

<b>Committee:</b>	<b>Date:</b>
Board of Governors of the City of London Freeman's School	11 June 2021
<b>Subject:</b> Annual review of risk registers for: City of London Freeman's School Bursary Fund and Charities Administered in Connection with the City of London Freeman's School	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	3, 4, 8
<b>Does this proposal require extra revenue and/or capital spending?</b>	N/A
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> The Chamberlain The Bursar of the City of London Freeman's School	<b>For Decision</b>
<b>Report author:</b> James Hewett (Chamberlain's Department)	

### Summary

This report provides a key risks register at Appendix 2 for City of London Freeman's School Bursary Fund (charity no: 284769) and, at Appendix 3, a key risks register for Charities Administered in Connection with the City of London Freeman's School (charity no: 312120), both for your review 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.

The risk register for City of London Freeman's School Bursary Fund contains eight risks, of which five have a green score and three are amber. No new risks have been identified since the last annual register was presented to this Board and the risk scores remain unchanged.

There are seven risks on the risk register of Charities Administered in Connection with the City of London Freeman's School, five of which are green and two are amber. No new risks have been identified since the last annual register was presented to this Board and the risk scores remain unchanged.

There are currently no red risks in either charity.

## **Recommendation**

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

## **Main Report**

### **Background**

1. This report provides a key risks register for The City of London Freeman's School Bursary Fund at Appendix 2 and a key risks register for Charities Administered in connection with The City of London Freeman's School at Appendix 3, both administered by the Board of Governors of the City of London Freeman's 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. City of London Freeman's School Bursary Fund

The first risk register to be reviewed is for The City of London Freeman's School Bursary Fund and is set out in Appendix 2. The risk register is now recorded on the City's risk management system 'Pentana', and so it is now in line with the presentation of other risk registers across the City. The register contains eight risks as summarised below:

1. Income from investments may decline – overall risk score of amber (12);
2. Funding from the City may reduce – overall risk score of amber (8);
3. Insufficient beneficiaries – overall risk score of amber (8);
4. Charity lacks direction, strategy, and forward planning – overall green (2);
5. Applicants do not disclose full details – overall risk score of green (2);
6. Loss of staff – overall risk score of green (2);
7. Awards may not comply with objectives – overall risk score of green (2); and
8. Conflicts of interest – overall risk score of green (1).

### Mitigation of amber risks

Risk 1 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 2 would be mitigated through trying to agree a phased approach to any funding reduction to ensure that replacement funds could be found from elsewhere.

Risk 3 is mitigated by the School through advertising and by actively looking to find suitable beneficiaries.

## 6. Charities Administered in Connection with the City of London Freeman's School

The second risk register to be reviewed is for the Charities Administered in connection with The City of London Freeman's School and is set out in Appendix 3. The risk register is now recorded on the City's risk management system 'Pentana', and so it is now in line with the presentation of other risk registers across the City. The register contains seven risks as summarised below:

1. Income from investments may decline – overall risk score of amber (12);
2. Insufficient beneficiaries – overall risk score of amber (8);
3. Charity lacks direction, strategy, and forward planning – overall green (2);
4. Applicants do not disclose full details – overall risk score of green (2);
5. Loss of staff – overall risk score of green (2);
6. Awards may not comply with objectives – overall risk score of green (2); and
7. Conflicts of interest – overall risk score of green (1).

### Mitigation of amber risks

Risk 1 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 2 is mitigated by the School through advertising and by actively looking to find suitable beneficiaries.

## **Conclusion**

7. The various risks faced by both 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 - Risk Register for the CoL Freeman's School Bursary Fund (charity no: 284769)

- Appendix 3 – Risk Register for the Charities Administered in connection with the CoL Freeman's School (charity no: 312120)

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