

Committee	Dated:
City Bridge Trust	2 nd May 2018
Subject: Risk Register for Bridge House Estates (charity number: 1035628)	Public
Report of: Chamberlain and Chief Grants Officer & Director of City Bridge Trust (CGO)	For Decision
Report authors: Steven Reynolds, Chamberlain's Department Jenny Field, City Bridge Trust	

Summary

The report provides this Committee's section of the key risks register for Bridge House Estates (BHE) for review. The Charity Commission's Statement of Recommended Practice (SORP) requires that the register is reviewed annually to ensure that existing risks are reconsidered, any new risks are identified and that appropriate measures are in place to mitigate those risks. This requirement is further emphasised within the Charity Governance Code. BHE is managed by six Committees or Boards, each of which is required to review and monitor risks for the services they oversee e.g. the Planning and Transportation Committee manages risks relating to the five bridges maintained by the charity. Accordingly, a separate risk report has been prepared for each managing Committee or Board.

Four of the risks on the BHE risk register relate to the services overseen by the City Bridge Trust Committee. These relate to financial loss through fraud or theft; grants not being used for their intended purpose; negative publicity leading to reputational damage; and major IS systems failure – the four risks are detailed at Appendix 2. Risks one and three are assessed as green with a score of two (on a risk scale from one to the highest risk score of thirty-two); the second and fourth risks are also assessed as green but with a score of three. Risk two, that a grant is not used for its intended purpose, is additional to the risks set out in last year's report. It has been included because it is deemed to be a real possibility, although officers are of the view that sufficient systems are in place to mitigate the risk, hence its risk score of three.

Recommendations

Members are asked to:

- a) review the four risks currently on the register for this Committee and confirm that appropriate control measures are in place; and
- b) confirm that there are no other risks relating to the services overseen by the City Bridge Trust Committee which should be added to the BHE risk register.

Main Report

Background

1. 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. This requirement is further emphasised within the Charity Governance code, which recommends that effective risk-assessment processes are set up and monitored. This Committee's section of the key risks register for Bridge House Estates (BHE) is set out for review.
2. BHE is managed by six Committees or Boards each of which is required to review and monitor risks for the services they oversee e.g. the Planning and Transportation Committee manages risks relating to the five bridges maintained by the charity. Accordingly, a separate risk report has been prepared for each managing Committee or Board.
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 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. Risk scores range from one, being lowest risk, to the highest risk score of thirty-two. These scores are summarised into 3 broad groups, each with increasing risk, and categorised green, amber or red.
5. Each risk in the register has been considered by the responsible officer within the Corporation who is referred to as the 'Risk Owner' in the register.
6. The City Bridge Trust Committee's element of the BHE risk register is shown at Appendix 2 and contains four risks: the first relating to financial loss through fraud or theft; the second to the grant not being used for its intended purpose; the third to negative publicity leading to reputational damage; and fourth, major IS failure. Controls are in place to mitigate these risks, including an open, transparent and rigorous grants assessment process and, in relation to IT systems, the main grants system GIFTS now running from an Agilisys data centre which is more resilient than the previous server at Guildhall.
7. The second risk, that a grant is not been used for its intended purpose, has been added this year because it is perceived as a real risk although it is mitigated by the Trust's rigorous grants management and monitoring systems as well as the terms and conditions of grant. If there was a serious misuse of funds, for example, to mask/support extremist activities, this would also risk consequential reputational damage for the Trust. Again, however, this is mitigated by the Trust's rigorous assessment and monitoring systems.

8. With regard to risk three, if a funded organisation had a safeguarding breach, there is risk of consequential reputational risk for both the organisation concerned as well as the Trust. To mitigate this risk, the Trust is currently approving its safeguarding policy with the City Bridge Trust Committee, in line with Charity Commission guidance and drawing on the expertise of the CoLC's Children's and Community Services. The Trust has been working closely with a cohort of independent funders to develop best practice. Training for CBT staff and for Members of the City Bridge Trust Committee will follow over the next three months.
9. It should be noted that the Trust launches its new funding programmes for the next years in April. There is a minor risk that the Trust's new funding programmes are not understood within the charitable sector, leading to an insufficient number of applications and/or applications of insufficient quality. This is well-mitigated by a Communications Strategy for the Trust's Bridging Divides programmes and the strategy is underpinned by extensive consultation with the sector. Trust Officers will undertake promotional work through funding road shows once the programmes have been launched.
10. It should also be noted regarding the fourth risk that the Trust is in the process of reviewing its CRM system with a view to purchasing a new system during 2018/19.
11. Risks one and three are assessed as green with a score of two (on a risk scale from one to the highest risk score of thirty-two), the second and fourth risks are also assessed as green but with a score of three. Risk scores for the first, third and fourth risks remain unchanged compared to last year and the current mitigating actions are considered appropriate at this time.

Conclusion

12. The risks faced by the charity have been reviewed and three of those risks have been identified as relating to the services overseen by the City Bridge Trust Committee. The first relates to financial loss through fraud or theft, the second to negative publicity leading to reputational damage and the third to major IS failure. The Committee is requested to confirm that appropriate control measures are in place for these risks and that there are no other risks that should be added to the BHE register in relation to services overseen by the Committee.

Appendices

- Appendix 1 - City of London Corporation Risk Matrix
- Appendix 2 - Charity Risk Register

Contacts:

Jenny Field
Deputy Chief Grants Officer
City Bridge Trust
020 7332 3715
jenny.field@cityoflondon.gov.uk

Steven Reynolds
Group Accountant
Chamberlains Department
020 7332 1382
steven.reynolds@cityoflondon.gov.uk