P- card Policy.
- 9.11 Compliance with the P-card Policy is mandatory and non-compliance in certain circumstances may result in disciplinary action and instant removal of access to the P-Card.
- 9.12 The Accounts Payable Team is responsible for the payment of all invoices for goods and services. Invoices should be sent directly to the Accounts Payable team. Any invoices received by departmental officers must be forwarded to the Accounts Payable Team without delay.
- 9.13 All undisputed invoices must be paid within 30 days of receipt, but contractual terms may oblige the City Corporation to pay certain invoices sooner. The City Corporation aims to pay all sole traders and SMEs within 10 working days of receipt of a valid invoice.
- 9.14 Where contracts, valued more than £250,000 for payments to be made by instalments, all payments to contractors shall be made on receipt of a valid VAT invoice and be accompanied by a certificate issued and signed by the City Corporation's designated officer, authorised agent or consultant which confirms the value of work completed. Those contracts not subject to the issue of certificates, may be paid on invoices.
- 9.15 Receipting a purchase order (PO) or authorising payment of accounts (by way of approval workflow) in the City Corporation's Finance System will release invoices matched to that PO for payment on the due date. Before receipting a PO, officers must determine that:
- a) The goods, services or works to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards. Failure to comply may result in additional costs incurred by the department, where additional support is required by the Chamberlain to ensure corrective action(s) is taken.

- b) The receipt amount reflects the ordered value of goods received/services provided/works completed.
- c) Appropriate entries have been made in inventories or store records.
- d) Proper internal check procedures have operated in the examination of the account.
- e) The account has not been previously paid and is a proper liability of the City.

9.16 Before authorising payment of accounts by way of the City Corporation's Finance Systems approval workflow or email/signature (Authorised Signatories List) for services that are purchase order exempt, Authorisers or other appropriate officers shall determine that:

- a) The goods, services or works to which the account relates have been received, examined, are fit for purpose and, where appropriate, comply with pre-determined standards.
- b) The amount reflects the ordered value of goods received/services provided/works completed.
- c) Prices, extensions, calculations, discounts, other allowances and credits are correct, as expected or are otherwise reasonable.
- d) The expenditure has been properly incurred and is within the relevant estimated provision.
- e) The account has not been previously paid and is a proper liability of the City Corporation.

SECTION 10. IMPREST ACCOUNTS (PETTY CASH)

- 10.1 The Corporate Treasurer 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 Corporation may be paid into an imprest account but shall be banked separately or paid to the City Corporation 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 appropriate Head of Finance
- 10.4 Expense claims for staff should be made through City People. Only if staff do not have access to City People should they use the petty cash claim form that can be found on the intranet
- 10.5 All imprest/petty cash claims should be approved by a second officer (either the Head of Finance or their nominated officer) prior to reimbursing the claimant. This ensures a separation of duties is maintained between the person claiming the money and the person approving that payment can be made for appropriate spend.
- 10.6 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 their operational responsibilities may exceed the maximum figure where specifically authorised by the Commissioner of Police.
- 10.7 A reconciliation of imprest accounts should be completed on a monthly basis by each department. At the end of the financial year imprest holders shall provide electronically the Chamberlain with certificates which must be sent to their Head of Finance promptly after the end of the appropriate financial year and include their approval in the covering email. The relevant Head of Finance shall review these certificates and ensure they reconcile to the general ledger. Once satisfied they should provide a copy to Corporate Accountancy. Electronically which will include their sign-off in the covering email
- 10.8 Reimbursements of imprest accounts shall be made through the City Corporation's Finance System ordinarily at monthly intervals, following a full reconciliation of the Imprest account and, in any event, frequently enough to maintain a sufficient amount of cash in the float to cover claims for the relevant bank account to remain in credit.
- 10.9 If an imprest holder leaves the City Corporation's service, he or she shall advise the Corporate Treasurer of the name of the officer for whom responsibility has been passed, who in turn shall confirm that they are now taking responsibility for the imprest.
- 10.10 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.

- 10.11 The only bank charges which should be incurred, in respect of imprest accounts operated via a bank account, are those in the normal course of operation of the account.
- 10.12 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.
- 10.13 Whenever any matter arises which involves or may suggest irregularities affecting a petty cash/imprest account, the relevant Chief Officer shall notify the Financial Services Director (or the CBF Finance Director if relates to the charity), the Corporate Treasurer and Head of internal Audit forthwith. This also applies in the event of any loss from the imprest account identified during reconciliation.

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). 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. Items or services purchased on behalf of the City must not be reimbursed through the HR System and instead where possible a Purchase Card (P-card) should be used to avoid the need for a claim. If it is not possible to make a payment using a P-card then the only alternative would be for a payment request claim to be processed via Accounts Payable within the City Corporation's Finance System. Officers making purchases on behalf of the City Corporation using their own funds should ensure they have prior approval otherwise this is at their own risk and it does not guarantee the claim will be paid out. Claims for reimbursement of travelling, subsistence and minor personal expenses should be submitted on a regular monthly basis and within three months of the date the expenditure was incurred. The reimbursement of claims falling outside of this timeframe will require the permission of the Chamberlain. Such permission will only be given following Chief Officer justification for the late submission of the claim. Claims for expenses, where more than six months has lapsed since the expenditure was incurred, will not be allowed.
- 11.2 Travel should be booked in accordance with the City Corporation's Travel Policy. The preferred method of payment for any business travel expenditure outside of a Corporate Contract or to be re-imbursed through Payroll up to £1000 is a (P-Card) in line with Section 8.4 of these regulations and the P-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 VAT receipts must be kept by the claimant for audit and accounting purposes.
- 11.5 Every Officer who receives a car loan or car allowance, whether casual or essential, must produce to their 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 Corporation in the Business and Travel Expenses Scheme. All subsistence allowances paid shall be in accordance with the current provisions laid down by the City Corporation 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 on SharePoint. 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 Orders.
- 12.2 Chief Officers are responsible for the maintenance of registers for City Fund, City's Estate and City Bridge Foundation assets as follows:
- Property (Buildings and Land) - City Surveyor
 - Police Vehicles - Commissioner of Police
 - Other Vehicles - Executive Director of Environment
 - Exhibits - Assistant Town Clerk and Cultural and Visitor Development 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 Asset registers are required to itemise all City Fund assets which cost in excess of £1,000 and for those assets acquired since 1st April 1990, the date and cost of acquisition. In respect of all assets other than land and buildings, the information should be capable of being extracted from inventories. Although the Chamberlain is the statutory registrar for items of furniture and equipment, it is the responsibility of each Chief Officer to maintain inventories for all furniture and equipment within their control (There is no longer a requirement to provide separate registers of furniture and equipment items costing in excess of £1,000.
- 12.5 The authority to acquire new or add to/enhance existing assets with a value in excess of £50,000 is subject to the Corporate Project Procedure or as otherwise required in accordance with standing orders.
- 12.6 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.
- 12.7 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.
- 12.8 For acquisition of property a completed acquisition statement shall be provided by the Comptroller to the Chamberlain (and also to the CBF Director for CBF properties) prior to the transaction being completed

Disposal of Assets

- 12.9 Assets with a value in excess of £50,000 require approval of the relevant service committee

or board before disposal. In addition, there is specific governance relating to the disposal of property within standing orders. Where acquisition of a number of assets has been aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc) then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centrally held reserves – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific Member approval.

12.10 Assets should be disposed of at Fair Value (or for any charity land on terms which are the best which can reasonably be obtained) – any proposal to dispose of an asset at below fair (market) value must be in consultation with the Chamberlain and Comptroller and City Solicitor and requires specific member approval. For assets under the control of City Bridge Foundation, consultation must also be sought with the Managing Director of City Bridge Foundation.

12.11 The Chamberlain must be advised of the disposal of capital assets before the year-end to ensure the accuracy of the City Corporation's published accounts for each Fund.

SECTION 13. INSURANCE

- 13.1 The City Corporation maintains insurance cover to limit the financial impact of the consequences of unforeseen events leading to the loss or damage to the City's assets or claims for injury loss or damage being made against the City.
- 13.2 The Chamberlain shall procure and maintain all appropriate 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 and Risk Management Team promptly of all new risks, assets or material changes relevant to the City's insurance programme. This may include, but not be limited to:
- Significant organizational changes, responsibilities and practices e.g. major in/outourcing.
 - Additions, loans and disposals of assets, including properties, contents, stock and equipment, plant, vehicles, works of art and heritage assets etc.
 - Contract works, changes of use and occupancy of properties.
 - Travel outside of the UK or involving an overnight stay on the business of the City Corporation
 - 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 and Risk Management Team of any loss, potential 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 Financial Director of City Bridge Foundation for City Bridge Foundation, or otherwise by the Financial Services Director and also by the Comptroller and City Solicitor or their named delegated officer.
- 13.7 The Chamberlain's Insurance and Risk Management Team shall be notified immediately that any valuables belonging to a private individual are taken into the Corporation's possession so that directions may be given as to their recording and safe keeping. The term "valuables" shall include watches, jewellery, cash, documents, goods, chattels or any other items of intrinsic value. It does not apply to "lost property" of a low value.

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 their control (see also Financial Regulations concerning Inventories Section 19). In this respect, he or she shall inform the Financial Services Director or Head of Internal Audit 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 Internal Audit and shall not be exceeded without their express permission.
- 14.3 Cash carrying limits shall be in line with insurance policy conditions. Reference should be made to the Insurance and Risk Management Team for current policy conditions.
- 14.4 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 Corporate Treasurer or Head of Internal Audit. Duplicate keys to all safes are to be held in a place approved by the Chamberlain's Head of Internal Audit and locked away for use in the case of emergency only.
- 14.5 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 and in such cases with appropriate safeguards. 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.
- 14.6 All staff, including temporary, contract or agency staff, are required to comply fully with the requirements of the Data Protection Act 2018 (DPA) and the United Kingdom General Data Protection Regulations (UK GDPR). Chief Officers, (who are each "Responsible Officers" for the purposes of the DPA and UK 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 City's Director of Digital Information and Technology and the City's IT Information and Security Director (who are each "Responsible Officers" for the purposes of the DPA and UK GDPR) each have similar obligations relevant to their role.
- 14.7 In particular, Responsible Officers are required to implement "privacy by design and default", to comply with the six data protection principles under the UK GDPR, and to maintain appropriate records, including Records of Processing Activities (ROPA) and, where appropriate, undertake Privacy Impact Assessments (PIA). Where processing is contracted out to third parties then the requirements for data processors must also be complied with.
- 14.8 The City Corporation's Director of Digital Information and Technology 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.

14.9 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.

14.10 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.

SECTION 15. INCOME & BANKING ARRANGEMENTS

- 15.1 The systems effecting the collection of all money due to the City Corporation 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 Corporation. 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 Corporation , 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 Corporation's Finance System for the raising of debtor invoices and the recording of data in respect of miscellaneous invoiced income, unless otherwise directed by the Chamberlain.
- 15.5 Departments shall ensure that arrangements are in place for the regular and frequent reconciliation of amounts collected to the general ledger.
- 15.6 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.
- 15.7 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 Chamberlain.
- 15.8 Every officer who banks money shall enter on the paying-in slip their name, their contact telephone number and/or email address, and the number of cheques being paid in (if any). Every officer paying in money should also ensure that the standard electronic form is completed and submitted to the Chamberlain's Income Allocation Team (In Corporate Treasury) on the day of banking to facilitate the correct coding of the banked monies.
- 15.9 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 (SI 2017/292) which came into force on 26 June 2017.
- 15.10 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 Chamberlain.

- 15.11 All cheques and similar documents (but excluding cheques drawn on authorised imprest accounts) shall be ordered only on the authority of the Chamberlain , who shall make proper arrangements for their safe custody.
- 15.12 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 and Risk Management team.
- 15.13 Money held on behalf of the City Corporation shall be kept separately from personal funds and shall not be used in any way for personal purposes.
- 15.14 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

- 15.15 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 Chamberlain prior to use.
- 15.16 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 on the intranet.

Irrecoverable debts

- 15.17 No debt shall be written off, with the exception of small balance write-offs, without first obtaining the approval from either the Assistant Director Financial Shared Services or the Chamberlain. Any such amounts relating to City Bridge Foundation should also be reported to the CBF Finance Director. The current level of authority are set out in 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. Where a series of debts are proposed to be written off at the same time, their aggregate value shall be used when considering authority required for the write- off under Standing Order 52.

Fees and Charges

- 15.18 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.

- 15.19 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.
- 15.20 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.

Charitable Grant/Voluntary Income

- 15.21 For all charities for which the City Corporation is Trustee regard must be had to the current version of the Charities SORP in relation to the acceptance of grants or other forms of voluntary income. Such income is classified as a 'non-exchange' transaction.
- 15.22 The recognition of grant/voluntary income within the accounts of each charity must follow the general rules of recognition, considering the criteria of entitlement, probability and measurement (SORP 5.8)
- 15.23 Recipients of such income must be mindful as to whether it can be used for any purpose of the charity or is restricted to a specific purpose. Advice should be obtained from the City Bridge Foundation, Charities Finance Team and the Comptrollers and City Solicitors department where either restrictions are being considered or any other form of agreement is to be entered into with a donor/(s).

SECTION 16. PARTNERSHIPS

- 16.1 When entering into collaborative arrangements, be they partnering, partnership agreements, joint venture arrangements 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 Corporation'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) Involve Commercial Services where appropriate and necessary select routes to choose an appropriate partner, this is especially important if the partnership could result in a contract.
 - (b) Consult with the Chamberlain to ensure expenditure and income transactions are correctly accounted.
 - (c) an appropriate exit strategy is in place.
 - (d) 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
 - (e) 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.
- 16.3 Information on the Concession Contracts can be found in the Procurement Code - please see both Part 1 (Rules) and Part 2 (Guidance).

SECTION 17. GRANT-MAKING

17.1 Grants made by the City Corporation are frequently voluntary payments made to further the purposes of a grant-making charity. The City Corporation also makes grants from its private funds (City's Estate) Grants can be made to either fund the general purposes of the recipient or for a specific activity or service. A grant may be unconditional, or subject to conditions which must be met before the recipient is entitled to the payment.

17.2 All grants awarded from charitable funds managed by the City Corporation 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. This requires the full value of a grant award/commitment to be recorded as expenditure when a constructive obligation exists. Such an obligation exists when the grant-making charity creates a valid expectation on the part of the recipient that the full grant will be paid. Although grants are non-contractual, a liability still arises if the charity has no realistic alternative but to provide the funding. A grant may be made subject to binding terms and conditions under an agreement.

17.3 Evidence of constructive obligation for a grant may exist where:

- a) The commitment made is specific i.e. an amount is approved to fund particular services/activities to a named organisation.
- b) The commitment offer is communicated directly to the recipient before our financial year-end (31 March). Such communication is expected to be a formal offer in writing, approved in line with the relevant delegations of authority operated by the Service Committee involved.
- c) There is an established pattern of practice that the grant maker will meet its commitments giving rise to a legitimate expectation of funding being received
- d) Where a grant commitment is payable over a period of more than one year, a liability must be recognised in the fund charity's accounts for the full amount of the grant, unless conditions exist for payments falling due after the financial year-end. Grant awards/commitments can be made which give the funding charity the discretion to avoid future payments based on their assessment of whether the conditions attached to the full commitment will be/have been met by the grantee. The inclusion of any such conditions must be communicated to and agreed with the grantee at the time or the outset of the arrangement
- e) Not all conditions attached to a grant award/commitment create a situation that gives the grant-making charity discretion to withdraw from its funding obligation. A requirement for a grantee to provide ongoing reports throughout the life of the project being funded is not sufficient to prevent future years' funding from being recorded upfront as expenditure. Where payments for later years are subject to performance-related conditions, that would allow the funding charity to legitimately withdraw from its commitment if these are not met, this would enable the funder to recognise part of the grant only at the initial point of approval.

An example being 4-year grant of £400,000 approved, payable evenly across the grant period:

- a) Only condition is that annual management accounts for the project are provided – accounting treatment: full £400,000 recorded as expenditure in the month of approval by the relevant Service Committee.
- b) Condition states that at the end of year 2, performance of the grant will be reviewed externally. Satisfactory results will need to be achieved against the stated objectives for the grant to continue – accounting treatment: £200,000 recorded as expenditure in the month of approval by the relevant Service Committee, with the remaining £200,000 recorded as expenditure if/when satisfactory results are approved against objectives.
- c) The payments that are made against grants awarded/ committed will be coded to a balance sheet liability account. At any point in the lifetime of a grant, the amount still due to be paid to the grantee will be recorded in the finance system as an outstanding liability.
- d) Any amounts not paid out at the end of a grant - i.e. balances left as an outstanding liability – should be written-back against grant expenditure. Confirmation of write-backs should be approved by the relevant Service Committee.
- e) Reconciliations of grant liabilities to underlying systems/data should be produced on a regular basis, determined by the value and volume of grants being committed. Discussions on the validity of outstanding liabilities should be held with the relevant service department, with adjustments agreed in line with department held grant-making policies.

17.4 All grants awarded from non-charitable funds managed by the City Corporation 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. Advice should be taken from the Central Grants Unit (CGU) if consideration is being given to not following the SORP guidance.

17.5 The City Corporation also makes grants from its non-charitable funds to other organisations to undertake works that deliver a corporate outcome, such as capital grant funding to the Museum of London to relocate to the Smithfield Market site. Approval to such funding requires the authority of the Policy and Resources Committee or Capital Buildings Committee as appropriate.

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 Corporation shall be made by the Chamberlain or under arrangements approved by them.
- 18.2 Each Chief Officer, or their authorised representatives, shall notify the appropriate HR Business Partner as soon as possible, and in the prescribed form, of all matters affecting the payment of such emoluments. They will then update City People or complete a Pay 2 form as appropriate. In particular such matters will include; -
- (a) Appointments, resignations, dismissals, suspensions, secondments and transfers.
 - (b) Absences from duty, apart from approved leave, as laid out in the Employee Handbook. Sickness absence should be entered by managers directly onto Trent.
 - (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 Corporation 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 Corporation Departments and the four 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, this may include emails from Human Resources authorising changes. Changes shall be notified to the Chamberlain's Payroll Manager as they occur.
- 18.5 All Line Manager's engaging on behalf of the City Corporation are required to complete the HMRC's Employment Status Service tool. The tool must also be used to ascertain the employment status of other off payroll workers who do not fall under IR35 but should be engaged on a fixed term contract or variable contract due to the nature of the work.

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 Corporation'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 lifespan 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 The inventory should provide the following information for each item:
- a. Location, but if the item is moved between locations, note the general area. (A separate record of location may well be necessary).
 - b. Full description
 - c. Serial and Code numbers, if relevant
 - d. Date of purchase and cost of acquisition
 - e. Estimated current replacement value (for insurance purposes), which should be reviewed annually; and
 - f. Date of disposal and the proceeds
 - g. The total of all the estimated current replacement values should be shown, so that the information is readily available for insurance purposes.
- 19.4 Where practical, the inventory should be updated each time there is an acquisition or disposal. This will produce a more accurate record than if all the amendments are done at the end of the year.
- 19.5 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 £50,000, then Committee approval should be sought for any such write-off in accordance with Financial Regulation 19.6 below. The inventory should then be amended accordingly.
- 19.6 The disposal of any item of inventory shall comply with the City Corporation's agreed disposals procedures items of inventory with an estimated disposal value in excess of £50,000 must be approved by the appropriate Committee. Where the acquisition of an asset was aggregated into a capital project (e.g. fleet vehicles, personal IT devices such as laptops etc) then disposal proceeds should be likewise considered on an aggregated basis. Disposal proceeds generally accrue back to the centre – they may not be used to supplement local risk budgets or be reallocated to supplement project budgets without specific member approval.

- 19.7 It is important that at least one copy of the of the inventory is held separately from the assets that it lists, so that if a disaster occurs to the Department or the Guildhall, then all information is protected for insurance purposes, in the event that items need replacement. If provision has been made for a business continuity box, as part of the Corporation's disaster recovery plan, then this would be the ideal location for a copy of the inventory. For inventories that are kept on computer disk, backup copies should be kept in a fireproof cabinet in a separate location to the computer.
- 19.8 All assets, other than for furniture and equipment, which cost in excess of £5,000 are required to be separately notified to the appropriate registrar for inclusion in the asset register. The Chamberlain, in their statutory capacity as registrar for furniture and equipment, may request inventories to be sent to them at 31st March in any one year.
- 19.9 The City Corporation's property shall not be removed or used otherwise than in accordance with the ordinary course of the City Corporation'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 their department, and shall maintain proper records in such a form and the extent as may be agreed from time to time by the Financial Services Director .
- 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 Financial Services Director , however, may dispense with this requirement in cases where the value of the items held in store is less than £50,000 in total.
- 20.3 Checks and reconciliations of all stocks and stores, should wherever possible be undertaken in the presence of a person independent of the keeping of the stores concerned.
- 20.4 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 Digital Information and Technology Services
- 20.5 The return of all goods to suppliers shall be authorized by the appropriate Chief Officer or their authorised representatives. In each instance officers are only to release such goods when they are, certain that the return has been properly authorised, satisfied that the collection company has been previously notified to them, and that they are in receipt of appropriate return note documentation.

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 Executive Director of the Environment who is responsible for maintaining an asset register for City Corporation owned vehicles. The Commissioner of Police shall also maintain a register of his 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 Corporation Vehicles .City Corporation vehicles should be registered on the City's fleet management system, except for City of London Police vehicles. For security reasons the City Police run their own fleet system and their vehicles should be registered with their systems
- 21.3 The registration documents of all City Corporation owned vehicles shall be recorded and held in safekeeping in a manner approved by the Financial Services Director.
- 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 Corporation'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.
- 21.7 Where a department has its own fuel pump comprehensive records shall be maintained of all deliveries and issues.
- 21.8 The proceeds from the disposal of fleet vehicles previously purchased through a capital project shall accrue to centrally held reserve and may not be used for other purposes such as supplementing local risk budgets.

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 Corporation are dealt with through the Employee Handbook – Code of Conduct – Hospitality & Gifts.

22.2 All other Business Expenses (Business Assets) should be purchased via Purchasing Cards/Petty cash.

Entertainment

22.3 All business entertainment expenses must be incurred in accordance with the City Corporation's Business Travel Policy and Travel and Subsistence Policy which can be found on SharePoint.

SECTION 23. DOCUMENT RETENTION

- 23.1 There is very little specific legislation that prescribes retention of document periods for financial documents in Local Government. Where specific legislation does apply to specific documents, the minimum retention period has been outlined below. In general, for audit purposes, all original records should be retained for at least 18 months after the end of the financial year to which they relate. For example, a document created on 1 June 2000 should be held until 31 September 2002 as a minimum.
- 23.2 In addition the permanent retention of “key records relating to building and engineering works such as surveys, site plans, drawings, bills of quantities, contract documents, including those which relating to major projects which have been abandoned or deferred, deeds, lease documents, insurance policies, inventories, valuations”.
- 23.3 No specific legislation, except that relating to VAT, covers the format in which Local Government records are retained. If a department wishes to consider electronic storage, it should ensure that it complies with the British Standard Code of Practice for Legal Admissibility and Evidential Weight of Information Stored Electronically (PD0008:1999), and the section on Microfilming and Electronic Storage at the end of this section.
- 23.4 Departmental policy for the retention or destruction of financial records shall be approved by the Chamberlain or his/her designate, subject to the overriding requirements of the Director of London Metropolitan Archives. and relevant legal requirements which apply. Details of the minimum periods for which certain records are to be retained, and guidance as to microfilming and the electronic storage of data, are provided below.
- 23.5 There are legal requirements pertaining to charity financial records retention. In summary for charitable trusts, the City Corporation as the charity trustee is required to keep accounting records that are sufficient to: show and explain all the charity’s transactions; and disclose at any time, with reasonable accuracy, the financial position of the charity. These accounting records must contain: (a) entries showing from day-to day – all sums of money received and expended by the charity, and the matters in respect of which such receipt and expenditure takes place (e.g. cash books, invoices and receipts); and (b) a record of the charity’s assets and liabilities. These accounting records, together with the accounts prepared from them, to be preserved for at least six years from the end of the financial year in which they are made (Refer ss 130, 131 and 134 of the Charities Act 2011). Otherwise all other records should be retained for the minimum periods as set out below in accordance with corporate standards

Rates, Community Charge and Council Tax Records

- 23.6 Apart from archival uses, legal requirements make it necessary to retain details of payments etc. over a six-year period (Limitation Act 1980).

<u>Record</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Valuation Lists	General Rate Act 1967	Permanently
Valuation Officer's Direction Lists	General Rate Act 1967	Permanently
Primary Rate Records		10 Years
Supporting Documents to Primary Rate Records		6 Years
Bailiff's completed Receipt Book		10 Years
Rating Lists	L.G. Finance Act 1988	Permanently
Schedules to Rating Lists	L.G. Finance Act 1988	Permanently
Community Charge register	L.G. Finance Act 1988	Permanently
Canvass Form		6 Years
Primary Comm. Charge Records		10 Years
Supporting Documents to Primary Community Charge Records		6 Years
Council Tax Valuation Lists	L.G. Finance Act 1992	Permanently
Schedule to Valuation Lists		Permanently
Primary Council Tax Records		10 Years
Supporting Documents to Primary Council Tax Records		6 Years

Housing Rental Records

<u>Record</u>	<u>Relevant</u>	<u>Statute</u>	<u>Minimum Period of Retention</u>
Housing Property File/Ledger	.		6 Years
Housing Primary Rent Collection		.	6 Years
Records (including rebates and refunds)	.		6 Years

Other Subsidiary Records			After external audit but a minimum of 18 months after the end of the financial year
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GENERAL INCOME (OTHER THAN RATES, COMMUNITY CHARGE AND COUNCIL TAX)

In general, once an account has been paid there is no need to keep supporting records after the external audit has taken place, except for VAT income accounting purposes (See below).

<u>Record</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Primary Periodical Income Record	.	3 Years
Primary debtors record		Currency of record or 6 years, whichever is the longer
Supporting documents to 1 & 2 above	.	3 Years
Assessment files (dead case)		After external audit but a minimum of 18 months after the financial year.
Domestic Help Timesheet	.	2 years after completion of external audit
Income Returns from Departments		1 years after completion of external audit
Completed receipt books & other documents	.	6 Years (See VAT Section)
Cash Register Till Rolls		6 Years (See VAT Section)

Housing Act Advances		
Car Loan Repayments, Private Street Works, Public Health Acts etc - payments by instalments over a period of years		Basic information to be retained 12 months after completion of payment.

ALL ASSESSMENT RECORDS

(for a particular year)

<u>Record</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Including Rent Allowances & General Income		3 Years
Council Tax and Housing Benefits	Limitation Act 1980	6 Years

Community Charge Benefits	Limitation Act 1980	6 Years
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EXPENDITURE RECORDS

<u>Record</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Register of Tenders & Quotations		Currency of records, or 6 years for dead cases
Contract Documents (where contract is under seal)	Limitation Act 1980	12 Years
Contract Documents (where contract is not under seal)	Limitation Act 1980	6 Years
Unsuccessful quotations & tenders		A minimum of 12 months after the start of the contract
Contract Register		Indefinitely
Contractors' Final Account Documents	Limitation Act 1980	12 Years
Requisitions for supplies/works		After external audit but a minimum of 18 months after the end of the financial year
Official Copy Orders		6 Years (See VAT Section)
Delivery Notes		6 Years (See VAT Section)

<u>Record</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Periodical Payments Register (dead cases)		3 Years
Paid Accounts/Purchase Invoices		6 Years
Paid Cheques including Giro cheques (presented)		After external audit but a minimum of 18 months after the end of the financial year
Costing Documents		
Stores prime records		
Haulage prime records		After external audit but a minimum of 18 months after the end of the financial year

Postage returns		After external audit but a minimum of 18 months after the end of the financial year
Inter-departmental account transfer		End of the financial year
Petty cash voucher		6 years
Detailed expenditure tabulations (final tabulations)		6 years
Year-end costing and financial tabulations		3 years
Rechargeable work job orders		3 years

PAYROLL

<u>Record</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Timesheets including Bonus Sheet Car Allowance claims		After external audit but a minimum of 18 months after the end of the financial year
Other staff returns (e.g. overtime allowances)		After external audit but a minimum of 18 months after the end of the financial year
Payrolls (in whatever final form)		3 Years
P11 & P35 returns		3 Years
Individual pensioners files		Currency of record, 12 months after case has been cleared after death
Pensions payroll		3 Years
Superannuation		
Register of Contributors and Contributions	Local Government Superannuation Act	Indefinitely
Transfer Value documents		Indefinitely
Register of Pensioners		Indefinitely
Quinquennial Valuations - all papers and records		Indefinitely
Half-Year tabulations of employees superannuable pay and contributions		6 Years

OTHER ACCOUNTING RECORDS

<u>General Accounting Records</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Bank Pass-Book sheets		7 Years
Receivership Records		7 Years
Cashier's Collection & Deposit Book		7 Years
Cashier's Petty Cash		7 Years
Imprest Account		7 Years
Post-dated cheques register		7 Years
RD Cheques register		7 Years
Cheques (blank) register		7 Years
Unpaid wages book		7 Years
Deceased Persons Effects Register		Indefinitely
Records of patient's property handed in for safe custody- and property held under Section 48 - National Assistance Act 1948		6 Years after the end of the financial year in which the property was disposed

Investment Records	Relevant Statute	Minimum Period of Retention
Register of holdings		Indefinitely
Bought and sales notes when holdings disconnected	Limitation Act 1980	6 Years

<u>Loan Records</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Register of Bonds/Mortgages		Indefinitely
Copy Bond Certificates		6 Years after redemption of bond
Temporary Loans Register		After external audit but a minimum of 18 months after the end of the financial year

Insurance Records	Relevant Statute	Minimum Period of Retention
Register of Insurances		Indefinitely
Insurance Policies (discontinued)		Indefinitely

<u>Financial Administration Records</u>	<u>Relevant Statute</u>	<u>Minimum Period of Retention</u>
Controlled stationery register		Indefinitely

VAT RECORDS

All records relating to VAT (detailed below) VAT Act 1994: **6 Years**

Type of Record	Detail
Business and accounting records	<ul style="list-style-type: none"> Orders and delivery notes Relevant Business correspondence Purchase and sales books Cash and other accounts books Purchase invoices and copy sales invoices Record of daily takings e.g. till rolls Annual Accounts Import and export documents Bank Statements and paying in slips A VAT account Any Credit or debit notes issued or received

A VAT Account	An account summarising the totals of the output tax and input tax for each period.
Copies of all VAT invoices issued	A copy of all VAT invoices must be retained either on paper, computer or other media and should be readily available for inspection.
All VAT invoices received	A copy of all VAT invoices must be retained either on paper, or computer or other media and should be readily available for inspection.
Documentation relating to acquisition of goods from other EU countries	All documents must be retained either on paper, computer or other media and be readily available for inspection
Copy documentation relating to the transfer, dispatch or transportation of goods to or from EU countries.	All documents must be retained either on paper, computer or other media and be readily available for inspection, including documentary evidence of any goods leaving the UK.
Documents relating to imports and exports.	All documents must be retained either on paper, computer or other media and be readily available for inspection, including documentary evidence of any goods leaving the UK.
All credit notes, debit notes or other documents which evidence an increase or decrease in consideration that are received and copies of all such documents that are issued.	A copy of all credit notes, debit notes or other documents must be retained either on paper, computer or other media and should be readily available for inspection.
Any documents or certificates supporting special VAT treatment such as relief on supplies to visiting forces or zero-rating by certificate.	A copy of all documents or certificates must be retained either on paper, computer or other media and should be readily available for inspection.
Additional records as required by HMRC such as copies of self-billing invoice agreements	Any other additional records must be retained either on paper, computer or other

	media and should be readily available for inspection.
--	---

Microfilming & Electronic Storage of Documents

23.8 Subject to normal audit procedures for microfilming of documents, the following points are relevant to retention of documents:

23.9 Sections 37 and 39 of the GLC (General Powers) Act 1969 empower the City of London Corporation to make microfilm records of their documents which, notwithstanding that the document may have been destroyed are receivable in evidence, if properly verified, in Court proceedings.

23.10 Any documents to be electronically scanned or microfilmed, for VAT purposes, must first be reported to the Chamberlain's Corporate Treasurer who will seek the permission of HMRC.

23.11 Any documents which have been microfilmed may, subject to the conditions set out in Sections (iii) below, be destroyed after formal closure of the audit for a financial year by the External Auditor. In certain situations, the audit may remain open for a longer period of time. If an audit remains open the authorities must seek approval of the external auditors for the disposal for any documents.

23.12 Instances when documents should be retained:

- (a) Records deposited under Section 4 of the Public Records Act 1958 are to be retained permanently.
- (b) Records deposited or acquired under Section 5 of the City of London (Various Powers) Act 1962 and Section 2 of the Local Government (Records) Act 1962, as amended by the London Government Act of 1963 and any relevant later Acts.
- (c) Documents which are or may be value for administrative, historical, sociological or research purposes should be retained.
- (d) Before documents are destroyed it is recommended that an Archivist be consulted for advice:
 - On the retention on a selective or sampling basis (say 1% to 2%) of a typical set of papers;
 - When doubts exist on documents which should be preserved as having an historical value not only because of their age, but the fact that current documents may from their content or nature have an historical value;
 - On the retention of microfilm after its use for administrative purposes has ceased or at the end of any statutory period for which it is required.

23.13 In general, any microfilm intended to be preserved should be original film and not a diazo copy. References to microfilm are equally applicable to microfiche.

SECTION 24. VERIFICATION OF CONTRACTORS AND CONSULTANTS FINAL ACCOUNTS

Verification of Contractors' and Consultants' Final Accounts

24.1 The verification procedures set out in (a) and (b) below will apply to final accounts for works contracts. In this context, references to risks relate to the matrix set out in the Project Procedure:

1. All Final accounts which exceed £50,000 in value will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,
2. In addition, final accounts of £2,000,000 and above will also be subject to final account verification by the Chamberlain's Financial Services Division (FSD) or the City Bridge Foundation Financial Director (for CBF projects) where (i) the value is £2,000,000 to £10,000,000 and the overall risk of the project has been assessed at some point as "Medium" or "High", and (ii) the value exceeds £10,000,000 regardless of the risk assessment.

24.2 All final account documentation is to be made available before or with the submission of the final account, which is itself to be prepared in accordance with the contract conditions (e.g. within 3 or 6 months of practical completion) and immediately submitted for verification by the City of London. Where the final account has not been verified as correct in accordance with clauses 1.a and/or 1.b, the Final Payment Certificate/Invoice is not to be paid prior to approval of an outcome report (Gateway 6 report as set out in the Project Procedure) which informs Members of the position of the Final Account Verification.

24.3 The verification procedures set out in (a) and (b) below will apply to final fee accounts for consultants that exceed £50,000 in value. In this context, references to risks relate to the matrix set out in the Project Procedure:

1. Fee accounts associated with works contracts will be subject to an independent verification check, undertaken by a suitably experienced officer within the relevant implementing department, regardless of whether the overall risk of the project has been assessed at some point as low, medium or high risk,
2. Fee accounts shall also be submitted for verification by the FSD where the associated works contract final account requires verification by the FSD in accordance with the above regulations.

24.4 Where a consultant's remit includes preparation of final account documentation for the works contract, they shall not submit their final fee account for payment until the works contract final account has been verified as correct in accordance with clauses 1a. and/or 1b. above. A clause to this effect should have been inserted in the fee agreement.

Submission of Final Accounts to the Chamberlain's Financial Services Division for Verification

24.5 Project Management and Technical staff shall either prepare final accounts, or ensure that this is done by our consultant(s) and contractor(s) for all works contracts, in accordance with the time scales stipulated in the contract conditions, and then make this information

available in either digital or hard copy format to the appropriate Financial Services Head of Finance along with relevant supporting documentation in the form of Contract Instructions, Variation Orders, Site Meeting Minutes, Practical Completion Certificates, Extension of Time Certificates, Payment Certificates, Invoices, Day-Work Sheets, Priced Bills of Quantities, Specifications, etc.

24.6 Project Management and Technical staff shall prepare final fee accounts for all consultancy appointments, in accordance with the time scales stipulated in the contract conditions, and then make this information available in either digital or hard copy format to the appropriate Financial Services Head of Finance or CBF Head of Finance along with relevant supporting documentation

24.7 When all of the applicable documentation is available the “Originating” Officer in the technical department should email that the final account is ready for verification to the appropriate Financial Services Head of Finance. This is the Head of Finance who heads the unit responsible for providing financial support services to the client department for the project in question. For works contracts, attached to this email should be a completed copy of the Contractor’s Final Account Checklist form. This email should be copied to the Town Clerk’s Corporate Programme Team and to the CBF Chief Operating Officer for CBF schemes for information.

Appendix 1 – ITT Dates for Software Integrator Procurement

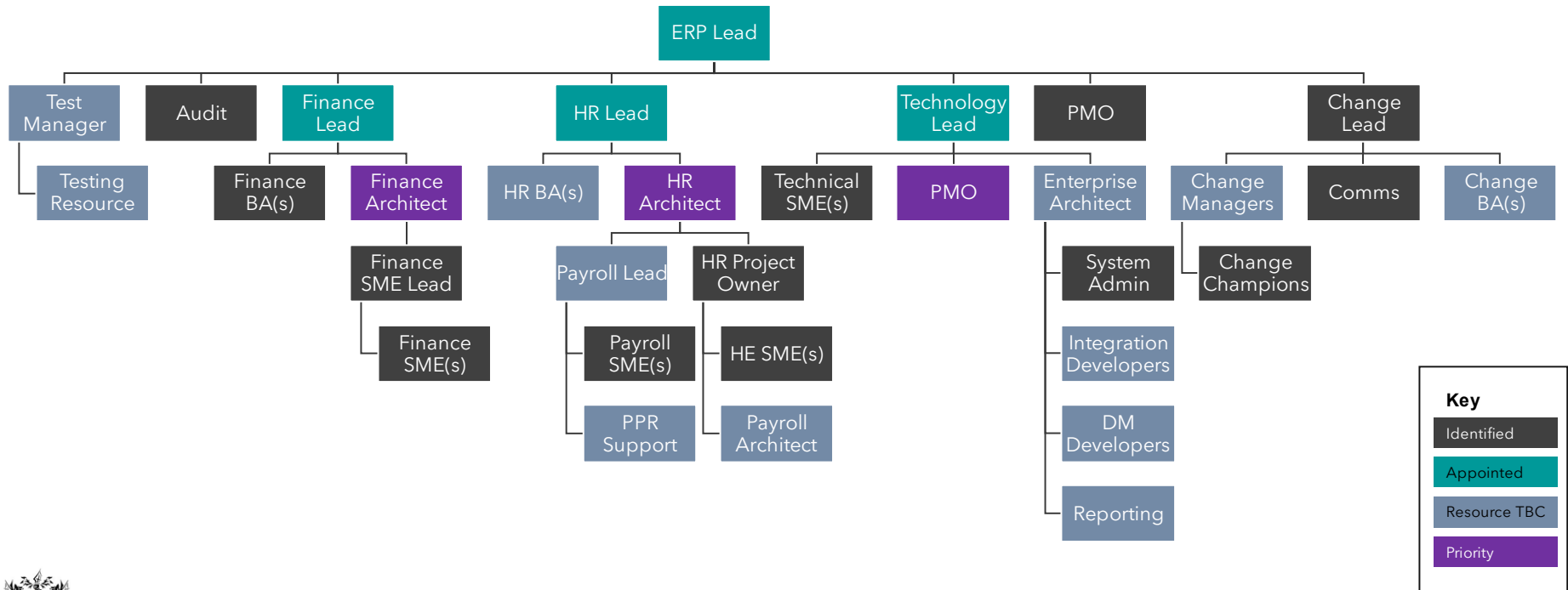
STAGE	DATE
Publication of Contract Notice	13/02/2024
SQ Issued	13/02/2024
SQ Deadline	26/02/2024
ITT Issued	16/04/2024
Deadline for ITT Clarification Questions	10/05/2024
Deadline for ITT Submission	17/05/2024
ITT Responses Evaluation & Moderation	20/05 – 0/06/2024
Presentations (optional)	13/06/2024
Notification of Outcome	26/07/2024
Expected Contract Award	31/07/2024
Expected Contract Start	16/08/2024

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ERP Programme Resourcing

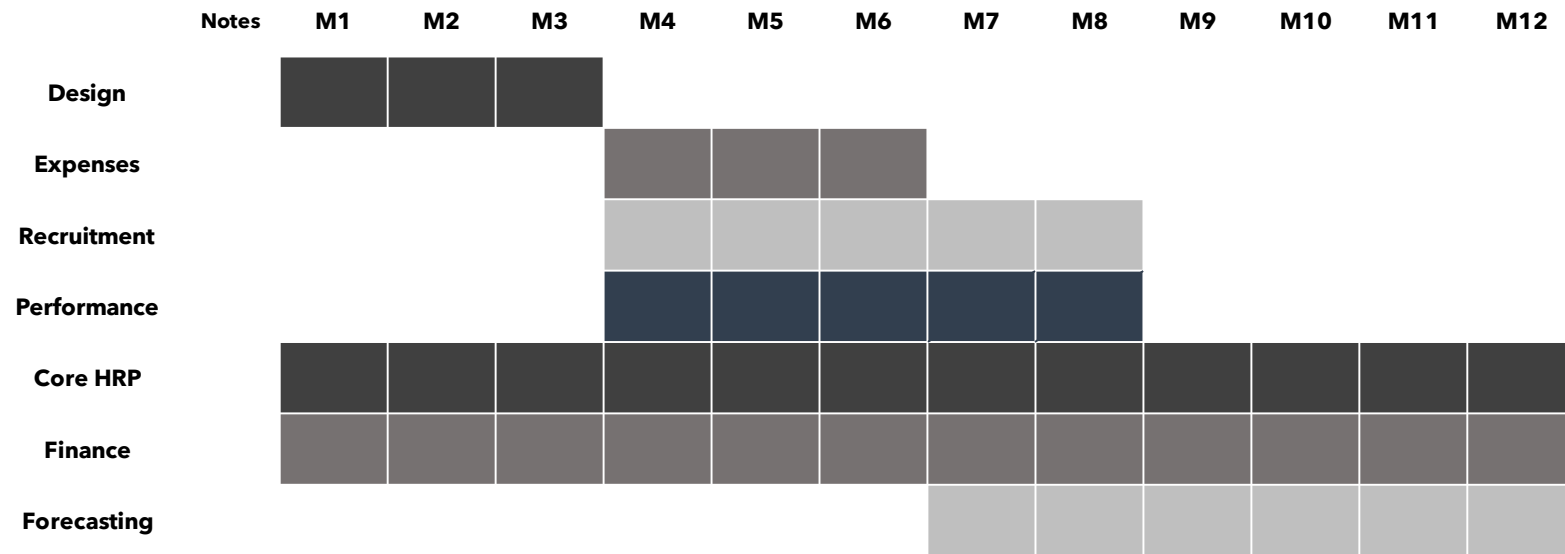
Page 67

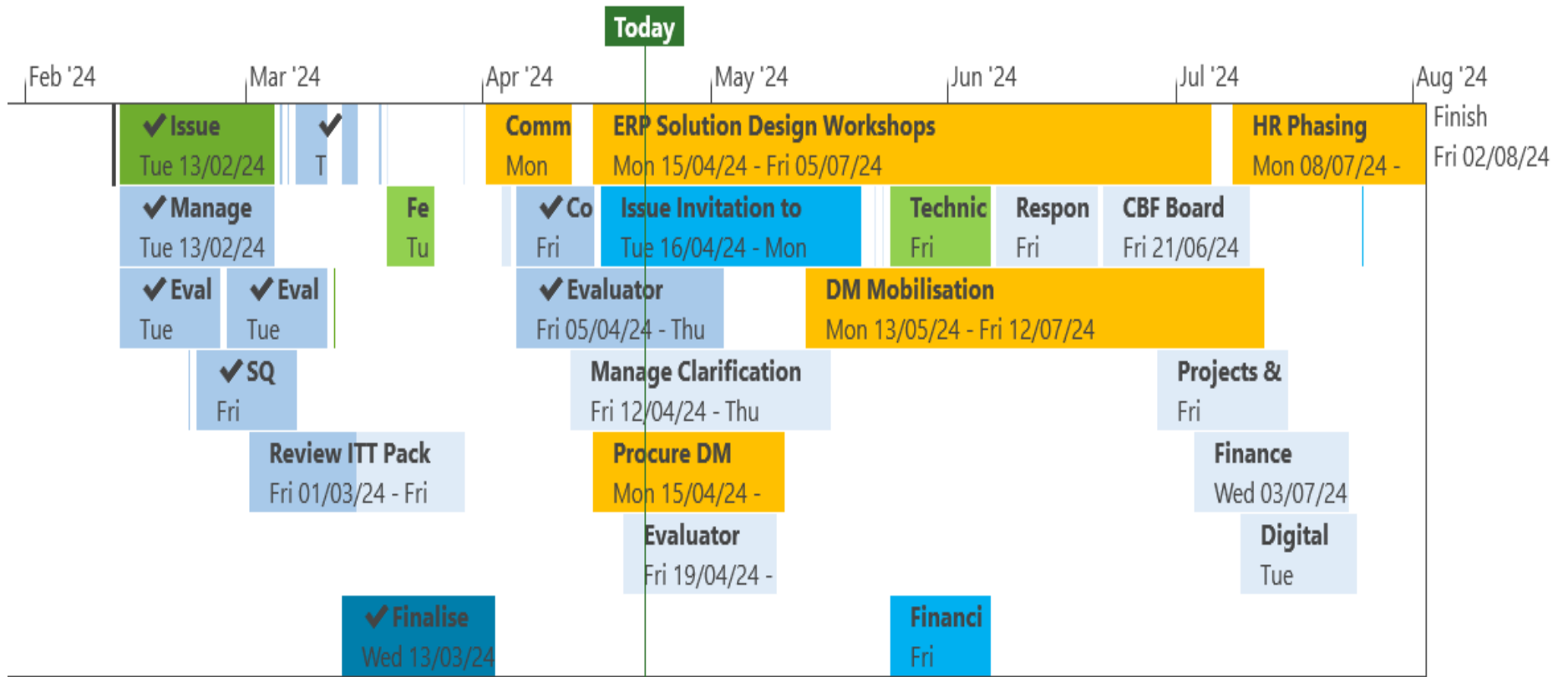


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Potential Phasing





Financial Services

Key updates from this quarter

- City's Estate accounts for 2022/23 signed by auditors Crowe, meaning that all accounts for City Fund and City's Estate are up to date in terms of signing off in advance of the start of the 2023/24 year end. A significant achievement.
- Power Station and all charity accounts (except for the School bursary fund) also signed and submitted for 2022/23.
- Recruitment into key roles has continued, focusing on bringing in new talent as well as providing internal opportunities through lateral development and progression. Of three further roles advertised two have now been offered with potential start dates of May 2024.
- 2024/25 Medium Term Financial Plan (MTFP) approved by Court of Common Council in March, including a funding strategy for £133m of Cyclical Works Programme (CWP) spend.
- An enhanced Capital Strategy was included within the MTFP detailing the 2024/25 programme and key elements within it.
- Quarterly monitoring process completed for Q3 and reported to ELB which included further information on areas such as CWP.
- Year end guidance and training has been rolled out to relevant teams and individuals taking lessons learned from last year to support the 2023/24 closedown.
- Business partner element of the matrix structure has gone live, with plans for further role outs in the first quarter of 2024/25.

Challenges faced over this quarter

- Significant effort was required to close off the prior year City's Estate accounts in advance of the 31st March extended deadline, but these were worked through methodically and in partnership with the auditors.
- Recruitment challenges across finance sector - employees market where the interim market is more lucrative (shift from permanent to interim market), this is evidenced in the one role we were not able to recruit to during our most recent round of recruitment.
- Inflationary pressures continue to impact on budgets and will need careful monitoring and risk management accounting continues.
- ERP programme delays have meant work on the new solution is yet to begin with the system integrator (SI).

Plans for the next quarter (Q1 2024/25)

Financial Services Director continues to focus on 3 key priorities - 1) Well-being of staff; 2) Recruitment; 3) Getting the basics done.

- This is a key period of work in closing the 2023/24 year-end accounts for City Fund and City's Estate. The statutory deadline for publishing the City Fund accounts is the 31st May and City's Estate will aim for completion in June to enable the external auditors to begin their own work
- Deep Dive meetings will be held with all Chief Officers to review their 2025/26 budgets as part of the first stage of budget setting with a focus on capturing and reviewing pressures and mitigations.
- Continuation of recruitment campaign to fill remaining posts.
- Continued work on Operational Property Review and income generation alongside the wider transformation programme in support of the 2025/26 MTFP
- Continue progress made with Corporate Treasury and new CIO function (Stanhope) in developing a longer term robust cashflow.

Changes to our Business Plan priorities

- No changes to business plan priorities.

Key updates from this quarter

- Collection are marginally down for both Council Tax and Business Rates.
- Payroll and Schools Improvement project is underway
- Housing Benefit System conversion has been completed on time.
- Annual Billing for 24/25 was completed on time.
- Project underway to address discrepancies in Visiting Music Teachers Pensions.
- Launched a new online Charitable Relief application form for business rates.

Challenges faced over this quarter

- Continued delay in third party solution to automate invoices due to internal system restrictions.
- Split from DHLUC to NNDR Multipliers (decoupling National and Small Business Multiplier) created additional complexity in delivering Annual Billing for 2024/25.
- Challenges in operating and learning the new Property Management System (Horizon).

Plans for the next quarter (Q1)

- Staff away Day to launch and imbed Division Vision Statement and transformation agenda.
- Continue to work with our supplier to deliver a solution to automate more invoices. Replacement Income Manager system go live (May 2024). Council Tax and Business Rates E-billing and DD automation (AUDDIS) projects underway. Kick off project to add the Housing Benefit paper files to the electronic document imaging system.

Changes to our Business Plan priorities

- No changes to business plan priorities

Key updates from this quarter

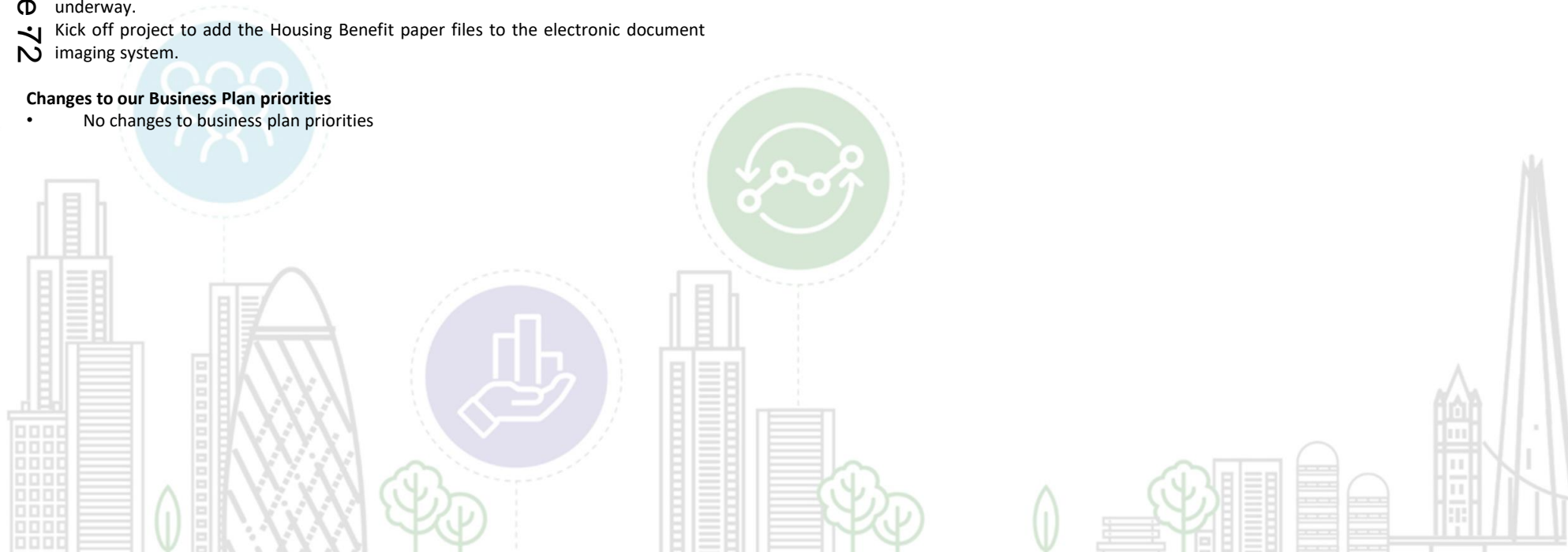
- Continuing with the implementation of the 'McCloud Remedy' for both the Local Government and Police Pension Schemes.
- Roll out of Member Self Service for the Pension Administration system to test group within Chamberlain's.
- Starting to collect year-end data to allow the production of the 2024 Annual Benefit Statements for both the Local Government and Police Pension Schemes
- Finalisation of the Treasury Management Strategy Statement (TMSS) for 2024/25
- Pension Fund Annual Report and Accounts for 2022/23 signed off by the external auditors
- Finalisation of CoL's second 'Task Force on Climate Related Financial Disclosures' (TCFD) report due for formal publication in the next quarter.
- Finalising end of year adjustments for the December insurance policy renewals and collating exposure and claims data for the June insurance policy renewals

Challenges faced over this quarter

- Maintaining appropriate liquidity in light of the pace of potential spend on the major projects..

Changes to our Business Plan priorities

- No changes to business plan priorities



Key updates from this quarter

- Delivery against anticipated programme of work for 2023/24 was fair, although smaller than anticipated owing to vacancy and long-term sickness absence.
- Corporate Risk Assurance reviews have been delivered as planned within the current year.

Challenges faced over this quarter

- Continued management of Senior Auditor vacancy following unsuccessful recruitment in Q3.
- Long term sickness absence has further impacted available resources and capacity.
- High profile work continues to require significant time commitment from Head of Internal Audit.

Plans for the next quarter (Q1)

- Recruitment for Senior Auditor.
- Business case development for additional resourcing for Internal Audit.
- Delivery of 2024/25 Q1 planned Internal Audit reviews.
- Preparation of Annual Report.
- In-depth review of outstanding and overdue Internal Audit recommendations..

Changes to our Business Plan priorities

No changes to business plan priorities.

Key updates from this quarter

- Number of freedom applications processed in Q4 was 780.
- Continuously received very positive feedback from guests and participants of freedom ceremonies and throughout the application period.
- Continue to significantly reduce the backlog of ceremonies as a result of COVID-19 by encouraging the Livery to have group ceremonies.
- Finalising plans with Mansion House regarding "en masse" Freedoms for the Lord Mayor and invitations have been sent out.
- Further testing on the new freedoms application system and meetings with supplier to ensure that the system is fit for purpose.
- Progression of the development of finance training for non-financial managers workstream.
- Updated /published content on COLNET pages.
- Successfully implemented the annual Freedom fee increase in line with RPI (4.9%)

Challenges faced over this quarter

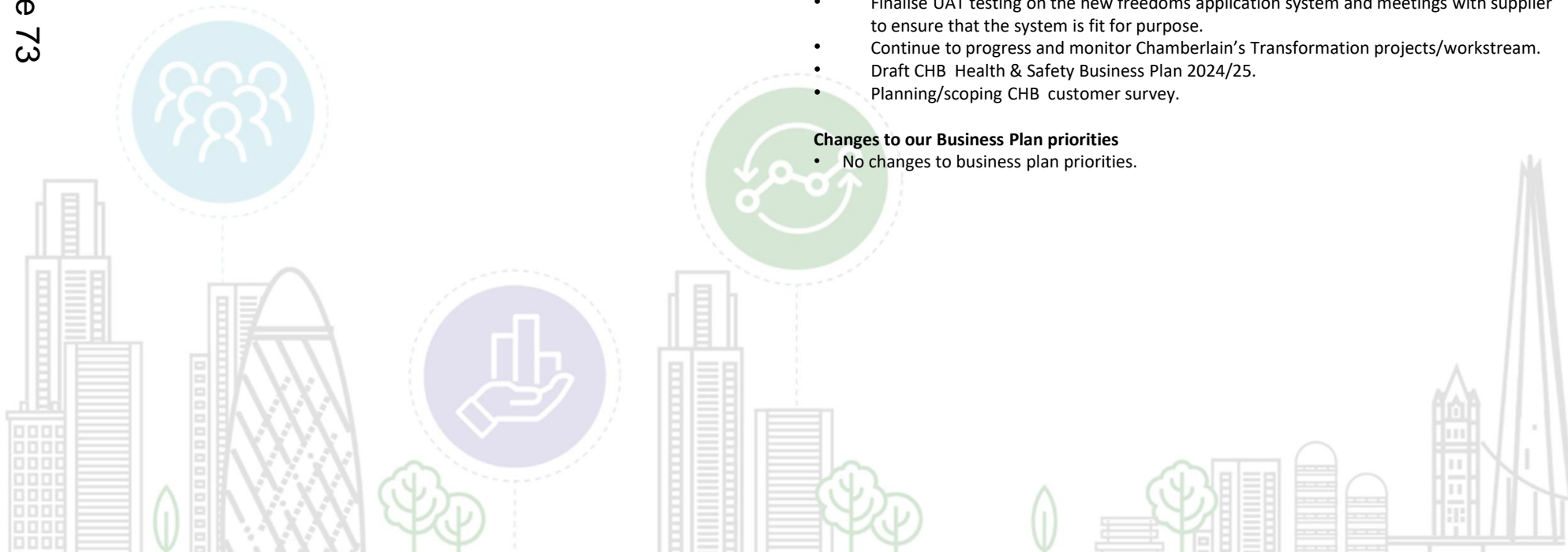
- The Chamberlain's Court continues to have capacity challenges to meet pressing deadlines and last-minute stakeholder requests.
- Delay on freedom application system (Agenda) implementation due to supplier performance.

Plans for the next quarter (Q4)

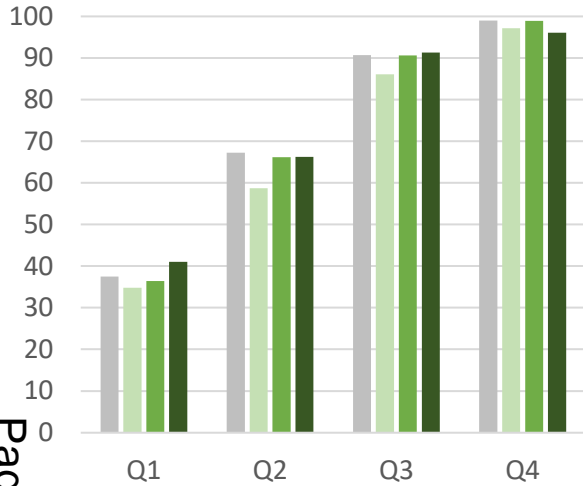
- Finalise UAT testing on the new freedoms application system and meetings with supplier to ensure that the system is fit for purpose.
- Continue to progress and monitor Chamberlain's Transformation projects/workstream.
- Draft CHB Health & Safety Business Plan 2024/25.
- Planning/scoping CHB customer survey.

Changes to our Business Plan priorities

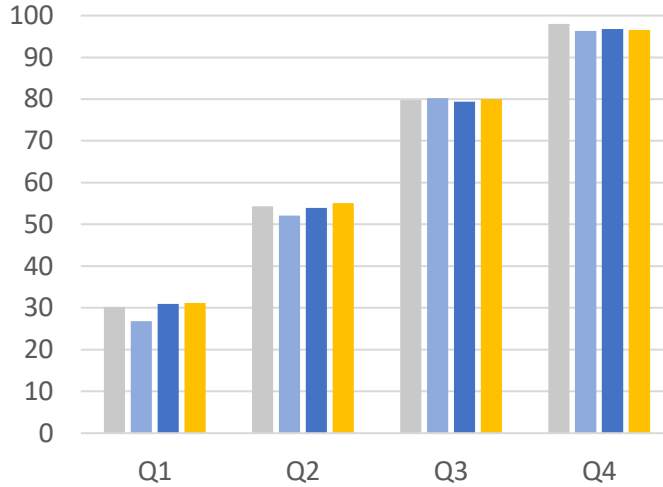
- No changes to business plan priorities.



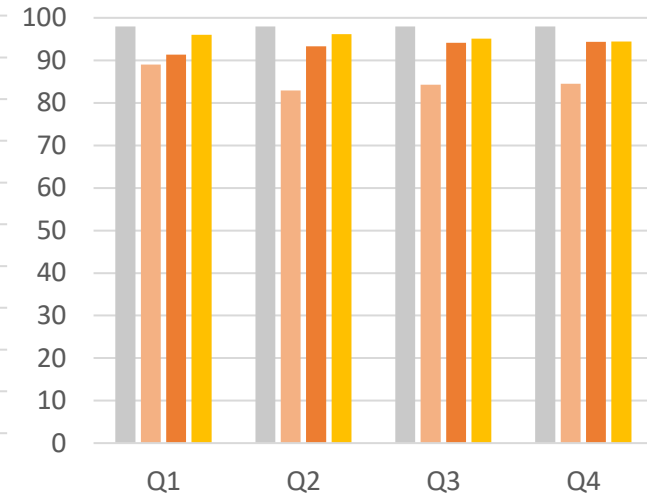
Business rates in year collection 23-24
% collected



Council tax in year collection 23-24
% collected



Commercial rent collection 23-24
% collected



Target 23/24* 2021/22 2022/23 2023/24

Target 23/24 2021/22 2022/23 2023/24

Target 23/24 2021/22 2022/23 2023/24

*The target in the 23/24 business plan agreed by Members was 98%, however, following the 22/23 outturn a stretch target of 99% has been set.

Publication of the Draft City Fund Accounts within Statutory Deadline of 31st May. The authority has been unable to comply with this requirement due to the additional workload from the delayed audit of 2020/21 and 2021/22 statements. This is partly due to a national issue on the accounting for infrastructure assets, and also due to the pensions triennial valuations impacting 2021/22 accounts. Draft City Fund accounts were published on 12th July. Accounts 2020/21 and 2021/22 were signed and published in November. **COMPLETE.**

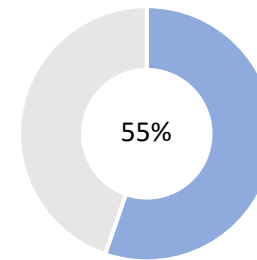
Publication of City Fund Audited accounts on 30th September. Impacted by the above and delay to auditing of accounts with just 22/23. **COMPLETE.**

Publication of draft BHF Accounts end of July and Publication of draft City's Estate Accounts end of August. **COMPLETE.**

IN PROGRESS
Effective financial management: expenditure against departmental local risk budgets (Target < 1%)

COMPLETED FOR 24/25
Delivery of a balanced budget and Medium-Term Financial Plan for City Fund, approved by Court of Common Council by 31 March

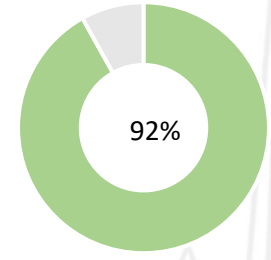
Invoices paid to SMEs within 10 days 2023-24



Target 88%

10 Day SME transactions
34,250, 15,311 paid after 10 days

Invoices paid within 30 days 2023-24



Target 97%

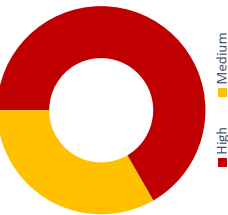
55,044 transactions,
4,455 paid after 30 days

CHAMBERLAIN'S PROJECT PORTFOLIO DASHBOARD - APRIL 2024

TOTAL NUMBER OF PROJECTS

9

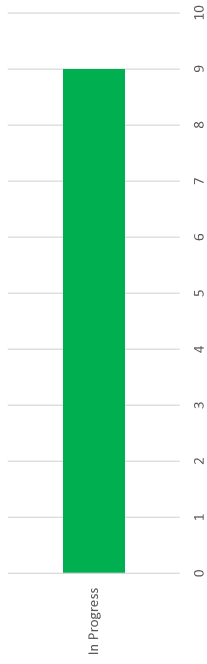
PROJECT BY PRIORITY



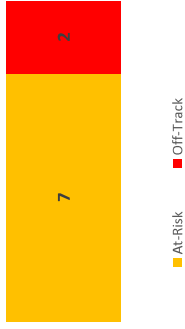
APPROVED BUDGET

£19,474,981

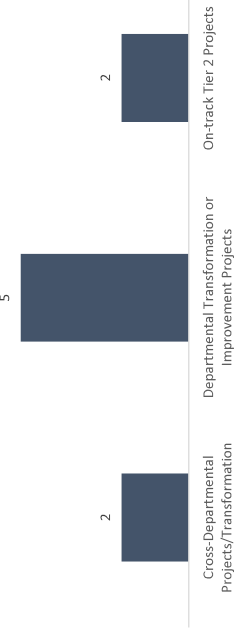
PROJECT BY STATUS



PROJECT BY OVERALL RAG RATING



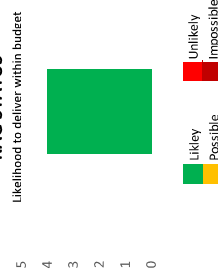
PROJECTS BY TYPE



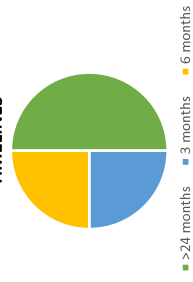
PROJECTS BY RISK APPETITE

Coming soon

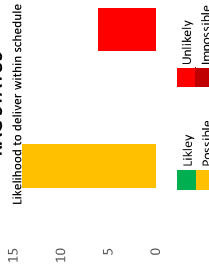
BUDGET RAG STATUS



DELIVERY TIMELINES



SCHEDULE RAG STATUS



Status:

- In Progress
- Complete
- Not Started
- Not Yet Started
- On Hold

Overall RAG

- At-Risk
- Off-Track
- On-Track
- Significantly Off-Track

SLT Lead

- GW
- HP
- PB
- SV
- ZG
- AF

Project Category/T...

- Cross-Departmental ...
- Departmental Transf...
- On-track Tier 2 Projects
- BAU
- Tier 1 - Complex

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CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Leah Woodlock

Generated on: 10 April 2024



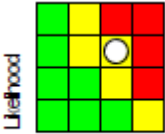
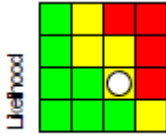

Rows are sorted by Risk Score

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/Risk Approach	Current Risk score change indicator
238 Sustainable Medium Term Finance - City's Estate	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility). Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p>Effects: The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of</p>	<p>Lifehood Impact</p>	16	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25 through carried forward from 2023/24 underspends.</p> <p>On-going pressures totalling £3.8m, plus net 3% inflation uplift approved in 2024/25 budgets.</p> <p>Earning more income from property investment portfolio – diversification of asset portfolio.</p> <p>The five-year financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision for works going forward totalling £71m.</p> <p>Funding strategy identifies where best</p>	<p>Lifehood Impact</p>	8	31-Mar-2025	

31-Oct-2022 Caroline Al-Beyerty	expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.			to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves. Quarterly monitoring of capital programme against budgets. Developing income generation opportunities. Renewed approach to transformation under pinned by a clear communication plan to Members. 26 Mar 2024				Reduce	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and construction inflation impacts on capex programme • Monitor the use of inflation contingency	<ul style="list-style-type: none"> • Regular monitoring the office of budget responsibility's inflation forecasts, currently at 3.2%. • Identify areas that are forecasting to exceed budget envelope due to inflation increases, and review action. Chief Officer deep dives scheduled during May 2024. 	Sonia Virdee	17-Apr-2024	31-Mar-2025
CR38e	Monitoring key income streams • i.e. rental income from the property investment portfolio.	<p>This is being monitored monthly, with action being taken to within the portfolio to maximise income generation opportunities.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</p> <ul style="list-style-type: none"> • Lord Mayor Show and events across the Corporation • Advertising • Filming inside and outside the square mile • Retail opportunities • Fees and Charges Update on Income Generation to Resource Allocation Sub Committee due 	Sonia Virdee; Genine Whitehorse	17-Apr-2024	31-Mar-2025

		on 2 May 2024.			
CR38f	Delivering the current savings programme and securing permanent year-on-year savings.	Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk departments are undertaking monthly revenue monitoring.	Sonia Virdee	26-Mar-2024	31-Mar-2024
CR38g	Remain within the financial envelopes approved for major projects.	Monthly updates on major projects forecasts and issues arising.	Sonia Virdee	11-Jan-2024	31-Mar-2029
CR38h	Bringing third party capital to surplus operational property opportunities.	Identified initial opportunities which have been supported by Resource Allocation Sub Committee. Proposals for each opportunity to be worked up and submitted for member consideration to relevant Committees, due in Spring/Summer 2024.	Sonia Virdee; Paul Wilkinson	17-Apr-2024	30-Jun-2024
CR38i	Undertake the Charities Review (Natural Environment)	The ability for charities to fundraise and generate more income to support ambitions for activities and operational property requirements. Updates to Efficiency and Performance Working Party scheduled for July and September 2024.	Emily Brennan; Sonia Virdee	17-Apr-2024	31-Dec-2024
CR38j	Plans in place to reduce future deficits.	City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the cumulative deficit is forecast to be £490m (including drawdown of financial asset gain of £158m). This is not sustainable over the longer-term period and radical decisions are needed now on how best to bring down the annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation, over and above those already identified (income generation, , operational property review, investment property review and charity review) underpin by a clear communication plan to all members, so they are aware of the challenges ahead. Review of Executive Leadership Board planning for getting back to balance and operationalising the Corporation plan will be taken to Resource Allocation Sub Away day in July.	Sonia Virdee; Genine Whitehorne	17-Apr-2024	31-Mar-2025

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/Risk Approach	Current Risk score change indicator
CR33 Major Capital Schemes	Cause: The City Corporation has set itself the ambition to deliver at least three landmark multi-million pound capital schemes over the next decade (currently programmed to complete 2028). Event: there is insufficient technical and professional		12	The project governance review has recommended a move to a portfolio management model which will more effectively manage the prioritisation of projects aligned to strategic		8	31-Mar-2029	

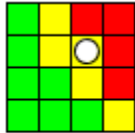
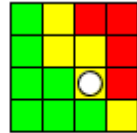
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<p>capability and resource to effectively deliver the schemes. Effects:</p> <ul style="list-style-type: none"> • Schemes not delivered on time • Inability of the organisation to move at the required pace • Potential for increased capital costs as a result of delayed decision making • Reputational impact on the Corporation vis a vis key stakeholder across London and UK Govt. • Potential revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police) • failure to deliver on corporate outcomes 			<p>objectives and the allocation of resources to enable successful delivery.</p> <p>A high-level implementation plan was agreed by P&R in July 2023 and a detailed delivery plan is now in development. This new model will provide greater visibility of any risks and provide assurance regarding organisational capability and capacity.</p> <p>The project team are currently undertaking project health-checks. Work continues on procuring and implementing a new project management system.</p> <p>Working towards a launch on the new project procedure and support structures in August 2024.</p> <p>Monthly monitoring of cashflow forecasting continues.</p> <p>20 Apr 2024</p>				
						Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR33h	Implement a new project governance approach	<p>The Town Clerk's portfolio board commenced in November 2023.</p> <p>A portfolio overview report has been prepared for the February 2024 Projects and Procurement sub-committee, with one-off funding approved by CoCo on 7 March, further work required during 2024/25 to identify permanent funding source.</p>	Genine Whitehorne	17-Apr-2024	30-Sep-2024
CR33i	Undertake Tier 1 programme health checks.	The health check reviews are currently being undertaken by the Programme Governance team between February 2024 and April 2024.	Matthew Miles	26-Mar-2024	30-Apr-2024
CR33j	Refresh the Project Management Academy	Discussions being held with previous provider, looking at refreshing learning content.	Sarah	16-Apr-	30-Apr-

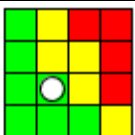
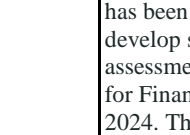

			Baker	2024	2024
CR33k	Procure and implement a new project management system	Plans are being developed to procure and implement a fit-for-purpose project management system, which has the functionality of a portfolio view. The initial system proposal exceeded the anticipated costs.	Matthew Miles	20-Apr-2024	30-Apr-2024
CR33l	Monitor the high-level cashflow/forecast monthly	The Investment Management Monthly Meeting has been established. Membership includes the CIO, Corporate Treasury, and Financial Services and is led by the Chamberlain. The Chamberlain's Assurance Board has also been established to review the financial dashboards and forecasts for the Major Programmes.	Sonia Virdee	20-Apr-2024	31-Mar-2029
CR33m	Secure Third-Party Funding	Report being bought back by officers in the spring.	Sonia Virdee/ Paul Wilkinson	20-Feb-2024	30-Jun-2024
CR33n	Provide regular Member updates	A project update report has been prepared Finance Committee, City Bridge Foundation Board and Policy & Resources Committee.	Genine Whitehorne / Sonia Virdee	20-Feb-2024	31-Mar-2029

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/Risk Approach	Current Risk score change indicator
<p>CR35 Unsustainable Medium Term Finances - City Fund 19-Jun-2020</p>	<p>Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth. The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit.</p> <p>Effect: Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community. Challenges in executing the capital program and major projects within affordable limits.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</p>  <p style="text-align: center;">Impact</p>	<p>12</p>	<p>Inflation rates to be monitored quarterly and an inflation contingency to be maintained in 2024/25 through carried forward from 2023/24 underspends.</p> <p>Pressures on adult social care, children services, security and policing addressed through increase in taxes and business rates premium.</p> <p>Other on-going pressures totalling £3.2m, plus net 3% inflation uplift approved in 2024/25 budgets.</p> <p>The medium-term financial plan includes cyclical works programme to cover bow-wave of outstanding works and provision for works going forward, totalling £62.7m.</p> <p>Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.</p> <p>Quarterly monitoring of capital programme against budgets.</p> <p>Developing income generation opportunities.</p> <p>Renewed approach to transformation underpinned by a clear communication plan to Members.</p> <p>26 Mar 2024</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</p>  <p style="text-align: center;">Impact</p>	<p>8</p>	<p>31-Mar-2026</p>	<p style="text-align: center;">■</p> <p style="text-align: right;">Constant</p>
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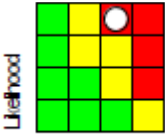
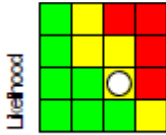

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme <ul style="list-style-type: none"> • Use of inflation contingency 	<ul style="list-style-type: none"> • Regular monitoring the office of budget responsibility's inflation forecasts, currently at 3.2%. • Identify areas that are forecasting to exceed budget envelope due to inflation increases. 	Sonia Virdee	17-Apr-2024	31-Mar-2026
CR35c	Remain within the financial envelopes approved for major projects.	Monthly update on major projects forecasts and issues arising.	Sonia Virdee	26-Mar-2024	31-Mar-2029
CR35f	Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority) <ul style="list-style-type: none"> • Develop income generation opportunities 	<p>Court of Common Council approved reprofiling of remaining fundamental review savings, to allow sufficient time to embed these through income generation opportunities.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to:</p> <ul style="list-style-type: none"> • HARC – Heathrow Animal Reception Centre • Events across the Corporation • Advertising • Filming inside the square mile • Retail opportunities • Fees and Charges. <p>Remaining £0.4m unidentified savings from the 12% savings programme is being worked on and expected to be delivered during 2024/25. Chief Officer deep dives scheduled during May 2024. Update on Income Generation to Resource Allocation Sub Committee due on 2 May 2024.</p>	Alistair Cook; Sonia Virdee; Genine Whitehorse	17-Apr-2024	31-Mar-2026
CR35g	Plans in place to reduce future deficits.	The medium-term financial plan is only balanced over the next four years with the use of general fund reserves and further savings and/or revenue raising by increasing Council Tax and Business Rate Premium. City Fund moves into deficit position from 2026/27 onwards. Previously the business rate growth had been kept separate to fund the major projects and not relied on to balance the in-year position, due to increases in inflation and reductions in property income forecasts this is no longer possible. Radical decisions are now needed on how best to bring down the annual operating deficit, over and above those already identified (income	Sonia Virdee; Genine Whitehorse	17-Apr-2024	31-Mar-2026

		<p>generation, operational property review, investment property review), including major changes or stoppages to existing services provision and/or reduction in grants. This will require a renewed approach to transformation underpin by a clear communication plan to all members, so they are aware of the challenges ahead.</p> <p>Review of Executive Leadership Board planning for getting back to balance and operationalising the Corporation plan will be taken to Resource Allocation Sub Away day in July.</p>			
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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/Risk Approach	Current Risk score change indicator
DRB 001 Chamberlain's department transformation and knowledge transfer 12-Nov-2021 Caroline Al-	<p>Cause: The TOM changes are insufficient or implementation of radical change fails. The impact of the flexible retirement scheme has been taken up by many long term colleagues leaving the corporation in March 2022. The TOM is also creating anxiety which in turn could cause colleagues to find roles elsewhere.</p> <p>Event: Culture change is insufficient. Corporate memory is lost. The Chamberlain's Department is not fit for the future.</p> <p>Effect: Chamberlain's Department fails to deliver its objectives.</p>	 <p>Lielihood</p> <p>Impact</p>	4	<p>A reducing risk within Financial Services.</p> <p>The remaining key vacant posts in Financial Services Division were advertised during January and a number of successful appointments have been made. Key risk remains within capital positions.</p> <p>The Learning and Engagement Board has been relaunched to support and develop staff. A skills matrix assessment has been commissioned for Finance Staff to commence in Q1, 2024. The assessment has been tested by several SLT members before rolling out to the wider team.</p>	 <p>Lielihood</p> <p>Impact</p>	4	31-Mar-2025	

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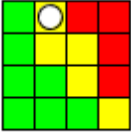
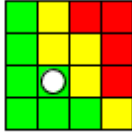

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB001b	Colleagues are provided with the training they need to fulfil their role.	<p>The departmental Learning & Engagement Board was re-launched on 21 June with a renewed vision, terms of reference and refined learning objectives.</p> <p>An all-staff learning survey was circulated in to request feedback on individual needs which has informed the learning priorities for 23/24.</p> <p>A skills matrix review is planned to independently analyse strengths and areas for improvement for Chamberlain’s staff. This will be undertaken by CIPFA in the coming weeks.</p> <p>Key workstreams for the board have been identified and are currently being progressed.</p> <p>A programme of learning events has been developed in the last few months training sessions have been delivered on AP, particularly around the PO process. A Lunchtime learning session has also been delivered on Excel which was well attended and was well received. Separate to the above, the Financial Services Division have carried out training sessions to support staffs continued professional development; these sessions have been mandated to support staff with upskilling through the year end close-down process. Training sessions will be programmed into annual forward plans to ensure continued development. In addition, succession planning is now being reviewed to support skill shortages within capital, supported by excellent interim support. From May 2024 the senior finance team leader post will be starting which will enhance our capacity in this area and the expectation is that professional development focus will increase significantly during 2024/25.</p>	Phil Black / Sonia Virdee	17-Apr-2024	31-Mar-2025

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/Risk Approach	Current Risk score change indicator
CHB 002 Housing Revenue Account Financials	<p>Cause: The embedded increased impact of inflation, following peak of 10.7% in Autumn 2022. Potential issue around non-recoverability of elements of service charge costs due to inadequate s20 consultation process</p> <p>Event: Inability to contain financial pressures on the Housing Revenue Account, especially around repairs and maintenance costs, management costs and depreciation charges . Additionally, challenges in controlling</p>		16	The latest financial position on the overall HRA, including the reviews noted above will form part of the balanced HRA Estimates report was agreed in January. An updated five year financial projection will be drawn up after the year end Closing position is agreed. Latest projections show the		8	31-May-2025	

16-Oct-2023 Mark Jarvis; Sonia Virdee	construction inflation or the inability to readjust capital projects within budget parameters pose further risk. Effect: The City Corporation's reputation is damaged due to failure to deliver housing services.			revenue funding position remains precarious and vulnerable to revenue overspends or significantly rising capital costs (leading to higher loan repayments and interest charges). On 7 March Court of Common Council approved rent increases of 7.7%. 17 Apr 2024				Reduce	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB002a	Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Close monitoring of capital schemes is required during 2024/25, update to be provided in regular reporting of capital forecasts due in the revised HRA 5 Year Plan after Closing. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.	Mark Jarvis	26-Mar-2024	31-May-2024
CHB002b	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The level of the internal recharge to the HRA is being reviewed as part of a City wide recalibration and amend the 2024/25 estimated figure once agreed.. The current repairs and maintenance contract has been extended by one year and is being re-procured for 2025/26. The recommendations for change coming out of the Pennington review are being implemented by Housing. The calculation of the depreciation charge has been reviewed with external valuers and reduced accordingly – this will offset a significant proportion of inflationary revenue pressures. The latest 2023/24 position and 2024/25 draft Estimates show a finely balanced position.	Mark Jarvis	17-Apr-2024	31-May-2024

Risk no, title, creation date,	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score	Risk Update and date of update	Target Risk Rating & Score	Target Date/Risk	Current Risk score
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owner							Approach	change indicator
CHB003 Inconsistent application of the internal control environment	Cause: Inconsistent application of internal controls across the City of London Corporation, including but not limited to: <ul style="list-style-type: none"> • Failure of staff management to adhere to financial and procurement regulations, leading to: <ul style="list-style-type: none"> • Poor Purchase Order Compliance • Inefficient budget management • Delays in setting up Project Codes due to governance • Ineffective contract and supplier management • Lack of management oversight of purchasing activities • Misinterpretation and inconsistent understanding of financial and procurement regulations • Inconsistent guidance from subject matter experts • Complex procedures driving officers towards using workarounds Event: <ul style="list-style-type: none"> • Increase in transactional errors • Decrease in payment performance • Impact on cashflow management and accuracy of forecasting • Heightened demand for customised approvals and urgent decisions • Diminished strategic challenge capacity • Disrupted delivery of Business as Usual (BAU) operations Effect: <ul style="list-style-type: none"> • Failure to achieve value for money • Negative internal and external audit opinions • Detrimental effects on supplier partnerships and commercial appeal to the market 	 Likelihood Impact	8	Materialising in various ways, indications are emerging of the inconsistent implementation of internal controls throughout the Corporation. A number of mitigations have been identified to improve compliance and overall benefits of controls. A significant emphasis is placed on user training and understanding to ensure effective adherence to internal spending and purchasing controls. This risk takes precedence as additional occurrences will adversely affect the ability to achieve a balanced medium-term financial plan.	 Likelihood Impact	4	31-Dec-2024	
							Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB003a	Implementing mandatory system training and periodic refresher courses for all users.	New starter onboarded will include system training before login is authorised. Non-compliant users, are to repeat the training course. Training to be captured as a part of performance development.	Daniel Peattie	28-Feb-2024	31-Dec-2024
CHB003b	Design and maintain a comprehensive Chamberlain's Integrated Financial Performance Dashboard, seamlessly linking procurement and financial data.	Continue to report to ELB and senior management teams on the payment and PO compliance by teams/departments. Reviewing reports and adding trends to dashboard. These reports will encourage accountability at the right level. Developing a combined Finance payment performance and procurement compliance dashboard. Identifying 'non-compliant' areas. A meeting has been booked with the commercial team to review available reporting data outputs.	Leah Woodlock	16-Apr-2024	30-Jun-2024
CHB003c	Review gateway process and project budget code creation.	Underway as part of project governance review. Considering the separation of capital accounting arrangements from project procured.	Genine Whitehorne	28-Feb-2024	30-Sep-2024
CHB003d	Review of financial regulations and are explicit around requirements	Ensuring that our processes are sufficiently streamlined reducing the need for workarounds are being considered across Financial Services Division.	Sonia Virdee	17-Apr-2024	31-Dec-2024
CHB003e	Review of procurement regulations and are explicit around requirements	Ensuring that our processes are sufficiently streamlined reducing the need for workarounds/waivers.	Genine Whitehorne	28-Feb-2024	31-May-2024
CHB003f	Increase the number of internal audits conducted of processes, regulations and compliance	There is a need for additional resource (funding by Finance Committee contingency) to conduct and deliver the additional scrutiny on processes and compliance. A report is being presented to provide more detail.	Matt Lock	16-04-2024	31-Dec-2024
CHB003g	Developing a suite of user-friendly bite-sized training materials.	Using AI technology to create bite-size guidance videos for BAU tasks, e.g. raising purchase orders, receipting orders etc. Reducing the reliance on bespoke training and increasing training availability. Working with the L&OD team to utilise their existing technology to develop the training videos.	Leah Woodlock	16-04-2024	30-Sep-2024
CHB003h	Escalation and enforcement of non-compliance activities	Performance issues to be reported and dealt with by line manager, Finance Director and Commercial Director. Further non-compliance to be escalated to the Chamberlain.	Sonia Virdee; Genine Whitehorne	28-Feb-2024	31-May-2024

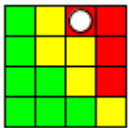
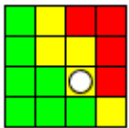

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CHB Corporate and departmental risks - detailed report EXCLUDING COMPLETED ACTIONS

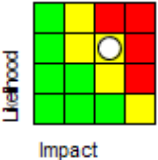
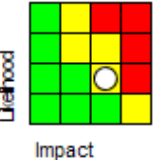

Report Author: Leah Woodlock

Generated on: 10 April 2024



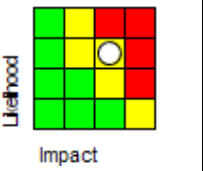
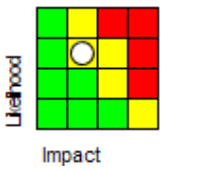

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CR40 PSTN Switch Off 2025 (formerly CHB DITS)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 91</p> <p>26-Feb-2024 Zakki Ghauri</p>	<p>Cause: BT will retire their PSTN (Copper) Network at the end of 2025. Rendering all current connections redundant.</p> <p>Event: All current PSTN (Copper) connections will become unusable by the end of 2025. Forcing an upgrade to digital fibre or mobile services.</p> <p>Effect: All of our PSTN connections will cease at the end of 2025. This is in the range of 8,500 connections, which are linked to Lift/BMS/Fire Alarms and Door entry systems. Should these systems fail to be upgraded by the end of 2025, this could lead to essential services being inactive, without anyone being aware. This work will have significant financial impact to complete and failure to complete will have significant reputational impact.</p>	 <p>Use of hood Impact</p>	<p>16</p>	<p>We are proposing that this be tracked as a Corporate risk and we are going through the required processes for this to be done.</p> <p>To mitigate the risk, a review of the connections, locations and services supplied will be required to fully identify the total number of connections supplying critical services. A Solutions Architect has been assigned to this. We are in regular communication with our various vendors and key stakeholders throughout the business to identify the services provided by these connections. We currently estimate this work to take 6 months.</p> <p>A programme of work will be developed throughout this review and will detail mitigations for those connections onto digital fibre or mobile enabled services ahead of the 2025 sunset date.</p> <p>10 Apr 2024</p>	 <p>Use of hood Impact</p>	<p>8</p>	<p>01-Jun-2026</p>	<p></p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CBH DITS 045g	Review Plan	DITS PMO will review the remediation plans with FM (CoL/CoLP), H&S, ED&I and Security Operations. Making sure they are fit for purpose and capture all the relevant details.	Sam Collins	10-Apr-2024	01-Oct-2024
CBH DITS 045h	Order New Lines and Hardware	DITS PMO will place the orders for the new connections along with any hardware requirements identified within the remediation plans.	Sam Collins	10-Apr-2024	01-Dec-2024
CBH DITS 045i	New Services	DITS PMO will assist in the co-ordination of the implementation of new services, along with any installation of new hardware required	Sam Collins	10-Apr-2024	01-Oct-2025
CBH DITS 045j	Testing	DITS PMO will co-ordinate the post implementation testing for all new services and or hardware.	Sam Collins	10-Apr-2024	15-Nov-2025
CHB DITS 045a	Investigations into the 8,500 connections identified as part of PSTN sunset in December 2025.	Our ongoing investigation, initiated and scheduled to conclude in June 2024, aims to identify the scope and dependency of the 8,500 connections on the PSTN infrastructure. The purpose is to gain insights into the services that are live, understand their criticality, and assess the potential impact of the sunset on each connection.	Chris Rawding	10-Apr-2024	01-Jun-2024
CHB DITS 045c	Undertake a Service Assessment	Upon completion of the investigation, a comprehensive assessment of live services will be conducted. This will include identifying alternative communication services, and understanding the upgrade paths/timings available for each connection.	Chris Rawding	10-Apr-2024	01-Jun-2024
CHB DITS 045d	Identify potential business owners	Engaging with FM (CoL/CoLP), H&S, ED&I and Security Operations. initially to highlight the PSTN risk across all departments and find potential business owners as services and impacts are highlighted	Chris Rawding	10-Apr-2024	01-Jun-2024
CHB DITS 045e	Business owner notification	By June 2024, a detailed report outlining the findings of the investigation will be compiled. This report will then be distributed to FM (CoL/CoLP), H&S, ED&I and Security Operations. The notification will include information about the potential risks associated with the PSTN sunset, details on the current services in use, and recommended upgrade paths.	Chris Rawding	10-Apr-2024	01-Jun-2024
CHB DITS 045f	Remediation Plan	The Facilities Management (CoL/CoLP), H&S, ED&I and Security Operations will be responsible for developing and implementing a remediation plan for their respective services. This plan will outline the necessary steps to migrate or upgrade the affected connections to alternative and sustainable communication solutions.	Richard Gentry; Luca Pagliaroli; Dorian Price; Chris Rawding; Paul Roberts; Trevor Ulla	10-Apr-2024	06-Sep-2024
CHB DITS 045k	Continuous Monitoring	DITS will provide continuous monitoring of progress, tracking the remediation efforts to help identify and address any issues promptly. This includes regular communication with business owners, providing support, and making adjustments to the plan as necessary.	Sam Collins	10-Apr-2024	31-Dec-2025

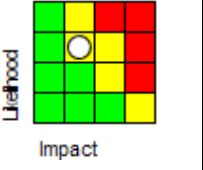
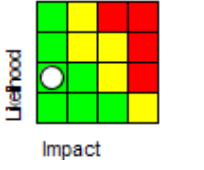

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CHB DITS 040 Resilience and complexity COL/COLP Page 93 26-Feb-2024 Chris Rawding	Cause: A lack of end-to-end resilience of critical services remain, or technology areas remain complex. Event: There is a major failure in critical parts of the IT infrastructure, which is difficult to avoid, remediate or recover from. Effect: Significant incident could lead to an impact to productivity of the business with loss of access to Critical systems. Could lead to financial and reputational impact	 Likelihood Impact	12	<p>Our Solution Architect in conjunction with the TDA have developed a Roadmap HLD</p> <p>This has been peer reviewed by all of the DITS technology heads as SMEs and the TDA.</p> <p>The secondary resilient internet connection has been installed and configured for active/active use.</p> <p>We have a list of current “Top Critical Apps” for presentation to SLT before End Nov 23.</p> <p>Following this, we will produce runbooks for these apps</p> <p>The creation of runbooks is underway and being driven by the security function, which feeds into the creation of our cyber response planning</p> <p>10 Apr 2024</p>	 Likelihood Impact	8	31-Mar-2024	
							Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CHB DITS 040b	<i>Plan DR Testing</i>	Following final configuration, the secondary Guildhall internet connection has been failover tested and is confirmed running Active/active. This is Scenario 3 in the BCDR Plan, in which we now have 7 scenarios agreed. Runbooks and scheduling for remaining DR Test Scenarios in progress	Graham Venn	10-Apr-2024	29-Feb-2024

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/Risk Approach	Current Risk score change
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							indicator
CR29 Information Management 08-Apr-2019 Caroline Al-Beyerty	Cause: Lack of officer commitment and investment of the right resources into organisational information management systems and culture. Event: The City Corporation's IM Strategy (2018-2023) is not fully and effectively implemented Effect: a) Not being able to use relevant information to draw insights and intelligence and support good decision-making. b) Vulnerability to personal data and other information rights breaches and non-compliance with possible significant ICO fines or other legal action. c) Waste of resources storing information beyond usefulness.		12 DITS have completed the Data Maturity Assessment facilitated by Microsoft / Hitachi Solutions. This has served to establish priority areas of focus and will be used to inform a refresh of the current IT Strategy. Transformation Funding has been secured to progress with the short term recommendations of the assessment with initial actions due for completion by end of March 2024. 10 Apr 2024		6	31-Mar-2024	
						Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29j	Draft Data Strategy	Data is a core component of the future DDaT Strategy. The workshops now complete and the draft document has been circulated more widely for comment	Sam Collins	10-Apr-2024	31-Mar-2024
CR29l	Remediate Data Maturity Assessment	A temporary PowerBI Architect and Data Governance Officer were recruited and are implementing the recommendations from the Data Maturity Assessment completed last year. A Head of Data role has been recruited as a 12 month secondment	Sam Collins	10-Apr-2024	31-Mar-2024

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/Risk Approach	Current Risk score change indicator
CHB DITS 044 Business Intelligence (PowerBI) - Technical Support 26-Feb-2024 Sam Collins	Cause: There is a lack of capability and capacity within DITS technical support for the Corporate Business Intelligence Tool (Microsoft PowerBI). This was raised as a concern but was not addressed through the TOM in 2022. Event: There is an increasing reliance upon PowerBI for Corporate Reporting across COL and COLP and already it is being used for tracking Climate Action (COL), Key Corporate Information (COL) and NICHE (COLP). Effect: DITS are unable to resolve technical support issues and ensure that COL / COLP are adhering to best practice in terms of the use of PowerBI Gateways, automation of		Following the outcome of the Data Maturity Assessment with Hitachi alternative roles for a Head of Data and Data Engineer have been redrafted and approved at the Job Evaluation Board. The Head of Data role will be out to recruitment again in January 2024. 10 Apr 2024		31-Aug-2024	
						Constant

reporting, cleansing, and sharing of datasets. PowerBI would become a 'Digital Veneer' masking a significant amount of poor practice in terms of disparate datasets and manual practices						
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date

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