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| Committee | Date |
| Finance & Estates Committee of the Board of Governors of the City of London School | 12 February 2020 |
| Board of Governors of the City of London School | 11 March 2020 |
| Subject: Risk Register 2019-20 for: The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and The City of London School Education Trust | Public |
| Report of: The Chamberlain and The Bursar of The City of London School | For Decision |
| Report author: Steven Reynolds, Chamberlain's Department | |

Summary

This report provides a key risks register at Appendix 2 for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and, at Appendix 3, a key risks register for The City of London School Education Trust, both for review by Members on behalf of the trustee (the City of London Corporation), to ensure that existing risks are reconsidered, any new risks are identified and that appropriate measures are in place to mitigate those risks.

These registers have been prepared and scored using the City of London Corporation Risk Matrix at Appendix 1.

Currently, the risk register for the Bursary Fund contains eight risks, of which six are assessed as green and two which are amber. Risk five is a new risk which recognises that funding from the City may reduce in the future. This is an amber risk and further detail is provided in paragraph 5 of this report. The register for the Education Trust contains four risks, all of which are assessed as green. Whilst still green, the score of risk one, relating to grants being awarded for purposes not complying with the charity's objectives, has increased from 1 to 4 and this is explained in paragraph 8. No other new risks have been identified since the last annual register was presented to this Board and the other risk scores remain unchanged. There are currently no red risks on either register.

Recommendations

Members are asked to review the two risk registers to confirm that they satisfactorily set out the risks facing the School's two charities and that appropriate measures are in place to mitigate those risks.

Main Report

Background

1. This report provides a key risks register for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund at Appendix 2 and a key risks register for The City of London School Education Trust at Appendix 3, both administered by the Board of Governors of the City of London School on behalf of the trustee (the City of London Corporation).
2. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), Trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks.
3. The Charities SORP requires that the register is reviewed annually to ensure that existing risks are reconsidered and any new risks are identified.

Review of Risks

4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report.
5. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund is set out in Appendix 2. This contains eight risks as summarised below:
 1. Income from investments may decline – overall risk score of amber (12);
 2. Awards may not comply with objectives – overall risk score of green (1);
 3. Applicants do not disclose full details – overall risk score of green (3);
 4. Insufficient beneficiaries – overall risk score of green (4);
 5. NEW RISK: Funding from the City may reduce – overall score of amber (8);
 6. Charity lacks direction, strategy, and forward planning – overall green (4);
 7. Conflicts of interest – overall risk score of green (1); and
 8. Loss of staff – overall risk score of green (3).

Mitigation of amber risks

Risk one is mitigated through investments being managed by a professional fund manager, whose performance is monitored by the Chamberlain and Financial Investment Board. All current measures are being taken and nothing further can be done (at this time) to mitigate the risk.

Risk five is a new risk, which would be mitigated through trying to agree a phased approach to any reduction to ensure that replacement funds could be found from elsewhere.

6. In regards to risk six, a review of the charities is currently being undertaken by the School, alongside legal experts, and this is anticipated to result in improved direction and strategy. The current risk is assessed as green with a score of 4 and this is anticipated to reduce to 2 following completion of the review.
7. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Education Trust is set out in Appendix 3. This contains four risks as summarised below:
 1. Awards may not comply with objectives – overall risk score of green (4);
 2. Charity lacks direction, strategy, and forward planning – overall green (4);
 3. Conflicts of interest – overall risk score of green (1); and
 4. Loss of staff – overall risk score of green (3).
8. The score of risk one is still classified as a green risk, but the score has increased from 1 to 4. However, it has been recognised that the charity lacks purpose, has only minor funds associated with it and the charity is currently in the process of being wound up, which will mitigate this risk.

Conclusion

9. The various risks faced by the two charities have been reviewed and Members are asked to confirm that the attached registers satisfactorily set out the key risks together with their potential impact and that appropriate measures are in place to mitigate the risks identified.

Appendices

- Appendix 1 – City of London Corporation Risk Matrix
- Appendix 2 – Charity Risk Register for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund
- Appendix 3 – Charity Risk Register for The City of London School Education Trust

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