

Committee(s): Audit and Risk Management Committee	Dated: 13 May 2024
Subject: City of London Corporation Risk Management Strategy 2024-2029	Public
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Dionne Corradine, Chief Strategy Officer	For Decision
Report author: Olivia Plunkett, Corporate Strategy Officer	

Summary

This report seeks the endorsement from the Audit and Risk Management Committee (A&RMC) for the draft risk Management Strategy 2024-2029. The strategy outlines a set of ambitious objectives delivered through an agile and robust risk management approach, to ensure that the City Corporation upholds its duties and delivers its priorities now and in the future. It supports and aligns with organisational ambitions including our Corporate Plan 2024-2029 strategic outcomes.

Recommendation(s)

Members are asked to:

- Endorse the draft Risk Management Strategy 2024-2029.
- Authorise the Chief Strategy Officer to agree and finalise any minor changes to the content of the draft Risk Management Strategy 2024-2029, in consultation with the Chair of the Audit and Risk Management Committee.

Main Report

Background

1. The current Risk Management Policy and Strategy was written in 2019 and was last endorsed by this Committee in May 2021 following the annual review.
2. Risk Management transferred to Corporate Strategy and Performance in April 2022. The Strategy has been periodically checked; however, a complete review was postponed pending the appointment of a Risk Manager and delivery of the Corporate Plan 2024-2029.
3. The review took place during January to March 2024, enabling the Risk Strategy to be aligned to ambitions being outlined under the Town Clerk's 'Fantastic Five Years' (including the new Corporate Plan, the People Strategy, Digital Strategy,

Transformation Programme, Enterprise Resource Planning (ERP), etc.). It was also informed by Audit and Risk Management Committee feedback on culture and approach, the Chief Officer Risk Management Group (CORMG), the Executive Leadership Board, Internal and External Audit reviews and best practice. Officers were additionally engaged via the Risk Management Forum (RMF), which comprises risk coordinators and others across the City Corporation.

The Strategy

4. The Risk Management Strategy 2024-2029 consists of:
 - a. Introduction/context
 - b. Strategic objectives
 - c. Action plan, including performance measures
 - d. Governance

5. The Risk Management Strategy 2024-2029 differs from the current iteration in:
 - a. The articulation of five-year strategic objectives aligned with the Corporate Plan and People Strategy
 - b. The inclusion of an action plan to guide work to achieve the strategic objectives
 - c. Measurements to help assess progress and success of the strategy
 - d. Separation of the overarching Risk Management Strategy from the Risk Management Policy document.^{1,2}

6. Four strategic objectives ensure that risk management is embedded, there is clear direction, and the City Corporation can strive towards becoming a leader in risk management. The strategic objectives are:
 - a. ***An agile and effective risk management approach***

We will simplify risk management approaches and ensure risk is an enabler embedded within activities (e.g. business planning, budget setting, etc.) to support greater accuracy and efficiency overall. Early risk identification and escalation will be prioritised over issue management, and mitigating actions regularly reviewed, with clear accountabilities understood across City Corporation.

 - b. ***Enhanced risk culture***

We will foster a culture where employees understand and prioritise risk, where equity, equality, diversity, and inclusion is an established aspect of our risk management framework, and all are proactively engaged and committed to risk management. This unified, collaborative approach to risk management will combat siloed approaches and foster shared knowledge and practices among departments and Institutions.

² The Risk Management Strategy 2024-2029 sets our strategic direction for corporate risk management and outlines the activities we will undertake to achieve our objectives. The Risk Management Policy will support the identification, logging, updating, and reporting of risks in line with the direction of the overarching strategy. An updated Risk Management Policy will be drafted following the endorsement of the strategy.

c. Informed decision making

We will embed risk management as a cornerstone of our organisation, guiding strategic decisions and providing decision-makers with data-driven insights. We will ensure that decision makers have a thorough understanding of their role in risk management and use scoring and appetite levels to plan for the future.

d. An appetite for risk

We will increase our organisational understanding of risk appetite and identify opportunities for growth and innovation, promoting and facilitating an environment that encourages informed risk-taking, supported by an embedded trust of officers. Risk appetite will enable us to adjust our operations in response to changing circumstances and ensure continued alignment with organisational objectives.

7. An action plan detailing short, medium, and long-term activities supporting delivery of the strategic objectives is outlined. These actions include measurements that will be evaluated and reported to this Committee annually. The action plan will evolve over the life of the strategy.
8. The achievement of the strategic objectives is dependent on a number of factors. While risk management processes and risk frameworks are in place, the successful delivery of this strategy will only be possible if cultural change across the organisation that is already in train is fully enacted. This includes, but is not limited to, work to define our corporate values and behaviours, manage operational transformation and change, establish a no-blame culture, and develop our data and analytics maturity. The annual reviews of this strategy will capture any progress on these dependencies.
9. On 25 April 2024, CORMG approved the strategy authorising the Chief Strategy Officer to seek endorsement from A&RMC.

What's Next?

10. Following endorsement by this Committee the strategy will follow a yearly cycle beginning with agenda setting, followed by communication with risk officers, implementation, and then progressing to the yearly review with CORMG and A&RMC (see figure 1 and 2).



Figure 1. Progress over the lifetime of the Strategy



Figure 2. Risk Management Strategy yearly process

Corporate & Strategic Implications

Strategic implications

11. When endorsed, the Risk Management Strategy 2024-2029 will work to support the City of London Corporation corporate strategy (outlined in the Corporate Plan 2024-2029), covering the five-year period as well as providing context and direction longer term.

Financial implications

None

Resource implications

None

Legal implications

12. The Risk Management Strategy 2024-2029 seeks to meet its obligations under the Accounts and Audit Regulations 2015 to have “effective arrangements for the management of risk”.

Risk implications

13. The Risk Management Strategy 2024-2029 sets out the City Corporation’s approach to taking and managing risks. The strategy, alongside the forthcoming Risk Management Policy, is a key element of the City Corporation’s corporate

governance and internal control framework and will help to ensure appropriate and comprehensive management of all City Corporation risks.

Equalities implications

None

Climate implications

None

Security implications

None

Conclusion

14. This report provides the draft Risk Management Strategy 2024-2029 and outlines the approach to its development.

15. A&RMC endorsement will enable the Risk Management Strategy 2024-2029 to be finalised for adoption by the City of London Corporation and embedded into its risk management practices.

Appendices

Appendix 1 – Draft Risk Management Strategy 2024-2029

Background Papers

[Endorsement of previous Risk Management Policy and Strategy](#) – Audit and Risk Management Committee 25 May 2021

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